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SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-Air, Makati City

ATTENTION : **DIR. OLIVER O. LEONARDO**
Markets and Securities Regulation Department

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street, cor. 5th Avenue
Bonifacio Global City, Taguig City

ATTENTION : **ATTY. JOHANNE DANIEL M. NEGRE**
Officer-In-Charge, Disclosure Department

Dear Sir/Madame:

Attached is **SEC Form 17-A (Annual Report 2025)** of MacroAsia Corporation for your records.
Please acknowledge receipt of this report.

Thank you.

Sincerely,

MacroAsia Corporation

By:

RHODEL C. ESTEBAN
Chief Compliance Officer

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

(Contact Person)

8840-2001

(Company Telephone Number)

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Month Day
(Calendar Year)

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Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

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Amended Articles Number/Section

852

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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MACROASIA CORPORATION**December 31, 2025****SEC Form 17-A****ANNUAL REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2025**
2. 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. **Makati, Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction Industry Classification Code
of incorporation or organization

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

10. 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

11. Are any or all of the securities listed on a Stock Exchange?

Yes [☒]No [☐]

Name of Stock Exchange
Philippine Stock Exchange

Class
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 SRC Rule 17.1 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 [☐]

13. Aggregate market value of the voting stock held by non-affiliates: **₱2,385,675,319 (549,694,774 shares @ ₱4.34 per share) as of December 31, 2025**



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PART I. BUSINESS AND GENERAL INFORMATION

This report contains references to MacroAsia Corporation and its subsidiaries and associates, collectively referred to as the “Group”. Any references to “MacroAsia”, “MAC” and “Parent Company” mean MacroAsia Corporation, the parent company, not including its subsidiaries.

ITEM 1. BUSINESS

A. MacroAsia Corporation: Parent Company as a Holding Company

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 include aircraft maintenance, repair, and overhaul (MRO), in-flight catering, airport ground handling, and an aviation training school and commissary operations. It operates a special economic zone at Ninoy Aquino International Airport (NAIA). Beyond the aviation sector, MacroAsia generates revenue from institutional food catering and water concession, and utility services.

For the last three years as of the reporting date:

- Neither MAC nor any of its subsidiaries/associates has ever been the subject of any bankruptcy, receivership, or similar proceedings;
- During this period, MAC and its related entities also had no material reclassifications, mergers, consolidation or purchases of significant amounts of assets not in 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.

<i>Name of Company</i>	<i>Products and Services</i>	<i>Business Development (Last 3 years)</i>
a. MacroAsia Catering Services, Inc. (MACS): <i>(67% owned by MAC; 33% owned by SATS, Singapore)</i> Incorporated on October 25, 1996.	Provides airline catering services to the majority of foreign carriers operating at NAIA, as well as institutional catering for select clients.	MACS remains the largest and preferred foreign-airline caterer at NAIA , serving 4.4 million meals as of December 2025, up from 4.0 million in 2024 and 3.7 million in 2023. As of December 2025, this kitchen had 548 total staff.
b. MacroAsia SATS Inflight Services Corp. (MSISC). <i>(67% owned by MAC; 33% by SATS Ltd., Singapore)</i> 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 7.2 million meals as of December 2025, compared with 6.4 million in 2024 and 6.9 million in 2023. As of December 2025, this kitchen had 714 total staff.
c. MacroAsia SATS Food Industries Corporation (MSFI). <i>(67% owned by MAC; 33% by SATS Ltd., Singapore)</i> 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 15.3 million meals as of December 2025, up from 12.9 million in 2024 and 11.9 million in 2023. As of December 2025, this central kitchen and its related locations had 628 total staff.

d. Cebu Pacific Catering Services, Inc. (CPCS). <i>(40% owned by MAC; 40% by Cathay Pacific Catering Services (HK); 20% by MGO Group of Cebu)</i> 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 518,575 meals as of December 2025, up from 399,439 in 2024 and 202,661 in 2023. The facility was under care and maintenance in 2021–2022 due to limited flight activity. As of December 2025, this kitchen had 134 total staff.
e. MacroAsia Jolliant Food Services Corporation (MJFSC). <i>(49% owned by MacroAsia New Ventures Inc. (MNVI) a wholly-owned subsidiary of MAC; 51% by Princess Jolliant Food Services Corp)</i> Incorporated on November 04, 2025	Operates a commissary in Cordova, 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.

** 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 agreements. Under MIAA in previous years, the lease for the MACS facility is renewed periodically in accordance with applicable terms and conditions. Like MACS, MacroAsia SATS Inflight Services Corporation (MSISC) and Cebu Pacific Catering Services (CPCS) likewise remain accredited by the respective airport authorities as concessionaires duly authorized to operate within airport premises.

Risks and Opportunities:

Historically, the Food group's operation was heavily concentrated in the aviation industry as most entities within the group provide inflight catering services to foreign and domestic airline clients, thus the group was heavily exposed to industry-specific risks. The effect of this risk concentration was felt significantly during the pandemic period when mobility restrictions were imposed by the government as a measure to contain COVID-19, and during geopolitical conflicts in the middle east and Europe when demand in the aviation sector were negatively affected and the availability and prices of raw materials become unstable. In response, the Group diversified its revenue sources by expanding into non-airline segments - focusing on institutional clients such as banks, schools, hospitals, and other companies to lessen the industry-specific risk. Further, the group also expanded into the Visayas region by entering a joint venture with Princess Joliant Corporation in the last quarter of 2025, to put up a commissary in Cebu that caters to institutional clients within the region. This move aims to capture more market share in the institutional food market, while mitigating location risks. As of December 31, 2025, non-airline meal sales accounted for 32% of the Food Group's total revenues.

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

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

MacroAsia SATS Food Industries Corporation (MSFI), a joint venture between MacroAsia Corporation (67%) and SATS Ltd. of Singapore (33%), is expanding its existing commissary facility in Sucat, Muntinlupa City by approximately 11,000 square meters. The expansion will feature upgraded cold storage and commissary systems and is expected to double MSFI's meal production capacity to 90,000 meals per day upon completion. The project is aligned with MSFI's strategic objective of achieving operational scalability, enhanced food safety, and improved service efficiency. It is targeted for completion 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 (Ground handling)

<i>Name of Company</i>	<i>Products and Services</i>	<i>Business Development (Last 3 years)</i>
a. MacroAsia Airport Services Corporation (MASCORP): <i>(80% owned by MAC; 20% owned by Konoike, Japan)</i> 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 22 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 196,262 flights as of December 2025, compared with 189,318 in 2024 and 180,177 in 2023. As of December 2025, the company employed 9,417 total staff.
b. Aviations Product Corporation (APC). <i>(100% owned by MASCORP)</i> A wholly owned subsidiary of MacroAsia Airport Services Corporation (MASCORP) acquired this 2025.	Provides specialized repair, refurbishment, and assembly of Unit Load Devices (ULDs) and aircraft catering trolleys for airline and ground handling operations. Serves as the technical and equipment support arm of MASCORP,	Business volume is primarily dependent on the airlines outsourcing their ULD repair. APC continues to support MASCORP's ground operations through efficient turnaround of ULDs and equipment refurbishment to

	ensuring operational reliability and compliance with international standards.	maintain service quality and safety standards.
c. MacroAsia Air Taxi Services, Inc. (MAATS). <i>(Wholly owned subsidiary of MacroAsia Corporation)</i> 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 December 2025, the company had 7 total staff.
d. Japan Airport Service Co., Ltd. (JASCO). <i>(30% owned by MacroAsia Corporation; 70% owned by Konoike Transport Co., Ltd. of Japan)</i> 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 21,875 flights as of December 2025, compared with 18,605 in 2024 and 12,789 in 2023.

Sources and Availability of Raw Materials:

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

Government Approval/Concessions:

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

Risks and Opportunities:

The ground handling business faced significant risks arising from global or regional events that affect regular airline operations. In recent years, the global pandemic event that negatively affected the airline industry globally for a prolonged period also affected the ground handling business of the group. Geopolitical tensions that caused flight cancellations or affect the airlines' usual route, also affect the performance of the ground handling operation. Whereas economic recoveries and specific seasonality that fuel both domestic and international travel increase ground handling activities.

Beginning the 3rd quarter of 2024, operating costs at the Ninoy Aquino International Airport (NAIA)— including airport passes, office leases, and other related expenses, increased following the implementation of revised rates by the Manila International Airport Authority (MIAA) and its private concessionaire-operator. These additional costs are being considered in ongoing rate negotiations with airline clients.

According to statements from airport authorities, planned infrastructure investments at NAIA are expected to support sustained growth in flight and passenger volumes in the coming years. This anticipated expansion presents a key opportunity for MacroAsia's ground handling operations, as increased air traffic is projected to drive higher demand for aviation support services. On the other hand, the continued development and promotion of self-check in practices presents economic risks to our above-the-wing business.

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

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

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

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

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

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

LTP is 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 December 2025, LTP employed 3,165 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 main service products are line maintenance and base maintenance. In 2025, it serviced a fleet of 48 aircraft for line maintenance and booked 1.5 million engineering hours for base maintenance. In 2024, base maintenance hours were at 1.3 million hours, while 1.2 million hours were recorded in 2023.

Sources and Availability of Raw Materials:

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

Government Approval/Concessions:

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

MAPDC holds a 25-year lease agreement for the land with MIAA effective September 1, 2000, renewable for another 25 years at the option of the lessee, subject to mutually agreed terms and conditions with the lessor. LTP operates under a sublease agreement with MAPDC that mirrors the terms of the principal lease. As of December 31, 2025, both MAPDC - as Philippine Economic Zone Authority (PEZA) developer/operator, and LTP - as its sole locator, continues to engage with authorities for the renewal of the ecozone lease. Both entities have recognized higher rental expenses in their respective books effective September 2025.

Risks and Opportunities:

Lufthansa Technik Philippines (LTP) faced significant challenges during the pandemic due to constraints on the global aviation industry. The mobility restrictions and the temporary halt in aircraft operations forced LTP to reduce its workforce, releasing several skilled mechanics as MRO activity declined. However, as the economy slowly recovers from the pandemic, the demand for aircraft maintenance also rebounded. In 2025, the Company ramped up its recruitment efforts to meet the increasing workload in its hangar bays. By the end of 2025, it had 3,165 personnel, compared to 3,438 employees in 2019 (pre-pandemic).

The Company has a sub-lease agreement with MAPDC for the lease of the land where it operates. The sublease agreement has an initial term of 25 years that expired in August 2025, which can be renewed for another period of 25 years at the option of the Company, subject to the renegotiation of the terms and conditions, including the lease rate. On May 15, 2025 through a letter of MAPDC, the Company exercised its option to renew the sublease agreement. Consequently, MAPDC formally notified The New NAIA Infra Corp. and Manila International Airport Authority through a letter dated May 30, 2025 its decision to renew the lease agreement for another 25 years. However, no extension has been finalized upon the sublease agreement's expiration in August 2025, accordingly, the Company derecognized the outstanding balance of the ROU asset amounting to \$34,726,104 and the corresponding lease liabilities amounting to \$43,600,004. Gain on the recognition amounting to \$8,873,900 has been recognized as part of the Company's "Other income" account.

While waiting for the finalization of the ongoing negotiation, the Company continues to occupy the leased land in accordance with the provisions of the original sublease agreement which is understood to be running on month-on-month basis starting September 1, 2025.

As of March 26, 2026, MAPDC, LTP and MacroAsia are actively negotiating with the Airport authorities to determine the applicable final lease rate. The group anticipates reaching mutually acceptable terms and conditions.

Meanwhile, with the growing demand for MRO services, LTP is exploring expansion opportunities in Clark, Pampanga, as the MacroAsia ecozone in Manila is fully developed and space constrained. This strategic move would allow LTP to accommodate increasing maintenance requirements beyond NAIA.

4) Property and Ecozone Development

MacroAsia Properties Development Corporation (MAPDC) is a wholly owned subsidiary of MacroAsia Corporation. It started commercial operations as a real estate developer in June 1996. After the completion of its warehouse condominium project in Muntinlupa in 1997, the Company suspended its operation. Three years later, the Company re-started its commercial operations as a developer and operator of the MacroAsia Special Economic Zone, the only special economic zone at Ninoy Aquino International Airport (NAIA). It houses Lufthansa Technik Philippines, Inc. for a period of 25 years until September 1, 2025. As previously noted, MAPDC collaborates with LTP & MacroAsia to address the lease expiration issue with the airport authorities.

In Mactan, Cebu, MAPDC also developed the MacroAsia Cebu Special Ecozone in 2018. This ecozone that is also inside the airport is designated as a special ecozone for aviation-related services.

The Company has been 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 out to related parties like SNV Resources Devt Corporation (SNVRDC) and to 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 (CAAP)–Approved Training Organization (ATO), specializes in ab initio pilot training, certification, and aviation-related career development courses. Graduates earn a Private Pilot License (PPL) and may also obtain additional certifications such as Instrument Rating (IR), Multi-Engine Rating (MER), or a Commercial Pilot License (CPL). Top-performing graduates have the opportunity to become Flight Instructors (FI), allowing them to build flight hours while refining their teaching 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.

With an expanded fleet and enhanced training capabilities, FAA continues to strengthen its role as a key pilot training institution and a resource provider for the aviation industry.

As of December 31, 2025, FAA had 120 pilot trainees and a workforce of 44 employees. FAA's operations are highly regulated and depend on certifications from the CAAP and related government bodies. There are no existing or probable government regulations

that may have an adverse effect on FAA operations. FAA did not incur any research and development expenditures during the last three fiscal years.

6) Water Concessions and Utilities

<i>Name of Company</i>	<i>Products and Services</i>	<i>Business Development (Last 3 years)</i>
a. Boracay Tubi System, Inc. (BTSI) <i>(67% owned by MAPDC)</i>	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 6.5 MLD in 2025, 6.4 MLD in 2024 and 6.0 in 2023. As of December 2025, BTSI had 100 staff.
b. Naic Water Supply Corp. (NWSC) <i>(100% owned by MAPDC)</i>	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 12.5 MLD in 2025; 12.1 MLD in 2024 and 10.9 MLD in 2023.

		As of December 2025, this business unit had 87 total staff.
c. Summa Water Resources, Inc. (SWRI). <i>(60% owned by Allied Water Services, Inc., a wholly owned subsidiary of MAC)</i>	Original Equipment Manufacturer (OEM) of standard and customized water and wastewater treatment systems; also provides treated bulk water supply to private and government clients nationwide.	SWRI supplies water treatment equipment and bulk water to entities in Bulacan, Iloilo, Albay, Cavite, Bataan, and Bacolod. Recent growth was driven mainly by equipment sales to government clients. For its bulk water supply business, it has supplied 5.2 MLD in 2025, 3.4 in 2024 and 3.9 in 2023. As of December 2025, the company had 60 staff.
d. SNV Resources Devt Corporation (SNVRDC) <i>(100% owned by MAPDC)</i>	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 5,916 service connections as of December 2025 Business development is measured in terms of millions of liters per day of water sold, which stands at 3.1 MLD in 2025; 2.9 MLD in 2024 and 2.6 MLD in 2023. As of December 2025, this business unit had 47 total staff.
e. Aqualink Resources Devt Inc. (ARDI) <i>(51% owned by NWSC)</i>	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 44,157 connections as of December 2025. 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 28.2 MLD in

		2025; 27.2 MLD in 2024 and 25.7 MLD in 2023. As of December 2025, this business unit had 94 total staff.
f. Cavite Business Resources, Inc. (CBRI) <i>(67% owned by NWSC, 33% by Watergy Business Solutions, Inc. – wholly owned by MAPDC)</i>	Supplies bulk water from the Maragondon River through the Maragondon Bulk Water Treatment Plant.	The Maragondon Bulk Water Supply Agreement with Maragondon Water District commenced in August 2024, marking the start of operations of the bulk water facility.
g. Cavite AlliedKonsult Services Corp. (CAKSC) <i>(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.)</i>	Operates a septage treatment facility located in General Trias, Cavite – the largest in the province – servicing household and commercial establishments.	Septage treatment operations commenced in late 2024 following the execution of treatment agreements with water service providers, including ARDI.

Sources and Availability of Raw Materials:

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

Government Approval/Concessions:

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

Risks and Opportunities:

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

In 2025, the group further achieved important milestones with the construction of the biggest desalination plant in the Philippines located in Mactan Cebu, under CS Water Lapu-lapu. The plant in Punta Engaño has the capacity to produce 15 MLD of potable water, whereas the smaller plant in Olango can turn out 5 MLD. Also, the Poro point bulk water system in La Union that increases the group's presence in Northern Luzon was also substantially completed within the year. Whereas in October 2025, New Water Earth System – which is 100% owned by Boracay Tubi System Inc. – a subsidiary of MacroAsia, broke ground in Pototan Iloilo. The project is expected to commence the construction activities in 2006, and it seeks to augment Iloilo's potable water supply to address the rising requirements of the province's expanding communities and industries.

Finally, the group's established entities like Aqualink Resource Development Inc., Solano Nueva Viscaya Resources Development, Naic Water Supply Corporation, Boracay Tubi System Inc. are also continuously investing in equipment upgrades and additional pipelaying projects to better serve their respective markets and to further capture untap markets.

7) Mining

Due to its history as a mining company in the 1970's, MAC had mining rights and permits as part of its assets. The Mineral Production Sharing Agreements (MPSAs) of MAC Parent were transferred to its wholly owned subsidiary, the MacroAsia Mining Corporation, a wholly owned subsidiary. This includes the Infanta Nickel Project in Palawan.

MacroAsia Mining Corporation (MMC) was incorporated on September 25, 2000 to serve as an institutional vehicle through and under which the business of a mining enterprise may be established, operated, and maintained.

MMC temporarily focused on providing consultancy and mining exploration services, particularly on nickel areas and projects, in the 2010s. This started in 2013, wherein MMC served the exploration and drilling requirements for the nickel laterite deposits of some of the major nickel producers in the country.

Bulawan Mining Corporation (BUMICO) and Management Development Corporation (MADECOR), former subsidiaries of Philippine National Bank (PNB), have been transferred to MMC. Bulawan Mining Corporation was officially purchased from PNB on November 15, 2018, and is now known as MMC BUMICO. Meanwhile Management Development Corporation was acquired on March 2, 2020, and is now called MMC MADECOR. The move is part of a bigger program in the spinning off of the mining segment of MacroAsia Corporation.

The acquisition of BUMICO included its right for their Exploration Permit Application (EXPA 103-VII) over a 506-hectare area in Basay, Negros Oriental. The area has a high potential for copper-gold molybdenum-silver mineralization, attracting interest from several mining companies. In addition, MMC BUMICO also inherited the Operating

Agreement with Philex Mining Corporation (PMC) in relation to the Bulawan Mining Project. Furthermore, MLC MRD 510 and EP 008-2010-VI, which are under an agreement with Philex Gold Philippines, Inc. (PGPI) are now likewise part of the MMC portfolio. MLC MRD 510 is currently under the implementation stage of the Final Mine Rehabilitation and Decommissioning Plan (FMRDP). On the other hand, the application for renewal of EP 08-2010-VI is still pending MGB. Philex has partially submitted the required documents and is in the process of completing the remaining requirements. MMC is also reviewing documents related to this tenement.

On the other hand, MMC MADECOR has acquired EXPA 000100-VI from PNB MADECOR. It is covered by an agreement with PGPI. The said application has been granted Clearance for issuance of the permit based on a July 4, 2019, memorandum from MGB Central Office but subject to several conditions. The First Letter Notice regarding the conditions to be met was communicated to PGPI on July 10, 2020 and forwarded to PNB Madecor on August 19, 2020. MMC MADECOR, which has acquired PNB MADECOR, then transmitted the required documents to PGPI in September 29, 2020. PGPI has since submitted the documents to MGB Regional Office No. VI on October 14, 2020. MGB Region VI informed PGPI through a May 6, 2022, dated Second Letter Notice of the deficiencies for compliance. The revised tenement map requested by MGB was already submitted on June 15, 2022. The EXPA was eventually approved and registered on December 4, 2024, covering a total area of 3,709.2835 hectares.

MMC has exploration permit applications (EXPAs) to mineralized areas in Carigara and Baybay City in Northern Leyte denominated as EXPA 000091-VII and 000092-VII. MGB Regional Office No. VIII has endorsed the Environmental Work Program (EWP) for both EXPAs to the Office of the Director (MGB Central Office) on August 10, 2022.

A joint validation by the MGB, the Department of Agriculture (DA), and MMC representatives was conducted from June 14 to 17, 2023, to assess the proposed exploration areas within the Strategic Agriculture and Fishery Development Zone (SAFDZ), a designated no-go zone. In a letter dated January 22, 2024, the DA recommended allowing MMC to proceed with its exploration permit applications, provided that the identified SAFDZ areas are designated for agricultural research and technology demonstrations.

On May 3, 2024, MMC received the final notice from MGB regarding the remaining mandatory requirements. MMC submitted its response on May 17, 2024.

On June 7, 2019, MAC executed Deeds of Assignment (DOAs) in favor of MMC, wherein MAC assigned to the latter, all its rights and interests under its Mineral Production Sharing Agreements (MPSA) in Palawan. These DOAs were submitted for approval by the DENR as required by law. The Mines and Geosciences Bureau (MGB-DENR) approved the transfer on February 1, 2021.

The MPSAs that were assigned to MMC are Mineral Production Sharing Agreement (MPSA) Nos. 220-2005-IVB and 221-2005-IVB covering the 1,113.98 and 410.00 hectares, respectively, situated in Brooke's Point, Palawan. With the DENR approval, these tenements are now recorded under MMC. The said MPSAs grant the company the exclusive right to explore, develop, and commercially utilize nickel, chromite, iron, and

other associated mineral deposits within the contract area. MMC started discussions with other nickel mine operators to start the operations of at least the nickel mine due to the demand for this mineral for batteries, among others. In response to growing demand, particularly for battery-grade nickel, MMC has initiated discussions with other nickel mine operators to begin mining operations.

On July 29, 2021, MMC signed a memorandum of agreement with Calmia Nickel, Inc. (CNI) for the exploration and eventual mining operations of the Infanta Nickel Project (MPSA No. 220-2005-IVB). Confirmatory drilling activities commenced in early November 2021 as part of the due diligence work being conducted by CNI. In response to growing demand, particularly for battery-grade nickel, MMC has initiated discussions with other nickel mine operators to begin mining operations.

The Environmental Compliance Certificate (ECC) was issued on December 1, 2023, following DENR MIMAROPA's certification that the MPSA is outside the Mt. Mantalingahan Protected Landscape (MMPL). This certification was provided in lieu of the PAMB Clearance, along with the submission of the Negotiated Sustainability and Resilience Agreement (NSRA) to demonstrate MMC's environmental commitments.

Meanwhile, the Environmental Protection and Enhancement Program (EPEP) and the Final Mine Rehabilitation/Decommissioning Plan (FMR/DP)—key requirements for the Declaration of Mining Project Feasibility (DMPF)—have been endorsed by the MGB MIMAROPA Regional Office to the MGB Central Office. The revised Feasibility Study (FS), a critical component of the DMPF, was initially submitted to the MGB Central Office on December 29, 2023. Consequently, the Certificate of Approval for the EPEP and FMR/DP was issued on August 4, 2025. The DMPF was endorsed for approval on December 2025 by the DENR Undersecretary for Field Operations – Luzon and Visayas and Supervising Undersecretary for MGB and EMB – Luzon and Visayas to the Office of the Undersecretary for Integrated Environmental Science.

Regulatory approvals continue to progress. The National Commission on Indigenous Peoples (NCIP) Commission En Banc endorsed and recommended the issuance of the Certification Precondition for MPSA No. 220-2005-IVB on December 27, 2022. Additionally, the Palawan Council for Sustainable Development (PCSD) granted the SEP Clearance on June 24, 2022. The Technical Description of the SEP Clearance was approved on September 9, 2024, and was received by MMC on April 3, 2025. Timber inventory of the area covered by Year 1 of the application for a Special Tree Cutting and Earth-balling Permit (STCEP) was completed in December 16, 2025 and will still be subjected to ground validation by the Community Environment & Natural Resources Office (CENRO).

A significant development occurred on February 29, 2024, when MGB MIMAROPA issued a resolution on the boundary dispute between MMC and Celestial Nickel Mining Exploration Corporation (CNMEC). MGB awarded 37.7 hectares of the disputed 44 hectares to MMC. In a letter dated May 20, 2024, MGB MIMAROPA forwarded the amended technical description of the MPSA's principal corners, requiring both companies to conduct a re-survey to delineate the adjusted boundaries. The re-survey was completed in early September 2024, followed by a joint site validation led by MGB MIMAROPA from October 21 to 24, 2024. The Approved Amended Mineral Survey Plan was officially granted on November 29, 2024.

MMC submitted the requirements for the Third Renewal of the Exploration Period under MPSA No. 221-2005-IVB on July 31, 2023. The company addressed the remaining deficiencies in its application on June 5, 2024. Additionally, on June 11, 2024, MMC filed a request for the Temporary Suspension of Obligations under the MPSA's Terms and Conditions. A follow-up letter regarding this request was received by the MGB Central Office on September 20, 2024. The request was approved on October 16, 2024.

As of December 31, 2025, MMC has five (5) regular employees.

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

MMC is not aware of any other existing or probable government regulations that may have any adverse effects on its business. MMC does not have any other significant agreements or patents, copyrights, licenses, franchises, concessions, or royalty agreements. It did not incur any research and development costs during the last three fiscal years.

Moreover, no exploration work was conducted during the year 2025.

8) IT Services, Connectivity and Radio Trunking

This business segment focuses on the integration of information technology and connectivity in the MAC Group and its partners, and the operationalization of the digital trunk radio in the airport, utilizing the frequency allocated by NTC for the purposes of the aviation-related activities of the Group.

Tera Information and Connectivity Solutions, Inc. (TERA) is a fully owned subsidiary of MAC and was incorporated on February 11, 2021. TERA was established with the main objective of serving as the Technology and Tier 1 Service Provider (In-house) of the whole MacroAsia Group. The pivot to ICT services is a necessity made evident by COVID19 and presents various opportunities that MAC can take advantage of and capitalize on. Among the services that TERA will provide are information management, data connectivity, radio trunking, and managed services.

In 2024, the company completed the construction of a conduit or HDPE, and containerized data center project within Lancaster New City.

There are no existing or probable government regulations that may have an adverse effect on TERA operations. TERA did not incur any research and development expenditures during its first year from incorporation.

Status of any publicly-announced new product or service

Except as otherwise disclosed in the discussion of the businesses of each subsidiary and affiliate above, there are no other publicly announced new products or services for the Group.

Competition

The Group's competitive strength lies in its support facilities at airports, skilled workforce, and liquid assets, which provide the financial flexibility needed to meet operational funding

requirements. Additionally, the Group has adequate capital to sustain and expand its existing businesses, while also pursuing new ventures.

In the aviation services sector, the Group's strategic advantage stems from its strong relationships with airline clients, fostering reciprocal arrangements for auxiliary aviation services. Furthermore, the Group benefits from the support of its venture partners in certain subsidiaries and affiliates, including Lufthansa Technik AG (Germany), Singapore Air Terminal Services (SATS, Singapore), Cathay Pacific Catering Services (CPCS, Hong Kong), and Konoike Transport Co., Ltd. These partnerships provide globally competitive expertise and a broad market reach for the Group's subsidiaries and affiliates.

The Group's competitive edge is reflected in several key service areas, including its high service quality, labor and manpower stability, competitive pricing, advanced aircraft MRO technology, and carefully integrated aviation support services.

Suppliers

The Group has a broad base of suppliers, both local and foreign. Except as otherwise disclosed in the discussion of the businesses of each subsidiary and affiliate above, there are no major existing supply contracts for the Group.

Customers

Except as otherwise disclosed in the discussion of the businesses of each subsidiary and affiliate above, the Group is not dependent upon a single customer or a few customers that a loss of any of which would have a material adverse effect on the Group.

Employees

MacroAsia Corporation, the Parent Company, has a total workforce of 54 employees. The Group has a total manpower complement of 9,449, excluding outsourced staff of 6,461. Part of the manpower comprises 4,562 regular employees, 209 employees on probation and 4,678 organic project-based staff. The total number of employees increased by 9% in 2025, in line with the recovery of aviation-related business segments and continuous pursuit of its diversification strategies into related industries.

None of the Parent Company, its subsidiaries, or associated companies is subject to any Collective Bargaining Agreement (CBA). There has been no strike, nor any attempt to protest against the Parent Company, its subsidiaries, and associated companies during the past three years.

The Group provides health/medical insurance/benefits to its employees through an independent Health Maintenance Organization (HMO).

Compliance with Environmental Laws

MacroAsia Corporation and its subsidiaries and affiliates have not been subject to any material fines, legal actions, or regulatory sanctions arising from non-compliance in any material respect with relevant environmental protection regulations.

Major Risks Involved

MAC recognizes some developments that may have a potential impact on the Group.

- ***Global Economic slowdown, Geopolitical tensions, Safety and Health issues Affecting Airline Travel.***

The economy had fully recovered from pandemic lows, as evidence by increasing economic activities worldwide. Economic recovery also resulted in dramatic improvements in airline travel in the country to levels surpassing pre-pandemic performance. Nevertheless, risks affecting the airline industry continue to persist. The major risk considerations include the continued geopolitical tensions in Asia and the Middle East, and the safety and health issues that pop up sporadically within Asia.

To manage the risks, the Group continues to adopt comprehensive approaches to financial management by implementing revenue-generating strategies for both core and non-core businesses, while pursuing sustainable cost leadership initiatives. The Group launched new product offerings targeting clients outside the aviation sector to better diversify its revenue streams. It also pursued aggressive expansion in water-related businesses, focusing on key areas within its current operations. The Group's aviation segment that is comprised of airline catering and ground handling units, proactively improved their services and core competencies, which resulted to successful acquisitions of new foreign airline clients. Additionally, efforts to achieve sustainable cost leadership were reinforced through staff cost benchmarking, as staff expenses represent the highest cost for the Group's service companies. These initiatives were implemented with significant focus and commitment that demonstrated MacroAsia Corporation's resilience in challenging market conditions.

The changing market landscape and the unravelling development in the aviation sector are continuously monitored by the group's management team to ensure strategic alignment and actions.

- ***Industry Regulations***

MacroAsia Corporation and its subsidiaries and affiliates are subject to the relevant rules and regulations imposed by government and private institutions such as the Civil Aviation Authority, Civil Aeronautics Board, Manila International Airport Authority, Philippine Economic Zone Authority, Department of Labor and Employment, Securities and Exchange Commission, as well as the Philippine Stock Exchange. Moreover, being a part of the air travel industry, the Group is subject to various stringent international standards for cleanliness, health, and safety.

- ***Volatility in Foreign Exchange Rates***

Bulk of the Group's revenues and part of its costs and expenses are transacted in foreign currency, particularly in US dollars. Any drastic fluctuation in the Peso-US dollar exchange rate may affect the Group's financial performance. The Company's Investment Committee has directed Management to limit the Group's foreign currency holdings to not more than 25% in US Dollar portfolio and hold the rest in local currency (at least 75% of the portfolio in Philippine Peso) to minimize exposure to foreign exchange fluctuations.

- ***Competition***

The business activities of the Parent Company and its subsidiaries are carried out in a competitive environment. Players in the aviation industry – Maintenance Repairs & Overhaul (MRO), Ground handling & Inflight catering, compete not only with local providers of aviation-related services, but with regional and international players as well. Operational track record and high quality of services coupled with competitive prices remain the Group's advantages over its competitors.

- ***Natural Occurrences***

The Group is subject to various other risks which are beyond its control. These include weather conditions, virus outbreaks and other natural disasters which may disrupt its operations. There can be no assurance that the above risks will not have an adverse effect on the Group.

Periodic planning sessions with top management, various committees, and members of the Board are regularly held to identify, assess, and formulate contingency plans aimed at managing or minimizing the adverse impacts of potential or identified risks on the Group's operations.

Transactions with and/or Dependence on Related Parties

Please see Note 18 under the Group's Consolidated Notes to Financial Statements.

Significant Agreements and Commitments

Please see Note 29 under the Group's Consolidated Notes to Financial Statements.

Other Information

The Group has not issued any short-term or long-term commercial papers to date. There are no other significant patents, trademarks, copyrights, licenses, franchises, concessions, or royalty agreements held by the Group except those discussed in Note 13 under the Group's Consolidated Notes to Financial Statements (pages 43 to 45).

As a mining company in its history, MAC's subsidiary, MMC, holds two Mineral Production Sharing Agreements (MPSAs), MPSA-220-2005-IVB and MPSA-221-2005-IVB, both located in Brooke's Point, Palawan.

As a listed entity, MAC operates in a highly regulated environment. A number of MAC's subsidiaries and affiliates rely on permits and licenses issued by government authorities or agencies. At present, the Group is not aware of any existing or impending government regulations that could have a negative impact on the operations of its businesses.

ITEM 2. DESCRIPTION OF PROPERTIES

MacroAsia Corporation

The following are the leased properties of MAC:

Lessor	Location	Present Use	Monthly Rental	Period
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All Seasons Reality Corp	7th floor & 6th floor Ricogen Bldg. 112 Aguirre St Legaspi Village Makati City	Office	₱379,855	10 years (September 9, 2023-September 9, 2033)
			₱102,800	5 years (September 3, 2024-September 3, 2029)
3 rd Party	Brooke's Point Palawan	Parcel of land (1)	₱150,000	May 16, 2011 – May 16, 2046
			₱165,000	1 st – 20 th year
			₱181,500	21 st – 30 th year
				31 st – 35 th year
		Parcel of land (2)	₱114,000	November 15, 2010 – 2045
			₱125,840	1 st – 22 nd year
			₱144,716	23 rd – 29 th year
				30 st – 35 th year
		Parcel of land (3)	₱145,000	September 30, 2010 – 2045
			₱159,500	1 st – 18 th year
			₱183,500	19 th – 28 th year
				29 th – 35 th year
		Parcel of land (4)	₱114,000	July 16, 2010 - 2045
			₱125,840	1 st – 18 th year
			₱144,716	19 th – 28 th year
				29 th – 38 th year

MAC leases its office space from All Season Reality Corporation. The lease agreement covers the 7th floor for a period of ten years with an annual rental rate review and for the 6th floor to be leased under a separate five-year term. The lease is renewed prior to the expiration of the lease term.

The current lease agreement for the 7th floor commenced on September 9, 2023, and will terminate on September 8, 2033, while the lease for the 6th floor began on September 3, 2024, and will end on September 3, 2029. The lease is renewable upon approval by the Lessor.

MacroAsia Properties Development Corporation

MAPDC owns the following real estate properties:

Location	Present Use	Area (sqm)
5 Parcels of Land at East Service Road, Sucat, Muntinlupa, Metro Manila	Commissary	1,500
	Commissary	3,280
	Office Space	200
	For future development	2,932
Land in Brgy. Bagahabag, Solano Nueva, Vizcaya	Water Treatment Plant	30,000
Mabini, Pangasinan	For future development	10,000

The following are the leased properties of MAPDC:

Lessor	Location	Present Use	Area (sqm)	Monthly Rental	Period
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MIAA	NAIA, Pasay City	PEZA/Aircraft Maintenance (sub-lease to LTP)	216,915	₱14,712,487	September 2000 – 2025 (25 years) The lease term has expired this year
MCIAA	Mactan Cebu International Airport (MCIAA) – Cebu City	PEZA/Aircraft Maintenance (sub-lease to LTP)	26,297	₱703,445	2024–2039 (15 years)
		For future development	23,703	₱1,472,135	December 2015 – 2040 (25 years)
		For future development	20,000	₱1,365,000	May 2016 – 2041 (25 years)

MacroAsia Catering Services, Inc.

MACS leases the following:

Lessor	Location	Present Use	Area (sqm)	Monthly Rental	Period	Renewal Terms
MIAA	Balagbag Area, NAIA Complex, Pasay City	Catering Concession Facility	14,279.46 (Land) 6,127.36 (Building)	₱ 47 or 675,561 plus 12% E-VAT ₱ 90 or 552,136 plus E-VAT	June 1, 2022 to May 31, 2024	Renewable yearly for up to three years.

The original lease contract between MACS and MIAA expired in July 2008. One of the provisions of the lease agreement is that MACS will transfer to MIAA all permanent improvements which MACS might have constructed in the leased premises upon the expiration of the original lease or upon cancellation of the lease agreement. Although MAPDC entered an extension contract with MIAA effective from June 1, 2022, to May 31, 2024. It marked the fifth renewal of the original lease agreement signed in 2013, which had an initial term of three years, renewable every third year.

In consideration of the concession privilege, the Company pays MIAA a monthly concessionaire's privilege fee equivalent to 7% of the Company's monthly gross income on catering services. The lease contract was extended monthly until September 14, 2024. In 2025, the lease contract under NNIC is renewed monthly.

Effective September 14, 2024, MIAA issued an Assignment of Contract, transferring all its rights, interests, benefits, and obligations under the agreements related to NAIA to New NAIA Infra Corp. (NNIC). NNIC was awarded the concession for the rehabilitation, operation, optimization, and maintenance of Ninoy Aquino International Airport (NAIA). As per the concession agreement, NNIC will assume the role of NAIA's operator starting from the Operations and Maintenance start date.

MacroAsia Airport Services Corporation

Lease of office space and staging area are in the following locations:

Lessor	Location	Monthly Rental	Renewal Terms
MIAA/NNIC	Terminal 1	3,524,472	month-to-month basis
MIAA/NNIC	Terminal 2	1,796,000	month-to-month basis
MIAA/NNIC	Terminal 3	273,952	month-to-month basis

On August 10, 2009, the company paid a surety cash deposit to MIAA amounting to ₱2 million as one of the requirements for the renewal of the lease agreement. Currently, management is in discussions with the necessary parties on the renewal of the lease. Meanwhile, NNIC continues to bill, and the Company continues to pay the rental fee based on current rates. Total rental expense in 2025 and 2024 related to this lease amounted to 29 million and 14.7 million, respectively.

Meanwhile, the Company leases the following office spaces:

Lessor	Location	Period	Renewal Terms
De Guzman Development Corporation (DGDC)	Sky Freight Center located at Ninoy Aquino Avenue, Parañaque City	April 16, 2022 to April 15, 2024 Annual renewal beginning April 2024	Subsequently renewed for a period of two (2) years (previously renewed for a period of 5 years subject to 5% escalation starting on third year of the lease term.)
DGDC	Sky Freight Center located at Ninoy Aquino Avenue, Parañaque City	October 1, 2021 to September 30, 2024 Annual renewal beginning October 2024	Subsequently renewed for a period of three (3) years, subject to 5% escalation starting on second year of the lease term
DGDC	Sky Freight Center located at Ninoy Aquino Avenue, Parañaque City	January 16, 2023 to January 15, 2033	For a period of ten (10) years, subject to 5% escalation starting on the second year of the lease term.

MacroAsia Air Taxi Services, Inc.

MAATS leases the following:

Lessor	Location	Present Use	Monthly Rental	Period	Renewal Terms
UTS CY-CFS, INC.	2316 MIAA Bldg. B., Aurora Blvd., Tramo, Brgy. 178, Pasay City	Office	₱69,888.00	Jan. 1, 2025 to Jan. 1, 2027	Yearly renewal after 2 years

The lease agreement includes a yearly rent escalation of 5%. Any further renewal or extension of the lease shall be subject to mutual agreement between both parties at the time of renewal.

First Aviation Academy, Inc.

FAA leases the following:

Lessor	Location	Present Use	Area (sqm)	Monthly Rental	Period	Renewal Terms
Subic Bay Metropolitan Authority (SBMA)	Bldg. 8303 South West Apron, Subic Bay International Airport, Subic Bay Freeport Zone	Hangar and Office	1,000.6 (Office) 1,188.99 (Open Space) 199.41 (Parking Space) Total-2,389 sqm	Office - P223,944 Open Space - 162,024 Parking space - P27,174 CUSA-5,423 Total - 418,565	Renewed term: 2023 to 2028	5 Years

Other than what was discussed above, MAC or any of its subsidiaries and affiliates does not expect to buy any significant assets (property or equipment) in the next twelve (12) months. For a more detailed discussion of the Group's properties, please refer to Notes 11 and 28 of the Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

In the case of National Commission on Indigenous Peoples (NCIP), et al. v. MacroAsia Corporation, the Supreme Court ruled that the case has been closed and terminated, affirming that the parties are free to enter into a Compromise Agreement. As a result, the Certificate of Precondition (CP) was issued by the NCIP on February 1, 2023.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for matters taken during the annual meeting of stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – SECURITIES OF THE REGISTRANT
Item 5. Market for Issuer's Common Equity and Related Stockholder Matters
A. Market Information

MAC's common shares are listed and traded at the Philippine Stock Exchange. The following table shows the high and low prices (in ₱) of the Corporation for the years 2025 and 2024:

<i>Quarter</i>	2025		2024	
	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
1 st Quarter	4.38	4.20	4.22	3.87
2 nd Quarter	4.10	3.90	5.35	3.93
3 rd Quarter	4.40	4.22	6.38	4.12
4 th Quarter	4.36	4.23	7.81	4.96

The price information of MAC common shares as of the close of the latest practicable trading date, April 1, 2026 is ₱4.30.

B. Holders

There are 852 registered holders of the total 1,890,958,323 common shares of the Corporation as of December 31, 2025. The top 20 stockholders as of December 31, 2025 are as follows:

	Stockholder Name	No. of Common Shares	% to Total
1	PCD Nominee Corporation (Filipino)	378,645,431	19.59
2	PCD Nominee Corporation (Non-Filipino)	159,453,746	8.25
3	PAL Holdings, Inc. (formerly Baguio Gold Holdings Corporation)	137,280,000	7.10
4	Conway Equities, Inc.	132,771,600	6.87
5	Solar Holdings Corporation	92,040,000	4.76
6	Dragonstar Management Corp.	83,850,000	4.34
7	Excelventures, Inc.	74,121,800	3.83
8	Profound Holdings, Inc.	74,100,000	3.83
9	Bigearth Equities Corporation	72,610,000	3.76
10	Pan Asia Securities Corp.	54,738,409	2.83
11	Palomino Ventures, Inc.	45,084,000	2.33
12	Macroasia Corporation	42,347,600	2.19
13	Absolute Holdings & Equities, Inc.	39,000,000	2.02
14	Artisan Merchandising Corp.	39,000,000	2.02
15	Caravan Holdings Corporation	39,000,000	2.02
16	Clipper 8 Realty & Development Corp.	39,000,000	2.02
17	Golden Path Realty Corporaion	39,000,000	2.02
18	Primeline Reality, Inc.	39,000,000	2.02
19	Quality Holdings, Inc.	39,000,000	2.02
20	Sunway Equities, Inc.	35,053,200	1.81

C. Dividends

The general dividend policy of MacroAsia is governed by the By-Laws of the Parent Company which provides that dividends upon the capital stock of the Parent Company may be declared by the Board of Directors (BOD) in the manner and form provided by law, after deducting from the net profit of the Parent Company any approved bonuses to the BOD in an amount not exceeding five percent (5%) of the Parent Company's net profit before tax and the expenses of administration. In each case, no dividend declaration shall be made by the Parent Company that would impair its capital. Dividends shall not be declared if there are major investments/projects which the Parent Company and its subsidiaries and associated companies anticipate in the near future.

BOD Approval Date	Dividend per share (in ₱)	Record Date	Payment Date
March 27, 2025	₱0.11	April 25, 2025	May 21, 2025
March 21, 2024	₱0.10	April 19, 2024	May 16, 2024
March 23, 2023	₱0.05	April 21, 2023	May 18, 2023

There are no restrictions that limit the payment of dividends on common shares to stockholders of record as of April 25, 2025.

D. Recent Sales of Unregistered Securities

There was no recorded sale of unregistered securities during the past three years.

PART III – FINANCIAL INFORMATION
Item 6. Management's Discussion and Analysis (MD&A) or Plan of Operation
December 31, 2025 and December 31, 2024
Results of Operations (amounts in ₱ millions)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	2025	2024	Changes	%	2025	2024
REVENUE						
In-flight and other catering	4,901.9	4,402.6	499.4	11%	49%	47%
Ground handling and aviation	4,276.6	4,172.0	104.6	3%	43%	44%
Water distribution	727.0	748.6	-21.6	-3%	7%	8%
Connectivity and technology services	0.0	62.4	-62.4	-100%	0%	1%
Administrative fees	55.8	56.2	-0.5	-1%	0%	0%
	9,961.2	9,441.7	519.6	6%	100%	100%
DIRECT COSTS AND EXPENSES						
In-flight and other catering	3,437.5	3,014.5	423.0	14%	35%	32%
Ground handling and aviation	3,988.6	3,563.7	424.9	12%	40%	38%
Water distribution	435.5	430.5	4.9	1%	4%	5%
Connectivity and technology services	0.5	32.4	-32.0	-99%	0%	0%
Administrative fees	67.1	67.6	-0.5	-1%	1%	1%
	7,929.1	7,108.7	820.4	12%	80%	75%
GROSS PROFIT (LOSS)	2,032.2	2,332.9	-300.8	-13%	20%	25%
SHARE IN NET EARNINGS (LOSSES) OF ASSOCIATES	1,472.8	731.5	741.2	101%	15%	8%
	3,504.9	3,064.5	440.4	14%	35%	32%
OPERATING EXPENSES	1,690.4	1,391.0	299.4	22%	17%	15%
INCOME (LOSS) FROM OPERATIONS	1,814.5	1,673.5	141.0	8%	18%	18%
OTHER INCOME (CHARGES)						
Interest income	40.6	26.7	13.9	52%	0%	0%
Financing charges	-137.7	-122.0	-15.7	13%	-1%	-1%
Foreign exchange gain (loss) - net	19.5	12.3	7.2	-59%	0%	0%
Others - net	76.2	65.4	10.8	16%	1%	1%
	-1.5	-17.6	16.1	-92%	0%	0%
INCOME (LOSS) BEFORE INCOME TAX	1,813.0	1,655.9	157.1	9%	18%	18%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	206.8	214.8	-8.1	-4%	2%	2%
Deferred	-1.2	69.6	-70.8	-102%	0%	1%
	205.6	284.5	-78.9	-28%	2%	3%
NET INCOME (LOSS)	1,607.4	1,371.4	236.0	17%	16%	15%
Net income (loss) attributable to:						
Equity holders of the Company	1,441.0	1,122.9	318.1	28%	14%	12%
Non-controlling interests	166.4	248.5	-82.1	-33%	2%	3%
	1,607.4	1,371.4	236.0	17%	16%	15%

Revenues

Food services and In-flight Catering contributed 49% of the total revenues, with the segment revenue increasing by 11% from ₱4,402.6 million in 2024 to ₱4,901.9 million in the current year. This growth aligns with a 16% increase in meal count, from 23.30 million to 26.92 million, driven by sustained growth in meal volume.

Ground-handling and Aviation Services posted revenues of ₱4,276.6 million, increase from ₱4,172.0 million in 2024, reflecting a 3% growth. This increase was primarily driven by flight volume growth at the airports. Flights handled increased by 6,944 flights (4%), from 189,318 in 2024 to 196,262 in the current year. The ground handling and aviation services contributed 43% of the total revenues.

Revenue from ground-handling and aviation services also includes income from First Aviation Academy (FAA). FAA's revenue declined by 8%, from ₱84.8 million in 2024 to ₱77.8 million in 2025 due to the decrease in flying hours by 14% from 5,156 to 4,439 hours for twelve (12) months period. FAA had 120 students by the end of the year.

Water Operations contributed 7% of the group's revenue. The water operations revenue decreased by ₱21.6 million (3%), from ₱748.6 million in 2024 to ₱727.0 million in 2025. This decline in revenue is attributed to a decrease in commercial water sales, offset by the increase in other water companies for the additional collection and billing on meter installation, meter maintenance fee, septage fee, and other fees for repair.

Administrative Revenues from the ecozone in MIA to LTP at a rate equivalent to the lease rate charged by MIA but charges a fixed amount of monthly Admin Fee to LTP. However, there was a ₱0.5 million (1%) decrease in revenue in 2025 - from ₱56.2 million to ₱55.8 million.

Total Direct Costs

Total direct costs for 2025 amounted to ₱7,929.1 million, reflecting an increase of ₱820.4 million (12%) compared to ₱7,108.7 million in 2024. This increase is primarily attributed to the increase in business operations across all business segments of the Group except the Aviation Training School and ICT services as no new project was undertaken and has only completed the remaining 16% of the project last October 2024 but was stalled in the 1st quarter of 2024 due to right of way issues.

Operating Expenses

Consolidated operating expenses increased by ₱299.4 million (22%) from last year's ₱1,391.0 million to ₱1,690.4 million, aligned with the business volume growth and was partly driven by the lease rate adjustment to ₱710 based on business volume growth and the updated fees and charges to apply for the use of the facilities, services, and properties within the Project Land under the management and control of the Airport Operator.

Share in Net Earnings (Losses) of Associates

Share in net income of associates amounted to ₱1,472.8 million, an increase of ₱741.2 million compared to the same period in the previous year. This reflects MAC's share in the net operating results of its associated companies (LTP, JASCO, and CPCS).

One of the main contributors to the year-to-date net income for 2025 is the share in net income from LTP for MRO services, amounting to ₱1,342.5 million, which is ₱757.3 million higher than the ₱585.2 million share in net income in 2024. This increase is primarily attributed to the improvements in LTP's base maintenance business and its cost discipline.

CPCS, the catering associate in Cebu, contributed ₱34.9 million in net income, up significantly from last year's share of ₱30.2 million. This increase is attributed to a 30% rise in meal count. MAC has a 40% share in CPCS's net income.

JASCO, the ground handling associate in Japan, contributed ₱95.4 million in net income, compared to ₱106.1 million in 2024, representing MAC's 30% share of the net income/loss. This decrease is attributed to the booking of ₱33.2 million provision for income tax, net of tax benefits as of October 2025, compared to ₱0.1 million in the same period last year due to the carried forward tax losses deducted from last year's tax expenses.

Other Income (Charges)

Interest income grew by ₱13.9 million from ₱26.7 million in 2024 to ₱40.6 million in 2025. The increase pertains to the placement of multiple time deposits of MSIS and CSWLL.

Financing charges increased from ₱122.0 million in 2024 to ₱137.7 million in 2025, reflecting the overall increase in interest costs incurred from outstanding loans, which aligned with the increase in amount of loan outstanding.

Other income and charges increased by ₱18.0 million (23%) from ₱95.7 million in 2025 compared to ₱77.7 million in 2024. This increase is mainly due to the other fees earned by the water subsidiaries with BTSI booking ₱10.2 million and SNV amounting to ₱5.6 million. Foreign exchange gains earned during the year increased from ₱12.3 million gain in 12M2024 to ₱19.5 million gain in 12M2025, mainly from MASCORP incurring ₱6.8 million gain.

Income Tax

The Group's income tax expense decreased by ₱78.9 million (28%) primarily due to the lower net income before tax (excluding the share in net earnings of an associate, as this is treated as an equity pick-up), along with the utilization of deferred tax assets and Net Operating Loss Carry-Over (NOLCO).

Net Income

The Group recorded a **consolidated net income after tax** of **₱1,607.4 million** for the year 2025, representing a **17% increase** from the consolidated net income after tax of **₱1,371.4 million** in 2024. The increase in net income was primarily driven by business volume growth across all of the Group's business units.

December 31, 2025 and December 31, 2024
Financial Position (amounts in millions)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	2025	2024	Changes	%	2025	2024
ASSETS						
Current Assets						
Cash and cash equivalents	2,470.6	1,369.3	1,101.3	80%	15%	10%
Receivables and contract assets	2,435.9	2,202.9	233.0	11%	15%	16%
Inventories	180.2	155.4	24.8	16%	1%	1%
Other current assets	1,175.2	695.6	479.6	69%	7%	5%
Total Current Assets	6,261.8	4,423.1	1,838.7	42%	38%	33%
Noncurrent Assets					0%	0%
Investments in associates	3,806.6	2,471.1	1,335.4	54%	23%	18%
Property, plant and equipment	3,589.7	2,496.5	1,093.2	44%	22%	19%
Net investment in lease	22.0	1,179.8	-1,157.8	-98%	0%	9%
Right-of-use assets	809.1	781.9	27.1	3%	5%	6%
Investment property	143.9	143.9	0.0	0%	1%	1%
Service concession rights	438.3	436.9	1.4	0%	3%	3%
Intangible assets and goodwill	359.8	365.1	-5.3	-1%	2%	3%
Deferred income tax assets - net	114.6	95.8	18.7	20%	1%	1%
Other noncurrent assets	1,028.3	1,023.6	4.7	0%	6%	8%
Total Noncurrent Assets	10,312.1	8,994.5	1,317.6	15%	62%	67%
TOTAL ASSETS	16,573.9	13,417.7	3,156.3	24%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Notes payable	485.0	121.2	363.8	300%	3%	1%
Accounts payable and accrued liabilities	3,235.2	2,299.5	935.6	41%	20%	17%
Income tax payable	126.2	75.4	50.7	67%	1%	1%
Dividends payable	10.5	96.4	-85.9	-89%	0%	1%
Current portion of long-term debts	249.9	386.9	-137.1	-35%	2%	3%
Current portion of lease liabilities	46.5	43.4	3.1	7%	0%	0%
Total Current Liabilities	4,153.2	3,022.9	1,130.3	37%	25%	23%
Noncurrent Liabilities						
Long-term debts - net of current portion	2,048.4	395.4	1,653.0	418%	12%	3%
Lease liabilities - net of current portion	915.2	2,049.5	-1,134.3	-55%	6%	15%
Accrued retirement and other employee benefits payable	200.7	196.6	4.1	2%	1%	1%
Deferred income tax liabilities - net	94.7	95.8	-1.1	-1%	1%	1%
Other noncurrent liabilities	90.8	93.6	-2.8	-3%	1%	1%
Total Noncurrent Liabilities	3,349.8	2,831.0	518.8	18%	20%	21%
Total Liabilities	7,503.1	5,853.9	1,649.2	28%	45%	44%
Equity attributable to equity holders of the Company						
Capital stock - 1 par value	1,933.3	1,933.3	0.0	0%	12%	14%
Additional paid-in capital	281.4	281.4	0.0	0%	2%	2%
Retained earnings						
Appropriated	2,940.0	960.0	1,980.0	206%	18%	7%
Unappropriated	2,609.8	3,356.8	-747.0	-22%	16%	25%
Other comprehensive income	122.6	-5.2	127.8	-2451%	1%	0%
Other reserves	1,003.0	1,003.0	0.0	0%	6%	7%
Treasury shares	-459.4	-459.4	0.0	0%	-3%	-3%
	8,430.7	7,070.0	1,360.7	19%	51%	53%
Non-controlling interests	640.1	493.8	146.4	30%	4%	4%
Total Equity	9,070.9	7,563.7	1,507.1	20%	55%	56%
TOTAL LIABILITIES AND EQUITY	16,573.9	13,417.7	3,156.3	24%	100%	100%

Assets

As of December 31, 2025, the Group's total assets amounted to ₱16,573.9 million, reflecting an increase of ₱3,156.3 million (24%) from ₱13,417.7 million on December 31, 2024.

- **Cash and cash equivalents** totaled ₱2,470.6 million, showing an increase of ₱1,101.3 million (80%) from ₱1,369.3 million. The increase in cash balances is primarily maintained by the operating subsidiaries to meet their current maturing obligations.
- **Receivables and contract assets** rose by ₱233.0 million (11%), from ₱2,202.9 million to ₱2,435.9 million, mainly due to business volume growth. The relatively modest increase in receivables was the result of effective collection efforts.
- **Inventories** amounted to ₱180.2 million, maintained in line with forecasted inventory level requirements as of December 31, 2025.
- **Other Current Assets** of ₱1,175.2 million primarily consist of input taxes, creditable withholding and prepaid taxes, unamortized prepayments for insurance, rent, utilities, and unconsumed supplies as of December 31, 2025.
- **Investments in Associates**, accounted for under the equity method, increased by ₱1,335.4 million (54%), from ₱2,471.1 million in 2024 to ₱3,806.6 million in 2025. This growth is attributable to the share in dividends declared by LTP (₱280.3 million) and CPCS (₱28.0 million), offset by the share in translation adjustments ₱48.5 million and the aggregate income contribution from associates.
- **Property and Equipment** increased from ₱2,496.5 million in 2024 to ₱3,589.7 million in 2025. The increase reflects new acquisitions by the Group's catering, ground handling, and water companies, offset by depreciation.
- **Net Investment in Lease** Decreased by ₱ 1,157.8 million, from ₱1,179.8 million in 2024 to ₱22.0 million in 2025.
- **Right-of-Use (ROU) Assets** Increased by ₱27.1 million (3%), bringing the total to ₱809.1 million in 2025, primarily due to the regular amortization of lease liabilities.
- **Service Concession Rights** stood at ₱438.3 million, reflecting an increase of ₱1.4 million (0.3%) due to additions in service concession assets, offset by depreciation.
- **Deferred Income Tax Assets** amounted to ₱114.6 million as of December 31, 2025, related to taxes deemed recoverable in future periods. The decrease from the prior year is due to the utilization of income tax benefits from the Net Operating Loss Carryover (NOLCO).
- **Other Noncurrent Assets** increased by ₱4.7 million, mainly due to changes in the fair value of equity investments designated at Fair Value through Other Comprehensive Income (FVTOCI) and advances to suppliers for the delivery of equipment, offset by the utilization of input VAT.

Liabilities

As of December 31, 2025, the Group's total liabilities amounted to ₱7,503.1 million, reflecting an increase of ₱1,649.2 million (28%) from ₱5,853.9 million as of December 31, 2024.

- **Accounts Payable and Accrued Liabilities** increased by ₱935.6 million (41%), from ₱2,299.5 million in 2024 to ₱3,235.2 million in 2025. The decrease is due to the settlement of amounts owed to suppliers, service providers, and government agencies.
- **Notes Payable and Current Portion of Long-Term Debts** increased by ₱226.7 million (45%), from ₱508.1 million in 2024 to ₱734.9 million in 2025. This increase is mainly due to the additional loans, which were availed from local banks by several companies within the Group for asset acquisition and business expansion.
- **Current Portion of Lease Liabilities** increased by ₱3.1 million (7%), to ₱46.5 million as of 2025, compared with ₱43.4 million in 2024.
- **Income Tax Payable** increased by ₱50.7 million (67%), from ₱75.4 million in 2024 to ₱126.2 million in 2025, due to higher taxable income.
- **Dividends Payable** decreased by (₱85.9) million or (89%), from ₱96.4 million in 2024 to ₱10.5 million in 2025. The property dividend of ₱86.3 million that remained outstanding by the end of 2024 – because of the restructuring of the food group, was distributed by MACS to MacroAsia and SATS on June 2025.
- **Long-Term Debts (net of current portion)** increased by ₱1,653.0 million (418%), from ₱395.4 million in 2024 to ₱2,048.4 million in 2025.
- **Lease Liabilities (net of current portion)** decreased by (₱1,134.3) million (55%), from ₱2,049.5 million in 2024 to ₱915.2 million in 2025.
- **Other Noncurrent Liabilities** decreased by ₱2.8 million (3%), from ₱93.6 million in 2024 to ₱90.8 million in 2025, due to decrease in customer deposits.

Equity

The movement in non-controlling interests is dependent on the operational results of MACS, MASCORP, AWSI, FAA, BTSI, and subsidiaries of MAPDC with joint venture (JV) partners. As of December 31, 2025, non-controlling interests amounted to ₱640 million, reflecting an increase of ₱146.4 million (30%) from ₱493.8 million as of December 31, 2024.

Equity attributable to equity holders of the company increased by ₱1,360.7 million (19%), from ₱7,070.0 million in 2024 to ₱8,430.7 million in 2025. This increase is mainly due to the net income attributable to the equity holders, which was booked in retained earnings amounting to ₱1,441.0 million, offset by declared dividends of ₱208 million and a decrease in other components of equity. The latter increased by ₱127.8 million, from (₱5.2 million) in 2024 to ₱122.6 million in 2025. The increase is attributed to the share in the remeasurement of pension assets of LTP, the remeasurement of defined benefit plans, and the offset by the share in foreign currency translation adjustments gain of LTP and JASCO, which amounted to ₱47.7 million in aggregate. These changes were driven by fluctuations in the US Dollar (USD) and Japanese Yen (JPY) exchange rates during the period.

Total equity increased by ₱1,507.1 million (20%), from ₱7,563.7 million in 2024 to ₱9,070.9 million as of December 31, 2025.

Key Performance Indicators

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

	December 31, 2025	December 31, 2024
Return on Net Sales (RNS)	16.14%	14.53%
Return on Investment (ROI)	12.85%	14.08%
Return on Equity (ROE)	22.00%	22.59%
Direct Cost Ratio	79.60%	75.29%
Operating Expense Ratio	16.97%	14.73%
Current Ratio	1.51 : 1	1.46 : 1
Debt-to-Equity Ratio	30.68%	11.95%
Interest Coverage Ratio	14.17: 1	14.57: 1
Asset-to-Equity Ratio	1.83 : 1	1.77 : 1
Return on Asset (ROA)	9.70%	10.22%

- **Return on Net Sales (RNS)** increased from **14.53%** in 2024 to **16.14%** as of December 31, 2025. This improvement is driven by the increase in revenues generated by the Group's operating subsidiaries in the current year compared to the previous year.
- The **Return on Investment (ROI)** ratio decreased by **1.23%** from **14.08%** in 2024 to **12.85%** in 2025. Although the Net income attributable to the Parent increased by 28%, it was overshadowed by the increased in interest-earning liabilities due to the various projects that was launched in 2025.
- **Return on Equity (ROE)** declined to **22.00%** in 2025, from **22.59%** in 2024.
- The **direct cost ratio** increased from **75.29%** to **79.60%** in 2025, primarily due to higher activity levels across business units and increased cost associated with expanded operations.
- The **operating expense ratio** increased from **14.73%** to **16.97%** for 2025, primarily due to the increase in rental costs in the airport and the overall rise in operational costs because of increased business activities.
- The Group maintains a **healthy current ratio**, demonstrating its solid ability to meet current liabilities, with a sufficient portion of current assets held as cash. The current ratio stands at **1.51:1**, up from **1.46:1** in 2024.

- The **debt-to-equity ratio** increased to **30.68%** in 2025, from **11.95%** in 2024, mainly due to additional loans obtained to support business expansion, offset with the increase in equity from net income earned during the year.
- Although the **interest coverage ratio** decreased from **14.57:1** in 2024 to **14.17:1** in 2025, the Group can still comfortably cover interest payments on its debts.
- The ratio of **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** improved from **1.77:1** in 2024 to **1.83:1** in 2025.
- Despite higher income level, the **Return on Assets (ROA)** declined by **.51%** from **10.22%** in 2024 to **9.70%** in 2025 due to the more rapid increase in Total assets throughout the year due to the group's strategic investment activities.

The indicators above are measured as follows:

1. Return on Net Sales	=	$\frac{\text{Total Net Income}}{\text{Total Net Revenues}}$
2. Return on Investment	=	$\frac{\text{NI attributable to Equity holder of Parent}}{\text{Total Interest-bearing Liabilities + Equity attributable to Equity holder of Parent}}$
3. Return on Equity	=	$\frac{\text{Total Net Income}}{\text{Total Equity}}$
4. Direct Cost Ratio	=	$\frac{\text{Total Direct Cost}}{\text{Total Net Revenues}}$
5. Operating Expense Ratio	=	$\frac{\text{Total Operating Expenses}}{\text{Total Net Revenues}}$
6. Current Ratio	=	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$
7. Debt-to-Equity Ratio	=	$\frac{\text{Total Interest-bearing Debts}}{\text{Total Equity}}$
8. Interest Coverage Ratio	=	$\frac{\text{Total Earnings before Interest and Taxes}}{\text{Interest Expense}}$
9. Asset-to-Equity Ratio	=	$\frac{\text{Total Assets}}{\text{Total Equity}}$
10. Return on Asset	=	$\frac{\text{Total Net Income}}{\text{Total Asset}}$

December 31, 2024 and December 31, 2023
Results of Operations (amounts in ₱ millions)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	2024	2023	Changes	%	2024	2023
REVENUE						
In-flight and other catering	4,402.6	3,981.8	420.8	11%	47%	50%
Ground handling and aviation	4,172.0	3,135.5	1,036.4	33%	44%	39%
Water distribution	748.6	617.5	131.1	21%	8%	8%
Connectivity and technology services	62.4	215.6	-153.2	-71%	1%	3%
Administrative fees	56.2	46.6	9.6	21%	0%	0%
	9,441.7	7,997.0	1,444.6	18%	100%	100%
DIRECT COSTS AND EXPENSES						
In-flight and other catering	3,014.5	2,688.4	326.1	12%	32%	34%
Ground handling and aviation	3,563.7	2,962.1	601.6	20%	38%	37%
Water distribution	430.5	379.1	51.5	14%	5%	5%
Connectivity and technology services	32.4	175.8	-143.4	-82%	0%	2%
Administrative fees	67.6	49.5	18.1	37%	1%	1%
	7,108.7	6,254.8	853.9	14%	75%	78%
GROSS PROFIT (LOSS)	2,332.9	1,742.2	590.7	34%	25%	22%
SHARE IN NET EARNINGS (LOSSES)						
OF ASSOCIATES	731.5	576.7	154.8	27%	8%	7%
	3,064.5	2,318.9	745.5	32%	32%	29%
OPERATING EXPENSES	1,391.0	1,085.7	305.3	28%	15%	14%
INCOME (LOSS) FROM OPERATIONS	1,673.5	1,233.2	440.2	36%	18%	15%
OTHER INCOME (CHARGES)						
Interest income	26.7	19.0	7.7	40%	0%	0%
Financing charges	-122.0	-163.8	41.8	-26%	-1%	-2%
Foreign exchange gain (loss) - net	12.3	-8.3	20.6	248%	0%	0%
Others - net	65.4	113.4	-48.0	-42%	1%	1%
	-17.6	-39.7	22.1	-56%	0%	0%
INCOME (LOSS) BEFORE INCOME TAX	1,655.9	1,193.6	462.3	39%	18%	15%
PROVISION FOR (BENEFIT FROM)						
INCOME TAX						
Current	214.8	160.1	54.8	34%	2%	2%
Deferred	69.6	-37.7	107.3	-285%	1%	0%
	284.5	122.4	162.1	132%	3%	2%
NET INCOME (LOSS)	1,371.4	1,071.2	300.2	28%	15%	13%
Net income (loss) attributable to:						
Equity holders of the Company	1,122.9	851.1	271.7	32%	12%	11%
Non-controlling interests	248.5	220.0	28.5	13%	3%	3%
	1,371.4	1,071.2	300.2	28%	15%	13%

Revenues

Revenues from in-flight catering contributed 47% of the total revenues, with the segment revenue increasing by 11% from ₱3,981.8 million in 2023 to ₱4,402.6 million in 2024. This growth aligns with a 4% increase in meal count, from 22.77 million to 23.70 million, driven by sustained growth in meal volume.

The revenues from ground-handling and aviation services posted revenues of ₱4,172.0 million, up from ₱3,135.5 million in 2023, reflecting a 33% improvement. This growth was primarily driven by flight volume growth at the airports. Flights handled increased by 9,960 flights (5%), from 182,303 in 2023 to 192,263 in the current year. The ground handling and aviation services contributed 44% of the total revenues.

The revenue ground-handling and aviation services includes the revenue from First Aviation Academy (FAA). FAA's revenue grew by 42%, from ₱59.6 million in 2023 to ₱84.8 million in 2024. This increase reflects scaled-up operations, supported by additional training planes following the completion of CAAP license requirements.

Revenues from water operations contributed 8% of the total revenues. Revenue increased by ₱131.1 million (21%), from ₱617.5 million in 2023 to ₱748.6 million in 2024. This growth is attributed to a 6% increase in commercial water sales, with billed water volume rising from 18.07 million cu.m. in 2023 to 19.18 million cu.m. in 2024.

Connectivity and technology services generated ₱62.4 million in revenue from the Supply, Delivery, and Commissioning Agreement for HDPE Conduit Fiber Backbone and Containerized Data Center projects. The project commenced in 2023 and concluded in 2024.

Administrative revenues from the ecozone remained flat as the rates charged remained unchanged. However, there was a ₱9.6 million (21%) increase in revenue, from ₱46.6 million to ₱56.2 million, part of which was due to lease revenue from subleased property in Mactan, Cebu.

Total Direct Costs

Total direct costs for 2024 amounted to ₱7,108.7 million, reflecting an increase of ₱853.9 million (14%) compared to ₱6,254.8 million in 2023. This increase is primarily attributed to the expansion of business operations across all segments of the Group and is partly driven by the lease rate adjustments for properties within the Project Land managed and controlled by the Airport Operator.

Operating Expenses

Consolidated operating expenses increased by ₱305.3 million (28%), from last year's ₱1,085.7 million to ₱1,391.0 million, aligned with the business volume growth and was partly driven by the lease rate adjustment to ₱710 based on updated fees and charges to apply for the use of the facilities, services, and properties within the Project Land under the management and control of the Airport Operator.

Share in Net Earnings (Losses) of Associates

Share in net income of associates amounted to ₱731.5 million which increased by ₱154.8 million compared to same period in previous year represents MAC's share in the net operating result of its associated companies (LTP, JASCO and CPCS). One of the main contributors of the YTD net income for 2024 is the share in net income from LTP for MRO services amounting to ₱585.2 million, which is ₱23.1 million higher than the share in net income of ₱562.1 million in 2023. The reported net income of LTP in 2024 is attributable to significant improvement in its base maintenance business. CPCS, the catering associate in Cebu, has finally reflected a positive result from operation after booking continuous losses since the inception of the pandemic. MAC booked its 40% net income share in CPCS at ₱30.2 million, compared to last year's share of ₱7.0 million. JASCO, the ground handling associate in Japan, contributed ₱106.1 million in net income, a significant turnaround from last year's net loss of ₱3.6 million, representing MAC's 30% share of the net income/loss.

Other Income (Charges)

The interest income of ₱26.7 million pertains to income earned from short-term investments, and accretion of refundable deposits. Financing charges increased from ₱163.8 million in 2023 to ₱122.2 million in 2024, due to the increase in interest rates repricing. Total other income and charges increased by ₱48.0 million (42%) against the ₱113.4 million in 2023 mainly due to the gain on bargain purchase of CSW -Lapu Lapu amounting to ₱69.7 million, and is offset by loss on sale of investment in associate amounting to ₱43.0 million.

Income Tax

The Group posted an income tax expense increased by ₱162.1 million (132%) aligned with the increase in taxable income. The Group utilized its NOLCO during the year.

Net Income

The Group recorded a consolidated net income after tax of ₱1,371.4 million for the year 2024, a 28% from the consolidated net income after tax of ₱1,071.2 million in 2023. Net income increase was driven largely by business volume growth across all the Group's business units.

December 31, 2024 and December 31, 2023
Financial Position (amounts in millions)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	2024	2023	Changes	%	2024	2023
ASSETS						
Current Assets						
Cash and cash equivalents	1,369.3	1,062.6	306.7	29%	10%	8%
Receivables and contract assets	2,202.9	2,092.3	110.6	5%	16%	16%
Inventories	155.4	161.0	-5.6	-3%	1%	1%
Other current assets	695.6	871.6	-176.1	-20%	5%	7%
Total Current Assets	4,423.1	4,187.4	235.7	6%	33%	33%
Noncurrent Assets					0%	0%
Investments in associates	2,471.1	2,299.5	171.6	7%	18%	18%
Property, plant and equipment	2,496.5	2,293.2	203.2	9%	19%	18%
Net investment in lease	1,179.8	1,175.9	3.9	0%	9%	9%
Right-of-use assets	781.9	799.2	-17.3	-2%	6%	6%
Investment property	143.9	143.9	-0.0	0%	1%	1%
Service concession rights	436.9	408.5	28.4	7%	3%	3%
Intangible assets and goodwill	365.1	365.5	-0.4	0%	3%	3%
Deferred income tax assets - net	95.8	170.6	-74.8	-44%	1%	1%
Other noncurrent assets	1,023.6	851.3	172.3	20%	8%	7%
Total Noncurrent Assets	8,994.5	8,507.5	487.0	6%	67%	67%
TOTAL ASSETS	13,417.7	12,694.9	722.7	6%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Notes payable	121.2	244.5	-123.3	-50%	1%	2%
Accounts payable and accrued liabilities	2,299.5	2,646.1	-346.5	-13%	17%	21%
Income tax payable	75.4	63.2	12.3	19%	1%	0%
Dividends payable	96.4	9.7	86.7	891%	1%	0%
Current portion of long-term debts	386.9	314.1	72.8	23%	3%	2%
Current portion of lease liabilities	43.4	44.9	-1.4	-3%	0%	0%
Total Current Liabilities	3,022.9	3,322.4	-299.5	-9%	23%	26%
Noncurrent Liabilities						
Long-term debts - net of current portion	395.4	485.9	-90.5	-19%	3%	4%
Lease liabilities - net of current portion	2,049.5	2,042.2	7.3	0%	15%	16%
Accrued retirement and other employee benefits payable	196.6	190.0	6.6	3%	1%	1%
Deferred income tax liabilities - net	95.8	92.9	2.9	3%	1%	1%
Other noncurrent liabilities	93.6	76.1	17.5	23%	1%	1%
Total Noncurrent Liabilities	2,831.0	2,887.2	-56.2	-2%	21%	23%
Total Liabilities	5,853.9	6,209.6	-355.7	-6%	44%	49%
Equity attributable to equity holders of the Company						
Capital stock - 1 par value	1,933.3	1,933.3	0.0	0%	14%	15%
Additional paid-in capital	281.4	281.4	0.0	0%	2%	2%
Retained earnings						
Appropriated	960.0	960.0	0.0	0%	7%	8%
Unappropriated	3,356.8	2,423.1	933.8	39%	25%	19%
Other comprehensive income	-5.2	-16.3	11.1	-68%	0%	0%
Other reserves	1,003.0	1,003.0	0.0	0%	7%	8%
Treasury shares	-459.4	-459.4	0.0	0%	-3%	-4%
	7,070.0	6,125.1	944.9	15%	53%	48%
Non-controlling interests	493.8	360.2	133.5	37%	4%	3%
Total Equity	7,563.7	6,485.3	1,078.4	17%	56%	51%
TOTAL LIABILITIES AND EQUITY	13,417.7	12,694.9	722.7	6%	100%	100%

Assets

At the consolidated level as of December 31, 2024, the total assets stood at ₱13,417.7 million, posting an increase of ₱722.7 million (6%) from ₱12,694.9 million on December 31, 2023.

Cash and cash equivalents of ₱1,369.3 million increased by ₱306.7 million (29%) from ₱1,062.6 million. The cash balances of the operating subsidiaries are preserved to meet their currently maturing obligations.

Receivables and contract assets increased by ₱110.6 million (5%), from ₱2,092.3 million to ₱2,202.9 million due to due to business volume growth.

Inventories amounted to ₱155.4 million, maintained in line with forecasted inventory level requirements as of December 31, 2024.

Other current assets of ₱695.6 million primarily consist of input taxes, creditable withholding and prepaid taxes and unamortized prepayments for insurance covers, rent, utilities and unconsumed supplies as of December 31, 2024.

Deferred Tax Assets relate to taxes deemed recoverable in future periods. Decrease is attributed to deferred income tax assets from NOLCO and temporary differences from leases.

Liabilities

As of December 31, 2024, the Group's total liabilities amounted to ₱5,853.9 million, reflecting a decrease of ₱355.7 million (6%) from ₱6,209.6 million as of December 31, 2023.

Accounts payable and accrued liabilities decreased by ₱346.5 million (13%), from ₱2,646.0 million in 2023 to ₱2,299.5 million in 2024. The decrease is due to the settlement of amounts owed to suppliers, service providers, and government agencies.

Notes payable and the current portion of long-term debts in aggregate decreased by ₱50.5 million (9%), from ₱558.6 million in 2023 to ₱508.1 million in 2024. This reduction is mainly due to the payment of currently mature loans, which were availed from local banks by several companies within the Group for asset acquisition and business expansion.

Income Tax payable increased by ₱12.3 million (19%), from ₱63.2 million in 2023 to ₱75.4 million in 2024, due to higher taxable income.

Accrued retirement benefits payable of ₱196.6 million increased by ₱6.6 million (4%) from ₱190.0 million in December 2023 is accounted for based on the latest actuarial valuation of the Group.

Equity

Movement in the "non-controlling interests" depends on the results of operations of MACS, AWSI, BTSI and subsidiaries of MAPDC with JV partners. As of December 31, 2024, non-controlling interests amounted to ₱493.8 million, an increase by ₱133.5 million (37%) from ₱360.2 million for December 31, 2023. Equity attributable to equity holders of the company increased by ₱944.9 million (15%), from last year's ₱6,125.1 million to this year's ₱7,070.0 million. The increase pertains to the net income attributable to equity holders of the company booked in retained earnings amounting to ₱1,122.9 million, offset by the dividend declared amounting to ₱189.1 million and other components of equity. The latter decreased by ₱11.1

million (68%), from ₱5.8 million in 2023 to (₱5.2 million) in 2024. The decrease is attributed to the share in the remeasurement of pension assets of LTP, the remeasurement of defined benefit plans, and the offset by the share in foreign currency translation adjustments gain of LTP and JASCO, which amounted to ₱59.8 million in aggregate. These changes were driven by fluctuations in the US Dollar (USD) and Japanese Yen (JPY) exchange rates during the period.

Total Equity increased by ₱1,078.4 million (17%), from last year's ₱6,485.3 million to ₱7,563.7 million as of December 31, 2024.

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.

	December 31, 2024	December 31, 2023
Return on Net Sales (RNS)	14.53%	13.39%
Return on Investment (ROI)	14.08%	11.87%
Return on Equity (ROE)	22.59%	20.85%
Direct Cost Ratio	75.29%	78.21%
Operating Expense Ratio	14.73%	13.58%
Current Ratio	1.46 : 1	1.26 : 1
Debt-to-Equity Ratio	11.95%	16.11%
Interest Coverage Ratio	14.57 : 1	8.29 : 1
Asset-to-Equity Ratio	1.77 : 1	1.96 : 1
Return on Asset (ROA)	10.22%	8.44%

- Return on net sales increased from 13.39% in 2023 to 14.53% as of December 31, 2024. This improvement is driven by the increase in revenues generated by the Group's operating subsidiaries in the current year compared to the previous year
- Movement from 11.87% to 14.08% in ROI ratio is parallel to that of the RNS due to the Group's financial performance as discussed above.
- The ROE of 22.59% in 2024 improved compared to 20.85% for the same period of 2022.
- The direct cost ratio decreased from 78.21% to 75.29% for 2024 primarily due to the cost efficiency amidst improvement in business activities of the Group.
- Operating expense ratio also increased from 13.58% to 14.73% for 2024 because of the improvement in business activities of the Group.
- The Group still has a healthy current ratio indicating the Group's solid ability to meet its current liabilities, with an adequate portion of current assets held as cash. Current ratio stands at 1.46:1 compared to 1.26:1 last year.
- Debt to equity ratio improved to 11.95% in 2024, from 16.11% in 2023. This improvement reflects the net reduction in outstanding loans and the increase in equity due to the net income earned during the year.

- As the Group report positive operating results during the current reporting period, it will be able to cover interest payments arising from its debts. Interest coverage ratio rose from 8.29:1 to 14.57:1 as of December 31, 2024.
- The ratio between total assets and total equity indicates that the assets of the Group continue to be supported principally by shareholders' capital rather than debt. Asset-to-equity ratio improved from 1.96:1 in 2023 to 1.77:1 in 2024.
- The ROA of 10.22% in 2024 improved from 8.44% for the same period of 2023, which indicates the Group's profitability in relation to the assets.

The indicators above are measured as follows:

1. Return on Net Sales	=	$\frac{\text{Total Net Income}}{\text{Total Net Revenues}}$
2. Return on Investment	=	$\frac{\text{NI attributable to Equity holder of Parent}}{\text{Total Interest-bearing Liabilities + Equity attributable to Equity holder of Parent}}$
3. Return on Equity	=	$\frac{\text{Total Net Income}}{\text{Total Equity}}$
4. Direct Cost Ratio	=	$\frac{\text{Total Direct Cost}}{\text{Total Net Revenues}}$
5. Operating Expense Ratio	=	$\frac{\text{Total Operating Expenses}}{\text{Total Net Revenues}}$
6. Current Ratio	=	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$
7. Debt-to-Equity Ratio	=	$\frac{\text{Total Interest-bearing Debts}}{\text{Total Equity}}$
8. Interest Coverage Ratio	=	$\frac{\text{Total Earnings before Interest and Taxes}}{\text{Interest Expense}}$
9. Asset-to-Equity Ratio	=	$\frac{\text{Total Assets}}{\text{Total Equity}}$
10. Return on Asset	=	$\frac{\text{Total Net Income}}{\text{Total Asset}}$

Plans and Prospects

The aviation industry's recovery is strengthening the profitability of MacroAsia's aviation units, with key drivers of revenue growth being increased flights and passengers. The privatization of NAIA in September 2024 is expected to enhance airport capacity and efficiency, potentially increasing passenger traffic. However, revised operational costs from the Manila International Airport Authority may pose challenges, as substantial cost increases could impact travel demand. Despite these pressures, MacroAsia will focus on growth

opportunities in its core aviation segments, including airline catering, MRO, and ground handling, while also exploring growth in non-airport segments like food services, water treatment, and connectivity projects.

Geared to continuing growth in 2026, MacroAsia continues to pursue sustainable cost leadership projects within the Group. Among the key thrusts are as follows:

MRO (Aircraft Maintenance, Repair, Overhaul):

Lufthansa Technik Philippines (LTP) - together with MAPDC & MacroAsia, are in continuous discussion with the Airport authority for the renewal of its lease in NAIA, which expired in September 1, 2025 by virtue of the expiry of MAPDC's lease contract with MIAA. LTP is the sole locator of MAPDC's ecozone. Meanwhile, the company expects to continuously benefit from the recovery of the Aviation industry. The company expects increasing demand for MRO maintenance; hence it is looking to expand its operation to airports outside of Metro Manila. Currently, it is studying the possibility of building an MRO facility in Clark International Airport.

FOOD SERVICES:

Inflight Food: The Group's inflight catering services through MacroAsia Catering Services (MACS), and MacroAsia SATS Inflight Services (MSIS), showed continuous uptrend in meal volumes in 2025. MSIS will continue to upgrade its production facility at the landside area of the airport near Terminal 2, and at the same time it is looking to expand its operation in other key areas in the country. The company continuously adopts to the changes in NAIA that affected its servicing capacity. In 2025, MACS onboarded 4 new important clients that included Air Canada, Etihad Airways, Air India and Jetstar Airways. However, the company also absorbed the full-year worth of high rental rates. MACS' immediate focus for the next years is to achieve operational efficiency to service its clients well, while at the same time keeping operational low to earn a sufficient margin. Cebu Pacific Catering Services (CPCS), which reopened in 2023, will continue to experience topline growth as Mactan-Cebu Airport sees rising passenger traffic and flight movements.

Non-Airline Food: MacroAsia SATS Food Industries (MSFI) has seen consistent growth in its central kitchen operations in 2025. It also started to build its second building in the same location, with the aim of doubling its capacity to service more clients. The new building is expected to be completed by the 1st quarter of 2027. Meanwhile, MacroAsia-Jolliant Food Services Inc is expected to have a full year of operation in 2026. The company will aggressively capture new institutional clients in Cebu and Visayas and is expected to contribute highly to the performance of the food group.

GATEWAY SERVICES:

The Group's ground handling business, operated through MacroAsia Airport Services Corporation (MASCORP), will continue to increase its workforce to meet the growing demand brought about by the increasing flight and passenger volumes from its existing and prospective airline clients. The Group's revenues from gateway services include ground handling, apron ramp

cleaning, maintenance of ground support equipment (GSE) and cargo handling. MASCORP's strategic expansion into ULD repair, maintenance, and assembly, as well as repair of galley inserts, such as trolleys and standard tray containers (STCs) is bound to strengthen its market position while leveraging its existing affiliations to drive further growth, through a new subsidiary which was yet to be acquired as of the end of the reporting date.

PROPERTY DEVELOPMENT:

Maintaining a status quo in property development, MacroAsia through its wholly owned subsidiary, MacroAsia Properties Development Corporation (MAPDC), collaborates with its subsidiaries and affiliates for contracted servicing and construction.

AVIATION TRAINING:

First Aviation Academy, Inc. is pursuing cross-border partnerships that will allow foreign enrollees to obtain a commercial pilot license in the Philippines, while also ramping up on the recruitment of local enrollees. The company aims to pursue targeted and effective marketing initiatives in 2026 to penetrate both international and local markets. In 2025, FAA has successfully established partnership with Bank of the Philippine Island to offer financing options to qualified enrollees. The company will continue to pursue similar partnerships with other bank partners in 2026.

In previous years, the Group has ventured into natural resources development, building on its history as a mining company in the 1970's.

MINING:

In 2022, exploration work was done to re-affirm the presence of nickel in the Brookes' Point tenement. As the mineralization was affirmed and with the moratorium on mining getting lifted, MacroAsia signed an operating agreement with a local mining operator. The Environmental Compliance Certificate (ECC) for operations was renewed in 2023 and a few more permits to support operations are still being awaited. Once mining operations commence, the Group anticipates recurring cash inflow through royalty payments. The re-opening of the old Infanta Nickel Mine of the Group is foreseen to happen in 2026. MacroAsia expects to receive royalties from the third-party operator that was commissioned to re-start the nickel mine.

WATER BUSINESS:

Proving its flexibility in the pandemic, the Water Segment of the Group has significantly increased its revenues. With the tourism industry returning to normal, Boracay Tubi Systems Inc. (BTSI) has shown stable growth in its performance in 2025. As the primary water provider on Boracay Island, BTSI will continue to deliver revenue growth through the expansion of its pipeline network to serve commercial and residential clients in unserved areas of the Island.

The Cavite-based business units, Naic Water Supply Corporation (NWSC) and Aqualink Resources Development Inc. (ARDI), both recorded positive results in

2025. Venturing beyond their current service areas, NWSC and ARDI are expected to grow further in 2026. Adding to the market share in Cavite, Cavite Alliedkonsult Services Corporation (CAKSC), a project company formed through a partnership between MacroAsia and EnviroKonsult, was inaugurated in 2022 and has secured long-term septage contracts with water service providers. CAKSC owns the biggest septage treatment facility in the Cavite, with a capacity of 400 to 600 cubic meters per day, serving the Group's septage management and various private water provider's needs.

Through its original equipment manufacturer subsidiary, Summa Water Resources, Inc. (SWRI), MacroAsia has continued developing portable water treatment plants for various LGUs and government agencies. In 2024, SWRI further diversified its client portfolio by securing multiple contracts through tenders. On September 18, 2024, MacroAsia marked the groundbreaking of its Seawater Desalination Plant Project in Lapu-Lapu City. Spearheaded by Summa Water Resources, Inc. (SWRI) through its subsidiary CSWater Lapu-Lapu, Inc. (CSWLL), the project's first phase of 20 MLD (Million Liters per Day) desalination plant in Punta Engaño is currently in construction and a 500 CMD (Cubic Meters per Day) facility on Olango Island which is near completion. In addition, the Poro Point Desalination Treatment Plant in La Union commissioned its first phase on February 12, 2026, to expand clean water access in Northern Luzon.

The water projects in Bacolod City, Lapu-Lapu City and San Fernando, La Union are foreseen to be operational and revenue-generating within 2026. Construction of the water project to service Iloilo will commence in 2026, with completion foreseen towards the early part of 2027.

MacroAsia's ICT and Digitalization Initiatives

In line with addressing the Group's evolving **ICT requirements**, **MacroAsia** has leveraged its wholly owned subsidiary, **Tera Information and Connectivity Solutions, Inc. (TERA)**, to drive digitalization and provide essential ICT solutions within the Group. Among the key initiatives are as follows:

1. Ground Handling Unit:

- TERA has partnered with the Group's ground handling unit to implement 800MHz frequency radio trunking at the airport. This initiative aims to enhance communication efficiency and support operational needs in the airport environment.

2. Water Business Connectivity Solutions:

- TERA is also focusing on supporting the development of the Group's water business segments by implementing connectivity solutions. Customer-facing digital platforms and online payment systems will be introduced to enhance service accessibility and engagement. These efforts are expected to enhance the operational infrastructure for water-related services.

3. Expanding Projects:

- Several other projects are currently in the pipeline, marking the continuous expansion of TERA's role within the Group. These initiatives aim to strengthen **ICT capabilities**, aligning with the broader goal of digital transformation across MacroAsia's business units.

New Prospects

MacroAsia Corporation continues to pursue selective growth opportunities anchored on disciplined capital allocation, operational efficiency, and long-term demand fundamentals. The Group's new prospects for the near to medium term are underpinned by a focused capital expenditure program, with emphasis on projects that enhance profitability, strengthen core platforms, and support sustainable expansion across its priority business segments.

The Group's new prospects are anchored on infrastructure and service platforms with long-term demand visibility, supported by prudent financing structures and disciplined execution. While the timing and outcomes of some of these initiatives remain subject to regulatory approvals, market conditions, and execution risks. Management believes that the current CAPEX program positions MacroAsia to enhance its earnings base, strengthen operational resilience, and support sustainable value creation over the medium to long-term.

Item 7. Financial Statements

Please see the attached consolidated financial statements and schedules listed in the accompanying Index to the Consolidated Financial Statements and Supplementary Schedules.

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

There were no other changes in or disagreements with accountants during the last three calendar years or any subsequent interim period.

Information on Independent Public Accountant

SyCip Gorres Velayo & Co. (SGV & Co.) has acted as the Group's independent public accountant. Audit Partner-in-Charge, Mr. Kristopher S. Catalan of SGV & Co. handled the financial audit for the year ended December 31, 2025. Among his clients are the largest companies in the consumer products, technology, asset management, air transportation, agricultural businesses, industrial goods, construction, and real estate industries. He is a member of the Firm's Capital Markets Center and the Accounting Standards Group (ASG). He is highly knowledgeable in Revenue Recognition, Business Combinations and Leases. He is also a frequent resource person in training on International Financial Reporting Standards (IFRS) and Assurance.

External Audit Fees and Services

	2025	2024
Regular annual audit of financial statements	₱8,810,000	₱8,907,923
Non audit fees		400,000
Total	₱8,810,000	₱9,307,923

Audit Committee's Approval Policies for the Services of External Auditor

All services to be rendered and fees to be charged by the external auditors are presented to and pre-approved by the Audit Committee. An audit planning meeting is conducted at least one month before the actual performance of work. Then, upon recommendation and approval by the Board of Directors, the appointment of the external auditor is confirmed at the annual stockholders' meeting. Representatives of the said firm are expected to be present at the stockholders' meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Item 9. Directors and Executive Officers of the Issuer

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	Director	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.*

Dr. Lucio C. Tan. Mr. Tan, 91, Filipino, has served as Chairman of the Board of Directors since July 2015 and as Chief Executive Officer since December 14, 2015. He is also the Chairman of LT Group, Inc. and PAL Holdings, Inc. and a Director of Absolut Distillers, Inc., Alliedbankers Insurance Corporation, Allianz PNB Life Insurance, Air Philippines Corporation, Asia Brewery, Inc., Asian Alcohol Corporation, Allied Banking Corporation (Hongkong) Limited, Allied Commercial Bank (Xiamen), Basic Holdings Corporation, Buona Sorte Holdings, Inc., Eton Properties Philippines, Inc., Fortune Tobacco Corporation, Foremost Farms, Inc., Grandspan Development Corporation, Himmel Industries, Inc., Philippine Airlines, Inc., PMFTC Inc., PNB Holdings Corporation, Progressive Farms, Inc., Tanduary Distillers, Inc., Tanduary Brands International, Inc., Tangent Holdings Corporation, The Charter House, Inc., Trustmark Holdings Corporation, University of the East, and Zuma Holdings and Management Corporation. He is also the Chairman Emeritus of Philippine National Bank.

Dr. Lucio Tan holds a Bachelor of Science degree in Chemical Engineering from Far Eastern University. He also holds a Doctor of Philosophy degree, Major in Commerce from the University of Santo Tomas in 2003 and is an awardee of several other honorary Doctorate degrees. He holds a Bachelor of Science degree in Chemical Engineering from Far Eastern University.

Carmen K. Tan. Mrs. Tan, 85, Filipino, has served as a Director of the Corporation since July 2012. Aside from her membership in the Board of Directors of the Corporation, Mrs. Tan is also the Vice Chairman of Philippine Airlines, Inc. and LT Group, Inc. She is also a Director of Air Philippines Corporation, Asia Brewery, Inc., Buona Sorte Holdings, Inc., Foremost Farms, Inc., Dynamic Holdings, Ltd, Eton City, Inc., Fortune Tobacco Corporation, Himmel Industries, Inc., PAL Holdings, Inc., PMFTC Inc., Progressive Farms, Inc., Tanduary Distillers, Inc., Manufacturing Services and Trade Corporation, Sipalay Trading Corporation, Saturn Holdings, Inc., Tangent Holdings Corporation, Trustmark Holdings Corporation, and Zuma Holdings and Management Corporation. She is also a Member of the Board of Advisors of Philippine National Bank.

Mrs. Tan is a distinguished alumna of the Paco Citizen Foundation (formerly Paco Chinese School) and the University of the East, Manila.

Lucio C. Tan III. Mr. Tan, 33, Filipino, has served as Director of the Corporation since December 2019. He is the President and Chief Operating Officer of LT Group, Inc., PAL Holdings, Inc. and Tanduary Distillers, Inc. He is also the President of Dunman Holdings Corporation, and Tanduary Brands International, Inc. In addition, he holds the position of Vice Chairman and President of Sabre Travel Network Phils. Inc. He is the Vice President of Dunmore Development Corporation.

Mr. Tan is also a Director of PMFTC, Inc., Philippine Airlines, Inc., Philippine National Bank, Ali-Eton Property Development Corp., Air Philippines Corporation, Allied Water Services Inc., Asia Brewery, Inc., Asia's Emerging Dragon Corporation, Asian Cancer Center Inc., Belton Communities, Inc., Dominium Realty & Construction Corporation, Eton City, Inc., Eton Properties Philippines Inc., First Homes, Inc., Fortune Landequities and Resources Inc., Fortune Tobacco Corporation, Kaizer Chemical Industries, Inc., Lufthansa Technik Philippines, MacroAsia Airport Services Corp., MacroAsia Catering Services Inc., MacroAsia SATS Food Industries, MacroAsia SATS Inflight Services Corp., PNB Holdings Corporation, Prior Holdings Corp., Qualisure Holdings Inc., REM Development Corporation, Shareholdings, Inc., Silangan

Holdings, Inc., Sipalay Trading Corporation, Trustmark Holdings Corporation, and Zuma Holdings Management Corporation.

Mr. Tan possesses a strong background in engineering and technology. He holds a Bachelor's degree in Electrical Engineering and a Master's degree in Computer Science from Stanford University. Prior to joining the Lucio Tan Group, he worked as a software engineer at Lyft in the Bay Area before gradually transitioning into different business units within the LT Group Inc. and PAL Holdings, Inc. During his university years, he was a recipient of the Stanford University Frederick E. Terman Award, given to the top 5% of Stanford University engineering undergraduates.

Eduardo Luis T. Luy. Mr. Luy, 32, Filipino, President and Chief Operating Officer of the Corporation since October 8, 2021. He served as Director and Treasurer of the Corporation from December 12, 2019, to October 7, 2021. He is also the Chairman and President of the following corporations: MacroAsia Catering Services, Inc., MacroAsia SATS Food Industries Corporation, MacroAsia SATS Inflight Services Corporation, MacroAsia Airport Services Corporation, MacroAsia Properties Development Corporation, MacroAsia Air Taxi Services, Inc., MacroAsia Mining Corporation, MMC Management and Development Corporation, Bulawan Mining Corporation, Allied Water Services, Inc., Naic Water Supply Corporation, Aqualink Resources Development, Inc., Mabini Pangasinan Resources Development Corporation, and Tera Information and Connectivity Solutions, Inc.; Chairman of the following corporations: First Aviation Academy, Inc., Water Business Solutions, Inc., Cavite Business Resources, Inc., SNV Resources Development Corporation, Boracay Tubi System, Inc., New Earth Water System, Inc., Monad Water and Sewerage Systems, Inc., AlliedKonsult Eco-Solutions Corporation, Cavite AlliedKonsult Service Corporation Summa Water Resources, Inc., CS Water Lapu-Lapu, Inc. since October 2021 and MacroAsia New Ventures, Inc. since September 2025 and MacroAsia Jolliant Food Services Corporation since November 2025; and Director of Lufthansa Technik Philippines, Inc., since October 8, 2021, and Japan Airport Service Co., Ltd. since November 2021. He worked in Reyes Tacandong & Co. from 2015- 2018.

Mr. Luy holds a Master's degree in Business Administration from Asian Institute of Management and a Bachelor of Science degree in Business Administration from the University of the Philippines - Diliman.

Vivienne K. Tan. Ms. Tan, 57, Filipino, has served as Director of the Corporation since July 2019. She also serves as a member of the Board of Directors of: Air Philippines Corporation, Eton Properties Philippines, Inc., LT Group, Inc., and Philippine National Bank. She is also a Member of the Board of Trustees of University of the East and University of the East Ramon Magsaysay Memorial Medical Center; Founding Chairperson of Entrepreneurs School of Asia and Founding Trustee of Philippine Center for Entrepreneurship (Go Negosyo).

Ms. Tan has a Bachelor of Science Double Degree in Mathematics and Computer Science from the University of San Francisco, USA. She also has a Post-Graduate Diploma in Fashion Design and Manufacturing Management from the Fashion Institute of Design and Merchandising in Los Angeles.

Kyle Ellis C. Tan. Mr. Tan, 29, Filipino, has served as Treasurer and Director of the Corporation since October 8, 2021. He is the President and Chief Executive Officer of Eton Properties Philippines, Inc. He is also the President of Landcom Realty Corporation and the Chief Operating Officer of Tanduay Distillers Inc.

Mr. Tan currently serves as Director and Chief Operating Officer of Himmel Industries, Inc. and Manufacturing Services & Trade Corporation. He also holds the position of Vice Chairman and Director of Pan Asia Securities Corporation and Vice President of Kilter Realty & Development Corporation. In addition, he is a Director of several companies including Tera Information and Connectivity Solutions, Inc., Victorias Milling Company Inc., PNB Global Remittance and Financial Co. (HK) Ltd, Grandspan Development Corporation, Maranaw Hotels & Resort Corporation Asia's Emerging Dragon Corporation and PAL Holdings, Inc. He also serves as a Board Advisor of Philippine Airlines.

Prior to joining the Lucio Tan Group, he was a full-time software engineer at Microsoft.

Mr. Tan graduated Magna Cum Laude with a Bachelor's degree in Computer Engineering from the University of Southern California, where he also finished his Master's degree in Computer Science.

Johnip G. Cua. Mr. Cua, 69, Filipino, has served as Director of the Corporation since 2006. He was formerly the President of Procter & Gamble Philippines Inc. (1995-2006). He currently serves as the Chairman of the Board of the P&Gers Fund Inc. (since 2009) and Xavier School, Inc. (since 2012), and the Chairman & President of Taibrews Corporation (since 2011). Additionally, he serves as a member of the Board of Trustees of Xavier School Educational & Trust Fund (since 1996) and MGCC Foundation (since 2015).

He is an Independent Director of the following corporations: Philippine Airlines Inc. (since 2014), PAL Holdings Inc. (since 2014), LT Group Inc. (since 2018), Tanduay Distillers Inc. (since 2018), Asia Brewery Inc. (since 2018), MacroAsia Catering Services, Inc. (since 2007), MacroAsia Airport Services Corp. (since 2007), MacroAsia Properties Development Inc. (since 2013), PhilPlans First Inc. (since 2009), and First Aviation Academy Inc. (since 2017).

He is also a member of the Board of Directors of the following corporations: Allied Botanical Corporation (since 2012), Alpha Alleanza Manufacturing Inc. (since 2008), Bakerson Corporation (since 2002), Interbake Marketing Corporation (since 1991), Lartizan Corporation (since 2007), Teambake Marketing Corporation (since 1994), and Zenori Corporation (since 2018).

Mr. Cua holds a Bachelor of Science degree in Chemical Engineering from the University of the Philippines.

Ramon P. D. Dizon. Mr. Dizon, 65, Filipino, has served as Lead Independent Director since May 9, 2024. He also serves as Independent Director of PAL Holdings, Inc., DigiPlus Interactive Corp., Filinvest REIT Corp., MegaLink, Inc., and Philippine School of Business Administration, and Senior Consultant of Monde Nissin Corporation. He was a former senior partner of SGV & Co. and has more than 40 years of professional experience in advisory and assurance services. He is a member of the Management, Leadership, Appointment and Executive Committees of SGV & Co. He held leadership positions in SGV/EY, as Head of Transaction

Advisory Services; Risk Advisory Services; Market Group and Head of Training & Methodology. He led the Firm's programs and various initiatives related to service quality and productivity/efficiency. He also spearheaded SGV's first ISO 9001 Certification for the Audit Division. He worked in the Chicago office of an international accounting firm and with its Center for Professional Education.

Mr. Dizon holds a Bachelor's degree in Commerce major in Accounting (Cum Laude) from Polytechnic University of the Philippines (1980). He holds a Master in Business Management from Asian Institute of Management (Manila, 1988). He also completed the Advanced Management Program, Harvard Business School (Boston, 2011), Strategic Business Leadership Programme of INSEAD (Singapore, 2008), and Journey to the Boardroom Program Harvard Business Publishing Corporate Learning (2019). He is an Asean CPA, Member of the Philippine Institute of Certified Public Accountants (since 1981), and Member of the Management Association of the Philippines, and the Harvard Business School Club of the Philippines.

Diwa C. Guinigundo. Mr. Guinigundo, 71, Filipino, has served as Independent Director since May 9, 2024. He is a former Deputy Governor of the Bangko Sentral ng Pilipinas (BSP) and served the BSP for 41 years, handling monetary policy, treasury operations, loans and credit, asset management, currency management, regional operations and international operations. As BSP deputy governor, he chaired the BSP's Monetary Policy Strategy Committee. He was vice-chairman of the BSP's Investment Management Committee and its Provident Fund. He also represented the central bank in cabinet-level NEDA Board, National Food Authority, Development Budget Coordination Committee, Economic Cluster, and Trade and Related Matters. He served as Alternate Executive Director at the International Monetary Fund in Washington, DC from 2001-2003. Earlier, he was Head of Research at The SEACEN (Southeast Asian Central Banks) Research and Training Centre in Kuala Lumpur from 1992-1994.

He served as one of the book authors on global and regional economic crises organized by the BSP together with other academics and current BSP officers. He is a member of the Advisory Panel of the Sim Kee Boon Institute for Financial Economics of Singapore Management University. He is also a member of the Board of Advisors of the International Care Ministries. An external advisor to Bain & Company, he is also an Independent Director of the AIA Philippines Investment Management and Trust Corporation, where he chairs the Board's Governance Committee. He chaired the Advisory Panel of the ASEAN + 3 Macroeconomic Research Office based in Singapore for 2023-2024. Since October 2023, he has been the principal advisor of New York- based Global Source Partners for the Philippines.

Mr. Guinigundo graduated at the top of his AB class, cum laude, at the University of the Philippines School of Economics. He earned his M.Sc. in Economics at the London School of Economics as a scholar of the then Central Bank of the Philippines. He holds an honorary Doctor of Divinity (DD) degree from the Promise Christian University in Los Angeles, California. He taught economics at the University of the Philippines Manila and St. Scholastica's College.

Gregorio T. Yu. Mr. Yu, 67, Filipino, has served as Independent Director since May 15, 2025. He is currently the Lead Independent Director of AIA Philippines Life and General Insurance Company, Inc. He is also the Independent Director of Philippine Airlines, Inc., House of Investments, Inc., Filipino Fund, Inc., Alphaland Corporation, Unistar Credit and Finance Corporation, Vantage Equities, Inc., and Vantage Financial Corporation. He also serves as a

Director of Philippine Bank of Communications, Inchcape Philippines, Philequity Management, Inc., APO Agua Infraestructura, Inc., Nexus Technologies, Inc., Glyph Studios Inc., Glacier Megafridge, Inc., Prople BPO Inc., Wordtext Systems Inc., and Jupiter Systems, Inc.; and a Board Member of Manila Symphony Orchestra.

His past experiences include the following: Chairman of the Board of Auto Nation Group (General Philippine Distributor of Mercedes-Benz, Chrysler, Jeep, Dodge, Ram) and CATS Automobile Corporation; Chairman of CATS Motors Inc.; Vice Chairman of the Board of Sterling Bank of Asia; Vice Chairman of APC Group, Inc., Philippine Global Communications, Inc., Director of American Motorcycles, Inc., CATS Asian Cars, Inc. (Mazda Greenhills), PAL Holdings Inc., EEI Corporation, Philippine National Reinsurance Corporation, DITO CME Holdings Corporation, Iremit, Inc., Yehey, Inc., Filcredit Finance, i- Ripple, The International Exchange Bank, Philequity Fund, Inc., Cebu Holdings Inc., Chase Manhattan Asia Limited, Hong Kong; President and CEO of Belle Corporation, Pacific Online Systems Corporation, Sinophil Corporation, President of The Country Club at Tagaytay Highlands, Tagaytay Highlands International Golf Club, Tagaytay Midlands Golf Club; Chairman and Trustee of Xavier School Educational and Trust Fund, Inc.; Trustee of Government Service Insurance System, Xavier School, Inc.; and Board Member of Ballet Philippines.

Mr. Yu is a holder of Master of Business Administration from The Wharton School, University of Pennsylvania, where he was in the Director's Honor List and Bachelor of Arts (Honors Program) in Economics (Summa Cum Laude) from De La Salle University, where he was a member of the Jose Rizal Honor's Society.

Christina C. Tan. Ms. Tan, 65, Filipino, has served as Independent Director since July 10, 2025. She is a veteran business leader with over four decades of executive experience in the Philippine Fast Moving Consumer Goods (FMCG), logistics, wholesale, and retail sectors. As President of Suy Sing Commercial Corporation, the country's leading FMCG wholesaler, she led its transformation from a regional operator into a nationwide enterprise with 14 distribution centers serving over 25,000 independent retailers/ grocers across Luzon, Visayas, and Mindanao. With the firm belief that small and medium entrepreneurs support the country's economic development, Suy Sing has developed retail and other programs to champion their growth and help them scale.

She is also the founder and President of Easy Day Shop, a chain of neighborhood groceries showcasing vertical integration in retail and consumer access, now with 16 stores and two franchises.

She holds board and committee positions in: Director: Regatta Holdings Inc., Thames International School Inc., Solar Village Foundation; Committee Member: Women in C-Suites – Makati Business Club (MBC); and Member: Management Association of the Philippines (MAP).

Ms. Tan is an active member of the Young Presidents' Organization (YPO). She earned her degree in AB-Interdisciplinary Studies from Ateneo de Manila University.

Executive Officers

Name	Position
Atty. Marivic T. Moya	Senior Vice President for Human Resources, Legal and External Relations
Amador T. Sendin	Chief Financial Officer / Chief Risk Officer / Senior Vice President for Administration
Belgium S. Tandoc	Vice President for Business Development / Data Protection Officer
Rhodel C. Esteban	Vice President for Commercial / Chief Sustainability Officer / Chief Compliance Officer / Corporate Information Officer
Evelyn R. Cabug	Chief Audit Executive
Atty. Florentino M. Herrera III	Corporate Secretary
Atty. Mary Rogelyn T. Cabrera	Assistant Corporate Secretary

Atty. Marivic T. Moya. Atty. Moya, 65, Filipino, has served as an Executive Officer since May 1999. She is the current Senior Vice President for Human Resources, Legal, and External Relations of MacroAsia Corporation. She served as Chief Compliance Officer and the Chief Information Officer until March 27, 2025. Prior to this, Atty. Moya was the Vice President for Human Resources, Legal, and External Relations of MacroAsia Corporation and Compliance Officer (1999-2019).

She is involved in MacroAsia Catering Services Inc. (Corporate Secretary since 2004 and Director from June 2019 to March 2021), MacroAsia SATS Food Industries Corporation (Corporate Secretary since 2015), MacroAsia SATS Inflight Services Corporation (Corporate Secretary and Director from June 2019 to March 2021), MacroAsia Airport Services Corp. (Corporate Secretary since 2004), MacroAsia Properties Development Corp. (Corporate Secretary since 2004 and Director since 2019); Asia's Emerging Dragons Corp. (Corporate Secretary since 2017), MacroAsia Air Taxi Services, Inc. (Corporate Secretary since 2004 and Director since 2018); MacroAsia Mining Corp. (Corporate Secretary and Director since 2000), SNV Resources Development Corp., Boracay Tubi System, Inc. (Corporate Secretary and Director until 2020), First Aviation Academy, Inc. (Corporate Secretary since 2017 and Director since 2019), Summa Water Resources, Inc. (Corporate Secretary since October 2018 and Director until 2020), Naic Water Supply Corporation (Corporate Secretary since 2020 and Director since 2017), Watergy Business Solutions Inc. (Director since 2014 and Treasurer since October 2020), Cavite Business Resources Inc. (Director since 2012 and Treasurer since October 2020), Alliedkonsult Eco-solutions Corporation and Cavite Alliedkonsult Services Corporation (Director from September 2019 to October 2021 and Corporate Secretary since September 2019); CS Water Lapu-Lapu, Inc. (Corporate Secretary since October 2019), Aqualink Resources Development Corporation (Corporate Secretary since April 2021); Tera Information and Connectivity Solutions, Inc. (Corporate Secretary since February 2021).

She is currently the Assistant Corporate Secretary of LT Group and PAL Holdings, Inc. and served as the Corporate Secretary of MacroAsia Corporation from 2004 to 2014. She is also the Corporate Secretary of Philippine Airlines, Inc. (since 2014). She worked with various Government Institutions from 1987 to 1999, holding key positions such as Legal Officer of the National Bureau of Investigation (NBI) from 1987-1989, Arbitration Specialist of Philippine

Overseas Employment Administration (POEA) from 1989 to 1990, Director II (Chief, Legal Service) of Philippine Health Insurance Corporation from 1990 to 1996 and Graft Investigation Officer II at the Office of the Ombudsman from 1997 to 1999. She also held the position of Human Resources Manager of Grand Air from 1996 to 1997. She was a member of the Board of Trustees of the University of Santo Tomas Law Alumni Association (2010-2013).

Atty. Moya holds a Juris Doctor degree from the University of Santo Tomas and a Bachelor of Arts degree, Major in Child Study from Maryknoll College.

Amador T. Sendin. Mr. Sendin, 63, Filipino, a Certified Public Accountant (CPA), has served as an Executive Officer since October 2003. He is the current Chief Financial Officer (since 2012), Chief Risk Officer, and Senior Vice President for Administration of MacroAsia Corporation. He is also the Treasurer of MacroAsia Properties Development Corporation (since 2013), Summa Water Resources, Inc. (since 2018). He likewise serves as Treasurer of MacroAsia Airport Services Corporation (since 2013), MacroAsia Catering Services, Inc. (since 2019), MacroAsia SATS Food Industries Corporation (since 2019), MacroAsia SATS Inflight Services Corporation (since 2018), Naic Water Supply Corporation (2019), First Aviation Academy, Inc. (since 2019), MacroAsia Mining Corporation (since 2010). In addition, he holds the position of President of SNV Resources Development Corporation (since 2015), Watergy Business Resources Corporation (since 2016), Cavite Business Resources, Inc. (since 2017). He also serves as Chief Financial Officer of MacroAsia New Ventures, Inc. (since 2025) and MacroAsia Jolliant Food Services Corporation (since 2025).

Prior to this, Mr. Sendin was the Vice President for Business Development and Administration of MacroAsia Corporation (2003-2019), President and Director of Naic Water Supply Corporation (2017-2019), Treasurer and Director of Cavite Business Resources, Inc. (2013-2015), Watergy Business Solutions, Inc. (2012-2015), Finance Manager of MacroAsia Catering Services, Inc. (2000- 2003), and Finance Controller of MIASCOR Catering (1998-2000). He was the Operations Head of Amikris Enterprises (1993-1998) and a Resource Person of the Central Bank Institute (1992-1997). He was Project Supervisor for SAS Service Partners/Saudia Catering in KSA (1992-1993). He started his career with the Central Bank of the Philippines from 1983-1992, rising from a staff position until he became Division Chief/Staff Officer A.

Mr. Sendin is a holder of Masters in Accountancy from Polytechnic University of the Philippines, Bachelor of Science in Psychology from St. Louis University, and a Certificate in Organizational Development in 2000. He has also completed a Management Development Program in Switzerland.

Belgium S. Tandoc. Mr. Tandoc, 55, Filipino, a Certified Financial Consultant and Certified Data Protection Officer, has served as Vice-President for Business Development and Data Protection Officer of MacroAsia Corporation since July 2019. He joined the Business Development group of MacroAsia Corporation in March 2017. He is currently the Treasurer of Cavite Business Resources, Inc. and Director of Aqualink Resources Development, Inc. and MacroAsia Mining Corporation. Prior to joining the company, Mr. Tandoc served as the Vice-President – Finance and Business Development for SCCI Advisors and SCCI Management and Insurance Agency, Inc. from 2004 to 2016, where he led and implemented various private and government projects including packaging LGU Bond flotations. He started his career as a Business Analyst at Credit Information Bureau, Inc. in 1991 and left as a Group Head in 1994. From there he moved up to various positions in several investment houses and management

& financial advisory companies, where he worked in various fields including investment banking, corporate finance, credit, treasury, and project development.

Mr. Tandoc holds a Bachelor of Science in Business Administration – Management and Bachelor of Science in Social Work degrees from the Pamantasan ng Lungsod ng Maynila. He is a member of the Financial Executives of the Philippines and a member/representative of the German-Philippine Chamber of Commerce and Industry.

Rhodel C. Esteban. Mr. Esteban, 62, Filipino, has served as Vice-President for Commercial since August 2023 and Chief Sustainability Officer since December 2023. He is also the Chief Compliance Officer and Corporate Information Officer since March 27, 2025. He is also the Chief Operating Officer of the MAC Food Group (the commissary and the 2 inflight kitchens in Ninoy Aquino International Airport). Mr. Esteban used to be an Air Traffic Controller and has international experience in airline catering, having worked in the Middle East in the early part of his career. He is also experienced in duty-free merchandising, purchasing, marketing, and sales. He joined the MAC Group initially as Sales Manager for Lufthansa Technik Philippines, Inc. in 2001. In 2007, he became General Manager (GM) for MacroAsia Catering Services, Inc. (MACS), replacing an expat GM. Under his leadership, MACS established two subsidiaries, MacroAsia SATS Inflight Services Corporation (MSIS), which handles the Philippine Airlines (PAL) Inflight Kitchen and MacroAsia SATS Food Industries Corporation (MSFI), which operates the food commissary in Muntinlupa City.

Mr. Esteban holds a Bachelor of Science in Aeronautical Engineering, Major in Air Transport Engineering from PATTS College of Aeronautics.

Evelyn R. Cabug. Ms. Cabug, 62, Filipino, a Certified Public Accountant (CPA), has served as Chief Audit Executive since July 10, 2025. She has served as the Financial Controller of MacroAsia Corporation until July 2025. Prior to this, she was the Finance Director of Whesoe Phil. Construction Inc. from 2005 to 2015, Comptroller of Crown Peak Developers, Inc. from 1997 to 2004, Accounting Supervisor of Duty-Free Shoppers, Inc. from 1995 to 1997 and Comptroller & Assistant to the President of SD-5 Auto Ref. & Aircon Corp. from 1986 to 1994.

She is a dynamic finance leader with over 40 years of experience managing finance, accounting, administration, and human resources operations. Proven success in financial reporting, compliance, internal controls, and strategic planning across industries including construction, hospitality, food, aviation, water, insurance, and retail. Adept at building efficient financial systems, maintaining regulatory compliance, and improving operational performance.

Ms. Cabug holds a Bachelor of Science in Commerce Major in Accounting from University of Sto. Tomas.

Atty. Florentino M. Herrera III. Atty. Herrera, 74, Filipino, has served as Corporate Secretary since December 2014. He is the founding partner of Herrera Teehankee & Cabrera Law Offices (established in 1986). He was formerly a Partner of one of the largest law offices in the Philippines. He has been engaged in the general practice of law for the past forty-nine (49) years, specializing in corporate law practice as counsel for various companies.

Atty. Herrera holds a Bachelor of Arts in Political Science degree and a Bachelor of Law degree (Cum Laude, Salutatorian) both from the University of the Philippines.

Atty. Mary Rogelyn T. Cabrera. Atty. Cabrera, 57, Filipino, is the Assistant Corporate Secretary of the Corporation. She is a Senior Partner of Herrera Teehankee & Cabrera Law Offices. She has been with the law office since 1993.

She has been engaged in corporate law practice for the past thirty-two (32) years, with a strong focus on corporate governance, regulatory compliance, and Board secretariat functions. She serves as the Corporate Secretary/Assistant Corporate Secretary to various companies. Among others, she is the Corporate Secretary of Lufthansa Technik Philippines, Inc. and the Assistant Corporate Secretary of Allianz PNB Life Insurance, Inc.

Atty. Cabrera obtained her Bachelor of Arts degree in Political Science from the Ateneo de Manila University and her Juris Doctor degree from the Ateneo de Manila University School of Law. She was admitted to the Philippine Bar in 1993.

Significant Employees

The Company attributes its continued success to the collective efforts of its employees, all of whom contribute significantly to the business in various ways.

Family Relationships

Dr. Lucio C. Tan, Chairman and CEO, is the husband of Ms. Carmen K. Tan, incumbent director; is the father of Ms. Vivienne K. Tan, incumbent director. Eduardo Luis T. Luy, President and COO, Kyle Ellis C. Tan, Treasurer, and Lucio C. Tan III, incumbent directors, are grandsons of Dr. Lucio C. Tan.

Involvement in Certain Legal Proceedings

The Directors and Executive Officers of MAC are not involved in (a) any bankruptcy petition by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; (c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Name and principal position	Year	Salary (₱m)	Bonus (₱m)	Other annual compensation
Dr. Lucio C. Tan Chairman and Chief Executive Officer (CEO)				
Eduardo Luis T. Luy President and Chief Operating Officer (COO)				
Atty. Marivic T. Moya SVP for Human Resources, Legal, and External Relations				
Amador T. Sendin Chief Financial Officer, Chief Risk Officer, and SVP for Administration				
Belgium S. Tandoc VP for Business Development / Data Protection Officer				
Rhodel C. Esteban VP for Commercial / Chief Sustainability Officer / Chief Compliance Officer / Corporate Information Officer				
Evelyn R. Cabug Chief Audit Executive				
CEO and 4 Most Highly Compensated Executive Officers	Actual 2024	35.1	38.1	4.8
	Actual 2025	37.2	51.0	5.3
	Projected 2026	39.1	54.0	5.6
All Other Directors and Officers as a Group Unnamed	Actual 2024	0.8	39.8	7.1
	Actual 2025	6.2	41.8	9.4
	Projected 2026	6.5	43.9	9.8

Compensation of Directors

- Members of the Board do not receive any regular compensation from the Parent Company, except for every regular, special or committee meeting actually attended, for which members of the Board of Director receive a per diem of ₱30,000 to ₱200,000.
- There are no other material terms of, nor any other arrangements with regard to compensation as to which directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

- As provided for in the Parent Company's By-Laws, the Board of Directors is entitled to an annual incentive bonus in an aggregate amount not exceeding five percent (5%) of the Parent Company's net profit before tax.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

- Executive officers' compensation consists of a monthly negotiated salary, a fixed monthly allowance, and 13th-month pay.
- There are no compensatory plans or arrangements with the named executive officers, which result or will result from the resignation, retirement, or any other termination of the executive officer's employment with the Parent Company and its subsidiaries or from a change-in-control of the Parent Company or a change in the named executive officer's responsibilities following a change-in-control.

Warrants and Options Outstanding: Repricing

The Parent Company's ₱50 million warrants were not exercised by the shareholders/officers/directors and had already expired on July 21, 2005.

Item 11. Security Ownership of Certain Beneficial Owners and Management

- Security Ownership of Certain Record and Beneficial Owners of more than 5% of Registrants Securities as of December 31, 2025**

Title of class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% to total outstanding shares
Common	PCD Nominee Corporation G/F MSE Building 6754 Ayala Ave., Makati City (Shareholder)	Various Clients ¹	Filipino	378,645,431	20.0%
Common	PAL Holdings (formerly Baguio Gold Holdings Corp.) 8th Floor, PNB Financial Center, Pres. Diosdado Macapagal Ave., CCP	TrustMark Holdings Corp. ² (Shareholder)	Filipino	137,280,000	7.26%

	<i>Complex, Pasay City (Shareholder)</i>				
Common	Conway Equities, Inc. 10 Quezon Avenue, Quezon City (Shareholder)	Melito K. Tan, President ³ Orville C. Go. Jr. Treasurer ³ Dinah T. Paginag, Corporate Secretary ³	Filipino	132,771,600	7.02%

¹ PCD Nominee Corp. (PCD) is a registered owner of certain shares in the books of the Company's transfer agent in the Philippines. The beneficial owners of such shares are PCD's participants, who hold shares on their behalf or in behalf of their clients. PCD is a private corporation organized by major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines. The securities are voted by the trustee's designated officers who are not known to the Parent Company. None of the PCD Nominee Corporation (Filipino and Non-Filipino) account beneficially owns 5% or more of the Parent Company's common shares.

² Buona Sorte Holdings, Inc. owns 37.99% and TrustMark Holdings Corp. owns 33.26% of PAL Holdings.

³ Designation in Conway Equities, Inc.

2. Security Ownership of Management as of December 31, 2025

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% to Outstanding Shares
Common	Dr. Lucio C. Tan	156,000 (Direct)	Filipino	<1%
Common	Carmen K. tan	156,000 (Direct)	Filipino	<1%
Common	Lucio C. Tan III	156,000 (Direct)	Filipino	<1%
Common	Eduardo Luis T. Luy	120,000 (Direct)	Filipino	<1%
Common	Vivienne K. Tan	1,560,000 (Direct)	Filipino	<1%
Common	Kyle Ellis C. Tan	124,800 (Direct)	Filipino	<1%
Common	Johnip G. Cua	2,836,000 (Indirect)	Filipino	<1%
Common	Ramon P. D. Dizon	1,000 (Direct)	Filipino	<1%
Common	Diwa C. Guinigundo	1,000 (Direct)	Filipino	<1%
Common	Gregorio T. Yu	2,000 (Direct)	Filipino	<1%
Common	Christina C. Tan	1,000 (Direct)	Filipino	<1%
-	Atty. Marivic T. Moya	-	-	-
-	Amador T. Sendin	-	-	-
-	Belgium S. Tandoc	-	-	-
Common	Rhodel C. Esteban	21,300 (Indirect)	Filipino	<1%
Common	Evelyn R. Cabug	5,076 (Indirect)	Filipino	<1%
Common	Atty. Florentino M. Herrera III	358,800 (Direct) 8,375,564 (Indirect)	Filipino	<1%
-	Atty. Mary Rogelyn T. Cabrera	-	-	-
	TOTAL	13,874,540		0.74%

3. Voting Trust Holders of 5% Or More

There were no persons/shareholders of the Parent Company who have entered into a voting trust agreement during the last three years.

4. Changes in Control

There was no significant change in control of MAC in 2025. We are not aware of any existing or pending transaction which may result in such a change in control.

Item 12. Certain Relationships and Related Transactions

1. For detailed discussion of the material related party transactions, please see Note 18 of the Group's Notes to Consolidated Financial Statements (pages 51 to 54).
 - A. Part of the Group's excess cash is deposited in savings and current accounts and placed with Philippine National Bank, an affiliated company under common control, at very competitive rates and based on the outstanding cash balance at the end of the interest-earning period. MacroAsia Corporation also leased its office space from the bank at the bank's current prevailing rate at that time. The lease agreement commenced on June 1, 2021 and terminated last May 31, 2024. The Parent Company and its subsidiaries have not been given any preferential treatment in any of its transactions with the bank and continue to lease the office space under the last term and condition.
 - B. As an ecozone operator, MAPDC leases land from MIAA and subsequently leases the same to its sole Ecozone locator – Lufthansa Teknik Philippines, an affiliate of MacroAsia Corporation. The rental charge that is at normal market rate, is subject to a fixed price escalation and deposit. Monthly fees due from LTP are equivalent to MAPDC's cost of leasing the land from MIAA, plus administrative fees. In Cebu, LTP has assigned its lease agreement with MCIAA to MAPDC for MAPDC to administer and sublease. The arrangement is like the lease setup between MAPDC and LTP in the MacroAsia Ecozone in Pasay City, except that for Cebu, it will be a lease pass-on arrangement. MAPDC's rental contract with MIAA for the property in Pasay City expired in September 2025. The management team – together with key stake holders, are continuously coordinating with MIAA & NNIC for the renewal of its lease. Similarly, the company's rental contract with MCIAA for the Cebu property also expired, however it was subsequently renewed for another 25 years until 2039. MAPDC has outstanding advances to subsidiaries and affiliates, which were eliminated in the consolidation process. Additionally, MAPDC has receivables from affiliates for services rendered.
 - C. MASCORP provides ground handling services to various airline companies at NAIA and MCIA, including Air Philippines, an affiliate under common control. In September 2011, MASCORP started providing ground handling services to Philippine Airlines (PAL), an affiliated company under common control. The ground handling service rates being charged to Air Philippines and PAL are competitive and were the result of negotiations between the companies. MASCORP also leases ground-handling equipment from PAL and pays for its shares on the rental and utilities in NAIA.
 - D. MSISC provides in-flight catering services to PAL, its sole client. PAL charges the MSISC for the lease of operational areas and equipment, and other costs. The rates being charged to PAL are competitive and were the result of negotiations between the companies.
 - E. The Parent Company and its subsidiaries have a trust fund for the employees' retirement plan with Philippine National Bank (formerly Allied Bank Corporation) as the fund manager. The Group has not been given any preferential treatment in any of its transactions with the Bank.

- F. There are no other ongoing contractual or other commitments between the Group and the aforementioned affiliates.
 - G. There are no other material transactions with and/or dependence on related parties not discussed above and in the Notes to Consolidated Financial Statements.
2. There are no other parties that fall outside the definition of “related parties” under Philippine Accounting Standards (PAS) 24 with whom the Parent Company or its related parties have a relationship that enabled the parties to negotiate terms of material transactions that may not be available from others or independent parties on an arm’s length basis.

PART V – CORPORATE GOVERNANCE

Corporate Governance

This will be filed separately through the Integrated Annual Corporate Governance Report (I-ACGR) 2025. I-ACGR can be accessed through the Corporation’s website at www.macroasiacorp.com.

PART VI - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

1. Exhibits

Please see the accompanying Index to Exhibits in the following pages.

2. Reports on SEC Form 17-C

The Company regularly files various reports on SEC Form 17-C relative to various company disclosures. Among these submissions in 2025, the following are the more significant ones:

Date Filed	Description
March 7, 2025	LTP Declaration of Cash Dividends
March 27, 2025	Nomination of Directors (2025 – 2026)
March 27, 2025	Results of Regular Board Meeting including Resignation, Removal or Election of Registrant's Directors or Officers (Retirement of Atty. Marivic T. Moya and Designation of Rhodel C. Esteban as CCO and CIO) and MAC Declaration of Cash Dividends
March 27, 2025	Notice of 2025 Annual Stockholders' Meeting
March 27, 2025	Notice of Analysts' Briefing for 2024 Full Year Report
April 4, 2025	Press Release: FY 2024 Financial Results
April 10, 2025	Press Release: Ceremonial Signing of Financing Agreement for Lapu-Lapu City Seawater Desalination Plant and Water Supply Project
May 7, 2025	Notice of Analysts' Briefing: 1Q 2025 Financial Results
May 15, 2025	Results of Annual Stockholders' Meeting and Organizational Board Meeting including Election of Officers and Members of Committees
June 4, 2025	Receipt of Resignation Letter of Atty. Darlene Marie B. Berberabe
June 5, 2025	Receipt of SEC Certificate for MACS Property Dividends
July 10, 2025	Appointment of Christina C. Tan as Independent Director and Evelyn R. Cabug and as Chief Audit Executive
August 4, 2025	Notice of Analysts' Briefing: 2Q 2025 Financial Results
August 7, 2025	Press Release: MSFI Groundbreaking Ceremony for Cold Storage and Commissary Expansion Project
August 12, 2025	Press Release: 1H and 2Q 2025 Financial Results
September 10, 2025	MACS Declaration of Cash Dividends
September 10, 2025	MSIS Declaration of Cash Dividends
September 23, 2025	CPCS Declaration of Cash Dividends
September 23, 2025	Press Release: MNVI and PJC Joint Venture Agreement Signing
October 6, 2025	Press Release: NEWS Groundbreaking Ceremony for Water Supply Project
November 4, 2025	Incorporation of MJFSC
November 7, 2025	Notice of PSE STAR Participation for 3Q 2025 Financial Results
November 12, 2025	Results of Regular Board Meeting including ESG-Related Policies
November 12, 2025	Press Release: 3Q 2025 Financial Results
December 12, 2025	MSIS Declaration of Cash Dividends

ITEM 14. INDEX TO EXHIBITS

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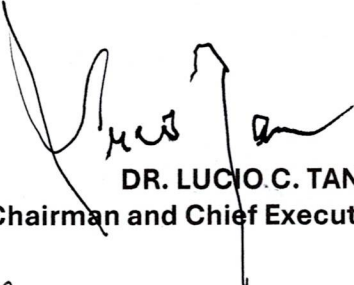
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code of the Philippines, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on March 26, 2026.

MACROASIA CORPORATION

Registrant

By:


DR. LUCIO C. TAN
Chairman and Chief Executive Officer
EDUARDO LUIS T. LUY
President and Chief Operating Officer
AMADOR T. SENDIN
Chief Financial Officer
ATTY. FLORENTINO M. HERRERA III
Corporate Secretary
RONALD RON D. DIMATATAC
Financial Controller

Subscribed and sworn to before me this MAR 26 2026 day of MAKATI CITY, affiants exhibiting to me his/her Tax Identification Number, as follows:

NAMES	T. I. N.
LUCIO C. TAN	101-914-722
EDUARDO LUIS T. LUY	435-295-033
AMADOR T. SENDIN	135-963-712
ATTY. FLORENTINO M. HERRERA III	106-098-926
RONALD RON D. DIMATATAC	318-508-992

Doc. No. 98Page No. 21Book No. CLXXXVI

Series of 2026


Julie O. Cua

Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 10765433 / 1-5-2026 / Makati City
IBP Lifetime Member No. 00104 / 5-5-1993
6/F 6754 Ayala Avenue, Makati City
MCLE Compliance No. VIII-13506 / 9-17-2024
Commission No. M-064 until 31 December 2026



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**

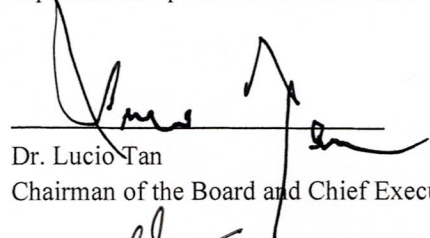
The management of MacroAsia Corporation and its Subsidiaries (collectively referred to as "the Company") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

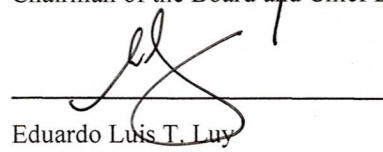
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

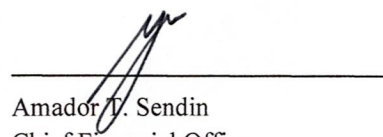
SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon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



Dr. Lucio Tan
Chairman of the Board and Chief Executive Officer



Eduardo Luis T. Luy
President and Chief Operating Officer



Amador T. Sendin
Chief Financial Officer

Signed this 26th day of March 2026

Subscribed and Sworn to before me this MAR 26 day of 2026, affiants exhibiting to their TIN, as follows:

Name	TIN
Dr. Lucio C. Tan	101-914-722
Eduardo Luis T. Luy	435-295-033
Amador T. Sendin	135-963-712

Doc No. 99;

Page No. 21;

Book No. LLXXXVI;

Series of 2026.

Julie O. Cua

Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 10765433 / 1-5-2026 / Makati City
IBP Lifetime Member No. 00104 / 5-5-1993
6/F 6754 Ayala Avenue, Makati City
MCLE Compliance No. VIII-13506 / 9-17-2024
Commission No. M-064 until 31 December 2026

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
MacroAsia Corporation
7th Floor, Ricogen Building
112 Aguirre Street
Legazpi Village, Makati City

Opinion

We have audited the consolidated financial statements of MacroAsia Corporation (the Company) and its subsidiaries (collectively as the Group), which comprise the consolidated balance sheets as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (the Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment of goodwill, intangible assets with indefinite useful lives, service concession rights and non-financial operating assets

As at December 31, 2025, the Group's goodwill, intangible assets with indefinite useful life (right-to-use assets), service concession right and nonfinancial operating assets of certain business units amounted to ₱9,318.4 million. The Group is required to annually perform impairment testing of goodwill and intangible assets with indefinite useful life. While for non-financial operating assets and service concession assets, the Group should assess at the end of each reporting period whether there is an indication that the asset is impaired. If such indication exists, the Group should estimate the recoverable amount of the CGUs.

We considered the impairment testing of goodwill, intangible assets with indefinite useful life, service concession right and non-financial operating assets as a key audit matter because the amounts involved are material to the consolidated financial statements and the management's impairment assessment process requires significant judgment and is based on assumptions, specifically the forecasted volume of annual water consumption, average price per cubic meter, flight activity hours, tariff rate, growth rate and discount rate as relevant to the assets being tested for impairment.

Refer to Notes 2 and 3 to the consolidated financial statements for the material accounting policies and a discussion of significant judgments, and Notes 9, 11, 13, 14, 15 and 28 for the detailed discussion on goodwill, intangible assets with indefinite useful lives, service concession rights and non-financial operating assets.

Audit Response

We obtained an understanding of the Group's impairment process and related controls. We involved our internal specialist in evaluating the methodologies and the assumptions used. These assumptions include volume of water consumption, tariff rate, growth rates and discount rates used. We compared the key assumptions used such as forecasted volume of water consumption, average price per cubic meter, and flight activity hours against the historical information. We inquired from management and operations personnel about the plans to support the forecast revenue.

We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill, intangible assets and service concession right.



Accounting for Investment in Associate

The Group has a 49% interest in Lufthansa Technik Philippines, Inc. (LTP) that is accounted for under the equity method. For the year ended December 31, 2025, the Group's share in the net income of LTP amounted to ₱1,196.8 million. The Group's share in the net income of LTP is significantly affected by the amount of provisions for claims and losses from third parties recognized by LTP. The determination of whether provision should be recognized and the estimation of provision for the claims and losses requires significant management judgment.

The Group has yet to finalize, as of December 31, 2025, an extended lease agreement on the lease of the ecozone where LTP is located. As of March 26, 2026, the discussions of the key terms for the lease are still ongoing. The uncertainty surrounding the lease renewal and its key terms, and the impact on LTP's financial performance requires significant management judgment and estimation in assessing the recoverability of the Group's investment in LTP.

Refer to Notes 2 and 3 to the consolidated financial statements for the relevant accounting policies and a discussion of significant judgments, respectively, and Note 9 for the detailed discussions on the investment in LTP.

Audit Response

We obtained an understanding of LTP's revenue, cost and expense recognition policies and procedures. We tested the relevant controls on the information system and manual processes. We inquired of LTP's management about the progress and status of significant claims against LTP, its potential exposure to the related losses and LTP management's assessment of the likely outcome. We further reviewed the minutes of meetings of LTP's Board of Directors and other documents supporting LTP management's assessment of loss, contingencies and the significant judgments exercised in the estimation of recognized provisions for losses. We evaluated the position of LTP's management on each of the significant claims by reviewing legal replies and other relevant documents and information. We obtained the audited financial performance of LTP as at and for the year ended December 31, 2025 and recomputed the Group's share in LTP's net earnings.

In assessing the recoverability of the Group's investment in LTP, we reviewed management's impairment assessment, which involved evaluating the cash flow forecasts including the reasonableness of the assumptions used of which the terms of the lease renewal is one of the significant assumptions. We involved our internal specialist in evaluating the methodologies and the assumptions used to estimate the projected cash flows of the CGU. We compared the key assumptions, such as the number of fleets and workload, lease rates applied, and growth rates used against the historical performance of the CGU, industry or market outlook and other relevant external data. We also inquired of management about their plans in support of the assumptions used. Additionally, we assessed the sensitivity of these forecasts to changes in key variables, such as market demand as it affects revenue and changes in major cost items.

Furthermore, we reviewed the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on determining the recoverable amount investment in LTP.



Other Information

Management is responsible for the other information. The other information comprises the Philippine Securities and Exchange Commission (SEC) Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of the Auditor's Report, and the SEC Form 20-IS (Definitive Information Statement) for the year ended December 31, 2025, which is expected to be made available to us after that date.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

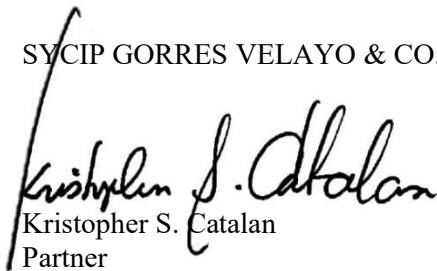
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Kristopher S. Catalan.

SYCIP GORRES VELAYO & CO.



Kristopher S. Catalan
Partner

CPA Certificate No. 109712

Tax Identification No. 233-299-245

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

SEC Partner Accreditation No. 109712-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

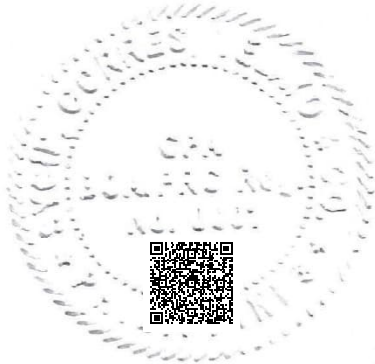
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-109-2023, October 26, 2023, valid until October 25, 2026

PTR No. 10765025, January 2, 2026, Makati City

March 26, 2026



MACROASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 18, 22 and 23)	₱2,470,617,767	₱1,369,282,600
Receivables and contract assets (Notes 6, 15, 18 and 23)	2,435,855,119	2,202,872,855
Inventories (Note 7)	180,165,931	155,395,494
Other current assets (Note 8)	1,175,150,284	695,565,235
Total Current Assets	6,261,789,101	4,423,116,184
Noncurrent Assets		
Investments in associates (Note 9)	3,806,564,227	2,471,121,451
Property, plant and equipment (Note 11)	3,589,688,776	2,496,453,868
Investment property (Note 12)	143,852,303	143,852,303
Net investment in lease (Note 28)	21,954,151	1,179,796,110
Right-of-use assets (Note 28)	809,052,471	781,910,809
Service concession rights (Note 13)	438,336,998	436,908,235
Intangible assets and goodwill (Note 13)	359,809,552	365,088,037
Deferred income tax assets - net (Note 25)	114,550,269	95,809,930
Other noncurrent assets (Notes 6, 14, 15 and 21)	1,028,315,922	1,023,594,420
Total Noncurrent Assets	10,312,124,669	8,994,535,163
TOTAL ASSETS	₱16,573,913,770	₱13,417,651,347

LIABILITIES AND EQUITY

Current Liabilities		
Notes payable (Notes 16, 18, 22 and 23)	₱485,000,000	₱121,178,000
Accounts payable and accrued liabilities (Notes 17, 18, 23 and 29)	3,235,178,317	2,299,534,892
Income tax payable	126,169,179	75,445,320
Dividends payable (Note 27)	10,505,443	96,402,629
Current portion of long-term debts (Notes 16, 18, 22 and 23)	249,855,488	386,927,235
Current portion of lease liabilities (Note 28)	46,518,590	43,420,640
Total Current Liabilities	4,153,227,017	3,022,908,716
Noncurrent Liabilities		
Long-term debts - net of current portion (Notes 16, 18, 22 and 23)	2,048,421,029	395,420,113
Lease liabilities - net of current portion (Note 28)	915,201,716	2,049,541,788
Accrued retirement and other employee benefits payable (Note 21)	200,730,220	196,580,540
Deferred income tax liabilities - net (Notes 15 and 25)	94,683,089	95,827,842
Other noncurrent liabilities (Note 18)	90,795,046	93,627,043
Total Noncurrent Liabilities	3,349,831,100	2,830,997,326
Total Liabilities	7,503,058,117	5,853,906,042

(Forward)



	December 31	
	2025	2024
Equity attributable to equity holders of the Company		
Capital stock - ₱1 par value (Note 27)	₱1,933,305,923	₱1,933,305,923
Additional paid-in capital	281,437,118	281,437,118
Retained earnings (Note 27):		
Appropriated	2,940,000,000	960,000,000
Unappropriated	2,609,793,832	3,356,833,052
Other comprehensive income (loss) (Notes 9, 15 and 21)	122,565,567	(5,212,490)
Other reserves (Note 27)	1,003,041,257	1,003,041,257
Treasury shares (Note 27)	(459,418,212)	(459,418,212)
	8,430,725,485	7,069,986,648
Non-controlling interests (Notes 4 and 10)	640,130,168	493,758,657
Total Equity	9,070,855,653	7,563,745,305
TOTAL LIABILITIES AND EQUITY	₱16,573,913,770	₱13,417,651,347

See accompanying Notes to Consolidated Financial Statements.



MACROASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUE (Notes 18 and 19)			
In-flight and other catering	₱4,901,925,852	₱4,402,552,818	₱3,981,782,302
Ground handling and aviation	4,276,564,172	4,171,950,252	3,135,524,660
Water distribution	726,985,375	748,553,636	617,489,588
Others	55,768,845	118,615,838	262,249,296
	9,961,244,244	9,441,672,544	7,997,045,846
DIRECT COSTS AND EXPENSES (Notes 20 and 29)			
In-flight and other catering	3,437,463,479	3,014,459,014	2,688,372,788
Ground handling and aviation	3,988,579,487	3,563,692,601	2,962,078,341
Water distribution	435,466,002	430,542,415	379,061,138
Others	67,582,525	100,037,221	225,327,987
	7,929,091,493	7,108,731,251	6,254,840,254
GROSS PROFIT	2,032,152,751	2,332,941,293	1,742,205,592
SHARE IN NET EARNINGS OF ASSOCIATES (Note 9)	1,472,758,536	731,540,161	576,729,023
	3,504,911,287	3,064,481,454	2,318,934,615
OPERATING EXPENSES (Note 20)	1,690,446,136	1,391,006,394	1,085,694,715
INCOME FROM OPERATIONS	1,814,465,151	1,673,475,060	1,233,239,900
OTHER INCOME (CHARGES) - net			
Financing charges (Notes 16, 18, 22 and 28)	(137,692,740)	(121,985,127)	(163,781,528)
Interest income (Notes 5, 18 and 22)	40,561,439	26,698,898	19,005,809
Foreign exchange gain (loss) - net	19,496,212	12,274,493	(8,281,901)
Other income - net (Note 22)	76,163,768	65,408,241	113,375,958
	(1,471,321)	(17,603,495)	(39,681,662)
INCOME BEFORE INCOME TAX	1,812,993,830	1,655,871,565	1,193,558,238
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 25)			
Current	206,769,406	214,837,144	160,051,056
Deferred	(1,166,878)	69,625,152	(37,677,429)
	205,602,528	284,462,296	122,373,627
NET INCOME	₱1,607,391,302	₱1,371,409,269	₱1,071,184,611
Net income attributable to:			
Equity holders of the Company	₱1,440,966,197	₱1,122,876,609	₱851,136,879
Non-controlling interests (Notes 4 and 10)	166,425,105	248,532,660	220,047,732
	₱1,607,391,302	₱1,371,409,269	₱1,071,184,611
Basic/Diluted Earnings Per Share (Note 26)	₱0.76	₱0.59	₱0.45

See accompanying Notes to Consolidated Financial Statements.



MACROASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
NET INCOME	₱1,607,391,302	₱1,371,409,269	₱1,071,184,611
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items of other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Share in net foreign currency translation adjustments of associates (Note 9)	47,663,316	59,789,354	(15,937,991)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Changes in fair value of equity investments held at FVTOCI - net of tax effect (Note 15)	21,250,000	34,000,000	12,750,000
Remeasurement gains (losses) on defined benefit plans, net of tax effect (Note 21)	(18,483)	(23,066,323)	(48,528,290)
Share in remeasurement gains (losses) on defined benefit plans of associates (Note 9)	58,883,224	(60,333,526)	(125,339,434)
	127,778,057	10,389,505	(177,055,715)
TOTAL COMPREHENSIVE INCOME	₱1,735,169,359	₱1,381,798,774	₱894,128,896
Other comprehensive income (loss) attributable to:			
Equity holders of the Company	₱127,778,057	₱11,114,694	(₱185,648,255)
Non-controlling interests (Notes 4 and 10)	—	(725,189)	8,592,540
	₱127,778,057	₱10,389,505	(₱177,055,715)
Total comprehensive income attributable to:			
Equity holders of the Company	₱1,568,744,253	₱1,133,991,303	₱665,488,624
Non-controlling interests (Notes 4 and 10)	166,425,106	247,807,471	228,640,272
	₱1,735,169,359	₱1,381,798,774	₱894,128,896

See accompanying Notes to Consolidated Financial Statements.



MACROASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	Attributable to Equity Holders of the Company													
	Other Comprehensive Income								Retained Earnings (Note 27)		Treasury Shares	Subtotal	Non-controlling Interests	Total
	Capital Stock	Additional Paid-in Capital	Other Reserves	Reserve for Fair Value Changes of Financial Assets	Share in Foreign Currency Translation Adjustments of an Associate	Re-measurements on Defined Benefit Plans	Share in Re-measurements on Defined Benefit Plan of Associates	Subtotal	Appropriated	Unappropriated				
BALANCES AT JANUARY 1, 2023	₱1,933,305,923	₱281,437,118	₱1,003,041,257	₱69,719,999	₱93,677,574	₱14,045,445	(₱8,121,947)	₱169,321,071	₱850,000,000	₱1,776,463,313	(₱459,418,212)	₱5,554,150,470	₱114,457,299	₱5,668,607,769
Net income	–	–	–	–	–	–	–	–	–	851,136,879	–	851,136,879	220,047,732	1,071,184,611
Other comprehensive income	–	–	–	12,750,000	(15,937,991)	(57,120,830)	(125,339,434)	(185,648,255)	–	–	–	(185,648,255)	8,592,540	(177,055,715)
Total comprehensive income	–	–	–	12,750,000	(15,937,991)	(57,120,830)	(125,339,434)	(185,648,255)	–	851,136,879	–	665,488,624	228,640,272	894,128,896
Additional appropriation	–	–	–	–	–	–	–	–	110,000,000	(110,000,000)	–	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	(94,547,916)	–	(94,547,916)	–	(94,547,916)
Additional investment of non-controlling interest (Note 10)	–	–	–	–	–	–	–	–	–	–	–	–	17,150,000	17,150,000
BALANCES AT DECEMBER 31, 2023	1,933,305,923	281,437,118	1,003,041,257	82,469,999	77,739,583	(43,075,385)	(133,461,381)	(16,327,184)	960,000,000	2,423,052,276	(459,418,212)	6,125,091,178	360,247,571	6,485,338,749
Net income	–	–	–	–	–	–	–	–	–	1,122,876,609	–	1,122,876,609	248,532,660	1,371,409,269
Other comprehensive income (loss)	–	–	–	34,000,000	59,789,354	(22,341,134)	(60,333,526)	11,114,694	–	–	–	11,114,694	(725,189)	10,389,505
Total comprehensive income (loss)	–	–	–	34,000,000	59,789,354	(22,341,134)	(60,333,526)	11,114,694	–	1,122,876,609	–	1,133,991,303	247,807,471	1,381,798,774
Declaration of cash dividends	–	–	–	–	–	–	–	–	–	(189,095,833)	–	(189,095,833)	–	(189,095,833)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(121,646,385)	(121,646,385)
Additional investment of non-controlling interest (Note 10)	–	–	–	–	–	–	–	–	–	–	–	–	7,350,000	7,350,000
BALANCES AT DECEMBER 31, 2024	1,933,305,923	281,437,118	1,003,041,257	116,469,999	137,528,937	(65,416,519)	(193,794,907)	(5,212,490)	960,000,000	3,356,833,052	(459,418,212)	7,069,986,648	493,758,657	7,563,745,305
Net income	–	–	–	–	–	–	–	–	–	1,440,966,196	–	1,440,966,196	166,425,106	1,607,391,302
Other comprehensive income (loss)	–	–	–	21,250,000	47,663,316	(18,483)	58,883,224	127,778,057	–	–	–	127,778,057	–	127,778,057
Total comprehensive income (loss)	–	–	–	21,250,000	47,663,316	(18,483)	58,883,224	127,778,057	–	1,440,966,196	–	1,568,744,253	166,425,106	1,735,169,359
Additional appropriation	–	–	–	–	–	–	–	–	2,830,000,000	(2,830,000,000)	–	–	–	–
Reversal of appropriation	–	–	–	–	–	–	–	–	(850,000,000)	850,000,000	–	–	–	–
Declaration of cash dividends	–	–	–	–	–	–	–	–	–	(208,005,416)	–	(208,005,416)	–	(208,005,416)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(106,350,000)	(106,350,000)
Additional investment of non-controlling interest (Note 10)	–	–	–	–	–	–	–	–	–	–	–	–	86,296,405	86,296,405
BALANCES AT DECEMBER 31, 2025	₱1,933,305,923	₱281,437,118	₱1,003,041,257	₱137,719,999	₱185,192,253	(₱65,435,002)	(₱134,911,683)	₱ 122,565,567	₱2,940,000,000	₱2,609,793,832	(₱459,418,212)	₱8,430,725,485	₱640,130,168	₱9,070,855,653

See accompanying Notes to Consolidated Financial Statements.



MACROASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,812,993,830	₱1,655,871,565	₱1,193,558,238
Adjustments for:			
Share in net earnings of associates (Note 9)	(1,472,758,536)	(731,540,161)	(576,729,023)
Depreciation and amortization (Notes 4, 11, 13, 15, 19 and 27)	409,572,078	361,930,535	327,001,195
Financing charges (Notes 16, 18, 22 and 28)	137,692,740	121,985,127	163,781,528
Retirement and other employee benefits (Note 20)	(4,652,173)	(14,109,435)	12,301,947
Interest income (Notes 5, 6 and 22)	(40,561,439)	(26,698,898)	(19,005,809)
Unrealized foreign exchange loss - net	19,496,212	12,274,498	8,281,901
Loss on retirement of lease (Note 28)	3,025,027	—	—
Loss (gain) on disposal of property and equipment (Note 11)	(2,555,222)	2,775,991	—
Gain on bargain purchase of a subsidiary (Notes 10 and 22)	(102,422)	—	(69,730,361)
Loss on disposal of investment in an associate (Notes 9 and 22)	—	—	43,022,151
Operating income before working capital changes	862,150,095	1,382,489,222	1,082,481,767
Decrease (increase) in:			
Receivables and contract assets	(244,795,080)	(117,851,522)	(265,643,145)
Inventories	(13,528,152)	5,600,799	(21,650,650)
Other assets	(376,759,051)	101,949,653	(249,650,920)
Increase (decrease) in			
Accounts payable and accrued liabilities	944,566,744	(146,337,716)	557,230,232
Other noncurrent liabilities	(2,831,995)	—	—
Cash generated from operations	1,168,802,561	1,225,850,436	1,102,767,284
Interest received	36,664,863	26,928,679	19,005,809
Financing charges paid (Note 32)	(80,525,268)	(77,549,355)	(106,549,500)
Income taxes paid, including creditable withholding taxes	(273,515,155)	(267,184,220)	(200,389,032)
Net cash flows from operating activities	851,427,001	908,045,540	814,834,561
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment and service concession rights (Notes 11 and 13)	(1,457,116,390)	(519,278,292)	(306,498,309)
Subsidiary, net of cash acquired (Notes 9 and 27)	—	—	(174,004)
Investment in stocks (Note 9)	(64,466,700)	—	—
Water rights and other intangible assets	(4,662,173)	(7,178,533)	(2,768,683)
(Forward)			



	Years Ended December 31		
	2025	2024	2023
Dividends received (Note 9)	₱308,329,000	₱559,349,600	₱539,098,000
Proceeds from disposal of property and equipment (Note 11)	2,210,704	3,891,640	—
Additional refundable deposits and other noncurrent assets (Note 15)	6,295,152	(179,078,020)	(9,501,896)
Proceeds from sale of investment in associate (Note 9)	—	—	312,505
Net cash from (used in) investing activities	(1,209,410,407)	(142,293,605)	220,467,613
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of:			
Notes payable (Notes 16 and 32)	439,000,000	82,000,000	150,000,000
Long-term debts (Notes 16 and 32)	1,920,896,986	334,815,500	—
Payments of:			
Notes payable (Notes 16 and 32)	(75,178,000)	(205,322,000)	(44,500,000)
Long-term debts (Notes 16 and 32)	(404,967,817)	(352,706,839)	(331,111,216)
Lease liabilities, including interest (Notes 28 and 32)	(89,173,470)	(88,827,549)	(90,076,224)
Dividends paid (Notes 27 and 32)	(313,956,215)	(224,064,797)	(116,790,728)
Additional investment of non-controlling interest (Notes 10 and 33)	—	7,350,000	—
Net cash from (used in) financing activities	1,476,621,484	(446,755,685)	(432,478,168)
EFFECT OF EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	(17,302,911)	(12,274,488)	(8,281,901)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,101,335,167	306,721,762	594,542,105
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,369,282,600	1,062,560,838	468,018,733
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱2,470,617,767	₱1,369,282,600	₱1,062,560,838

See accompanying Notes to Consolidated Financial Statements.



MACROASIA CORPORATION AND SUBSIDIARIES

NOTES TO 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 Company and its subsidiaries (collectively referred to as the Group) are described in Note 4. The Company, through its subsidiaries and associates (see Note 9), is primarily engaged in aviation-support businesses at the Ninoy Aquino International Airport (NAIA), Manila Domestic Airport (MDA), Mactan-Cebu International Airport (MCIA), Kalibo International Airport (KIA), Davao International Airport and the General Aviation Areas. It provides in-flight catering services, ground handling services for passenger and cargo aircraft, and helicopter charter flight services. 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 March 26, 2026, management has determined that there is limited direct exposure to the Group. However, indirect impacts on the 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.

Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were authorized for issuance by the Board of Directors (BOD) on March 26, 2026.

2. Summary of Material Accounting Policy Information

Basis of Preparation

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



Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The financial reporting framework includes all applicable PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Interpretations Committee and International Financial Reporting Interpretations Committee (IFRIC) including the Securities and Exchange (SEC) pronouncements.

Changes in Accounting Policies

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

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

- Amendments to PAS 21, *Lack of exchangeability*

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

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

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2026

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



Effective beginning on or after January 1, 2027

- 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*

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*

The significant accounting policies adopted in the preparation of the consolidated financial statements are summarized below.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group, its direct subsidiaries, the subsidiaries of MACS, MAPDC, Boracay Tubi Systems Inc. (BTSI) and the subsidiary of MMC, Watery Business Solutions Inc. (WBSI) and Allied Water Services, Inc. (AWSI) which are all incorporated in the Philippines and registered with the Philippine SEC as of December 31 of each year.

Entity	Nature of business	Percentage of Ownership by MAC				Percentage of Direct Ownership of Subsidiaries	
		2025		2024		2025	2024
		Direct	Indirect	Direct	Indirect		
MacroAsia Airport Services Corporation (MASCORP)	Ground handling aviation services	80	—	80	—	—	—
Aviation Product Corporation (APC) ⁽²⁾	Aircraft ULD repair services	—	80	—	—	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	67 ⁽³⁾	100
MacroAsia SATS Inflight Services Corporation (MSISC)	Meal production and food processing	67 ⁽⁴⁾	—	—	67	67 ⁽⁴⁾	100
MacroAsia New Ventures, Inc. (MNVI) ⁽⁵⁾	Fixed-based operation (FBO)	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

(Forward)



Entity	Nature of business	Percentage of Ownership by MAC				Percentage of Direct Ownership of Subsidiaries	
		2025		2024		2025	2024
		Direct	Indirect	Direct	Indirect		
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
Poros Point Summa Water Inc. ⁽¹⁾	Water distribution	—	60	—	—	100	—
MacroAsia Mining Corporation (MMC)	Mine exploration, development and operation	100	—	100	—	—	—
MMC Management & Development Corporation	Mine exploration, development and operation	—	100	—	100	100	100
Bulawan Mining Corporation (BUMICO)	Mine operation, development and utilization	—	100	—	100	100	100
Tera Information and Connectivity Solutions, Inc. (TICS)	Information management and data connectivity	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

Investments in Associates

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in associates is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of the investee is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The aggregate of the Group's share of profit or loss of associates is shown in the profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests (NCI) in the subsidiaries of the associates.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value, and then recognizes the loss in profit or loss.

Upon loss of significant influence over the associates, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.



The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Investments in associates pertain to the Company's investments in shares of stock of:

<u>Associate</u>	<u>% of Ownership</u>
Lufthansa Technik Philippines (LTP)	49%
Cebu Pacific Catering Services, Inc. (CPCS)	40%
Japan Airport Services Co., Ltd., (JASCO)	30%
MacroAsia Jolliant Food Services Co. (MJFSC)	49%

The summarized financial statements of the Group's associated companies are presented in Notes 9.

Foreign Currency-denominated Transactions and Translations

Each entity in the Group determines its own functional currency and the items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the foreign currency rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency rate of exchange at end of reporting period. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Various factors are considered in determining the functional currency of each entity within the Group, including prices of goods and services, competition, cost and expenses, and other factors including the currency in which financing deals are primarily undertaken. Additional factors are considered in determining the functional currency of a foreign operation, including whether its activities are carried as an extension of the Group rather than being carried out with significant autonomy.

The financial position and results of operations of associates in United States (US) Dollar (\$) and Japanese Yen (JPY) functional currency are translated into the Group's presentation currency using the following procedures:

- a. Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date.
- b. Income and expenses for each statement of income and items recognized in other comprehensive income (except for the cumulative translation adjustments) are translated using the monthly average rate.
- c. Equity items other than those resulting from income and expense and other comprehensive income are translated at historical rates of exchange.
- d. All resulting exchange differences are recognized as part of other comprehensive income (loss) and as a separate component of equity presented as "Other components of equity" under "Share in foreign currency translation adjustments of an associate".

Financial Assets and Financial Liabilities

Financial assets at amortized cost (debt instruments)

This category is most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

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



Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As of December 31, 2025 and 2024, the Group's financial assets at amortized cost includes cash and cash equivalents, receivables, net investment in lease, refundable deposits and restricted cash investments included under "Other noncurrent assets".

Financial assets designated at FVTOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity instruments as equity instruments designated at FVTOCI when they meet the definition of equity under PAS 32, *Financial Instruments, Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its equity instruments under this category.

As of December 31, 2025 and 2024, the Group's equity instruments at FVTOCI include golf club shares and equity shares.

Impairment of financial assets

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

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Value-Added Tax (VAT)

Revenue, expenses, assets and liabilities are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated balance sheet. When VAT passed on from purchase of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated balance sheet to the extent of the recoverable amount. Receivables and payables are stated with the amount of VAT included. For sale or purchase of services, related VAT is deferred until the related receivable or payable from the transaction has been collected or paid.

The unamortized portion is included input taxes account under “Other noncurrent assets” in the consolidated balance sheet. The Group maintains an allowance for any possible disallowance of conversion of input VAT to TCC (Tax Credit Certificate). A review of input VAT is made on a continuing basis to determine the adequacy of allowance for probable losses at each reporting date.

The net amount of VAT recoverable from, or payable to taxation authority is included in “Other current assets” and “Accounts payable and accrued liabilities”, respectively, in the consolidated balance sheet.

Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less impairment in value, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties, taxes, borrowing costs and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Construction in progress, which is included in property, plant and equipment, is carried at cost. This includes cost of construction, equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and become available for use.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	No. of years
Building	5 to 25
Kitchen and other operations equipment	3 to 10
Transportation equipment	3 to 10
Aviation equipment	2 to 10
Plant and technical equipment	10 to 20
Water pumps and machineries	10 to 20
Water pipelines	10
Office furniture, fixtures and equipment	3 to 7
Drilling equipment	5



Building and leasehold and land improvements are amortized over the respective lease term or the lives of the assets (which range from 2 to 25 years), whichever is shorter.

Depreciation and amortization of an item of property, plant and equipment begins when the asset becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation and amortization ceases at the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* or the date the asset is derecognized, whichever is earlier.

The useful lives and depreciation and amortization methods are reviewed periodically to ensure that the residual values, periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When property, plant and equipment are sold or retired, their cost, related accumulated depreciation and amortization and any accumulated impairment in value are removed from the accounts. Any gain or loss resulting from their disposal is included in profit or loss.

Fully depreciated property, plant and equipment are retained in the accounts until these are no longer in use.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Net investment in the lease

The Group recognizes assets held under a finance lease as net investment in the lease. The net investment in the lease is the gross investment discounted at the interest rate implicit in the lease. The gross investment in the lease is the aggregate of the minimum lease payments receivable by the Group, and any guaranteed and unguaranteed residual value. Initial direct costs are in the measurement of the net investment in the lease at inception. The lease payments received from the lessee are treated as repayments of principal and finance income.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of the leased asset's estimated useful life and the lease term as presented below:

	In Years*
Land	5 to 35
Office space	5 to 35

*Lease term



Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery, equipment, office space and staff house (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Group as lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases where the Group retains legal title to assets but passes substantially all the risks and rewards of ownership to the lessee in return for a stream of rentals are classified as finance leases. The Group recognizes assets held under a finance lease as an amount equal to the net investment in the lease as "Finance lease receivables." The net investment in the lease is the gross investment discounted at the interest rate implicit in the lease. The gross investment in the lease is the aggregate of the minimum lease payments receivable by the Group, and any guaranteed and unguaranteed residual value. Initial direct costs are included in the measurement of the net investment in the lease at the date of inception. The lease payments received from the lessee are treated as repayments of principal and finance income.

Service Concession Arrangements

The Group accounts for its service concession arrangements in accordance with Philippine Interpretation IFRIC 12, *Service Concession Arrangements*, under the intangible asset model as it receives the right (license) to charge users of public service (see Note 13).



Revenue and cost recognition. The Group recognizes and measures revenue and cost in accordance with PFRS 15, *Revenue Recognition*, for the services it performs. When the Group provides construction or upgrade services, the consideration received or receivable by the Group is recognized at its fair value. The revenue and cost from these services are recognized based on the percentage of completion measured principally on the basis of estimated completion of a physical proportion of the contract works, and by reference to the actual costs incurred to date over the estimated total cost of the project. The construction revenue and construction cost are reported as part of “Other income” in the consolidated statement of income.

Service concession right. The service concession right is recognized initially at the fair value of construction works incurred, which include professional and consultancy fees, structural costs, etc. The Group applies PAS 38, *Intangible Assets*, on measuring the intangible assets. Following initial recognition, the service concession right is carried at cost less accumulated amortization and any impairment losses. Amortization period is based on the concession period.

The service concession right will be derecognized upon turnover to the grantor. There will be no gain or loss upon derecognition as the service concession right, which is expected to be fully amortized by then, will be handed over to the grantor with no or minimal consideration.

Intangible Assets

The Group recognizes an intangible asset acquired in a business combination if it is identifiable and distinguishable from goodwill. The Group considers an intangible asset as identifiable if:

- it is separable, i.e., there is evidence of exchange transactions for the asset or an asset of a similar type, even if those transactions are infrequent and regardless of whether the Group is involved in those transactions; or
- it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations (“contractual-legal” criterion).

Intangible assets with finite lives are amortized over their estimated useful lives on a straight-line basis and assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible assets.

The Group’s intangible assets recognized from business combination pertain to customer relationship, customer contracts, water service contract and right to use asset (i.e., extraction and distribution of water in certain provinces in the Philippines). The estimated useful life of the intangible assets follows:

	No. of years
Customer relationships	22
Customer contracts	18
Water service contract	25

The water rights are assessed to have an indefinite useful life due to the permanent nature of water permits.



Deferred Mine Exploration Costs

Expenditures for mine exploration works on mining properties (i.e., acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource) are deferred as incurred, carried at cost less any impairment in value and presented as “Deferred mine exploration costs” in the consolidated balance sheet. When, as a result of the exploration work, recoverable reserves are determined to be present in quantities that can be commercially produced, exploration expenditures and subsequent development costs are capitalized as mine and mining properties and classified as part of property and equipment. A valuation allowance is provided for estimated unrecoverable deferred mine exploration costs based on the technical assessment by the Group of the future prospects of each mining property. Full provision is made for the impairment unless it is probable that such costs are expected to be recouped through successful exploration and development of the area of interest, or alternatively, by its sale. If the project does not prove to be viable or when the project is abandoned, the deferred mine exploration costs associated with the project and the related impairment provisions are written off. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

Mining expenses, which are not related to establishing the technical feasibility and commercial viability of mineral resource extractions, are expensed outright.

Impairment of Nonfinancial Assets

Nonfinancial assets other than goodwill and intangible assets with indefinite life

The Group assesses at each reporting date whether there is an indication that investments in associates, property, plant and equipment, right-of-use assets, investment property, deferred project costs, service concession right and intangible assets with finite life may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. The Group also assesses its deferred mine exploration costs for impairment when facts and circumstances suggest that its carrying amount may exceed its recoverable amount. An asset’s recoverable amount is the higher of an asset’s fair value less costs to sell and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed and recognized in profit or loss only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.



Goodwill and intangible assets with indefinite life

Goodwill and intangible assets with indefinite life are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit (or group of cash generating units) to which the goodwill relates or the intangible assets with indefinite life. Where the recoverable amount of the cash-generating unit to which goodwill has been allocated or the intangible assets with indefinite life is less than its carrying amount, an impairment loss is recognized immediately in profit or loss. Impairment losses relating to goodwill or intangible assets with indefinite life cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test at each end of the reporting date.

Water service contract not yet available for use

Water service contract not yet available for use are tested for impairment annually. Impairment is determined by comparing the carrying value of the asset with its recoverable value. Where the recoverable value of the water service contract not yet available for use is less than the carrying value, an impairment is recognized.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Rendering of services

Revenue from inflight and other catering, ground handling, aviation and administrative services, charter flights, water service (including provision of potable water and treatment of sewage water), connectivity and technology services and exploratory drilling services is recognized over time when the related services are rendered.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in section Financial Assets and Financial Liabilities - initial recognition and subsequent measurement.

Employee Benefits

Retirement benefits costs

Retirement benefits costs are actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each separately to build up the final obligation. Retirement benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.



Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined liability) and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

The amount recognized as accrued retirement benefits payable or plan asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period. For leave credits expected to be settled at the date of retirement or recognition, the liability is presented at its present value using assumptions consistent with those used to discount retirement benefits. The expense recognized in profit or loss comprise the service cost, net interest of the liability and remeasurements.

Short-term employee benefits

Short-term employee benefits include items such as salaries and wages, social security contributions and non-monetary benefits, if expected to be settled wholly within 12 months after the reporting date in which the employees rendered the related services. Short-term employee benefits are recognized as expense as incurred. When an employee has rendered service to the Group during the reporting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax for the current and prior period, shall, to the extent unpaid, be recognized as a liability and is presented as "Income tax payable" in the consolidated balance sheet. If the amount already paid,



including the cumulative creditable withholding taxes, in respect of the current and prior period exceeds the amount due for those periods, the excess shall be recognized as an asset under “Other current assets” in the consolidated balance sheet.

Deferred income tax

Deferred income tax assets and liabilities are provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred income tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred income tax liabilities are recognized except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced 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. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax assets to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and those directly in comprehensive income are recognized in the consolidated statement of comprehensive income. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognized as an interest expense. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the Group’s negotiation with the third party.



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

Segment Information

The Group's operating businesses are organized and managed separately according to the nature of the aviation-support service provided by its four subsidiaries, maintenance, repairs and overhaul, mining-related activities, water treatment and distribution, Information and Communications Technology (ICT) services. This is the basis on which the Group reports its primary segment information. The Group also monitors the revenue and operating results of its associates. Information with respect to these subsidiaries, as well as the Group's associates, are disclosed in Notes 4 and 9. The Company, including its subsidiaries, operate and derive all its revenue from domestic operation. All associates except JASCO, which is operating in Japan, derive all its revenue from domestic operation.

Earnings Per Share

Basic earnings per share is computed by dividing net income for the year attributable to ordinary equity holders of the Company by number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued upon conversion of all dilutive potential ordinary shares. The effect of stock dividends, if any, is accounted for retrospectively. The Company has no potentially dilutive shares as of December 31, 2025 and 2024.

Events After the Reporting Period

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

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards 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 the Philippine 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 (see Notes 2 and 9), 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 December 31, 2025 and 2024, the Group still determined that it controls its subsidiaries and has significant influence over its associates (see Notes 9 and 10).

Assessment of material noncontrolling interest

In applying the Group's accounting policies, management exercises significant judgment in determining whether a subsidiary's noncontrolling interest (NCI) is material to the consolidated financial statements, consistent with the disclosure requirements of PAS 8. This assessment influences the extent of disclosures required under PFRS 12 and affects how users of the financial statements understand the nature and financial impact of interests held by NCI. Management evaluates both quantitative and qualitative factors in assessing materiality. These include, but are not limited to:

- the carrying amount of the NCI in a subsidiary relative to the total NCI presented in the consolidated financial statements;
- the subsidiary's contribution to consolidated revenues, net income, and other key financial metrics; and
- qualitative considerations, such as the subsidiary's nature, size, purpose, and the risks associated with its operations and industry environment.

Based on this assessment, management has identified MACS and MASCORP as having material NCIs, and has therefore provided the required summarized financial information for such subsidiaries in accordance with PFRS 12, *Disclosure of Interests in Other Entities*.

Assessment of operators under Philippine Interpretation IFRIC 12, Service Concession Arrangements

Management has assessed those agreements by certain subsidiaries with local governments to provide water distribution facilities 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 (see Note 13).

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.

Refer to Note 28 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

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, a significant associate of the Group, also assesses the need to recognize the provisions based on the status of the claims (see Note 9).

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, respectively, has resulted in recognition of gain on bargain purchase amounting to ₱0.2 million and ₱69.7 million, respectively (see Note 10). 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 ₱961.7 million and ₱2,093.0 million as of December 31, 2025 and 2024, respectively (see Note 28).

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 and contract assets, net of allowance for the expected credit losses of ₱75.4 million and, ₱58.9 million amounted to ₱2,435.9 million and ₱2,202.9 million as of December 31, 2025 and 2024, respectively (see Note 6).

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 the Company's experience on write-off and expirations.

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

The Group's inventories carried at cost as of December 31, 2025 and 2024 amounted to ₱180.2 million and ₱155.4 million, respectively (see Note 7).



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 December 31, 2025 and 2024, the carrying value of input taxes amounted to ₱658.1 million and ₱390.7 million, respectively. Allowance for probable losses amounted to ₱53.2 million and ₱40.7 million, respectively (see Note 8).

Estimation of useful lives of property, plant and equipment

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

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

The carrying value of property, plant and equipment subject to depreciation as of December 31, 2025 and 2024 amounted to ₱2,748.7 million and ₱1,816.4 million, respectively (see Note 11).

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 water rights amounted to ₱232.0 million and ₱237.2 million as of December 31, 2025 and 2024, respectively (see Note 13).

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. 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 assets.

The carrying values of the non-financial assets are as follows:

	2025	2024
Investments in associates (Note 9)	₱3,806,564,248	₱2,471,121,451
Property, plant and equipment (Note 11)	3,589,688,776	2,496,453,868
Right-of-use assets (Note 28)	809,052,471	781,910,809
Service concession right (Note 13)	438,336,998	436,908,235
Deferred mine exploration costs (Notes 14 and 15)	256,133,717	238,513,440
Investment property (Note 12)	143,852,303	143,852,303
Water rights (Note 13)	118,296,719	120,287,222
Water service contract (Note 13)	72,264,350	72,264,350
Customer contract and relationships (Note 13)	41,406,252	44,694,234
Deferred project costs (Note 15)	42,783,267	42,783,267

Refer to Notes 9, 11 and 28 on the discussions of assumptions which are most sensitive to impact the calculated value-in-use. Based on the impairment test, the recoverable amount of the investment in associates, property, plant and equipment, service concession rights, deferred mine exploration costs and water service contract exceed their carrying values. Management believes that any reasonable possible change in any of the assumptions used would not cause the carrying values to exceed their respective recoverable amount. Thus, no impairment losses on these non-financial assets were recognized in 2025, 2024 and 2023.

Service concession right

SNVRDC incurred net loss in 2025 and 2024 and is in a capital deficiency position as of December 31, 2025 and 2024. These are indicators 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. The pre-tax discount rate used is 8.3% and 9.2% in 2025 and 2024, respectively.

Refer to Note 13 on the discussions of assumptions which are most sensitive to impact the calculated value-in-use. Based on the 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 ₱221.4 million and ₱222.9 million as of December 31, 2025, and 2024, respectively (see Note 13).

Property, Plant and Equipment

FAA incurred net loss in 2025 and 2024 and is in a capital deficiency position as of December 31, 2025 and 2024. These are indicators that the service concession right may be impaired.

For the purpose of impairment testing of FAA's property, plant and equipment, recoverable amount is determined based on value-in-use calculations using probability-weighted scenario analysis. This analysis incorporates multiple potential future outcomes with corresponding probabilities, reflecting a range of expectations on revenue growth, flight activity hours, operational costs, and operating expenses. Past experiences and current market conditions are also considered in this assessment. 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 pre-tax discount rate used is 12.7% and 14.6% in 2025 and 2024, respectively.

Refer to Note 11 on the discussions of assumptions which are most sensitive to impact the calculated value-in-use. Based on the impairment test, the carrying value of the property plant and equipment exceeds its recoverable amount, thus an impairment was recorded.

The carrying value of the property plant and equipment subjected to impairment testing amounted to ₱122.1 million and ₱128.2 million as of December 31, 2025, and 2024, respectively (see Note 11).

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 March 26, 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 pre-tax discount rate used is 15.0% and 11.5% in 2025 and 2024, respectively. Management believes that the amount of deferred mine exploration cost is recoverable based on the estimation of value-in-use.

The carrying value of deferred mine exploration cost amounted to ₱256.1 million as of December 31, 2025 and ₱238.5 million for 2024 (see Notes 14 and 15).



Impairment of water service contract not yet available for use

As of March 26, 2026, 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 pre-tax discount rate used is 15.01% and 9.4% in 2025 and 2024, respectively. Management believes that the amount of water service contract is recoverable based on the estimation of value-in-use.

The carrying value of water service contract amounted to ₱72.3 million as of December 31, 2025, and 2024 (see Note 13).

Investment in LTP

The Group has yet to finalize, as of December 31, 2025, an extended lease agreement on the lease of the ecozone where LTP is located. As of March 26, 2026, the discussions of the key terms for the lease are still ongoing. The uncertainty surrounding the lease renewal and the impact of the significant increase in rental rates on LTP's financial performance are considered impairment indicators, thus, management performed an impairment analysis on the recoverability of the investment.

For the purpose of impairment testing, recoverable amount is determined based on the value-in-use using cash flow projections based on financial budgets based on forecasted revenue, forecasted workload and fleet count, operational costs, and operating expenses. Past experiences and current market conditions are also considered in this assessment. The discount rate is a pre-tax measure based on the weighted average cost of capital of listed entities with similar assets or similar in terms of potential risk. The discount rate used is 8.6% and 12.5 % as of December 31, 2025 and 2024, respectively.

Refer to Note 9 on the discussions of assumptions which are most sensitive to impact the calculated value-in-use. Based on the impairment test, the recoverable amount of the investment in LTP exceeds its carrying value.

B. Goodwill and intangible assets with indefinite useful 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 2025 and 2024 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 pre-tax discount rate used ranged from 7.4% to 9.5% in 2025 and 10.6% to 11.2% in 2024.



The carrying value of goodwill subjected to impairment testing amounted to ₱127.8 million as of December 31, 2025 and 2024 (see Note 13).

The carrying value of water rights amounted to ₱118.3 million and ₱120.3 million as of December 31, 2025 and 2024, respectively (see Note 13).

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

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

The cost of defined benefit pension plans, as well as the present value of the pension obligation is, determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All significant assumptions are reviewed at each reporting date. The calculation of accumulating leave credits follows the same assumptions as the defined benefit costs.

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

Accrued retirement and other employee benefits payable amounted to ₱200.7 million and ₱196.6 million as of December 31, 2025 and 2024, respectively (see Note 21). Pension asset amounted to ₱7.7 million and ₱0.7 million as of December 31, 2025 and 2024, respectively, and is included under "Other noncurrent assets" account (see Note 15). Retirement benefits cost amounted to ₱47.5 million, ₱52.0 million and ₱33.6 million in 2025, 2024 and 2023, respectively (see Note 21).

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.

Gross deferred income tax assets recognized, which relate primarily to operating subsidiaries, amounted to ₱169.4 million and ₱367.3 million as of December 31, 2025, and 2024, respectively. The Group also has unrecognized deferred income taxes primarily on the non-operating subsidiaries' temporary differences, NOLCO and MCIT (see Note 25).



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 four subsidiaries, mining-related activities, water-related projects, and ICT services which is the basis on which the Group reports its primary segment information. The Group also monitors its share in the results of operations of its associates (LTP, CPCS and JASCO) that are accounted for using the equity method.

The operations of the 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.
- 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 (see Note 9).
- 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, refers to service offerings which encompasses information management, data connectivity, radio trunking, shared and managed services.
- Administrative segment, which is primarily operated through MAPDC, refers to the sub-lease of the MacroAsia Ecozone at NAIA (see Note 28), which MAPDC leases from Manila International Airport Authority (MIAA) with LTP as the anchor locator (see Note 18).
- 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.

The Group has only one geographic segment. Of the Group's total revenue, ₱5,419.5 million (or 54%), ₱5,317.5 million (or 56%) and ₱4,395.0 million (or 57%) in 2025, 2024 and 2023, respectively, were derived from two customers which are entities under common control.

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 years ended December 31 are presented below. The amounts disclosed were determined consistent with the measurement basis under PFRS Accounting Standards.

For the year ended December 31, 2025

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Eliminations, Adjustments and Others	Total
Segment revenue	₱4,927,620,067	₱4,276,564,171	₱–	₱837,577,419	₱–	₱57,320,688	₱–	(₱ 137,838,101)	₱9,961,244,244
Direct costs	(3,461,532,133)	(3,989,009,994)	–	(479,885,266)	(456,209)	(67,126,316)	–	68,918,425	(7,929,091,493)
Gross profit (loss)	1,466,087,934	287,554,177	–	357,692,153	(456,209)	(9,805,628)	–	(68,919,676)	2,032,152,751
Share in net earnings of associates	34,938,967	95,352,221	1,196,797,736	–	–	–	–	145,669,612	1,472,758,536
	1,501,026,901	382,906,398	1,196,797,736	357,692,153	(456,209)	(9,805,628)	–	76,749,936	3,504,911,287
Operating expenses	(843,340,520)	(278,557,116)	–	(228,528,666)	(18,546,940)	(41,134,823)	(17,915,585)	(262,422,486)	(1,690,446,136)
Interest income	7,340,910	3,857,830	–	15,264,708	5,242	3,060,571	3,718	11,028,460	40,561,439
Financing charges	(31,149,615)	(35,838,469)	–	(45,076,139)	(1,890,563)	(26,950,844)	–	3,212,890	(137,692,740)
Foreign exchange gain (loss) - net	10,246,906	6,622,749	–	5,779	324	–	179	2,620,275	19,496,212
Other income - net	(10,601,505)	20,628,950	–	22,122,719	–	34,167,776	–	9,845,828	76,163,768
Income (loss) before income tax	633,523,077	99,620,342	1,196,797,736	121,480,554	(20,888,146)	(40,662,948)	(17,911,688)	(158,965,097)	1,812,993,830
Provision for income tax	(159,992,022)	(13,562,947)	–	(32,558,685)	(1,048)	(248,652)	(742)	761,569	(205,602,527)
Segment profit (loss)	₱473,531,055	₱86,057,395	₱1,196,797,736	₱88,921,869	₱20,889,194	(₱40,911,600)	(₱17,912,430)	(₱158,203,528)	₱1,607,391,303
Depreciation and amortization expense	₱94,937,796	₱126,780,685	₱–	₱119,744,732	₱332,764	₱21,325,881	₱65,798	₱46,384,423	₱409,572,079
Segment profit (loss) attributable to:									
Equity holders of the Company	328,795,666	97,393,548	1,196,797,737	55,417,703	(20,889,194)	(40,911,600)	(17,912,430)	(157,725,233)	1,440,966,197
Non-controlling interests	144,735,389	(11,336,153)	–	33,504,165	–	–	–	(478,295)	166,425,106



Other financial information of the operating segments as of December 31, 2025, is as follows:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Eliminations, Adjustments and Others	Total
Assets:									
Current assets	₱2,335,903,738	₱2,025,972,190	₱–	₱1,522,452,316	₱49,128,616	₱658,356,678	₱36,816,200	(₱366,840,637)	₱6,261,789,101
Noncurrent assets	964,091,910	1,313,304,827	–	2,804,041,508	419,288	1,456,710,000	264,147,492	3,509,409,644	10,312,124,669
	₱3,299,995,648	₱3,339,277,017	₱–	₱4,326,493,824	₱49,547,904	₱2,115,066,678	₱300,963,692	₱3,142,569,007	₱16,573,913,770
Liabilities:									
Current liabilities	₱1,630,986,738	₱2,527,178,561	₱–	₱1,442,622,901	₱27,043,424	₱1,649,814,927	₱96,664,680	(₱3,221,084,214)	₱4,153,227,017
Noncurrent liabilities	263,851,083	518,851,698	–	1,997,535,807	423,613	513,622,831	31,947,706	23,598,362	3,349,831,100
	₱1,894,837,821	₱3,046,030,259	₱–	₱3,440,158,708	₱27,467,037	₱2,163,437,758	₱128,612,386	(₱3,197,485,852)	₱7,503,058,117
Equity attributable to:									
Equity holders of the Company	₱1,094,400,891	₱389,020,436	₱–	₱657,194,372	₱22,080,867	(₱48,371,080)	₱172,351,306	₱6,144,048,693	₱8,430,725,485
Non-controlling interests	310,756,936	(95,773,678)	–	229,140,744	–	–	–	196,006,166	640,130,168
Investments in associates	105,441,860	944,509,635	2,756,612,753	–	–	–	–	–	3,806,564,248
Additions to noncurrent assets -									
Property, plant and equipment	161,337,672	652,382,146	–	613,495,397	–	241,853	219,366	7,938,715	1,435,615,149
Service concession rights	–	–	–	25,756,922	–	–	–	–	25,756,922



For the year ended December 31, 2024:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Eliminations, Adjustments and Others	Total
Segment revenue	₱4,414,552,818	₱4,171,950,252	₱—	₱764,260,877	₱62,389,894	₱73,777,631	₱—	(₱45,258,928)	₱9,441,672,544
Direct costs	(3,024,059,014)	(3,563,692,601)	—	(434,582,431)	(32,414,153)	(67,623,068)	—	13,640,016	(7,108,731,251)
Gross profit (loss)	1,390,493,804	608,257,651	—	329,678,446	29,975,741	6,154,563	—	(31,618,912)	2,332,941,293
Share in net earnings of associates	30,175,547	106,089,503	585,158,052	—	—	—	—	10,117,059	731,540,161
	1,420,669,351	714,347,154	585,158,052	329,678,446	29,975,741	6,154,563	—	(21,501,853)	3,064,481,454
Operating expenses	(710,443,674)	(337,454,745)	—	(196,065,091)	(9,393,485)	(41,368,367)	(22,534,895)	(73,746,137)	(1,391,006,394)
Interest income	1,357,212	4,412,037	—	996,138	204,902	51,374	4,842	19,672,393	26,698,898
Financing charges	(28,802,451)	(14,010,088)	—	(53,469,249)	—	(25,732,097)	—	28,758	(121,985,127)
Foreign exchange gain (loss) - net	5,180,428	3,065,721	—	(35,289)	5,553	21,954	1,431	4,034,695	12,274,493
Other income - net	100,950,692	15,859,009	—	30,673,516	—	1,779,750	—	(83,854,726)	65,408,241
Income (loss) before income tax	788,911,558	386,219,088	585,158,052	111,778,471	20,792,711	(59,092,823)	(22,528,622)	(155,366,870)	1,655,871,565
Provision for income tax	(166,266,452)	(79,962,345)	—	(33,090,794)	(1,859,795)	(10,275)	(967)	(3,271,668)	(284,462,296)
Segment profit (loss)	₱622,645,106	₱306,256,743	₱585,158,052	₱78,687,677	₱18,932,916	(₱59,103,098)	(₱22,529,589)	(₱158,638,538)	₱1,371,409,269
Depreciation and amortization expense	₱85,382,424	₱109,914,442	₱—	₱122,866,669	₱227,725	₱23,530,471	₱52,101	₱19,956,703	₱361,930,535
Segment profit (loss) attributable to:									
Equity holders of the Company	427,130,152	280,058,085	585,158,052	51,390,337	18,932,916	(59,103,098)	(22,529,589)	(158,160,246)	1,122,876,609
Non-controlling interests	195,514,955	26,198,657	—	27,297,341	—	—	—	(478,293)	248,532,660



Other financial information of the operating segments as of December 31, 2024 is as follows:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Eliminations, Adjustments and Others	Total
Assets:									
Current assets	₱1,829,737,690	₱1,736,074,058	₱—	₱807,413,913	₱75,492,974	₱360,264,800	₱14,911,517	(₱400,778,768)	₱4,423,116,184
Noncurrent assets	1,148,930,778	828,561,575	—	2,228,409,381	752,052	2,577,767,962	223,873,648	1,986,239,767	8,994,535,163
	₱2,978,668,468	₱2,564,635,633	₱—	₱3,035,823,294	₱76,245,026	₱2,938,032,762	₱238,785,165	₱1,585,460,999	₱13,417,651,347
Liabilities:									
Current liabilities	₱1,596,257,413	₱2,183,432,858	₱—	₱1,372,829,608	₱29,594,605	₱1,327,061,211	₱46,041,287	(₱3,532,308,266)	₱3,022,908,716
Noncurrent liabilities	117,412,001	103,904,994	—	906,156,163	311,661	1,617,550,420	24,817,728	60,844,359	2,830,997,326
	₱1,713,669,414	₱2,287,337,852	₱—	₱2,278,985,771	₱29,906,266	₱2,944,611,631	₱70,859,015	(₱3,471,463,907)	₱5,853,906,042
Equity attributable to:									
Equity holders of the Company	₱1,086,273,912	₱361,735,303	₱—	₱553,850,944 ^s	₱46,338,760	(₱6,578,869)	₱167,926,149	₱4,860,440,449	₱7,069,986,648
Non-controlling interests	178,725,142	(84,437,523)	—	202,986,579	—	—	—	196,484,459	493,758,657
Investments in associates	34,036,192	850,002,434	1,587,082,825	—	—	—	—	—	2,471,121,451
Additions to noncurrent assets -									
Property, plant and equipment	128,771,103	129,145,455	—	100,234,128	292,411	1,491,995	—	107,552,875	467,487,967
Service concession rights	—	—	—	51,790,326	—	—	—	—	51,790,326



For the year ended December 31, 2023:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Eliminations, Adjustments and Others	Total
Segment revenue	₱3,993,782,302	₱3,135,524,660	₱—	₱632,356,158	₱215,627,301	₱53,245,690	₱—	(₱33,490,265)	₱7,997,045,846
Direct costs	(2,695,572,788)	(2,962,078,340)	—	(382,260,483)	(175,849,768)	(49,478,219)	(178,206)	10,577,550	(6,254,840,254)
Gross profit (loss)	1,298,209,514	173,446,320	—	250,095,675	39,777,533	3,767,471	(178,206)	(22,912,715)	1,742,205,592
Share in net earnings of associates	7,007,972	(3,588,802)	562,137,350	—	—	—	—	11,172,503	576,729,023
	1,305,217,486	169,857,518	562,137,350	250,095,675	39,777,533	3,767,471	(178,206)	(11,740,212)	2,318,934,615
Operating expenses	(574,836,956)	(197,842,404)	—	(159,538,491)	(9,028,493)	(37,384,266)	(11,792,990)	(95,271,115)	(1,085,694,715)
Interest income	764,857	2,424,333	—	558,627	297,831	174,694	4,181	14,781,286	19,005,809
Financing charges	(34,007,008)	(18,409,921)	—	(70,041,814)	—	(33,597,778)	(25,192)	(7,699,815)	(163,781,528)
Foreign exchange gain (loss) - net	(3,408,299)	(610,156)	—	3,567	—	30,207	(48)	(4,297,172)	(8,281,901)
Other income (charges) - net	7,958,107	14,142,575	—	53,335,911	(2,943)	1,420,404	—	36,521,904	113,375,958
Income (loss) before income tax	701,688,187	(30,438,055)	562,137,350	74,413,475	31,043,928	(65,589,268)	(11,992,255)	(67,705,124)	1,193,558,238
Provision for (benefit from) income tax	(75,446,651)	(18,367,275)	—	(21,178,649)	(9,614,198)	(46,021)	(835)	2,280,002	(122,373,627)
Segment profit (loss)	₱626,241,536	(₱48,805,330)	₱562,137,350	₱53,234,826	₱21,429,730	(₱65,635,289)	(₱11,993,090)	(₱65,425,122)	₱1,071,184,611
Depreciation and amortization expense	₱73,355,718	₱98,639,913	₱—	₱93,065,679	₱—	₱23,405,181	₱1,306,656	₱37,228,048	327,001,195
Segment profit (loss) attributable to:									
Equity holders of the Company	416,365,829	(39,044,265)	562,137,361	41,492,164	21,429,730	(65,635,289)	(11,993,091)	(73,615,550)	851,136,889
Non-controlling interests	205,075,707	(9,761,066)	—	11,742,663	—	—	—	12,990,428	220,047,732



Other financial information of the operating segments as of December 31, 2023 is as follows:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Water Treatment and Distribution	ICT Services	Administrative	Mining	Eliminations, Adjustments and Others	Total
Assets:									
Current assets	P1,783,758,991	P1,729,225,035	P-	P597,207,960	P110,904,917	P377,468,078	P16,151,786	(P427,276,106)	P4,187,440,661
Noncurrent assets	1,154,886,188	672,005,805	-	1,852,339,380	407,366	2,594,615,616	223,913,339	2,009,333,760	8,507,501,454
	P2,938,645,179	P2,401,230,840	P-	P2,449,547,340	P111,312,283	P2,972,083,694	P240,065,125	P1,582,057,654	P12,694,942,115
Liabilities:									
Current liabilities	P1,723,988,770	P2,182,673,055	P-	P1,341,330,951	P86,767,959	P1,089,371,499	P25,107,537	(P3,126,799,393)	P3,322,440,378
Noncurrent liabilities	216,792,870	149,158,938	-	847,865,166	194,006	1,628,502,180	24,382,850	20,266,978	2,887,162,988
	P1,940,781,640	P2,331,831,993	P-	P2,189,196,117	P86,961,965	P2,717,873,679	P49,490,387	(P3,106,532,415)	P6,209,603,366
Equity attributable to:									
Equity holders of the Company	P906,629,874	P230,876,976	P-	P174,435,319	P24,350,319	P254,210,016	P190,574,737	P4,344,013,937	P6,125,091,178
Non-controlling interests	91,233,665	(161,478,129)	-	85,915,904	-	-	-	344,576,131	360,247,571
Investments in associates	15,860,645	744,087,294	1,539,527,123	-	-	-	-	-	2,299,475,062
Additions to noncurrent assets -									
Property, plant and equipment	101,307,361	111,820,126	-	62,443,707	407,366	3,113,562	149,554	27,334,667	306,576,343
Service concession rights	-	-	-	14,943,204	-	-	-	-	14,943,204



5. Cash and Cash Equivalents

	2025	2024
Cash on hand and cash in banks (Note 18)	₱1,739,482,796	₱1,168,959,746
Short-term deposits (Note 18)	731,134,971	200,322,854
	₱2,470,617,767	₱1,369,282,600

Cash in banks earn interest at the respective bank deposits rates. Short-term deposits are made for varying periods of up to three months and earn interest at the respective short-term deposit rates. Interest income earned amounted to ₱38.7 million, ₱23.6 million and ₱16.3 million in 2025, 2024 and 2023, respectively (see Note 22).

6. Receivables and Contract Assets

	2025	2024
Trade:		
Third parties	₱1,320,570,780	₱1,023,009,317
Related parties (Note 18)	825,050,777	948,664,995
Advances to officers and employees	22,454,096	19,364,103
Interest receivable	4,254,449	5,812,609
Contract assets - current portion (Note 15)	16,025,639	77,656,572
Other receivables (Note 15)	322,859,711	187,239,298
	2,511,215,452	2,261,746,894
Less allowance for ECL	(75,360,333)	(58,874,039)
	₱2,435,855,119	₱2,202,872,855

Trade receivables arise from the revenue-generating activities of the Group. These are non-interest bearing with normal credit terms ranging from 30 to 90 days.

Long-term receivables

Included under other receivables are monthly installments due from customers from the construction of Sewage Treatment Plants (STPs). Payment terms from the said contracts are beyond one year; thus, contains significant financing component. Interest income earned from installment receivables amounted to nil in 2025, 2024 and 2023.

As of December 31, outstanding receivables pertaining to construction of STPs are as follows:

	2025	2024
Gross installment receivables	₱15,402,141	₱15,644,919
Less unearned interest	—	—
	15,402,141	15,644,919
Less current portion	—	(15,644,919)
Noncurrent portion	₱15,402,141	₱—



In relation to the construction of STPs, the Group allocates the total transaction price earned between the construction of STPs and the operation and maintenance services for the STPs. The allocated amounts for the operation and maintenance services are recognized as contract assets. These contract assets are realized as receivables as the Group performs the operations and maintenance of STPs, which is the remaining performance obligation, over the contract period of about 10 years. Contract assets are presented based on the timing of realization. Current and noncurrent portion of contract assets amounted to ₱16.0 million and ₱17.1 million as of December 31, 2025, ₱77.7 million and ₱34.9 million as of December 31, 2024, respectively (see Note 15).

Advances to officers and employees pertain to cash advances that are subject to liquidation.

Other receivables include installment contract receivable, amounts due from third party insurance company and certain government agencies (e.g., SSS) and employee loans which are payable through salary deductions.

Allowance for ECL pertains to trade receivables. The rollforward analyses of the allowance for ECL as of December 31, 2025 and 2024 are as follows:

	2025	2024
Beginning balance	₱58,874,039	₱29,725,405
Provision for ECL (Note 20)	16,486,294	29,148,634
Ending balance	₱75,360,333	₱58,874,039

7. Inventories - at cost

	2025	2024
Food and beverage	₱91,018,708	₱82,576,425
Materials and supplies	89,147,223	72,819,069
	₱180,165,931	₱155,395,494

All inventories are carried at cost. Cost of inventories recognized as expense and included as part of “Food” and “Supplies” accounts under “Direct costs” amounted to ₱2,307.4 million, ₱2,034.2 million and ₱1,911.1 million in 2025, 2024 and 2023, respectively (see Note 20).

8. Other Current Assets

	2025	2024
Input taxes - net	₱607,593,769	₱331,164,513
Creditable withholding taxes	353,024,405	259,238,523
Due from suppliers, contractors and others	71,795,451	11,323,300
Advances to suppliers	21,004,429	8,741,255
Prepayments	37,075,970	34,981,358
Supplies	64,179,097	34,268,620
Other current assets	20,477,163	15,847,666
	₱1,175,150,284	₱695,565,235



Input taxes

	2025	2024
Gross input tax	₱711,357,571	₱431,416,733
Less allowance for probable losses	(53,221,615)	(40,669,935)
	658,135,956	390,746,798
Less noncurrent portion (Note 15)	(50,542,187)	(59,582,285)
Current portion	₱607,593,769	₱331,164,513

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. Provision for losses on input taxes amounted to ₱19.6 million, ₱27.4 million and ₱27.6 million in 2025, 2024 and 2023, respectively (see Note 20).

Roll forward of allowance for probable losses is as follows:

	2025	2024
Beginning balance	₱40,669,935	₱29,559,726
Provision for probable loss (Note 20)	19,565,230	27,357,485
Write-off	(7,013,550)	(16,247,276)
Ending balance	₱53,221,615	₱40,669,935

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

9. Investments in Associates

Investments in Associates

	Ownership Interest (%)	2025	2024
Acquisition costs:			
LTP	49	₱935,759,560	₱935,759,560
JASCO	30	853,799,023	853,799,023
CPCS	40	5,000,000	5,000,000
MacroAsia WLL	35**	2,310,175	2,310,175
MJFSC	49	64,466,700	—
		1,861,335,458	1,796,868,758
Accumulated equity in net earnings:			
Beginning of year		730,765,198	558,574,637
Share in net earnings		1,472,758,536	731,540,161
Dividends received (Note 18)		(308,329,000)	(559,349,600)
End of year		1,895,194,734	730,765,198
Share in foreign currency translation adjustments:			
Beginning of year		137,528,917	77,739,563
Net foreign currency translation adjustments for the year		47,663,316	59,789,354
End of year		185,192,233	137,528,917

(Forward)



	Ownership Interest (%)	2025	2024
Share in re-measurement losses on defined benefit plans of associates:			
Beginning of year		(P193,794,907)	(P133,461,381)
Remeasurement losses on defined benefit plans for the year		58,883,224	(60,333,526)
End of year		(134,911,683)	(193,794,907)
Impairment allowance on investment in MacroAsia WLL		(246,515)	(246,515)
		P3,806,564,227	P2,471,121,451

***Effective ownership interest through MACS*

As of December 31, 2025 and 2024, the shares of stock of these associates are not traded in public and as such, have no available publicly traded price quotation.

LTP

LTP is a company jointly owned by Lufthansa Technik AG (LHT), a corporation organized and existing under the laws of the Federal Republic of Germany and MAC, a corporation organized under the laws of the Republic of the Philippines. LTP was incorporated primarily to provide aircraft maintenance, aircraft overhaul, aircraft engine repair and overhaul and aircraft component repair and overhaul services in Manila, Cebu and other locations. LTP is also registered with the Philippine Economic Zone Authority (PEZA). The registered office address of LTP is LTP Technical Center, MacroAsia Ecozone, Villamor Airbase, Pasay City.

CPCS

CPCS is the Company's first in-flight catering venture, which started commercial operations in 1996. It is the only in-flight catering company at Mactan-Cebu International Airport and serves both domestic and international airlines. The registered office address of CPCS is 1st Ave. Extension, Block B6, MEZ I, Lapu-Lapu City.

JASCO

On November 5, 2019, MAC entered into a Share Purchase Agreement with Konoike Transport for the 7,200 ordinary shares or 30% ownership interest in Japan Airport Service Co., Ltd. (JASCO) for an aggregate amount of P853,799,023 (JPY 1,825,000,000). JASCO is a wholly-owned subsidiary of NKS Holding Co. Ltd., a Japanese company wholly-owned by Konoike Transport.

MacroAsia WLL

On June 5, 2012, MACS entered into a Shareholders' Agreement with individuals to establish MacroAsia WLL, a national institutional catering and laundry company in Doha, Qatar. As of December 31, 2025, MacroAsia WLL has not yet started its commercial operations and the Group continues to experience difficulty in withdrawing its initial investment.

The investment is fully provided with allowance for probable loss due to inactive status of the investee-company since incorporation.

MJFSC

MacroAsia Jolliant Food Services Corporation (MJFSC) is a company 49% owned by MacroAsia New Ventures, which is a wholly-owned subsidiary of MAC, and 51% by Princess Jolliant Food Services



Corp. It was incorporated on November 4, 2025. MJFSC is a commissary in Cordova Cebu in selling food products, including but not limited to marine, aquaculture, agricultural products.

CSWC

CSWC is a joint venture between SWRI and another domestic corporation in the Philippines. CSWC has bulk water supply with the water district of Janiway, Iloilo. The registered office address of CSWC is 9/F, 45 San Miguel, San Miguel Avenue, Ortigas Center, Pasig City.

On March 28, 2023, SWRI entered into a Memorandum of Agreement with another domestic corporation to sell its 40% ownership over CSWC for a total consideration of ₱312,505. Carrying amount of CSWC at the time of disposal amounted to ₱43.3 million. The Group recorded a loss on disposal of investment in associate amounting to ₱43.0 million as presented under 'Other income-net' in its 2023 consolidated statement of income (see Note 22).

Summarized financial information of LTP, CPCS, JASCO and MJFSC based on their financial statements as of and for the years ended December 31 is as follows:

	2025			
	LTP	CPCS	JASCO	MJFSC
Current assets	₱8,899,775,454	₱148,373,705	₱749,108,222	₱90,650,118
Noncurrent assets	2,666,182,597	15,968,128	302,618,212	80,922,444
Current liabilities	4,648,331,827	15,852,176	399,321,317	44,640,582
Noncurrent liabilities	1,291,885,909	46,051,759	139,823,731	—
Equity	5,625,740,315*	102,437,898	512,581,386	126,931,980
Proportion of the Group's ownership	49%	40%	30%	49%
Group's share in equity	2,756,612,754	40,975,159	153,774,416	62,196,670
Goodwill	—	—	790,735,219	—
Group's carrying amount of its investments	₱2,756,612,754	₱40,975,159	₱944,509,635	₱62,196,670

*Inclusive of cumulative foreign currency translation loss amounting to ₱47.7 million.

	2025			
	LTP	CPCS	JASCO	MJFSC
Revenue from contracts with customers	₱19,409,138,876	₱284,837,656	₱2,202,973,568	₱11,987,209
Direct costs	14,731,242,110	157,440,111	1,731,923,402	14,848,270
Gross profit	4,677,896,766	127,397,545	471,050,166	(2,861,061)
General and administrative expenses	2,556,402,303	30,377,715	91,730,371	1,700,721
Net income	2,442,444,361	87,347,418	317,840,736	(4,632,820)
Other comprehensive income	120,169,787	—	—	—
Total comprehensive income	2,562,614,148	87,347,418	317,840,736	(4,632,820)
Group's share in net income*	1,196,797,736	34,938,967	95,352,221	(2,270,082)
Group's share in total comprehensive income	₱1,255,680,933	₱34,938,967	₱95,352,221	(₱2,270,082)

*Excluding impact of PFRS 16 adoption policy alignment amounting to ₱145.7 million



	2024		
	LTP	CPCS	JASCO
Current assets	₱7,018,118,591	₱110,013,192	₱420,613,137
Noncurrent assets	5,127,481,863	17,159,926	154,061,028
Current liabilities	4,880,066,285	19,564,828	291,012,162
Noncurrent liabilities	3,729,304,617	22,517,810	86,104,620
Equity	3,536,229,552*	85,090,480	197,557,383
Proportion of the Group's ownership	49%	40%	30%
Group's share in equity	1,732,752,480	34,036,192	59,267,215
Accounting policy alignment impact**	(145,669,655)	—	—
Goodwill	—	—	790,735,219
Group's carrying amount of its investments	₱1,587,082,825	₱34,036,192	₱850,002,434

*Inclusive of cumulative foreign currency translation loss amounting to ₱60.0 million.

**Pertains to the alignment impact on the adoption of PFRS 16.

	2024		
	LTP	CPCS	JASCO
Revenue from contracts with customers	₱16,938,945,040	₱208,381,603	₱1,808,157,841
Direct costs	13,099,477,519	114,210,584	1,375,287,897
Gross profit	3,839,467,521	94,171,019	432,869,944
General and administrative expenses	2,396,386,226	15,545,252	80,612,197
Net income	1,194,200,096	75,438,869	353,631,677
Other comprehensive loss	(123,129,644)	—	—
Total comprehensive income	1,071,070,452	75,438,869	353,631,677
Group's share in net income*	₱585,158,047	₱30,175,547	₱106,089,503
Group's share in total comprehensive income	₱524,824,521	₱30,175,547	₱106,089,503

*Excluding impact of PFRS 16 adoption policy alignment amounting to ₱10.1 million.

	2023		
	LTP	CPCS	JASCO
Current assets	₱6,047,528,439	₱63,929,069	₱134,122,834
Noncurrent assets	5,238,501,816	12,449,862	203,591,270
Current liabilities	4,344,611,643	16,094,541	312,503,887
Noncurrent liabilities	3,481,594,456	20,632,780	180,703,301
Equity (capital deficiency)	3,459,824,156*	39,651,610	(155,493,084)
Proportion of the Group's ownership	49%	40%	30%
Group's share in equity	1,695,313,836	15,860,644	(46,647,925)
Accounting policy alignment impact**	(155,786,683)	—	—
Goodwill	—	—	790,735,219
Group's carrying amount of its investments	₱1,539,527,153	₱15,860,644	₱744,087,294

*Inclusive of cumulative foreign currency translation loss amounting to ₱19.5 million.

**Pertains to the alignment impact on the adoption of PFRS 16.



	2023		
	LTP	CPCS	JASCO
Revenue from contracts with customers	₱13,613,672,570	₱94,275,533	₱1,128,525,288
Direct costs	10,222,760,273	61,941,901	1,060,320,384
Gross profit	3,390,912,297	32,333,632	68,204,904
General and administrative expenses	2,001,345,039	11,872,305	86,924,925
Net income (loss)	1,147,219,103	17,519,930	(11,962,674)
Other comprehensive loss	(255,794,764)	—	—
Total comprehensive income (loss)	891,424,339	17,519,930	(11,962,674)
Group's share in net income (loss)	₱562,137,361	₱7,007,972	(₱3,588,802)
Group's share in total comprehensive income	₱436,797,926	₱7,007,972	(₱3,588,802)

*Excluding impact of PFRS 16 adoption policy alignment amounting to Php11.2 million

In the normal course of business, LTP is involved in certain claims by third parties mainly related to damages, consignment of inventories, labor and other contingencies. The provisions for claims and losses pertain to management's best estimate of probable losses in connection with claims from third parties involving damages, consignment of inventories, and other issues. These provisions have been developed in consultation with LTP's legal counsels, advisors and are based upon an analysis of potential results. LTP recognized provisions amounting to ₱1,487.2 million and ₱949.9 million as of December 31, 2025 and 2024, respectively, which are included as part of "Current liabilities" in LTP's summarized financial information. The provision for probable losses and claims recognized in profit or loss amounted to ₱537.3 million, ₱66.1 million and ₱126.8 million in 2025, 2024 and 2023, respectively, which are included as part of "General and administrative expenses" in LTP's summarized financial information.

Dividend received from LTP and CPCS amounted to ₱308.3 million, ₱559.3 million and ₱539.1 million in 2025, 2024 and 2023, respectively.

Impairment assessment

Management conducts an annual assessment to determine whether there are indicators of impairment for its investments in associates. This evaluation considers external factors such as macroeconomic conditions, industry trends, ongoing negotiations with the government and airport operators, and regulatory developments.

As discussed in Note 3, the Group has yet to finalize, as of December 31, 2025, an extended lease agreement on the lease of the ecozone where LTP is located. As of March 26, 2026, the Group and LTP are still in the process of finalizing negotiations with the government and airport operator regarding the final lease rate applicable after the expiration of the initial term. The Group performed an impairment assessment based on value-in-use calculations, using cash flow projections based on financial budgets based on forecasted revenue, forecasted workload and fleet count, operational costs, and operating expenses. Past experiences and current market conditions are also considered in this assessment. Management concluded that the value-in-use exceeds the carrying amount of the investment in LTP, indicating no impairment.



The key assumptions used in determining the recoverable amounts of investment in LTP are the forecasted workload and fleet count, operational costs, and operating expenses. Management believes that no reasonably possible change in the assumptions would cause the carrying value of investment in LTP to materially exceed their recoverable amounts.

10. Acquisition of a Subsidiary and Subsidiaries with Material Non-controlling Interests

Acquisition of 100% interest in APC

In 2025, the MASCORP acquired 100% ownership in Aviation Products Corporation (APC) from Airside Services Corporation (ASC) for a cash consideration amounting to ₱16.3 million. This resulted to recognition of investment in subsidiary which includes provisional intangible asset amounting to ₱0.77 million.

The provisional fair values of the identified assets and liabilities and analysis of cash flows as of the date of purchase of interest are presented as follows:

	Provisional
Assets	
Inventories	₱11,031,761
Input taxes and other current assets	2,479,530
Deposits and other intangible assets	880,816
Property and equipment	2,076,880
Total identifiable net assets at fair value	16,468,987
Gain on bargain purchase	(168,987)
Purchase consideration	₱16,300,000
Analysis of Cash Flows	
Cash transferred as purchase consideration*	₱16,300,000
Transaction costs of the acquisition	—
Net cash transferred	₱16,300,000

**Included in cash flows from investing activities*

On March 28, 2023, SWRI entered into a Share Purchase Agreement with CSWC to purchase 1,250,005 shares or 100% of CSW Lapu-lapu, Inc. (CSWLI) for an aggregate consideration of ₱0.31 million. CSWLI is engaged in bulk potable water supply and water treatment.

The group recorded gain on bargain purchase amounting to ₱69.7 million as presented under ‘Other income - net’ in its 2023 consolidated statement of income (see Note 22). The purchase price allocation for the acquisition of CSWLI was finalized in 2024. There was no change in the 2023 provisional fair value of net assets of the investee.

Subsidiaries with Material Non-controlling Interests

- As of December 31, 2025 and 2024, MASCORP has a material non-controlling interest of 20%.
- On September 12, 2024, during the Special Stockholders’ Meeting of MACS, the stockholders approved the declaration of property dividends consisting of MACS’ investments in its two subsidiaries, MSIS and MSFI, at cost. On June 4, 2025, the Philippine 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 inflight and other catering segment, with MACS and MSIS as its subsidiaries. As of December 31, 2025 and 2024, MACS, MSFI and MSIS (collectively, "the Inflight and Other Catering Group") has an effective material non-controlling interest of 33%.

Set out in the below is the summarized financial information of MASCORP and the combined balances of Inflight and Other Catering Group. The amounts disclosed are based on those included in the consolidated financial statements before intercompany eliminations.

Summarized balance sheets:

	Inflight and Other Catering Group		MASCORP	
	2025	2024	2025	2024
As at December 31:				
Current assets	₱2,335,903,738	₱1,829,737,690	₱2,025,972,190	₱1,736,074,057
Noncurrent assets	964,091,910	1,148,930,778	1,313,304,827	828,561,575
Current liabilities	1,630,986,738	1,596,257,413	2,527,178,561	2,183,432,858
Noncurrent liabilities	263,851,083	117,412,001	518,851,698	103,904,994
Equity	1,405,157,827	1,264,999,054	293,246,758	277,297,780

Summarized statements of income and other comprehensive income:

Inflight and Other Catering Group

	2025	2024	2023
Revenue	₱4,927,620,067	₱4,414,552,818	₱3,993,782,302
Direct costs	3,461,532,133	3,024,059,014	2,695,572,788
Operating expenses	843,340,520	710,443,674	574,836,956
Net income	473,531,055	622,645,106	626,241,536
Net income attributable to non-controlling interest	144,735,389	195,514,955	205,075,707
Other comprehensive income (loss)	(10,401,844)	(3,766,227)	(4,214,716)
Total comprehensive income	463,129,211	618,878,881	622,026,820
Total comprehensive income attributable to non-controlling interest	152,832,640	204,230,031	205,268,851

MASCORP

	2025	2024	2023
Revenue	₱4,276,564,171	₱4,171,950,252	₱3,135,524,660
Direct costs	3,989,009,994	3,563,692,601	2,962,078,340
Operating expenses	278,557,116	337,454,745	197,842,404
Net income	86,057,395	306,256,743	(48,805,330)
Net income attributable to non-controlling interest	(11,336,153)	26,198,657	(9,761,066)
Other comprehensive income	5,518,844	10,871,631	(25,970,347)
Total comprehensive income	91,576,239	317,128,374	(74,775,678)
Total comprehensive income attributable to non-controlling interest	(10,232,384)	63,425,675	(14,955,136)



Summarized statements of cash flows:

Inflight and Other Catering Group

	2025	2024	2023
Cash flows from operations	₱328,976,568	₱435,662,910	₱16,872,934
Cash flows from (used in) investing activities	(362,524,733)	(151,315,937)	126,567,899
Cash flows from (used in) financing activities	(300,000,000)	(176,040,000)	45,738,752

MASCORP

	2025	2024	2023
Cash flows from operations	₱241,510,756	₱347,020,679	₱366,161,829
Cash flows from (used in) investing activities	596,713,442	(225,805,830)	(142,956,381)
Cash flows from (used in) financing activities	357,923,303	34,646,398	(94,476,466)



11. Property, Plant and Equipment

2025

	Land and land improvements	Building and leasehold improvements	Kitchen and other operations equipment	Transportation equipment	Aviation equipment	Plant and technical equipment	Water pumps and machineries	Water pipelines	Office furniture, fixtures and equipment	Drilling equipment	Construction in progress (Note 16)	Total
Cost												
January 1	₱451,572,936	₱1,240,930,947	₱896,062,817	₱607,434,970	₱1,053,403,208	₱129,878,082	₱299,168,052	₱48,969,568	₱286,083,722	₱27,425,491	₱216,486,775	₱5,257,416,568
Additions	385,160,120	87,906,988	55,985,153	41,377,101	228,199,418	8,426,289	24,438,985	–	32,724,337	–	571,396,758	1,435,615,149
Adjustments, Reclassifications and Disposal	–	–	(5,743,251)	(80,773,979)	(10,696,123)	(46,473,468)	–	–	(669,819)	–	–	(144,356,640)
December 31	836,733,056	1,328,837,935	946,304,719	568,038,092	1,270,906,503	91,830,903	323,607,037	48,969,568	318,138,240	27,425,491	787,883,533	6,548,675,077
Accumulated Depreciation and Amortization												
January 1	(41,189)	(596,660,325)	(653,346,455)	(410,477,379)	(586,068,313)	(91,235,800)	(194,485,842)	(2,778,257)	(198,444,945)	(27,424,195)	–	(2,760,962,700)
Additions	(2,257)	(60,741,509)	(42,326,111)	(40,415,814)	(82,480,732)	(35,826,286)	(18,551,517)	–	(24,026,802)	–	–	(304,371,028)
Adjustments, Reclassifications and Disposal	–	–	6,083,471	57,217,781	7,151,204	35,231,183	–	–	663,788	–	–	106,347,427
December 31	(43,446)	(657,401,834)	(689,589,095)	(393,675,412)	(661,397,841)	(91,830,903)	(213,037,359)	(2,778,257)	(221,807,959)	(27,424,195)	–	(2,958,986,301)
Net Book Value	₱836,689,610	₱671,436,101	₱256,715,624	₱174,362,680	₱609,508,662	₱–	₱110,569,678	₱46,191,311	₱96,330,281	₱1,296	₱787,883,533	₱3,589,688,776

2024

	Land and land improvements	Building and leasehold improvements	Kitchen and other operations equipment	Transportation equipment	Aviation equipment	Plant and technical equipment	Water pumps and machineries	Water pipelines	Office furniture, fixtures and equipment	Drilling equipment	Construction in progress (Notes 16 and 18)	Total
Cost												
January 1	₱441,572,936	₱1,072,334,036	₱828,603,017	₱519,105,704	₱967,731,621	₱128,037,180	₱290,843,702	₱2,968,542	₱257,624,373	₱27,425,491	₱284,294,006	₱4,820,540,608
Additions	10,000,000	86,971,658	68,527,357	90,925,436	105,420,969	1,840,902	8,324,350	–	29,470,172	–	66,007,123	467,487,967
Adjustments, Reclassifications and Disposal	–	81,625,253	(1,067,557)	(2,596,170)	(19,749,382)	–	–	46,001,026	(1,010,823)	–	(133,814,354)	(30,612,007)
December 31	451,572,936	1,240,930,947	896,062,817	607,434,970	1,053,403,208	129,878,082	299,168,052	48,969,568	286,083,722	27,425,491	216,486,775	5,257,416,568
Accumulated Depreciation and Amortization												
January 1	(41,189)	(553,942,414)	(593,198,550)	(373,243,991)	(533,412,090)	(65,789,773)	(176,866,020)	(2,778,257)	(200,623,081)	(27,424,195)	–	(2,527,319,560)
Additions	–	(48,894,326)	(37,770,713)	(38,951,580)	(67,974,387)	(25,446,027)	(17,619,822)	–	(20,930,661)	–	–	(257,587,516)
Adjustments, Reclassifications and Disposal	–	6,176,415	(22,377,192)	1,718,192	15,318,164	–	–	–	23,108,797	–	–	23,944,376
December 31	(41,189)	(596,660,325)	(653,346,455)	(410,477,379)	(586,068,313)	(91,235,800)	(194,485,842)	(2,778,257)	(198,444,945)	(27,424,195)	–	(2,760,962,700)
Net Book Value	₱451,531,747	₱644,270,622	₱242,716,362	₱196,957,591	₱467,334,895	₱38,642,282	₱104,682,210	₱46,191,311	₱87,638,777	₱1,296	₱216,486,775	₱2,496,453,868

Adjustments, reclassification and disposal includes retirement of fully depreciated property, plant and equipment, reclassification of certain amounts previously classified as Construction in Progress to appropriate accounts when the asset became ready for intended use, disposals and other adjustments.



Management performed impairment tests for CGUs that are operating below the expected level. The recoverable amounts are computed based on value in use calculations using cash flow projections of three to five years as approved by management.

The calculation of value-in-use is most sensitive to the following assumptions:

FAA

Discount rate represents the current market assessment of the risk specific to the Company, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is derived from the WACC. The Group used WACC rate as affected by beta of companies with similar activities and capital structure. WACC is also affected by costs of debt and capital based on average lending rates for long-term loans.

Management determined that the value in use exceeds the carrying amount of the CGUs with sufficient headroom as of December 31, 2025 and 2024. Management believes that no reasonably possible change in the assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

SWRI

The key assumptions used in determining the recoverable amounts as of December 31, 2025 and 2024 of property plant and equipment are the same as those used in the impairment testing of service concession rights. Further, management used 4% growth rate in the calculation of cash flows beyond the forecast period.

Management determined that the value in use exceeds the carrying amount of the CGUs with sufficient headroom as of December 31, 2025 and 2024. Management believes that no reasonably possible change in the assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Noncash additions as of December 31, 2025 and December 31, 2024 amounted to ₱0.7 million and ₱1.3 million, respectively.

Depreciation and amortization are distributed as follows:

	2025	2024	2023
Direct costs (Note 20)	₱232,894,454	₱207,258,703	₱169,004,857
Operating expenses (Note 20)	71,476,574	50,328,813	51,892,142
	₱304,371,028	₱257,587,516	₱220,896,999



12. Investment Property

The Group's investment property pertains to a parcel of land held for future development which amounted to ₱143.9 million as of December 31, 2025 and 2024. The fair value of the investment property amounted to ₱490.5 million which is based on the latest available appraisal report rendered by a Philippine SEC-accredited professional firm of independent appraisers as of September 4, 2024 (see Note 32). Management believes that there have been no significant activities in the areas where the investment properties are located which can indicate significant changes in the fair values of investment properties per appraiser reports.

The independent appraiser used the "Market Approach" in valuing the property in 2024 and are categorized under Level 3 fair value hierarchy. This is a comparative approach to value that considers the sale of similar or substitute properties and related market data and establishes a value estimate by process involving comparison. Listings and offerings may also be considered. The Group has determined that the highest and best use of the property is its current use (i.e., industrial purpose).

Operating expense incurred in relation to investment property pertains to real property taxes (included as part of "Taxes and licenses") amounted to ₱1.0 million in 2025, 2024 and 2023 (see Note 20).

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

13. Service Concession Rights, Intangible Assets and Goodwill

Service Concession Rights

	2025	2024
Cost		
Beginning balance	₱614,199,441	₱562,409,115
Additions	19,352,793	38,386,710
Construction in progress	6,404,129	13,403,616
Ending balance	639,956,363	614,199,441
Accumulated Amortization		
Beginning balance	177,291,206	153,933,979
Amortization (Note 20)	24,328,159	23,357,227
Ending balance	201,619,365	177,291,206
Net Book Value	₱438,336,998	₱436,908,235

The cost of service concession right pertains to the construction costs by SNVRDC in relation to the construction of water treatment plant and pipe laying activities in Solano, Nueva Vizcaya and the fair value of NAWASCOR's water system and pipelines in Naic, Cavite (see Note 29). Pursuant to Philippine Interpretation IFRIC 12, the Group recognizes intangible assets in accordance with the accounting policies stated in Note 2.

The additions to service concession right in 2025 and 2024 pertain to costs of ongoing construction of water facilities and pipe laying activities. These are recognized as contract assets and are presented as part of service concession right in the 2025 consolidated balance sheet. Construction revenue and costs amounted to ₱6.4 million, ₱13.4 million and nil in 2025, 2024 and 2023, respectively (see Note 22).



In 2025 and 2024, management performed impairment test of SNVRDC's service concession right due to its operating income and cash flows being lower than the expected level and has been operating at a loss since the start of its commercial operation in 2016. SNVRDC is part of water treatment and distribution segment. SNVRDC's service concession right, which pertains to incurred construction costs, amounted to ₱221.4 million and ₱222.9 million as at December 31, 2025 and 2024, respectively. Management has determined based on the impairment test that the value-in-use exceeds the carrying value of the service concession right.

The calculation of value in use is most sensitive to the following assumptions:

- *Discount rate (8.25% in 2025 and 9.2% in 2024)* - Discount rate represents the current market assessment of the risk specific to the Company, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is derived from the WACC. The Group used WACC rate as affected by beta of companies with similar activities and capital structure. WACC is also affected by costs of debt and capital based on average lending rates for long-term loans.
- *Average per cubic meter consumption (₱18.16)* - The average per cubic meter consumption is based on the management's best estimate of water consumption per customer and increases in number of connections considering factors such as historical trend, market analysis, government regulations and other economic factors.
- *Average price per cubic meter (average annual increase of 3% until 2028)* - Price per cubic meter represents the management's forecast that the Company would charge its customers considering the estimated increase to be granted by the Municipality of Solano, the approved tariff rate of National Water Regulations Board, and the estimated yearly increase that is acceptable to the customers.

Sensitivity to Changes in Assumptions

Other than as disclosed above, management believes that any reasonable possible change in any of the above assumptions would not cause the carrying value to exceed its recoverable amount.

Intangible Assets and Goodwill

	2025	2024
Goodwill	₱127,842,231	₱127,842,231
Intangible assets		
Water rights	118,296,719	120,287,222
Water service contract	72,264,350	72,264,350
Customer contract and relationships	41,406,252	44,694,234
	231,967,321	237,245,806
	₱359,809,552	₱365,088,037

Goodwill

The goodwill recognized by the Group amounting to ₱127.8 million as of December 31, 2025 and 2024 resulted from the Group's acquisition of: (a) 13% non-controlling interest from a previous stockholder of MACS in 2006, (b) 67% of BTSI in 2016, (c) 100% of NAWASCOR in 2017 and (d) 60% of SWRI in 2018.



The carrying amount of goodwill is allocated to each of the CGUs (determined to be at the subsidiary level) as of December 31, 2025 and 2024 as follows:

MACS	BTSI	NAWASCOR	SWRI	Total
₱17,531,232	₱46,056,595	₱36,885,706	₱27,368,698	₱127,842,231

Management performs its annual impairment test of goodwill of CGUs. BTSI and NAWASCOR are part of the water treatment and distribution segment, while MACS is part of inflight and other catering services segment. The recoverable amounts are computed based on value in use calculations using cash flow projections as approved by management and discounted using a pre-tax discount rate of ranged from 7.4% to 9.5% in 2025 and 10.6% to 11.2% in 2024. Management determined that the value in use exceeds the carrying amount of the cash generating units with sufficient headroom as of December 31, 2025 and 2024.

The key assumptions used in determining the recoverable amounts as of December 31, 2025 of goodwill allocated to BTSI and NAWASCOR and water rights are the same as with those used in the impairment testing of service concession rights. Further, management used 4.0% growth rate in the calculation of cash flows beyond the forecasted period. In addition, for impairment testing of goodwill allocated to MACS, management used sales growth rate based on MACS' five-year forecast and long-term growth rate of 4.0% and 3.7% in 2025 and 2024, respectively, based on forecasted growth in food industry.

Management believes that no reasonably possible change in the assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Water rights

The water rights allow BTSI and NEWS to extract and distribute water in certain provinces of the Philippines and for NAWASCOR to operate, manage, maintain water systems of certain subdivisions. Management believes that the water rights have an indefinite useful life due to the permanent nature of water permits.

Customer contract and relationships

Customer contract and relationships pertain to Group's long-term water supply contract with a third party and established relationships with the existing customers through service contracts. These are identified intangible assets as part of the acquisition of BTSI group in 2016. The customer contract is amortized over the remaining contract term, while customer relationships are amortized over the estimated years where all the existing customers would have switched to other water distributors. The amortization of customer contract and relationships amounted to ₱5.9 million in 2025 and ₱3.4 million in 2024.

Water service contract

Water service contract pertains to Group's long-term bulk water supply contract with the local government. This was identified as intangible asset as part of the acquisition of CSWLL in 2023.

14. Deferred Mine Exploration Costs and Mining-Related Activities

Deferred mine exploration costs amounts to ₱256.1 million as of December 31, 2025 and ₱238.5 million as of December 31, 2024, respectively (see Note 15).



Infanta Nickel Project

Deferred mine exploration costs pertain to costs incurred by the Company in the exploration of its mining property located in Brooke's Point, Palawan, the Infanta Nickel Project (the Project).

The Project is the Company's tenement under Mineral Production Sharing Agreements (MPSAs) with the government, MPSA 220IV-B. It holds another mining property within the same Municipality denominated as MPSA No. 221-2005-IVB. The former MPSA is a consolidation of the Company's eight mining lease contracts with the Government that were granted under Commonwealth Act No. 137 and P.D. 463. In the 1970's, the Company operated the mine as an export producer of beneficiated nickel laterite. As such, it had sales and purchase agreements with Sumitomo Metal Mining Co., Ltd. of Japan, and thus, had made shipments of nickel ore to Japan in the 1970's until very low nickel prices forced the operations to be suspended. The previous quarry and road network within the tenement still exists and is currently being maintained for future use.

The MPSAs run for a term not exceeding 25 years from the dates of the grant, and are renewable for another term not exceeding 25 years under the same terms and conditions, without prejudice to changes that will be mutually agreed upon by the DENR and the Company.

On July 23, 2021, the BOD approved the signing of a Memorandum of Agreement (MOA) between its 100% wholly owned subsidiary, MMC and Calmia Nickel, Inc. (Calmia) for the nickel mine in Brooke's Point Palawan. This operating agreement allows Calmia to explore and operate the mining tenement of MMC in Brooke's Point, Palawan, in exchange for payment of royalties to the Group. Currently, the mine operator is working on the permits needed to re-open and operate the mine.

In 2022, the Certification Precondition (CP) from NCIP was approved and recommended for issuance. MMC subsequently received the certificate in February 2023. In December 2023, Environmental Compliance Certificate (ECC) was issued by Mines and Geosciences Bureau (MGB) to MMC. As of December 31, 2025, MMC is in the process of securing the notice to proceed to start the mining operation.

On January 20, 2026, MMC received approval from the Mines and Geosciences Bureau (MGB) for the Declaration of Mining Project Feasibility (DMPF) covering the Infanta Nickel Project under MPSA No. 220-2005-IVB, allowing MMC and its operator, Calmia Nickel, Inc., to proceed with project development and operations in Brooke's Point, Palawan, subject to regulatory conditions by MGB-DENR.

Administrative expenses related to the mining exploration activities are expensed as incurred and presented under "Mining expenses" under "Operating expenses" account. These amounted to nil in 2025, 2024 and 2023 (see Note 20).

Deeds of Assignment with Bulawan Mining Corporation (BUMICO)

In 2012, the Company entered into two deeds of assignment with BUMICO. The first deed of assignment covered BUMICO's rights, title to, interests and obligations under the former's application for exploration permit with the MGB of the DENR over certain properties in Basay, Negros Oriental under Exploration Permit Application No. 000103 VII. In consideration, the Company paid BUMICO ₱16.0 million, which is recorded as "Deferred mine exploration costs" under "Other noncurrent assets" account in the consolidated balance sheets. The said assignment was approved by the Regional Director of the MGB on January 28, 2013.

The second deed of assignment covered BUMICO's rights, interests and obligations under an Operating Agreement with Philex Mining Corporation (PHILEX). The Operating Agreement granted PHILEX the exclusive right and privilege to take over, as an independent contractor, the working and operation of



Mineral Claims as defined in the Operating Agreement for a period of 25 years. In consideration, the Company offered its technical services for BUMICO to tie up with PHILEX. The said deed of assignment was consented by PHILEX. Currently, PHILEX has no operations over the Mineral Claims. Once PHILEX resumes the operations of and generates income from the Mineral Claims, the Company shall be entitled to royalty payments and that BUMICO shall be entitled to a certain percentage of such royalties.

On September 28, 2018, PNB's BOD approved the sale of 100% shareholdings of BUMICO to MMC. Consequently, PNB and MMC signed a deed of absolute sale on November 15, 2018 for the transfer of all the rights, title and interest of BUMICO in favor of MMC. As of March 26, 2026, PHILEX has not yet produced/sold any gold from its operation. Exploration activity remained suspended pending approval of the request for the conversion of the mining lease contract into a mineral production sharing agreement.

Impairment assessment

As of date, MMC has not started its mining activities, thus, management has performed the impairment analysis on the recoverability of the deferred mine exploration costs. For the purpose of impairment testing, recoverable amount is determined based on the value-in-use using cash flow projections based on financial budgets as approved by management. The projected cash flows are based on expectations of future outcomes based on management's future plans. 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 pre-tax discount rate used is 15.01% in 2025. Management believes that the amount of deferred mine exploration cost is recoverable based on the estimation of value-in-use.

15. Other Noncurrent Assets

	2025	2024
Deferred mine exploration costs (Note 14)	₱256,133,717	₱238,513,440
Advances to contractors and suppliers	196,969,577	241,195,911
Equity investments designated at FVTOCI	185,155,800	160,155,800
Creditable withholding tax - net of current portion (Note 8)	88,421,636	85,434,545
Deposits (Note 28)	76,341,191	66,970,989
Input taxes - net of current portion (Note 8)	50,542,187	59,582,285
Deferred rent expense (Note 28)	24,912,076	25,130,527
Installment receivables - net of current portion (Note 6)	15,402,141	—
Finance lease receivable - net of current portion (Note 6)	10,295,202	10,363,867
Retirement asset (Note 21)	7,690,107	678,319
Others	116,452,288	135,568,737
	₱1,028,315,922	₱1,023,594,420

Equity investments designated at FVTOCI

The Company's investments in golf club share and other proprietary and equity shares are carried at fair value based on published club share quotes that are publicly available from local dailies and from the website of club share brokers. As of December 31, 2025 and 2024, equity investments designated at FVTOCI amounted to ₱185.2 million and ₱160.2 million, respectively.



Below is the movement of reserve for fair value changes of financial assets investments at FVTOCI, which is presented as part of “Reserve for fair value changes of financial assets investments” in the consolidated statements of changes in equity.

	2025	2024
Beginning balance	₱116,469,999	₱82,469,999
Changes in fair value of equity investments held at FVTOCI, net of tax effect	21,250,000	34,000,000
Ending balance	₱137,719,999	₱116,469,999

Deferred income tax liabilities on the fair value changes of the equity investments designated as FVTOCI amounted to ₱23.9 million and ₱20.1 million as of December 31, 2025 and 2024, respectively (see Note 25).

Creditable withholding tax - net of current portion

As of December 31, 2025 and 2024, the Group assessed that the portion of its creditable withholding tax amounting to ₱88.4 million and ₱85.4 million, respectively, will not be utilized within the next twelve months and was presented as part of “Other noncurrent assets”.

Finance lease receivable

The Group has a long-term lease agreement with a third party which stipulates for a minimum volume of cubic meter to be delivered daily. This is accounted for under finance lease with the related receivables classified as part of “Other receivables” of the Group.

The gross investment in the lease and the present value of minimum lease payments as of December 31 are shown as follows:

	2025	2024
Not later than one year	₱1,030,346	₱1,030,346
Later than one year and not later than five years	4,121,385	4,121,385
Later than five years	8,929,669	9,388,706
Gross finance lease receivable	14,081,400	14,540,437
Less unearned interest	(3,168,815)	(3,605,262)
Present value of minimum lease payments	10,912,585	10,935,175
Current portion	(617,383)	(571,308)
Finance lease receivable - noncurrent portion	₱10,295,202	₱10,363,867

Others

‘Others’ include escrow fund relating to the acquisition of land and STP by AWSI, software, restricted time deposits placed by the Group to guaranty an institutional catering contract and other assets with individually immaterial balances. The Group recognized amortization related to software amounting to ₱2.4 million, ₱1.1 million, and ₱0.8 million in 2025, 2024 and 2023, respectively (see Note 20).



16. Notes Payable and Long-Term Debts

Notes payable

Entity	Facility	Terms	Outstanding Balance	
			2025	2024
Parent Company	One-year loan agreement	Principal payable at maturity; interest payable quarterly, interest rate of 7.15%	₱400,000,000	₱50,000,000
BTSI	6 months short-term loan agreement	Principal and interest payable at maturity; interest rate of 7.5%	15,000,000	21,178,000
MSFI	180 days short-term loan agreement	Principal and interest payable at maturity; interest rate of 8.0% (Note 18)	50,000,000	50,000,000
NAWASCOR	6 months short-term loan agreement	Principal payable at maturity; interest payable quarterly, interest rate of 8.5% (Note 18)	—	—
SWRI	6 months short-term loan agreement	Principal payable at maturity; interest payable monthly, interest rate of 7% (Note 18)	20,000,000	—
			₱485,000,000	₱121,178,000

Long-term debts

Entity	Facility	Terms	Outstanding Balance	
			2025	2024
MSFI	Ten-year term loan agreement	Principal and interest payable quarterly; interest rate equivalent to 6.96% per annum	₱110,000,000	₱55,555,556
	Ten-year term loan agreement	Principal and interest payable quarterly; interest rate equivalent to 6.46% per annum	80,000,000	—
	Eight-year term loan agreement	Principal and interest payable quarterly; interest rate equivalent to 7.08% per annum (Note 18)	57,857,143	96,428,571
MASCORP	Five-year term loan agreement	Principal and interest payable monthly; interest rate of 6.73% per annum subject to quarterly re-pricing	376,200,000	—
	Two-year term loan agreement	Principal and interest payable monthly; interest rate of 5.75% per annum subject to quarterly re-pricing	150,000,000	—
	Five-year term loan agreement	Principal and interest payable monthly; interest rate of 6.5% per annum subject to quarterly re-pricing	25,000,000	150,000,000
BTSI	Fifteen-year term loan agreement	Principal and interest payable monthly; interest rate of 6% per annum	16,949,400	18,603,000
	Fifteen-year term loan agreement	Principal and interest payable monthly; interest rate of 6% per annum	5,754,350	6,315,750
	Ten-year term loan agreement	Monthly principal repayment to commence one year after the drawdown date, and bears interest rate of 6% per annum	147,554,702	179,173,567
	Fourteen-year term loan agreement	Monthly principal repayment to commence at the two years after the drawdown date, and bears interest rate of 6% per annum	8,541,667	9,375,000
	Eleven-year term loan agreement	Monthly principal repayment and bears interest rate of 6% per annum	8,978,102	9,854,015
	Eleven-year term loan agreement	Monthly principal repayment to commence two months after the drawdown date, and bears interest rate of 7.5% per annum	9,179,104	—
	Ten-year term loan agreement	Monthly principal repayment to commence one month after the drawdown date, and bears interest rate of 7.2% per annum	28,257,891	—
	Ten-year term loan agreement	Monthly principal repayment to commence one month after the drawdown date, and bears interest rate of 7.2% per annum	24,212,506	—
SWRI	Five-year term loan agreement	Principal and interest payable quarterly; interest rate of 5.0% per annum	30,381	207,458
	Five-year term loan agreement	Monthly principal repayment to commence six months after the drawdown date, and bears interest rate of 7.32% per annum subject to quarterly re-pricing (Note 18)	11,750,000	14,750,000
	Five-year term loan agreement	Monthly principal repayment to commence six months after the drawdown date, and bears interest rate of 7.05% per annum subject to quarterly re-pricing (Note 18)	19,583,333	24,583,333
	Three-year term loan agreement	Principal and interest payable monthly; interest rate of 11.7% per annum (Note 18)	509,878	757,879
	Ten-year term loan agreement	Monthly principal repayment to commence six months after the drawdown date, and bears interest rate of 7.42% per annum subject to quarterly re-pricing after 3 years	84,000,000	84,000,000
NAWASCOR	Five-year term loan agreement	Principal and interest payable semi-annually, interest rate of 8.5% per annum	395,646	629,894
	Three-year term loan agreement	Principal and interest payable quarterly, interest rate of 8.5% per annum	—	66,666,667

(Forward)



Entity	Facility	Terms	Outstanding Balance	
			2025	2024
FAA	Five-year term loan agreement	Principal and interest payable quarterly; interest rate of 7.5% per annum	₱—	₱21,818,983
CSWLL	Ten-year term loan agreement	Principal and interest payable quarterly; interest rate of 7.4% per annum	650,000,000	—
	Ten-year term loan agreement	Principal and interest payable quarterly; interest rate of 7.2% per annum	300,000,000	—
	Ten-year term loan agreement	Principal and interest payable quarterly; interest rate of 6.8% per annum	150,000,000	—
SNVRDC	Five-year term loan agreement	Principal and interest payable quarterly; interest rate of 8.0% per annum; guaranteed by MAPDC	14,000,000	18,000,000
	Five-year term loan agreement	Principal and interest payable quarterly; interest rate of 7.8% per annum; guaranteed by MAPDC	7,000,000	9,000,000
	Five-year term loan agreement	Principal and interest payable quarterly; interest rate of 7.6% per annum; guaranteed by MAPDC	7,000,000	9,000,000
	Five-year term loan agreement	Principal and interest payable quarterly; interest rate of 7.5% per annum; guaranteed by MAPDC	7,368,420	9,473,681
			2,300,122,523	784,193,354
Unamortized transaction costs			(1,846,006)	(1,846,006)
			2,298,276,517	782,347,348
Less current portion			249,855,488	386,927,235
Noncurrent portion			₱2,048,421,029	₱395,420,113

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

The MSFI loan was specifically availed to finance the construction of its kitchen facility (see Note 11). In accordance with the loan agreement, MSFI is required to maintain debt-to-equity ratio of not more than 3.00 times and debt service coverage ratio (DSCR) of at least 1.2 times. In December 2025 and 2024, MSFI remains within the required financial ratios and is in compliance with all applicable debt covenants.

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 2024.

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 December 31, 2025 and 2024, BTSI remains within the required financial ratios and is in compliance with all applicable debt covenants.

NWSC is required to maintain certain financial ratios, such as debt service cost coverage and debt equity ratio in accordance with the loan agreement. As of the reporting date, NWSC fully settled all the loan obligations in November 2025.

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 has no loans as of December 31, 2024.

Total interest expense incurred amounted to ₱79.5 million, ₱59.8 million and ₱96.1 million in 2025, 2024 and 2023, respectively (see Note 22). Interest expense amounting to ₱48.7 million in 2025 and ₱0.1 million in 2024 were capitalized using a capitalization rate of 100%. The capitalized interest relates to the construction in progress of CSWLL in 2025 and SNVRDC in 2024.

Except for the loan of SNV which is guaranteed by MAPDC, all other loans are unsecured.



17. Accounts Payable and Accrued Liabilities

	2025	2024
Trade accounts payable:		
Related parties (Note 18)	₱282,566,389	₱564,120,203
Third parties	1,207,629,229	536,453,982
Nontrade accounts payable	141,723,087	329,003,001
Accrued:		
Utilities and others (Note 20)	898,071,982	379,959,874
Rental	118,077,754	95,887,415
Service fees (Note 29)	59,859,257	44,311,771
Outside services	13,078,684	26,050,347
Interest (Notes 16 and 18)	1,987,434	1,035,191
Output VAT	247,385,249	112,394,989
Payable to government agencies	142,677,592	85,479,541
Unearned revenue (Note 19)	101,405,529	112,114,004
Retention payable	20,716,131	12,724,574
	₱3,235,178,317	₱2,299,534,892

Trade payables are incurred in the conduct of the Group's business with normal credit terms ranging from 30 to 45 days. Nontrade payables include concession privilege fee payable and payable to mine surveyor and subcontractor.

Retention payable pertains to the portion of the contractors' billings on the various construction projects retained by the Group and will be released upon acceptance of the completed projects and submission by the contractors of the certificate of completion and guarantee bond.

Deferred output VAT, which is included as part of "Output VAT", pertains to output VAT of uncollected receivables from the rendering of the Group's services.

Payable to government agencies include other tax-related payable such as withholding tax and payable to Social Security System, Philippine Health Insurance Corporation and Pag-IBIG Fund Contributions.

Unearned revenue pertains to the advance payment from cadet trainees.

18. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. It includes companies in which one or more of the directors and/or shareholder of the Company either has a beneficial controlling interest or are in a position to exercise significant influence therein (i.e., affiliates).

Transactions between the Company and its subsidiaries and the related balances are eliminated at consolidation and are no longer included in the disclosures.



Transactions disclosed below pertain to the following related parties:

Relationship	Name
Entities under common control	Philippine National Bank Philippine Airlines, Inc. (PAL) Air Philippines Corporation (APC)
Associates	LTP CPCS

The following tables summarize the transactions with the Group's related parties and their account balances:

Nature of Transaction	Outstanding balance		Terms and conditions
	2025	2024	
Affiliates	<i>(In millions)</i>		
Deposits and cash equivalents	₱1,133.6	₱965.5	On demand; prevailing interest rate; not impaired
Rental deposit	—	—	To be refunded at the end of lease term; non-interest bearing; not impaired
Trust fund retirement plan (Note 21)	214.0	185.8	Based on trustee agreement; not impaired

Nature of Transaction	Amount of Transactions		Outstanding Balance Receivable (Payable)		Terms and Conditions
	2025	2024	2025	2024	
	<i>(In Millions)</i>				
Affiliates					
Interest income on deposits and cash equivalents (Note 22)	₱11.4	₱9.6	₱—	₱—	On demand; prevailing interest rate
Ground handling and other services	3,568.0	3,568.0	759.7	775.8	30 day, unsecured, non-interest bearing, unimpaired
Catering services	1,884.5	1,578.3	209.3	144.9	30 day, unsecured, non-interest bearing, unimpaired
Short-term debt (Note 16)	470.0	62.5	(470.0)	(50.0)	180 - 360 days loan agreement, interest bearing based on benchmark rate; no collateral
Long-term debt (Note 16)	169.5	240.0	(90.1)	(259.6)	5-8 year term loan, interest bearing based on benchmark rate, payable quarterly; no collateral
Interest expense	27.0	26.4	(2.7)	(2.7)	
Office rent	—	3.0	—	—	30 day, unsecured, non-interest bearing
Lease of ground support equipment and share in utilities/space rental	—	259.5	—	(504.4)	30-day, non-interest bearing
Lease of operational areas and equipment and allocated operating costs	11.3	10.7	(30.11)	(29.4)	On-demand, unsecured, non-interest bearing
Associates					
Administrative and lease income from sublease of land	31.9	31.7	—	—	25 years, non-interest bearing, includes impact of straight-line recognition of lease income, unimpaired
Service fee from preventive maintenance and wastewater treatment services	1.8	1.5	0.2	0.2	30 day, unsecured, non-interest bearing, unimpaired
Ground handling	38.0	57.6	19.9	17.5	30 day, unsecured, non-interest bearing, unimpaired
Catering services	35.0	30.0	14.8	10.2	30 day, unsecured, non-interest bearing, unimpaired
Management services	36.5	28.8	—	—	30 day, unsecured, non-interest bearing, unimpaired
Dividend received (Note 9)	308.3	559.3	—	—	On-demand, unsecured, non-interest bearing



Outstanding balances at year-end are to be settled in cash. There have been no guarantees provided or received for any related party receivables or payables.

Ground handling and catering arrangements

Transactions with PAL and APC include ramp, passenger, cargo and other ground handling services and catering services. The Group also provides catering services to an airport lounge of PAL.

As of December 31, 2025 and 2024, the Group's trade receivables from related parties amounted to ₱1,003.8 million and ₱948.6 million.

Loans

In 2017, MSFI availed an eight-year term loan facility amounting to ₱400.0 million with the local affiliated bank (see Note 16). The loan was availed to finance the MSFI's construction of kitchen facility. In 2019, the Group availed an eight-year term loan facility amounting to ₱250.0 million with the local affiliated bank. These loans were availed to finance the Group's construction of kitchen facility. The carrying value of the loan as of December 31, 2025 and 2024 amounted to ₱57.9 million and ₱96.4 million, respectively. In addition, MSFI has two ₱25.0 million short-term loans from Philippine National Bank for additional working capital requirements. Total interest expense incurred amounted to ₱10.8 million in 2025, ₱15.0 million in 2024 and ₱21.7 million in 2023 (see Notes 11 and 16).

In 2017, MASCORP availed of two five-year term loans totaling ₱94.2 million with PNB for working capital and to finance the acquisition of ground handling service equipment. The carrying value of the loan as of December 31, 2025 and 2024 amounted to nil and nil, respectively. MASCORP has fully paid the loans in February 2024.

In 2019, MASCORP obtained five-year term loans from PNB amounting to US\$3.5 million equivalent to ₱183.6 million and ₱165.0 million payable in 60 equal and successive monthly amortizations commencing at the end of the first month from initial draw down date of the loans. Interest rate is subject to quarterly repricing. These loans were availed to refinance the short-term loans drawn against the omnibus credit line with PNB and for the purchase of various equipment which are mostly ground support equipment for the MASCORP's operations in various stations. The carrying value of the loan as of December 31, 2025 and 2024 amounted to nil and nil, respectively. Interest expense for MASCORP's loans amounted to nil in 2025 and ₱11.7 million in 2024 (see Notes 11 and 16).

On October 30, 2021 and December 15, 2021, NAWASCOR entered into loan agreement with Philippine National Bank (PNB) to finance the acquisition of transport equipment and payment for advances from MAPDC and MAC, respectively. The carrying value of the loan as of December 31, 2025 and 2024 amounted to nil and ₱66.7 million, respectively. Interest expense for NAWASCOR's loans amounted to ₱2.94 million in 2025 and ₱8.6 million in 2024.

In 2024, SWRI obtained a five (5)-year term loan on May 13, 2024, amounting to 15.0 million at 7.0461% and 25.0 million at 7.0461% per annum on September 20, 2024. In addition, SWRI obtained a short-term loan last October 2025 amounting to 20 million with PNB for additional working capital. The carrying value of the loans as of December 31, 2025 and 2024 amounted to 31.8 million and 40.1 million, respectively. SWRI recognized interest expense amounting to 2.5 million and 2.5 million in 2025 and 2024, respectively, in relation to these loans.

The Group also has outstanding short-term loans to a related party which amounted to ₱470.0 million and ₱50.0 million as of December 31, 2025 and 2024, respectively (see Note 16).



Leases (see additional disclosures on Note 28)

MASCORP leases ground support equipment from PAL and MASCORP pays to PAL its share on rental and utilities in the airport space occupied.

PAL charges MSISC for the lease of operational areas and equipment and allocated operating costs.

MAPDC has a contract with LTP covering the sub-lease of a parcel of land located within NAIA (see Note 28). The sub-lease, which commenced on September 1, 2000, is for a period of 25 years and is renewable for another 25 years thereafter. The rental charge is subjected to fixed price escalation and guaranty fee due from LTP is equivalent to the MAPDC's cost of leasing the land from Manila International Airport Authority (MIAA) and administrative fees. Administrative income amounted to ₱31.9 million and ₱31.7 million in 2024 and 2023, respectively. As of December 31, 2025 and 2024, the accreted value of rental deposit are presented as part of "Other noncurrent liabilities" in the consolidated balance sheets amounting to ₱23.7 million and ₱25.1 million, respectively. Accretion of interest (included as part of "Financing charges" account) amounted to ₱2.5 million in 2025, ₱2.9 million in 2024 and ₱2.5 million in 2023 (see Note 22). As of December 31, 2025 and 2024, unearned rent income from nonrefundable deposits amounted to ₱21.0 million and ₱21.9 million, respectively.

Service fee from preventive maintenance and wastewater treatment services

In 2025 and 2024 the MAPDC billed and collected from LTP service fee from preventive maintenance and wastewater treatment services amounting to ₱1.8 million and ₱1.5 million, respectively.

Service fees

In 2025 and 2024 the MAC billed and collected from LTP service fees amounting to ₱36.5 million and ₱28.8 million, respectively.

Compensation of Key Management Personnel

The short-term benefits of the Company's key management personnel amounted to ₱84.9 million in 2025, ₱68.3 million in 2024, and ₱55.7 million in 2023. There are no termination benefits or share-based payments granted to key management personnel.

Related Party Transactions Review

In accordance with the guidelines and regulations on corporate governance issued by the Philippine SEC and other regulatory bodies, the Group adopted a policy on related party transactions. The material related party transactions policy shall cover transactions meeting the materiality threshold of 10% of the Group's total consolidated assets. All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the BOD with at least a majority of the independent directors voting to approve the material related party transaction.

19. Revenue

	2025	2024	2023
Gross service revenue	₱10,087,506,816	₱9,529,604,236	₱8,078,981,522
Less discounts	(126,262,572)	(87,931,692)	(81,935,676)
	₱9,961,244,244	₱9,441,672,544	₱7,997,045,846

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 (see Note 4).

2025

	In-flight and Other Catering*	Ground Handling and Aviation	Rental and administrative*	Water Treatment and Distribution*	Mining	ICT Services	Total
<i>Services</i>							
Inflight and other catering	₱3,118,562,537	₱–	₱–	₱–	₱–	₱–	₱3,118,562,537
Passenger and ramp services	–	3,788,942,993	–	–	–	–	3,788,942,993
Cargo handling	–	361,459,123	–	–	–	–	361,459,123
Water distribution	–	–	–	718,972,638	–	–	718,972,638
Operation and maintenance of STP	–	–	–	8,012,737	–	–	8,012,737
Rental and administrative fees	–	–	55,768,845	–	–	–	55,768,845
Others	1,663,624,494	126,162,056	–	–	–	–	1,789,786,550
	4,782,187,031	4,276,564,172	55,768,845	726,985,375	–	–	9,841,505,423
<i>Goods</i>							
Beverages and dry goods	119,738,821	–	–	–	–	–	119,738,821
Total	₱4,901,925,852	₱4,276,564,172	₱55,768,845	₱726,985,375	₱–	₱–	₱9,961,244,244

*In 2025, revenue eliminated in in-flight and other catering, administrative and water treatment and distribution segments amounted to ₱25.7 million, ₱6.5 million and ₱110.6 million, respectively.

2024

	In-flight and Other Catering*	Ground Handling and Aviation	Administrative*	Water Treatment and Distribution*	Mining	ICT Services	Total
<i>Services</i>							
Inflight and other catering	₱2,872,956,633	₱–	₱–	₱–	₱–	₱–	₱2,872,956,633
Passenger and ramp services	–	3,700,188,262	–	–	–	–	3,700,188,262
Cargo handling	–	386,986,637	–	–	–	–	386,986,637
Water distribution	–	–	–	739,856,678	–	–	739,856,678
Operation and maintenance of STP	–	–	–	8,696,958	–	–	8,696,958
Administrative fee	–	–	56,225,944	–	–	–	56,225,944
Others	1,425,607,382	84,775,353	–	–	–	62,389,894	1,572,772,629
	4,298,564,015	4,171,950,252	56,225,944	748,553,636	–	62,389,894	9,337,683,741
<i>Goods</i>							
Beverages and dry goods	103,988,803	–	–	–	–	–	103,988,803
Total	₱4,402,552,818	₱4,171,950,252	₱56,225,944	₱748,553,636	₱–	₱62,389,894	₱9,441,672,544

*In 2024, revenue eliminated in in-flight and other catering, administrative and water treatment and distribution segments amounted to ₱12.0 million, ₱17.8 million and ₱15.7 million, respectively.

2023

	In-flight and Other Catering*	Ground Handling and Aviation	Administrative*	Water Treatment and Distribution*	Mining	ICT Services	Total
<i>Services</i>							
Inflight and other catering	₱2,682,257,625	₱–	₱–	₱–	₱–	₱–	₱2,682,257,625
Passenger and ramp services	–	2,873,826,485	–	–	–	–	2,873,826,485
Cargo handling	–	202,058,290	–	–	–	–	202,058,290
Water distribution	–	–	–	606,667,552	–	–	606,667,552
Operation and maintenance of STP	–	–	–	10,822,036	–	–	10,822,036
Administrative fee	–	–	46,621,995	–	–	–	46,621,995
Others	1,201,374,170	59,639,885	–	–	–	215,627,301	1,476,641,356
	3,883,631,795	3,135,524,660	46,621,995	617,489,588	–	215,627,301	7,898,895,339
<i>Goods</i>							
Beverages and dry goods	98,150,507	–	–	–	–	–	98,150,507
Total	₱3,981,782,302	₱3,135,524,660	₱46,621,995	₱617,489,588	₱–	₱215,627,301	₱7,997,045,846

*In 2023, revenue eliminated in in-flight and other catering, administrative and water treatment and distribution segments amounted to ₱12.0 million, ₱6.6 million and ₱14.9 million, respectively.

Others include laundry, warehousing and other ancillary services rendered by MACS and MASCORP.

Timing of revenue recognition	2025	2024	2023
Goods or services transferred over time	₱9,841,505,422	₱9,337,683,741	₱7,898,895,339
Goods transferred at a point in time	119,738,822	103,988,803	98,150,507
	₱9,961,244,244	₱9,441,672,544	₱7,997,045,846



Contract Balances

The Group's gross trade receivables amounted to ₱2,145.6 million and ₱1,971.7 million as at December 31, 2025 and 2024, respectively (see Note 6).

As of December 31, 2025 and 2024, the Group's contract assets amounted to ₱33.1 million and ₱112.6 million (see Notes 6 and 15). This includes incremental cost incurred to obtain a contract amounting to ₱21.3 million and ₱35.5 million as of December 31, 2025 and 2024, respectively. Amortization of cost to obtain of contract asset balance amounted to ₱14.2 million in 2025 and 2024 (see Note 20).

The Group's contract liabilities for the transfer of service over time amounted to ₱101.4 million and ₱112.1 million as of December 31, 2025 and 2024, respectively (see Note 17).

20. Direct Costs and Operating Expenses

Direct costs

	2025	2024	2023
Salaries and wages	₱2,260,703,579	₱2,024,640,523	₱1,705,910,197
Food (Note 7)	2,158,620,073	1,889,214,415	1,729,440,079
Contractual services	1,275,409,676	1,137,993,324	958,486,620
Concession privilege fee (Note 29)	495,528,799	487,088,063	392,717,672
Depreciation and amortization (Notes 11, 13 and 28)	315,668,311	294,272,828	258,976,664
Rent (Notes 18 and 28)	278,069,324	212,918,433	136,276,777
Repairs and maintenance	232,157,640	180,014,084	160,844,023
Utilities	202,695,940	180,819,472	104,290,926
Overhead	151,877,940	145,050,744	145,524,325
Supplies (Note 7)	148,829,241	144,991,959	181,666,273
Employee benefits (Note 21)	120,228,465	140,908,402	83,612,774
Insurance	52,737,476	49,386,494	45,817,779
Laundry	24,868,014	14,450,349	10,427,816
Connectivity and technology services	456,209	32,414,153	175,849,768
Others	211,240,806	174,568,008	164,998,561
	₱7,929,091,493	₱7,108,731,251	₱6,254,840,254



Operating expenses

	2025	2024	2023
Selling:			
Advertising and promotions	₱7,607,173	₱5,000,229	₱3,711,233
General and administrative:			
Salaries and wages	405,493,454	350,948,016	293,369,563
Employee benefits (Note 21)	166,521,111	121,637,966	68,668,474
Rent (Notes 18 and 28)	156,615,480	65,599,920	27,421,138
Taxes and licenses (Note 12)	127,259,917	83,974,409	67,906,467
Repairs and maintenance	109,512,556	103,461,700	93,932,742
Depreciation and amortization (Notes 11, 13 and 28)	93,903,767	67,657,707	68,024,531
Professional and legal fees	84,853,525	59,119,880	51,083,734
Security and janitorial	75,277,221	65,415,754	44,642,814
Supplies	51,421,855	47,965,350	46,229,986
Service fee (Note 29)	48,830,256	79,702,276	59,009,688
Utilities	39,331,606	38,853,080	32,832,444
Provisions for impairment and probable losses (Notes 6 and 8)	36,074,644	56,506,119	48,035,231
Transportation and travel	32,481,593	29,937,519	21,663,561
Entertainment, amusement and recreation	31,324,188	36,803,428	23,935,796
Directors' fees	18,033,850	15,220,866	12,069,998
Communications	14,283,419	13,199,329	9,840,709
Insurance	13,018,952	16,193,360	11,860,126
Gas and oil	10,039,319	9,862,609	8,602,827
Project expenses	1,629,380	1,748,106	3,385,254
Others	166,932,870	122,198,771	89,468,399
	1,682,838,963	1,386,006,165	1,081,983,482
	₱1,690,446,136	₱1,391,006,394	₱1,085,694,715

Others include quality control-related expenses (e.g., hygiene and sanitation), company activities and projects, and personnel training costs, and other individually immaterial transactions.

21. Employee Benefits Costs

Accrued retirement and other employee benefits payable consists of the following:

	2025	2024
Accrued retirement benefits payable	₱170,596,543	₱171,372,704
Other employee benefits	30,133,677	25,207,836
	₱200,730,220	₱196,580,540

Retirement Benefits Cost

The Group has funded, non-contributory defined benefit group retirement plans, covering all of their permanent employees. The retirement benefit is equal to a certain percentage of the monthly final salary for every year of service. The fund is administered by a trustee bank which is responsible for investment strategy of the plan, in consultation with the Group's Management.



Under the existing regulatory framework, Republic Act No. 7641, *Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The components of retirement benefits cost recognized in profit or loss follow:

	2025	2024	2023
Current service cost	₱49,769,413	₱44,679,659	₱28,336,042
Net interest cost	9,068,221	7,468,725	5,280,571
Past service cost	(1,441,363)	—	—
Actuarial gain due to settlement	3,212	(2,148)	—
	₱57,399,483	₱52,146,236	₱33,616,613
Portions recognized in:			
Direct costs (Note 20)	₱36,424,000	₱33,040,554	₱17,897,516
Operating expenses (Note 20)	20,975,483	19,105,682	15,719,097
	₱57,399,483	₱52,146,236	₱33,616,613

The details of the remeasurement in other comprehensive income are as follows:

	2025	2024	2023
Actuarial gain (loss) on defined benefit obligation arising from changes in:			
Experience adjustments	(₱4,456,916)	(₱35,223,969)	(₱18,363,911)
Demographic assumptions	7,495,437	618,734	1,484,526
Financial assumptions	8,401,938	14,038,218	(41,873,287)
	11,440,459	(20,567,017)	(58,752,672)
Remeasurement loss on plan assets	(4,192,878)	(511,114)	(1,497,429)
Effect of asset ceiling	(9,037,643)	122,570	1,374,637
	(1,790,062)	(20,955,561)	(58,875,464)
Tax effect*	1,771,579	(2,110,762)	10,347,174
	(₱18,483)	(₱23,066,323)	(₱48,528,290)

*certain subsidiaries do not recognized deferred tax asset on remeasurement loss, refer to Note 25

The details of the accrued retirement benefits payable (assets) follow:

	2025	2024
Present value of defined benefit obligation	₱372,533,832	₱356,397,347
Fair value of plan assets	(214,036,277)	(185,825,532)
	158,497,555	170,571,815
Effect of asset ceiling	(9,037,643)	122,570
	₱149,459,912	₱170,694,385



Movements in accrued retirement benefits payable and pension asset follow:

	2025		2024	
	Accrued retirement benefits payable	Pension asset (Note 15)	Accrued retirement benefits payable	Pension asset (Note 15)
Beginning balance	₱171,372,704	(₱678,318)	₱164,622,597	(₱979,056)
Reclassification	(36,352,452)	36,352,452	204,718	–
Retirement benefits cost recognized in profit or loss	47,484,334	5,016,934	52,043,358	102,878
Remeasurements in other comprehensive income	171,237	1,618,825	20,757,702	197,859
Benefits paid directly by the Group	(2,079,280)	–	–	–
Contributions	(10,000,000)	(50,000,000)	(66,255,671)	–
Ending balance	₱170,596,543	(₱7,690,107)	₱171,372,704	(₱678,319)

Changes in present value of defined benefit obligation are as follows:

	2025	2024
Beginning balance	₱356,397,347	₱278,073,347
Current service cost	49,769,413	44,679,659
Interest cost	21,093,616	16,460,752
Past service cost	(1,441,363)	–
Actuarial gain on retirement obligation	(11,440,459)	20,567,017
Benefits paid directly by the Group	(2,079,280)	–
Benefits paid out of the Group's plan assets	(39,621,772)	(4,715,495)
Other adjustments	(80)	1,332,067
Ending balance	₱372,677,422	₱356,397,347

Changes in fair value of plan assets are as follows:

	2025	2024
Beginning balance	₱185,825,532	₱115,804,443
Interest income on plan assets	12,025,395	8,992,027
Contributions to the plan	60,000,000	66,255,671
Benefits paid	(39,621,772)	(4,715,495)
Remeasurement loss on plan assets	(4,192,878)	(511,114)
Ending balance	₱214,036,277	₱185,825,532
Actual return on plan assets	₱7,832,517	₱8,480,913

The major categories of plan assets are as follows:

	2025	2024
Cash and cash equivalents	₱8,949,221	₱74,981,675
Debt instruments - government securities	204,207,218	110,381,923
Receivables and others	879,838	461,934
	₱214,036,277	₱185,825,532

The plan assets have diverse investments and do not have any concentration risk.



The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining retirement benefits cost and obligations as of January 1 are shown below.

	2025	2024
Average discount rates	6.10%	6.12%
Average future salary increases	3.72%	4%

The average discount rate and future salary increase as of December 31, 2025 and 2024 are 6.26% and 3.9% and, 5.98% and 3.94%, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of defined benefit obligation as of December 31, assuming all other assumptions were held constant:

Assumptions:	2025	2024
Discount rate:		
+100 basis points	(P27,185,963)	(P24,628,872)
-100 basis points	31,471,527	28,647,573
Salary increase rate:		
+100 basis points	32,082,990	29,120,375
-100% basis points	(27,759,619)	(25,165,249)

There were no changes in the methods and assumptions from the previous periods used in preparing the sensitivity analysis.

Shown below is the maturity analysis of the undiscounted benefit payments:

Date of retirement:	2025	2024
1 year and less	P78,657,315	P59,627,098
More than 1 year to 5 years	151,874,709	168,438,953
More than 5 years	168,405,488	292,733,297
More than 10 years to 15 years	—	94,798,779

The Group expects to contribute P60.0 million to the retirement fund in 2026. The Group does not currently employ any asset-liability matching strategies.

Other employee benefits

Employees can accumulate earned leave credits, which can be used anytime when needed by the employee or converted to cash, computed based on the employee's final rate upon separation (i.e., resignation or retirement). Accumulated leave credits are presented as "Other employee benefits" which amounted to P30.1 million and P25.2 million as of December 31, 2025 and 2024, respectively. Provision for accumulating leave credits amounted to nil, nil and P2.6 million in 2025, 2024 and 2023 respectively.



22. Other Income

- a. Interest income was derived from:

	2025	2024	2023
Cash and cash equivalents (Notes 5 and 18)	₱38,767,990	₱23,595,213	₱16,298,405
Accretion of refundable deposits	1,793,449	3,103,685	2,707,404
	₱40,561,439	₱26,698,898	₱19,005,809

- b. Financing charges pertain to:

	2025	2024	2023
Notes payable and long-term debts (Notes 16 and 18)	₱79,494,696	₱59,826,437	₱96,053,858
Lease liabilities (Note 28)	56,215,231	51,749,127	50,719,765
Accretion of refundable deposits (Note 18)	—	2,930,450	2,499,691
Others	1,982,813	7,479,113	14,508,214
	₱137,692,740	₱121,985,127	₱163,781,528

Other financing charges pertain to the interest charged for the late payment of rental charges, repairs and maintenance and settlement of tax assessment.

- c. Other income consists of:

	2025	2024	2023
Management fee from associate	₱36,482,039	₱28,800,606	₱27,924,520
Gain on sale of asset	2,555,222	65,024	—
Gain on bargain purchase (Note 10)	168,987	—	69,730,361
Loss on disposal of investment in an associate (Note 9)	—	—	(43,022,151)
Others - net	36,957,520	36,542,611	58,743,228
	₱76,163,768	₱65,408,241	₱113,375,958

Others include other items that are individually immaterial.



23. Foreign Currency-denominated Monetary Assets and Liabilities

The Group's foreign currency-denominated monetary assets and liabilities as of December 31 are as follows:

	2025		2024	
	US Dollar	Total Peso Equivalent	US Dollar	Total Peso Equivalent
Assets				
Cash and cash equivalents	\$3,905,438	₱229,600,700	\$2,786,374	₱161,191,736
Receivables	17,373,498	1,021,387,947	14,047,594	812,653,313
	21,278,936	1,250,988,647	16,833,968	973,845,049
Liabilities				
Accounts payable and accrued liabilities (Note 17)	1,218,450	71,632,676	1,218,450	70,487,333
Notes payable and long-term debts (Note 16)	1,112,500	65,403,875	1,112,500	64,358,125
	2,330,950	137,036,551	2,330,950	134,845,458
Net foreign currency-denominated assets	\$18,947,986	₱1,113,952,096	\$14,503,018	₱838,999,591

As of December 31, 2025 and 2024, the exchange rates of the Peso to US\$ dollar were ₱58.79 and ₱57.85 to US\$1, respectively.

24. Registration with the Philippine Economic Zone Authority (PEZA), Mactan Cebu International Airport Authority (MCIAA) and Subic Bay Metropolitan Authority (SBMA)

The Group, through MAPDC, is registered with the PEZA and has commercial operations as the Ecozone Developer/Operator of the MacroAsia Special Ecozone at the Ninoy Aquino International Airport (NAIA) and at Mactan Cebu International Airport (MCIA). MacroAsia Special Ecozone is the only existing ecozone within NAIA.

In 2018, the Group, through FAA, was issued Certificate of Registration and Tax Exemption and was granted rights, privileges and benefits as a Subic Bay Freeport Enterprise in accordance with Republic Act No. 7227, Bases Conversion and Development Act of 1992, the rules of authority bestowed on the SBMA.

Under the terms of their registrations, the Group is entitled to certain tax benefits provided for under relevant rules and regulations which include, among others, exemption from payment of all national internal revenue taxes and all local government-imposed fees, licenses or taxes. In lieu thereof, MAPDC and FAA shall pay a 5% final tax on gross income earned from their operations within the special tax zones.



25. Income Taxes

a. The current provision for income tax is as follows:

	2025	2024	2023
RCIT	₱198,584,389	₱199,156,451	₱92,024,648
MCIT	7,421,890	4,046,854	61,032,713
Final tax on interest	763,127	11,633,839	6,947,674
5% final tax on gross income	—	—	46,021
	₱206,769,406	₱214,837,144	₱160,051,056

The Group's net deferred income tax assets (liabilities) as of December 31 are as follows:

	2025		2024	
	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities
<i>Recognized directly in the consolidated statements of income:</i>				
Deferred income tax assets on:				
NOLCO	₱8,112,639	₱—	₱8,116,186	₱—
Allowances for ECL	17,490,454	—	13,067,309	1,977,699
Accrued retirement benefits payable and other employee benefits	63,858,641	—	52,202,402	581,656
Accrued expenses	1,672,916	—	239,105	—
Lease liabilities	68,006,113	10,225,769	251,130,223	37,660,861
Unamortized past service cost	—	—	2,331,255	—
	₱159,140,763	₱10,225,769	327,086,480	40,220,216
Deferred income tax liabilities on:				
Contract assets	(₱1,224,488)	₱—	(₱2,365,505)	₱—
Unrealized foreign exchange gain - net	(1,179,765)	(1,335,458)	(44,297,596)	—
Right-of-use assets	(31,746,668)	(33,939,026)	(184,613,449)	(34,922,141)
Fair value adjustment on property, plant and equipment as a result of business combination	—	(122,062,443)	—	(122,062,443)
	(₱34,150,921)	(₱157,336,927)	(231,276,550)	(156,984,584)
<i>Recognized directly in equity:</i>				
Net deferred income tax assets (liabilities) on:				
Fair value changes of equity investments designated as FVTOCI	—	(23,880,000)	—	(20,130,000)
Remeasurement loss (gain)	(10,439,573)	76,308,069	—	41,066,526
	(10,439,573)	52,428,069	—	20,936,526
	₱114,550,269	(₱94,683,089)	₱95,809,930	(₱95,827,842)



- b. As of December 31, the deductible temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized in the consolidated balance sheets are as follows:

	2025	2024	2023
Deductible temporary differences on:			
NOLCO	₱1,004,977,679	₱624,356,860	₱606,110,618
Accrued retirement benefits payable	80,940,461	33,252,761	78,417,661
Allowance for probable loss	31,823,033	29,771,803	—
MCIT	22,149,007	17,149,286	20,505,731

The Group did not recognize deferred income tax assets on these temporary differences, NOLCO and MCIT as management believes that certain companies in the Group may not have sufficient taxable income against which these temporary differences and NOLCO can be used or RCIT payable against which the MCIT can be applied.

- c. On September 11, 2020, the President signs into law the “Bayanihan to Recover as One Act” or “Bayanihan 2”, an Act in response to COVID-19 to accelerate the recovery and bolster the resiliency of the Philippine economy.

Unless otherwise disqualified from claiming the deduction, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five consecutive taxable years immediately following the year of such loss.

- d. Details of NOLCO is as follows:

Year Incurred	Available Until	Available NOLCO	Tax Effect
2025	2028	₱413,564,322	₱103,391,081
2024	2027	65,260,526	16,315,132
2023	2026	123,379,462	30,844,866
2021	2026	435,223,925	108,805,981
		₱1,037,428,235	₱259,357,060

The Group has incurred NOLCO in 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act.

- e. Details of excess of MCIT over RCIT as of December 31, 2025 are as follows:

Period/Year Incurred	Balance at Beginning of the Year	Additions	Expired	Balance at End of the Year	Available Until
2025	₱—	₱4,999,721	₱—	₱4,999,721	2028
2024	4,046,854	—	—	4,046,854	2027
2023	6,409,697	—	—	6,409,697	2026
2022	6,692,735	—	(6,692,735)	—	2025
	₱17,149,286	₱4,999,721	(₱6,692,735)	₱15,456,272	



- f. The reconciliation of the provision for (benefit from) income tax at the statutory tax rates to the provision for income tax as shown in the consolidated statements of income is as follows:

	2025	2024	2023
Provision for income tax computed at the statutory tax rate	₱453,248,457	₱413,967,891	₱298,389,560
Adjustments resulting from:			
Nontaxable dividend income	(77,082,250)	(139,837,400)	(151,144,692)
Share in net earnings of associates	(368,189,634)	(182,885,040)	(144,182,256)
Movements in deductible temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized	170,932,063	189,150,621	121,504,371
Interest income already subjected to final tax lower rates or not subject to income tax	(3,967,008)	(7,844,080)	(1,097,290)
Others	30,660,899	11,910,304	(1,096,066)
Provision for income tax	₱205,602,527	₱284,462,296	₱122,373,627

- g. On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, certain subsidiaries recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

26. Basic/Diluted Earnings Per Share

Basic/diluted earnings per share are computed as follows:

	2025	2024	2023
Net income attributable to equity holders of the Company	₱1,440,966,197	₱1,122,876,609	₱851,136,879
Divided by weighted number of common shares outstanding	1,890,958,323	1,890,958,323	1,890,958,323
	₱0.76	₱0.59	₱0.45

There are no potential common shares with dilutive effect on the basic earnings per share in 2025, 2024 and 2023.



27. Equity

Capital stock

a. Track record of registration of securities

On August 30, 1974, the Philippine SEC authorized the registration and licensing of the 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 (PSE) authorized to list the 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 ₱6.0 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 PSE. As of December 31, 2025 and 2024, the Parent Company has 1,890,958,323 shares held by 852 common equity holders.

- b. The Company's authorized capital stock is 2,000,000,000 shares with ₱1 per share. Movements in the Company's issued, treasury and outstanding shares are as 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 December 31, 2025, 2024, 2023, 2022, 2021 and 2020	1,933,305,923	(42,347,600)	1,890,958,323



Retained earnings

c. Restriction on retained earnings

The retained earnings as of December 31 is restricted for dividend declaration for the portion equivalent to the following:

- Undistributed earnings of subsidiaries and equity in net earnings of associates and joint ventures amounting to ₱2,799.0 million and ₱1,687.2 million as of December 31, 2025 and 2024, respectively.
- Cost of treasury shares amounting to ₱459.4 million as of December 31, 2025 and 2024.

d. Appropriation and reversal of appropriation of retained earnings

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

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 2025.

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.

e. Dividends declared by the Parent Company from the unappropriated retained earnings are as follows:

Type	Date Approved	Per share	Stockholder of Record Date	Date of Payment	Amount
Cash	March 27, 2025	₱0.11	April 25, 2025	May 21, 2025	₱208,005,416
Cash	March 21, 2024	₱0.10	April 19, 2024	May 16, 2024	189,095,833
Cash	March 23, 2023	₱0.05	April 21, 2023	May 18, 2023	94,547,916
Stock	July 17, 2020	20%	August 14, 2020	September 11, 2020	315,159,630
Cash	March 14, 2019	₱0.20	April 12, 2019	May 10, 2019	318,270,319

f. Cash dividends received by non-controlling interests 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
MSIS	September 10, 2025	150,000,000	150.0	49,500,000
MACS	March 13, 2024	70,000,000	56.0	23,100,000
MACS	December 27, 2019	80,000,000	64.0	26,400,000
MACS	December 6, 2018	75,000,000	60.0	24,750,000
MACS	November 28, 2017	70,000,000	56.0	23,100,000
MACS	December 8, 2016	50,000,000	40.0	16,500,000



- 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 December 31, 2025 and 2024, ₱10.5 million and ₱96.4 million, respectively, remained outstanding and presented as "Dividends payable" in the consolidated balance sheets.

Treasury shares

- h. Treasury stock

On March 14, 2019, the Parent Company's BOD approved the additional funding of ₱200.0 million for the 2017 Share Buyback Program of the Corporation.

On June 15, 2017, the Parent Company's BOD approved to allot ₱210.0 million to repurchase shares of the Parent Company at market price. The mechanics of the 2017 Buyback Program is 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 pesos authorized cash outlay is fully utilized, or until such time that the Parent Company's BOD may direct, subject to appropriate disclosures to the PSE and the Philippine SEC.

On July 16, 2010, the Parent Company's 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 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 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 Company's BOD may direct, subject to appropriate disclosures to the PSE and the Philippine SEC.

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

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

Other reserves

- i. 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) in 2019 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.



- j. In December 2015, the Group, through 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 carrying 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 consolidated 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 consolidated balance sheets.

- k. 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 consolidated balance sheets.

28. Leases

The Group as a Lessor

In 2025, the Company entered into lease contracts for food trucks with MACS and CPCS, with lease terms of 10 years and 7 years, respectively.

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Shown below is the maturity analysis of the undiscounted lease payments as lessor:

Date of retirement:	2025	2024
1 year and less	₱4,687,200	₱179,487,101
More than 1 year to 5 years	21,212,539	741,487,697
More than 5 years	5,982,187	3,831,019,768

The Group as a Lessee

The Group has various operating lease agreements with airport authorities for its catering and ground handling operations and with a third-party lessor for the Group’s office spaces and land. The Group also has land subleased to an associate and accounted for as net investment in the lease. Leases of office space have lease terms between 5 and 35 years, while land generally have lease terms between 7 and 35 years. The Group has lease of land with lease term of 12 months or less that the Group applies the ‘short-term lease’ exemptions for these leases.



Set out below are the carrying amounts of right-of-use assets recognized and the movements during the years ended December 31:

	2025				
	Land	Office space	Land and office space	Water facility	Total
Cost					
At January 1	₱496,795,403	₱136,380,218	₱37,032,831	₱473,943,912	₱1,144,152,364
Additions	85,548,183	—	—	—	85,548,183
At December 31	₱582,343,586	₱136,380,218	₱37,032,831	₱473,943,912	₱1,229,700,547
Accumulated Depreciation and Amortization					
At January 1	(₱176,228,496)	(₱73,157,076)	(₱27,941,032)	(₱84,914,951)	(₱362,241,555)
Depreciation	(22,579,960)	(8,064,475)	(4,064,886)	(23,697,200)	(58,406,521)
At December 31	(198,808,456)	(81,221,551)	(32,005,918)	(108,612,151)	(420,648,076)
Net Book Value	₱383,535,130	₱55,158,667	₱5,026,913	₱365,331,761	₱809,052,471

	2024				
	Land	Office space	Land and office space	Water facility	Total
Cost					
At January 1	₱496,795,403	₱93,414,744	₱37,032,831	₱473,943,912	₱1,101,186,890
Additions	—	42,965,474	—	—	42,965,474
At December 31	496,795,403	136,380,218	37,032,831	473,943,912	1,144,152,364
Accumulated Depreciation and Amortization					
At January 1	(₱154,458,341)	(₱62,410,038)	(₱23,876,146)	(₱61,217,755)	(₱301,962,280)
Depreciation	(21,770,155)	(10,747,038)	(4,064,886)	(23,697,196)	(60,279,275)
At December 31	(176,228,496)	(73,157,076)	(27,941,032)	(84,914,951)	(362,241,555)
Net Book Value	₱320,566,907	₱63,223,142	₱9,091,799	₱389,028,961	₱781,910,809

The rollforward analysis of lease liabilities follows:

	2025	2024
At January 1	₱2,092,962,428	₱2,087,075,377
Additions	85,524,321	42,965,474
Interest expense (Note 22)	56,215,231	51,749,126
Payments	(89,173,470)	(88,827,549)
Adjustment	1,963,620	—
Expiry	(1,185,771,824)	—
As at December 31	961,720,306	2,092,962,428
Less: current portion	46,518,590	43,420,640
Noncurrent portion	₱915,201,716	₱2,049,541,788

Shown below is the maturity analysis of the undiscounted lease payments as lessee:

Date of retirement:	2025	2024
1 year and less	₱90,826,063	₱265,614,876
More than 1 year to 5 years	187,508,016	544,760,505
More than 5 years	1,212,609,477	5,363,471,823



Profit and Loss Impact of Leases

The following are the amounts recognized in the consolidated statements of income:

	2025	2024	2023
Depreciation expense of right-of-use assets (Note 20)	₱58,406,521	₱60,279,275	₱63,582,163
Interest expense on lease liabilities (Note 22)	56,215,231	51,749,127	50,719,765
Expenses relating to short-term leases (Note 20)	434,684,804	278,518,353	163,697,915
	₱549,306,556	₱390,546,755	₱277,999,843

Significant Lease Agreements

Lease with The New NAIA Infra Corp. (NNIC) and Manila International Airport Authority

New NAIA Infrastructure Corporation (NNIC) took over the airport operations commencing September 15, 2024. Effective October 1, 2024, the minimum rate for land lease and building with NAIA were adjusted in accordance with MIAA Administrative Order No. 1, series of 2024..

MAPDC and LTP

The Group, through MAPDC, previously held a lease contract for land within NAIA that is subleased to LTP. The lease contract provides that the period of lease shall be effective for a period of twenty-five (25) years commencing on September 1, 2000 and renewable for another twenty-five (25) years thereafter at the option of the lessee subject to such terms and conditions as maybe mutually agreed upon by both parties. MAPDC formally notified NNIC and Manila International Airport Authority through a letter dated May 30, 2025 its decision to renew the lease agreement for another 25 years. However, no extension has been finalized upon the sublease agreement's expiration in August 2025, accordingly, the Company derecognized the outstanding balance of the net investment in lease and the corresponding lease liabilities amounting to ₱1,182.7 million in 2025. Subsequent to August 2025, LTP directly pays lease to NNIC and recognizes the rent as incurred.

As of March 26, 2026, the Group and LTP are still in the process of finalizing their negotiation with respect to the final lease provisions that will be applied subsequent to the expiration of the initial term.

As of December 31, 2025, MAPDC has a surety cash deposit to MIAA amounting to ₱24.2 million which management awaiting further advise for refund application from appropriate authority.

MACS

MACS' lease agreement with MIAA expired on May 31, 2024. As discussed above, NNIC took over the airport operations commencing September 15, 2024. While the new lease contract is still being finalized, MACS continues to be billed on a monthly basis for its lease obligations. In 2025 and 2024, total rent expense is included in "Other overhead" under "Costs of catering revenue" amounting to ₱43.5 million and ₱15.4 million, respectively, and "Operating expenses" amounting to ₱130.4 million and ₱45.2 million, respectively.

The carrying value of leasehold improvements from the contracts with MIAA is nil of December 31, 2025 and 2024.



MASCORP

MASCORP's leases of office space and staging area from MIAA expired on September 14, 2024. As discussed above, NNIC took over the airport operations commencing September 15, 2024 in the following locations:

- i. Terminal 1 on a month-to-month basis, with a monthly rental of ₱3.5 million in 2025 and 2024.
- ii. Terminal 2 on a month-to-month basis, with a monthly rental of ₱1.8 million in 2025 and 2024.
- iii. Terminal 3 on a month-to-month basis, with a monthly rental of ₱0.3 million in 2025 and 2024.

As of December 31, 2025 and 2024, MASCORP has a surety cash deposit to MIAA amounting to ₱2.0 million (see Note 8) which management intends to be transferred to the new lessor.

While the new lease contract is still being finalized, MASCORP continues to be billed on a monthly basis based on the current rates. As of March 26, 2026, the lease agreement with NNIC has not been finalized. Total rental expense in 2025 and 2024 related to this lease amounted to ₱66.7 million and ₱14.7 million, respectively.

The carrying value of leasehold improvements from the contracts with MIAA/NNIC is nil of December 31, 2025 and 2024.

29. Significant Agreements and Commitments

Concession Agreements

The Group has concession agreements with MIAA, CAAP, LIPAD and GMR-Megawide Cebu Airport Corporation ("GMCAC") (the airport authorities) to exclusively operate within the airport authorities' premises at NAIA Terminal 1, 2 and 3, Davao, Clark and Cebu, respectively. The Group pays the airport authorities a monthly concession privilege fee equivalent to 7% of monthly gross revenue on catering services and ground-handling services, except Clark which is 4.9% of the gross revenue. For GMCAC, CPF is 7% and 10% effective July 1, 2018 for ground handling services rendered for the domestic and international flights, respectively.

Assignment of contract, effective September 14, 2024, was issued by MIAA, to assign all its rights, interest, benefits and obligations under the contracts and agreements relating to NAIA, including the contract, to NNIC. NNIC was awarded a concession rehabilitation, operation, optimization, and maintenance of NAIA.

Concession privilege fee amounted to ₱495.5 million, ₱487.1 million and ₱392.7 million in 2025, 2024 and 2023, respectively, which is presented under "Direct Costs" (see Note 20).

Service Fee Agreement

The Group has a service fee agreement with SATS, the 33% owner of MACS. Service fees amounted to ₱33.0 million, ₱35.6 million and ₱31.2 million in 2025, 2024 and 2023, respectively (see Note 20).

Outstanding payable to SATS amounted to ₱56.9 million and ₱44.3 million as of December 31, 2025 and 2024, respectively (see Note 17).



Waterworks System Agreements

The Group has Memorandum of Agreements (Agreements) with various government municipalities to design, construct, commission and maintain a new and complete waterworks system, particularly in Mabini Pangasinan, Solano, Nueva Vizcaya and Naic, Cavite. The Agreements commenced in 2013, 2015 and 2017, and are for a period of 25 years to 40 years, as applicable, subject to renewal based on the provisions of the Agreements.

Certificate of Public Convenience (CPC)

BTSI is a holder of CPC, which allows BTSI to install, operate and maintain waterworks systems in certain barangays in Malay, Aklan. The CPC was granted by National Water Resources Board (NWRB) in 2014 and is valid until July 2017. In 2017, BTSI's CPC was renewed with validity until July 18, 2022 and in November 2022, the CPC was further renewed and extended until June 30, 2024. On August 30, 2024, the CPC was further renewed and extended until July 19, 2032.

Exploratory Service Agreements

MMC has various service agreements with third parties, wherein MMC will undertake exploratory drilling and sampling of nickel laterite services on the third parties' mining tenements.

Revenue recognized amounted to nil in 2025, 2024 and 2023 since the mining activities have not commenced in 2025 (see Note 19).

30. 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 adjustment 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 repurchase or issue new shares. The Group is not subject to externally imposed capital requirements as of December 31, 2025 and 2024. Further, no changes were made in the objectives, policies or processes for each of the three years in the period ended December 31, 2025.

The Group monitors capital vis-à-vis after tax profit. The Group also monitors the return on 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:

	2025	2024
Capital stock	₱1,933,305,923	₱1,933,305,923
Additional paid-in-capital	281,437,118	281,437,118
Retained earnings	5,549,793,832	4,316,833,052
Treasury shares	(459,418,212)	(459,418,212)
	₱7,305,118,661	₱6,072,157,881
Net income	₱1,607,391,302	₱1,371,409,269
Return on equity	22.00%	22.59%



31. 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.

BOD

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 comprise 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 an average of 18.4% and 17.4% of Group's revenue are denominated in US\$ in 2025 and 2024, respectively. In addition, the Group closely monitors the foreign exchange rates fluctuations and regularly assesses the impact of future foreign exchange movements on its operations. Foreign currency monetary assets and liabilities are disclosed in Note 23.

The table below 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.

	Movement in US\$	Increase (decrease) in income before income tax (In millions)
2025	Increase of 5%	₱91.8
	Decrease of 5%	(91.8)
2024	Increase of 5%	63.3
	Decrease of 5%	(63.3)
2023	Increase of 5%	53.2
	Decrease of 5%	(53.2)

The Group reported net foreign exchange gain (loss) of ₱19.5 million in 2025, ₱12.3 million in 2024, and (₱8.3 million) in 2023.



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. On the other hand, for general approach, the Group determines 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, the expected credit loss rate increases as the age of the receivables increases.

The aging per class of financial assets and contract assets, and the expected credit loss follows:

December 31, 2025

	Neither Past Due Nor Impaired	Past Due but not Impaired				ECL	Total, net of ECL
		Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days		
Financial assets	₱2,465,210,107	₱–	₱–	₱–	₱–	₱–	₱ 2,465,210,107
Cash and cash equivalents*	1,127,161,374	321,393,415	202,844,281	131,579,831	362,642,656	(75,360,333)	2,070,261,224
Trade receivables	22,454,096	–	–	–	–	–	22,454,096
Advances to officers and employees	4,254,449	–	–	–	–	–	4,254,449
Interest receivable	120,257,215	–	–	–	–	–	120,257,215
Nontrade	76,341,191	–	–	–	–	–	76,341,191
Deposits	33,089,872	–	–	–	–	–	33,089,872
Contract assets	15,402,141	–	–	–	–	–	15,402,141
Installment receivables	10,912,585	–	–	–	–	–	10,912,585
Finance lease receivable	202,602,496	–	–	–	–	–	202,602,496
Other receivables							
Total	₱ 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 ₱5,407,660

December 31, 2024

	Neither Past Due Nor Impaired	Past Due but not Impaired				ECL	Total, net of ECL
		Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days		
Financial assets	₱1,363,901,869	₱–	₱–	₱–	₱–	₱–	₱1,363,901,869
Cash and cash equivalents*	915,460,353	366,404,130	168,360,653	94,692,788	426,756,387	(58,874,039)	1,912,800,272
Trade receivables	19,364,103	–	–	–	–	–	19,364,103
Advances to officers and employees	5,812,609	–	–	–	–	–	5,812,609
Interest receivable	67,515,729	–	–	–	–	–	67,515,729
Nontrade	66,970,989	–	–	–	–	–	66,970,989
Deposits	112,573,120	–	–	–	–	–	112,573,120
Contract assets	15,644,919	–	–	–	–	–	15,644,919
Installment receivables	14,517,847	–	–	–	–	–	14,517,847
Finance lease receivable	119,723,538	–	–	–	–	–	119,723,538
Other receivables							
Total	₱2,701,485,076	₱366,404,130	₱168,360,653	₱94,692,788	₱426,756,387	₱(58,874,039)	₱3,698,824,995

*Exclusive of cash on hand amounting to ₱5,380,731

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 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 table below sets forth the estimated change in the Group's income before income tax (through the impact on the variable rate borrowings) due to parallel changes in the interest rate curve in terms of basis points (bp) as of December 31, 2025 and 2024, 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	
	2025	2024
	<i>(In millions)</i>	
100 bp rise	(P27.51)	(P8.58)
100 bp fall	27.51	8.58
50 bp rise	(13.76)	(4.29)
50 bp fall	13.76	4.29

Liquidity risk

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

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



The tables below summarize 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.

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.

December 31, 2024

	≤1 year	>1-2 years	>2-3 years	>3 years	Total
Loans and receivables:					
Cash and cash equivalents	₱1,369,282,600	₱—	₱—	₱—	₱1,369,282,600
Receivables:					
Trade	1,912,800,273	—	—	—	1,912,800,273
Interest receivable	5,812,609	—	—	—	5,812,609
Installment receivable*	14,898,121	3,420	5,146	738,231	15,644,918
Finance lease receivable**	272,657	1,026,774	1,686,597	11,531,818	14,517,846
Net investment in the lease	179,487,101	185,371,924	556,115,773	3,831,019,768	4,751,994,566
Other receivables	119,152,261	—	—	—	119,152,261
Deposits	—	—	—	66,970,989	66,970,989
	3,601,705,622	186,402,118	557,807,516	3,910,260,806	8,256,176,062
Other financial liabilities:					
Accounts payable and accrued liabilities***	2,101,660,332	—	—	—	2,101,660,332
Notes payable****	130,326,939	—	—	—	130,326,939
Long-term debts****	445,386,623	100,405,494	40,207,851	265,967,205	851,967,173
Lease liabilities	265,614,876	271,597,988	273,162,517	5,363,471,823	6,173,847,204
Dividends payable	96,402,629	—	—	—	96,402,629
Deposit	—	—	—	68,651,786	68,651,786
	3,039,391,399	372,003,482	313,370,368	5,698,090,814	9,422,856,063
Liquidity position	₱562,314,223	(₱185,601,364)	₱244,437,148	(₱1,787,830,008)	(₱1,166,680,001)

*Gross of unearned interest income of nil. The current portion amounting to ₱15,644,919 is presented under trade.

** Gross of unearned interest income of ₱3,605,262 exclusive of ₱571,308 included under trade.

***Exclusive of nonfinancial liabilities of ₱197,874,530.

****Include future interest.



Fair Values

The table below provides comparison of carrying amounts and fair values of the Group's assets and liabilities as at:

		Quoted prices in active markets (Level 1)	Fair value measurements using	
	Carrying value		Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2025				
Assets measured at fair value:				
Equity instruments designated at FVTOCI	₱185,155,800	₱—	₱185,155,800	₱—
Assets for which fair value is disclosed:				
Installment receivables	15,402,141	—	—	15,402,141
Finance lease receivable	13,469,974	—	—	13,469,974
Deposits	76,341,191	—	—	76,341,191
Liabilities for which fair value is disclosed				
Deposits	70,018,457	—	—	70,018,457
Long term debts	2,298,276,516	—	2,298,276,516	—
December 31, 2024				
Assets measured at fair value:				
Equity instruments designated at FVTOCI	₱160,155,800	₱—	₱160,155,800	₱—
Assets for which fair value is disclosed:				
Installment receivables	15,644,919	—	—	15,644,919
Finance lease receivable	14,517,847	—	—	14,517,847
Deposits	66,970,989	—	—	66,970,989
Liabilities for which fair value is disclosed				
Deposits	68,651,786	—	—	68,651,786
Long term debts	782,347,350	—	782,347,350	—

The Group determined that its investments in government bonds and golf club shares are 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 Levels 1, 2 and 3 in 2025 and 2024.

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

The carrying values of cash and cash equivalents, receivables, accounts payable and accrued liabilities dividends payable and notes payable approximate their fair values 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.



32. Changes in Liabilities Arising from Financing Activities

The table below presents the changes in Group's liabilities arising from financing activities.

2025

	Beginning	Availments	Payments	Noncash activities	Dividend declaration (Note 27)	Ending
Note payable (Note 16)	₱121,178,000	₱439,000,000	(₱75,178,000)	₱—	₱—	₱485,000,000
Long-term debt (Note 16)	782,347,348	1,920,896,986	(404,967,817)	—	—	2,298,276,517
Accrued interest (Note 17)	1,035,191	—	(80,525,268)	81,477,511	—	1,987,434
Lease liabilities (Note 28) **	2,092,962,428	—	(89,173,470)	(1,042,068,652)	—	961,720,306
Treasury shares (Note 27)	(459,418,212)	—	—	—	—	(459,418,212)
Dividend payable (Note 27)	10,106,243	—	(207,606,215)	—	₱208,005,416	10,505,444
Dividends payable to non-controlling interest (Note 27)	86,296,386	—	(106,350,000)	(86,296,386)	106,350,000	—
Investment of non-controlling interest (Note 10)	7,350,000	—	—	(7,350,000)	—	—
Total liabilities from financing activities	₱2,640,822,193	₱2,359,896,986	(₱892,994,262)	(₱1,125,996,278)	₱314,355,416	₱3,296,084,055

*Noncash activities pertain to discounting of lease payments; lease payments include interest paid amounting to ₱56,215,231

2024

	Beginning	Availments	Payments	Noncash activities*	Dividend declaration (Note 27)	Ending
Note payable (Note 16)	₱244,500,000	₱82,000,000	(₱205,322,000)	₱—	₱—	₱121,178,000
Long-term debt (Note 16)	800,008,823	334,815,500	(352,706,839)	229,864	—	782,347,348
Accrued interest	11,508,861	—	(77,549,355)	67,075,685	—	1,035,191
Lease liabilities (Note 28)	2,087,075,377	—	(88,827,549)	94,714,600	—	2,092,962,428
Treasury shares (Note 27)	(459,418,212)	—	—	—	—	(459,418,212)
Dividend payable (Note 27)	9,725,208	—	(188,714,797)	—	₱189,095,832	10,106,243
Dividends payable to non-controlling interest (Note 27)	—	—	(35,350,000)	—	121,646,386	86,296,386
	—	7,350,000	—	—	—	7,350,000
Total liabilities from financing activities	₱2,681,891,196	₱424,165,500	(₱870,921,185)	(₱94,944,464)	₱310,742,218	₱2,640,822,193

*Noncash activities pertain to discounting of lease payments; lease payments include interest paid amounting to ₱51,749,126

33. Events After the Reporting Period

On January 20, 2026, MMC received approval from the Mines and Geosciences Bureau (MGB) for the Declaration of Mining Project Feasibility (DMPF) covering the Infanta Nickel Project under MPSA No. 220-2005-IVB, allowing MMC and its operator, Calmia Nickel, Inc., to proceed with project development and operations in Brooke's Point, Palawan, subject to regulatory conditions by MGB-DENR.

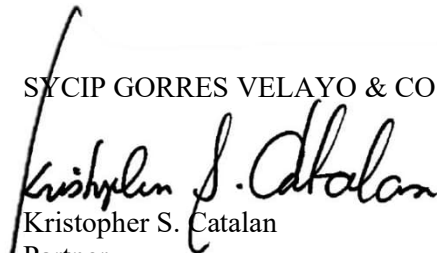


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
MacroAsia Corporation
7th Floor, Ricogen Building
112 Aguirre Street
Legazpi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of MacroAsia Corporation and its subsidiaries (collectively as the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, included in this Form 17-A and have issued our report thereon dated March 26, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Kristopher S. Catalan
Partner

CPA Certificate No. 109712

Tax Identification No. 233-299-245

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

SEC Partner Accreditation No. 109712-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

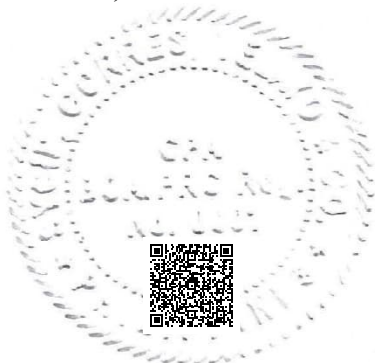
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-109-2023, October 26, 2023, valid until October 25, 2026

PTR No. 10765025, January 2, 2026, Makati City

March 26, 2026



MACROASIA CORPORATION AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

Schedule I : Supplementary Schedules included in SEC Form 17-A

- A. Reconciliation of Retained Earnings Available for Dividend Declaration
(Part 1, 4C, Annex 68-C)
- B. A map showing the relationships between and among the company and its
ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and
associates, wherever located or registered
- C. Supplementary schedules (Revised SRC Rule 68 - Annex 68-J)
 - i. Schedule A. Financial assets
 - ii. Schedule B. Amounts receivable from directors, officers, employees, related
parties, and principal stockholders (other than related parties)
 - iii. Schedule C. Amounts receivable from related parties which are eliminated
during the consolidation of financial statements
 - iv. Schedule D. Long-term debt
 - v. Schedule E. Indebtedness to related parties
 - vi. Schedule F. Guarantees of securities of other issuers
 - vii. Schedule G. Capital stock

MACROASIA CORPORATION AND SUBSIDIARIES

SCHEDULE OF RETAINED EARNINGS

AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2025

Unappropriated Retained Earnings, December 31, 2024	₱3,420,914,071
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of retained earnings appropriation/s	850,000,000
Effect of restatements or prior-period adjustments	—
Others	—
Sub-total	<u>850,000,000</u>
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	(208,005,416)
Retained earnings appropriated during the reporting period	(2,830,000,000)
Effect of restatements or prior-period adjustments	—
Others	—
Sub-total	<u>(3,038,005,416)</u>
Unappropriated Retained Earnings, as adjusted	1,232,908,655
Add: Net income for the current year	265,023,340
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(489,386)
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Unrealized fair value gain of investment property	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Sub-total	<u>(489,386)</u>
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	—
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Realized fair value gain of investment property	—
Fair value adjustment arising from repossessed inventories	—
Sub-total	<u>—</u>

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain of investment property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	—
Sub-total	—
Adjusted Net Income	264,533,954

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Sub-total	—

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	
Total amount of reporting relief granted during the year	—
Others	—
Sub-total	—

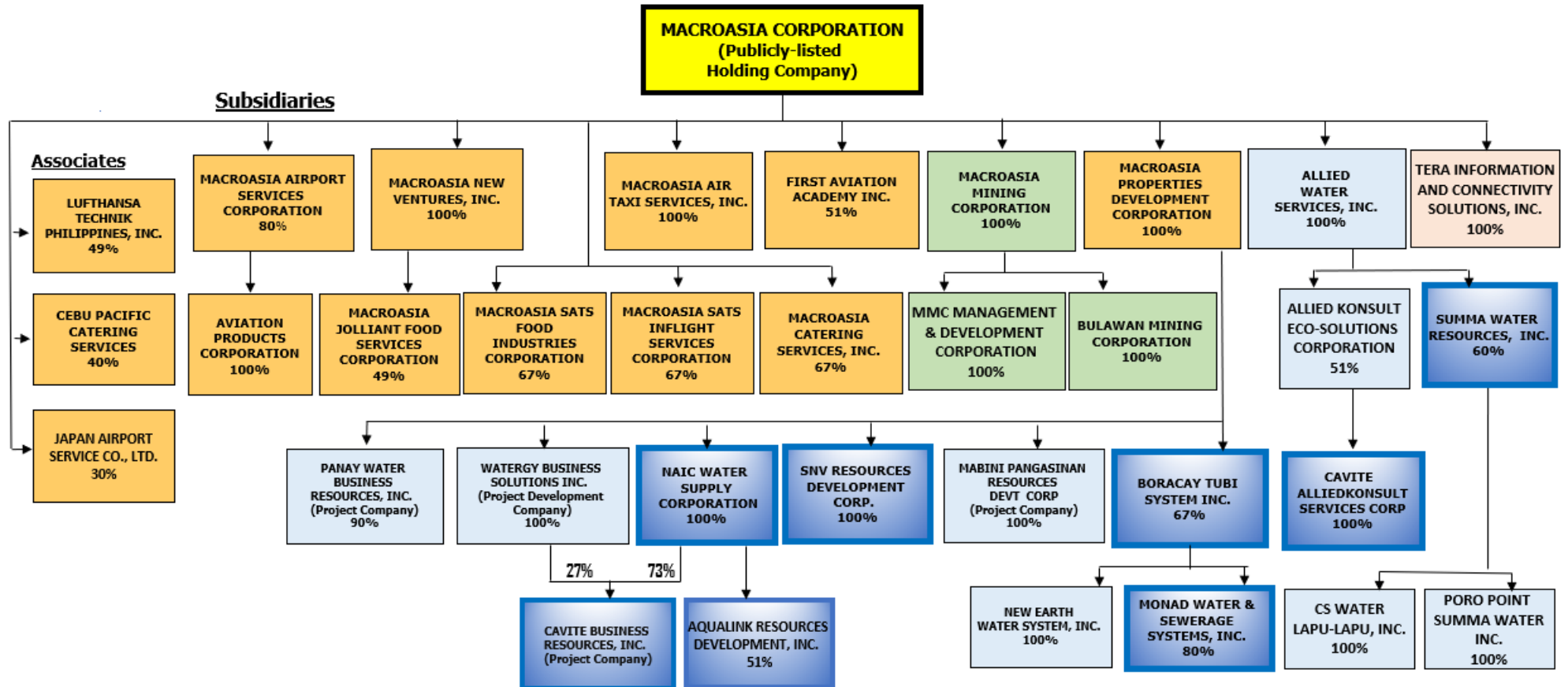
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	179,954
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Others	—
Sub-total	179,954

Total Retained Earnings available for dividend declaration, December 31, 2025

₱1,497,622,563

GROUP STRUCTURE



MacroAsia Corporation and Subsidiaries
Schedule A - Financial Assets
As of December 31, 2025

Financial Assets	Name of Issuing entity and association of each issue	Amount shown in the balance sheet and related notes	Income received and accrued
Loan and Receivables			
Cash in bank and cash equivalents		2,465,210,107	38,744,127
Receivables		2,070,261,224	-
Deposits		76,341,191	1,793,449
Equity investments designated at FVTOCI/AFS investments:			
Investment in stock	PLDT	55,800	-
Investment in stock	Tower Club	100,000	-
Investment in stock	Manila Golf and Country Club	185,000,000	-
Total		4,796,968,322	40,537,576

MacroAsia Corporation and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
As of December 31, 2025

	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Adjustment	Current	Not current	Balance at end of period
<u>Advances to officers & employees</u>								
of MAC	964,998	17,171,834	-	15,414,205		2,722,627		2,722,627
of MACS	655,078	3,654,136		(4,124,321)		184,893		184,893
of ASSC	53,593	1,893,381		(1,508,439)		438,535		438,535
of MASCORP	7,089,578.0	81,331,384.0		(1,607,816.0)	(79,585,302.0)	7,227,844		7,227,844
of MAPDC	431,145	1,502,633		(1,349,593)		584,185		584,185
of WBSI	13,605	-		-		13,605		13,605
of CAKSC						-		-
of SNVRDC	200,000	2,576,928		(2,776,928)		-		-
of PWBRI	25,266	-		(20,000)		5,266		5,266
of CBRI	30,026	288,839		(260,067)		58,798		58,798
of MAATS	460,508	1,278,050		(1,189,061)		549,498		549,498
of MADECOR						-		-
of MMC	154,714	1,242,083		(1,256,310)		140,487		140,487
of MPRDC	3,886	60,000		(48,298)		15,588		15,588
of NAWASCOR	79,135	2,094,288		(1,990,072)		183,351		183,351
of BTSI	850,817	1,980,258		(1,258,627)		1,572,449		1,572,449
of MONAD	3,098,048	-		-		3,098,048		3,098,048
of NEWS						-		-
of SUMMA	2,203,995	7,729,491		(6,626,053)		3,307,433		3,307,433
of BUMICO						-		-
of FAA	1,142,027	6,397,040		(6,575,546)		963,521		963,521
of MSIS						-		-
of MSFI	126,708	3,032,929		(2,660,884)		498,752		498,752
of TERA	189,754	293,531		(178,408)		304,877		304,877
of CSW LAPU-LAPU	30,900	2,347,653		(2,116,222)		262,332		262,332
of PPSWI	-	752,254		(594,644)		157,610		157,610
						-		-
						-		-
<u>Receivables from Related Parties and Principal Stockholders</u>								
of MACS from LTP	10,022,614	34,306,567		(30,210,235)			10,201,994	14,118,946
of MACS from PAL	756,481	1,832,599		(2,025,497)			191,883	563,583
of MACS from PAL - Mabuhay Lounge	191,883	124,375.94		(105,903)			2,107	210,356
of MACS from PAL - PALEX	12,531,677	29,995,286		(29,833,137)			12,531,676	12,693,825
of MASCORP from PAL	1,226,397,944	6,996,989,424		(7,206,404,514)				1,016,982,854
of MASCORP from PALEX (former Airphil)	4,113,568	1,822,321			959,777			6,895,666
of MASCORP from LTP	6,494,872	15,689,629		(11,446,699)				10,737,802
of MAATS from LTP	11,036,410	20,898,127		(23,999,755)		11,036,410		7,934,781
of MAPDC from LTP	3,979,622	249,302,265		(253,075,454)		206,433		206,433

MacroAsia Corporation and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
As of December 31, 2025

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amounts written off	Current	Not Current	Balance at end of period	Amount Eliminated
<u>AWSI from</u>								
AQUALINK		1,134,342	(1,134,342)		-	-	-	-
BTSI		1,067,734	(12,928)		1,054,806	-	1,054,806	1,054,806
CBRI		320,728	-		320,728	-	320,728	320,728
NAWASCOR		2,087,713	(986,931)		-	-	1,100,782	1,100,782
SNVRDC		512,089			512,089	-	512,089	-
<u>MMC from</u>								
BUMICO	429,140	375,347	-	-	804,487	-	804,487	804,487
MADECOR	312,122	75,597	-	-	387,719	-	387,719	387,719
<u>Alliedkonsult from</u>								
MMC	1,000,000	-	-	-	-	-	1,000,000	1,000,000
Cavite Alliedkonsult	1,120,916	-	-	-	-	-	1,120,916	1,120,916
<u>MAC from</u>								
MAATS	2,500,000		(2,500,000)		-	-	-	-
MAPDC	1,253,544,672	33,500,000	(3,885,919)		1,283,158,753	-	1,283,158,753	1,283,158,753
MACS	99,269,760	80,030,324	(27,690,800)		151,609,284	-	151,609,284	151,609,284
MASCORP	-	-	-		-	-	-	-
MMC	28,842,543	30,127,000	(2,577,000)		56,392,543	-	56,392,543	56,392,543
AWSI	121,169,301	18,605,000	(7,650,000)		132,124,301	-	132,124,301	132,124,301
CAKSC	43,350,604				43,350,604	-	43,350,604	43,350,604
NAWASCOR	247,589,357	101,085,839	(51,149,987)		297,525,209	-	297,525,209	297,525,209
SNVRDC	-	-	-		-	-	-	-
Cavite Business Resources, Inc.	20,735,279	6,800,000			27,535,279	-	27,535,279	27,535,279
SUMMA WATER RESOURCES, INC.	44,397,840				44,397,840	-	44,397,840	44,397,840
NAWASCOR	-	-	-		-	-	-	-
Cavite Allied Konsult	-	-	-		-	-	-	-
FAA	125,593,100	19,380,000			144,973,100	-	144,973,100	-
BTSI	38,101,103				38,101,103	-	38,101,103	-
<u>SUMMA from</u>								
CAKSC	-	92,822	(92,822)		-	-	-	-
CBRI	170,234	651,423	(784,492)		37,165	-	37,165	37,165
CSWLL	-	116,981,040	(112,009,679)		37,795,361	-	4,971,361	4,971,361
MASCORP	580,000	648,554	(1,228,554)		-	-	-	-
MACS	-	458,665	(402,326)		56,339	-	56,339	56,339
MAPDC	-	1,225,920	(1,225,920)		-	-	-	-
MSFI	277,050	3,040,921	(3,086,160)		231,810	-	231,811	231,811
MSIS	-	1,178,571	(1,178,571)		-	-	-	-
NAWASCOR	-	4,056,081	(3,787,996)		268,085	-	268,085	268,085
PPSWI	-	18,780,802	(5,100,598)		13,680,204	-	13,680,204	13,680,204
SNVRDC	1,050,000	4,054,588	(4,218,750)		885,838	-	885,838	-
<u>MAATS from</u>								
MASCORP	5,008,206	5,271,855	-		-	-	10,280,061	10,280,061
<u>MAPDC from</u>								
AQUALINK	1,442,305	1,443,623	(2,808,501)		77,427	-	77,427	77,427
BTSI	46,956,258	83,779			47,040,037	-	47,040,037	47,040,037
CAKSC	21,001,776		(2,000,000)		19,001,776	-	19,001,776	19,001,776
CBRI	3,364,412		(570,328)		2,794,084	-	2,794,084	2,794,084
CSWLL	-	10,110,045	(10,110,045)		-	-	-	-
FAA	-	-	-		-	-	-	-
MAATS	71,636	90,619	(71,636)		90,619	-	90,619	90,619
MRDC	21,838				21,838	-	21,838	21,838
MPRDC	1,706,000				1,706,000	-	1,706,000	1,706,000
MASCORP	16,718,658				16,718,658	-	16,718,658	16,718,658
MACS	9,600		(9,600)		-	-	-	-
MMC	327,522		(9,600)		327,522	-	327,522	327,522
MSIS	9,600				-	-	-	-
MSFI	10,744,533	14,326,044	(23,876,741)		1,193,836	-	1,193,836	1,193,836
NAWASCOR	-	35,708	(35,708)		-	-	-	-
SNVRDC	275,420,973	8,278,643	(9,386,535)		274,313,081	-	274,313,081	274,313,081
SUMMA	295,410	453,637	(486,405)		262,642	-	262,642	-
WBSI	13,400,000				13,400,000	-	13,400,000	13,400,000
<u>MACS from</u>								
MAC	145,463	862,848	(864,503)		143,808	-	143,808	143,808
MASCORP	662,003	319,975	(750,853)		231,125	-	231,125	231,125
MSFI	273,206,436	497,449	(1,326,932)		272,376,953	-	272,376,953	272,376,953
MSIS	2,890,613	1,608,954	(2,725,449)		1,774,118	-	1,774,118	1,774,118
<u>MSFI from</u>								
MACS	5,010,780	10,596,784	(14,379,775)	-	1,227,789	-	1,227,789	1,227,789
MSIS	2,105,512	20,379,094	(20,167,023)	-	2,317,583	-	2,317,583	2,317,583
MAC	209,188	900,205	(933,730)	-	175,663	-	175,663	175,663
MAPDC	32,550	30,750	(48,450)	-	14,850	-	14,850	14,850
MMC	2,200	14,820	(13,720)	-	3,300	-	3,300	3,300
MAATS	147,600	107,600	(149,750)	-	105,450	-	105,450	105,450

MacroAsia Corporation and Subsidiaries
Schedule D - Long Term Debt
As of December 31, 2025

Title of issue and type of obligation	Amount authorized by indenture		Amount shown under caption "Current portion of long-term debt" in related balance sheet		Amount shown under caption "Long-Term Debt" in related balance sheet*		Balance at end of period	Interest Rate
	(In original currency)	(In PhP)	(In original currency)	(In PhP)	(In original currency)	(In PhP)		
Local Bank	PHP 150,000,000	150,000,000	25,000,000	25,000,000	-	-	25,000,000	6.50%
Local Bank	PHP 418,000,000	418,000,000	83,600,000	83,600,000	292,600,000	292,600,000	376,200,000	6.73%
Local Bank	PHP 150,000,000	150,000,000	37,500,000	37,500,000	112,500,000	112,500,000	150,000,000	5.75%
Local Bank	PHP 250,000,000	250,000,000	38,571,429	38,571,429	19,285,714	19,285,714	57,857,143	7.08%
Local Bank	PHP 110,000,000	110,000,000	-	-	110,000,000	110,000,000	110,000,000	6.96%
Local Bank	PHP 80,000,000	80,000,000	-	-	80,000,000	80,000,000	80,000,000	6.46%
Local Bank	PHP 252,950,917	252,950,917	31,618,865	31,618,865	115,935,837	115,935,837	147,554,702	7.50%
Local Bank	PHP 26,580,000	26,580,000	2,215,000	2,215,000	20,488,750	20,488,750	22,703,750	7.50%
Local Bank	PHP 10,000,000	10,000,000	833,333	833,333	7,708,333	7,708,333	8,541,666	7.50%
Local Bank	PHP 10,000,000	10,000,000	875,912	875,912	8,102,190	8,102,190	8,978,102	7.50%
Local Bank	PHP 10,000,000	10,000,000	895,522	895,522	8,283,582	8,283,582	9,179,104	7.50%
Local Bank	PHP 28,487,630	28,487,630	2,756,867	2,756,867	25,501,023	25,501,023	28,257,891	7.20%
Local Bank	PHP 24,409,356	24,409,356	2,362,196	2,362,196	21,850,310	21,850,310	24,212,506	7.20%
Local Bank	PHP 1,150,000	1,150,000	246,233	246,233	149,413	149,413	395,646	8.50%
Local Bank	PHP 1,100,000,000	1,100,000,000	-	-	1,100,000,000	1,100,000,000	1,100,000,000	
Local Bank	PHP 810,000	810,000	30,381	30,381	-	-	30,381	5.00%
Local Bank	PHP 15,000,000	15,000,000	3,000,000	3,000,000	8,750,000	8,750,000	11,750,000	7.32%
Local Bank	PHP 25,000,000	25,000,000	5,000,000	5,000,000	14,583,333	14,583,333	19,583,333	7.05%
Local Bank	PHP 815,500	815,500	303,310	303,310	206,569	206,569	509,878	11.70%
Local Bank	PHP 84,000,000	84,000,000	4,941,176	4,941,176	79,058,824	79,058,824	84,000,000	7.42%
Local Bank	PHP 20,000,000	20,000,000	4,000,000	4,000,000	10,000,000	10,000,000	14,000,000	8.00%
Local Bank	PHP 10,000,000	10,000,000	2,000,000	2,000,000	5,000,000	5,000,000	7,000,000	7.82%
Local Bank	PHP 10,000,000	10,000,000	2,000,000	2,000,000	5,000,000	5,000,000	7,000,000	7.57%
Local Bank	PHP 10,000,000	10,000,000	2,105,263	2,105,263	5,263,158	5,263,158	7,368,421	7.51%
TOTAL		2,797,203,403		249,855,488		2,050,267,036	2,300,122,524	

MacroAsia Corporation and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
As of December 31, 2025

Name of related party	Balance at beginning of period	Balance at end of period
Philippine National Bank	259,579,358	90,126,382
TOTAL	259,579,358	90,126,382

MacroAsia Corporation and Subsidiaries
Schedule F - Guarantees of Securities and Other Issuers
As of December 31, 2025

Name of issuing entity or securities guaranteed by the company for which this statement is filed	Title of issue or each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
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Not Applicable

MacroAsia Corporation and Subsidiaries
Schedule G - Capital Stock
As of December 31, 2025

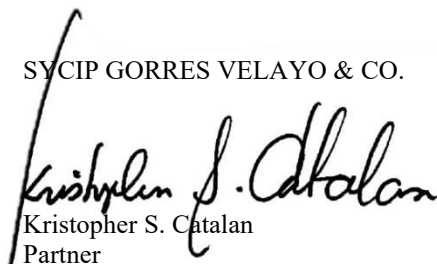
Title of Issue	Number of Shares authorized	Number of shares issued as shown under related balance sheet caption	Number of treasury shares	Number of shares outstanding	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by directors and officers
Common Stock	2,000,000,000	1,933,305,923	(42,347,600)	1,890,958,323	-	1,341,335,642 70.93%	15,097,304 0.80%

**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY SCHEDULE ON COMPONENTS OF FINANCIAL
SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
MacroAsia Corporation
7th Floor, Ricogen Building
112 Aguirre Street
Legazpi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of MacroAsia Corporation and its subsidiaries (collectively as the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 26, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Kristopher S. Catalan
Partner

CPA Certificate No. 109712

Tax Identification No. 233-299-245

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

SEC Partner Accreditation No. 109712-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-109-2023, October 26, 2023, valid until October 25, 2026

PTR No. 10765025, January 2, 2026, Makati City

March 26, 2026



MACROASIA CORPORATION
**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025**

Ratio	Formula	2025	2024
Current ratio	Total current assets divided by total current liabilities Total current assets ₱ 6,261,789 Divided by: Total current liabilities 4,153,227 Current ratio 1.51	1.51:1	1.42:1
Debt-to-equity ratio	Total interest-bearing debts divided by total stockholders' equity Total Interest-bearing Debts ₱ 2,783,277 Divided by: Total stockholders' equity 9,070,856 Debt-to-equity ratio 31.0%	31.0%	14.32%
Asset-to-equity ratio	Total assets divided by total stockholders' equity Total assets ₱ 16,573,914 Divided by: Total stockholders' equity 9,070,856 Asset-to-equity ratio 1.83	1.83:1	1.95:1
Direct cost ratio	Total direct costs divided by net revenues Total direct costs ₱ 7,929,091 Divided by: Net revenues 9,961,244 Direct cost ratio 79.6%	79.6%	75.2%
Expense ratio	Total operating expenses divided by net revenues Total operating expenses ₱ 1,690,446 Divided by: Net revenues 9,961,244 16.97%	16.97%	14.7%
Interest coverage ratio	Total earnings before interest and Taxes divided by Total Interest expense Total earnings/(loss) before interest and taxes ₱ 1,950,686,570 Divided by: Interest expense 137,693,740 Interest coverage ratio 14.17	14.17:1	14.57:1

Return on net sales	Net income/(loss) divided by net revenues		
	Net income/(loss) ₪ 1,607,391	16.14%	14.51%
	Divided by: Net revenues 9,961,244		
	Return on net sales 16.14%		
Return on assets	Net income/(loss) from continuing operations divided by Total Assets		
	Net income/(loss) ₪ 1,607,391	9.70%	10.22%
	Divided by: Total assets 16,573,914		
	Return on assets 9.70%		
Return on investment	Net income/(loss) attributable to equity holders of parent divided by the sum of total interest-bearing debts and equity attributable to equity holder of parent		
	Net income/(loss) attributable to equity holders of parent ₪ 1,440,966,196	12.85%	14.62%
	Divided by: Total interest-bearing debts + equity attributable to equity holder of parent 11,214,002		
	Return on investment 12.85%		
Return on equity	Net income/(loss) divided by total capital		
	Net income/(loss) ₪ 1,607,391	22.00%	26.33%
	Divided by: Total capital 7,305,119		
	Return on equity 22.00%		

MACROASIA CORPORATION
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
For the year-ended December 31, 2025

	2025	2024
Total Audit Fees	8,680,000	8,285,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	400,000
Total Non-audit Fees	-	400,000
Total Audit and Non-audit Fees*	8,680,000	8,685,000

**amount excluding non-SGV audit fees*

Audit and Non-audit fees of other related entities

	2025	2024
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Audit and Non-audit Fees of other related entities	-	-

2025 MACROASIA CORPORATION SUSTAINABILITY AND ESG PERFORMANCE

In 2025, the MAC Group continued to embed sustainability into its strategy and day-to-day operations, reinforcing our role as an environmental steward and strengthening responsible business practices across all units.

A major milestone for the year was the transition of our food business units to 100% geothermal energy through a strategic partnership with First Gen Corporation. This initiative significantly reduced operational emissions while delivering meaningful cost efficiencies. We also began the electrification of our ground support equipment (GSE), starting with key assets deployed at the Mactan–Cebu International Airport.

To guide the Group's long-term climate ambition, we developed a Decarbonization Pathway toward Net Zero by 2050, which was approved by the Corporate Governance Committee. The pathway outlines phased emissions-reduction targets aligned with global best practices.

In parallel, we crafted a reporting transition plan to align our sustainability disclosures with the International Sustainability Standards Board (ISSB) framework. To support this transition, we partnered with the University of Asia and the Pacific – Center for Social Responsibility (UA&P-CSR) to provide technical guidance in preparation for the mandated 2027 adoption and to strengthen organizational understanding of the new standards.

As part of these capacity-building efforts, members of the Board and Management Committee completed an executive briefing on the ISSB standards, while ESG champions from various business units participated in a two-day deep-dive training. We also commissioned Komunidad Global Ltd. Pte to develop an ESG data management platform to enhance data integrity, efficiency, and accessibility across the Group.

Demonstrating our commitment to people development, we launched the MAC Academy, a dedicated learning and development platform offering training programs and capability-building support for employees across the organization.

We are also proud to have received the Golden Arrow Award under the ASEAN Corporate Governance Scorecard (ACGS). This recognition affirms our commitment to ethical leadership, transparency, and sound governance. It reflects our adherence to international standards and best practices in protecting shareholder and stakeholder rights, ensuring board accountability, and upholding responsible and sustainable business operations.

Looking ahead to 2026 and beyond, the MAC Group will continue expanding renewable energy sourcing, advancing electrification initiatives, and strengthening supply chain decarbonization by integrating ESG principles into supplier engagement and decision-making. We will also continue to develop and implement sustainability initiatives across the Group to enhance organizational resilience and long-term value creation.

Together, these initiatives underscore the MAC Group's commitment to responsible growth and sustainable value creation. As we move forward, we remain focused on strengthening our sustainability foundations, enhancing operational efficiency, and delivering meaningful environmental and social impact for our stakeholders. With a clear vision and a unified

commitment, the MAC Group is well-positioned to navigate an evolving landscape and build a more resilient and sustainable future.

Sustainability Policy Statement

GRI 2-22

MacroAsia Corporation is a holding company with a diverse business portfolio centered on aviation support, logistics services, and natural resource development in the Philippines. We offer a full range of products and services, for which we shall be acknowledged by our clients and other stakeholders for excellent customer service, pioneering technology, integrity, value-for-money, environmental stewardship, and social responsibility, all made possible by our committed team of world-class professionals.

At MacroAsia Corporation, sustainability is at the core of every business activity that we pursue. This is our commitment to our employees, customers, investors, shareholders, partners, regulators, communities, and the environment.

We believe that we have the responsibility to contribute to the country's growth and development through our businesses. We aim to be good stewards of the environment where we source our materials, use and manage our resources efficiently, develop and empower our people, forge and strengthen relationships, create synergies, and enrich the lives of the people in the communities where we operate.

We will achieve this by operating our businesses responsibly, in accordance with the highest levels of corporate governance and ethical standards. We will ensure that our businesses comply with relevant laws and regulations and align our operations with industry best practices and global standards. We commit to integrating sustainability elements into various aspects of our businesses, including the use of technology/technological innovations, making it our standard practice.

We also commit to educating and aligning our internal and external stakeholders with our sustainability agenda, making sustainability everyone's shared responsibility.

Sustainability Framework

GRI 2-23

We have established our key sustainability goals and aligned them with the relevant United Nations Sustainable Development Goals (SDGs) to which our initiatives contribute. These goals are organized under our four sustainability pillars, as outlined below:

1. Contributing to National Growth and Development (Economic Sustainability Pillar) ○ Ensure long-term profitability, growth, and viability of our businesses. ○ Contribute to the growth and development of the local economies and communities where our businesses operate.	
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2. Managing Our Environmental Impact (Environmental Sustainability Pillar) ○ Use and manage our resources (energy, water, and materials) efficiently. ○ Properly manage the impact of our business operations on the environment and biodiversity. ○ Manage our climate risks and leverage climate opportunities for our businesses.	
3. Nurturing People and Relationships (Social Sustainability Pillar) ○ Provide a healthy, safe, inclusive, collaborative, empowering, and innovative work environment for our employees. ○ Develop professional employees with world-class competencies. ○ Meet customer and client expectations and needs through the delivery of safe and reliable world-class products and services, and excellent customer service. ○ Develop and strengthen relationships with our stakeholders and help enrich the lives of the people in the communities where we operate. ○ Ensure alignment of suppliers, vendors, and third-party service providers with our quality standards and sustainability agenda.	
4. Operating Our Businesses Responsibly (Governance Sustainability Pillar) ○ Conduct our businesses in accordance with the highest levels of corporate governance and ethical standards. ○ Comply with all applicable laws, rules, and regulations that govern our businesses, and align ourselves with local and international best practices and standards. ○ Develop a robust and efficient enterprise risk management system to manage and mitigate the risks associated with our business operations, ensuring the continuity of our businesses. ○ Create new products, services, processes, and business models with the aim to increase revenue, expand operations, and improve efficiency.	

Sustainability Governance Framework

GRI 2-12, 2-22, 2-24

We have established a comprehensive sustainability governance framework to guide the monitoring, reporting, and escalation of sustainability and ESG related matters across the Group.

This structure enhances alignment among our subsidiaries and promotes synergy in implementing group-wide sustainability strategies, activities, and initiatives.

Board-Level Oversight: Corporate Governance Committee

At the board level, our Corporate Governance Committee provides strategic guidance and direction on our sustainability agenda. Any sustainability or ESG related issues that are not resolved at the Management Committee level are elevated to the Committee for discussion, action, and resolution.

The Committee also serves as the third and final level of approval for our sustainability and ESG initiatives and activities, budget requests, partnerships and external engagements related to sustainability, and our annual Sustainability Report.

Executive Oversight on Sustainability

At the Management Committee level, our Chief Sustainability Officer (CSO) represents the Sustainability Council and leads the execution of our Group's sustainability strategy. The CSO reports to the Committee on sustainability and ESG related concerns affecting both the parent company and our subsidiaries.

The Management Committee serves as the second level of approval and the second escalation point for sustainability policies, initiatives, and issues requiring corporate level decision making prior to group-wide adoption and implementation.

Supported by the MAC Sustainability Office, our CSO plays a pivotal role in aligning the parent company and our subsidiaries on sustainability and ESG priorities. The CSO ensures the integration of sustainable practices across all business units, advancing long-term environmental stewardship, social responsibility, operational resilience, and business continuity.

MAC Sustainability Council

The MAC Sustainability Council serves as our primary platform for subsidiaries to discuss sustainability and ESG related issues relevant to their operations and to the parent company. The Council is chaired by our CSO and is composed of General Managers, Business Unit Heads, and or their designated representatives or alternates. We convene quarterly, or more frequently when necessary.

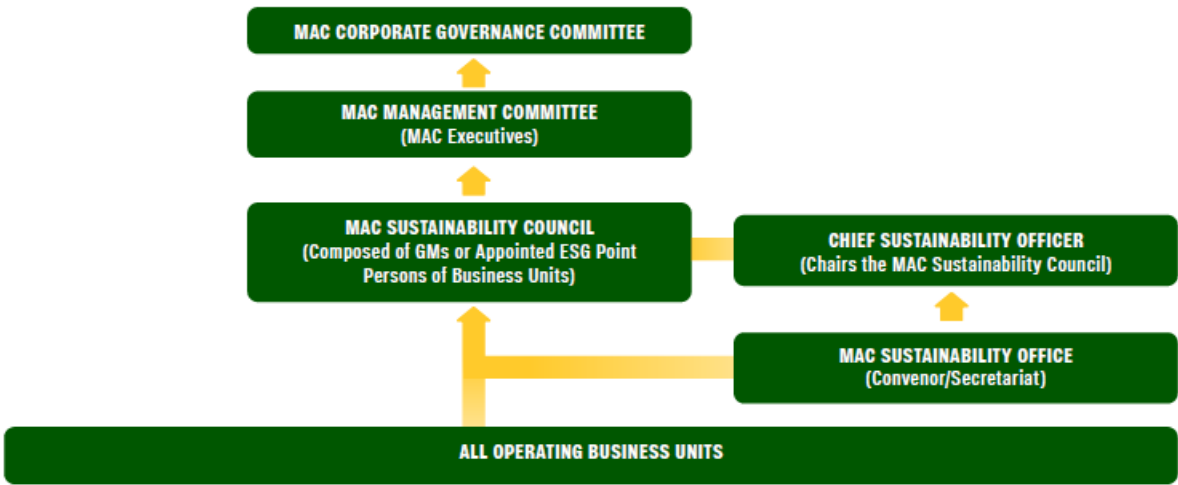
Key Functions of the Council

The Council enables subsidiaries to:

- Align with the parent company's sustainability policies, frameworks, goals, and targets
- Seek guidance and support in pursuing sustainability and ESG-related objectives and initiatives
- Share best practices, challenges, and lessons learned
- Receive updates on emerging regulations, industry trends, and sustainability developments
- Strengthen compliance with group-wide sustainability standards and reporting requirements

The Council also acts as our first level of endorsement and escalation point for subsidiaries on sustainability and ESG related matters, including proposed initiatives, activities, and operational issues.

Additionally, we review, provide input on, and endorse our Group’s annual Sustainability Report before it proceeds to the Management Committee and subsequently to the Audit Committee, Corporate Governance Committee, and Board of Directors.



Stakeholder Management
GRI 2-29

We recognize that meaningful and sustained engagement with our stakeholders is essential to advancing our sustainability agenda and creating long-term value. Their insights, expectations, and concerns guide our strategic priorities, help us identify emerging risks and opportunities, and strengthen the resilience of our operations.

To ensure that we respond effectively and transparently, we engage with our stakeholders through structured and ongoing communication channels tailored to their needs. These interactions enable us to better understand the issues that matter most to them and to integrate these perspectives into our sustainability planning, performance, and reporting.

Below is the list of our internal and external stakeholders, along with the approaches we use to build, sustain, and strengthen our relationships with each group.

STAKEHOLDER	CHANNELS OF ENGAGEMENT	CONCERNS AND ISSUES	OUR RESPONSE
Shareholders and Investors	• E-mails, letters • Annual Stockholders' Meeting • Investor meetings/briefings • Investor Relations Management	• Business growth, integrity and resiliency • Strong financial performance • Shareholder returns • Strong corporate governance • Robust risk management system • Transparency and disclosure • Business continuity • Crisis management	• Maintain a strong corporate governance framework. • Ensure robust board and management oversight. • Provide accurate and transparent reporting of the company's financial performance. • Issue regular updates and bulletins on financial performance. • Develop the company's sustainability policy and governance framework. • Integrate ESG elements across operations of the Parent Company and its subsidiaries. • Establish business continuity and crisis management plans.
Employees	• E-mails • Mobile SMS and calls • Messaging applications (e.g., Viber, FB Messenger) • Memoranda, notices (electronic copy) • Online and face-to-face meetings • Annual performance appraisal • Employee engagement surveys • Quarterly town halls	• Work-life balance • Competitive compensation and benefits • Safe and secure workplace • Positive and healthy work culture • Employee health and wellness • Employee engagement • Training and development • Career progression • Recognition and incentives • Proper tools and equipment • Collaborative sessions / workshops • Employee cooperative	• Implement employee health and wellness programs (e.g., medical and mental teleconsultations, regular fitness activities). • Provide training, webinars, and opportunities for further studies (e.g., master's degree programs). • Offer employee recognition programs and incentives. • Construct new or rehabilitate existing offices and facilities, including IT infrastructure (hardware, software, and systems). • Promote volunteerism and community outreach opportunities for employees. • Integrate diversity, inclusion, gender equality, and equal opportunity principles into HR policies. • Establish employee grievance mechanisms and investigation committees. • Ensure competitive salary and benefits packages. • Strengthen company branding initiatives. • Utilize employee engagement scores and feedback for continuous improvement. • Implement flexible work arrangements based on job roles.
Customers/ Clients	• E-mails, letters • Online and face-to-face meetings • Mobile SMS and calls • Messaging applications (e.g., Viber, FB Messenger) • Feedback/Customer satisfaction surveys • Customer hotlines • Sending out hard print notices/flyers	• Competitive pricing • Quality products and services • Timeliness of deliveries • Fast and reliable customer service • Customer health and safety • Data privacy and security	• Offer goods and services at reasonable prices. • Conduct proactive consultations and alignment meetings. • Maintain a reliable customer service hotline and email. • Provide clear and timely updates or advisories (e.g., water interruption schedules, rehabilitation works, delivery delays). • Develop a data privacy and cybersecurity policy and practices • Make use of digital tools like customer portal to improve experience or communication. • Customer complaint escalation process and investigation • Quality and food safety certifications

Partners	• E-mails, letters • Mobile SMS and calls • Messaging applications (e.g., Viber, FB Messenger) • Dialogues, alignment/consultation meetings • Partnership agreement/contract	• Efficient and reliable operation/administration of business • Fast and efficient problem resolution • Regular coordination, alignment, and consultation • Compliance of the business to applicable regulatory requirements • Transparency and accountability • Business continuity • Crisis management	• Efficient management of stakeholder relationships. • Conduct proactive dialogues and consultation meetings. • Ensure compliance with all applicable laws, regulations, and business policies. • Uphold transparency and accountability in all dealings. • Foster mutual growth, innovation, and capacity-building initiatives.
Suppliers/Vendors/Third Party Service Providers	• E-mails, letters • Mobile SMS and calls • Messaging applications (e.g., Viber, FB Messenger) • Online and face-to-face meetings • Vendor selection/accreditation process • Letter of award/purchase order/engagement contract	• Efficient and transparent vendor selection process • Timely and accurate payment of products and services provided • Service level agreements (SLAs)	• Establish a Bidding and Awards Committee (BAC) to ensure a fair, transparent, and efficient procurement process. • Conduct orientations and briefings for vendors and suppliers on procurement policies and business requirements. • Organize competitive biddings, thoroughly review proposals and documentation, and ensure proper awarding and onboarding of suppliers/vendors. • Perform annual or periodic reviews of vendor and supplier performance. • Conduct regular supplier quality and food safety audits (for the Food Group). • Implement a Supplier Code of Conduct. • Integrate ESG criteria into the screening of vendors, suppliers, and third-party service providers. • Improve payment turnaround time for suppliers.
Communities	• E-mail, Letter • Mobile SMS and calls • Messaging applications (e.g., Viber, FB Messenger) • Community engagement dialogues • Face-to-face meetings	• Work opportunities for the community residents • Health and safety of the communities • Protection and conservation of the environment	• Promote employee volunteerism and implement Corporate Social Responsibility (CSR) initiatives. • Build partnerships with credible social development organizations, local government units (LGUs), academic institutions, civil society organizations, and sister companies within the Lucio Tan Group that share aligned CSR and sustainability goals. • Ensure compliance with all environmental regulations applicable to the communities where we operate. • Develop measurable community impact programs that address local needs (e.g., education, health, livelihood). • Establish monitoring and reporting mechanisms to track the effectiveness and outcomes of CSR initiatives. • Foster stakeholder engagement through regular consultations and transparent communication on community-related projects.

Government Agencies/Regulators and Local Government Units	• E-mails, letters • Notices, memoranda • Face-to-face meetings/ briefings/ • Dialogues	• Compliance to applicable regulatory requirements (e.g., business permits, etc.) for the parent company and subsidiaries • Transparency and accountability • Timely and accurate submission of reports	• Compliance to relevant laws, regulations, and policies that govern our business • Monitoring development of laws, policies, and regulations • Timely and accurate submission of requirements (e.g., permits and reports) • Proactive dialogues and consultation meetings • Transparency and accountability
Creditors and Lending Institutions	• E-mails, letters • Mobile SMS and calls • Messaging applications (e.g., Viber, FB Messenger) • Online and face-to-face meetings	• Compliance to loan agreement and debt covenants • Cash flow / ability to repay loans • Transparency	• Ensure compliance with loan agreements and debt covenants. • Make timely payments of all due amounts. • Maintain financial prudence and operational efficiency. • Conduct regular reviews of financial performance and obligations. • Strengthen liquidity management and maintain healthy cash flow to support operational and debt requirements.

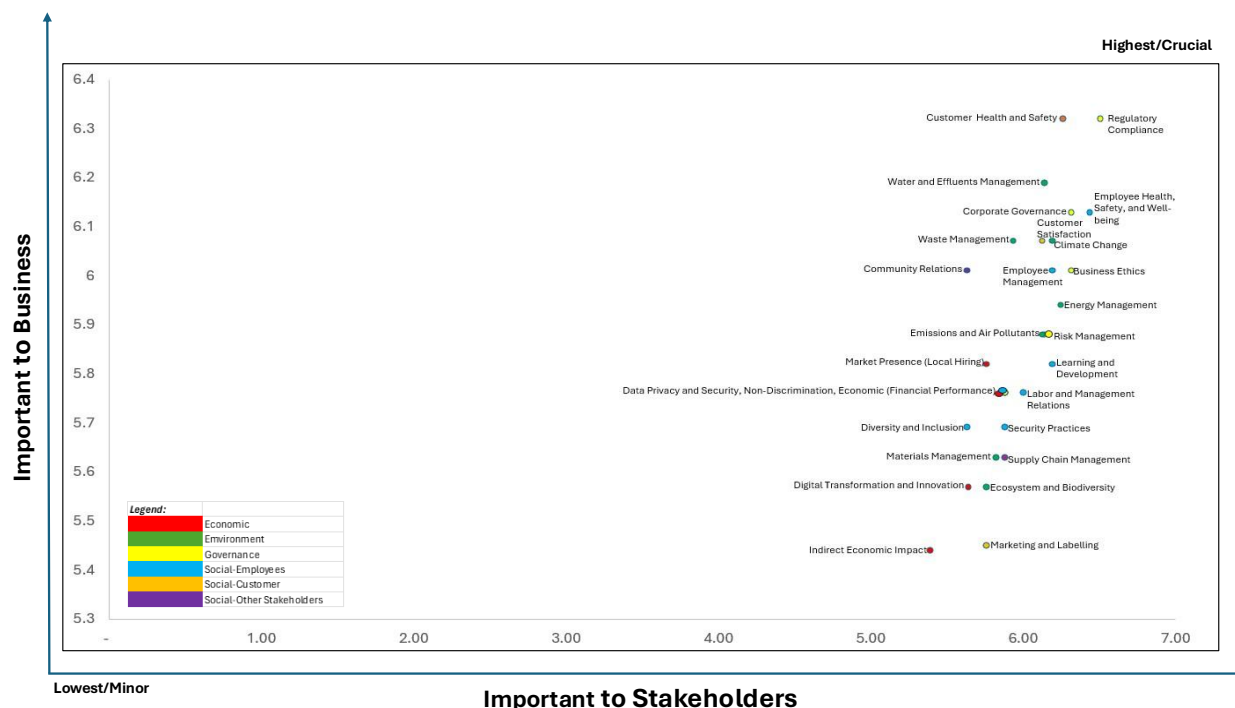
Material Sustainability Topics and Issues

GRI 3-1, 3-2

We updated our material ESG topics through a Group-wide survey in which business units were asked to evaluate the significance of each of the twenty-eight (28) ESG topics to both their operations and their stakeholders. This assessment allowed us to capture a clearer picture of the issues that most strongly influence our long-term performance, resilience, and stakeholder relationships.

Topic	ESG Category	Combined Scores	Ranking
Regulatory Compliance	Governance	6.42	1
Customer Health and Safety	Social	6.29	2
Employee Health, Safety, and Well-being	Social	6.29	3
Corporate Governance	Governance	6.23	4
Water and Effluents Management	Environment	6.17	5
Business Ethics	Governance	6.17	6
Climate Change	Environment	6.13	7
Employee Management	Social	6.10	8
Customer Satisfaction	Social	6.10	9
Energy Management	Environment	6.10	10
Emissions and Air Pollutants	Environment	6.01	11
Learning and Development	Social	6.01	12
Waste Management	Environment	6.01	13
Risk Management	Governance	6.01	14
Labor and Management Relations	Social	5.88	15
Non-Discrimination	Social	5.82	16
Direct Economic Value Generated and Distributed	Economic	5.82	17
Community Relations	Social	5.82	18
Data Privacy and Cybersecurity	Governance	5.82	19
Market Presence (Local Hiring)	Economic	5.79	20
Security Practices	Social	5.79	21
Supply Chain Management	Social	5.76	22
Materials Management	Environment	5.73	22
Ecosystem and Biodiversity	Economic	5.67	22
Diversity and Inclusion	Social	5.66	25
Marketing and Labeling	Social	5.61	25
Digital Transformation and Innovation	Governance	5.61	25
Indirect Economic Impact	Social	5.42	28

The resulting materiality matrix maps these topics according to their relative importance to business units and stakeholders. Topics positioned in the upper-right quadrant, those considered highly material by both groups, represent priority areas for our strategy, risk management, and resource allocation. Among these are Regulatory Compliance, Customer Health and Safety, Employee Health, Safety, and Well-Being, Corporate Governance, and Waste and Effluents Management. Their prominence underscores the critical need to uphold governance standards, protect the well-being of our workforce and customers, and maintain full adherence to regulatory requirements across our operations.



Beyond these priorities, we observed a significant rise in the importance assigned to environmental topics. Climate Change, Waste Management, Water and Effluents, and Energy Management emerged with elevated scores from both business units and stakeholders. Their positioning within the matrix reflects increasing expectations for environmental stewardship, operational efficiency, and climate resilience. This shift also highlights a stronger alignment between our internal priorities and broader sustainability commitments, particularly as environmental considerations become more integral to business continuity, regulatory compliance, cost management, and stakeholder trust.

Determining Financial Materiality

In late 2025, as part of our preparation for adopting the ISSB Standards, we conducted a second-level financial materiality assessment based on the ESG topics previously identified as material to the Group. For each topic, we evaluated the associated risks and opportunities using a structured rating methodology that assessed both the likelihood of occurrence and the potential impact on MacroAsia's strategy and financial position.

Through this framework, we generated Risk Scores by combining likelihood and impact ratings, and Opportunity Scores through a parallel assessment of each topic's feasibility and value-creation potential. This enabled us to quantify material ESG-related exposures and potential financial benefits, and to integrate these insights into strategic and operational decision-making. The results of this financial materiality assessment are annexed to this report.

In 2026, we will proceed with a third-level assessment, prioritizing topics classified as high- and medium-risk, as well as key opportunities across the short-, medium-, and long-term horizons, guided by the direction of the Board and Management.

Sustainability Reporting Scope, Boundaries, and Standards

Our Sustainability and ESG Performance report covers the Parent Company and its majority-owned subsidiaries.

We prepared this report with reference to the Global Reporting Initiative (GRI) 2021 Standards and in alignment with the sustainability reporting guidelines of the Philippine Securities and Exchange Commission (SEC) under Memorandum Circular No. 4, Series of 2019. The report also incorporates standards and metrics from the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD), while supporting the objectives of the United Nations Sustainable Development Goals (SDGs).

This year's report marks the beginning of our phased alignment with the ISSB Standards (IFRS S1 and IFRS S2), in preparation for the Philippine SEC's forthcoming mandate requiring publicly listed and large non-listed companies to disclose sustainability- and climate-related information starting in 2026. We are committed to progressively integrating ISSB-aligned disclosures in future reporting cycles.



Entities Covered in the Report

GRI 2-2

BUSINESS UNIT NAME	PERCENTAGE OF OWNERSHIP BY MAC		PERCENTAGE OF OWNERSHIP BY PARTNER
	Direct	Indirect	
AVIATION GROUP	First Aviation Academy (FAA)	51	PTC Holdings 49
	MacroAsia Air Services Corporation (MASCORP)	80	Konoike Transport Co. Ltd (Konoike) 20
FOOD GROUP	MacroAsia Catering Services (MACS)	67	Singapore Aiport Terminal Services, Inc. (SATS). 33
	MacroAsia SATS Food Industries Corporation (MSFI)	67	Singapore Aiport Terminal Services, Inc. (SATS). 33
	MacroAsia SATS Inflight Services Corporation (MSIS)	67	Singapore Aiport Terminal Services, Inc. (SATS). 33
IT SERVICES	Tera Information and Connectivity Solutions, Inc. (TERA)	100	_____
MINING	MacroAsia Mining Corporation (MMC)	100	_____
PROPERTY MANAGEMENT	MacroAsia Properties Development Corporation (MAPDC)	100	_____
WATER GROUP	Aqualink Resources Development, Inc. (ARDI)	_____	Maplecrest Group, Inc. 49
	Allied Water Services, Inc. (AWSI)	100	_____
	Boracay Tubi Systems, Inc. (BTSI)	_____	Phil-Water Exploration and Development Corporation 33
	Cavite Allied Konsult Services Corporation (CAKSC)	_____	Envirokonsult Equipment Services, Inc. 49
	Cavite Business Resources, Inc. (CBRI)	_____	_____
	Naic Water Supply Corporation (Naic Water/NWSC)	_____	_____
	SNV Resources Development Corporation (Solano Water/SNVDRC)	_____	_____
	Summa Water Resources, Inc. (SWRI)	_____	Mr. Jose Antinio A. Soler 40

Reporting Process

GRI 2-14

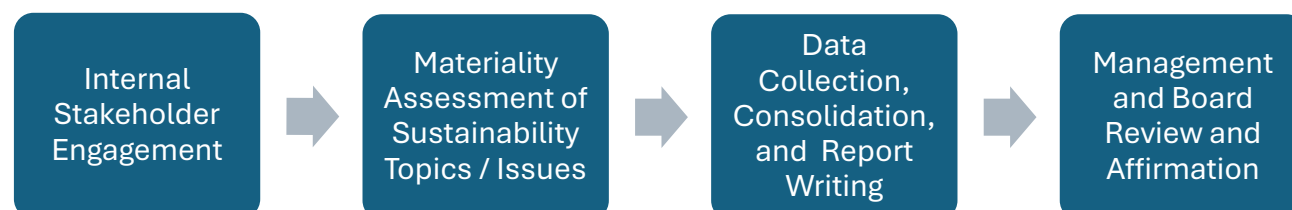
We adopt a structured and transparent process in preparing our Sustainability Report. This begins with orientation sessions for our subsidiaries, which include both high-level briefings and detailed

technical discussions to ensure a clear and consistent understanding of reporting requirements and expectations.

We then assess our material sustainability topics and issues, gather and validate ESG data across the Group, and consolidate this information into the draft report.

The draft undergoes a rigorous multi-level review and confirmation process involving the business units, the MAC Management Committee, the Corporate Governance Committee, and ultimately the Board of Directors.

The illustration below outlines the end-to-end process we follow in developing the report.



- Formally commenced the preparation of the 2025 MAC Integrated Annual and Sustainability Report with the ESG Point Persons and all Business Units through the MAC Sustainability Council to: - Present and discuss the results and key insights from the 2024 MAC Integrated Annual and Sustainability Report; and; - Review the reporting templates and communicate the timelines, milestones, and submission deadlines for the 2025 reporting cycle.	- Revisited the Group's material ESG topics and issues by conducting a materiality assessment survey using an MS Form - Conducted a second-level materiality assessment to evaluate the financial materiality of the identified ESG topics and issues - Prioritized the identified material ESG topics and issues across short-, medium-, and long-term time horizons for the company - Presented the identified ESG topics and issues of MAC (based on the first and second level of materiality assessments conducted) to Management and Board for approval	- Collected ESG data from business units on a quarterly basis and at year-end. - Conducted interview meetings with selected departments of identified business units. - Drafted and refined the report, and consulted with various MAC departments and business units for validation and inputs.	- The draft sustainability report underwent review and affirmation of its disclosures by the following: - Contributing subsidiaries and business units - MAC Management Committee - MAC Corporate Governance Committee - MAC Audit Committee - MAC Board of Directors
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In July 2025, we engaged Komunidad Global Ltd. Pte to develop an ESG data management system for the Group. Starting in 2026, this platform will support us in consolidating, monitoring, and assessing our sustainability data, enabling more reliable reporting and more informed decision-making.

Economic Performance

GRI 3-3, 201-1

We contribute to sustainable and inclusive growth by generating economic value and distributing it responsibly across our stakeholder groups. Our economic performance reflects our commitment to sound governance, operational resilience, and long-term value creation.

The economic value we generate supports national and local development priorities, including employment generation, tax contributions, supply chain stability, and community wellbeing. We provide competitive salaries and benefits that promote the financial security and overall welfare of our employees. We also fulfill all tax obligations in full and on time, contributing to public services and infrastructure development.

We maintain strong and reliable relationships with our suppliers, vendors, and third-party service providers through prompt and consistent payments, supporting their operational continuity and the broader economic ecosystem in which we operate. Our disciplined capital allocation strategy enables regular dividend distributions to shareholders, reinforcing investor confidence and sustained support for the Company.

In addition, we support and implement corporate social responsibility initiatives and employee volunteer programs that address social and environmental priorities and help improve the quality of life in the communities where we operate.

Through responsible and transparent economic stewardship, we ensure that the value we create delivers meaningful benefits to our stakeholders and supports balanced, sustainable development.

Direct Economic Performance per Business Segment

	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS		TOTAL	
Disclosure	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Direct economic value generated	4,271,454,976	4,175,896,916	4,930,198,084	4,414,552,616	823,830,841	751,887,982	737,543,911	1,138,167,474	10,763,027,812	10,480,504,989
Direct economic value distributed	4,280,847,731	3,981,098,605	4,606,036,011	3,933,757,898	774,994,262	704,210,636	761,215,967	641,095,719	10,423,093,971	9,260,162,857
- Operating costs	330,141,913	409,584,599	1,053,439,407	918,090,178	377,935,250	378,197,627	234,119,603	175,082,398	1,995,636,172	1,880,954,802
- Employee wages & benefits	1,719,763,221	1,570,853,611	812,096,917	720,407,020	142,659,760	110,286,789	255,151,595	201,194,388	2,929,671,493	2,602,741,808
- Dividends to stockholders	-	-	300,000,000	170,000,000	15,000,000	25,000,000	208,005,416	189,095,832	523,005,416	384,095,832
- Taxes to government	12,568,144	79,231,218	212,902,707	173,997,583	22,304,129	28,503,587	32,585,827	20,969,940	280,360,807	302,702,328
- Payments to suppliers	2,218,374,454	1,921,429,177	2,227,405,981	1,951,263,117	216,966,628	162,169,244	24,956,295	48,935,083	4,687,703,359	4,083,796,620
- Community investments	-	-	191,000	-	128,494	53,388	6,397,231	5,818,078	6,716,725	5,871,466
Direct economic value retained	-	9,392,755	324,162,073	480,794,719	48,836,579	47,677,347	23,672,056	497,071,755	339,933,841	1,220,342,132

Environmental Performance

We uphold responsible environmental stewardship across all aspects of our operations. This commitment guides our approach to sourcing materials, managing resources, and implementing operational practices. We strive to use resources efficiently, minimize waste and pollution, and advance our transition toward a low carbon economy through the integration of renewable energy solutions.

Recognizing that environmental stewardship is a shared responsibility, we engage our employees and stakeholders through continuous awareness initiatives that encourage sustainable practices and support our broader sustainability agenda.

To ensure effective environmental management and regulatory compliance across the Group, we have seventeen (17) Pollution Control Officers (PCOs). Our PCOs monitor environmental performance, oversee compliance with the Clean Air Act and Clean Water Act, prepare and submit required regulatory reports, and reinforce environmental policies and practices across the organization. In Boracay, BTSI assigns separate PCOs for its water and wastewater treatment operations to ensure specialized oversight and full compliance with local and national regulations.

POLLUTION CONTROL OFFICERS		
BUSINESS SEGMENT	Y2025	Y2024
Aviation Group	3	3
Food Group	3	3
Water Group	13	12
Other.*	1	1
Total	17	22

**Includes MAC HO, MAPDC, TERA, and MMC*

Resource and Environmental Impact Management

Energy and Emissions

GRI 3, 302-1, 302-2, 302-3, 305-1, 305-2, 305-4, 305-7
SDG 7

We source electricity from external utility providers to power our offices, facilities, and operations, while fuel for our fleet, equipment, and aircraft is procured directly from major suppliers.

To reduce energy consumption, operating costs, and emissions, we have transitioned to LED lighting across our offices, kitchens, plants, and other facilities. We maintain standard air-conditioning temperatures in office areas and replace outdated or damaged appliances and equipment with energy-efficient models. We also implement regular preventive maintenance programs for company vehicles, delivery and refrigerated trucks, industrial kitchen equipment, boilers, commercial refrigeration units, chillers, HVAC-R systems, and water treatment pumps and motors to help ensure optimal performance and energy efficiency.

Within the Water Group, particularly among units supplying potable water, we further reduce electricity use through energy-saving technologies such as Variable Frequency Drives (VFDs) and soft starters. These devices regulate pump frequency, prevent power surges during start-up, and improve pumping efficiency, resulting in lower electricity consumption and reduced associated emissions. In our desalination operations, Pressure Exchanger technology is utilized to recover hydraulic energy from high-pressure reject brine and transfer it to low-pressure feedwater, substantially reducing the energy demand of seawater reverse osmosis systems. This innovation lowers operating costs, reduces greenhouse gas emissions, minimizes the environmental footprint of water production, and supports MAC's commitment to sustainable resource management.

Our water subsidiaries also prioritize high-efficiency pumps, match pumps and motors to ensure optimal operation, perform regular deep-well maintenance to prevent mechanical strain and unnecessary energy use, monitor system performance, adopt energy-efficient technologies, and follow preventive maintenance schedules to sustain reliable operations while minimizing environmental impact.

In 2025, the Food Group transitioned three (3) kitchens to geothermal power supplied by First Gen Corporation. In the first four (4) months of the transition, our Food Business Units avoided a total of 3,326.76¹ of equivalent carbon dioxide (tCO₂e) while delivering long-term cost efficiencies. MSIS also undertook major repairs and refurbishments of its chillers, hot kitchens, and lighting systems to further enhance operational efficiency and reduce emissions.

Our ground-handling subsidiary, MASCORP, has begun to progressively replace its GSEs at the Mactan–Cebu International Airport as part of its broader strategy to reduce fuel consumption and emissions. To date, 9.4% of its Cebu fleet has been converted to electric GSEs, including baggage tractors, lower-deck loaders, and belt-loader conveyors.

Our water business unit in Boracay, BTSI, has started using solar powered lighting across its premises, particularly along its perimeter fence, reducing dependence on the grid for facility maintenance and security lighting. Building on this initial deployment, BTSI is developing a second phase initiative involving utility scale solar harvesting. The proposed installation of high-efficiency photovoltaic (PV) systems is intended to offset the energy requirements of core pumping operations. Expected benefits include lower peak hour electricity costs, reduced Scope 2 emissions from the use of clean energy, and improved resilience amid fluctuating power rates and grid instability.

Across all business units, we manage and mitigate emissions and air pollutants by performing routine preventive maintenance and conducting regular emissions testing for company fleets, GSE, industrial boilers, chillers, and generator set to ensure compliance with national air-quality standards. We also limit the use of generator sets to essential situations, decommission aging units, and rehabilitate or replace older equipment to enhance environmental performance and maintain regulatory compliance.

While FAA does not conduct annual emissions testing specifically for aircraft engines used in pilot training, our aircraft are governed by stringent airworthiness standards that indirectly address emissions. Regular inspections, engine overhauls, adherence to manufacturer-mandated

¹ Total emissions avoidance includes the 73.8% share of MSIS calculated at 840,80 tCO₂e based on the energy payment share with Philippine Airlines (PAL) who owns the Inflight Catering Center in Pasay City.

maintenance schedules, and compliance with aviation-regulator requirements ensure optimal combustion performance, efficient fuel burn, and avoidance of excessive smoke or pollutant release. These measures collectively contribute to responsible management of aircraft-related emissions within FAA's training operations.

We also implement a trip-maximization policy to optimize fuel consumption through efficient vehicle routing and cost-effective delivery and travel planning. Fuel use per trip is regularly monitored, and virtual meetings are prioritized whenever possible to avoid unnecessary travel.

Employee awareness remains central to promoting energy conservation. We reinforce energy-saving habits through continuous reminders communicated via emails, office memos, and posted notices, encouraging employees to switch off lights, equipment, and devices during breaks or when not in use.

Fuel Consumption per Business Segment (in liters)

BUSINESS SEGMENT	Y2025					Y2024				
	DIESEL	GASOLINE	LPG	LSFO	AVIATION GASOLINE	DIESEL	GASOLINE	LPG	LSFO	AVIATION GASOLINE
Aviation Group	1,409,223	-	-	-	127,865	1,771,956	-	-	-	157,324
Food Group	1,005,386	-	158,473	147,325	-	944,259	-	151,092	184,612	-
Water Group	134,412	101,050	-	-	-	838,287	66,892	-	-	-
Others*	9,137	265	-	-	-	5,332	256	-	-	-
TOTAL	2,558,158	101,315	158,473	147,325	127,865	3,559,834	67,148	151,092	184,612	157,324
GRAND TOTAL	3,093,136					4,120,010				

*Includes MAC HO, MAPDC, TERA, and MMC

Energy Consumption by Business Segments (in kWh)

BUSINESS SEGMENT	Y2025				Y2024		
	GRID ELECTRICITY (KWh)	RENEWABLE ENERGY (kWh)	TOTAL ELECTRICITY (kWh)	% RENEWABLE	GRID ELECTRICITY (KWh)	RENEWABLE ENERGY (kWh)	TOTAL ELECTRICITY (kWh)
Aviation Group	901,487	-	901,487	0%	809,913	-	809,913
Food Group	14,136,557	6,112,447	20,249,004	30%	22,073,783	-	22,073,783
Water Group	13,194,454	-	13,194,454	0%	12,220,619	-	12,220,619
Others*	187,656	-	187,656	0%	137,855	-	137,855
	28,420,153	6,112,447	34,532,601	18	35,242,170	-	35,242,170

*Includes MAC HO, MAPDC, TERA, and MMC

In 2025, the Group recorded a significant 25% reduction in total fuel consumption, decreasing from 4.12 million liters in 2024 to 3.09 million liters. This improvement reflects the Group's continuing efficiency efforts, supported by operational enhancements and resource optimization across business segments.

Of the total 3,093 million liters consumed in 2025, the Food Group accounted for the largest share of diesel, LPG, and LSFO usage, driven by the expansion of its inflight catering operations and the growing number of commercial and industrial clients. Meanwhile, the Water Group registered a substantial decline in diesel consumption, primarily due to one SWRI project that previously ran on diesel in 2024 but shifted to grid-supplied electricity in 2025.

Additionally, the Group's total electricity consumption decreased to 34.53 million kWh from 35.24 million kWh in 2024, reflecting an overall 2% reduction year-on-year. This decline was supported by continued efficiency measures across business segments and the integration of renewable energy sources, particularly within the Food Group. The shift contributed to lower grid electricity dependence and improved energy performance across operations.

Direct Scope 1 Emissions Generated by Business Segments²

BUSINESS SEGMENT	Y2025						Y2024					
	DIESEL (tCO ₂)	GASOLINE (tCO ₂)	LPG (tCO ₂ e)	LSFO (tCO ₂)	AVIATION GASOLINE (tCO ₂)	TOTAL SCOPE 1 FUEL (tCO ₂)	DIESEL (tCO ₂)	GASOLINE (tCO ₂)	LPG (tCO ₂ e)	LSFO (tCO ₂)	AVIATION GASOLINE (tCO ₂)	TOTAL SCOPE 1 FUEL (tCO ₂)
Aviation Group	3,777	-	-	-	281	4,058	4,749	-	-	-	346	5,095
Food Group	2,694	-	242	439	-	3,376	2,531	-	231	550	-	3,312
Water Group	360	271	-	-	-	631	2,247	179	-	-	-	2,426
Others*	24	1	-	-	-	25	14	1	-	-	-	15
TOTAL	6,856	272	242	439	281	8,090	9,540	180	231	550	346	10,848

*Includes MAC HO, MAPDC, TERA, and MMC

The table above summarizes the Group's Direct (Scope 1) fuel emissions for 2025 and 2024 across all business segments. Emissions were calculated based on fuel consumption in liters and converted to CO₂ using standardized EPA/IPCC-aligned emission factors.

In 2025, the Group's total Scope 1 emissions decreased to 8,090 tCO₂ from 10,848 tCO₂ in 2024, representing a 25% year-on-year reduction. The decline reflects lower fuel consumption across business segments, operational efficiencies, and the transition of certain facilities such as one (1) Water Group project from diesel-powered operations to grid electricity.

² Direct Scope 1 fuel emissions were calculated using activity data (liters) multiplied by EPA/IPCC-aligned CO₂ emission factors expressed on a per-liter basis. The following factors were applied consistently across the Group: diesel — 0.00268 tCO₂/L, gasoline — 0.00232 tCO₂/L, LPG — 0.00153 tCO₂/L, LSFO — 0.00298 tCO₂/L, and aviation gasoline — 0.00220 tCO₂/L. These factors are derived from fuel carbon-content values published by the U.S. EPA and EIA, which follow IPCC 2006 Guidelines for national GHG inventories. For consistency and comparability, the 2024 Direct Scope 1 fuel emissions was recalculated using the same emissions factors.

Indirect Scope 2 Emissions Generated by Business Segments³

BUSINESS SEGMENT	Y2025		Y2024
	LOCATION-BASED (DOE NGEF) tCO ₂	MARKET-BASED (FGEN) tCO ₂	LOCATION-BASED (DOE NGEF) tCO ₂
Aviation Group	456	-	409
Food Group	7,167	564	11,191
Water Group	6,690	-	6,196
Others*	95	-	70
TOTAL	14,408	564	17,866

*Includes MAC HO, MAPDC, TERA, and MMC

This table summarizes the Group's Indirect (Scope 2) electricity emissions for 2025 and 2024. Location-based emissions were calculated using the Department of Energy (DOE) National Grid Emission Factors, while market-based emissions reflect supplier-specific data from First Gen Corporation for the renewable electricity sourced by the Food Group.

In 2025, total location-based Scope 2 emissions amounted to 14,408 tCO₂, with an additional 564 tCO₂ reported under the market-based method. In comparison, 2024 location-based emissions totaled 17,866 tCO₂, prior to the Food Group's transition to geothermal energy supply.

The Group achieved a reduction of 19% in location-based Scope 2 emissions in 2025, driven by lower grid electricity consumption across business segments and increased use of renewable energy, particularly within the Food Group.

Other Significant Air Emissions per Business Segment

BUSINESS SEGMENT	TYPE OF AIR EMISSIONS	QUANTITY	UNIT OF MEASURE	SOURCES
Aviation Group	Carbon Monoxide(CO ₂)	52,328.35	grams	Aircraft and transportation
	Tetraethyllead	156,522.21	grams	
Food Group	Particulate Emissions (by M5) Concentration	4.50	mg/Ncm	Boilers and Generator Sets of MSFI, MSIS, and MACS
	Sulfur Oxides Emissions as SO ₂	439.80	mg/Ncm	
	Nitrogen Oxides Emissions as NO ₂	947.00	mg/Ncm	
	Carbon Monoxide Emissions	124.80	mg/Ncm	
	PM10 (Particulate Matter 10 micrometers or less)	5.29	mg/Ncm	
	Particulate Emissions	48.00	mg/Ncm	
Water Group	NOx (Nitrogen Oxides)	2.65333	tons	Generator units of the water and wastewater treatment plants of BTSI
	SOx (Sulfur Oxides)	0.000032	tons	
	PM (Particulate Matter)	0.18796	tons	
	CO (Carbon Monoxide)	0.52973	tons	
	VOC (Volatile Organic Compounds)	0.25893	tons	
Others*				

*mg/Ncm / Milligrams per Normal Cubic Meter

³ Location-based Scope 2 greenhouse gas emissions were calculated using the Department of Energy (DOE) National Grid Emission Factors (NGEF) applicable to the reporting year. The emission factors applied were 0.507 tCO₂/MWh for the Luzon-Visayas grid and 0.468 tCO₂/MWh for the Mindanao grid, which represent the average emissions intensity of electricity generated and supplied through the national grid. Market-based Scope 2 emissions data for geothermal energy consumption are provided by First Gen Corporation, as indicated in the corresponding Renewable Energy (RE) certificates issued to MSFI, MACS, and Philippine Airlines, Inc. for MSIS.

Water and Effluents

GRI 303-1, 303-2, 303-3, 303-4, 303-5

SDG 6

Across our operations, we source water from both primary water bodies and external utility providers to support office activities, food production, and community water service delivery. At the MAC Head Office and other non-water subsidiaries, we use utility-supplied water primarily for sanitation, dishwashing, office cleaning, and indoor plant maintenance. Within our Food Business Units, water is essential for cooking, washing food ingredients, and cleaning kitchen premises, tools, and equipment.

Our Water Business Units draw and treat water from the Maragondon River, the Magat River, and rivers in Aklan for distribution to communities in Maragondon (Cavite), Solano (Nueva Vizcaya), and Boracay (Aklan). We also provide treated bulk water to private clients and government institutions in Bulacan, Iloilo, Bacolod, Albay, and Bataan. In addition, we extract and treat groundwater from deep wells to supply households and commercial establishments in the greater Cavite area.

In the event of water disruptions in our areas of operation, ARDI, BTSI, and NWSC deploy water tankers to provide emergency supply to affected communities. Through SWRI, we also mobilize a truck-mounted mobile water treatment plant that can be rapidly deployed to serve emergency, interim, or remote water needs, particularly during typhoons or natural calamities such as the volcanic eruption of Mt. Kanlaon in Bacolod in 2025. These capabilities enable the quick provision of potable water during supply interruptions, enhance operational flexibility, and expand our service offerings.

To strengthen long-term water security and diversify our sourcing portfolio, we are preparing to draw seawater for our upcoming desalination projects. These facilities will convert seawater into potable water for underserved communities in Poro Point, La Union, and in Olango and Punta Engaño, Cebu. Once operational in 2026, these projects will enhance our capacity to provide reliable water access, particularly in coastal and tourism-dependent areas.

Group Water Withdrawal, Discharge, and Consumption (in megaliters)

BUSINESS SEGMENT	WATER SOURCE	WATER WITHDRAWN		WATER DISCHARGED		WATER CONSUMED		WATER RECYCLED	
		2025	2024	2025	2024	2025	2024	2025	2024
Aviation Group	External Utility Provider	71	75	63	Not Measured	8	Not Measured	-	-
Food Group	External Utility Provider	311	443	122	129	190	313	33	40
Water Group	Ground	18,874	17,689	Not Measured	Not Measured	13,068	15,361	113	146
	Surface	9,131	7,024	362	964	4,646	3,901		
	External Utility Provider	31	1	Not Measured	4	31	Not Measured		
Others*	External Utility Provider	150	191	113	Not Measured	Not Measured	Not Measured	-	-
TOTAL		28,567	25,423	660	1097	17,943	19,575	146	186

*Includes MAC HO, MAPDC, TERA, and MMC

We implement measures across our facilities to conserve water and minimize losses from leaks and unnecessary consumption. Our year-round preventive maintenance program includes regular inspection of pipes, fittings, and equipment, prompt repair or replacement of worn components, and the installation of water-efficient fixtures to help ensure uninterrupted supply. At the MSFI

commissary in Muntinlupa City, we also secure continuous service by sourcing water from both SWRI, one of our Water Business Units and Maynilad, with current supply shares at approximately 60% and 40%, respectively.

Our Water Business Units undertake systematic initiatives to reduce water loss, improve distribution efficiency, enhance measurement accuracy, and strengthen long-term asset reliability. These include routine inspections, leak detection and repair, zero-pressure testing, meter testing and calibration, valve assessments, night-flow monitoring, pressure management, and the transition from mechanical to electromagnetic flowmeters to improve operational accuracy. Network reliability is further maintained through the use of high-quality materials, zoning and surveillance to prevent illegal connections, the installation of District Metering Areas (DMAs), and continuous water quality monitoring. Data-driven processes and advanced technologies support these initiatives, contributing to system resilience and long-term sustainability.

Safeguarding water quality and public health is central to our operations. We operate advanced filtration systems that remove suspended solids, pathogens, and other contaminants prior to disinfection and distribution. These technologies help ensure compliance with national water quality standards, prevent public health risks, and reinforce consumer confidence in the safety and reliability of our water supply.

We remain fully compliant with wastewater regulations, which guide how we monitor and manage water quality across our operations. To support this compliance, our facilities conduct routine operational checks and coordinate with DENR-accredited laboratories for periodic sampling and analysis. Any variations from regulatory limits prompt immediate investigation and corrective action. Preventive maintenance, operator training, and continuous process improvements further reinforce the reliability and efficiency of our wastewater systems. As a result, treated effluent across our operations consistently meets the standards set by both the DENR-EMB and the Laguna Lake Development Authority (LLDA).

Across our subsidiaries, wastewater management practices are tailored to the unique requirements of each operating environment. The Food Business Units operate Sewage Treatment Plants (STPs) that treat wastewater before discharge into the Sucat and Tripa de Gallina Rivers, which flow into Laguna de Bay.

With Boracay classified as a highly sensitive tourist area, our subsidiary BTSI ensures that all discharged effluent meets the stringent Class SB⁴ standards for marine waters, making treated effluent suitable for recreation and sensitive marine life. In Boracay and various areas in Cavite, BTSI and CAKSC ensure that wastewater from households and commercial clients complies with regulatory requirements before being released into local waterways. Within the Subic Bay Freeport Zone, FAA channels its effluent to the SBMA Ecology Center for proper treatment and subsequent discharge into designated water bodies.

To reduce freshwater withdrawals and minimize wastewater discharges, we maximize the reuse of treated water across our operations. MAPDC recycles reclaimed water for landscaping within the Villamor Air Base ecozone. MSIS reprocesses rejected reverse osmosis (RO) water for operational use, recovering approximately 30% of every 100% water input in the RO system. In Boracay, BTSI utilizes treated wastewater to irrigate the golf course, reducing its reliance on

⁴ Class SB refers to clean marine waters suitable for swimming, beach activities, tourism, and fish spawning, with more stringent water-quality standards because they are used for recreation and sensitive marine life.

freshwater sources. In 2025, MSIS reprocessed 33.216 megaliters of rejected RO water, while BTSI reused 303.43 megaliters of treated wastewater.

We promote responsible water use across the Group through internal communications, reminders, and operational guidelines. Our Water Business Units reinforce this advocacy among customers through social media, roadshows, printed materials, and mechanisms that encourage the reporting of leaks, water quality concerns, and service issues. We also advocate for the reuse of treated water for toilet flushing, gardening, and equipment or vehicle washing where feasible.

Materials Used and Managed

GRI 301-1

SDG 12

We use both renewable and non-renewable materials across our operations, with specific materials varying by business activity. We aim to manage these resources efficiently to reduce waste, generate cost savings, and minimize environmental impact.

Most raw materials for our Food Group are sourced locally, with certain imported items used for specialized airline menus. During temporary supply shortages, we provide substitute products with client approval. Through MACS, we hold a bonded warehouse license that allows us to import raw materials without duties or taxes, provided the finished products are re-exported to our airline clients.

To strengthen our commitment to sustainability and align with partner and client expectations, our Food Group now sources key ingredients such as poultry, eggs, beef, pork, and fresh produce from certified sustainable or responsible suppliers for both inflight and commercial catering operations. We are also working to minimize plastic use and adopt environmentally friendly, food-grade packaging materials.

Our Water Group sources chemicals locally for water and wastewater treatment, including chlorine, disinfectants, coagulants, flocculants, pH adjusters, odor and foam control agents, and sludge conditioners. We also use durable and recyclable materials for pipelines, pumps, and treatment equipment to extend asset life and reduce waste generation.

Material use in our Aviation Group is driven largely by fuel consumption for ground service equipment (GSE) and aircraft used in pilot training (please see table on Fuel Consumption per Business Segment). Paper also remains a commonly used material across the Group.

Materials Used/Consumed per Business Segment (in Metric Tonnes)

2025 MATERIALS USED / CONSUMED					2024 MATERIALS USED / CONSUMED				
BUSINESS SEGMENT	RENEWABLE MATERIALS		NON-RENEWABLE MATERIALS		BUSINESS SEGMENT	RENEWABLE MATERIALS		NON-RENEWABLE MATERIALS	
	Type of Material	Quantity	Type of Material	Quantity		Type of Material	Quantity	Type of Material	Quantity
AVIATION GROUP	Office Paper	16.3 MT	Fuel (aircraft, GSEs)	1,402,000.06 Liters	Aviation Group	Paper	303.5 MT	Fuel (aircraft, GSEs)	109 ML
FOOD GROUP	Office Paper	9 MT	Chemicals (Detergents, sanitizers, etc.)	2,420 Liters	Food Group	Meat (Beef, Pork Chicken, etc.)	1,438 MT		
	Meat & Seafood	1,994.0 MT	Aluminum Food Packaging	111,000 pcs.		Fruit (Apple, Lemon, Banana, Kiwi, etc.)	584.1 MT		
	Fruit	720.1 MT				Vegetables	580 MT		
	Vegetables	1,707.9 MT				Seafood (Shrimp, Fish, Prawn etc.)	1,86.9 MT		
	Paper Food Packaging	117,700 pcs.				Grains and Grain Product (Rice, Flour, etc.)	201.3 MT		
	Wooden Cutlery & Utensils	520,000 pcs.				Paper	17.8 MT		
WATER GROUP	Reusable Chlorine Drum	24 Units	Mechanical & Pumping Systems (Pumps, Motors, Valves, etc.)	14,385 Units	WATER GROUP	Paper	4.90 MT	Chemicals (Chlorine, Polymer, Aluminum Sulfate, etc.)	9919 ML
			Chemicals and Water Treatment (Chlorine, Coagulant, Polymer, etc.)	107.4 MT					
			Hardware, Fasteners & Tools (Teflon Tape, Tie Wire, Clamp Meter, etc.)	6,439 Units					
			Paint & Coatings (Epoxy Primer, Enamel Paint, etc.)	361.33 Liters					
			Safety Supplies (Safety Gloves, Caution Tape, etc.)	31 Units					
			Pipeline Materials	7,622 Units					
			Civil & Construction Materials	1,129 Units					
OTHERS			Vehicles & Automotive	20 Units	OTHERS	Paper	0.2429 MT	Paint	0.3936 ML
	Office Paper	0.31 MT	Office Supplies & Equipment	0.016 MT					
	Envelope	0.08 MT	Cleaning Agents	24 Liters					
	Tissue	0.06 MT	Inks & Toners	190 Liters					
	Biodegradable Trash Bags	0.6 MT	Bonsai Table	0.001 MT					
			Executive Chairs	0.048 MT					
			Paint	410 Liters					
			Concrete	1.42 MT					
			Fuel (Company Vehicles)	8,016.69 Liters					

*Includes MAC HO, TERA, MAPDC and MMC.

Wastes Generated

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Across the Group, we regularly share reminders on proper waste segregation and disposal through e-mails, group chats, and bulletin postings. We also provide clear waste-disposal guidelines and designated bins to support consistent compliance. In addition, we encourage business units to practice recycling and use resources efficiently and responsibly to minimize wastage and uphold sound resource-management practices.

In July 2025, we launched an enhanced waste-management campaign at the Makati Head Office to strengthen practices and increase employee awareness. The program included pocket learning sessions, building-wide audiovisual reminders, and the installation of dedicated bins for food waste, paper, plastic, and general refuse. Plastic takeout bags are now rinsed and collected separately by an accredited hauler. This initiative improved visibility of proper waste segregation and helped embed responsible disposal habits into daily office routines, with plans to expand to other business units.

Within our Food Group, we generate substantial volumes of food waste, packaging materials, grease, and used cooking oil from daily kitchen and commissary operations. Food waste consists primarily of fruit peels and vegetable trimmings, meat and poultry by-products, preparation scraps, and plate leftovers. Packaging waste includes plastic containers, vinyl gloves, plastic sleeves and aprons, plastic curtains, and cardboard boxes from ingredient deliveries. Grease and used cooking oil naturally accumulate from routine food preparation and cooking.

To ensure responsible handling of these streams, we engage accredited waste haulers for collection and compliant disposal. These haulers also purchase food waste, grease, and used cooking oil for conversion into organic fertilizer and biofuel. This waste-to-resource arrangement supports our circularity efforts while generating incremental income. Proceeds from these sales are deducted from the Food Group's waste-hauling invoices. In 2025, MSIS realized cost savings amounting to an estimated Php 360,000.00

Meanwhile, our Water Group generates waste from packaging materials, repair and maintenance activities, and by-products from bill processing. Old pipes, scrap materials, and office waste also contribute to the total volume. In 2025, our OEM water business unit, SWRI, generated additional waste from construction, installation, and maintenance activities, particularly during site development, equipment installation, and occasional demolition works. To manage these streams, we recover, recycle, and repurpose materials where feasible, ensure that hazardous wastes are turned over exclusively to DENR-accredited haulers for proper treatment and disposal, and continuously improve operational efficiency to keep waste generation low and responsibly managed.

In addition, our wastewater treatment operations utilize advanced stabilization processes to convert raw septage into non-hazardous, nutrient-rich biosolids. These residuals are subsequently distributed for beneficial reuse as soil conditioners, supporting local agricultural and land reclamation projects. In 2025, BTSI treated 4,221.30 cu. m of septage sludge, producing 211 cu.m of biosolids, while CAKSC generated 11,718.90 cubic meters of septage, which was converted into 351.6 cubic meters of biosolids.

FAA engages a waste hauler accredited by both the DENR and SBMA for its disposal requirements. MAPDC consolidates yard, solid, and hazardous wastes at LTP's Hazardous Materials Facility, where these are subsequently transported by a PEZA-registered hauler. It also reuses old and empty containers, after thorough washing, as plant pots, makeshift pails for comfort rooms, and for gardening, among other uses.

Across all business units, hazardous wastes are routed exclusively through DENR- or LGU-accredited haulers in accordance with applicable regulations. Electronic wastes (e-waste) such as decommissioned laptops and computer peripherals are segregated and temporarily stored until they can be turned over to accredited e-waste recyclers or haulers for proper disposal or delivered to a DENR-accredited materials recovery facility.

In 2025, we generated a total of 3,575 metric tonnes of solid non-hazardous waste, consisting largely of residual and food waste. Of this total, 38.5% (1,377 MT) was directed to landfill, while 61.5% (2,199 MT) was diverted from landfill through onsite recycling and other recovery methods. In addition, we recorded 428 metric tonnes of non-hazardous waste from other operations.

MASCORP, with support from the Parent Company, also generated ₱2,127,137.40 in income from the sale of 98,529 kilograms of recyclables diverted from landfill. These materials included metal scraps, old tires, used parts, packaging materials, assorted batteries, container drums, and other recoverable solid waste. The proceeds were recognized as Other Income in the business unit's financial statements.

Common Types of Wastes Generated		Y2025				Y2024			
NON- HAZARDOUS WASTE		AVIATION GROUP	FOOD GROUP	WATER GROUP	OTHERS*	AVIATION GROUP	FOOD GROUP	WATER GROUP	OTHERS*
Diverted from Disposal (via composting, recycling, upcycling, or repurposing by the company)	Various Office Wastes (e.g., paper, etc.)	44	-	-	-	-	57	<1	-
	Food Wastes, other Biodegradables (biosolids, etc.)	-	667	743	-	-	-	-	-
	Recyclables, Metal Scraps, Plastics, Construction Debris, Cardboard Boxes, Tin Cans, etc.)	-	-	745	-	-	-	18	-
Directed to Disposal (via external service provider for other recovery method, landfilling, and other disposal method)	Various Office Wastes (e.g., paper, etc.), Residuals	2	356	1	-	119	-	-	-
	Food Wastes, other biodegradables	1	896	1	<1	-	1,218	<1	-
	Recyclables, Metal Scraps, Plastics, Cardboard Boxes, Tin Cans, Bottles, etc.)	-	119	<1	<1	-	77	<1	-
SUBTOTAL		47	2,038	1,490	<1	119	1,352	18	-
TOTAL		3,575				1,489 ⁵			
HAZARDOUS WASTE		AVIATION GROUP	FOOD GROUP	WATER GROUP	OTHERS*	AVIATION GROUP	FOOD GROUP	WATER GROUP	OTHERS*
Diverted from Disposal (via an external service provider by preparation for reuse, and energy recovery)	Used Industrial / Cooking Oil, Sludge, Grease	-	368	-	-	-	-	-	-
Diverted to Disposal (via an external service provider for landfill or other disposal method)	Chemicals and chemical compounds	-	-	<1	-	<1	-	-	-
	Used Industrial / Cooking Oil, Sludge, Grease	8		<1		2	87	<1	
	Oil Contaminated Materials	-	2	-	-	<1	2	<1	-
	Empty Chemical Containers, Empty Used Oil Drums	-	-	19	-	10	-	<1	-
	Waste Electrical and Electronic Equipment (WEE), Batteries, Old Tires, Old Parts	28	<1	<1	-	2	<1	<1	-
	Busted, broken lights	-	3		-	-	<1	-	-
	Household and commercial hazardous such as paints, thinners, spray canisters, etc.	-	-	<1	-	-		<1	-
SUBTOTAL		36	373	19	-	14	89	0	-
TOTAL		428				103			

*Includes MAC HO, MAPDC, TERA, and MMC

⁵ The finalized 2024 non-hazardous waste figure is 1,489 MT. This update reflects the results of our routine data refinement and reconciliation process, which incorporates more complete and validated information from reporting units.

Biodiversity and Ecosystem Management

GRI 3-3, 101-1, 101-2

SDG 14, 15

We recognize that biodiversity and healthy ecosystems are essential to the sustainability of our business and the well-being of the communities we serve. Our commitment to environmental responsibility includes proactive measures to protect and enhance biodiversity, mitigate operational impacts, and ensure strict compliance with environmental laws and regulations. We implement conservation and restoration initiatives and ensure that all resource extraction activities remain within approved limits.

BTSl: Boracay Island, Aklan

In Boracay Island, where our water supply and wastewater treatment operations interface with both terrestrial and marine ecosystems, BTSl works closely with government agencies in support of the island's designation as a Water Quality Management and Conservation Area (WQMACA). We maintain strict compliance with local environmental standards, particularly given the ecological sensitivity of the island.

We have adopted Wetland No. 6, Boracay's largest wetland, for long-term conservation and sustainable management. Since 2018, we have conducted annual cleanup drives and mangrove-planting activities as part of our stewardship efforts. To date, a total of 3,00 mangroves has been planted in Wetland No. 6, including 400 planted in 2025. While a boardwalk was initially constructed to support controlled ecotourism and enhance environmental awareness, we are reassessing this feature in line with our priority to safeguard wildlife and preserve the ecological integrity of the wetland.

For 2025, there were no reported negative impacts on biodiversity associated with our operations in Boracay. BTSl apply multi-stage Environmental Impact Assessment (EIA) and site-selection framework to ensure that each of our facilities, from planning and design to construction and operation, is geologically stable, socially responsible, and ecologically sustainable. As part of this process, BTSl also conducts stakeholder consultations to gather input, address local concerns, and strengthen community alignment.

We continue to implement measures to responsibly manage potential biodiversity risks on the island. These include proactive habitat conservation efforts aimed at protecting surrounding ecosystems, along with sustainable resource-management practices that prevent over-extraction and minimize ecological stress. Where impacts cannot be fully avoided, we biodiversity-offsetting initiatives that contribute to habitat restoration and enhancement. We also collaborate closely with relevant government agencies to maintain regulatory compliance and support broader conservation and biodiversity-protection programs in Boracay.

MMC: Brooke's Point, Palawan

Our Mineral Production Sharing Agreement (MPSA) area in Brooke's Point covers three (3) barangays. Based on our latest ECAN zoning overlay, the portion classified under the Measured Mineral Resource Category lies in the Controlled Zone, where mining may be permitted subject to stringent environmental and regulatory requirements. All mine planning and site development activities are aligned with the Strategic Environmental Plan (SEP) for Palawan, the Philippine Mining Act (RA 7942), and all applicable national and local environmental regulations.

In 2025, no environmental disturbances were recorded within the project site, as mining development and commercial operations had not yet commenced. While the project remained in

the pre-development phase, we continued to uphold our commitment to full compliance with the Philippine Mining Act, environmental permitting requirements, and the conditions outlined in our approved work programs.

Throughout the year, we focused on securing the necessary permits, clearances, and regulatory approvals in preparation for full project implementation. In compliance with regulatory requirements, we developed and submitted our Environmental Protection and Enhancement Program (EPEP) and Final Mine Rehabilitation/Decommissioning Plan (FMR/DP) to the Mines and Geosciences Bureau (MGB) and was approved on 04 August 2025.

The EPEP is a comprehensive, life-of-mine environmental management plan that defines our environmental objectives, performance indicators, mitigation measures, and rehabilitation strategies. It serves as the foundation for our Annual EPEPs and provides the operational link between the environmental management provisions of DAO 2010-21 and the conditions set in our Environmental Compliance Certificate (ECC). The EPEP also details anticipated environmental impacts, along with protection, enhancement, and progressive rehabilitation measures consistent with best practices in responsible mineral development and aligned with MMC's commitment to biodiversity protection and environmental stewardship.

The Final Mine Rehabilitation and Decommissioning Plan (FMRDP) is a mandatory mine closure plan that outlines how a mining company will rehabilitate disturbed areas, dismantle facilities, and restore the site to a safe and environmentally stable condition once mining operations are completed. A key component of the FMRDP is the establishment of a dedicated rehabilitation fund that the company must set aside and maintain throughout operations to ensure sufficient financial resources for proper closure. This requirement ensures that the mine is responsibly decommissioned and rehabilitated, preventing the company from abandoning the site after mining activities are completed.

Because operations have not yet begun, no significant impacts on biodiversity were observed or reported in 2025. To support future reforestation and progressive rehabilitation, MMC maintains a 2,000-square-meter plant nursery with a total capacity of 100,000 seedlings, producing species suited to the ecological characteristics of the tenement and surrounding areas. As of the end of the fourth quarter of 2025, the facility housed 33,753 seedlings representing 100 species. The nursery sustained a high level of operational efficiency during the period, achieving a mortality rate of 3.16% and an overall survival rate of 96.84%, underscoring the effectiveness of its seedling management and maintenance protocols.

In addition, MMC and its Operator, Calmia Nickel Inc. (CNI), conduct annual, independent third-party biodiversity assessments within the tenement. These assessments help establish and refine ecological baselines, monitor biodiversity conditions, and ensure readiness for the implementation of robust biodiversity management measures once project development and operations commence.

As part of the Supplementary Agreement for Sustainable Mining Development and Management between MMC and the DENR—also referred to as the Negotiated Sustainability and Resilience Agreement—MMC, through its Operator, commits to sourcing at least 15% of its total power requirements from renewable energy within five (5) years of commencing operations. We also commit to increasing our carbon stock annually through reforestation initiatives within the tenement and designated offset areas, supporting local ecosystem restoration and advancing our long-term carbon management objectives.

Climate-related Risks and Opportunities

Rated as a high-risk area in our group-wide risk assessment and consistent with our ISSB Transition Reporting Plan, we are working to enhance our processes for identifying and qualitatively assessing climate-related risks and opportunities across our operations. This initiative represents an important step toward establishing a more structured and data-driven approach to climate risk management for the Group.

Using the HazardHunterPH application⁶, we identified high- and medium-risk environmental hazards affecting our operational sites and assessed their potential impacts on business activities, employees, customers, and surrounding communities. The Water and Food Groups, as well as the Aviation Group's operations, are particularly sensitive to changing weather conditions. Extreme heat or heavy rainfall may impair water quality and supply, affect the availability and cost of fresh produce and meat for our inflight catering services, and disrupt the flight operations of our airline clients. FAA test flights are especially vulnerable, as even minor weather variations can influence safe operating conditions.

We also assessed transition risks by reviewing the Group's carbon-intensive business activities. Aviation Services, Wastewater Treatment, Food Catering, and Mining were identified as areas with heightened exposure due to their reliance on fuel, oil, and purchased electricity. Alongside these risks, we identified several climate-related opportunities that can enhance operational efficiency, reduce resource consumption, and support the Group's long-term sustainability objectives.

Beginning next year, we expect to further strengthen our climate risk identification and assessment process by expanding from qualitative reviews to include quantitative analyses, supported by the implementation of an online ESG and climate data management system provided by Komunidad Global Pte Ltd.

⁶ HazardHunterPH is a one-stop shop web application for hazard assessment, helping individuals, businesses, and government agencies make informed decisions about safety and risk management designed to provide hazard assessments for various locations in the Philippines. It allows users to quickly and easily generate reports on potential hazards such as seismic, volcanic, and hydrometeorological risk. It was developed by GeoRisk Philippines, a multi-agency initiative led by the Philippine Institute of Volcanology and Seismology (DOST-PHIVOLCS). This initiative involves collaboration with several other government agencies, including the Department of Science and Technology (DOST), the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), the Mines and Geosciences Bureau (MGB), the Department of Health (DOH), the Department of Education (DepEd), and the Department of Public Works and Highways (DPWH). Source: <https://hazardhunter.georisk.gov.ph/about-hazardhunter.ph>

Climate-related risks and their Potential Impact the MacroAsia Group

Type of Climate Risk	Specific Risks	Potential Financial Impacts to Our Businesses	Potential Impact to People(Our Employees, Customers, Communities)
Physical environmental risks - refer to the potential impacts of climate change on assets, operations, and communities. These risks fall into two categories: 1) Acute physical environmental risks — Risks driven by sudden, extreme geophysical or meteorological events that cause immediate disruption to operations, assets, and safety. Examples include severe storms, flooding, landslides, and other rapid-onset hazards. 2) Chronic physical environmental risks — Risks resulting from long-term shifts in climate patterns that gradually affect the viability of assets, operating costs, and community resilience. These include rising sea levels, increasing average temperatures, and prolonged droughts.	<u>Acute Physical Environmental Risks:</u> • Extreme weather-related events: ◦ Flooding / inundation ◦ Severe wind ◦ Tropical cyclones ◦ Storm surges ◦ Tsunami ◦ Extreme heat events (heatwaves) • Ground shaking / seismic activity • Earthquake-induced landslides • Liquefaction • Ashfall (from volcanic eruption) • Volcanic eruption hazards related to proximity to an active volcano (e.g., Taal Volcano in Batangas, Mt. Pinatubo in Zambales) • Sudden coastal erosion events (e.g., storm-induced) <u>Chronic Physical Environmental Risks:</u> • Chronic or permanent flooding and coastal erosion resulting from rising sea levels • Prolonged drought and persistent extreme heat conditions driven by long-term increases in baseline temperatures,	• Loss of income/revenue due to: - disruption in operations - low production - poor quality of service/product (e.g., contaminated water source due to saltwater intrusion or high turbidity of water from the source) - possible increase in the cost of materials - poor quality of material/service • Disruption of operations due to water/power outage and lack/absence of available manpower • Damage to company assets/properties (e.g., vehicles washed by flood waters, damaged vehicle engines or warehouse, damaged water pipes and pumps, etc.) • Disruption of supply chains due to the scarcity or unavailability of critical materials and resources (e.g., water supply, fresh produce), unexpected price increases in goods affected by extreme weather events, and reduced ability to source viable alternative materials or substitutes. • Increased capital and operating expenses due to the following: - More outsourced/overtime labor needed to clear/clean the office/facility and return it to its original state (e.g., washing off mud brought by the flood, repainting, etc.)	• Health risks (e.g., heat stroke, respiratory issue, trauma/mental health issue, etc.) • Injury/loss of life • Disrupted/delayed delivery of basic services (e.g., water shortages /interruptions) • Spread of diseases and illnesses (e.g., water-borne diseases) • Destruction/loss of property • Disruption of economic activities • Loss of income for people • Social unrest/ increased social conflict • Political instability • Displacement and migration of people, particularly for those living in coastal areas

		- Insurance premiums for assets located in “high-risk” areas - Repair/replacement of damaged critical business assets (e.g., equipment, water trucks, refrigerator trucks, etc.) - Expensive alternative options or sources for critical materials (e.g., food ingredients that are seasonal or only grows in specific areas and climates) - Sudden increase in prices of materials prices due to weather conditions (e.g., fresh produce) • Lost business opportunities	
Transition Risks- refer to the risks associated with the shift towards a lower-carbon, more sustainable operations. These risks arise from changes in policies, regulations, technologies, and market dynamics aimed at reducing greenhouse gas emissions and promoting renewable energy. They can impact businesses in various ways, including financial, operational, and reputational aspect.	Policy and legal risk: Exposure to sustainability-related litigation	Potential Financial Impacts to Our Businesses	
		• Increased operating costs/expenses due to: - payment of fines/penalties for non-compliance of business units - higher compliance costs (e.g., purchasing electronic GSEs in the ground handling services, shift to gasoline to Sustainable Aviation Fuel or SAF for aircrafts, etc.) • Suspension or cessation of business due to non-compliance of regulatory requirements • Lengthier approval processes for new projects and expansions can delay operations and increase compliance cost	
	Market risks: • Increased cost of raw materials • Shift in consumer preference	• Reduced revenue due to low demand for existing products and services • Loss of customers/clients due to price increase/ reduced quality and shift of consumer preference • Production will be slowed or delayed due to expensive cost or unavailability of new materials, particularly eco-friendly/sustainably sourced materials (e.g., cage-free chicken eggs, sustainably grown poultry, forest-grade paper food packaging, etc.).	
	Technology risk: Costs to transition to lower emissions technology	• Existing equipment/technology are rendered obsolete if the businesses decide to transition to lower emissions emitting equipment, stranding the company’s non-energy efficient business assets • Increased capital and operating costs due to: - Tighter regulations which may require expensive equipment upgrades - Investment in R&D and new / alternative technologies and energy sources (e.g., purchase / substitution of new energy-efficient equipment for operations to replace old carbon intensive equipment)	

		- Upskilling requirement for employees handling new equipment/technology - Adoption/ implementation of new practices and processes
	Reputational risks: • Increased stakeholder concern or negative stakeholder feedback • Stigmatization of company/corporation	• Loss of customers/clients leading to loss of revenue • Lack of investors'/shareholders' confidence on the business units and the Parent Company (e.g., greenwashing, non-compliance, no position on decarbonization issue, not adopting circular economy approach in the operations, etc.)

Climate-related Opportunities and their Potential Impact to the MacroAsia Group

Climate Opportunities	Identified Strategies	Potential Impact to Our Businesses
Resource Efficiency	• Reduction in power and water usage and consumption (e.g., solar panels for water pumps, use of smart water meters, use of biofuel for kitchen operations) • Use of recycling, particularly for packaging materials • Use of more efficient production and distribution processes	• Reduced operating costs resulting to cost savings for the parent company and business units • Increased production capacity resulting in increased revenues
Energy Source	• Use of lower-emission sources of energy (e.g., solar panels for water pumps, use of smart water meters, use of biofuel for kitchen operations) • Use of new technologies (e.g., electronic GSEs for ground handling services, smart water meters for sustainable water management)	• Savings on annual energy cost • Reduced exposure of the businesses to the following: - future fuel price increases - changes in cost of carbon pricing (e.g., carbon tax) • Increased capital availability as more investors in the future will tend to favor lower emission producing companies (e.g., foreign investors)
Products and Services	• Development and/or expansion of low emission goods and services (e.g., emphasis on the lower carbon footprint in the marketing / labeling of a food product or service). • Development of new products or services through R&D and innovation (e.g., solar panels and other renewable energy systems to help the business units to become more resilient to energy supply disruptions)	• Increased revenue through demand for lower emissions products and services • Better competitive position to reflect shifting consumer preferences • Access to new funding sources for projects or initiatives in renewable energy, energy efficiency, and other environmentally beneficial
Markets	• Access new markets or financial assets (e.g., green bonds and sustainable investments)	• Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks, other companies, etc.) • Increased diversification of financial assets (e.g., green

		bonds, or investment in green projects that have positive environmental impacts, such as renewable energy, energy efficiency, etc.)
Resilience	• Participation in renewable energy programs and adoption of energy efficiency measures (private and government-led) • Resource substitution and diversification	• Increased reliability of supply chain and ability to operate under various conditions • Diversified business activities and revenue sources • Improved efficiency

Climate Action and Decarbonization

SDG 13

We are strengthening our response to climate change by establishing a clear decarbonization pathway that outlines how we will reduce our greenhouse gas (GHG) emissions over time. Using 2024 as our baseline year for Scopes 1 and 2, we have set progressive milestones that support our long-term commitment to achieve net-zero emissions.

Initial efforts towards this goal are already underway starting with the transition of our three (3) kitchens to geothermal energy and phased transition to electrification of our ground handling service equipment in Mactan-Cebu airport. We are also exploring other renewable energy sources

Our decarbonization pathway is structured around three phases: Nationally Determined Contribution (NDC) Alignment by 2030, Deep Decarbonization by 2040, and Net Zero by 2050. Each phase is supported by actions that enhance energy efficiency and guide the gradual, scaled adoption of renewable energy and lower-carbon technologies across the Group. As data quality improves and sectoral guidance evolves, we intend to work toward aligning our decarbonization pathway with science-based targets, progressively integrating these principles as our strategy is refined and implemented.

Phase	Year	Target	Key Actions
NDC Alignment	2030	40% reduction	• Source 35% renewable energy (NDC alignment) • Electrify 20% ground fleet (NDC alignment) • Retrofit facilities with energy-efficient solutions / technologies • Green Building Standards • Accelerate mangrove/bamboo planting (Wetland 6, Boracay)
Deep Decarbonization	2040	70% reduction	• Full fleet electrification • Scale up the adoption of renewable energy and energy-efficient solutions • Green building standards • Supplier ESG compliance • Zero food waste initiatives
Net Zero	2050	100% reduction	• Sequester carbon and generate verified carbon credits from the

Phase	Year	Target	Key Actions
			mangrove Wetland 6 restoration project in Boracay, Aklan) to offset remaining emissions

In the long term, we aim to green our supply chain as an integral component of our climate action and decarbonization strategy. Recognizing that a substantial portion of environmental impacts occurs upstream in our supply chain, we will embed sustainability considerations into our procurement practices and supplier-engagement processes.

As part of this strategic direction, we will implement awareness-raising and capacity-building initiatives to align our suppliers and vendors with our sustainability objectives and performance expectations. Through this approach, we aim to strengthen environmental stewardship across our value chain, while supporting suppliers and vendors in enhancing their resilience and readiness for evolving regulatory and market requirements.

Social Performance

Our social performance is anchored on our commitment to uphold the well-being, safety, and development of our people and the communities we serve. By fostering an inclusive, responsible, and resilient workforce, and by actively engaging our stakeholders, we aim to create long-term social value that supports both operational excellence and sustainable growth.

We place strong emphasis on employee welfare, safety, and continuous professional development as fundamental pillars of our social responsibility. Through training programs, competency-building initiatives, and investments in employee well-being, we equip our workforce to thrive in a dynamic operating environment while reinforcing a culture of accountability and high performance. At the same time, we maintain open and constructive engagement with our stakeholders to better understand community needs, strengthen partnerships, and deliver programs that contribute to local development and social resilience.

Collectively, these initiatives demonstrate our commitment to building a supportive and empowering environment that enables our people and communities to thrive.

Group Employee Profile

GRI 2-7, 3-3, 401-1

TR-AF-000.C

In 2025, our total workforce was 6,200. Of this number, 3,448 or 55% were male, while 2,752 or 44% were female. A significant portion of our workforce—3,760 or 60.75%—were employees aged 30 and below, and 85% (5,297) held regular employment status. Among our business segments, the Aviation Group, particularly MASCORP, represented the largest share of employees, accounting for 76% of our total Group workforce.

Employee Breakdown by Gender per Business Segment

BUSINESS SEGMENT	Y2025			Y2024		
	Male	Female	Total No.	Male	Female	Total No.
Aviation Group	2,363	2,338	4,701	2,310	2,267	4,577
Food Group	708	274	982	728	259	987
Water	333	97	430	295	77	372
Others*	44	43	87	35	34	69
TOTAL	3,448	2,752	6,200	3,368	2,637	6,005

*Includes MAC HO, MAPDC, TERA, and MMC

Employee Breakdown by Gender and Age Group per Business Segment (Y2025)

AGE GROUP	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS *		SUBTOTAL		GRAND TOTAL	%
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
1	1,220	2,065	168	124	112	46	12	13	1,512	2,248	3,760	60.65
31-50 years old	899	255	436	129	183	47	22	23	1,540	454	1,994	32.16
51 years old	244	18	104	21	38	4	10	7	396	50	446	7.19
TOTAL	2,363	2,338	708	274	333	97	44	43	3,448	2,752	6,200	100.00

*Includes MAC HO, MAPDC, TERA, and MMC

Employee Breakdown by Gender and Type of Employment per Business Segment Y2025)

TYPE OF EMPLOYEE	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS*		SUBTOTAL		GRAND TOTAL	%
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Regular	2,096	1,879	665	216	289	72	38	42	3,088	2,209	5,297	85.44
Probationary	267	457	66	35	43	23	6	1	382	516	898	14.48
Contractual/Fixed-term	0	2	0	0	1	2	0	0	1	4	5	0.08
TOTAL	2,363	2,338	731	251	333	97	44	43	3,471	2,729	6,200	100.00

*Includes MAC HO, MAPDC, TERA, and MMC

We employ a range of recruitment strategies to attract a diverse pool of qualified candidates. These include job postings in schools and on platforms such as LinkedIn and Facebook, participation in school and LGU job fairs, and accepting applications from former interns, walk-in applicants, and employee referrals. Qualified applicants undergo online and/or face-to-face interviews as well as background checks.

We also allow employee transfers to place personnel in roles where their skills can be best utilized. In 2025, we recorded 396 transfers (245 male and 151 female) across business units, subsidiaries, and between the parent company and its subsidiaries. These movements involved roles requiring comparable skills and responsibilities, with no changes in employment status or pay level.

For the reporting period, we welcomed 2,519 new hires, composed of 637 men (42%) and 882 women (58%). Majority of the new employees were under 30 years old (89% or 1,351) and 61% (927) were from the Visayas Region. Consistent with our overall workforce distribution, MASCORP had the highest number of new hires in 2025.

Employee New Hires in 2025	AVIATION GROUP			FOOD GROUP			WATER GROUP			OTHERS*			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30 y.o.	416	696	1,112	63	99	162	37	27	64	6	7	13	522	829	1,351
NCR	10	17	27	43	32	75	10	11	21	5	5	10	68	65	133
Luzon	35	38	73	19	10	29	21	13	34	1	2	3	76	63	139
Visayas	313	532	845	1	57	58	6	3	9	0	0	0	320	592	912
Mindanao	58	109	167	0	0	0	0	0	0	0	0	0	58	109	167
30-50 y.o.	22	14	36	57	18	75	23	15	38	5	3	8	107	50	157
NCR	3	1	4	52	18	70	8	5	13	5	3	8	68	27	95
Luzon	12	0	12	5	0	5	13	9	22	0	0	0	30	9	39
Visayas	0	12	12	0	0	0	2	1	3	0	0	0	2	13	15
Mindanao	7	1	8	0	0	0	0	0	0	0	0	0	7	1	8
> 50 y.o.	0	2	2	6	1	7	1	0	1	1	0	1	8	3	11
NCR	0	0	0	6	1	7	1	0	1	1	0	1	8	1	9
Luzon	0	2	2	0	0	0	0	0	0	0	0	0	0	2	2
Visayas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mindanao	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	438	712	1,150	126	118	244	61	42	103	12	10	22	637	882	1,519

*Includes MAC HO, MAPDC, TERA, and MMC

In 2025, We also collaborate with colleges and universities to offer internship and On-the-Job Training (OJT) opportunities. Students are assigned to business units aligned with their academic backgrounds and career interests. In 2025, we welcomed 328 interns (131 male and 197 female) from 55 academic institutions nationwide. These included the Asian College of Aeronautics Inc., PATTS College of Aeronautics, Philippine State College of Aeronautics, Lyceum of the Philippines University–Manila, University of the East, De La Salle University–Dasmariñas, University of Caloocan City, Parañaque City College, Bulacan State University, Centro Escolar University, Philippine Christian University, National University, Leyte Normal University, Cebu Normal University–Main Campus, Philippine Women’s University, Pamantasan ng Lungsod ng Maynila, University of Santo Tomas, University of the Philippines Diliman, STI College and its various branches nationwide, among others.

We also hosted international student interns from Nanyang Technological University (Singapore) and the University of Navarra in Pamplona, Spain.

A total of 1,365 employees voluntarily or involuntarily separated from the Group, resulting in a Group Turnover Rate of 22%. Most separations involved women (757 or 55%), employees under 30 years old (1,097 or 80%), rank-and-file personnel (1,341 or 98%), and those with less than three (3) years of service (1,206 or 88%).

Breakdown of Employee Turnover by Gender per Business Segment

BUSINESS SEGMENT	Y2025			Y2024		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Aviation Group	474	703	1,177	484	593	1,077
Food Group	99	35	134	47	75	122
Water Group	23	15	38	22	14	36
Others*	3	4	7	5	2	7
TOTAL	599	757	1,356	558	684	1,242

*Includes MAC HO, MAPDC, TERA, and MMC

Breakdown of Employee Turnover by Age pe Business Segment (Y2025)

AGE RANGE	AVIATION GROUP	FOOD GROUP	WATER GROUP	OTHERS*	TOTAL
> 30 years old	1,002	67	24	4	1,097
31-50 years old	152	55	20	3	230
< 50 years old	23	12	3	-	38
Total	1,177	134	47	7	1,365

*Includes MAC HO, MAPDC, TERA, and MMC

Breakdown of Employee Turnover by Tenure per Business Segment (Y2025)

LENGTH OF STAY	AVIATION GROUP	FOOD GROUP	WATER GROUP	OTHERS*	TOTAL
0-3 years	1052	106	41	7	1,206
4-10 years	113	22	6	-	141
11-15 years	11	6	-	-	17
16-20 years	-	-	-	-	-
21-25 years	1	-	-	-	1
26-30 years	-	-	-	-	-
31-25 years	-	-	-	-	-
Total	1,177	134	47	7	1,365

*Includes MAC HO, MAPDC, TERA, and MMC

Compensation and Benefits

GRI 401-2, 401-3

SDG 5, 8, 10

We provide our employees with competitive compensation packages and all mandated statutory benefits, including 13th-month pay and full coverage under SSS, Pag-IBIG, and PhilHealth. Our regular employees also receive comprehensive leave privileges such as vacation, sick, emergency, parental, solo-parental, paternity, maternity, and special leave for women.

In addition, we provide our regular personnel with uniforms, group healthcare coverage, and group life insurance. To support employees experiencing urgent financial needs, we facilitate access to salary and personal loans through salary-deduction arrangements and partnerships with accredited banking institutions. Where job roles permit, we implement hybrid work arrangements to promote flexibility, inclusivity, and operational resilience. Eligible employees also receive overtime pay, night-shift differential, and premium pay for work performed during holidays, in full compliance with labor standards.

To strengthen welfare measures across our business units, personnel in our food operations receive one complimentary meal per shift, with an additional meal provided for extended overtime work. Employees assigned to the MAC Head Office and selected business units likewise benefit from daily shuttle services to improve accessibility and reduce commuting burdens. We also offer

housing accommodations for employees in certain water business units who live far from their assigned office or area of operation.

We also uphold responsible labor practices across our value chain by ensuring that contractual and outsourced personnel receive compensation aligned with labor laws, prevailing wage standards, and contractual agreements.

In support of youth development and skills enhancement, we provide student interns and on-the-job trainees with meals and/or allowances equivalent to 75% of the prevailing daily wage.

Breakdown of Employee Benefits per Business Segment

Benefits	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS*		TOTAL			
	No. of Women Who Availled	No. of Men who Aavailled	No. of Women Who Availled	No. of Men who Aavailled	No. of Women Who Availled	No. of Men who Aavailled	No. of Women Who Availled	No. of Men who Aavailled	Total No. of Women Who Availled	% of Women Who Availled	Total No. od Men Who Availled	% of Men Who Availled
SSS	2,340	2,327	75	136	59	172	4	6	2,478	90.04	2,641	76.60
Philhealth	2,339	2,326	2	17	56	136	3	-	2,400	87.21	2,479	71.90
Pag-IBIG	2,339	2,326	61	217	62	170	5	2	2,467	89.64	2,715	78.74
Parental leave	77	35	11	11	3	2	-	-	91	3.31	48	1.39
Vacation Leave	1,489	1,708	228	496	91	236	38	36	1,846	67.08	2,476	71.81
Sick Leave	1,263	961	126	315	105	228	38	34	1,532	55.67	1,538	44.61
Medical benefits (aside from Philhealth)	99	42	125	345	68	211	5	5	297	10.79	603	17.49
Housing assistance (aside from Pag-IBIG)	-	-	-	-	5	9	-	-	5	0.18	9	0.26
Retirement fund (aside from SSS)	-	-	1	5	-	1	1	-	2	0.07	6	0.17
Further education support	-	-	-	-	-	-	2	5	2	0.07	5	0.15
Company Stock options	-	-	-	-	-	-	-	-	-	-	-	-
Telecommuting	94	210	-	-	26	58	17	10	137	4.98	278	8.06
Flexible working hours	13	25	-	-	12	6	-	-	25	0.91	31	0.90

*Includes MAC HO, MAPDC, TERA, and MMC

Parental and Solo Parental Leave Benefits per Business Segment

Parental Leave	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS*		TOTAL	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees that were entitled to parental leave	527	2,319	301	118	149	24	-	-	977	2,461
Total number of employees that took parental leave in 2025	31	67	11	16	2	-	-	-	44	83.00
Total number of employees that returned to work in 2025 after parental leave ended	31	57	6	10	2	-	-	-	39	67.00
Return to work rate	100.00	85.07	54.55	62.50	1.00	-	-	-	88.64	80.72
Total number of employees who availed the parental leave in 2024 and returned to work in 2025	26	33	7	6	-	-	-	-	-	-
Total number of employees that took parental leave in 2024	26	33	14	6	-	-	-	-	-	-
Retention rate	100.00	100.00	50.00	100.00	-	-	-	-	-	-
Solo Parental Leave	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS*		TOTAL	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total number of employees that were entitled to solo parental leave	4	10	10	7	7	1	-	-	21	18
Total number of employees that took solo parental leave in 2025	4	10	9	6	-	1	-	-	13.00	17.00
Total number of employees that returned to work in 2025 after solo parental leave ended	4	10	9	6	-	1	-	-	13.00	17.00
Return to work rate	100.00	100.00	100.00	100.00	-	100.00	-	-	100.00	100.00
Total number of employees who availed the solo parental leave in 2024, returned, and remained employed in 2025	5	8	2	2	-	-	-	-	-	-
Total number of employees that took solo parental leave in 2024	5	8	3	5	-	-	-	-	-	-
Retention rate	100.00	100.00	66.67	40.00	-	-	-	-	-	-

*Includes MAC HO, MAPDC, TERA, and MMC

Health, Well-being, and Safety

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5,
403-6, 403-7, 403-8, 403-9, 403-10, 410-1
TR-AF-320a.1, TR-AF-540a.1
SDG 3, 8

We are committed to safeguarding and promoting the health, safety, and overall well-being of all employees, in line with the requirements of the Department of Health (DOH) and the Department of Labor and Employment (DOLE), particularly the Occupational Safety and Health Standards and Republic Act No. 11058 (An Act Strengthening Compliance with Occupational Safety and Health Standards). Our policies apply to both regular and contractual personnel and likewise adhere to Republic Act No. 7877 (Anti-Sexual Harassment Act), Republic Act No. 11313 (Safe Spaces Act), and other relevant labor and health regulations.

In compliance with DOLE–DOH guidelines, we provide accessible occupational health services, including HMO coverage, annual physical examinations, pre-employment and periodic medical assessments, medical consultations, and immunization programs (including influenza and pneumococcal vaccines, where applicable). We also maintain treatment rooms and lactation stations in accordance with Republic Act No. 10028 (Expanded Breastfeeding Promotion Act). Company-designated physicians, nurses, and trained first aiders are deployed in accordance with DOLE requirements regarding the number of health personnel relative to workforce size and risk classification.

To support work–life balance, we implement flexible work arrangements and offer counseling services and referrals to mental health professionals. We further promote holistic employee well-being through fitness and wellness activities such as Zumba classes, sportsfests, team-building engagements, and wellness programs like *The Biggest Loser*. Our mental health initiatives include sessions on burnout prevention, and mindfulness. We also issue regular health advisories to raise awareness of priority health concerns, including obesity, mental health, HIV/AIDS, breast and cervical cancer, prostate cancer, diabetes, tuberculosis, hepatitis, hypertension, influenza, and other communicable and non-communicable diseases. Through our HMO provider, employees likewise have access to health seminars and learning sessions on stress management, good nutrition, ergonomics, and preventive healthcare.

Occupational Safety and Health (OSH) Committees operate across all our business units. These committees, typically composed of three (3) to five (5) representatives from managerial, supervisory, and rank-and-file levels, meet monthly or quarterly depending on operational requirements. Their responsibilities include hazard identification, compliance monitoring, development of corrective actions, evaluation of safety performance, and implementation of OSH programs. They conduct workplace inspections, investigate incidents, coordinate fire and earthquake drills, and enforce alcohol-free, smoke-free, and drug-free workplace policies.

To strengthen our internal safety capacity, we provide selected employees with accredited training programs such as Basic Occupational Safety and Health (BOSH 1 and 2), First Aid, and Basic CPR with AED certification. Employees in our ground-handling operations nationwide and in our food business units are trained on their respective safety management systems and regularly participate in fire and earthquake evacuation drills, as well as exercises based on their emergency action plans, to ensure preparedness during emergencies. In addition, our pilot training school (FAA) requires its employees, particularly flight instructors, to regularly undergo Aircraft Pilot and Aircrew Survival Training (APAST), which includes both water and jungle survival components. These competencies are likewise transferred to their pilot trainees as part of FAA's standard training curriculum.

As of the reporting period, we have sixty-five (65) certified Safety Officers responsible for hazard identification, risk mitigation, regulatory compliance, incident investigation, and emergency response planning.

SAFETY OFFICERS		
BUSINESS SEGMENT	Y2025	Y2024
Aviation Group	32	27
Food Group	6	7
Water Group	16	14
Other.*	11	9
Total	65	57

*Includes MAC HO, MAPDC, TERA, and MMC

We identify health and safety risks through incident record reviews, routine workplace inspections, health evaluations, and assessments of equipment and materials. Our ground-handling

subsidiary, MASCORP, further strengthens this process by reviewing employee hazard reports, conducting safety audits, and analyzing incident and near-miss data to proactively address potential safety issues.

Our risk control measures include engineering and administrative controls, elimination or isolation of hazards where feasible, the use of appropriate personal protective equipment, regular training, safety performance monitoring, and established reporting channels. The results of hazard identification and risk assessments guide our decision-making, support the development of mitigation plans, help prioritize risks, and enable us to monitor the effectiveness of implemented actions. We also ensure that employee feedback is incorporated and that all measures comply with relevant safety regulations. Work-related incidents are investigated through structured evidence gathering, witness interviews, analysis of contributing factors, and the implementation of corrective actions to prevent recurrence.

Employees are encouraged to report safety concerns to their Managers, Supervisors, Safety Officers, Human Resources, or OSH Committee members and to actively participate in safety initiatives.

We undergo annual safety audits by the Bureau of Fire Protection and supplement these with training on disaster preparedness, hazard recognition, and evacuation procedures, particularly within our Aviation and Food business units. These units maintain safety management manuals and crisis preparedness plans and participate in regular inspections conducted by regulatory agencies. FAA and MASCORP are audited by the Civil Aviation Authority of the Philippines (CAAP), while MSIS, MACS, and MSFI undergo inspections by the Bureau of Quarantine, the Bureau of Fire Protection, and the Department of Labor and Employment.

Together, these programs, systems, and controls reflect our commitment to safeguarding the health, safety, and well-being of our people and to continuously strengthening our performance in line with regulatory requirements, global standards, and our broader sustainability goals.

During the reporting period, we recorded 121 work-related injuries across the Group, the majority of which occurred in the Aviation and Food Group. No fatalities resulting from work-related injuries or illnesses were reported, reflecting the continued effectiveness of our safety management systems.

Safety Statistics per Business Segment

Indicators	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS*		TOTAL	
	Employees	Contract Workers	Employees	Contract Workers	Employees	Contract Workers	Employees	Contract Workers	Employees	Contract Workers
Number of fatalities as a result of work-related injury	-	-	-	-	-	-	-	-	-	-
Rate of fatalities as a result of work-related injury	-	-	-	-	-	-	-	-	-	-
Number of high-consequence work-related injuries (excluding fatalities)	-	-	-	-	-	-	-	-	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-	-	-	-	-	-	-	-	-
Number of recordable work-related injuries	21	4	45	47	3	-	-	-	69	51
Rate of recordable work-related injuries	0.41	0.08	4.72	18.18	0.66	-	-	-	1.04	0.93
Number of hours worked	10,275,935	10,488,192	1,906,568.14	516,976	903,979	0	187,338	-	13,273,820	11,005,168
Safe man hours	10,273,671	10,488,128	1,906,568.14	516,976	903,547	0	187,338	-	13,271,124	11,005,104
Number of high-potential work-related incidents identified (optional)	-	-	-	-	-	-	-	-	-	-
Number of close calls identified (optional)	-	-	-	-	-	-	-	-	-	-

Main Types of Work-Related Injury by Business Segment

Business Unit	Type of Work-Related Injuries	No. of Incidents	No. of Workers Affected	No. of Contract Workers Affected
Aviation Group	Cuts, Lacerations, and Avulsion Injuries	5	3	2
	Falls and Slips	6	8	0
	Impact or Blunt Force Injuries	4	2	0
	Trauma/Impact (e.g., foot, leg, vehicle)	5	3	2
	Medical (e.g., dizziness, seizure)	2	2	0
	Equipment-Related Accident	1	1	0
	Loading/Inspection Accident	1	1	0
	Medical (e.g., dizziness, seizure)	1	1	0
Food Group	Minor Cuts	92	45	47
Water Group	Minor Cut	1	1	0
	Minor Fracture	1	1	0
	Minor Vehicular Accident	1	2	0

MASCORP: Fostering a Safety-First Culture

Safety remains foundational to MASCORP's operations, supported by programs that strengthen awareness, prevent incidents, and cultivate a proactive safety culture. Beyond regulatory compliance, MASCORP's Safety Team strives to create a workplace where every individual understands their responsibility in maintaining a safe, healthy, and resilient operating environment. MASCORP's core initiatives — Katariba, SAGIP INIT, and Just Culture framework — reinforce this commitment.

The Katariba: "No More Serious Incidents or Accidents" program is a structured, face-to-face workshop adopted from MASCORP's partner, Konoike Transport Co. Ltd. Designed to deepen

safety awareness among ramp personnel, the workshop is delivered in relaxed sessions near the workplace and follows a No Blame Policy that encourages open and honest dialogue. Each 1- to 1.5-hour session begins with a review of five historical accident cases to highlight root causes and lessons learned, followed by a Dice Talk activity where participants briefly speak on safety themes selected through a dice roll. The session concludes with a written Determination Statement, in which participants commit to specific safety actions in their daily work. This approach strengthens risk recognition, peer learning, and personal accountability.

To manage heat-related risks during the summer months, MASCORP implements the SAGIP INIT Program, jointly administered by the HR and Safety teams. The initiative provides hydration and cooling support through the distribution of bottled water and face towels. Its coverage extends beyond MASCORP employees to include security personnel, aircraft mechanics, and airport authority staff, reflecting MASCORP's commitment to the wider airport community. The program also includes briefings on heat-illness prevention, reinforcement of proper hydration practices, inspection of personal protective equipment such as hats and arm guards, and continuous monitoring of the heat index to guide operational decisions.

MASCORP's Just Culture framework underpins all safety initiatives at the core of its safety management system. This framework balances accountability with learning by recognizing that human error is inevitable and emphasizing an understanding of why an error occurred rather than assigning blame. It encourages personnel to report incidents, near misses, and hazards without fear of reprisal, enabling the organization to identify and address systemic issues. At the same time, MASCORP maintains clear boundaries for reckless behavior, intentional violations, or gross negligence to uphold high safety standards. This approach builds trust, supports continuous improvement, and enhances overall performance.

Collectively, these programs reinforce MASCORP's safety governance, protect its people and partners, and sustain a learning-driven culture. Through consistent engagement and disciplined implementation, the company strengthens the integrity of its operations and affirms its commitment to safety excellence.

Employee Training, Development, and Performance Management

GRI 404-1, 404-2, 404-3

SDG 4, 8

We implement comprehensive capacity-building initiatives to ensure our employees possess the knowledge and skills required to perform effectively in their roles. Across our subsidiaries, HR departments conduct Training Needs Evaluations to identify appropriate internal and external development programs for their respective teams.

We provide specialized training aligned with the functional requirements of each business unit. In the Food Group, programs focus on food safety, security, and allergen management. Within our Ground Handling operations, training covers ramp safety, defensive driving, aircraft marshalling, passenger handling, and cargo handling.

For our Water Group, AWSI delivers targeted training on proper disinfection and chlorination processes, including chemical dosing, safety practices, equipment maintenance, and water quality monitoring. These programs enhance operational capability, support compliance with

water quality standards, and help maintain a safe and reliable water supply for the communities we serve.

In addition to technical trainings, we implement soft training topics in areas such as bookkeeping, internal controls and fraud prevention, business writing, effective presentations, supervisory leadership, project management, and systems-thinking. These initiatives strengthen organizational competencies and support employees in contributing effectively to overall business performance.

To further formalize and standardize capacity building efforts at the Group level, we established the MAC Academy, our centralized training platform designed to build competencies consistently across the organization. The MAC Academy launched its first series of basic accounting and finance courses for non-accountants from August to September 2025. Moving forward, the MAC Academy will continue to expand its training portfolio to include a broader range of topics such as sustainability, climate change, and other learning programs to support the continuous development of our employees and the evolving needs of the organization.

Employees who participate in external specialized training are required to sign training contracts committing to remain with the Group or their respective business units for a specified period. Those pursuing further studies may apply for company loans or receive assistance in securing financing from partner banks. To broaden access to learning opportunities, we also utilize free online webinars and training sessions, reducing logistical costs and increasing participation, particularly among MASCORP personnel stationed across various airport locations nationwide.

MACS has implemented the Developmental Assignment Program (DAP), which provides employees with structured learning experiences through rotational exposure to different functions. The program prepares potential leaders, supports internal mobility, enhances competencies for future roles, and contributes to employee morale, career development, and continuous performance improvement.

At FAA, our flight instructors gain additional flight hours through the training of pilot students, supporting their professional development and the maintenance of required competencies. This increased flying activity also enhances operational productivity, contributing to improved business performance of the business unit. By maximizing the number of flyable students, we create a mutually beneficial outcome: instructors strengthen their skills and accumulate necessary flight time, while the business achieves higher training efficiency and stronger revenue generation. This approach supports both human capital development and the long-term sustainability of our training operations.

Succession planning remains a key component of our talent management framework. We implement a developmental succession plan that identifies and prepares potential successors and establishes targeted development actions. For executive positions, we also hire identified successors ahead of planned retirements to ensure leadership continuity and organizational sustainability. Employees with leadership potential undergo management and leadership development programs, including exposure to different business operations to broaden their competencies and prepare them for higher-level responsibilities. We further promote mentoring and coaching by senior officers, encourage peer-to-peer knowledge sharing, and support career development through cross-posting or job rotation opportunities, enabling employees to gain broader experience across the Group's businesses.

As part of our long-term talent development initiatives, we are establishing a partnership with an academic institution to enable qualified employees to pursue postgraduate studies at no cost.

This initiative aims to strengthen our leadership pipeline and ensure the continuous development of internal talent.

We conduct performance appraisals to assess employee efficiency based on predetermined criteria and standards. Appraisal results inform decisions on promotions, merit increases, transfers, demotions, layoffs, discharges, training requirements, management development programs, organizational assessments, and overall performance management. We prioritize internal promotion and advance qualified employees whenever vacancies arise or new positions are created.

Promotions are based on merit, performance, capability, efficiency, leadership, quality of work, attitude, and attendance, with seniority serving as the determining factor when all other considerations are equal.

In 2025, our employees attended received 326,826.40 training hours or an average training hours of 52.7 per employee, with MASCORP and the Food Group that concerned with safety and regulations having more trainings for its employees. while 4,988 underwent performance appraisal and 411 were promoted.

Training Hours per Gender by Business Segment

INDICATORS	AVIATION GROUP			FOOD GROUP			WATER GROUP			OTHERS*			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
No. of Employees	2,363	2,338	4,701	708	274	982	333	97	430	44	43	87	3,448	2,752	6,200
No. of Training Hours	155,261.70	154,953.70	310,215.40	9,708.00	3,043.00	12,751.00	718	606	1324	1,174.00	1,362.00	2,536.00	166,861.70	159,964.70	326,826.40
Average No. of Training Hours Per Employee			65.99			12.98			3.08			29.15			52.71
Average No. of Training Hours Per Gender	65.71	66.28		13.71	11.11		2.16	6.25		26.68	31.67		48.39	58.13	

*Includes MAC HO, MAPDC, TERA, and MMC

Training Hours per Position/Rank by Business Segment

Business Segment	Indicators	Officers	Managers	Supervisors	Rank & File	Total
AVIATION GROUP	No. of Employees	38	10	4,502	151	4,701
	No. of Training	110.00	712.00	13,198.60	296,194.80	310,215.40
	Average No. of Training	2.89	71.20	2.93	1,961.55	65.99
FOOD GROUP	No. of Employees	2	35	110	835	982
	No. of Training	22.00	274.00	856.00	11,204.00	12,356.00
	Average No. of Training	11.00	7.83	7.78	13.42	12.58
WATER GROUP	No. of Employees	24	23	44	339	430
	No. of Training	78.00	221.00	566.00	459.00	1,324.00
	Average No. of Training	3.25	9.61	12.86	1.35	3.08
OTHERS*	No. of Employees	47	21	1	18	87
	No. of Training	597.00	564.00	93.50	1281.50	2,536.00
	Average No. of Training	12.70	26.86	93.50	71.19	29.15

*Includes MAC HO, MAPDC, TERA, and MMC

Promotions by Business Segment

Position/Rank	Aviation Group			Food Group			Water Group			Others			Total	
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male
Managers	3	9	12	0	1	1	1	1	2	2	2	4	6	13
Officers	12	10	22	0	0	0	1	2	3	0	1	1	13	13
Supervisors	27	53	80	6	17	23	2	2	4	0	1	1	35	73
Rank and File	76	105	181	20	44	64	1	0	1	9	3	12	106	152
Total	118	177	295	26	62	88	5	5	10	11	7	18	160	251
Grand Total														411

*Includes MAC HO, MAPDC, TERA, and MMC

Employee Recognition

SDG 8

We implement a range of cash and in-kind incentives across our business units to motivate employees, strengthen engagement, and reinforce a high-performance culture. Our recognition programs reward reliability, exemplary performance, and continuous growth through perfect-attendance incentives, certificates and public acknowledgment, merit-based bonuses and increases, promotions, and structured career development opportunities.

At MASCORP, we further support retention, operational excellence, and workforce stability through Seniority Pay, long-service awards, safety incentives for error-free operations, team-based performance awards, and a Technical Skills Allowance for employees with specialized competencies. These initiatives help cultivate a motivated, skilled, and safety-conscious workforce.

Collectively, our recognition and incentive programs across the Group reinforce a positive and inclusive work environment where employee contributions are valued and meaningfully aligned with our strategic goals and long-term business priorities.

Equal Opportunity, Diversity, and Inclusion

GRI 3-3, GRI 405-1, 405-2, 406-1

SDG 5, 8, 10

At MacroAsia, we uphold the principles of equal opportunity, diversity, equity, and inclusion (DEI) across all stages of the employment cycle and in our engagement with stakeholders. These commitments are formalized through the MAC Group Diversity, Equity, and Inclusion (DEI) Policy, which applies to all employees, interns, job applicants, business partners, suppliers, vendors, and service providers across all subsidiaries. DEI principles are also integrated into our corporate branding and communication guidelines to ensure that all external and internal materials reflect ethical, inclusive, and responsible business practices.

Our DEI Policy affirms that a diverse and inclusive workplace is essential to our long-term success and sustainability. We strive to cultivate an environment where all individuals feel valued, respected, and supported. Employees and stakeholders are encouraged to raise concerns with any trusted company representative, including supervisors or Human Resources personnel. All reports are addressed promptly and fairly, with appropriate corrective action taken when necessary.

We commit to fostering DEI awareness across the Group through training, communication initiatives, and engagement activities that strengthen inclusive behaviors and mindsets. In our recruitment processes, we do not consider gender, ethnicity, disability, or other non-merit-based characteristics. However, due to the operational requirements of certain roles, opportunities for applicants with disabilities remain limited. We also prioritize hiring from local communities, particularly in provincial locations, to support job creation and promote local economic development.

During the reporting period, 78.7% of our workforce (4,865 employees) were based in Luzon, where most of our business units operate. We also employed 35 individuals from vulnerable groups (20 males and 15 females), including senior citizens and persons with disabilities, across MSIS, MACS, MAPDC, and the Parent Company. In addition, 188 women, representing 7% of our total female workforce, served as supervisors, officers, managers, and executives.

Employee Breakdown by Gender and Employment Type per Business Segment

GEOGRAPHICAL LOCATION	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS		SUBTOTAL		GRAND TOTAL	%
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Luzon	1,757	1,744	708	273	225	73	43	42	2,733	2,132	4,865	78.47
Visayas	228	172	0	1	101	23	1	1	330	197	527	8.50
Mindano	378	422	0	0	7	1	0	0	385	423	808	13.03
TOTAL	2,363	2,338	708	274	333	97	44	43				
	4,701		982		430		87		3,448	2,752	6,200	100.00

*Includes MAC HO, MAPDC, TERA, and MMC

Employees Belonging to Vulnerable Groups by Age and Gender per Business Segment

Business Segment	Age Range	Y2025		
		Male	Female	Total
Aviation Group	>30 y.o	0	0	0
	30-50 y.o.	0	0	0
	> 50 y.o.	0	0	0
Food Group	>30 y.o	4	3	7
	30-50 y.o.	7	3	10
	> 50 y.o.	4	2	6
Water Group	>30 y.o	0	0	0
	30-50 y.o.	0	0	0
	> 50 y.o.	0	0	0
Others*	>30 y.o	0	2	2
	30-50 y.o.	1	3	4
	> 50 y.o.	4	2	6
Total		20	15	35

*Includes MAC HO, MAPDC, TERA, and MMC

Employee Breakdown by Gender and Position by Business Segment

POSITION/RANK	AVIATION GROUP		FOOD GROUP		WATER GROUP		OTHERS*		SUBTOTAL				GRAND	%
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Male%	Female	Female%	TOTAL	
Officers	23	15	2	0	17	7	24	23	66		45		111	1.79
Managers	7	3	17	18	16	7	9	12	49		40		89	1.44
Supervisors	73	56	83	27	24	20	1	0	181		103		284	4.58
Rank and File	2,260	2,264	606	229	276	63	10	8	3152		2564		5,716	92.19
	2,363	2,338	708	274	333	97	44	43	3,448		2752			
TOTAL	4,701		982		430		87						6,200	100.00

*Includes MAC HO, MAPDC, TERA, and MMC

We maintain a strong equal employment opportunity policy that ensures hiring, training, promotion, and compensation decisions are based solely on personal competence and potential for growth, regardless of race, color, religion, sexual orientation, national origin, marital status, disability, citizenship, or any other status protected by law. This commitment applies to all aspects of employment, including recruitment, development, career progression, benefits, and separation.

We also uphold the principle of equal pay for equal work across the Group. Compensation is determined using objective criteria such as job scope, market benchmarks, required skills and qualifications, and individual performance. These standards are applied consistently and reviewed periodically to ensure compliance with labor regulations and to maintain a fair, merit based, and inclusive pay framework.

We remain committed to maintaining a work environment where employees feel safe, valued, and empowered. We enforce zero tolerance for abuse, maltreatment, harassment, bullying, and discrimination in any form. Employees who experience or witness sexual harassment may report concerns to their Department Head, Supervisor, or directly to the Human Resources Department (HRD). When appropriate, HRD refers cases to the Committee on Decorum and Investigation (CODI), composed of representatives from management, supervisory, and rank-and-file levels. CODI is responsible for receiving, investigating, and resolving cases in accordance with established procedures. The Group imposes appropriate disciplinary measures, including dismissal, for retaliatory or intimidating actions toward complainants or whistleblowers.

During the reporting period, we recorded zero incidents of discrimination across the Group.

Employee Engagement

SDG 3, 5, 8, 10

We believe that clear and consistent communication is essential to building a collaborative and engaged workforce where employees feel valued, informed, and connected to our mission and values. We ensure that our people receive timely and relevant information through multiple communication channels, including email, formal letters, and internal group chats such as Viber. We also prioritize face to face communication through regular weekly and monthly meetings that keep teams aligned and provide opportunities to raise questions, share insights, and strengthen collaboration.

Town hall meetings form an important part of our engagement strategy, allowing us to discuss major updates, celebrate achievements, and address employee concerns in a transparent and inclusive environment. We likewise conduct debriefing sessions after activities or shifts to review performance, identify areas for improvement, and recognize best practices. To continuously

enhance the work environment, we encourage feedback from employees through surveys and suggestion boxes.

To foster teamwork, strengthen organizational commitment, and promote work life harmony, we organize activities that reflect our employees' interests while reinforcing our core values. Each year, we hold team building sessions, company Christmas parties, and Valentine's Day celebrations featuring programs, games, and prizes. We also host basketball and volleyball tournaments, along with special activities for Mother's Day, Father's Day, and other occasions.

At the MAC Head Office and selected subsidiaries, we celebrate *Linggo ng Wika* every August by wearing Filipiniana attire at work. We also welcome employees' children and spouses for a Trick or Treat event every November. To support the spiritual well-being of our employees, we hold thanksgiving masses every month.

Within our Food Group, we celebrate World Chef's Day every October across all facilities and kitchens through programs and recreational activities that recognize the contributions of our culinary teams.

Customer Management

At MacroAsia, we are committed to building strong, lasting relationships with our customers by understanding their needs and consistently meeting their expectations. Our customer management approach focuses on continuous engagement, personalized service, timely support, and cost-efficient problem-solving. Through transparent communication and reliable delivery of our commitments, we foster trust, strengthen loyalty, create value, and support mutual long-term success.

Customer Satisfaction GRI 2-25

We highly value our customers' opinions and feedback, as these insights are essential to shaping our business strategy and enhancing our operations. To ensure we address customer needs effectively, we maintain multiple communication channels, including the MAC official email address for formal inquiries, subsidiary websites for business-unit-specific information and feedback, customer care hotlines for immediate assistance, direct communication through emails and messaging applications, and social media platforms such as Facebook, where our business units respond to concerns in real time and provide service advisories, including notices on service interruptions. We also express our appreciation to customers by organizing events for them during special occasions.

ARDI, our water business unit in General Trias, Cavite, receives customer feedback through a local third-party customer service provider. NWSC, another water business unit in Cavite, has adopted Google Sheets and iPads to make feedback collection more accessible for walk-in clients and to enable faster analysis of customer inputs. BTSI also organizes customer appreciation events during occasions such as Valentine's Day and its anniversary, including raffles and distribution of tokens of appreciation.

Across our Food Group, MSIS and MACS conduct regular weekly client meetings to gather direct feedback on inflight catering performance and address incident reports, supplemented by results from passenger satisfaction surveys conducted by airline clients. MSFI acknowledges all

customer feedback and complaints within 24 hours, conducts prompt investigations, and issues Corrective and Preventive Actions (CAPA) reports within three (3) days, in addition to carrying out an annual Customer Satisfaction Survey to assess product quality and after-sales service.

MASCORP holds monthly Client Performance Evaluations to obtain direct feedback from airline and airport partners on service delivery, with common concerns relating to customer service quality, manpower availability, and equipment serviceability.

Our retail water business units, particularly ARDI, BTSI, NWSC, and SNVRDC, gather feedback through printed survey forms distributed by billing departments, after-sales visits by field technicians, and customer visits to business offices. Common issues raised by customers include water quality and turbidity, supply reliability during leaks or maintenance activities, water pressure during peak hours or in elevated areas, billing accuracy, availability of alternative payment options, reconnections or temporary disconnections, meter relocation or cleaning, and customer service responsiveness. For BTSI and CAKSC, customers also frequently report wastewater overflows during heavy rainfall or system blockages.

Through these structured feedback mechanisms, we continuously refine our services and strengthen our commitment to customer satisfaction. operations team for verification and action. We ensure that customers are attended to and acted on, and Customers are kept informed through advisories and direct communication until the issue is resolved.

Customer Complaints	Y2025				
	Aviation Group	Food Group	Water Group	Others*	Total
Total no. of substantiated customer complaints received	0	840	18,445	0	19,825
Total no. of complaints addressed	0	840	16,197 ⁷	0	17,037

**Includes MAC HO, MAPDC, TERA, and MMC*

Customer Health and Safety

GRI 3-3, 416-1, 416-2

IF-WU-250a.2

Ensuring the health and safety of our customers is one of our highest priorities. By adhering to industry standards and applying best practices across our operations, we deliver reliable, safe, and high-quality products and services. This commitment safeguards our customers, strengthens trust in our business, and is reinforced by relevant local and international certifications that help us attract new clients, expand our market presence, and support long-term revenue growth.

Aviation Group

We prioritize customer health and safety by enforcing strong operational controls and consistently applying recognized industry standards across our ground handling and airport services.

MASCORP maintains the IATA Safety Audit for Ground Operations (ISAGO) certification, a global audit program developed by the International Air Transport Association to enhance the safety and quality of ground handling operations. his certification confirms that our passenger, baggage, and

⁷ As of December 2025, there were 2,248 unresolved customer complaints, the majority of which involved service-related issues such as billing concerns, leaks, and meter reading, change, or relocation requests. The total also includes pending cases and instances where customers have remained unresponsive.

ramp handling processes follow standardized international procedures and comply with International Civil Aviation Organization (ICAO) Safety Management System requirements.

Maintaining ISAGO certification reflects our commitment to disciplined operations, risk reduction, and continuous improvement. It also strengthens our credibility with airline partners by ensuring consistent, safe, and reliable service delivery.

During the year, the safety-related incidents recorded in our ground handling operations were primarily minor ground accidents involving vehicles and ground support equipment (GSE) making contact with objects or other equipment.

To reduce and prevent such incidents, we conduct prompt investigations to identify root causes and implement corrective actions. We regularly review incident trends to update procedures, strengthen controls, and address recurring risks.

Safety protocols are reinforced through refresher trainings, huddles or informal meetings, and targeted reorientation for personnel involved in incidents or near misses, supported by periodic competency checks for GSE operators. Operational controls, including pre-operation equipment inspections, defined vehicle routes, and improved signage and markings, help mitigate hazards in high-risk areas. Together, these measures reinforce our safety culture by encouraging proactive hazard reporting and maintaining accountability across the organization.

Food Group

Our strong focus on food safety reflects our broader pursuit of operational excellence. MSFI maintains certification under the Food Safety System Certification (FSSC) 22000 scheme, an internationally recognized standard based on ISO 22000 and enhanced with sector-specific requirements. This certification confirms the robustness of our food safety controls and their consistent implementation across our supply chain in line with regulatory requirements and customer expectations. We also renew our HALAL certification annually through Malaysia Halal Certification and Training (MHCT), demonstrating continued adherence to Islamic dietary standards and our commitment to serving a diverse customer base.

Health- and safety-related complaints within our Food Group typically involve foreign material contamination or alleged cases of foodborne illness. To prevent such incidents, we implement HACCP protocols and good hygiene practices; conduct regular facility inspections; provide employee training and coaching; assess vendors and suppliers; and conduct routine microbiological testing through environmental monitoring. MSFI's HACCP certification is issued by a third-party HACCP training and certification body and is renewed every three (3) years with annual surveillance audits, while the HACCP certifications for MSIS and MACS are issued by the Bureau of Quarantine (BOQ) and renewed annually. As part of these certification requirements, our food business units apply the Plan–Do–Check–Act (PDCA) cycle to strengthen process controls, proactively address risks, and ensure the continuous effectiveness of our food safety systems.

Food safety audits are conducted regularly to ensure compliance with safety, quality, and regulatory standards. Commercial clients perform annual audits, and the Bureau of Quarantine (BOQ) conducts quarterly inspections. The National Meat Inspection Service (NMIS) and the Philippine Food and Drug Administration (PHFDA) conduct audit every two years, while SGS Philippines carries out an annual FSSC surveillance audit within a three-year certification cycle.

Water Group

We ensure that the water supplied to residential and commercial customers is potable and fully compliant with national regulatory standards. Water quality is governed primarily by the Philippine National Standards for Drinking Water (PNSDW) enforced by the Department of Health (DOH), which set acceptable microbiological, physical, chemical, and radiological parameters. Compliance is further supported by the Code on Sanitation of the Philippines (PD 856), relevant DENR administrative orders, and National Water Resources Board (NWRB) policies regulating water utilities, resource management, and water rates. We provide customers with a Certificate of Potability issued by a DOH-accredited laboratory confirming that our water meets PNSDW requirements. We also conduct regular water quality testing to ensure the safety of the water delivered to our customers.

Common customer concerns relate to turbidity, taste, and discoloration. In addition to regular maintenance of our treatment plants and pumping stations, water audits are routinely conducted by the NWRB, DOH, and the Department of Public Works and Highways (DPWH), covering processes from source development to distribution. The DENR also inspects our wastewater treatment facilities to ensure compliance with effluent standards under DAO 2016-08, the Water Quality Guidelines and General Effluent Standards of 2016.

Breakdown of Customer Health and Safety Incidents by Business Segment

Customer Health and Safety Incidents	Y2025					Y2024				
	Aviation Group	Food Group	Water Group	Others*	Total	Aviation Group	Food Group	Water Group	Others*	Total
Total no. of incidents of non-compliance with regulations resulting in a fine or penalty	-	57	-	-	57	-	15	1	-	16
Total no. of incidents of non-compliance with regulations resulting in a warning	-	624	2	-	658	-	343	2	-	345
Total no. of incidents of non-compliance with voluntary codes	-	448	-	-	448	-	-	-	-	-
Total no. of substantiated complaints	-	399	403	-	802	-	343	10,871	-	11,214
Total no. of complaints addressed	-	399	403	-	802	-	343	10,855 ⁸	-	11,198

*Includes MAC HO, MAPDC, TERA, and MMC.

We continuously monitor and evaluate our processes to remain responsive to evolving customer needs and changing health and safety standards. Through these measures, we reinforce our commitment to delivering safe, high-quality, and reliable services across all our business units.

⁸ The 16 unresolved customer health and safety-related complaints of the Water Group in 2024, particularly from NWSC, were closed in 2025.

Marketing and Labeling

GRI 3-3, 417-1, 417-2, 417-3

FB-FR-260a.2, FB-FR-270a.1, FB-FR-270a.2

SDG 12

We ensure that our product labels and service descriptions are clear, accurate, and responsive to the needs of our target customer segments. We ensure that all promotional materials, advertisements, and customer communications are truthful, accurate, and not misleading.

In compliance with the regulatory requirements of the Philippine Food and Drug Administration (FAD), and to meet customer expectations, we prominently display production and best-before dates on our food products, along with instructions for immediate consumption or reheating when applicable. Our labels also include essential information such as main ingredients, allergen declarations, net weight, and calorie content.

Our water business units complement product information with digital and community-focused communication efforts. These include maintaining active Facebook pages, distributing informational flyers, making radio announcements, and conducting face-to-face meetings with customers (e.g., homeowners' associations, commercial establishments), water districts and with local government units to build trust and strengthen community engagement. For our OEM water business unit, SWRI, we share information on our services through stakeholder discussions, technical presentations, and participation in government-related briefings and consultations. Across all units, we emphasize clear communication on our water services, pricing, terms and conditions, and customer rights, in accordance with consumer protection standards and ethical business practices.

CAKSC reinforces its credibility by displaying its Environmental Compliance Certificate (ECC) and Department of Environment and Natural Resources (DENR) certifications on all desludging tanks. SWRI supports client awareness by producing brochures for potential customers and distributing them at various events to highlight its mission, services, and environmental commitments.

In addition to these efforts, FAA, for its part, enhances brand visibility and student engagement through a combination of digital outreach and community partnerships. We utilize platforms such as Facebook, TikTok, LinkedIn, and YouTube to promote our pilot training programs, highlight graduate achievements, and provide insights into our training processes and safety standards. We also collaborate with schools and universities through career talks and aviation-themed activities, and engage the broader community through open houses, facility tours, webinars, and participation in aviation expos. Success stories and testimonials from our graduates further reinforce trust and credibility, while localized messaging ensures our communication resonates effectively with prospective students.

For the reporting period, there were no reported incidents of non-compliance related to product and service information, labeling, or marketing communications.

Corporate Social Responsibility and Community Engagement

GRI 3-3, 413-1

SDG 2, 4, 6, 15, 17

As a responsible corporate citizen, we are committed to creating lasting, positive outcomes in the communities where we operate. Our Corporate Social Responsibility (CSR) and employee

volunteerism initiatives focus on inclusive community development, environmental stewardship, and responsible business practices such as fair labor conditions, support for local suppliers and livelihoods, and the adoption of environmentally sound operating practices that uphold human dignity, strengthen local economies, and protect natural resources.

We implement programs and initiatives that address locally relevant needs through our business units in partnership with local government units, civil society organizations, academic institutions, and community leaders. Our approach integrates careful selection of project areas, comprehensive planning, risk and impact assessments, transparent resource allocation, and continuous monitoring to ensure that initiatives remain effective, measurable, and responsive to community priorities. Community engagement includes regular consultations and dialogue with stakeholders, joint planning, information and education campaigns, and feedback channels to promote inclusivity and ensure program relevance.

In 2025, we carried out several community initiatives across our business segments in twelve (12) areas where we have operations as part of our commitment to social responsibility and environmental stewardship.

Aviation Group

Our FAA employees participated in the Subic Bay Freeport's 2025 Earth Day clean-up drive, promoting environmental responsibility and community volunteerism. They also joined the 2025 Arbor Day celebration in support of the Subic Bay Metropolitan Authority's Carbon Neutral Program, contributing to reforestation efforts at the Mulawin Bayakan Reforestation Site in Pastolan Village.

MASCORP employees conducted an outreach activity at Bahay Kalinga in La Huerta, Parañaque, where they provided food, facilitated a short program, and spent time engaging with the elderly and persons with disabilities. The team also donated food supplies, an ambulance stretcher, and ceiling and wall electric fans to support the needs of the shelter's residents. In addition, MASCORP, together with MAATS and APC employees, visited the Saint Rita Orphanage in Parañaque City, where they played games with the children, served meals, and donated essential items such as rice, eggs, condiments, diapers, milk, beverages, medicines, vitamins, toiletries, snacks, and stuffed toys. These efforts reflect the team's continued commitment to caring for vulnerable groups in the communities they serve.

MASCORP also participated in the "Run as One for Workplace Safety and Health" event organized by the Department of Labor and Employment (DOLE) at the Clark Freeport Zone. This Color Fun Run, held in celebration of the 123rd Labor Day and the 2025 World Day for Safety and Health at Work, promoted proactive safety practices and continuous improvement in Occupational Safety and Health across the region.

Food Group

In August 2025, our Food Group, led by MSIS, conducted a tree-planting activity in partnership with the Million Trees Foundation, Inc. Employees from our three (3) food business units planted 250 saplings of Narra, Malabulak and Cupang tree species at the La Mesa Watershed in Quezon City.

MSIS also organized an outreach activity for children supported by Concordia Children Services, Inc. in Sta. Mesa, Manila. Our employee volunteers facilitated games, shared meals with the children, and distributed school supplies. In addition, MSIS employees joined several Philippine Red Cross bloodletting activities held at the PAL Inflight Center.

Our MSFI employees continued to participate in regular clean-up activities around our commissary. This initiative, a key component of MSFI's Health and Safety program, helps maintain clean and safe surroundings and promotes a healthier workplace environment.

Water Group

In Boracay, Aklan, BTSI took part in multiple coastal and wetland clean-up activities and supported the fiesta celebrations of two (2) neighboring barangays through token donations during the reporting period. As part of its 26th anniversary, BTSI also conducted an outreach activity, distributing school supplies to approximately eighty (80) indigenous children in Sitio Carlam, Cubay Sur, Malay, Aklan. In March 2025, BTSI employees likewise participated in the LGU's flag-raising ceremony, demonstrating respect for national traditions and reinforcing their commitment to community engagement.

CAKSC strengthened its commitment to community and environmental stewardship in General Trias, Cavite during the reporting period. Our employees joined the City ENRO's Greening Project at Retarding Basin 1 in Brgy. Tapia, helping plant trees to restore and enhance local green spaces. In addition, the business unit provided a cash donation to Barangay Buenavista II to support the Christmas celebration for 500 children.

SNVRDC supported community learning and engagement in Solano, Nueva Vizcaya through its participation in LIBRO (Light Beyond Recovery Operations), the LGU-led reading program attended by 100 public school students. Our employees also organized a Thanksgiving and Christmas gathering for the children of Brgy. Curifang, where we distributed food, school supplies, and facilitated games. In addition, SNVRDC provided a total of 55 cubic meters of free drinking water to community members during All Souls' Day and for various local events—including regional public-school competitions, school intramurals, and inter-barangay basketball games—in partnership with the LGU of Solano. It also extended support to families in six (6) barangays affected by Super Typhoon Uwan in November 2025 by supplying free drinking water.

In Brooke's Point, Palawan, we carried out several community support initiatives in 2025 through our operating partner, CNI. These included providing printers to the barangay councils of Maasin and Ipilan, as well as supplying construction materials for community facilities such as a perimeter fence and the renovation of a multi-purpose building and stage. In addition, school supplies, amenities, and fixtures were also donated to child development centers in Barangays Maasin, Mambalot, and Ipilan.

In summary, 347 employees rendered 1,370 volunteer hours of community engagement and outreach across twelve (12) cities and municipalities where we operate.

Operations with Community Engagements, Impact Assessment, and Development Programs by Business Segment

DISCLOSURE	YEAR 2025	YEAR 2024
Total number of operations* with implemented local community engagement, impacts assessment, and/or development programs (IEC campaigns in communities, tree-planting, coastal clean-ups, outreach activities, etc.)	12	10
Total number of operations*	37	35
Percentage of operations* with implemented local	32%	29%

community engagement, impact assessments and/or development programs		
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**Operations in this context refer to the cities and municipalities where MAC and its subsidiaries maintain a presence. In 2025, two (2) new areas of operation under SWRI were added with the construction of seawater desalination projects in Lapu-Lapu City, Cebu, and San Fernando City, La Union.*

Governance Excellence

MacroAsia upholds the highest standards of corporate governance as part of our commitment to protecting the interests of all stakeholders. Our governance practices are grounded in lawful, ethical, and responsible conduct, guided by the principles of integrity, objectivity, accountability, and transparency.

We implement a comprehensive governance framework that ensures effective oversight, sound and well-informed decision-making, and full compliance with applicable regulatory requirements. This framework supports the prudent management of risks, the protection of stakeholder interests, and the strengthening of trust and confidence in our organization. We further promote a strong culture of ethics and compliance through clear and regularly updated policies, ongoing governance and compliance training, continuous monitoring, and robust internal controls that reinforce responsible behavior across the organization.

Demonstrating our dedication to good corporate governance, we received a One Golden Arrow Award at the 2025 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards held on October 23, 2025, at Okada Manila. This recognition underscores our commitment to governance excellence and our steadfast adherence to transparency, accountability, and ethical leadership.

Through the continuous enhancement of our governance systems and the consistent application of our corporate values, we remain focused on creating long-term sustainable value while ensuring that our operations uphold the highest standards of transparency, accountability, and recognized corporate governance best practices.

Board and Management Leadership Practices

GRI 2-9, 2-12, 2-16

SDG 16

The Board of Directors is responsible for ensuring our long-term success, operational sustainability, and competitiveness. We set the strategic direction of the organization by defining our vision, mission, corporate objectives, and key policies, while ensuring that effective mechanisms are in place to monitor Management's performance and uphold the principles of good corporate governance.

In carrying out our governance mandate, we oversee the selection and appointment of qualified directors and officers, ensuring a balanced and competent leadership team with the integrity and expertise necessary for effective stewardship. We provide strategic oversight of major capital expenditures, long-term programs, and other initiatives essential to sustaining our financial and operational resilience. This includes the regular review of business plans, operating budgets, risk

exposures, committee reports, and matters that may materially affect the Parent Company and its subsidiaries.

We ensure full compliance with applicable laws, regulatory requirements, and recognized best business practices. We promote transparency and accountability through robust internal controls, internal checks and balances, and clear policies governing related party transactions and interlocking director relationships. We maintain open communication with key stakeholders—including the investing public and communities affected by our operations—and ensure that engagement is accurate, timely, and aligned with stakeholder expectations.

To support effective oversight, we establish an Audit Committee and other committees as necessary, maintain an internal dispute resolution system, and conduct meetings in accordance with the Amended By-Laws, with proceedings properly documented and independent views encouraged. All actions and decisions remain firmly within the authority granted to us under the Articles of Incorporation, By-Laws, and relevant laws.

Through strategic leadership, rigorous oversight, and adherence to governance principles, we ensure that Management remains accountable for implementing the Company's goals and maintaining alignment with our purpose, values, and long-term objectives.

Board Composition and Diversity GRI 2-9, 2-11, 405-1

We promote diversity within our Board to encourage open and constructive discussions, enable sound decision-making, and ensure effective checks and balances. Our current Board composition reflects diversity in gender, age, experience, and expertise.

The Chairman of the Board provides overall leadership, ensures effective governance, and guides the Company's strategic direction. The Non-Executive and Independent Directors exercise prudence, integrity, and objective judgment in overseeing corporate affairs. They contribute to sustained organizational performance while upholding proper checks and balances.

The MAC Board of Directors is supported by key officers, each with defined roles and responsibilities:

- **President and Chief Operating Officer (COO):** Oversees the company's day-to-day operations and ensures that all operational processes are efficient, effective, and aligned with organizational goals.
- **Lead Independent Director:** Serves as an intermediary between the Chairman and the other directors when needed, convenes and presides over meetings of the non-executive directors, and participates in the performance evaluation of the Chairman, as required. The Lead Independent Director also chairs periodic separate meetings with the non-executive directors, the external auditor, and the heads of Internal Audit, Compliance, and Risk, without any executive directors present, to help ensure that appropriate checks and balances are maintained within the Corporation.
- **Treasurer:** Serves as the Corporation's financial officer, responsible for the custody, management, and safeguarding of all corporate funds, securities, and other financial assets in his possession, and for maintaining accurate and regular books of account.

- **Corporate Secretary:** Supports the Board and its committees by organizing and facilitating meetings, including preparing the annual schedule and Board calendar and assisting the Chairpersons in setting meeting agendas. Responsible for the safekeeping and maintenance of Board and committee minutes, as well as other official corporate records. Keeps abreast of relevant laws, regulations, governance issuances, and industry developments, and advises the Board and the Chairman on emerging issues as needed.
- **Chief Risk Officer:** Oversees the Enterprise Risk Management (ERM) framework and leads the development, implementation, and continuous enhancement of ERM processes and documentation. Communicates key risks and the status of mitigation strategies to the Risk Management Committee and collaborates with the President and COO in reviewing and recommending risk management actions, policies, and guidance.
- **Chief Compliance Officer:** Ensures that the Company, its directors, and its officers comply with all applicable laws, rules, regulations, and governance issuances of relevant regulatory agencies. The Chief Compliance Officer monitors, reviews, and evaluates compliance activities across the organization and ensures the integrity, accuracy, and timeliness of all regulatory filings and documentary submissions.
- **Chief Sustainability Officer:** Provides leadership in shaping and implementing the Company's sustainability strategy and chairs the MAC Group Sustainability Council. The CSO ensures that sustainability and ESG principles are integrated into the Group's business planning and operations; oversees the development of key sustainability initiatives; ensures compliance with applicable sustainability and ESG-related laws, regulations, and standards; and identifies material sustainability and climate-related risks and opportunities affecting the Group. The CSO also monitors and reports the Group's ESG performance and related matters to the Management Committee and the Corporate Governance Committee to support effective Board oversight.
- **Investor Relations Officer:** Serves as the primary contact for stockholders, addressing feedback, queries, and concerns, and provides support during Stockholders' Meetings.
- **Corporate Information Officer:** Oversees corporate information governance and records management. The CIO ensures integrity, security, and availability of corporate information supporting decision-making and compliance.
- **Chief Audit Executive:** Heads the Audit Department and functionally reports to the Audit Committee and administratively to the President. The CAE is responsible for independent assurance on governance, risk management, and internal controls.

The MAC Board consists of eleven (11) members: four (4) non-executive, four (4) independent, and three (3) executive directors. Of these, three (3), or 27%, are women, and directors' ages range from 29 to 91 years old, reflecting a wide range of perspectives and professional experience.

AGE RANGE	NO. OF MALE	% OF MALE	NO. OF FEMALE	% OF FEMALE
< 30 Years Old	1	9%	0	0
30-50 Years Old	2	18%	0	0
>50 Years Old	5	46%	3	27%
Total	8	73%	3	27%

The roles of Chairman of the Board, Chief Executive Officer (CEO), and President and Chief Operating Officer (COO) are held by separate individuals to maintain a balance of power and ensure effective leadership. This separation strengthens accountability, promotes transparency, and enhances the Board's capacity for independent decision-making.

Dr. Lucio C. Tan has served as Chairman of the Board and Chief Executive Officer (CEO) since 2015, while Mr. Eduardo Luis T. Luy has held the position of President and Chief Operating Officer (COO) since 2021.

In May 2025, two (2) new directors, Mr. Gregorio T. Yu and Atty. Darlene Marie B. Berberabe, joined the Board. Following Atty. Berberabe's appointment to a government post, she stepped down from her directorship. Ms. Cristina C. Tan was appointed as her replacement and assumed office on 10 July 2025.

During the same period, Ms. Rubi Pioquinto stepped down as Chief Audit Executive of the Group and was succeeded by Ms. Evelyn R. Cabug.

In March 27, 2025, Mr. Rhodel C. Esteban became Corporate Information Officer and Chief Compliance Officer, succeeding Atty. Marivic T. Moya, who remained Senior Vice President for HR, Legal, and External Relations.

As of December 2025, the following are the Members and Officers of the MacroAsia Corporation Board of Directors:

MAC BOARD OF DIRECTORS	POSITION
Lucio C. Tan	Chairman of the Board and Chief Executive Officer
Carmen K. Tan	Director
Lucio C. Tan III	Director
Eduardo Luis T. Luy	President and Chief Operating Officer
Vivienne K. Tan	Director
Kyle Ellis C. Tan	Treasurer
Johnip G. Cua	Director
Ramon P.D. Dizon	Independent Director
Diwa C. Guinigundo	Independent Director
Gregorio T. Yu	Independent Director
Christina C. Tan	Independent Director
MAC EXECUTIVE OFFICERS	POSITION
Atty. Marivic T. Moya	Senior Vice President for HR, Legal, and External Relations
Amador T. Sendin	Chief Financial Officer, Chief Risk Officer, and Senior Vice President for Administration
Rhodel C. Esteban	Chief Compliance Officer, Corporate Information Officer, Chief Sustainability Officer (CSO), and Vice President (VP) for Commercial
Belgium S. Tandoc	Vice President for Business Development and Data Protection Officer
Evelyn R. Cabug	Chief Audit Executive (CAE)
Atty. Florentino M. Herrera III	Corporate Secretary
Atty. Mary Rogelyn T. Cabrera	Asst. Corporate Secretary

Board Committees

GRI 2-9

The Board has established eight (8) specialized committees to provide targeted oversight and address the company's strategic and operational priorities more effectively. Each committee operates under a comprehensive charter that outlines its purpose, composition, governance structure, responsibilities, operating protocols, reporting processes, and access to resources.

Audit Committee

The Audit Committee is composed of five (5) members of the Board, three (3) of whom, including the Chair, are Independent Directors. The Committee oversees the integrity of the Company's financial reporting, internal controls, risk management processes, and compliance with laws and regulations. It supervises the Internal Audit function, ensures the independence of internal and external auditors, reviews audit results, and monitors management's corrective actions. The Committee also evaluates the scope and performance of the External Auditor and recommends their appointment or removal to the Board.

The Committee reviews interim and annual financial statements prior to Board approval, ensuring accuracy, sound judgment, and full regulatory compliance. It likewise oversees Related Party Transactions to ensure these are conducted on arm's-length terms, properly disclosed, and aligned with Company policies. The Audit Committee meets at least five times a year in fulfillment of its oversight responsibilities.

Compensation Committee

GRI 2-20

The Compensation Committee is composed of five (5) Board members, including three (3) Independent Directors, and one (1) non-voting member. The Committee oversees a formal and transparent process for setting executive and Board remuneration and ensures that compensation programs for senior management and key personnel align with the Company's culture, strategy, and governance objectives.

The Committee develops and implements executive compensation policies, oversees required compensation disclosures in the Company's annual reports and proxy statements, and reviews the Company's Human Resources or Personnel Handbook to strengthen provisions on conflicts of interest, salary and benefits administration, career development, and compliance with statutory requirements. The Committee meets at least once a year.

Retirement Plan Committee

The Retirement Plan Committee is composed of four (4) members, two (2) of whom are members of the Board, the Chief Financial Officer and the Senior Vice President for Human Resources, Legal and External Relations, who are non-voting members.

The Committee is tasked with the oversight of responsibilities related to funding, investment management, performance of the Retirement Plan of the Corporation, and ensuring its prudent operation and administration.

Investment Committee

The Investment Committee is composed of eight (8) members of the Board, including two (2) Independent Directors. The Committee assists the Board in defining the Company's investment goals and objectives in alignment with its culture, strategy, and operating environment. It reviews investment plans and associated risks in relation to the Company's business plan or medium-term strategy and performs other investment-related functions as may be assigned by the Board.

Related Party Transactions Committee

GRI 2-15

The Related Party Transactions Committee is composed of five (5) Board members, three (3) of whom are Independent Directors. The Committee is responsible for ensuring that all related party transactions are conducted prudently, with integrity, and in compliance with applicable laws and regulations, thereby protecting the interests of shareholders and stakeholders. It convenes as needed and works closely with the Audit Committee to ensure proper oversight and transparency in related party dealings.

Corporate Governance Committee

The Corporate Governance Committee is composed of six (6) directors, the majority of whom, including the Chair, are Independent Directors, along with one (1) non-voting member. The Committee oversees the Company's adherence to sound corporate governance principles; ensures the regular review and updating of governance policies; manages the annual performance evaluation of the Board, its committees, and executive management; and oversees the nomination and selection process for directors to maintain an appropriate mix of skills and qualifications.

The Committee also guides and monitors the Company's sustainability agenda. It oversees the implementation of the sustainability framework and strategy, ensures that material ESG and climate-related topics are integrated into the business strategy, reviews and approves the Sustainability Report, and ensures compliance with relevant ESG standards and regulations. The Committee meets at least three times a year, or more frequently as necessary.

Risk Management Committee

The Risk Management Committee is composed of six (6) members of the Board, four (4) of whom, including the Chair, are Independent Directors. The Committee assists the Board in ensuring the effectiveness of the Company's enterprise risk management (ERM) system. It develops and oversees the ERM framework, monitors prioritized and residual risks, reviews regular risk reports, and evaluates the effectiveness of the Company's strategies for identifying, assessing, and mitigating key risk exposures.

The Committee periodically reviews the ERM plan to ensure its relevance and responsiveness to changes in the business, regulatory, and external environment. It advises the Board on risk appetite and tolerance levels, oversees management's activities in managing various risk categories, and provides regular reports to the Board on material risks, mitigation actions, and recommended improvements. The Committee meets as necessary and works closely with the Audit Committee.

Mining Committee

The Mining Committee is a special committee composed of five (5) members of the Board, including two (2) Independent Directors. It was established by the Board to support Management in overseeing and guiding the Company's mining projects, particularly those that require high-level monitoring and strategic direction.

The table below outlines the memberships in each of the Board Committees:

BOARD OF DIRECTORS AND OFFICERS	AUDIT COMMITTEE	COMPENSATION COMMITTEE	RETIREMENT PLAN COMMITTEE	INVESTMENT COMMITTEE	RELATED PARTY TRANSACTION COMMITTEE	CORPORATE GOVERNANCE COMMITTEE	RISK MANAGEMENT COMMITTEE	MINING COMMITTEE
Lucio C. Tan				Chairman				
Carmen K. Tan				Member				
Lucio C. Tan III		Member		Member	Member			
Eduardo Luis T. Luy				Member			Member	Member
Vivienne K. Tan	Member							
Kyle Ellis C. Tan				Member				Member
Johnip G. Cua	Member	Chairman	Chairman	Member	Member	Member	Member	Chairman
Ramon P.D. Dizon (ID)	Chairman				Member	Member	Member	
Diwa C. Guinigundo (ID)	Member	Member	Member	Member	Chairman	Chairman	Member	
Gregorio T. Yu (ID)		Member		Member	Member	Member	Chairman	Member
Christina C. Tan (ID)	Member	Member				Member	Member	Member
Atty. Marivic T. Moya		Member (non-voting)	Member (non-voting)			Member (non-voting)		
Amador T. Sendin			Member					
Rhodel C. Esteban								
Belgium S. Tandoc								
Evelyn R. Cabug								
Atty. Florentino M. Herrera III								
Atty. Mary Rogelyn T. Cabrera								

Board Meetings and Attendance

GRI 2-16

Critical concerns and other significant matters involving the Parent Company and its subsidiaries are routinely communicated by the MAC Management Team to the Board of Directors during regular and special meetings, whether conducted in person, online, or in a hybrid format.

Board discussions typically address financial and operational results, business strategy, legal and regulatory compliance, risk management, key project updates, Committee reports, and approvals of major plans and policies.

Director attendance at Board and Committee meetings is closely monitored to ensure quorum and maintain fair and balanced representation. In 2025, the Board of Directors of MacroAsia

Corporation convened seven (7) times. Details of Directors' attendance at Board and Committee meetings for 2025 are provided in the Governance Sustainability Annex.

Qualifications, Nominations, and Elections

GRI 2-10

Any stockholder owning at least 1,000 shares may be nominated and elected as a director, provided they are not engaged in any business, activity, or position that conflicts with the Company's interests.

Director candidates are assessed based on their professional competence, including knowledge, skills, and experience, and, for non-executive directors, independence of judgment. Candidates must also demonstrate integrity, a strong professional reputation, the ability to contribute effectively to Board deliberations, diligence, and the capacity to devote sufficient time to Board responsibilities.

The Corporate Governance Committee prescreens and shortlists nominees in accordance with the qualifications and disqualifications prescribed in the Company's Amended By-laws and Manual on Corporate Governance. Nominees who meet these standards and successfully pass the Board's evaluation process are formally elected during MacroAsia Corporation's Annual Stockholders' Meeting.

Independent Directors may serve a maximum cumulative term of nine (9) years. Upon completion of this term, they become permanently ineligible for re-election as Independent Directors but may still be nominated and elected as Non-Independent Directors. Should the Company seek to retain an Independent Director beyond the nine-year limit, the Board must provide meritorious justification and secure stockholder approval during the Annual Stockholders' Meeting.

In cases of vacancies on the Board or in any officer position due to death, resignation, disqualification, or other causes, the Board may, by majority vote, appoint a successor to serve the remainder of the unexpired term, subject to shareholders' rights to nominate candidates for the vacant position.

Continuing Learning and Education

GRI 2-17

We remain committed to enhancing Board effectiveness through continuous learning and development. We allocate adequate resources to support director orientation, capacity-building programs, and ongoing professional education. Newly appointed directors undergo a structured onboarding process, while all directors receive regular opportunities to stay updated on their governance responsibilities and evolving regulatory requirements.

In compliance with regulatory standards, our directors are required to complete at least four (4) hours of annual corporate governance training from an accredited institution. On the morning of November 26, 2025, our Board of Directors, together with key officers of the Parent Company and its subsidiaries, participated in the online Annual Corporate Governance Seminar organized by the Lucio Tan Group, Inc. The session, facilitated by SGV & Co., provided updates on corporate governance practices, risk management, and developments in artificial intelligence relevant to governance and oversight.

In the afternoon of the same day, our Sustainability Team conducted an executive briefing on the International Sustainability Standards Board (ISSB) Standards for the Board and the Management Committee. The session, held via Zoom and facilitated by the University of Asia and the Pacific – Center for Social Responsibility (UA&P CSR), covered the ASEAN and Philippine economic landscape, the implications of ISSB adoption for MacroAsia, and the core principles of data governance. This initiative supports our ongoing efforts to prepare for emerging sustainability reporting requirements and ensure alignment with evolving international standards.

Board Performance Evaluation

GRI 2-18

The Board continues to uphold strong governance practices by regularly assessing its performance, both individually and as a collective body. This ongoing evaluation allows the Board to identify strengths, address areas for improvement, and reinforce its effectiveness in guiding the Company's long-term strategy and sustainability commitments.

In December 2025, the Board of Directors conducted its annual self-assessment to evaluate overall performance and the Company's adherence to corporate governance standards. As part of this process, the self-assessment tool was amended to incorporate questions on directors' training and development needs, aimed at better supporting them in fulfilling their duties and responsibilities.

Board and Executive Remuneration

GRI 2-19, 2-20

The Compensation Committee reviews and recommends changes to the compensation of Directors and the Corporation's executive officers. The Committee's recommendations are evaluated and approved by the Board. The provisions of the corporate by-laws governing the compensation of Directors and executive positions are strictly observed, with no deviations noted or reported to the Committee or the Board.

Directors do not receive regular compensation from the Parent Company but are paid per diems for each regular or special meeting they attend, as determined by the Board. Any additional compensation follows a Board-approved plan within the limits set by the Corporation's by-laws. This performance-based variable pay plan, implemented in 2005, depends solely on the Company's financial results. Directors may also receive up to 5% of the Corporation's net profit before income tax each year, to be allocated in such manner and proportion as the Board deems fair and equitable.

Executive Officers receive a negotiated monthly salary and fixed monthly benefits, including allowances and 13th-month pay, in accordance with the Company's compensation structure and relevant policies. A performance-based incentive plan is also in place for officers and staff, which may provide additional variable pay depending on the Company's audited operational and financial results for the reporting year.

Policy on Multiple Board Seats

Directors may hold positions in other companies provided these do not hinder their ability to effectively perform their duties to MacroAsia Corporation. Executive Directors may likewise hold external directorships, so long as such roles do not conflict with or impede their responsibilities to

the Corporation. Directors are required to inform the Board before accepting any additional directorships.

In evaluating nominees for the Board, the Corporate Governance Committee considers the nature of the nominee's other business interests, their age and capacity, the number of positions they currently hold, and any potential conflicts of interest. These factors help ensure that each Director can devote sufficient time and attention to the Corporation's affairs.

Shareholdings

Directors are required to notify the Corporate Secretary of their shareholdings in the Company within three (3) business days from their appointment, or from any acquisition, disposal, or change in ownership. This ensures the timely and accurate submission of disclosures to the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC).

Directors, management, and employees are strictly prohibited from buying or selling the Corporation's securities while in possession of material non-public information about the Company or its securities.

Insider Trading

The Corporation complies with the Philippine Stock Exchange (PSE) blackout rule, which prohibits Directors and officers from trading the Corporation's securities during periods when they possess material non-public information, and for up to two (2) full trading days after such information is disclosed. Directors and officers are notified of impending disclosures via email or SMS, with the nature of the disclosure clearly indicated.

Rights of Investors / Stockholders

Stockholders are entitled to key rights that safeguard their interests and support their participation in the Company's governance. These include the right to elect, remove, and replace Directors, and to vote on corporate actions in accordance with the Corporation Code. Stockholders also have the right to receive dividends, inspect corporate records, transfer ownership of their shares, and pursue legal action in cases of wrongful acts. In addition, they are entitled to timely, accurate, and relevant information about the Company's performance and operations.

Annual Stockholders' Meeting

The Annual Stockholders' Meeting is typically held in May. The Corporation distributes the Information Statement, Proxy Form, and Management Report to stockholders at least fifteen (15) business days before the meeting. In addition, the Notice of Meeting is sent at least twenty-one (21) calendar days prior and is published in the business section of at least two (2) newspapers of general circulation, both in print and online, for two (2) consecutive days.

Disclosure and Transparency

We are committed to the full, fair, and timely disclosure of all material information that may affect our performance, financial condition, or the interests of our stockholders and other stakeholders. This includes, among others, our earnings results, major asset transactions, off-balance sheet arrangements, related party transactions, and the compensation of our Directors and Management.

We ensure that all significant facts and events, particularly those involving major asset transactions, are accurately and promptly disclosed. Our Directors and officers are likewise required to report any dealings in our shares within three (3) business days.

We submit all required disclosures through the appropriate Philippine Stock Exchange mechanisms and file all necessary reports with the Securities and Exchange Commission to promote transparency and provide stakeholders with complete, reliable, and timely information.

MAC Management Committee

GRI 2-9, 2-13

The MAC Management Committee plays a key role in operationalizing the Board's directives and ensuring the effective execution of the Corporation's strategic priorities. The Committee is composed of the President and COO, supported by senior executives of the Parent Company, including the heads of major business segments and subsidiaries. It convenes weekly and monthly, either online or face-to-face, to deliberate on strategic issues, operational performance, emerging risks, and matters requiring timely coordination across the organization.

Beyond operational oversight, the Committee ensures alignment between corporate strategy and subsidiary-level execution. It reviews financial and operational results, monitors progress against approved plans, discusses resource requirements, and identifies opportunities for business improvement. Issues that may have a material impact on the Group's performance, compliance posture, or stakeholder commitments are given priority.

Members of the Management Committee regularly communicate critical updates to the Board and the relevant Board Committees. This ensures that the Board is kept informed of operational developments, risk exposures, and strategic decisions requiring approval or oversight. When necessary, other Management Committee members or business unit and segment heads are invited to Board Committee meetings to provide insights, present detailed reports, or seek guidance and approvals on matters under their responsibility.

For 2026, a new meeting alignment cadence for the Management Committee and its members will be implemented to enhance operational efficiency and improve the quality of reporting. The revised schedule is designed to optimize time management and provide business unit heads with sufficient opportunity to present performance updates, operational insights, and matters requiring management action. This initiative aims to support more structured discussions, improve decision timeliness, and strengthen alignment between corporate leadership and the business units.

MAC Operating Management

Our General Managers and Business Unit Heads oversee the day-to-day operations of each subsidiary and are directly accountable for operational performance, financial results, and the execution of strategic initiatives. They ensure that business plans, budgets, and operational targets are achieved while maintaining full compliance with corporate policies, regulatory requirements, and applicable industry standards.

These business unit leaders regularly elevate significant issues, emerging risks, and critical operational developments to the Parent Company. They provide structured and timely operational and financial reports, enabling Management and the Board to make informed decisions and to closely monitor the health, performance, and overall direction of each business unit.

To strengthen coordination and strategic alignment, subsidiaries operating within the same sector are organized into business segments. Each segment is led by a Business Segment or Group Head who provides oversight, facilitates synergy among related subsidiaries, and ensures that segment-level strategies support the overarching objectives of the Corporation. This structure enhances operational efficiency, promotes collaboration, and reinforces accountability across the organization.

In addition, our Business Unit Heads actively participate in the Group's annual business planning process, contributing operational insights, market intelligence, and long-term strategic priorities. To ensure disciplined performance management, they are also required to maintain and implement a balanced scorecard that measures and tracks both financial and non-financial performance indicators. This approach promotes greater transparency, alignment with corporate goals, and a more comprehensive assessment of each unit's overall effectiveness.

Lawful and Ethical Business Practices

SDG 16

We are committed to fostering trust and strengthening relationships with our stakeholders by consistently upholding responsible, lawful, and ethical business conduct. This commitment is embedded within our governance framework and supported by robust policies, systems, and practices that promote integrity, transparency, and accountability across all levels of the organization.

At the Parent Company level, we develop and maintain policies that define the standards of ethical and responsible work practices expected of all employees and business units. These policies are cascaded to our subsidiaries for adoption or alignment, ensuring coherence and uniform adherence to corporate ethics and compliance standards throughout the Group. Subsidiaries with more complex or specialized operations may supplement these policies with their own procedures, developed in coordination with the Parent Company to ensure alignment with our overarching corporate principles.

All employees, including new hires, undergo orientation on these policies and receive an Employee Handbook that outlines our standards of conduct, workplace requirements, and compliance expectations. Key corporate policies are also made accessible through our official website and are periodically reinforced through memoranda and internal communications to maintain awareness and understanding.

Violations of these policies are addressed in accordance with our Code of Conduct. This enforcement mechanism underscores our commitment to ethical behavior, regulatory compliance, and maintaining a culture of integrity across the organization.

Sourcing and Procurement Practices

GRI 2-6, 3-3, 204-1

FB-PF-440a.2

SDG 12

We operate across diverse industries, making the procurement of materials and services, and the effective management of our supply chain, essential to ensuring operational continuity, cost

efficiency, and service quality. Our sourcing activities emphasize value for money, operational efficiency, customer satisfaction, strong supplier relationships, and sustainability.

We implement a structured procurement process that includes:

1. Preparation of purchase requests
2. Solicitation of quotations
3. Evaluation and recommendation of suppliers
4. Issuance of purchase orders
5. Inspection and acknowledgment of delivered goods or completed services
6. Processing of payments

To promote fairness and market competitiveness, we adhere to a three-vendor policy that requires quotations from at least three (3) qualified suppliers or service providers. Supplier evaluation includes due diligence on permits, clearances, and certifications, while high-risk materials and services undergo regular Supplier Quality Assurance Assessments to ensure compliance with safety, quality, and regulatory standards.

To reinforce transparency and accountability, particularly for capital expenditures, we established the Bidding and Awards Committee (BAC). The BAC is composed of selected senior executives of the Parent Company, the General Manager or Business Unit Head, and the Purchasing or Requisition Department Head or representative of the requesting business unit. The Committee oversees supplier eligibility, bidding activities, evaluation of proposals, approval of procurement transactions, and contract awarding.

Before a contract is awarded, the selected vendor must sign an Oath of Integrity, affirming compliance with our anti-bribery and anti-corruption standards. Vendors are encouraged to report any solicitation, irregularity, or collusion involving MAC personnel.

Suppliers to the Food Group must also sign a Supplier Guaranty Agreement, certifying that their products meet agreed specifications and applicable FDA and food safety regulations. We also require suppliers to complete ESG Compliance and Social Responsibility checklists to assess whether they uphold responsible, ethical, and sustainable business practices. Through these checklists, suppliers attest that they integrate sustainability or ESG principles into their operations; do not employ minors or forced labor; uphold fair labor practices and pay legally mandated wages; ensure reasonable working hours and adequate worker protection; maintain safe and healthy working conditions; refrain from illegal, improper, or unethical activities; and commit to reducing environmental impacts while practicing responsible and ethical sourcing. These requirements reinforce our commitment to working only with suppliers who share our values on human rights, workplace well-being, integrity, and environmental stewardship.

Consistent with our commitment to supporting the local economy and enhancing cost efficiency, we prioritize sourcing from local suppliers whenever feasible. Overseas procurement is undertaken only when local alternatives are unavailable or when technical, regulatory, or client-specific requirements cannot be met locally.

To strengthen supply chain resilience, we maintain contingency plans, conduct regular risk assessments, and implement rapid response protocols to manage potential disruptions arising from extreme weather events, regulatory changes, economic volatility, geopolitical developments,

supplier reliability issues, or quality concerns. We also pursue bulk-purchasing strategies and evaluate alternative materials and suppliers to optimize costs without compromising product or service quality.

As part of our clients' supply chains, we likewise accommodate external supplier quality assessments. Our Food Group routinely undergoes client-initiated supplier audits and ensures compliance with all required permits, certifications, and standards to uphold service quality and maintain client confidence.

In 2025, the Group engaged a total of 1,279 suppliers, vendors, and third-party service providers across its operations. To promote responsible business conduct and maintain client confidence, the Group developed a Business and Human Rights Policy, reinforcing our commitment to ethical practices, respect for human rights, and accountability across our value chain.

BUSINESS SEGMENT	2025 SUPPLIERS FOR RENEWABLE MATERIALS	2024 SUPPLIERS FOR RENEWABLE MATERIALS	2025 SUPPLIERS NON- RENEWABLE MATERIALS	2024 SUPPLIERS NON- RENEWABLE MATERIALS
AVIATION GROUP	0	0	74	125
FOOD GROUP	370	472	391	262
WATER GROUP	0	0	414	143
OTHERS	0	0	30	34
TOTAL	370	472	909	564

**Includes MAC HO, MAPDC, TERA, and MMC*

Code of Conduct and Discipline GRI 2-25

The MacroAsia Code of Conduct sets clear behavioral expectations for all employees and reflects our commitment to integrity, professionalism, and respect in the workplace. It guides us in our interactions with colleagues and stakeholders, and in the responsible use of company resources.

Reports of potential violations are reviewed promptly and impartially to ensure fairness and timely resolution. Our Human Resource Department assesses each case, determines whether further investigation is needed, and issues the final decision. When required, an Administrative Committee composed of MAC Management Committee members supports the investigation.

Decisions are based on credible and sufficient evidence. If a violation is confirmed, we implement appropriate disciplinary actions without delay. Employees involved in a case are given a fair opportunity to be heard, while ensuring the process remains efficient and does not cause unnecessary delays.

In 2025, we provided orientation to all new hires on their respective company and Group Code of Conduct during onboarding. Business units, including MSIS and FAA, likewise reiterated their Code of Conduct policies to all employees through town hall meetings and interoffice memoranda. We also administer targeted policy reiterations to employees who have incurred minor offenses.

Breakdown of Communication of Code of Conduct to Employees by Business Segment

DISCLOSURE	POSITION	AVIATION GROUP	FOOD GROUP	WATER GROUP	OTHERS*	TOTAL
Employees to whom the organization's Code of Conduct have been communicated (e.g., via e-mail, memo, huddle/townhall meetings, distribution of Employee Handbook, onboarding, etc.)	Officers	108	8	0	6	122
	Managers	34	22	0	1	57
	Supervisors	354	39	2	2	397
	Rank and File	1121	417	81	15	1634
	TOTAL	1,617	486	83	24	2,210

* Includes MAC HO, MAPDC, TERA, and MMC

Anti-Bribery and Anti-Corruption GRI 205-1, 205-2, 205-3

Corruption poses significant risks to our business operations and may adversely affect the Group's financial performance. If not effectively addressed, it can lead to lower revenue, higher costs, loss of assets, and reputational damage. Operational areas with heightened exposure include sourcing and procurement, billing and collection, cash handling, contract awarding and vendor accreditation, commercial negotiations, dealings with local and national government agencies and regulators, logistics and inventory management, sales and client servicing, financial transactions such as reimbursements and cash advances, and engagements with third-party agents, brokers, and other external stakeholders.

We uphold a zero-tolerance policy toward bribery, corruption, and any form of unethical conduct. All Directors, officers, and employees must conduct business with honesty, transparency, and integrity, and are strictly prohibited from soliciting or accepting—directly or indirectly—money, gifts, or anything of value from suppliers, creditors, customers, or any external party in exchange for a favor, decision, or service that could influence, or appear to influence, business outcomes. Partners, vendors, and clients are encouraged to promptly report suspected corrupt practices to the General Manager, Business Unit Head, or any member of the MAC Management Committee.

Suppliers involved in significant purchases, major expenditures, or project-based engagements who pass the Bids and Awards Committee (BAC) evaluation are required to sign an Oath of Integrity prior to contract award. This oath contains explicit anti-bribery and anti-corruption provisions. Any violation results in contract termination and permanent disqualification from conducting business with the Corporation and all subsidiaries.

We also strictly prohibit employees from receiving gifts, tips, or any form of gratuity from customers, suppliers, or vendors. This policy prevents conflicts of interest, undue influence, and favoritism, and reinforces our commitment to integrity and professional conduct. At MASCORP, Passenger Service Agents (PSAs) and other frontline personnel must politely decline any gift or tip and immediately report such incidents to their supervisors. Regular internal reminders help ensure consistent adherence to this policy.

To strengthen awareness and compliance, all newly hired employees are oriented on our Anti-Bribery and Anti-Corruption Policy during onboarding. The policy is included in the Employee

Handbook, accessible to all employees and subsidiaries, and publicly available on our official website.

Communication of Anti-Bribery and Anti-Corruption Policy to Employees by Group

Disclosure		Y2025		Y2024	
		Number	Percentage	Number	Percentage
Employees to whom the organization's anti-corruption policies and procedures have been communicated	Officers	111	100%	100	100%
	Managers	89	100%	115	100%
	Supervisors	284	100%	212	100%
	Rank and File	5,716	100%	5,578	100%
Employees that have received anti-corruption training	Officers	0	0%	0	0%
	Managers	0	0%	0	0%
	Supervisors	0	0%	0	0%
	Rank and File	0	0%	0	0%
Suppliers/vendors to whom the organization's anti-corruption policies and procedures have been communicated to		1,279	100%	1,036	100%
Business partners to whom the organization's anti-corruption policies and procedures have been communicated to		7	100%	7	100%
Governance body that has received anti-corruption training		0	0	0	0%
Governance body to whom the organization's anti-corruption policies and procedures have been communicated to		11	100%	11	100%

As of December 2025, the Group recorded zero cases of bribery or corruption across all operations and engagements with external stakeholders. No allegations or investigations were reported during the period.

Whistleblowing GRI 2-26

We uphold strong governance practices by fostering a Speak Up culture and an Open-Door policy that empower our employees to raise concerns, offer suggestions, or seek guidance directly from their Department Heads or senior officers. These channels support transparent communication on matters that may affect work quality, productivity, ethical conduct, or workplace conditions. Employees who prefer an alternative route may report potential violations of the MacroAsia Code of Conduct directly to our Human Resources Department.

We treat all reports with strict confidentiality to protect individuals from retaliation, reprisal, threats, bullying, or intimidation. Our commitment extends beyond our workforce to include partners, suppliers, and other entities within the Group's supply chain and subsidiaries. They may report unethical conduct or questionable transactions to the General Manager of the concerned subsidiary, any member of the MAC Management Committee, or the President and COO through in-person meetings, email, online channels, or commonly used messaging applications.

In line with our commitment to continuously strengthening governance and reporting mechanisms, we intend to develop and implement a comprehensive Whistleblowing Policy in 2026 to further formalize and enhance these avenues for raising concerns.

Conflict of Interest

GRI 2-15

Employees are required to disclose any actual, potential, or perceived conflict of interest with the Corporation in writing. A conflict of interest is not a violation on its own; however, failure to disclose such situations, whether intentional or due to oversight, is subject to disciplinary action.

Upon receiving a declaration, we evaluate the nature and extent of the conflict and determine whether it presents any risk. When necessary, we implement appropriate measures to protect the Corporation's interests and ensure that business decisions remain objective, transparent, and free from undue influence.

Related Party Transactions

GRI 2-15

We adopted a Related Party Transactions (RPT) Policy to ensure that all dealings with related parties, such as subsidiaries and key personnel, are fair, transparent, and compliant with applicable regulations. The policy also helps manage potential conflicts of interest and protects the integrity of our operations and the interests of our stakeholders.

All related party matters and transactions are reported to and reviewed by the Related Party Transaction Committee, where they are discussed and evaluated in accordance with our RPT Policy.

Data Privacy and Information Security

GRI 3-3, 418-1

SDG 9, 16

Our Data Privacy Policy sets out how we collect, store, and use information from visitors to our website. Personal data is processed only for specific and legitimate purposes, such as providing services, responding to inquiries, or fulfilling needs disclosed at the point of collection. While we do not share personal data with unrelated third parties, we may share such information with our subsidiaries and affiliates that observe the same data privacy standards.

We protect personal data through secure networks, firewalls, and password-protected systems designed to prevent loss, misuse, unauthorized access, disclosure, alteration, or destruction. Employees in customer-facing roles who handle personal information are required to sign Non-Disclosure Agreements (NDAs) and Privacy Notices, and they undergo regular data privacy and security training.

We maintain a Group Social Media Policy that provides clear guidance for responsible and professional use of social media across all business units. The policy safeguards the company's reputation, ensures compliance with legal and ethical requirements, and promotes consistent, values-aligned communication on all platforms. Given its operational environment and exposure to passenger information, MASCORP has strengthened these guidelines to prevent both intentional and unintentional posting of content, such as employee photos, that could reveal confidential passenger or cargo details. To reinforce compliance, MASCORP conducts regular

seminars for Passenger Service Agents (PSAs) and Ramp Agents on data privacy, responsible digital behavior, and the protection of sensitive information.

For 2025, we recorded no substantiated complaints or reported incidents of data breaches, leaks, thefts, or losses involving Group or customer data.

Retirement Policy

GRI 201-3

Our Retirement Policy provides that employees who reach the age of sixty-five (65) and have completed at least five (5) years of continuous service are eligible to receive retirement benefits. Compulsory retirement applies when an employee reaches sixty-five (65) years of age or has rendered twenty (20) years of service. Both the age and service requirements must be met before an employee may avail of retirement benefits.

All benefits due to a retiring employee are released on their last working day and/or upon completion of the clearance process. Retirement benefit computations follow all applicable labor laws and regulatory requirements. Our retirement plan provides employees with a fixed monthly pension upon retirement, determined by their years of service and final salary.

Socio-Economic and Environmental Compliance

GRI 2-27

IF-WU-140b.1

We uphold our commitment to responsible business practices by ensuring full compliance with all applicable environmental, socio-economic, and regulatory requirements.

Our water operations are highly regulated. Potable water supply and septage management activities operate under permits and clearances from local government units and national regulatory agencies such as the National Water Resources Board (NWRB), Laguna Lake Development Authority (LLDA), Department of Health (DOH), Department of Environment and Natural Resources (DENR), and other relevant authorities. Tariff structures for water services adhere to NWRB guidelines and reflect the investment and operational requirements of each business unit.

Our ground handling operations follow strict airport regulations and require various authorizations, including leases, concession licenses, and airport passes, secured through formal agreements with airport authorities. Our FAA operations similarly depend on certifications from the Civil Aviation Authority of the Philippines (CAAP) and related regulatory bodies.

Our food catering services are regulated by agencies such as the DOH, Food and Drug Administration (FDA), and Department of Agriculture (DA), which enforce stringent food safety, sanitation, and quality standards. These agencies conduct regular inspections, audits, and certifications across our food business units.

MAPDC operates under the oversight of the Philippine Economic Zone Authority (PEZA), which enforces compliance with economic zone regulations and grants incentives such as tax exemptions and streamlined import–export procedures for qualified enterprises.

MMC operates within a strict regulatory framework that includes the Mines and Geosciences Bureau (MGB) for mineral resource management, the National Commission on Indigenous Peoples (NCIP) for adherence to IP rights and the Free, Prior, and Informed Consent (FPIC) process, and the DENR for environmental compliance, permitting, and sustainable operational practices.

During the reporting period, we received one (1) monetary and two (2) non-monetary sanctions related to environmental non-compliance, specifically concerning sanitation permit requirements and effluent discharges exceeding regulatory parameters.

Non-compliance with Environmental Laws and Regulations		
Disclosure	Y2025	Y2024
Total amount of monetary fines for non-compliance with environmental laws and/or regulations in PhP	PhP40,000.00	PhP725,990.00
· Aviation Group	0.00	0.00
· Food Group	0.00	PhP538,000.00
· Water Group	0.00	PhP186,990.00
· Others*	PhP40,000.00	PhP1,000.00
No. of monetary sanctions for non-compliance with environmental laws and/or regulations	1	8
· Aviation Group	0	0
· Food Group	0	3
· Water Group	0	4
· Others*	1	1
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	2	8
· Aviation Group	0	0
· Food Group	0	0
· Water Group	2	4
· Others*	0	4

**Includes MAC HO, MAPDC, TERA, and MMC*

All ESG-related non-compliance incidents were promptly addressed by the responsible business units and monitored closely by the Parent Company. Each case was investigated to identify root causes and contributing factors, followed by the implementation of corrective and preventive measures, including targeted trainings and the centralization and standardization of regulatory compliance activities. Monitoring systems were likewise strengthened to support continued adherence to regulatory requirements and internal ESG policies.
