

COVER SHEET

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(Company's Full Name)

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

ATTY. MARIA FRANCHETTE M. ACOSTA

ATTY. MARIA FRANCHETTE M. ACOSTA

7908-3346

7908-3346

Contact Person

Month Day

Fiscal Year

2	0	-	1	S

20-19

0	4
2	5

Month Day

Annual Meeting

Secondary License Type, if Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. Of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

[illegible]

Document I.D.

STAMPS

STAMPS

LCU

Cashier

Remarks = pls. Use black ink for scanning purposes



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **AYALA CORPORATION** will be conducted virtually via <https://conveneagm.com/ph/AC2026ASM> on **Friday, April 24, 2026** at **9:00 o'clock in the morning** with the following

A G E N D A¹

1. Call to Order
2. Certification of Notice and Quorum
3. Matters for Approval of Stockholders
 - i. Approval of Minutes of Previous Meeting
 - ii. Ratification of the Acts of the Board of Directors and Management
 - iii. Election of Directors (Including the Independent Directors)
 - iv. Election of External Auditor and Fixing of its Remuneration
 - v. Approval of the Audited Financial Statements, including noting of Annual Report
4. Consideration of Such Other Business as May Properly Come Before the Meeting
5. Presentation of Management and Open Forum
6. Adjournment

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on December 15, 2025, has approved that the Annual Stockholders' Meeting be conducted in a fully virtual format. Stockholders may attend the meeting by remote communication and by voting *in absentia*, electronically or by proxy.²

Only stockholders of record as of **March 10, 2026** are entitled to notice of, and to vote at, this meeting. Stockholders intending to participate by remote communication should notify the Company by email on or before **April 15, 2026**. Stockholders may likewise register online via ConveneAGM starting March 27, 2026. Voting may be *in absentia*, electronically or by proxy, subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes *in absentia*, electronically or by proxy, will be set forth in the Information Statement³.

Duly accomplished proxy form and voting instruction shall be submitted on or before **April 15, 2026** to the Office of the Corporate Secretary at 37/F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City or by email. Validation of proxies is set for April 17, 2026 at 9:00 o'clock in the morning.

Stockholders of record as of March 10, 2026 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before **April 17, 2026**⁴.

All email communications should be sent to corporatesecretary@ayala.com on or before the designated deadlines.

This notice supersedes the notice filed on February 24, 2026 with the Securities and Exchange Commission and the Philippine Stock Exchange.

Makati City, March 12, 2026.

MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

¹ See next page for the explanation for each agenda item.

² Tokens will be given to stockholders who will participate by remote communication or vote in absentia.

³ Stockholders should notify the Company by email of their preference to receive hard copies of the Information Statement and other ASM materials on or before March 10, 2026.

⁴ The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

EXPLANATION OF AGENDA ITEMS

Call to Order

The Chairman will formally open the meeting at approximately 9:00 o' clock in the morning.

Certification of Notice and Quorum (and rules of conduct and procedures)

The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Company has set up a designated online web address, <https://conveneagm.com/ph/AC2026ASM>, which may be accessed by the stockholders to register and vote electronically *in absentia* on the matters for resolution at the meeting⁵. A stockholder participating by remote communication or voting *in absentia*, electronically or by proxy, shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

- (i) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent prior to or during the meeting at corporatesecretary@ayala.com.
- (ii) Each of the proposed resolutions will be shown on the screen during the meeting as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company through corporatesecretary@ayala.com on or before April 15, 2026 of their intention to participate in the Meeting by remote communication in order to be included in the determination of the existence of a quorum, together with the stockholders who voted *in absentia*, electronically and by proxy.
- (iv) Voting shall only be allowed for validated stockholders registered in ConveneAGM or who submitted a duly accomplished proxy form. Stockholders registered in the ConveneAGM may cast their votes through the said system at any time prior to or at real time during the meeting. Vote tabulation shall be completed and finalized after the meeting.
- (v) All the items on the agenda for approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting unless the law requires otherwise.
- (vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes. Each outstanding share of stock entitles the registered stockholder to one vote.
- (vii) The Committee of Inspectors of Proxies and Ballots will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of initial voting during the meeting.
- (viii) The meeting proceedings shall be recorded in audio and video format.

Matters for Approval of Stockholders

1. Approval of Minutes of Previous Meeting

The minutes of the meeting held on April 25, 2025 are available at the Company's website, www.ayala.com and shall be presented for stockholders' approval. Below is the proposed resolution:

"RESOLVED, to approve the minutes of the annual stockholders' meeting held on April 25, 2025."

2. Ratification of the Acts of the Board of Directors and Management

The actions of the Board and its committees taken and the acts of Management to implement the resolutions of the Board or its committees or made in the general conduct of business since the annual stockholders' meeting on April 25, 2025 until April 24, 2026 shall be presented for stockholders' ratification. They include the approval of the Company's agreements, projects, investments, capital allocations, treasury-related matters and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. Below is the proposed resolution:

"RESOLVED, to ratify each and every act and resolution, from April 25, 2025 to April 24, 2026 (the "Period"), of the Board of Directors (the "Board") and the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act of the officers of the Corporation, during the Period, performed in accordance with the resolutions of the Board, the Executive Committee and other Board committees as well as with the By-laws of the Corporation."

3. Election of Directors (Including the Independent Directors)

The seven (7) nominees for directors, including the nominees for independent directors, as evaluated by the Corporate Governance and Nomination Committee of the Board to have all the qualifications and competence necessary for the effective performance of the Board's roles and responsibilities, and none of the disqualifications to serve as members of the Board, shall be presented for election by the stockholders.

The profiles of the nominees to the Board will be provided in the Information Statement. Below is the proposed resolution:

"RESOLVED, to elect the following [subject to votes cast] as directors of the Corporation to serve as such beginning April 24, 2026 until their successors are elected and qualified:

*Jaime Augusto Zobel de Ayala
Cezar P. Consing
Fernando Zobel de Ayala*

⁵The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.

Edgar O. Chua (Independent Director)
Chua Sock Koong (Independent Director)
Emmanuel P. Maceda (Independent Director)
Cesar V. Purisima (Independent Director)”

4. Election of External Auditor and Fixing of its Remuneration

As endorsed by the Audit Committee, the election of the external auditor for the ensuing year as well as its proposed remuneration shall be presented for stockholders’ approval. The external auditor conducts an independent verification of the Company’s financial statements and provides an objective assurance on the accuracy of its financial statements.

The profile of the external auditor will be provided in the Information Statement. Below is the proposed resolution:

“RESOLVED, as endorsed by the Board of Directors, to approve the election of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2026 for an audit fee of Php18,166,554.00, exclusive of value-added tax.”

5. Approval of the Audited Financial Statements, including noting of Annual Report

The Audited Financial Statements as of December 31, 2025 (AFS), as approved by the Board upon the recommendation of the Audit Committee, will be embodied in the Information Statement to be sent to the stockholders at least 15 business days prior to the meeting. The Audited Financial Statement shall be presented for stockholders’ approval during the meeting, together with the noting of the Company’s annual report, titled Integrated Report. The annual report will contain the “Message from the Chairman” and the “Report of the President”. Below is the proposed resolution:

“RESOLVED, to approve the consolidated audited financial statements of the Corporation and its subsidiaries as of December 31, 2025, as audited by the Corporation’s external auditor, SyCip Gorres Velayo & Co., and to note the annual report of the Corporation.”

Consideration of Such Other Business as May Properly Come Before the Meeting

The Chairman will take up agenda items received from stockholders on or before April 17, 2026 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company’s internal guidelines⁶.

Presentation of Management and Open Forum

The Chairman, Mr. Jaime Augusto Zobel de Ayala, and the President and Chief Executive Officer, Mr. Cezar P. Consing, will report on the performance of the Company in 2025 and the outlook for 2026. The Company’s performance is also embodied in the Company’s Annual Report, titled Integrated Report. A soft copy of the Integrated Report will be posted on the Company’s website, www.ayala.com.

The Chairman will open the floor for comments and questions by the stockholders.

⁶SEC Memorandum Circular No. 14, series of 2020 or “Shareholders’ Right to Put items on the Agenda for Regular/Special Stockholders’ Meetings”: <https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-special-stockholders-meetings/>.

PROXY AND VOTING INSTRUCTION

1. IDENTIFICATION

This Proxy, when properly executed, will be voted in the manner herein directed by the stockholder(s) in connection with the Annual Stockholders' Meeting of **AYALA CORPORATION** (the "Corporation") to be held on April 24, 2026 at 9:00 o'clock in the morning.

2. INSTRUCTIONS

The undersigned stockholder of the Corporation hereby appoints the *Chairman of the meeting of the stockholders*, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of the stockholders of the Corporation on April 24, 2026 and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matter to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the approval of the resolution on the matter stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statements and as recommended by the Chairman.

1. Approval of minutes of previous meeting

Resolution No. S-01-2026 - RESOLVED, to approve the minutes of the annual stockholders' meeting held on April 25, 2025.

☐ For ☐ Against ☐ Abstain

2. Ratification of the acts of the Board of Directors and Officers

Resolution No. S-02-2026 - RESOLVED, to ratify each and every act and resolution, from April 25, 2025 to April 24, 2026 (the "Period"), of the Board of Directors (the "Board") and the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act of the officers of the Corporation, during the Period, performed in accordance with the resolutions of the Board, the Executive Committee and other Board committees as well as with the By-laws of the Corporation.

☐ For ☐ Against ☐ Abstain

3. Election of directors

	No. of Votes
Jaime Augusto Zobel de Ayala	_____
Cezar P. Consing	_____
Fernando Zobel de Ayala	_____
<u>Independent Directors:</u>	
Edgar O. Chua	_____
Chua Sock Koong	_____
Emmanuel P. Maceda	_____
Cesar V. Purisima	_____

Resolution No. S-03-2026 - RESOLVED, to elect the following as directors of the Corporation to serve as such beginning April 24, 2026 until their successors are elected and qualified:

Jaime Augusto Zobel de Ayala
Cezar P. Consing
Fernando Zobel de Ayala
Edgar O. Chua (independent director)
Chua Sock Koong (independent director)
Emmanuel P. Maceda (independent director)
Cesar V. Purisima (independent director)

4. Election of External Auditors and Fixing of its Remuneration

Resolution No. S-04-2026 - RESOLVED, as endorsed by the Board of Directors, to approve the election of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2026 for an audit fee of Php18,166,554.00, exclusive of value-added tax.

☐ For ☐ Against ☐ Abstain

5. Approval of the Audited Financial Statements and Noting of Annual Report

Resolution No. S-05-2026 - RESOLVED, to approve the consolidated audited financial statements of the Corporation and its subsidiaries as of December 31, 2025, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co., and to note the annual report of the Corporation.

☐ For ☐ Against ☐ Abstain

6. Other Matters

At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.

☐ For ☐ Against

Duly accomplished proxy form and voting instruction shall be submitted to the Office of the Corporate Secretary at 37/F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City or by email to corporatesecretary@ayala.com on or before **April 15, 2026**, the deadline for submission of Proxies. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory/ies to appoint the Proxy and sign this form.

3. **REVOCABILITY OF PROXY**

The Proxy and Voting Instruction may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. The Proxy and Voting Instruction is also considered revoked if the stockholder registers and votes on the Corporation's secured online voting system (the "Voting System") before or during the Annual Stockholders' Meeting of the Corporation on April 25, 2026. Shares represented by a duly validated unrevoked Proxy will be voted as authorized by the stockholder.

4. **PERSON MAKING THE SOLICITATION**

The Corporation is not soliciting proxy.

5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon. The Corporation has not received any written information from anyone seeking to oppose any action to be taken up in the Annual Stockholders' Meeting of the Corporation.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

SIGNATURE OF STOCKHOLDER / AUTHORIZED
SIGNATORY OVER PRINTED NAME

NUMBER OF SHARES

DATE

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**Information Statement
of**

AYALA CORPORATION

(the "Company", "Corporation" or "Ayala")

Pursuant to Section 20 of the Securities Regulation Code (the "Code" or "SRC")

1. Check the appropriate box:

☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of registrant as specified in its charter: AYALA CORPORATION

3. Province, country or other jurisdiction of incorporation or organization: REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number: 34218

5. BIR Tax Identification Code: 000-153-610-000

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

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

8. Date, time and place of the meeting of stockholders:

Date	-	April 24, 2026
Time	-	9:00 A.M.
Place	-	To conducted virtually through https://conveneagm.com/ph/AC2026ASM

9. Approximate date on which the Information Statement is first to be sent or given to stockholders:

March 27, 2026

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

a. Shares of stock as of January 31, 2026

<u>Title of each class</u>	<u>Par value</u>	<u>No. of shares</u>	<u>Amount</u>
Common	P 50.00	636,211,677	P 31,810,583,850.00
Preferred A	100.00	6,755,485	675,548,500.00
Preferred A (Reissued)	100.00	5,244,515	524,451,500.00
Preferred B	100.00	40,500,000	4,050,000,000.00
Preferred B Series 3	100.00	7,500,000	750,000,000.00
Preferred B Series 4	100.00	10,000,000	1,000,000,000.00
Voting Preferred	1.00	<u>200,000,000</u>	<u>200,000,000.00</u>
Total		<u>906,211,677</u>	<u>P 39,010,583,850.00</u>

b. Debt securities as of January 31, 2026 - ₱16 Billion Bonds

11. Are any or all of registrant's securities listed in a stock exchange?

☒ Yes

☐ No

As of January 31, 2026, a total of 630,204,693 common shares, 6,755,485 preferred A shares, 5,244,515 preferred A (reissued) (ACPAR) shares, 40,500,000 preferred B shares, 7,500,000 preferred B series 3 (ACPB3) shares and 10,000,000 preferred B series 4 shares are listed in the Philippine Stock Exchange ("PSE"). A total of 16,174,701 common shares, 6,755,485 preferred A shares, and 50,500,000 preferred B shares are held in Treasury by the Company.

* * *

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of stockholders (hereafter, the “annual stockholders’ meeting” or “meeting”)

- a. Date - April 24, 2026
- Time - 9:00 A.M.
- Place - To conducted virtually through
<https://conveneagm.com/ph/AC2026ASM>

- b. Approximate date when the Information Statement is first to be sent to stockholders: March 27, 2026

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Item 2. Dissenter’s right of appraisal

Under Section 80, Title X of the Revised Corporation Code of the Philippines (“Revised Corporation Code”), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

Section 81 of the Revised Corporation Code provides:

Section 81. How Right is Exercised. - The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair market value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholders’ shares, or the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom, shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the share to the corporation.

No matters or actions that may give rise to a possible exercise by stockholders of their appraisal rights will be taken up at the meeting.

Item 3. Interest of certain persons in or opposition to matters to be acted upon

None of the Directors or Executive Officers of the Company have any personal involvement or interest, either direct or indirect, in the matters to be acted upon.

No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting securities and principal holders thereof

- a. **Number of shares outstanding as of January 31, 2026:**
- | |
|---|
| 620,036,976 common shares |
| 5,244,515 preferred A shares (Reissued) |
| 7,500,000 preferred B series 3 shares |
| 10,000,000 preferred B series 4 shares |
| 200,000,000 voting preferred shares |

Number of votes per share:

One (1) vote per share for common and voting preferred shares

One (1) vote per share for preferred A and preferred B shares on matters where holders of non-voting shares are entitled to vote under Section 6 of the Revised Corporation Code

- b. All **stockholders of record** as of March 10, 2026 (the “Record Date”) are entitled to notice and to vote at the annual stockholders’ meeting.

c. **Manner of voting**

Sections 5 to 8 of Article III of the By-laws of the Company (the “By-laws”) provide:

Section 5 – For the election of directors, it is necessary that the majority of the outstanding capital stock be present or represented. Stockholders casting votes through remote communication or in absentia, electronically or otherwise, shall be deemed present for purpose of determining the existence of a quorum.

Section 6 – Any stockholder entitled to vote may vote in person through remote communication, in absentia, or be represented by proxy at any regular or special stockholders’ meeting, subject to compliance with rules and regulations as may be issued by the Securities and Exchange Commission from time to time. Proxies shall be in writing and signed and in accordance with the existing laws, rules and regulations of the Securities and Exchange Commission. Duly accomplished proxies must be submitted to the office of the Corporate Secretary not later than seven (7) business days prior to the date of the stockholder’s meeting. Validation of proxies shall be conducted at least five (5) business days prior to the date of the stockholders’ meeting.

Section 7 - Each share of stock entitles the person in whose name it is registered in the books of the Corporation to one vote, provided the share has not been declared delinquent.

Section 8 - The election of Directors shall be by ballot and each stockholder entitled to vote may cast the vote in person, by proxy, through remote communication, or in absentia, electronically or otherwise, to which the number of shares he owns entitles him, for as many persons as are Directors to be elected, or he may give to one candidate as many votes as the number of Directors to be elected multiplied by the number of his shares shall

equal, or he may distribute them on the same principle among as many candidates he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of Directors to be elected.

Stockholders may vote on the resolutions for approval at the meeting by voting in *absentia*, by proxy or electronically using the online web address, <https://conveneagm.com/ph/AC2026ASM>, subject to validation procedures. A stockholder voting in *absentia*, by proxy or electronically, shall be deemed present for purposes of quorum. The detailed instructions for electronic voting in *absentia* are set forth in Annex A (I).

d. Security ownership of certain record and beneficial owners and management

(i) Security ownership of certain record and beneficial owners (of more than 5%) as of January 31, 2026

Title of class of voting shares	Name and address of record owner and relationship with Issuer	Name of beneficial owner and relationship with record owner	Citizenship	No. of shares held	Percent of outstanding voting shares
Common	Mermac, Inc. ¹ 3/F Makati Stock Exchange Building, Ayala Triangle, Ayala Avenue, Makati City	Mermac, Inc. ²	Filipino	296,625,706	57.7874%
Voting Preferred				177,252,144	
Common	PCD Nominee Corporation (Non-Filipino) ³ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁴	Various Non-Filipino	162,754,163	19.8472%
Common	PCD Nominee Corporation (Filipino) ³ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁴	Filipino	116,113,564	14.1596%

(ii) Security ownership of directors and management as of January 31, 2026

Title of class of outstanding shares	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of total outstanding shares
Directors					
Common	Jaime Augusto Zobel de Ayala	895,997	(indirect)	Filipino	0.1063%
Voting Preferred		543,802	(direct)		0.0645%
Common	Fernando Zobel de Ayala	935,079	(indirect)	Filipino	0.1110%
Voting Preferred		554,983	(direct)	Filipino	0.0659%
Common	Cezar P. Consing	399,386	(direct & indirect)	Filipino	0.0474%
Common	Delfin L. Lazaro	97,554	(direct & indirect)	Filipino	0.0116%
Voting Preferred		258,297	(direct)		0.0306%
Common	Chua Sock Koong	1	(direct)	Singaporean	0.0000%
Common	Rizalina G. Mantaring	56,670	(direct & indirect)	Filipino	0.0067%

¹ The Chairman of Mermac, Inc. ("Mermac"), Jaime Augusto Zobel de Ayala, is the Chairman of the Company.

² The Board of Directors of Mermac has the power to decide how the Ayala shares held by Mermac are to be voted. The Chairman of the meeting is appointed to exercise the voting power.

³ PCD Nominee Corporation (PCD) is not related to the Company.

⁴ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. Out of the 278,867,727 common shares registered in the name of PCD Nominee Corporation, 41,790,041 or 5.0961% of the voting stock is for the account of The Hongkong and Shanghai Banking Corp. Ltd. -Clients' Acct. (HSBC). The Company did not receive any report from HSBC or any of its customers stating that they beneficially own more than 5% of the Company's common shares.

X_____

Voting Preferred		3,604	(direct)		0.0004%
Common	Emmanuel P. Maceda	1	(direct)	American	0.0000%
<i>Executive Officers</i>					
Common	Cezar P. Consing	399,386	(direct & indirect)	Filipino	0.0474%
Common	Maria Franchette M. Acosta	15,000	(indirect)	Filipino	0.0018%
Common	Catherine H. Ang	73,790	(indirect)	Filipino	0.0088%
Voting Preferred		5,290	(direct)		0.0006%
Preferred A (Reissued)		400	(indirect)		0.0000%
Common	Karl Kendrick T. Chua	30,000	(indirect)	Filipino	0.0036%
Common	Francisco Romero Milán	58,965	(indirect)	Filipino	0.0070%
Common	Juan Carlos L. Syquia	900	(indirect)	Filipino	0.0001%
Common	Mark Robert H. Uy	51,000	(indirect)	Filipino	0.0061%
Common	Estelito C. Biacora	35,763	(indirect)	Filipino	0.0042%
Common	Josephine G. De Asis	65,287	(indirect)	Filipino	0.0077%
Common	Jaime Z. Urquijo	45,627	(indirect)	Filipino	0.0054%
Common	Rosario Carmela G. Austria	7,098	(indirect)	Filipino	0.0008%
All Directors and Officers as a group		4,134,494			0.4906%

No director or member of the Company's management owns 2% or more of the outstanding capital stock of the Company.

(iii) **Voting trust holders of 5% or more**

The Company knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

(iv) **Changes in control**

No change of control in the Company has occurred.

e. **Foreign owned shares as of January 31, 2026:**

Security	Total Outstanding Shares	Shares Owned By Foreigners	Percent of Foreign Ownership
Common	620,036,976	164,369,241	21.64%
Preferred A (Reissued)	5,244,515	45,794	
Preferred "B" Series 3	7,500,000	40,285	
Preferred "B" Series 4	10,000,000	138,700	
Voting Preferred	200,000,000	17,758,796	
Total	842,781,491	182,352,816	

Item 5. Directors and executive officers

Article III, Section 9, of the By-laws provides:

Section 9 - At the regular meetings, the Board of seven (7) Directors shall be elected who shall hold office for a term of one (1) year or until their successors shall have been elected and qualified.

The attendance of the directors at the meetings of the Board of Directors ("Board") held in 2025 is as follows:

Directors	No. of Meetings Attended/Held ⁵	Percent Present
Jaime Augusto Zobel de Ayala	6/6	100%

⁵ In 2025 and during the incumbency of the director.

Delfin L. Lazaro	6/6	100%
Chua Sock Koong	6/6	100%
Cesar V. Purisima ⁶	2/2	100%
Rizalina G. Mantaring	6/6	100%
Cezar P. Consing	6/6	100%
Fernando Zobel de Ayala	6/6	100%
Emmanuel P. Maceda ⁷	4/4	100%

All the directors were also present during the annual stockholders' meeting on April 25, 2025. The non-executive directors held a separate meeting on September 18, 2025, and all the non-executive directors were present in the meeting.

The Board has established committees to assist in exercising its authority in monitoring the performance of the business of the Company. The committees, as mentioned below, provide organized and focused means for the Board to achieve specific goals and address issues, including those related to corporate governance.

Board Committees	Members	Meetings and Resolutions	Percent Present
Executive Committee*	Jaime Augusto Zobel de Ayala, Chairperson	21/21	100%
	Cezar P. Consing, Member	21/21	100%
	Delfin L. Lazaro, Member	21/21	100%
Audit Committee	Rizalina G. Mantaring, Chairperson	8/8	100%
	Cesar V. Purisima, Member ⁸	4/4	100%
	Chua Sock Koong, Member	8/8	100%
	Emmanuel P. Maceda, Member ⁹	4/4	100%
Risk Management and Related Party Transactions Committee	Cesar V. Purisima, Chairperson ⁸	3/3	100%
	Emmanuel P. Maceda, Chairperson ⁹	5/5	100%
	Rizalina G. Mantaring, Member	8/8	100%
	Fernando Zobel de Ayala, Member	8/8	100%
Finance Committee	Delfin L. Lazaro, Chairperson	19/19	100%
	Jaime Augusto Zobel de Ayala, Member	19/19	100%
	Cezar P. Consing, Member	19/19	100%
	Fernando Zobel de Ayala, Member	19/19	100%
Personnel and Compensation Committee	Chua Sock Koong, Chairperson	2/2	100%
	Fernando Zobel de Ayala, Member	2/2	100%
	Rizalina G. Mantaring, Member	2/2	100%
Corporate Governance and Nomination Committee	Chua Sock Koong, Chairperson	4/4	100%
	Cesar V. Purisima, Member ⁸	3/3	100%
	Rizalina G. Mantaring, Member	4/4	100%
	Emmanuel P. Maceda, Member ⁹	1/1	100%
Sustainability Committee	Fernando Zobel de Ayala, Chairperson	4/4	100%
	Cesar V. Purisima, Member ⁸	2/2	100%
	Chua Sock Koong	4/4	100%
	Emmanuel P. Maceda, Member ⁹	2/2	100%

*The Executive Committee deliberated on, passed and approved resolutions in 2025.

⁶ Served as independent director until April 25, 2025.

⁷ Elected on April 25, 2025.

⁸ Served as Committee member until April 25, 2025.

⁹ Appointed as Committee member on April 25, 2025.

The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the Chairman, and the directors. The assessment criteria or metrics include board composition; board roles, functions and processes; information management; representation of shareholders; management of the Company's performance; senior executives' talent management and succession planning; dynamics and relationships; and corporate governance practices. The aggregated results are presented to the Board during the meeting immediately following the end of the assessment process. The performance assessment of the Board and the directors is conducted by an independent third-party consultant every three years. In 2023, Aon Singapore Pte. Ltd. conducted the Board evaluation covering the year 2022. The third party evaluation was conducted through (1) an evaluation questionnaire answered by each director; and (2) interviews with the President & CEO, lead independent director and Corporate Secretary. The certification on third party evaluation conducted on Ayala's Board of Directors is posted on the Company's website: <https://ayala.com/app/uploads/2023/11/Ayala-Corporation-Certificate-2022.pdf>. The next third-party evaluation is scheduled in 2026.

a. Information required of directors and executive officers

i. Directors and executive officers

The following have been nominated to the Board for election at the annual stockholders' meeting and have accepted their respective nominations:

Name	Age	Citizenship	Date of First Election to Board
Jaime Augusto Zobel de Ayala	67	Filipino	May 21, 1987
Cezar P. Consing	66	Filipino	December 3, 2020
Fernando Zobel de Ayala ¹⁰	66	Filipino	September 28, 2023
Chua Sock Koong (<i>Independent Director</i>)	68	Singaporean	April 29, 2022
Emmanuel P. Maceda (<i>Independent Director</i>)	63	American	April 25, 2025
Cesar V. Purisima (<i>Independent Director</i>) ¹¹	65	Filipino	First elected in April 29, 2022 until April 25, 2025; Nominated for re-election on April 24, 2026
Edgar O. Chua (<i>Independent Director</i>)	69	Filipino	Nominated for the first time for election on April 24, 2026

Messrs. J. Zobel de Ayala, Consing and F. Zobel de Ayala were nominated by Mermac, Inc. Meanwhile, all the independent directors were formally nominated by a minority shareholder of the Company, Ms. Elma Y. Guinto, who holds 100 common shares, or 0.00001% of the total outstanding voting shares of the Company, and who is not related to any of the nominees. Messrs. Maceda, Purisima and Chua and Ms. Chua are being nominated as independent directors in accordance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors). On March 10, 2026, the Corporate Governance and Nomination Committee evaluated the qualifications of all the nominees and endorsed the final list of nominees to the Board of Directors for approval. The Board approved the final list of nominees during its regular meeting on March 12, 2026, in accordance with the Amended By-Laws, revised Corporate Governance Manual, and the Charter of the Board of Directors of the Company.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

¹⁰ Served as director of the Corporation from May 19, 1994 to September 12, 2022, and re-elected on September 28, 2023.

¹¹ Served as independent director of the Corporation from April 28, 2023 to April 25, 2025.

A summary of the qualifications of the incumbent directors, who are also nominees for directors for election at the stockholders' meeting, and of the incumbent officers is set forth in Annex B. (The certifications on the qualifications of the nominees for independent directors are attached herewith as Annex B-1.

The officers of the Company are elected annually by the Board during its organizational meeting.

ii. Significant employees

The Company considers all its employees to be significant partners and contributors to the business.

iii. Family relationships

Jaime Augusto Zobel de Ayala, Chairman, and Fernando Zobel de Ayala, member of the Board, are brothers. Jaime Z. Urquijo, the Chief Sustainability and Risk Officer of the Corporation, is their nephew. Other than the aforementioned, there are no known family relationships between the current members of the Board and key officers.

iv. Involvement in certain legal proceedings

Except as disclosed herein or in the Information Statements of the Company's subsidiaries or affiliates which are themselves public companies or as has been otherwise publicly disclosed, there are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five years to which the Company or any of its subsidiaries or affiliates or its directors or executive officers is a party or of which any of its material properties is subject, in any court or administrative agency.

v. Trainings and Continuing Education Programs for the Directors and Key Officers

The company recognizes the value of providing relevant trainings to its directors and key officers and has set aside an annual budget to allow them to attend continuing professional development programs, applicable courses, conferences, and seminars. In 2025, the directors and key officers of the Company attended either in person or online seminars on Corporate Governance for at least four (4) hours, as follows:

Topics	Date	Participating Directors and Officers
Ayala Integrated Corporate Governance and Sustainability Summit ¹² Purposeful Governance: The Pathway towards Progress and Prosperity for All	November 4, 2025	Jaime Augusto Zobel de Ayala
		Fernando Zobel de Ayala
		Cezar P. Consing
		Delfin L. Lazaro
		Rizalina G. Mantaring
		Emmanuel P. Maceda
		Juan Carlos L. Syquia
		Alberto M. de Larrazabal
		Mark Robert H. Uy ¹³
		Maria Franchette M. Acosta
		Catherine H. Ang
		Karl Kendrick T. Chua
		Francisco Romero Milán
		Josephine G. de Asis
Global Blended Finance Forum Scaling Blended Finance for Sustainable Growth in Emerging Markets	November 4, 2025	Jaime Z. Urquijo
		Rosario Carmela G. Austria
Estelito C. Biacora		
Directors in Digital Age – Governance of Technology, AI, and Cybersecurity ¹²	November 13, 2025	Chua Sock Koong
Fraud Risk Assessment: Important Element of Good Governance ¹²	November 28, 2025	Chua Sock Koong

¹² The seminars were organized by the Institute of Corporate Directors, an SEC-accredited training provider.

¹³ Attended for 2 hours and 49 minutes.

Fraud Risk Assessment: Important Element of Good Governance ¹²	November 28, 2025	Mark Robert H. Uy

b. Certain relationships and related transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Parent Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Risk Management and Related Party Transactions Committee (the RMRPT Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the RMRPT Committee approved threshold value – of ₱50.0 million or five (5) percent of the total assets, whichever is lower. The Parent Company's Risk Management Unit, acting as the secretariat of the RMRPT Committee, and the Legal Services Unit, reviewed the RPTs before these were presented to the RMRPT Committee for approval.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of deposits/placements, advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

To date, there have been no complaints received by the Company regarding related-party transactions. None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2025.

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

c. Ownership structure and parent company

As of January 31, 2026, Mermac, Inc. owns 57.7874% of the outstanding voting shares of the Company.

d. Resignation of directors

To date, no director has resigned from or declined to stand for re-election to the Board since the date of the annual meeting of stockholders in 2025 due to any disagreement with the Company relative to its operations, policies and practices.

Item 6. Compensation of directors and executive

a. Executive compensation

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Cezar P. Consing President and Chief Executive Officer				

Alberto M. de Larrazabal* Senior Managing Director, Chief Finance Officer and Finance Group Head				
Maria Franchette M. Acosta Chief Legal Officer, Corporate Secretary, Compliance Officer, Data Protection Officer, and Corporate Governance Group Head				
Francisco Romero Milan Managing Director and Chief Human Resource Officer				
Karl Kendrick T. Chua Managing Director, Data Analytics and Artificial Intelligence Group Head				
Mark Robert H. Uy** Managing Director and Corporate Strategy and Business Development Group Head				
CEO and Most Highly Compensated Executive Officers	Actual 2024	₱ 272.22M	₱ 209.25M	₱ 0
	Actual 2025	₱ 268.00M	₱ 199.40M	₱ 0
	Projected 2026	₱ 273.00M	₱ 232.80M	₱ 0
All other officers*** as a group unnamed	Actual 2024	₱ 765.70M	₱ 455.09M	₱ 0
	Actual 2025	₱ 881.74M	₱ 576.22M	₱ 0
	Projected 2026	₱ 857.69M	₱ 568.81M	₱ 0

*Up to December 2025

**Starting January 2026

***All others officers includes the CEO & Most Highly Compensated Officers

The total annual compensation consists of basic pay and other taxable income (guaranteed bonus and performance-based bonus).

The Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated.

b. Compensation of Directors

Article IV, Section 14, of the By-laws provides:

Section 14 - Directors shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services. In no case shall the total yearly compensation of Directors exceed one percent (1%) of the net income of the Corporation during the preceding year.

The Personnel and Compensation Committee of the Board of Directors shall have the responsibility of recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay Directors for work required in a company of the Corporation's size and scope. No Director shall be involved in deciding his own remuneration during his incumbent term.

i. **Standard arrangement**

On April 26, 2024, the Board, upon the recommendation of its Personnel and Compensation Committee in order to make the level of remuneration more commensurate with their responsibilities, approved a resolution fixing the current remuneration of non-executive directors, as follows:

Fee Structure	Retainer Fee	For Board	For Committees
Non-Executive and Independent Directors	P4,000,000 per annum	P200,000 per meeting attended	P100,000 per meeting attended
Chairman of the Board	P8,000,000 per annum	P100,000 per written resolution and per non-independent directors meeting	P50,000 per written resolution
Chairman of the Audit Committee	Php6,000,000 per annum		

Directors who hold executive or management positions do not receive directors' fees. The compensation of executive directors is included in the compensation table in Item 6(a) above.

In accordance with the requirement of Sections 29 and 49 of the Revised Corporation Code relating to an annual report of the total compensation of each director, below is a table showing the gross compensation received by the non-executive and independent directors in 2025. Executive Directors do not receive compensation as directors.

	Retainer Fee (in PhP)	Board Meetings (in PhP)	Committee Meetings (in PhP)	Total (in PhP)
Jaime Augusto Zobel de Ayala	8,000,000.00	2,200,000.00	1,150,000.00	11,350,000.00
Fernando Zobel de Ayala	4,000,000.00	2,200,000.00	2,250,000.00	8,450,000.00
Delfin L. Lazaro	4,000,000.00	2,200,000.00	1,150,000.00	7,350,000.00
Rizalina G. Mantaring	6,000,000.00	2,200,000.00	1,600,000.00	9,800,000.00
Chua Sock Koong	4,000,000.00	2,200,000.00	1,500,000.00	7,700,000.00
Cesar V. Purisima ¹⁴	-	700,000.00	750,000.00	1,450,000.00
Emmanuel P. Maceda ¹⁵	4,000,000.00	1,500,000.00	1,000,000.00	6,500,000.00
TOTAL	30,000,000.00	13,200,000.00	9,400,000.00	52,600,000.00

ii. **Other arrangements**

Aside from the compensation received as herein stated, the Company has no other arrangement with regard to the remuneration of its existing non-executive and independent directors for services provided as a director.

The Company's Personnel and Compensation Committee is chaired by Ms. Chua Sock Koong, with Mr. Fernando Zobel de Ayala and Ms. Rizalina G. Mantaring as members. Mmes. Chua and Mantaring are independent directors.

c. **Employment contracts and termination of employment and change-in-control arrangements**

The above-named executive officers are covered by letters of appointment stating their respective job functions, among others.

d. **Warrants and options outstanding**

Since 1995, the Company has offered its officers options to acquire common shares under its executive stock option plan (ESOP). No stock option was exercised in 2025.

¹⁴ Served as independent director until 25 April 2025.

¹⁵ Elected as independent director on 25 April 2025.

On January 23, 2025, the Board of Directors of the Company approved, upon endorsement of our Personnel and Compensation Committee, the revisions to the Employee Stock Ownership (ESOWN) Plan, including provisions on the implementation of the Restricted Share Plan (RSP) to complement the ESOWN Program as Long-Term Incentive Programs for the employees, directors (excluding independent directors), and consultants of the Ayala Group, as proposed by our Management. Please see below summary of key revisions:

Key Features	Details
Plan	1. General ESOWN Plan 2. Restricted Share Plan
Eligibility	Employees, directors (excluding independent directors) and consultants
Range of Awards	Based on metrics and amount to be determined by the Committee at the date of grant
Subscription Price	To be determined by the Personnel and Compensation Committee on the date of grant
Settlement	1. General ESOWN Plan – paid by employee 2. Restricted Share Plan – paid by the Company
Non-Transferability of Awards	Awards may not be assigned, transferred, sold, exchanged, pledged, disposed of or encumbered by a Grantee

The adoption of the Revised ESOWN Plan was presented to and approved by the stockholders on April 25, 2025 and was confirmed by the Securities and Exchange Commission on June 16, 2025.

Item 7. Independent public accountants

- a. The external auditor of the Company is the accounting firm of SyCip, Gorres, Velayo & Company (SGV & Co.). The Board, upon the recommendation of the Company's Audit Committee (with Ms. Mantaring as Chairperson, and Ms. Chua and Mr. Maceda as members), approved the election of SGV & Co. as the Company's external auditor for 2026 based on its performance and qualifications, and fixed its remuneration amounting to ₱18.17 million, exclusive of value-added tax. The increase in audit fees was attributable to the inclusion of the regular mid-year review fees, which were previously reported under "Non-Audit Services – Other Assurance." Beginning in 2026, the mid-year review fees were reclassified and included under "Audit" fees pursuant to SEC MC No. 18, s. 2024. The election of SGV & Co., and the fixing of its remuneration will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.
- b. Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Pursuant to the General Requirements of Revised SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged SGV & Co. as external auditor, with Mr. Sherwin V. Yason as the Partner-in-Charge starting audit year 2023.

d. Changes in and disagreements with accountants on accounting and financial disclosure

The Company has engaged the services of SGV & Co. during the two most recent fiscal years. There were no disagreements with SGV & Co. on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

e. Audit and Non-audit Services Fees

Ayala Corporation

At the Annual Stockholders' Meeting held on April 25, 2025, the shareholders approved the re-appointment of SGV & Co. as the external auditor of Ayala Corporation for the calendar year 2025. Fees approved in connection with the audit services rendered by SGV & Co., pursuant to the regulatory and statutory requirements, for the years ended December 31, 2025 and 2024 amounted to ₱11.68 million and ₱11.23 million, respectively, exclusive of value-added tax (VAT).

Ayala Corporation and Subsidiaries (Consolidated)

Pursuant to the requirements of SEC MC No. 18, s. 2024 for supplemental disclosure of fee-related information of the external auditors in the audited financial statements, the circular mandates the reporting of fees related to both audit and non-audit services fees rendered by SGV & Co. and its network firms to Ayala Corporation and subsidiaries. Breakdown of fees follows:

<i>(Amounts exclusive of VAT)</i>			
	2025		2024
Total Audit Fees*	₱	113,119,604	₱ 127,809,363
Non-audit Services**			
Other Assurance Services		18,364,310	19,233,714
Tax Services		3,718,449	8,097,492
All Other Services		11,337,821	2,485,257
Total Non-audit Services Fees		33,420,580	29,816,463
TOTAL	₱	146,620,184	₱ 157,625,826

**Agreed audit fees*

***Billed fees for the years ended December 2025 and 2024*

Audit fees include audits of Ayala Corporation and subsidiaries' standalone and/or consolidated financial statements for the years ended 2025 and 2024 where SGV & Co. and its network firms expressed an opinion.

Non-audit fees pertain to other assurance services that are directly related to the review of quarterly and mid-year financial statements and integrated reports, review of consolidated comparative financial statements for the issuance of preferred shares, tax services such as business tax advisory, transfer pricing documentation and study, and other tax activities. This also includes all other services relating to human process transformation, computer forensic investigation, annual stockholders' meeting validation, hedge accounting and derivate instruments, share-based payment advisory and other services.

The Audit Committee has reviewed the nature of non-audit services rendered by SGV & Co., including the corresponding fees, and concluded that these are not in conflict with the audit function of the external auditors.

The Audit Committee has an existing policy to review and approve the audit and non-audit services rendered by the Company's external auditors. It does not allow Ayala Corporation and its subsidiaries to engage the external auditors for non-audit services expressly prohibited by the SEC. This is to ensure that the external auditors maintain the highest level of independence from the Company, both in fact and appearance.

Item 8. Compensation Plans

No matters or actions with respect to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or issuance of securities other than for exchange

No matters or actions concerning authorization or issuance of securities will be taken up during the meeting.

Item 10. Modification or Exchange of Securities

The Company will not be presenting any matter or act involving the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class during the meeting.

Item 11. Financial and other information

The audited financial statements as of December 31, 2025, Management's Discussion and Analysis, market price of shares and dividends and other data related to the Company's financial information are attached hereto as Annex "C". The schedules required under Part IV(C) of Revised SRC Rule 68 will be included in the Annual Report (Form 17-A).

Item 12. Mergers, consolidations, acquisitions and similar matters

There is no proposed merger, consolidation, sale or liquidation of the Company that will be presented during the meeting.

Item 13. Acquisition or disposition of property

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company requiring stockholders' approval under the Revised Corporation Code.

Item 14. Restatement of accounts

As used herein and in other sections of this Information Statement, unless the context otherwise requires, Ayala Group or the Group refers to the Company and its subsidiaries where the Company has control as defined in the Philippine Financial Reporting Standards (PFRSs) Accounting Standards. PFRSs Accounting Standards include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC).

The 2025 Audited Consolidated Financial Statements of the Group have been prepared in compliance with the mentioned PFRSs Accounting Standards. The Group did not have restatements of accounts in the year 2025.

Please also refer to Note 3 on Material Accounting Policy Information of the 2025 Audited Consolidated Financial Statements for the new PFRS, PAS, and PIC which became effective in 2025 and the new PFRS, PAS, and PIC that will be effective in the mentioned coming years

D. OTHER MATTERS**Item 15. Action with respect to reports**

- a. Approval of the minutes of the 2025 annual stockholders' meeting held on April 25, 2025, covering the following matters presented for resolution of the stockholders, which were all duly approved by a majority of the stockholders present and represented in the meeting:
 - (i) Approval of the minutes of the 2024 annual stockholders' meeting;
 - (ii) Ratification of the acts and resolutions of the Board of Directors and Management during the preceding year;
 - (iii) Approval of the Revised Employee Stock Ownership (ESOWN) Plan;
 - (iv) Election of Directors, including the independent directors;
 - (v) Election of the SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2025 and fixing of its remuneration; and
 - (vi) Consolidated Audited Financial Statements for the calendar year December 31, 2024, with noting of Annual report for calendar year 2024.

The minutes of the 2025 annual stockholders' meeting had been uploaded to the Company's website within five (5) days from the date of the meeting and may be viewed through the following link:

https://ayala.com/app/uploads/2025/05/AC-2025-ASM-Minutes-25-April-2025-final_clean_Redacted.pdf

In addition, the minutes contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;

2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;
 3. The matters discussed and resolutions reached;
 4. A record of the voting results for each agenda item;
 5. A list of the directors, officers and the percentage of outstanding and voting shares of stockholders who attended and participated in the meeting;
 6. Information on the stockholders who participated in the meeting and their voting rights;
 7. A description of the Company's performance including business strategy and other affairs as presented in the Annual Report of Officers; and
 8. All other matters taken up related to good governance and the protection of minority stockholders.
- b. Approval of the audited financial statements, including noting of annual report of management for the year ending December 31, 2025. The report will cover the performance of the Company in 2025, as set forth in Annex C, Management Report.

Item 16. Matters Not Required to be Submitted

There are no other matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, By-laws or Other Documents

There are no matters or actions to be taken up in the meeting relating to amendment of the Company's Charter or By-laws that will require the vote of the stockholders as of the record date.

Item 18. Other proposed actions

- a. Election of the members of the Board of Directors, including the independent directors, for the ensuing year.
- b. Ratification of all acts of the Board of Directors and officers beginning April 25, 2025 until April 24, 2026.
The matters acted upon or approved by the Board of Directors, its Committees, and Management include –
 - (i) appointment of the Chairman and Vice Chairman of the Board and members of the Board Committees;
 - (ii) election of lead independent director and officers and acting officers;
 - (iii) updating of general attorneys-in-fact, signatories for banks, attorneys-in-fact for other treasury transactions, human resources matters, and transaction with government agencies;
 - (iv) ratification of the actions of the Board Committees;
 - (v) capital allocation and disbursement of funds to subsidiaries for investments and capital expenditures for various projects;
 - (vi) declaration of cash dividends;
 - (vii) review of various related party transactions;
 - (viii) updating and availing of loans and credit facilities;
 - (ix) 2026 consolidated and parent company budget;
 - (x) implementation of strategic business initiatives through the execution of relevant agreements;
 - (xi) approval of the Human Rights Policy of the Corporation, revision of the Policy on Pre-approval of Audit and Non-audit Services, retention of Dividend Policy for Common Shares, amendment of the Corporation's IT Incident Management Policy, Crisis Management Policy, and Business Continuity Management Policy;
 - (xii) organizational redesign program; and
 - (xiii) establishment of a Defined Contribution Retirement Plan
- c. Election of external auditor and fixing of its remuneration.

Item 19. Voting procedures

a. Vote required

The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for the approval of the matters presented to the stockholders for resolution. The election of directors is by plurality of votes.

b. Method of Voting

In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one vote. As explained in Item 20 below, stockholders will only be allowed to vote *in absentia*, electronically or by proxy.

In the case of election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary at 37F, Ayala Triangle Gardens Tower Two, Ayala Triangle, Ayala Avenue, Makati City 1226 or by email at corporatesecretary@ayala.com on or before April 15, 2026.

A stockholder may vote electronically *in absentia* using the online web address, <https://conveneagm.com/ph/AC2026ASM>, subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

All votes will be counted and tabulated by the Committee of Inspectors of Proxies and Ballots of the Company and the results will be validated by an independent third party.

Item 20. Participation of Shareholders by Remote Communication

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on December 15, 2025, approved the holding of the meeting in a fully virtual format. Stockholders may only attend the meeting by remote communication, as set forth below, and by voting *in absentia*, electronically or by proxy, as provided in Item 4(c) and Item 19 above.

The live webcast of the meeting shall be accessible through the following online web address: <https://conveneagm.com/ph/AC2026ASM> to shareholders who registered in the Convene AGM (the "Voting System"). The access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the date set for the Meeting as indicated in the Company's Notice of Meeting. To enable the Company to identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Company by email to corporatesecretary@ayala.com on or before April 15, 2026, of their participation in the meeting by remote communication.

Stockholders may email questions or comments prior to or during the meeting to the following email address: corporatesecretary@ayala.com. The detailed instructions for participation through remote communication are set forth in Annex A (II).

Item 21. Acceptance of Stockholder Proposals on Agenda Item

Stockholders of record as of March 10, 2026 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before April 17, 2026.¹⁶

¹⁶ The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on March 27, 2026.

AYALA CORPORATION

by: MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

ANNEX “A”

2026 ANNUAL STOCKHOLDERS’ MEETING OF AYALA CORPORATION (THE “MEETING”)

REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING IN ABSENTIA AND PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting *in absentia* and participation by remote communication shall be allowed only through complete registration and successful validation in the ConveneAGM (the “Voting System”).

I. ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of March 10, 2026 (“Stockholders”) have the option of electronic voting *in absentia* on the matters in the Agenda after complete registration and successful validation in the Voting System. Only votes cast by duly validated stockholders would be included in the preliminary and final tally of votes.
2. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent in the e-mail.
3. Otherwise, Stockholders may access the link <https://conveneagm.com/ph/AC2026ASM> to create an account and register in the Voting System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 5 below. Once the online registration form has been completed, the digital ballot will be available for the Stockholders to cast their votes.
4. All registered accounts shall be subject to validation requirements set forth in Item 5 below. The deadline for registration to vote *in absentia* is April 15, 2026. Registered stockholders may vote until the end of the meeting. The Voting System will be open for registration on **March 27, 2026**.
5. The following are needed for registration:
 - 5.1 For individual Stockholders –
 - 5.1.1 A scanned-copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.1.2 A valid and active e-mail address;
 - 5.1.3 A valid and active contact number;
 - 5.2 For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3 For Stockholders under Broker accounts –
 - 5.3.1 A broker’s certification on the Stockholder’s number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3.2 A scanned copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3.3 A valid and active e-mail address;
 - 5.3.4 A valid and active contact number;

5.4 For corporate Stockholders –

- 5.4.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 5.4.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;
- 5.4.3 A valid and active e-mail address of the Stockholder's representative;
- 5.4.4 A valid and active contact number of the Stockholder's representative.

Important Notes:

- Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically *in absentia*, but may still vote by submitting a duly accomplished proxy form on or before April 15, 2026.
 - Stockholders are advised not to delete their accounts after successful registration in the Voting System. The email address used in the registration of deleted accounts cannot be used to re-register in the system.
6. The validation process in the Voting System will be completed by the Company no later than three (3) business days from the date of the Stockholder's complete registration. The Stockholder's Dashboard in the Voting System will indicate the status of registration.

Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.

7. All agenda items indicated in the Notice of the Meeting will be set out in the digital ballot in the Voting System and the registered Stockholder may vote as follows:
- 7.1 For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all shares of the registered Stockholder.
 - 7.2 For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

The votes cast electronically *in absentia* will have equal effect as votes cast by proxy.

Stockholders may still cancel or change their votes until the end of the voting period.

8. The Committee of Inspectors of Proxies and Ballots will tabulate all votes cast electronically *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders as of March 10, 2026 ("Stockholders") intending to participate by remote communication should notify the Company by email on or before April 15, 2026. Together with the notification, Stockholders should provide validation requirements as follows:

1.1 For individual Stockholders –

- 1.1.1 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 1.1.2 A valid and active contact number;

1.2 For Stockholders under Broker accounts –

- 1.2.1 A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

- 1.2.2 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 1.2.3 A valid and active contact number;
- 1.3 For corporate Stockholders –
 - 1.3.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 1.3.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 1.3.3 A valid and active contact number of the Stockholder's representative.
- 1.4 Duly validated proxies appointing the Chairman of the Meeting as proxy shall be counted for quorum and voting purposes. Proxies other than the Chairman of the Meeting must attend remotely through a link to the Meeting livestream to be provided by the Company.
- 2. After successful validation, Stockholders will receive an email from ConveneAGM with instructions to sign up for the Meeting livestream. Validated Stockholders who attended the meeting remotely shall be included in the determination of quorum at the Meeting, together with the Stockholders who voted *in absentia* and by proxy. Access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the Meeting date as indicated in the Company's Notice of the Meeting.
- 3. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to corporatesecretary@ayala.com.
- 4. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to corporatesecretary@ayala.com.

For any clarifications, please contact our Office of the Corporate Secretary through corporatesecretary@ayala.com.

ANNEX “B”

DIRECTORS AND KEY OFFICERS

The write-ups below include positions held as of December 31, 2025 and in the past five years and personal data as of December 31, 2025, of directors and executive officers, unless otherwise stated.

Board of Directors

Name	Position
Jaime Augusto Zobel de Ayala	Chairman of the Board, Non-Executive Director
Cezar P. Consing	President and Chief Executive Officer, Executive Director
Delfin L. Lazaro	Non-Executive Director
Fernando Zobel de Ayala	Non-Executive Director
Rizalina G. Mantaring	Lead Independent Director
Chua Sock Koong	Independent Director
Emmanuel P. Maceda	Independent Director

JAIME AUGUSTO ZOBEL DE AYALA, Filipino, 67
Chairman of the Board since April 2006, Director since May 21, 1987

Committee Membership:

- Chairman of Executive Committee
- Member of Finance Committee

Skills and experience:

Mr. Zobel was the Chief Executive Officer of the Company from 2006 to April 2021. He is the Chairman of the Board of Globe Telecom, Inc., Ayala Land, Inc., and Bank of the Philippine Islands. He is a Director of AC Energy and Infrastructure corporation and Asiacom Philippines Inc. Outside the Ayala group, he is a member of various business and socio-civic organizations in the Philippines and abroad. He is a member of the Boards of Directors of Temasek Holdings, the J.P. Morgan International Council, the J.P. Morgan Asia Pacific Council, and LeapFrog Investments’ Global Leadership Council. He sits on various advisory boards of Harvard University, including the Global Advisory Council and the Harvard Business School Asia-Pacific Advisory Board. He is Chairman Emeritus of the Asia Business Council and served as the Philippine Representative to the Asia-Pacific Economic Cooperation Business Advisory Council from 2010 to 2015. He is also a Steering Committee Member and Steward of the Council for Inclusive Capitalism and a Trustee Emeritus of Eisenhower Fellowships. He has been a director of the U.S.-Philippines Society since 2012 and assumed the Co-Chair position in 2024. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with the rank of Grand Commander in 2010, and the Order of Mabini with the rank of Commander in 2015 by the President of the Philippines. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer for his work in sustainable business strategy and operations. The first SDG Pioneer from the Philippines, he was one of ten individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He received his BA in Economics (with honors) from Harvard University in 1981, his MBA from Harvard Business School in 1987, and an Honorary Doctorate in Management from the Asian Institute of Management in 2024.

Directorship in other publicly listed companies:

Chairman of the Board of Globe Telecom, Inc., Ayala Land, Inc., and Bank of the Philippine Islands.
Director of Temasek Holding (Private) Limited

CEZAR P. CONSING, Filipino, 66

President and CEO since September 27, 2022; Director since December 3, 2020; Member of the Ayala Group Management Committee since April 2013

Committee Membership:

- Member of Executive Committee
- Member of Finance Committee

Skills and experience:

He is the Chairman of ACEN Corporation; Vice Chairman of the Bank of the Philippine Islands, Ayala Land, Inc., and Globe Telecom, Inc. He is Chairman or Vice Chairman of many of the Ayala Group's unlisted companies: Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Mobility Holdings Incorporated and Globe Capital Venture Holdings, Inc.; Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc.; and, Director of ACEN International, Inc., AC International Finance Limited, Asiacom Philippines, Inc., and Mynt, Inc. He is Chairman of the Philippine Dealing and Exchange Corporation. He is a non-executive director of the Private Infrastructure Development Group, an infrastructure development and finance organization owned by the governments of Australia, Germany, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom. He is a member of the Trilateral Commission. He is a member of the boards of trustees of the Philippine-American Educational (Fulbright) Foundation, the Philippines-Japan Economic Cooperation Committee, De La Salle University, and the Manila Golf Club Foundation. Mr. Consing was President & CEO of the Bank of the Philippine Islands from 2013 to 2021. He was a Partner & Co-Head for Asia of the Rohatyn Group, a global alternative asset manager with a focus on emerging markets, from 2004 to 2013. He was an investment banker with J.P. Morgan & Co. from 1985 to 2004. For seven years, he was the Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He worked for the Bank of the Philippine Islands from 1981 to 1985. He has previously served as Chairman of Philippine Dealing System Holdings; Chairman of the College of St. Benilde; Chairman and President of the Bankers Association of the Philippines; President of Bancnet; and Chairman of the National Reinsurance Corporation. He has also previously served as an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad, and First Gen Corporation. Mr. Consing has previously served as a board director of the Asian Youth Orchestra, the US-Philippines Society, Endeavor Philippines, and International Care Ministries. He received an A.B. in Economics, magna cum laude, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

Directorship in other publicly listed companies:

Chairman of ACEN Corporation; Vice Chairman of the Bank of the Philippine Islands, Ayala Land, Inc., and Globe Telecom, Inc.

DELFIN L. LAZARO, Filipino, 80

Non-Executive Director from January 1, 2007 to April 24, 2026

Committee Membership:

- Chairman of Finance Committee
- Vice Chairman of Executive Committee

Skills and experience:

He is an Advisor to the Board of Ayala Land, Inc. His other significant positions include Chairman of Atlas Fertilizer & Chemicals Inc., Chairman and President of A.C.S.T. Business Holdings, Inc.; Co-Vice Chairman and President of Asiacom Philippines, Inc.; and Director of Globe Telecom, Inc. and Probe Productions, Inc. He graduated with BS Metallurgical Engineering at the University of the Philippines in 1967 and took his MBA (with Distinction) at Harvard Graduate School of Business in 1971.

Directorship in other publicly listed companies:

Director of Globe Telecom, Inc.

FERNANDO ZOBEL DE AYALA, Filipino, 66

Director since September 28, 2023

Committee Membership:

- Chairman of Sustainability Committee
- Member of Risk Management and Related Party Transactions Committee
- Member of Personnel and Compensation Committee
- Member of Finance Committee

Skills and experience:

Mr. Zobel served as a Director from May 1994 to September 12, 2022. He was the Corporation's President and COO for 15 years, before assuming the role of CEO until September 12, 2022. He serves as Chairman of Ayala Healthcare Holdings, Inc. and Accendo Commercial Corporation; Vice Chairman of Berkshire Holdings, Inc.,

Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Columbus Holdings, and, Emerging City Holdings, Inc. He is a Director of Bank of the Philippine Islands and Ayala Land, Inc. Outside the Ayala Group, he is also a Director of Shell Pilipinas Corporation. He also serves on several civic boards and advisory groups including as Chairman of Ayala Foundation and Hero Foundation, Inc., Vice Chairman of Bonifacio Art Foundation, Inc., member of the Board of Trustees of Pilipinas Shell Foundation, Caritas Manila, and Asia Society. He is also a member of the Asia Philanthropy Circle, Art SG Advisory Group, The Metropolitan Museum International Council, TATE Asia Pacific Acquisitions Committee, Hispanic Society Museum & Library International Advisory Council, and Habitat for Humanity International's Asia Pacific Development Council. He holds a Liberal Arts degree from Harvard College and a CIM from INSEAD, France.

Directorship in other publicly listed companies:

Director of Bank of the Philippine Islands, Ayala Land, Inc., and Shell Pilipinas Corporation

RIZALINA G. MANTARING, Filipino, 66

Independent Director from April 24, 2020 until April 24, 2026; Lead Independent Director from April 29, 2022 until April 24, 2026

Committee Membership:

- Chairman of Audit Committee
- Member of Risk Management and Related Party Transactions Committee
- Member of Corporate Governance and Nomination Committee
- Member of Personnel and Compensation Committee

Skills and experience:

Ms. Mantaring is an Independent Director of Bank of the Philippine Islands, Inc., PHINMA Corp. Inc., and Universal Robina Corp. Inc. She is also a Director of Sun Life Grepa Financial, Inc. and an Independent Director of BPI Asset Management & Trust Group Inc., GoTYME Bank Inc., Maxicare Healthcare Corporation, Inc., and East Asia Computer Center Inc. She is also a member of the Boards of Trustees of the Makati Business Club and Philippine Business for Education, and a member of the Private Sector Advisory Council to the President of the Philippines. She was Chief Executive Officer and Country Head of Sun Life Financial Philippines, the country's leading insurer, prior to which she was Chief Operations Officer, Sun Life Financial Asia, responsible for IT & Operations across Asia. She was a recipient of the Asia Talent Management Award in the Asia Business Leaders Awards organized by the global business news network CNBC. She was selected as one of the 100 Most Outstanding Alumni of the Past Century by the University of the Philippines College of Engineering, and was 2019 PAX awardee of St. Scholastica's College Manila, the highest award given by the school to outstanding alumni. She holds a BS Electrical Engineering degree, cum laude, from the University of the Philippines and an MS Computer Science from the State University of New York at Albany.

Directorship in other publicly listed companies:

Independent Director of Bank of the Philippine Islands, Inc., PHINMA Corp. Inc., and Universal Robina Corp. Inc.

CHUA SOCK KOONG, Singaporean, 68

Independent Director since April 29, 2022

Committee Membership:

- Chairman of Corporate Governance and Nomination Committee
- Chairman of Personnel and Compensation Committee
- Member of Audit Committee
- Member of Sustainability Committee

Skills and experience:

She is a Senior Advisor at Singapore Telecommunications Limited, Asia's leading communications technology group, having served as its Group Chief Executive Officer for thirteen (13) years until December 31, 2020. She sits on the boards of Bharti Airtel Limited and Bharti Telecom Limited. She is also a Director of Prudential plc and the Dubai Financial Services Authority. She is a Member of the Supervisory Board of Royal Philips and Securities Industry Council. She is Deputy Chairman of the Public Service Commission and a member of the Council of Presidential Advisers. On March 14, 2024, she stepped down as director of the Defence Science and Technology Agency and Cap Vista Pte Ltd. She was also a director of Research, Innovation & Enterprise Council. She was conferred the Medal of Commendation (Gold) at NTUC May Day Awards 2016 and the Public Service

Star (BBM) at Singapore's 2019 National Day Awards. She holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a CFA charter holder.

Directorship in other publicly listed companies:

Director of Bharti Airtel Limited and Prudential plc

EMMANUEL P. MACEDA, American, 63

Independent Director since April 25, 2025

Committee Membership:

- Chairperson of Risk Management and Related Party Transactions Committee
- Member of Audit Committee
- Member of Corporate Governance and Nomination Committee
- Member of Sustainability Committee

Skills and experience:

He served as Worldwide Managing Partner of Bain & Company from 2018 to 2024. He took on the role of Chairman on January 1, 2025. As Bain's CEO he led its transformation to embed digital and technology capabilities and build a deeper focus on sustainability, while maintaining the firm's culture and #1 ranking on Glassdoor's list of Best Places to Work. In 2024 Bain also took the #1 position on Glassdoor's inaugural list of Best Led Companies in the USA. He joined Bain in 1989 and, over his 37-year career, has advised global CEOs and become a leading expert in large-scale transformations involving strategy, growth, performance improvement, and organizational effectiveness across a range of industries – with most depth in technology companies. During his time as a CEO, Manny also built deep expertise in generative AI, global realignment, stakeholder capitalism, and private capital. Prior to serving as Bain's CEO, Manny's roles included Chairman of Asia-Pacific and Global Leader of the Transformation and Performance Improvement Practices. He has served as a member and Chairman of Bain's Board of Directors.. He has been involved in the World Economic Forum as a member of the International Business Council, the Council of Chairs, and other committees. He has also been a member of the US Business Roundtable. He is a Director of Stryker Corporation (USA) The Bridgespan Group (USA), and the MIT Sloan Advisory Board.. He holds an M.S. in Management from MIT Sloan, a B.S. in Chemical Engineering (magna cum laude) and an honorary Doctor of Business Management from Illinois Tech, and an honorary Doctor of Business Administration from De La Salle University Philippines. He resides in the San Francisco area with his wife; they raised four children.

Directorship in other publicly listed companies:

Stryker Corporation (listed on the New York Stock Exchange)

Nominees to the Board of Directors for election at the stockholders' meeting

All the incumbent directors, except Mr. Lazaro and Ms. Mantaring, are nominated to the Board of Directors. Mr. Cesar V. Purisima and Mr. Edgar O. Chua are the new nominees to the Board.

Cesar V. Purisima, Filipino, 65, is an Asia Fellow of Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKHLAS Capital, a pan-ASEAN private equity platform. He currently serves on the boards of the AIA Group, Ayala Land, Inc., Universal Robina Corporation, Jollibee Foods Corporation, Bank of the Philippine Islands, BPI Capital Corporation, Unistar Credit and Finance Corporation, the Board of Trustees of International School of Manila, and the Board of Advisors of ABS-CBN. He is a member of Sumitomo Mitsui Banking Corporation's Global Advisory Council and Singapore Management University's International Advisory Council in the Philippines. He is a member of the Bloomberg Task Force on Fiscal Policy for Health since December 2023. From 2010 to 2016, Mr. Purisima was the Secretary of Finance of the Philippines and the Chair of Economic Development Cluster of the President's Cabinet. He briefly served as Finance Secretary in 2005 and Trade and Industry Secretary from 2004 to 2005. Additionally, he was a member of the Monetary Board of the Philippines Central Bank, and the Governor for the Philippines at the Asian Development Bank and the World Bank. He served as Alternate Governor for the Philippines at the International Monetary Fund. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by a number of publications, a first for the Philippines. Prior to his stints in the government service, he was the Chairman & Country Managing Partner of the Philippines' largest professional services firm SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst

& Young. Purisima obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983. Mr. Purisima completed the Harvard Business School's CEO Harvard Presidents' Seminars in 2023 and 2024. He was a recipient of Centenary Award of Excellence by the Professional Regulatory Board of Accountancy on the occasion of the 100th year of the Philippine accounting profession in 2023. He was conferred a Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans l'Ordre National de la Legion d'Honneur) in 2017. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines and the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the President of the French Republic in 2001. He was also conferred the Marist of Champagnat Award by the Marist School in 2025.

Edgar O. Chua, Filipino, 69, served as an independent director of IMI from April 2014 to April 2024 and its Lead Independent Director from August 16, 2017 to April 2024. He is the Independent Director of PHINMA Corporation. He is currently the Chairman of Makati Business Club, Philippine Business for the Environment, Ramon Magsaysay Award Foundation and President of De La Salle Philippines. He is the Lead Independent Director of Shell Philippines Corporation and Independent Director of Metropolitan Bank and Trust Company since 2017, Philcement since 2021, First Gen since 2021, JG Summit Olefins since 2022, and Horizon Education Indonesia since 2025. He was the Chairman for the College of Saint Benilde, University of La Salle Bacolod and CEO of De La Salle Philippines. He is a Trustee/Treasurer of PBED and Trustee for the De La Salle Greenhills since 2019, The English-Speaking Union of the Philippines, Inc. since 2009, Gawad Kalinga Community Development Foundation Inc. since 2005, and Pilipinas Shell Foundation Inc. 2003. Mr. Chua is also a Member of the Advisory Board of Mitsubishi Motors Phil. Corp. and Coca Cola Bottlers Phils. He is likewise affiliated with the Integrity Initiative, National Resilience Council, and the Phil. Disaster and Resilience Foundation. He held senior positions within various Shell Group of Companies, both locally and outside of the Philippines, including but not limited to being the Chairman and President of Pilipinas Shell Petroleum from September 2003 to May 2017 and being the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016. Mr. Chua earned his Bachelor of Science degree in Chemical Engineering from DLSU in 1978 and attended various international seminars and courses including the senior management course in INSEAD in Fontainebleau, France.

Senior Leadership Team/Key Officers

Name	Position
Cezar P. Consing*	President and Chief Executive Officer
Alberto M. de Larrazabal	Senior Managing Director and Chief Finance Officer**
Maria Franchette M. Acosta	Managing Director, Chief Legal Officer, Corporate Secretary, Compliance Officer, Data Protection Officer, and Corporate Governance Group Head
Catherine H. Ang	Managing Director and Acting Comptroller ***
Karl Kendrick T. Chua	Managing Director, Data Analytics and Artificial Intelligence Group Head
Francisco Romero Milán	Managing Director, Chief Human Resource Officer and Corporate Resources Group Head
Juan Carlos L. Syquia	Managing Director and Chief Finance Officer****
Mark Robert H. Uy	Managing Director and Corporate Strategy and Business Development Group Head
Estelito C. Biacora	Executive Director and Treasurer
Josephine G. De Asis	Executive Director and Comptroller*****
Jaime Z. Urquijo	Chief Sustainability and Risk Officer
Rosario Carmela G. Austria	Assistant Corporate Secretary
Roxanne Kate L. Petilla	Acting Chief Audit Executive*****
<i>* Member of the Board of Directors</i>	
<i>**Senior Managing Director and Chief Finance Officer until December 31, 2025</i>	
<i>***Chief Audit Executive until March 9, 2026 and appointed as Acting Comptroller effective March 9, 2026</i>	
<i>****Managing Director and Deputy Chief Finance Officer effective May 1, 2025; Chief Finance Officer effective January 1, 2026</i>	
<i>*****Comptroller until March 9, 2026</i>	
<i>*****Acting Chief Audit Executive effective March 9, 2026</i>	

Alberto M. de Larrazabal, Filipino, 70, currently serves as Chairman of Integrated Micro-Electronics, Inc.; Director, President, and CEO of AREIT, Inc.; President and CEO of AC Infrastructure and Globe Capital Venture Holdings, Inc.; and Director of AC Industrial Technology Holdings, Inc., Anko JV Company, Inc., and Light Rail Manila Holdings Inc. Prior to these roles, he was Chief Financial Officer of Ayala Corporation for over four years, stepping down effective January 1, 2026. His tenure at Ayala Corporation was distinguished by his recognition as CFO of the Year by ING and FINEX, a fitting culmination of his leadership in finance. Mr. de Larrazabal with over three decades of senior executive experience has built an extensive expertise across finance, business development, treasury operations, joint ventures, mergers and acquisitions, investment banking, and investor relations. Prior to joining Ayala Corporation, he served as Chief Commercial Officer and Chief Financial Officer of Globe Telecom. Earlier in his career, he held key leadership roles, including Vice President and CFO of Marsman Drysdale Corporation; Vice President and Head of the Consumer Sector at JP Morgan Hong Kong; and Senior Vice President and CFO of San Miguel Corporation.

Maria Franchette M. Acosta, Filipino, 53, has been the Corporate Secretary, Corporate Governance Group Head, Data Protection Officer and Chief Legal Officer of Ayala Corporation since March 12, 2024. She has served as the Company's Compliance Officer since April 26, 2024. She is also the Corporate Secretary of Ayala Land, Inc., AREIT, Inc., ACEN CORPORATION, Globe Telecom, Inc., Integrated Micro-electronics, Inc. and Mynt, Inc. She has been a practicing lawyer with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was also an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she worked from 2001 to 2003 and. She has been recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. For several consecutive years she was named among Asia Business Law Journal's top 100 lawyers of the Philippines. Atty. Acosta graduated from New York University with a Master of Laws in 2003, and ranked 3rd in the Philippine Bar Examination. She earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

Catherine H. Ang, Filipino, 55, is a Managing Director and the Acting Controller of the Corporation effective March 9, 2026. She was Chief Audit Executive of the Company from July 2013 until March 9, 2026. She joined the Company in February 2012 as Head for Risk Management and Sustainability. Currently, she also holds the following positions: Director of Technopark Land, Inc., Audit and Risk Committee Member of Healthway Philippines, Inc., AC Health Pharma Ventures Group, AC Energy and Infrastructure Corporation, AC Infrastructure Holdings Corporation, AC Logistics Holdings Corporation, Ayala Multi-Purpose Cooperative, and Light Rail Manila Corporation. She was also a member of the Audit and Risk Committee of Ayala Healthcare Holdings, Inc. until September 2025 and Generika Group (Actimed, Inc., Erikagen, Inc., Novelis Infrastructure Holdings Corporation, Pharm Gen Ventures Corp.) until February 2025. She is Treasurer, Board Trustee, and Teaching Fellow of the Institute of Corporate Directors (ICD) Philippines, and a member of the Financial Executives Institute of the Philippines (FINEX), where she serves as Co-Chair of the Ethics & Governance Committee. Ms. Ang previously served as Chair of the Board of the Institute of Internal Auditors Philippines and was a member of its Board from 2009 to 2014. She also served as Chair of the Good Governance Committee in 2023, Chair of Audit Committee from 2017-2019, Vice Chair of Good Governance Committee from 2017-2018 of FINEX, Chair of Finance Committee of FINEX Foundation in 2016 and Chair of Scorecard Circle of ICD from 2015-2016. Prior to joining Ayala Corporation, she was Vice President and the Chief Audit Executive of Globe Telecom, Inc. and earlier worked in IT audit with PwC Singapore and SGV & Co. She is a Certified Public Accountant, a Fellow of the Institute of Corporate Directors, a qualified Crisis Communication Planner, and holds an Associate (Level 1) Certification from Global Innovation Management Institute (GIMI). She graduated magna cum laude from Saint Louis College in 1991 with a degree in Bachelor of Science in Commerce major in Accounting.

Karl Kendrick T. Chua, Filipino, 47, is currently the Managing Director for Data Science and Artificial Intelligence in Ayala Corporation. In this capacity, he helps the Ayala Group become a data and AI-driven organization. He was a former Secretary of the National Economic and Development Authority (NEDA) and Undersecretary for Strategy, Economics, and Results at the Department of Finance (DOF), Republic of the Philippines. He is currently also a director of the Bank of the Philippine Islands, BPI Direct Banko, AC Industrials Technology Holdings, AC Infrastructure Holdings, Brave Connective (a Globe Telecom subsidiary), and is an independent director of D&L Industries and LH Paragon. He is also a board adviser in various LH Paragon businesses. He was also a director of Manila Water and AC Ventures. He has extensive experience in the areas of analytics, economic and fiscal policy, statistical development, national identification, labor and social protection policy, poverty analysis, and digital transformation, among others. He was also an adviser for the World Bank's World Development Report and a member of the Selection Committee of the Asian Development Bank and

International Economic Association Innovative Policy Research Award. He was a senior official in the Government of the Philippines for six years from 2016 to 2022. As Secretary of Socioeconomic Planning and Chief Economist of the country, he provided strategic leadership on economic policy during the Covid-19 pandemic and the further liberalization of key sectors of the economy. As chair, he also oversaw the implementation of the national ID program and the national innovation strategy. As Undersecretary in the DOF, he led the technical team in the passage of the Comprehensive Tax Reform Program covering income, consumption, transaction, and wealth taxes, and the passage of the Rice Tariffication Law, among other reforms in the government's 10-Point Socioeconomic Agenda. Prior to joining the government, he was with the World Bank for 12 years and was the senior economist for the Philippines. Flagship reports that he led include the 2012 Philippine development report, the 2016 Mindanao jobs report, and the 2015 tax policy reform report. Mr. Chua graduated from the Ateneo De Manila University in 2000 with a degree in B.S. Management Engineering. He earned his M.A. Economics (2003) and Ph.D. Economics (2011) from the University of the Philippines, and studied data science at the Asian Institute of Management. In 2018, he was awarded the Ten Outstanding Young Men of the Philippines (TOYM) for economic development. He is married and has two boys named after stars.

Francisco Romero Milán, Filipino, 43, has been the Managing Director, Corporate Resources Group Head, and Chief Human Resources Officer of Ayala Corporation since 1 March 2023. He is also the Chairman of the HR Council and the HR Executive Committee of the Ayala Group. He joined the Ayala Group of Companies in 2019 as Group Head of Human Resources and Sustainability of AC Industrials. Concurrently, he was Vice President, a member of the Management Committee, and Chief Human Resources Officer of Integrated Micro-Electronics Inc., a leading global manufacturing solutions expert. At present, he serves on the boards of AC Logistics Holdings Corporation, Ayala Healthcare Holdings, Inc., Mobility Access Philippines Ventures Inc., Ayala Multi-Purpose Cooperative, HCX Technology Partners Inc., ACX Holdings Corporation, Air21 Holdings, Inc., and WeAreAyala Business Club, Inc. He is a member of the boards of trustees and executive committees of Ayala Foundation Inc. and Teach for the Philippines, where he has served for over a decade as a thought partner. He also serves as a partner and strategic advisor of Penbrothers International, a Philippines-based talent management firm for startups and SMEs from all over the world. Prior to this, he held increasingly responsible roles with A.P. Moller-Maersk, a global shipping and energy conglomerate headquartered in Copenhagen, Denmark, with operations in over 130 countries and approximately 90,000 employees worldwide. In his last position, he was responsible for HR operations in 15 countries across Asia and the Pacific.

Juan Carlos L. Syquia, Filipino, 59, currently serves as the Chief Financial Officer, bringing with him over three decades of leadership in banking and finance. With a proven track record in corporate finance, strategic planning, and investment management. Concurrently, he serves as the Chairperson and President of AYC Holdings, Ltd. and Liontide Holdings, Inc.; Chairperson of A&Co Holdings Corporation, AA Infrastructure Projects Corporation, Ayala Aviation Corporation, and LiveIt Investments Limited; Director, President, and CEO of AC International Finance Limited and AYC Finance Ltd.; Director and CEO of ACI Solar Holdings (NA), AG Holdings Limited (HK), AG Region Pte. Ltd., Ayala International Holdings Pte. Ltd. (formerly Ayala International Holdings Limited), Ayala International Pte. Ltd., Azalea International Venture Partners Ltd., Bestfull Holdings Limited, and Fine State Group Limited; and Director of AC Mobility Holdings Incorporated, A.C.S.T. Business Holdings, Inc., AC Logistics Holdings Corporation, AC Ventures Subco, Inc., ACX Holdings Corporation (formerly AG Counselors Corporation), Affinity Express Holdings Ltd., AI North America, Inc., AM 50 Ventures Inc. (formerly AC Ventures Holding Corp.), Ayala Healthcare Holdings, Inc., Evro Mobility Solutions, Inc., KP Motors Corporation, Mobility Access Philippines Ventures Inc., Philwater Holdings Company, Inc., Purefoods International Limited, Strong Group Limited, Total Jade Group Limited, and VIP Infrastructure Holdings Pte. Ltd. Prior to joining Ayala, John-C was Executive Vice President and Head of Institutional Banking at the Bank of the Philippine Islands (BPI), where he led a comprehensive portfolio encompassing Corporate and Commercial Banking, Investment Banking, and Transaction Banking. His strategic oversight and client-centric approach played a pivotal role in strengthening BPI's institutional relationships and financial performance. John-C's earlier career includes key leadership roles at ING, where he served as Managing Director and Head of Corporate Finance in the Philippines. He also held the role of Head of Strategy and Business Development for ING Asia Pacific Ltd., overseeing the firm's insurance and asset management operations across the region. He further broadened his banking experience in the Philippines as Head of Corporate and Institutional Banking at Standard Chartered, where he provided leadership in serving top-tier corporate clients and driving strategic growth initiatives in the local market. His deep expertise spans corporate finance, mergers and acquisitions, cross-border transactions, and business transformation—making him a trusted advisor and strategic leader in the financial sector. John-C holds an MBA in Finance and International Business from Fordham University in New York, where he graduated with honors. He earned his bachelor's degree in Management Economics from the Ateneo de Manila University.

Mark Robert H. Uy, Filipino, 38, is currently the Corporation's Corporate Strategy and Business Development Group Head, as well as a member of the Management Committee. His other significant positions include: Chairman of Anko JV Company, Inc.; Director, President and Chief Executive Officer of A&CO Holdings

Corporation; Director & President of ACX Holdings Corporation; Director of AC Industrial Technology Holdings, Inc., AC Logistics Holdings Corporation, AC Ventures Holding Corp., and AC Ventures Subco, Inc. Mark has over a decade of investment banking experience, more recently as Credit Suisse's Country Manager and Head of Investment Banking and Capital Markets in the Philippines. Prior to joining Credit Suisse, he spent 12 years at J.P. Morgan in Manila, Chicago and Singapore offices. His industry experience includes transactions in the energy, agriculture, packaged food and restaurant industries, among others. He graduated from Ateneo de Manila University with a bachelor's degree, cum laude, in Management Engineering with minor in Finance. He is a CFA charter holder.

Estelito C. Biacora, Filipino, 55, is the Executive Director and Treasurer of Ayala Corporation. Currently, he also holds the following positions: Director of AYC Finance, Limited, AYC Holdings Limited, Ayala Aviation Corporation, Bestfull Holdings Limited, Liveit Investments Limited, Affinity Express Holdings Ltd., AG Holdings Limited (HK), Fine State Group Limited, Total Jade Group Limited, Strong Group Limited; Director and Treasurer of Michigan Holdings, Inc., and, Pameka Holdings, Inc.; Chief Finance Officer and Treasurer of AC Energy and Infrastructure Corporation (ACEIC); Director, Treasurer and Chief Finance Officer of Philwater Holdings Company, Inc.; Treasurer of Liontide Holdings, Inc., ASIACOM Philippines, Inc., ACST Business Holdings, Inc., AC Ventures Holding Corporation, AC Ventures Subco, Inc., Ayala Foundation, Inc., Azalea International Venture Partners, Ltd., Hero Foundation, Inc. PPI Prime Venture, Inc.; member of Board of Trustees of WeAreAyala Business Club, Inc.; and member of Ayala Foundation Endowment Committee, Ayala Corporation Retirement Committee, and Audit and Risk Committee of AC Logistics Holdings Corporation. Prior to joining Ayala, he served as Senior Vice President for Global Markets Group at the Bank of the Philippine Islands (BPI). Mr. Biacora's other previous senior assignments include Chief Investment Officer (CIO) for BPI Asset Management, and Senior Vice President and Head of BPI Private Banking. He also served as member of BPI Management Committee, and member of the board of BPI Forex Corporation and BPI International Finance Limited, Hong Kong. He served as the President and board member of ACI Philippines, the Financial Markets Association affiliated with Paris-based organization of global markets professionals. He also served as member of BAP-Capital Markets Development Committee. He has held prior positions with Far East Bank and Trust Company, and Banco Santander, Philippines. Mr. Biacora attended Executive Finance Course at Wharton School of Business, University of Pennsylvania. He earned a Bachelor of Science degree in Commerce major in Finance, and Masters in Business Administration, both from De La Salle University.

Josephine G. De Asis, Filipino, 54, served at the Controller of the Corporation from August 2012 to March 9, 2026. Currently, she also holds the following positions: Chairperson of Pameka Holdings, Inc. and PPI Prime Venture, Inc.; Director of Azalea International Venture Partners Ltd.; and, Chief Finance Officer of Michigan Holdings, Inc. Prior to joining Ayala Corporation, she served as the Head of Financial Control Division of Globe Telecom, Inc. from 2010 to 2012 and Controller of the Wireless Business of Globe Telecom, Inc. from 2005-2010. She is a Certified Public Accountant. She graduated with a degree in BS Accountancy (summa cum laude) from Polytechnic University of the Philippines in 1991 and attended an Executive Management Program from the University of California Los Angeles in 2004-2005.

Jaime Z. Urquijo, Filipino, 37, is the Chief Sustainability and Risk Officer (CSRO) of Ayala Corporation. He was previously Vice President for Business Development at Ayala Corporation's listed energy platform, ACEN. During his tenure at ACEN, Jaime led initiatives to expand the group's portfolio of assets in the Philippines, Vietnam, Myanmar, and Indonesia. Prior to this, Jaime served as the Head of Business Development for AF Payments, Inc., which created the Beep Card payment system, the country's first interoperable public transport payment card. In addition to his CSRO role, he is also currently a director of ACEN Corporation, Bank of the Philippine Islands, BPI/MS Insurance, Integrated Micro Electronics, Inc., AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., and Chairman of Klima 1.5 Corp. He is Vice Chairman of the Board of Trustees and Chairman of the Executive Committee of Ayala Foundation, a member of the Board of Trustees and Chief Executive Officer of WeAreAyala Business Club, Inc., and is also an Independent Advisor to the Board of Directors of Ayala Land Inc. He is also part of the board of WWF Philippines, the European Chamber of Commerce of the Philippines (ECCP), Makati Central Estate Association, Inc. (MACEA), and the Hero Foundation. Prior to joining the Ayala Group, Jaime was an associate at JP Morgan in New York. Jaime received his Bachelor of Arts degree in Political Science from the University of Notre Dame in the US and his Master's in Business Administration from INSEAD in France.

Rosario Carmela G. Austria, Filipino, 43, has served as Assistant Corporate Secretary of Ayala Corporation in April 2021. She is also the Corporate Secretary or Assistant Corporate Secretary of various companies within the Ayala group, including Corporate Secretary of AC Logistics Holdings Corporation, AC Infrastructures Holdings Corporation, AC Mobility Holdings Incorporated and ACX Holdings Corporation, and Assistant Corporate Secretary of Integrated Micro-Electronics, Inc., Ayala Foundation, Inc., AC Industrial Technology Holdings, Inc. and Ayala Healthcare Holdings, Inc. She is Head of the Corporate Secretarial Services Division, Corporate Governance Group of Ayala Corporation. Previously, she was Corporate Governance Manager in Ayala Group

Legal from May 2019 to May 2020 and in Ayala Corporation from May 2020 to March 2021. Prior to joining Ayala Group, she worked in the Securities and Exchange Commission from September 2009 to April 2019 where her last post was Assistant Director of the Corporate Governance Division, Corporate Governance and Finance Department. She graduated with a Bachelor of Science degree in Legal Management, minor in International Business, from the Ateneo de Manila University in 2004 and completed her Juris Doctor degree from the same university in 2008. She was admitted to the Philippine Bar in 2009. She obtained a Master of Public Policy in 2013 from the National Graduate Institute of Policy Studies (GRIPS) in Tokyo, Japan as a recipient of the Japan-IMF Scholarship Program for Asia.

Roxanne Kate L. Petilla, Filipino, 37, is the Acting Chief Audit Executive of the Corporation effective March 9, 2026. She is a Senior Internal Audit Manager of the Corporation. Prior to joining Ayala Corporation in March 2014, she worked at PwC Philippines as Systems and Process Assurance Auditor and a System Compliance Auditor in Manila Teachers' Savings and Loan Association Inc. Currently, she is also the Internal Audit Head of Liveit Investments Ltd. and its subsidiaries and all international companies of Ayala Corporation. She is a Certified Public Accountant and a member of the Institute of Internal Auditors Philippines. She previously served as the Chairperson of the Technology Committee of the Institute of Internal Auditors Philippines in 2022 - 2023 and a Vice Chairperson in 2021. She also holds certifications in COBIT and ITIL Foundation, and she is a passer of the ISO 27001 Information Security Management Systems certification. She graduated from Saint Louis University with a degree in Bachelor of Science in Accountancy in 2010.



NC0Q1X08DI

NOTARIAL CERTIFICATE

TO ALL TO WHOM these presents shall come

I, Ong Ting Lan Lauren, NOTARY PUBLIC duly admitted, authorised to practise in the Republic of Singapore, DO HEREBY CERTIFY

that I was present on the 10th day of March 2026 and did see **CHUA SOCK KOONG**, Independent Director of **AYALA CORPORATION** duly sign and execute the attached **CERTIFICATION OF INDEPENDENT DIRECTOR** and that from my own personal knowledge that the name or signature of "CHUA SOCK KOONG" is of the proper handwriting of the said CHUA SOCK KOONG.

IN FAITH AND TESTIMONY whereof I the said notary have subscribed my name and set and affixed my seal of office at Singapore, this 10th day of March 2026.

**NOTARY PUBLIC
SINGAPORE**



By virtue of Rule 8(3)(c) of the Notaries Public Rules, a Notarial Certificate must be authenticated by the Singapore Academy of Law in order to be valid.

With effect from 16 September 2021, a Notarial Certificate shall be deemed to be validly authenticated by the affixing of an Apostille to the back of the Notarial Certificate.

APOSTILLE

(Convention de La Haye du 5 Octobre 1961)

This Apostille only certifies the authenticity of the signature, seal or stamp and the capacity of the person who has signed the attached Singapore public document, and, where appropriate, the identity of the seal or stamp. It does not certify the authenticity of the underlying document.

If this document is to be used in a country not party to the Hague Convention of the 5th of October 1961, it should be presented to the consular section of the mission representing that country.

To verify this Apostille, go to

<https://legalisation.sal.sg>

or scan QR code:



Verification code: 03117635

1. Country:	Singapore
This public document	
2. Has been signed by:	Ong Ting Lan Lauren
3. Acting in the capacity of:	Notary Public
4. Bears the seal/stamp of:	Notary Public
Certified	
5. At:	Singapore Academy of Law
6. The:	11th March 2026
7. By:	Melissa Goh, Director, Trust Services, SAL
8. No.:	AC0Q1Y061I
9. Seal/Stamp:	10. Signature:



CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Chua Sock Koong**, of legal age and a resident of _____
after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Ayala Corporation for its Annual Stockholders' Meeting on April 24, 2026 and has been its independent director since April 29, 2022.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	DATE OF APPOINTMENT
Dubai Financial Services Authority (DFSA)	Director	01 Apr 2024
Securities Industry Council	Member	01 Feb 2024
Prudential plc	Director	12 May 2021
Royal Philips	Member, Supervisory Board	06 May 2021
Singapore Telecommunications Limited	Senior Advisor	01 Jan 2021
Council of Presidential Advisors	Member	02 Jun 2020
	Alternate Member	02 Jan 2019
Public Service Commission	Deputy Chairman	29 Jan 2020
	Member	29 Jan 2009
Bharti Telecom Limited	Director	27 Feb 2003
Bharti Airtel Limited	Director	07 May 2001

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Ayala Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Ayala Corporation.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Ayala Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 10th day of March 2026, at Singapore.

Chua Sock Koong
Affiant

SUBSCRIBED AND SWORN to before me this 10th day of MARCH 2026 at SINGAPORE
affiant personally appeared before me and exhibited to me her
issued at _____ on _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____;

As Witnessed:



CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EMMANUEL P. MACEDA**, , of legal age and a resident of
after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Ayala Corporation for its Annual Stockholders' Meeting on April 24, 2026 and served as its independent director since April 25, 2025.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Bain & Company	Chairman (non-exec)	1989 to present
The Bridgespan Group	Director	2021 to present
Stryker Corporation	Director	2025 to present
MIT Sloan School of Management	Member of the North American Board of Advisors	2014 to March 2026

I am not affiliated with any Government-Owned and Controlled Corporation.

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of Ayala Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Ayala Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations,
7. I shall inform the Corporate Secretary of Ayala Corporation of any changes in the abovementioned information within five days from its occurrence.

I hereby waive my right to have the duplicate original copy of this Certification transmitted to me in electronic format and effectively waive any objection to the completeness of such reproduction, pursuant to the 2004 Rules on Notarial Practice, as amended.

Done, this _____ day of MAR 16 2026, at MAKATI CITY.

✓ EMMANUEL P. MACEDA
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of MAR 16 2026 at MAKATI CITY,
affiant personally appeared before me and exhibited to me his _____
on _____ issued by the _____

Doc. No. 239;
Page No. 49;
Book No. XXVII;
Series of 2026.

Notarial DST pursuant to Sec. 61 of the
TRAIN ACT (amending Sec. 188 of the
NIRC) affixed on copy submitted to the
court.



RIZZA ANNE O. SY
Notary Public – Makati City
Appt. No. M-106 until December 31, 2026

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Cesar V. Purisima, _____, of legal age and a resident of _____
after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Ayala Corporation for its Annual Stockholders' Meeting on April 24, 2026 and served as its independent director from April 28, 2023 to April 25, 2025.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Milken Institute	Asia Fellow	August 2016 to present
International School Manila	Trustee	May 2017 to present
International Advisory Council (Phils) Singapore Management University	Member	June 2017 to present
AIA Group Limited	Independent Non-Executive Director	September 2017 to present
Ayala Land, Inc.	Independent Director	April 18, 2018 to present
Universal Robina Corporation	Independent Director	May 2018 to present
Sumitomo Mitsui Banking Corp.	Global Advisory Council Member	July 2018 to present
IKHLAS Capital Singapore Pte. Ltd	Founding Partner	March 2019 to present
Unistar Credit and Finance Corporation	Independent Non-Executive Director	April 2019 to present
Jollibee Foods Corporation	Independent Director	July 23, 2020 to present
ABS-CBN Corporation	Member, Board of Advisor	September 25, 2020 to present
Bank of the Philippine Islands	Independent Director	January 20, 2021
BPI Capital Corporation	Independent Director	June 16, 2021 to present
Bloomberg Task Force on Fiscal Policy for Health	Member	December 2023 to present

I am not affiliated with any Government-Owned and Controlled Corporation.

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of Ayala Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Ayala Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations,
7. I shall inform the Corporate Secretary of Ayala Corporation of any changes in the abovementioned information within five days from its occurrence.

I hereby waive my right to have the duplicate original copy of this Certification transmitted to me in electronic format and effectively waive any objection to the completeness of such reproduction, pursuant to the 2004 Rules on Notarial Practice, as amended.

Done, this _____ day of MAR 06 2026, at MAKATI CITY.

CESAR V. PURISIMA

Affiant

SUBSCRIBED AND SWORN to before me this _____ day of MAR 06 2026 at MAKATI CITY,
affiant personally appeared before me and exhibited to me his Passport No. _____ issued at
on _____

Doc. No. 157 ;
Page No. 33 ;
Book No. XXVII ;
Series of 2026.

Notarial DST pursuant to Sec. 61 of the
TRAIN ACT (amending Sec. 188 of the
NIRC) affixed on copy submitted to the
court.



RIZZA ANNE O. SY
Notary Public - Makati City
Appt. No. M-106 until December 31, 2026

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Edgar O. Chua**, of legal age and residing at _____
after having been duly sworn to in accordance with law do hereby declare
that:

1. I am a nominee for independent director of Ayala Corporation.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Metropolitan Bank & Trust Company (Metrobank)	Independent Director	2017 – April 2026
Shell Philippines Corporation	Independent Director	May 2024 to present
JG Summit Olefins Corporation	Independent Director	September 2022 to present
First Gen	Independent Director	2021 to present
PhilCement	Independent Director	2019 to present
PHINMA	Independent Director	2019 to present
Horizon Education Indonesia	Independent Director	2025 to present
Mitsubishi Motors Phil. Corp.	Board Advisor	2017
De La Salle Philippines	President	2017 to present
Amber Kinetics, Inc	Chief Executive Officer	November 2017 to present
Makati Business Club	Chairman	2016 to present
Ramon Magsaysay Award Foundation	Chairman	2025 to present
Pilipinas Shell Foundation Inc	Chairman	2026

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Ayala Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Ayala Corporation.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Ayala Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 28th day of FEB 2026, at MUNTIN LUPA CITY

/ **Edgar O. Chua**
Affiant

MUNTINLUPA CITY

FEB 25 2026

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____, affiant personally appeared before me and exhibited to me his driver's license with ID no. _____ issued at _____ on _____

Doc. No. 161 ;
Page No. 34 ;
Book No. Lxxxix ;
Series of 26 ;

ATTY. CARMELITA RITA R. BACULIO
NOTARY PUBLIC FOR MUNTINLUPA CITY
~~Notarial Commission No. 26-014 until 31 December 2027~~

Annex B-1

ANNEX “C”

MANAGEMENT REPORT

I. MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND RESULTS OF OPERATION

2025 vs. 2024 Highlights

Ayala Corporation’s (“Ayala” or “the Company”) core net income, which excludes one-off items, rose 7 percent to an all-time high of ₱48.3 billion on the back of higher earnings from BPI and Ayala Land (“ALI”) and collective turnaround of non-core business units, which more than offset the decline in Globe and AC Energy & Infrastructure (“ACEIC”).

Accounting for one-offs, Ayala’s net income jumped 46 percent to ₱61.4 billion, mainly driven by Mynt-related revaluation gains and ALI’s sale of its share in Alabang Commercial Corporation.

- BPI’s net income rose 7 percent to ₱66.6 billion driven by record revenues despite higher operating expenses and provisions. Full-year Return on Equity was at 14.5 percent.
- ALI’s core net income grew 8 percent to ₱30.6 billion driven by its expanding leasing and hospitality segment and stable property development revenues.
 - ALI’s reported net income reached ₱39.1 billion, 39 percent higher, due to a one-time gain from the sale of its 50 percent stake in Alabang Commercial Corporation.
- Globe’s core net income, which excludes non-recurring items such as accounting gains from the Mynt transaction, towers sale and leaseback, and foreign exchange and mark-to-market adjustments, decreased 3 percent to ₱20.9 billion due to higher depreciation and interest expenses which offset record gross service revenues, lower OPEX, and improved equity contributions from affiliates.
- ACEN’s core net income increased 4 percent to ₱6.3 billion driven by higher renewables output.
 - On a reported basis, ACEN’s net income of ₱3.8 billion was weighed by the one-off impairment of the Lac Hoa and Hoa Dong wind projects in Vietnam, lower spot prices, and weaker irradiance.
 - ACEIC, the parent company of ACEN, posted a net income of ₱6.6 billion, down 47 percent year-on-year. In addition to ACEN’s performance, ACEIC received softer earnings from its thermal investments.
- Ayala’s balance sheet remained healthy despite market volatility with parent net debt reduced by 18 percent to ₱136.3 billion from ₱167.1 billion. This resulted in an improvement in the parent net debt-to-equity ratio by 30 basis points to 0.76x from 1.06x a year ago.

Consolidated Sales of Goods and Rendering of Services

Sale of goods and rendering services rose 3 percent to ₱336.9 billion driven by higher revenues from Healthway Medical Network and the inclusion of FEU-NRMF and Cebu Velez General Hospital in AC Health, and higher electric vehicle sales in AC Industrials. These were partially offset by ACEIC’s lower electricity sales, ALI’s lower revenues from construction and residential businesses, and IMI’s lower service revenue from EU and China. As a percentage of total revenues, this account was at 88 percent for both years ended December 31, 2025 and 2024.

Real Estate

- Core net income of ALI from its organic operations reached ₱30.6 billion, up 8 percent, on the back of growing contributions of its Leasing and Hospitality portfolio and steady earnings from its Property Development business.
 - ALI’s reported net income amounted to ₱39.1 billion, 39 percent higher, due to a one-time gain from the sale of its 50 percent stake in Alabang Commercial Corporation.
- Property development revenues stood at ₱113.9 billion, up 1 percent from a year ago.
 - Residential revenues dipped 4 percent to ₱91.4 billion as stronger bookings from the Core segment were offset by softer Premium sales.

- Combined revenues from Estate lots and Office-for-sale accelerated 25 percent to ₱22.5 billion on the back of healthy bookings from projects located in ALI estates such as Arca South, Circuit Makati, and Centrala in Pampanga.
- Property development sales were steady at ₱142.3 billion as strong demand for estate lots and stable take up of Core developments.
- Property development launches amounted to ₱60.4 billion, 40 percent lower, comprised of 77 percent residential developments, supplemented by 23 percent worth of prime commercial and industrial lots in key locations within ALI estates.
- Leasing and hospitality revenues were up 7 percent to ₱48.7 billion on the back of positive contributions across all segments.
 - Shopping center revenues grew 5 percent to ₱24.2 billion driven by higher occupancy and higher portfolio-wide merchant sales, despite reinventions in key malls.
 - Office leasing revenues likewise rose 5 percent to ₱12.2 billion on better-than-industry occupancy and contracted lease escalations.
 - Hotels and resorts revenues increased 9 percent to ₱10.6 billion lifted by the value-accretive acquisition of New World Hotel Makati during the second half of the year.
 - Industrial real estate revenues jumped 37 percent to ₱1.7 billion on the back of the contributions of industrial land for lease and additional cold storage capacity.
- Capital expenditures reached ₱92.9 billion, with 38 percent allocated to residential projects, 29 percent to leasing and hospitality assets, 18 percent to estate development, and 15 percent to land acquisition commitments and other expenses.
- Meanwhile, ALI's REIT vehicle, AREIT, saw its net income jump 28 percent to ₱9.4 billion, as stable operations from its existing portfolio were boosted by contributions from newly infused developments.
 - Assets under management reached ₱139.3 billion at the end of 2025.
 - On December 11, 2025, AREIT secured stockholder approval for a property-for-share swap with ALI and its subsidiary to infuse ₱19.5 billion worth of retail assets, namely Ayala Center Cebu and Ayala Malls Feliz, subject to regulatory approvals. This planned infusion is expected further increase AREIT's AUM to ₱159 billion.

Power

- ACEN's core net income rose 4 percent to ₱6.3 billion driven by higher renewables output.
 - Including one-off items, primarily the ₱2.7 billion impairment in the first half related to the Lac Hoa and Hoa Dong wind projects in Vietnam, ACEN's net income declined 60 percent to ₱3.8 billion.
- Core attributable EBITDA, which includes ACEN's share of EBITDA from non-consolidated operating projects, expanded 17 percent to ₱22.5 billion.
- Total attributable renewables output grew 24 percent to 7,009 gigawatt-hours (GWh) driven by contributions from newly operational plants.
 - Output from Philippine renewable plants went up 2 percent to 1,866 GWh due to the completion of wind turbine repairs in Ilocos Norte.
 - Output from international renewable plants jumped 34 percent to 5,143 GWh as all markets posted higher generation due to strong wind and solar resources, along with new capacity added in 2025.
- Today, ACEN has 7,001 MW of attributable capacity, consisting of 4.3 GW in operation and 2.7 GW under construction projects.

Share in Net Profits of Associates and JV

Share in net profits of associates and joint ventures increased 6 percent to ₱46.8 billion due to higher equity in net earnings from ACEIC and ALI AJVs, BPI's higher net interest and non-interest income despite higher expenses and provisions, Globe's ₱2.2 billion dilution gain (AC's equity share of ₱0.7 billion) in Mynt and lower operating expenses which helped offset flat revenues, higher earnings in Mynt supported by growth across key business pillars such as lending, payments, and transfers. These were partially offset by the impact of MWC's divestment in May 2024. As a percentage of total revenue, this account was 12 percent for both years ended December 31, 2025 and 2024.

Banking

- BPI reported a net income of ₱66.6 billion, up 7 percent from a year ago, supported by record revenues which more than offset the increase in operating expenses and provisions. Return on Equity stood at 14.5 percent.
- Total revenues grew 15 percent to ₱195.3 billion driven by all-time high net interest income.
 - Total loans increased 15 percent to ₱2.6 trillion, driven by broad-based credit demand.
 - Non-institutional loans, which accounted for 30.4 percent of total loans, grew 26 percent as all categories showed robust growth.
 - Annual net interest margin (“NIM”) expanded 28 basis points to 4.59 percent, marking its fourth consecutive year of expansion, despite reduction in policy rates.
 - Fee income was up 9 percent to ₱39 billion, driven by higher customer count and customer activities.
- Total deposits increased 9 percent to ₱2.8 trillion mainly from the growth in time deposits.
- Asset quality remained healthy with adequate cover despite the portfolio’s expansion into higher-yielding non-institutional segment.
 - NPL ratio rose 6 basis points to 2.18 percent.
 - NPL cover dropped 11 percentage points to 94.92 percent.
 - Total provisions amounted to ₱17.8 billion, up 169 percent from last year.
- Operating expenses grew 10 percent to ₱92.1 billion on higher manpower, technology, and volume-related expenses. Sustained operational efficiencies brought the cost-to-income ratio down further to 47.2 percent.

Telco

- Globe’s core net income, which excludes non-recurring items such as accounting gains from the Mynt transaction, tower sale and leaseback, and foreign exchange and mark-to-market charges, dropped 3 percent to ₱20.9 billion driven by higher depreciation and interest expenses which offset record gross service revenues, lower OPEX, and improved equity contributions from affiliates.
 - Net income went down 4 percent to ₱23.3 billion due to increased depreciation and amortization costs.
- Gross service revenues reached an all-time high of ₱165.1 billion.
 - Mobile service revenues increased to record high of ₱116.9 billion on robust mobile data usage which more than offset the continued structural decline in legacy voice and SMS services.
 - Home broadband revenues inched up 1 percent to ₱24 billion supported by sustained fiber adoption.
 - Corporate data revenues climbed 1 percent to ₱20.7 billion as growth in ICT-related services partly offset the decline in core data services amid cautious enterprise spending.
 - Non-telco revenues decreased 12 percent to ₱2.3 billion as softer advertising results from AdSpark and lower Asticom revenues outweighed improvements from Yondu.
- EBITDA rose to ₱87.6 billion on the back of higher revenues and ongoing cost management initiatives that improved operational efficiencies.
 - Operating expenses, including subsidies, dipped 1 percent to ₱77.5 billion.
 - EBITDA margin rose to 53.1 percent, exceeding full-year guidance of 50 percent.
- Equity earnings from Mynt rose 64 percent to ₱6.1 billion supported by growth across key business pillars such as lending, payments and transfers. Mynt’s contribution accounted for 22 percent of Globe’s pre-tax net income.
 - Total loan disbursements since inception surged 65 percent with a 35 percent increase in unique borrowers.
 - Insurance policies sold life-to-date soared 198 percent driven by a 45 percent rise in GInsure users.
- Capital expenditures dropped 18 percent to ₱46.2 billion, in line with Globe’s focus on free cash flow generation. This brought CAPEX-to-revenue ratio down to 28 percent from 34 percent, underscoring a disciplined approach to capital efficiency.

Emerging Business Updates

- AC Health achieved a net income of ₱34 million, a turnaround from the -₱607 million in net losses prior year, driven by the strength of its Provider Group, absence of KMD losses, and a ₱102 million gain from the sale of KMD. EBITDA more than doubled to ₱1.5 billion from ₱0.6 billion.

- Revenues from the provider group, consisting of hospitals and clinics, soared 71 percent on higher patient census, increased average spend per patient, and more corporate clinic accounts, supported by the consolidation of full-year revenues from FEU-NRMF and continuous ramp-up of the Cancer Hospital.
- Revenue from the pharma group were flat as growth in retail were offset by lower distribution revenues.
- ACMobility narrowed its core net losses to -₱386 million from -₱465 million as robust volume growth were offset by higher marketing expenses.
 - Total unit sales grew to 42,684 from 23,483 driven by standout models such as BYD Sealion 6, BYD Seal 5, and Kia Sonet, supplemented by new launches including the BYD Shark 6 DMO and BYD Sealion 5 DM-i. This improved ACMobility's total market share to 9 percent from 4.9 percent last year. AC Mobility continues to hold the largest market share in New Electric Vehicles ("NEV") segment at 82.3 percent.
 - On the charging infrastructure side, AC Mobility ended 2025 with 459 installed charging points, of which 419 are electrified, across 166 locations.
 - In January 2026, ACMobility renewed its distribution agreement with BYD to accelerate the country's shift toward electrified mobility. Additionally, ACMobility Premium Dealership was officially appointed as one of the three dealers for DENZA, BYD's luxury brand, expanding ACMobility's reach into the premium NEV segment.
- IMI posted a net income of US\$13.5 million, marking a significant turnaround from the -US\$49.8 million net loss last year, due to improvements in operational efficiency and cost restructuring measures despite the weaker demand in the global automotive market. Core adjusted EBITDA rose 42 percent to US\$65.6 million from US\$46.2 million.
- AC Logistics trimmed its net loss to -₱1.9 billion from -₱2.2 billion driven by ongoing rationalization initiatives. Attributable EBIT losses likewise narrowed to -₱517 million from -₱815 million due to cost-saving measures which helped offset lower revenues.

Costs of Goods Sold and Rendering Services

Cost of sales and services up 2 percent to ₱242.7 billion on the back of improved sales performance which led to improved gross profits for AC Health and AC Industrials. The increase also reflects generally higher prices for direct costs and overhead across various BUs. As a percentage of total costs and expenses, these accounts were 83 percent and 82 percent for the years ended December 31, 2025 and 2024, respectively.

General and Administrative Expenses

General and Administrative Expenses decreased 5 percent to ₱48.9 billion due to lower Group impairment provision, including ACEN's ₱8.4 billion (₱4.9 billion AC equity share) provision for expected credit loss (ECL) on receivables from PPLC and Vietnam Wind projects and an additional ₱885.0 million provision for IPO. This is compared to last year's provisions on investments such as IMI (including VIA) and AC Infra/AC Logistics. Meanwhile, excluding impairment provisions, normalized GAE increased 1 percent on higher advertising, taxes and licenses, and ECL provisions on receivables. These were partially offset by cost rationalization and restructuring measures in AC Logistics and IMI. As a percentage of total costs and expenses, this account was 17 percent and 18 percent for the years ended December 31, 2025 and 2024, respectively.

Balance Sheet Highlights (FY25 vs FY24)

- Total assets grew 8 percent to ₱1.9 trillion by end 2025 mainly due to higher accounts and notes receivable, property, plant and equipment, and investments in associates and joint ventures.
 - Accounts and notes receivable rose 13 percent to ₱350.8 billion driven by AC's higher dividends receivable, ACEIC's higher interest receivable from development loans and bridge financing, ALI's increase in real estate revenues and receivables from the sale of its investment in Alabang Commercial Corporation, and AC Health's higher hospital and clinic receivables from HMOs and government. These gains were partially offset by ACEIC's ECL provisions on receivables from PPLC and the Vietnam Wind projects, ACEIC's partial conversion of loan receivables into equity in associates and joint ventures, and Philwater's collections of installment receivables from the sale of MWCI shares. These accounts represented 19 percent and 18 percent of total assets as of December 31, 2025 and 2024, respectively.

- Property, plant and equipment increased 19 percent to ₱211.4 billion due to ACEIC's continued investments in solar and wind farm projects (including capitalized borrowing costs and development management fees), and ALI's New World Hotel acquisition and hotel renovations, AC Health's new assets from the Healthway Medical Network and the newly acquired Cebu Velez General Hospital, and AC Industrials' new dealership and charging network facilities. These were partially offset by IMI's disposal of its Czech subsidiary, AC Industrials' divestment of its Honda operations, and the Group's depreciation and amortization during the year. This account was 11 percent and 10 percent of total assets as of December 31, 2025 and 2024, respectively.
- Investments in associates and joint ventures increased 6 percent to ₱426.5 billion on the back of equity earnings from BPI, Globe, Mynt, LRMHI, ACEIC, and ALI, Globe's ₱2.2 billion dilution gain (₱0.7 billion AC share) on Mynt following MUFG's entry, AC's purchase of additional IPO shares from Anscor equivalent to a 2.8 percent effective ownership, and additional investments by ACEIC and ALI, net of disposals. The increase also reflects the impact of AC's strategic partnership with Mitsubishi Corporation, which resulted in the partial divestment and remeasurement of the 50 percent retained interest of AC Ventures Holding Corp. (renamed to "AM 50 Ventures Inc."). These were partially offset by dividends received from BPI, Globe, LHI, and IPO, provisions net of reversals during the year, and the reclassification of AC Industrials' investment in Honda Car Philippines, Inc. (HCPI) following the transfer of its dealerships to another operator. This account represented 23 percent of total assets as of December 31, 2025 and 2024.
- Consolidated cash stood at ₱67.3 billion. Consolidated net debt increased 8 percent to ₱637.2 billion.
- Consolidated net debt-to-equity ratio improved to 0.79x from 0.81x, well within the Company's covenant of 3.0x.
- Parent level cash increased 19 percent to ₱13.8 billion.
- Parent net debt declined 18 percent to ₱136.3 billion.
- Parent net debt-to-equity ratio improved by 30 basis points to 0.76x from 1.06x.

Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, decreased 240 basis points to 11.5 percent.

Key performance indicators of the Company and its significant subsidiaries

The table sets forth the comparative key performance indicators of the Company and its significant subsidiaries.

<u>Ayala Corporation (Consolidated)</u>			
(In million pesos, except ratios)	2025	2024	2023
Revenue	383,636	370,052	341,898
Net Income Attributable to Equity Holders	61,428	42,026	38,073
Total Assets	1,891,567	1,749,326	1,608,713
Total Debt	704,488	666,759	589,844
Total Stockholders' Equity	809,849	725,582	674,941
Current Ratio ¹	1.48	1.50	1.65
Debt to Equity Ratio ²	0.87	0.92	0.87
<u>Ayala Land, Inc.</u>			
(In million pesos, except ratios)	2025	2024	2023
Revenue	176,758	178,563	147,077
Net Income Attributable to Equity Holders	39,121	28,233	24,508
Total Assets	997,364	918,755	846,632
Total Debt	318,037	282,156	258,254
Total Stockholders' Equity	385,054	358,496	319,929
Current Ratio ¹	1.59	1.75	1.76
Debt to Equity Ratio ²	0.83	0.79	0.81
<u>AC Energy and Infrastructure Corporation</u>			
(In million pesos, except ratios)	2025	2024	2023
Revenue	37,803	42,402	43,790
Net Income Attributable to Equity Holders	6,983	12,516	12,583
Total Assets	433,519	394,740	342,975
Total Debt	202,101	171,559	135,364

Total Stockholders' Equity	190,146	183,230	173,699
Current Ratio ¹	1.63	2.05	1.82
Debt to Equity Ratio ²	1.06	0.94	0.78
<u>Integrated Micro-Electronics, Inc.</u>			
(In thousand US dollars, except ratios)	2025	2024	2023
Revenue	996,303	1,098,693	1,327,213
Net loss Attributable to Equity Holders	13,526	(49,788)	(105,626)
Total Assets	676,973	792,924	994,627
Total Debt	196,009	290,460	356,725
Total Stockholders' Equity	255,718	224,103	310,585
Current Ratio ¹	1.32	1.39	1.44
Debt to Equity Ratio ²	0.77	1.30	1.15

¹Current Assets/ Current Liabilities.

²Total Debt/ Total Stockholders' Equity (Total Debt includes short-term debt, long-term debt both current and noncurrent portion).

Causes of Any Material Variances (Increase or decrease of 5% or more in the financial statements)

Balance Sheet Items As at December 31, 2025 and 2024

Cash and cash equivalents and Short-term investments (Notes 5 and 6*) – 12% decrease from ₱76,226 million to ₱67,306 million

Decrease was from AC and ALI's share buybacks, ACEIC's construction of new solar farms and additional investments in associates and joint ventures, and at fair value through other comprehensive income (FVOCI), ALI's construction of real estate inventories, the Group's payments for other capital expenditures, interest, and dividends. These were offset by AC's ₱20.0 billion gross proceeds from the reissuance of its Preferred "B" shares, ALI's partial proceeds from the sale of its investment in Alabang Commercial Corporation (ACC) and from the sale of receivables, proceeds from redemption of AC Infra and AC Ventures redeemable preferred shares, proceeds ABC Impact's initial subscriptions of AC Health shares, the Group's net short-term and long-term borrowings, and dividends from associates and joint ventures. This account is 4% of total assets as of December 31, 2025 and 2024.

Accounts and notes receivable (Note 7*):

(In Millions)	December 2025	December 2024	% Inc. (Dec.)	% of Total Assets	
				December 2025	December 2024
Current	₱164,321	₱158,358	4%	9%	9%
Noncurrent	186,473	151,065	23%	10%	9%
Total	₱350,794	₱309,423	13%	19%	18%

Combined movements came from AC's higher dividends receivable, ACEIC's higher interest receivable on development loans and bridge financing, ALI's increase in real estate revenues and receivable from the sale of its investment in ACC, AC Health's higher hospital and clinic receivables from HMOs and government; offset by ACEIC's provisions for expected credit loss on its receivables from PPLC and Vietnam Wind projects, ACEIC's partial conversion of loan receivables into additional equity in its associates and joint ventures (see Note 10*), and collections of Philwater's installment receivable from the sale of MWCI shares. These accounts are 19% and 18% of total assets as of December 31, 2025 and 2024, respectively.

Inventories (Note 8*) – 8% increase from ₱247,753 million to ₱267,318 million

Increase attributable to ALI's new land acquisitions and completed project constructions, and AC Industrials' additional BYD vehicle units; offset by IMI's reduced inventories as lower sales consumed existing inventories and tempered additional purchases. This account is 14% of total assets as of December 31, 2025 and 2024.

Investments in associates and joint ventures (Note 10*) – 6% increase from ₱401,222 million to ₱426,502 million

Increase attributable to equity earnings from BPI, Globe, Mynt/GCash, LRMHI, ACEIC and ALI investees; ₱2.2 billion dilution gain (₱0.7 billion as AC's equity share) recognized by Globe on its investment in Mynt/GCash as a result of MUFG's entry into Mynt; AC's purchase of additional IPO shares from Anscor equivalent to 2.8% effective ownership; and ACEIC and ALI's additional investments net of disposals, the impact of AC's strategic partnership with Mitsubishi Corporation which led to partial divestment of AC Ventures (renamed "AM 50 Ventures", see Note 2*) and corresponding remeasurement of the 50.0% retained interest. These were offset by

dividends received from investments such as BPI, Globe, LHI, and IPO; provisions net of reversals during the year, and the reclassification of AC Industrials' investment in Honda Car Philippines, Inc. (HCPI) as a result of the transfer of its dealerships to another operator. This account is 23% of total assets as of December 31, 2025 and 2024.

Investment properties (Note 11) – 8% increase from P262,904 million to P285,074 million*

Increase primarily from ALI's ongoing construction and renovations of mall buildings, land acquisitions, and acquisition of ABS-CBN property; offset by the impact of the sale of ALI's investment in ACC which operates the Alabang Town Center property. This account is 15% of total assets as of December 31, 2025 and December 31, 2024.

Property, plant and equipment (Note 12) – 19% increase from P178,131 million to P211,389 million*

Increase attributable to ACEIC's continued investments in solar and wind farm projects including capitalized borrowing costs and development management fees, ALI's New World Hotel acquisition and hotel properties renovations, AC Health's additions from the Healthway Medical Network and from the newly acquired Cebu Velez General Hospital, AC Industrials' new dealership and charging network facilities; offset by the effect of IMI's disposal of its Czech subsidiary, the impact of AC Industrials' disposal of its Honda operations, as well as the Group's period depreciation and amortization. This account is 11% and 10% of total assets as of December 31, 2025 and 2024, respectively.

Right-of-use assets (Note 30) – 9% decrease from P24,562 million to P22,385 million*

Decrease due to Group's period depreciation and amortization of leased assets, AC Logistics' and IMI's lease modifications, derecognition of various leases of AC Logistics; offset by AC Health's additional long-term lease with FEU and AC Industrials' new leases for BYD and Denza dealerships. This account is 1% of total assets as of December 31, 2025 and 2024.

Deferred tax assets (DTA) (Note 25) – 8% decrease from P20,220 million to P18,563 million*

Decrease due to the difference between ALI's tax and book basis of accounting for real estate transactions, and partially from the impact of IMI's divestment of its investment in VIA. This account is 1% of total assets as of December 31, 2025 and 2024.

Other noncurrent assets (Note 15) – 16% increase from P87,276 million to P100,900 million*

Increase arose from ACEIC and ALI's advances to contractors and suppliers, ACEIC's advances for land acquisitions and derivative asset related to the Australian market's 20-year Long-term Energy Service Agreements (LTESAs) for two of its solar projects in New South Wales, ACEIC and Bestfull's additional investments in redeemable preferred shares, and the Group's higher CWTs and input VAT. This account is 5% of total assets as of December 31, 2025 and 2024.

Short-term debt (Note 18) – 8% increase from P75,556 million to P81,298 million*

Increase due to net borrowings of ACEIC, ALI, AYCFL, and AC Industrials, partly offset by net loan settlements of AC, AC Logistics, and IMI. This account is 8% and 7% of total liabilities as of December 31, 2025 and 2024, respectively.

Accounts payable and accrued expenses (Note 16) – 13% increase from P223,662 million to P253,625 million*

Increase due to AC's dividends payable, ALI and AC Industrials' trade payables and accruals from ramp up of activities; offset by ACEIC's settlements to suppliers and service providers, and IMI's lower material purchases and accruals. This account is 23% and 22% of total liabilities as of December 31, 2025 and 2024, respectively.

Income tax payable – 13% decrease from P820 million to P717 million

Decrease mainly from ALI's income tax payments during the year. This account is less than 1% of total liabilities as of December 31, 2025 and 2024.

Other current liabilities (Note 17) – 19% decrease from P23,729 million to P19,227 million*

Decrease primarily from ALI's conversion of customer deposits to sales bookings. This account is 2% of total liabilities as of December 31, 2025 and 2024.

Long-term debt (Note 18):*

(In Millions)	December 2025	December 2024	% Inc. (Dec.)	% of Total Liabilities	
				December 2025	December 2024
Current	P46,564	P60,875	(24%)	4%	6%
Noncurrent	576,625	530,328	9%	53%	52%

(In Millions)	December 2025	December 2024	% Inc. (Dec.)	% of Total Liabilities	
				December 2025	December 2024
Total	₱623,189	₱591,203	5%	58%	58%

Combined movements due to net loan availments of various BUs led by ACEIC and ALI (including its sustainability-linked bonds issuance); offset by net debt settlements of AC and IMI. This account is 58% of total liabilities as of December 31, 2025 and 2024.

Lease liabilities (Note 30*):

(in Millions)	December 2025	December 2024	% Inc. (Dec.)	% of Total Liabilities	
				December 2025	December 2024
Current	₱3,326	₱4,648	(28%)	0%	0%
Noncurrent	28,324	28,794	(2%)	3%	3%
Total	₱31,650	₱33,442	(5%)	3%	3%

Combined decrease driven by Group's lease payments, lease modifications, and lease terminations during the year; offset by additional leases of AC Health and AC Industrials. Refer to the corresponding decrease in right of use assets. This account is 3% of total liabilities as of December 31, 2025 and 2024.

Deferred tax liabilities (Note 25*) – 9% decrease from ₱15,383 million to ₱14,076 million

Decrease from ALI's real estate transactions and Philwater's payment of deferred capital gains tax on the sale of its investment in MWC. This account is 1% and 2% of total liabilities as of December 31, 2025 and 2024, respectively.

Paid-in capital (Note 20*) – 21% increase from ₱93,384 million to ₱112,568 million

Increase from mainly from the proceeds of AC's reissuance of its Preferred "B" shares during the year. This account is 14% and 13% of total equity as of December 31, 2025 and 2024, respectively.

Remeasurement losses on defined benefit plans (Note 27*) – 19% increase from (-)₱6,618 million to (-)₱7,857 million

Increase due to the Group's higher remeasurement losses during the year. This account is 1% of total equity as of December 31, 2025 and 2024.

Fair value reserve of financial assets through FVOCI (Note 15*) – 30% decrease from (-)₱3,127 million to (-)₱2,195 million

Decrease mainly due to BPI's net gains on mark-to-market valuation of its financial assets at FVOCI, and IPO's revaluation gain on land property carried at appraised values; offset by AC Parent's net fair value adjustments of hedging instruments, ACEIC and Bestfull's mark-to-market net losses of financial assets at FVOCI. This account is below 1% of total equity as of December 31, 2025 and 2024.

Cumulative translation adjustments (CTA) – 78% increase from ₱4,411 million to ₱7,868 million

Increase due to forex translation (movement in forex) of the Ayala Group's business units with US Dollar functional currencies. Closing rate of PHP per USD1.00 was ₱58.79 vs. ₱57.85 as of December 31, 2025 and 2024, respectively. This account is below 1% of total equity as of December 31, 2025 and 2024.

Equity reserve (Note 2*) – 10% increase from ₱25,476 million to ₱28,021 million

Increase from AC's dilution gain on its investment in AC Health from the entry of ABC Impact, ACEIC's acquisition of an additional equity stake in ISLASOL, ALI's additional equity investment in Roxas Land and gain from block sale of AREIT shares; offset by AC's dilution loss on its investment in ALI as a result of the latter's share buybacks. This account is 3% and 4% of total equity as of December 31, 2025 and 2024, respectively.

Retained earnings (Note 20*) – 16% increase from ₱335,194 million to ₱388,402 million

Increase arose mainly from the overall net income growth of the Group net of AC dividends declared during the year. This account is 48% and 46% of total equity as of December 31, 2025 and 2024, respectively.

Treasury stock (Note 20*) – 6% increase from negative (-)₱14,221 million to negative (-)₱15,145 million

Increase due to AC's reissuance of its Preferred "B" shares previously held in treasury, net of the effect of AC's common share buyback. This account is 2% of total equity as of December 31, 2025 and 2024.

Income Statement Items
For the Years Ended December 31, 2025 and 2024

Share in net profits of associates and joint ventures (AJVs) (Note 10) – 6% increase from ₱44,308 million to ₱46,750 million*

Minimal increase compared to last year due to higher equity in net earnings from ACEIC and ALI AJVs and LRMHI, BPI's higher net interest and non-interest income despite its higher expenses and provision for losses, Globe's ₱2.2 billion dilution gain (AC's equity share of ₱0.7 billion) on Mynt/GCash and managed operating expenses countering almost flat revenue growth, higher earnings of Mynt/GCash supported by growth across key business pillars such as lending, payments, and transfers. These were offset by the impact of last year's divestment of MWC in May 2024. As a percentage of total revenues, this account is at 12% for the years ended December 31, 2025 and 2024.

General and administrative expenses (GAE) (Note 22) – 5% decrease from ₱51,270 million to ₱48,919 million*

Decrease mainly from this year's lower Group impairment provisions which includes ACEN's ₱8.4 billion (₱4.9 billion AC equity share) provision for expected credit loss (ECL) on receivables from PPLC and Vietnam Wind projects (see Note 7*), ₱885.0 million additional provision for IPO (see Note 10*); versus impact of last year's provisions on investments such as IMI including VIA, and for AC Infra/AC Logistics. Isolating both years' provisions for impairment, normalized GAE increased by 1% due to higher advertising, taxes and licenses, and provisions for ECL on receivables; despite the cushioning impact of cost rationalization and restructuring measures in AC Logistics and IMI. As a percentage of total costs and expenses, this account is at 17% and 18% for the years ended December 31, 2025 and 2024, respectively.

Interest income (Note 22) – 30% increase from ₱13,264 million to ₱17,212 million*

Increase primarily due to ACEIC's investments and from various receivables such as the receivable from PPLC.

Other income (Note 22) – 100% increase from ₱14,509 million to ₱29,077 million*

Increase attributable to ALI's ₱11.4 billion gain from the sale of its investment in ACC, ₱10.4 billion remeasurement gain on the Group's remaining interest in AM 50 Ventures (see Notes 2 and 10*); AC Ventures' ₱1.0 billion calculated dilution gain on its investment in Mynt/GCash arising from Mynt's issuance of primary shares to MUFG in February 2025, wherein AC Ventures did not participate, resulting in a change in AC Ventures' effective % ownership in Mynt from 13.67% to 13.22%; and AC Infra's ₱248.1 million reversal of provision for the investment in LRMHI (see Note 10*). These were offset by the impact of last year's one-offs such as the ₱4.2 billion calculated Group dilution gain arising from BPI and Robinsons Bank's merger, ₱0.6 billion gain on the sale of MWCI shares, and ACEIC's gain on early redemption of ACRI redeemable preferred shares and on early extinguishment of convertible loans. In addition, there were higher income from dividends, liquidated damages, and tolling fees in the current year.

Interest and other financing charges (Note 22) – 10% increase from ₱36,199 million to ₱39,757 million*

Increase came from the Group's new borrowings and higher interest rates during the year partly offset by ACEIC's capitalization of financing costs related to its projects.

Provision for income tax (current and deferred) (Note 25) – 13% increase from ₱10,388 million to ₱11,723 million*

Increase from ALI's higher current year taxable income; offset by the ACEIC's higher deferred tax benefit this period.

Income attributable to owners of the Parent – 46% increase from ₱42,026 million to ₱61,428 million

Increase came from better operating results of the Parent Company, ALI, BPI, IMI, AC Infra, AC Ventures/AM 50 Ventures; offset by lower contribution from ACEIC, AC Industrials, and Globe. As a percentage of total net income, this account is at 71% and 68% for the years ended December 31, 2025 and 2024, respectively.

Income attributable to non-controlling interests – 31% increase from ₱19,436 million to ₱25,441 million

Increase due to the improvement in the current year performance of ALI and lower attributable net losses of IMI; offset by the reduced share of non-controlling interests on ACEIC's current period earnings. As a percentage of total net income, this account is at 29% and 32% for the years ended December 31, 2025 and 2024, respectively.

Outlook for 2026

The Philippine economy faced notable headwinds in 2025 as GDP growth slowed to 4.4%, down from 5.7% in 2024, brought by the alleged issues in flood control projects. The issue weighed on consumer and business sentiment, dragging household spending in the second half of the year despite earlier gains supported by lower

inflation. Meanwhile, government spending on construction contracted by 17.9% in 2025 as the government suspended the implementation of certain projects amid the investigations. Still, key structural drivers such as strong remittances, a young labor force, and continued BPO expansion, helped sustain economic activity.

Looking ahead, BPI expects growth to recover to 5.1% in 2026, with a stronger second half as government spending normalizes and sentiment gradually improves. Remittances, which grew 3.3% in 2025, and stable employment conditions, including a low 4.4% unemployment rate, will continue to support consumption.

Inflation eased sharply to 1.7% in 2025 due to improved rice supply following the end of El Niño, though it may rise to 3.2% in 2026 as base effects fade and weather risks emerge. Even so, price pressures are expected to remain within the BSP's target band. This outlook gives the BSP space to extend its monetary policy easing cycle, with policy rates projected to fall from 4.5% in 2025 to 4.0% in 2026, supporting credit growth and private investment.

The Peso weakened early in the year amid slower economic momentum, constrained government spending, and expectations of further rate cuts. The currency may remain under pressure given the country's wide trade deficit, though lower oil prices could offer relief. Movements will also hinge on the US Federal Reserve's rate-cutting path, which markets currently expect to involve two adjustments in 2026.

However, there are downside risks to the world economy if the ongoing conflict in the Middle East as of this writing is prolonged. Rising commodity prices, specifically oil, gas, and energy, has become a growing concern, putting pressure on markets globally. Tensions in the Middle East also creates issues on security in other parts of the world as the United States, Israel, and Iran have their own sets of ally nations in other regions. These may affect the growth prospects of the Philippines, as with other countries.

2024 vs. 2023 Highlights

Ayala Corporation's ("Ayala" or "the Company") core net income, which excludes one-off items, increased 10 percent to an all-time high of ₱45.0 billion. BPI, Ayala Land, Globe, and AC Energy & Infrastructure (ACEIC) delivered strong performances, underpinning the Company's results. Accounting for one-offs, Ayala's net income rose 10 percent to ₱42.0 billion.

- BPI achieved a record net income of ₱62.0 billion, up 20 percent driven by record revenues despite higher operating expenses and provisions. Full-year return on equity was 15.1 percent.
- Ayala Land's net income grew 15 percent to ₱28.2 billion on the back of solid growth across its business units.
- Globe's core net income, which excludes non-recurring charges, foreign exchange and mark-to-market charges, improved 14 percent to ₱21.5 billion in 2024 with EBITDA reaching an all-time high on the back of improved topline growth and lower spending. The lift in Globe's core earnings was further supported by Mynt, the operator of GCash, as it sustained its growth momentum. Net income was down one percent to ₱24.3 billion due to lower one-time gains from the tower sales.
- ACEN's reported net income accelerated 27 percent to ₱9.4 billion, driven by higher attributable renewables output, and supported by ₱2.8 billion in value realization gains.
 - ACEIC, the parent company of ACEN, registered a core net income of ₱10.7 billion, up 13 percent driven by increased contributions from ACEN's new capacity and higher financing income which offset lower earnings from its thermal assets.

Consolidated Sales of Goods and Rendering of Services

Sale of goods and rendering services increased 12 percent to ₱325.7 billion due to higher revenues from residential business, incremental construction project activities, improved mall and hotel operations in ALI, higher automotive sales driven by electronic vehicles in AC Industrials, and higher import/export services, warehouse, and trucking revenues in AC Logistics. These were partially offset by lower sales in IMI. As a percentage of total revenues, this account was at 88 percent and 85 percent for the years ended December 31, 2024 and 2023, respectively.

Real Estate

- Ayala Land's net income was up 15 percent to ₱28.2 billion in 2024, driven by solid growth across its business units. This was anchored by higher residential as well as commercial and industrial lot bookings which pushed revenues to ₱180.7 billion, up 21 percent.
- Property development revenues grew 22 percent to ₱112.9 billion.
 - Residential revenues increased 23 percent to ₱94.9 billion.
 - Office-for-sale revenues declined 18 percent to ₱3.5 billion as lower incremental percentage of completion (POC) weighed on new bookings.
 - Commercial and industrial lots revenues jumped 34 percent to ₱14.6 billion.
- Reservation sales climbed 12 percent to ₱127.1 billion on the back of resilient demand from the premium segment, horizontal projects, and developments in suburban estates.
- Total launches for the year reached ₱80.5 billion, of which 66 percent were located outside Metro Manila. In the fourth quarter, Ayala Land introduced ₱34.9 billion-worth of residential projects.
 - Notable launches include Ayala Land Premier's Enara and Anvaya Seabridge Residences Buildings A & B, Avida's Makati Southpoint Tower, and Serin Terraces in Tagaytay.
- Leasing and hospitality revenues increased nine percent to ₱45.6 billion on higher rental rates and contributions from newly completed assets.
 - Despite ongoing reinvention initiatives, shopping center revenues increased nine percent to ₱23.0 billion due to higher rent, full-year contribution of One Ayala, and improved operations from AyalaMalls Manila Bay.
 - Office revenues grew nine percent to ₱12.9 billion from increased rental rates and fresh contributions from One Ayala BPO Towers and Ayala Triangle Tower Two.
 - Hotels and resorts revenues increased 11 percent to ₱9.7 billion on the back of higher average room rates and contributions from new rooms of Seda Manila Bay and Nuvali Tower 2.
- Revenues from service business, comprised of construction and property management among others, surged 57 percent to ₱18.0 billion.
 - Net construction revenues nearly doubled to ₱13.0 billion on the back of increased bookings from external projects.
- Capital expenditures totaled ₱84.6 billion. Of this, 46 percent was allocated to residential projects, 27 percent to estate development, 15 percent to leasing and hospitality assets, and 12 percent to land acquisition commitments.
 - Ayala Land projects its capital expenditures to reach ₱95.0 billion in 2025, of which 37 percent will be in residential, 25 percent in estate development, and 23 percent in leasing and hospitality assets.
- Meanwhile, Ayala Land's REIT vehicle, AREIT, saw its net income soar 49 percent to ₱7.4 billion, boosted by contributions from new asset infusions and full-year contributions of 2023 acquired assets.
 - Assets under management reached ₱117.3 billion at the end of 2024.
 - In 2025, AREIT plans to infuse ₱21.0 billion worth of commercial properties located in Cebu, Davao, and Cagayan de Oro from its sponsor Ayala Land and its subsidiaries. This will bring the total gross leasable area to 4.3 million sqm composed of 1.4 million sqm of building GLA and 2.9 million sqm of industrial land.

Power

- ACEN's reported net income grew 27 percent to ₱9.4 billion in 2024, driven primarily by expanded attributable renewables output. This growth included value realization gains of ₱2.8 billion.
- Core attributable EBITDA, which includes ACEN's share of EBITDA from non-consolidated operating projects, expanded 25 percent to ₱19.3 billion on strong operating performance and additional generation from 1.8 gigawatts (GW) newly operationalized plants.
- Total attributable renewables output jumped 25 percent to 5,596 gigawatt-hours (GWh).
 - Output from Philippine renewable plants surged 60 percent to 1,826 GWh due to operationalization of SanMar Solar Phases 1 & 2 (Zambales), Pagudpud Wind and Capa Wind (Ilocos Norte), Cagayan North Solar (Cagayan), Arayat-Mexico Solar 2 (Pampanga). This increased capacity grew ACEN's net seller position in the WESM by 57 percent to 1,131 GWh.

- Output from international renewable plants increased 13 percent to 3,770 GWh due to the operationalization of large-scale projects such as New England Solar in Australia, and Masaya Solar in India, and the addition of attributable capacity from SUPER Solar NT (Vietnam).
- ACEN currently has 6,978 megawatts (MW) of attributable capacity, comprised of 3.3 GW in operation, 2.3 GW under construction, and 1.4 GW of projects that have been approved by the company's Board and expected to begin construction within the next 12-18 months.

Share in Net Profits of Associates and JV

Share in net profits of associates and joint ventures decreased five percent to ₱44.3 billion due lower equity in net earnings of AJVs in ACEIC and the impact of the divestment from MWC in May 2024. These were partially offset by higher net interest and non-interest income despite its higher expenses and provision for losses in BPI, better results from AJVs of ALI, revenue growth outpacing higher expenses and lower one-time gains from tower sales in Globe, and higher earnings from Mynt. As a percentage of total revenue, this account was at 12 percent and 14 percent for the years ended December 31, 2024 and 2023, respectively.

Banking

- BPI delivered a record full-year net income of ₱62.0 billion in 2024, up 20 percent, driven by robust revenues which more than offset the increase in operating expenses and provisions. Return on equity stood at 15.1 percent.
- Total revenues grew 23 percent to ₱170.1 billion, driven by higher net interest income due to strong loan growth and higher net interest margin ("NIM").
 - Total loans increased 18 percent to ₱2.3 trillion due to growth in both institutional and non-institutional segments.
 - Institutional loans were up 11 percent to ₱1.7 billion while non-institutional loans surged 42 percent.
 - Of the total loan mix, non-institutional loans accounted for 28 percent, 460 basis points higher from last year.
 - Net interest margin widened 22 basis points to 4.31 percent.
 - Fee income was up 24 percent to ₱35.7 billion on sustained volume growth.
- Total deposits increased 14 percent to ₱2.6 trillion mainly from the growth in time deposits.
- Asset quality remained healthy with sufficient cover despite the continued shift in the loan mix in favor of the non-institutional segment.
 - NPL ratio increased 29 basis points to 2.13 percent.
 - NPL cover decreased 50 percentage points to 106.2 percent.
 - Total provisions booked amounted to ₱6.6 billion, up 65 percent.
- Operating expenses grew 21 percent to ₱83.8 billion on higher manpower, technology, and volume-related expenses. Cost-to-income ratio continued with its steady decline, dropping 71 basis points to 49.3 percent.

Telco

- Globe's core net income, which excludes non-recurring charges, foreign exchange and mark-to-market charges, improved 14 percent to ₱21.5 billion in 2024. The performance was driven by Mynt's solid performance and record gross service revenues despite challenges from home broadband normalization, the ECPay deconsolidation, and prolonged inflation.
 - Net income slightly dipped one percent to ₱24.3 billion due to lower one-time gains from tower sales.
- Gross service revenues hit an all-time high of ₱165.0 billion as the mobile and corporate data delivered strong performances.
 - Mobile data revenues were up seven percent to ₱97.4 billion due to continued growing usage of mobile applications and higher data traffic.
 - Corporate data business grew 11 percent to ₱20.4 billion driven by growth in core accounts and ICT related services.
 - Home broadband revenues declined five percent to ₱23.8 billion mainly attributed to customer migration from fixed wireless to fiber products. GFiber Prepaid continued to gain traction, hitting

260 thousand customers as of end-2024. As a result, total fiber revenues rose two percent and total fiber subscriber count increased 16 percent.

- Non-telco revenues decreased 47 percent to ₱2.6 billion due to the deconsolidation of ECPay following Globe's sale of its 77 percent stake to Mynt last year.
- Equity earnings from Mynt surged to ₱3.8 billion, driven by its strong performance, partially tempered by non-recurring charges taken up by Mynt related to certain long-standing accounts. This represents 12 percent of Globe's pre-tax net income compared to seven percent in 2023.
 - Total loan disbursements soared 85 percent with unique borrowers accelerating 101 percent.
 - Insurance policies sold life-to-date grew 171 percent, with GInsure users surging 256 percent.
- EBITDA reached a new high of ₱86.8 billion, a seven percent growth on the back of improved topline growth and lower spending.
 - OPEX including subsidies declined three percent to ₱78.2 billion.
 - EBITDA margin climbed to 53 percent, above Globe's guidance of 50 percent.
- Capital expenditures dropped by 20 percent to ₱56.2 billion, in line with Globe's guidance of lowering spending and improved capital utilization. This led to a 10 percentage-point improvement in its CAPEX-to-revenue ratio, which ended at 34 percent.

Portfolio Updates

- AC Health's revenues grew 10 percent to ₱9.4 billion. The provider group, consisting of clinics and hospitals, saw revenue growth of 22 percent, well above industry growth of 8 percent. FEU-NRMF turned EBITDA positive with revenues rising 19 percent to ₱957 million. Revenue from the pharma group remained flat but still outperformed the industry's five percent decline. Meanwhile, net loss widened to ₱610 million mainly due to a one-time impairment in Konsulta MD and ramp-up costs of the cancer hospital.
- AC Logistics' reported net loss widened to ₱2.2 billion from ₱1.8 billion due to losses from Entrego, higher manpower costs and rent, and an increased stake in Air21 Holdings, Inc. Meanwhile, attributable EBITDA losses improved 34 percent to ₱633 million from ₱995 million as streamlining initiatives enhanced operational efficiency. Its cold storage facility, GMAC CDO, reached 74 percent average utilization in 2024 since its opening in June 2023. On March 5, 2025, Ayala Corporation, AC Logistics, and A.P. Moller Capital ("APMC"), through EMIF II Holding III B.V. ("EMIF"), signed a share subscription agreement for EMIF to subscribe to common and redeemable preferred shares of AC Logistics equivalent to a ~40 percent economic stake. The completion of the transaction is subject to finalization of subscription price and satisfaction of conditions precedent including but not limited to regulatory approvals and the achievement of certain business milestones.
- AC Industrials narrowed its net loss to ₱2.4 billion from ₱7.3 billion due to lower impairments. Core net loss widened to ₱1.6 billion from ₱1.2 billion because of softer demand and restructuring costs in IMI, start-up expenses and one-off costs in ACMobility as well as closure costs in the 2-wheel segment.
 - IMI's revenues declined to US\$1.1 billion in 2024 from US\$1.3 billion. Core businesses' net loss amounted to US\$24.6 million due to continued rationalization efforts. A leaner organization and a more optimized global footprint should position the company for sustainable growth.
 - ACMobility's net loss amounted to ₱465 million from ₱119 million. However, unit sales grew 46 percent to 23,483 from 16,111 driven by 8 successful model launches across BYD and Kia. Total market share improved by 120 basis points to 4.9 percent. AC Mobility continues to hold the largest market share in New Electric Vehicles at 85 percent. On the charging infrastructure side, AC Mobility ended 2024 with 215 charging points in 86 locations nationwide.

Costs of Goods Sold and Rendering Services

Cost of sales and services increased 8 percent to ₱238.5 billion resulting from improvement in sales and impact of generally higher prices for direct costs and overhead of various BUs. These were partially offset by lower cost of purchased power by ACEIC amid better matching of power output and purchases to demand. As a percentage to total costs and expenses, these accounts were 82 percent and 84 percent for the years ended December 31, 2024 and 2023, respectively.

General and Administrative Expenses

Excluding provisions for impairment, normalized GAE increased 15 percent due to higher personnel costs, professional fees, advertising, and taxes and licenses. The Group also recognized provisions for expected credit losses (ECLs) of various BUs' receivables, as well as provisions on the impairment risk of certain investments and non-financial assets, such as inventories, property, plant and equipment, and intangible assets, identified during the Group's annual impairment testing exercise. As a percentage of total costs and expenses, this account was at 18 percent and 16 percent for the years ended December 31, 2024 and 2023, respectively.

Balance Sheet Highlights

- Total assets increased nine percent to ₱1.7 trillion from end-2023 mainly due to increases in accounts and notes receivables, property, plant and equipment, and investments in associates and joint ventures.
 - Accounts and notes receivables collectively jumped 11 percent to ₱309.4 billion due to property development and residential revenues and adoption of PIC Q&A 2018-12 on PFRS 15's significant financing component requirement in ALI, higher development loans and bridge financing in ACEIC, and additional receivable of Philwater from Trident Water from the sale of its investment in MWCI this year. These accounts were 18 percent and 17 percent of total assets as of December 31, 2024 and 2023, respectively.
 - Property, plant, and equipment grew 20 percent to ₱178.1 billion due to ACEIC's continued investments in solar and wind farm projects including higher capitalized borrowing costs. This was partially offset by disposals of ALI mainly from the sale of AirSwift, net disposals and impairments in IMI, and the Group's depreciation and amortization. This account was 10 percent and nine percent of total assets as of December 31, 2024 and 2023, respectively.
 - Investments in associates and joint ventures were up 13 percent to ₱401.2 billion from equity earnings net dividends in BPI and Globe, higher earnings from Mynt, additional investments in BIM Energy Holdings, BrightNight India, UPC Power Solutions, PhilWind, and North Luzon Renewable of ACEIC, investment in St. Joseph Drugstore of AC Health, and additional investment in GCash of AC Ventures. These were partially offset by the sale of MWCI as well as provisions for LRMC and UPC Renewables Asia III. This account was 23 percent and 22 percent of total assets as of December 31, 2024 and 2023, respectively.
 - Investment properties increased 8 percent to ₱262.9 billion primarily due to land acquisitions, construction progress in leasing assets in ALI and transfers from property, plant, and equipment. This account was 15 percent of total assets for both years as of December 31, 2024 and 2023.
- Ayala's balance sheet remained healthy despite market volatility as Ayala continues to have good access to credit from domestic and international banks, multilaterals and the capital markets.
- Consolidated cash stood at ₱76.2 billion.
- Consolidated group capex for 2025 at ₱230.0 billion.
- Consolidated net debt increased 17 percent to ₱590.5 billion.
- Consolidated net debt-to-equity ratio climbed six basis points to 0.81x, well within the Company's covenant of 3.0x.
- Parent level cash slipped one percent to ₱11.6 billion.
- Parent net debt jumped 14 percent to ₱167.1 billion.
- Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, stood at 13.9 percent.
- Parent net debt-to-equity ratio was at 1.06x.
- Parent average cost of debt decreased to 5.33 percent from 5.37 percent in 2023, supported by AC's high fixed rates ratio at 70 percent.

Key performance indicators of the Company and its significant subsidiaries

The table sets forth the comparative key performance indicators of the Company and its significant subsidiaries.

<u>Avala Corporation (Consolidated)</u>			
	-		
(In million pesos, except ratios)			
	2024	2023	2022
Revenue*	370,052	341,898	306,644
Net Income Attributable to Equity Holders			
	42,026	38,073	27,398
Total Assets	1,749,326	1,608,713	1,478,545
Total Debt	666,759	589,844	552,488
Total Stockholders' Equity	725,582	674,941	595,299
Current Ratio ¹	1.50	1.65	1.75
Debt to Equity Ratio ²	0.92	0.87	0.93
<u>Avala Land, Inc.</u>			
	-		
(In million pesos, except ratios)			
	2024	2023	2022
Revenue	178,563	147,077	124,481
Net Income Attributable to Equity Holders		24,508	
	28,233		18,617
Total Assets	918,755	846,632	779,655
Total Debt	282,156	258,254	236,039
Total Stockholders' Equity	358,496	319,929	293,665
Current Ratio ¹	1.75	1.76	1.78
Debt to Equity Ratio ²	0.79	0.81	0.80
<u>AC Energy and Infrastructure Corporation</u>			
	-		
(In million pesos, except ratios)			
	2024	2023	2022
Revenue		43,790	40,373
	42,402		
Net Income Attributable to Equity Holders		12,583	
	12,516		4,639
Total Assets	394,740	342,975	281,565
Total Debt	171,559	135,364	117,753
Total Stockholders' Equity	183,230	173,699	142,625
Current Ratio ¹	1.82	1.82	4.49
Debt to Equity Ratio ²	0.94	0.78	0.83
<u>Integrated Micro-Electronics, Inc.</u>			
	-		-
(In thousand US dollars, except ratios)			
	2024	2023	2022
Revenue	1,098,693	1,327,213	1,401,730
Net loss Attributable to Equity Holders		(105,626)	
	(49,788)		(8,308)
Total Assets	792,924	994,627	1,102,994
Total Debt	290,460	356,725	343,074
Total Stockholders' Equity	224,103	310,585	414,958
Current Ratio ¹	1.39	1.44	1.51
Debt to Equity Ratio ²	1.30	1.06	0.83

¹ Current Assets/ Current Liabilities.

² Total Debt/ Total Stockholders' Equity (Total Debt includes short term debt, long-term debt both current and noncurrent portion).

Causes of Any Material Variances
(Increase or decrease of 5% or more in the financial statements)

Balance Sheet Items
As at December 31, 2024 and 2023

Accounts and notes receivable (Note 7*):

(In Millions)	December 2024	December 2023	% Inc. (Dec.)	% of Total Assets	
				December 2024	December 2023
Current	₱158,358	₱159,553	(1%)	9%	10%
Noncurrent	151,065	119,341	27%	9%	7%
Total	₱309,423	₱278,894	11%	18%	17%

Combined movements came from ALI's increase in property development and residential revenues and slightly from the impact of its adoption of PIC Q&A 2018-12 on PFRS 15's significant financing component requirement, ACEIC's higher development loans and bridge financing, plus Philwater's additional receivable from Trident Water from the sale of its investment in MWCI this year. These were offset by lower IMI trade receivables and AC Logistics advances to an affiliate. These accounts are 18% and 17% of total assets as of December 31, 2024 and 2023, respectively.

Inventories – 7% increase from ₱231,279 million to ₱247,753 million

Increase attributable to ALI's new land acquisitions and completed project constructions and AC Industrials' delivery of vehicle units in the last quarter of the year; offset by IMI's reduced inventories as sales consumed existing inventories and lower demand tempered purchases. This account is 14% of total assets as of December 31, 2024 and 2023.

Other current assets (Note 9*) – 6% decrease from ₱108,452 million to ₱102,226 million

Decrease came from ALI's lower advances to contractors and suppliers, input VAT, and ACEIC's full disbursement of the proceeds from ACEN's issuance of redeemable preferred shares which was held in an escrow as restricted cash last year. This account is 6% and 7% of total assets as of December 31, 2024 and 2023, respectively.

Investments in associates and joint ventures (Note 10*) – 13% increase from ₱353,964 million to ₱401,222 million

Increase attributable to equity earnings less dividends from BPI and Globe; ACEIC's additional investments in BIM Energy Holdings, BrightNight India, UPC Power Solutions, PhilWind, and North Luzon Renewable; AC Health's purchase of a 49% investment in St. Joseph Drugstore; and AC Ventures' additional investment in GCash equivalent to an incremental ~8% stake; offset by the sale of MWCI and provisions for LRMC and UPC Renewables Asia III. This account is 23% and 22% of total assets as of December 31, 2024 and 2023, respectively.

Investment properties (Note 11*) – 8% increase from ₱242,485 million to ₱262,904 million

Increase primarily from ALI's land acquisitions, additional construction-in-progress of buildings to be leased as retail and office spaces upon completion, and transfers from property, plant and equipment. This account is 15% of total assets as of December 31, 2024 and 2023.

Property, plant and equipment (Note 12*) – 20% increase from ₱149,055 million to ₱178,131 million

Increase attributable to ACEIC's continued investments in solar and wind farm projects including higher capitalized borrowing costs and management fees; offset by disposals of ALI mainly from the sale of AirSwift, IMI net disposals and impairment, and the Group's period depreciation and amortization. This account is 10% and 9% of total assets as of December 31, 2024 and 2023, respectively.

Right-of-use assets (Note 30*) – 5% increase from ₱23,498 million to ₱24,562 million

Increase mainly from AC Logistics' new warehouse long-term lease offset by disposal of ALI's leased aircrafts as a result of the AirSwift sale. This account is 1% and 2% of total assets as of December 31, 2024 and 2023, respectively.

Short-term debt (Note 18*) – 52% increase from ₱49,871 million to ₱75,556 million

Increase due to net borrowings of AC, ACEIC, ALI, and AC Industrials; partly offset by net loan settlements of IMI and AC Infra. This account is 7% and 5% of total liabilities as of December 31, 2024 and 2023, respectively.

Income tax payable – 24% decrease from ₱1,076 million to ₱820 million

Decrease attributable to income tax payments of ACEIC, ALI, and IMI. This account is less than 1% of total liabilities as of December 31, 2024 and 2023.

Other current liabilities (Note 17*) – 39% decrease from ₱39,125 million to ₱23,729 million

Decrease primarily from ALI's conversion of customer deposits to sales bookings offset by increase in ACEIC's refundable customer deposits. This account is 2% and 4% of total liabilities as of December 31, 2024 and 2023, respectively.

Long-term debt (Note 18*):

(In Millions)	December 2024	December 2023	% Inc. (Dec.)	% of Total Liabilities	
				December 2024	December 2023
Current	₱60,875	₱49,461	23%	6%	5%
Noncurrent	530,328	490,511	8%	52%	53%
Total	₱591,203	₱539,972	9%	58%	58%

Combined movements due to net loan availments of various BUs led by ACEIC and ALI; offset by net debt settlements of AC and AC Industrials. This account is 58% of total liabilities as of December 31, 2024 and 2023.

Lease liabilities (Note 30*):

(in Millions)	December 2024	December 2023	% Inc. (Dec.)	% of Total Liabilities	
				December 2024	December 2023
Current	₱4,648	₱3,070	51%	0%	0%
Noncurrent	28,794	27,636	4%	3%	3%
Total	₱33,442	₱30,706	9%	3%	3%

Combined increase driven by AC Logistics' new warehouse lease and the renewal of IMI leases related to its foreign operations, offset by reduction from the sale of ALI leased AirSwift aircraft. Refer to corresponding increase in right of use assets. A higher increase in lease liabilities is expected in the early years of contracts due to the present value factor of lease obligations. This account is 3% of total liabilities as of December 31, 2024 and 2023.

Deferred tax liabilities (Note 25*) – 34% increase from ₱11,459 million to ₱15,383 million

Increase mainly from ALI's real estate transactions. This account is 2% and 1% of total liabilities as of December 31, 2024 and 2023, respectively.

Pension liabilities (Note 27*) – 12% increase from ₱5,331 million to ₱5,952 million

Increase attributable to the Group's retirement expense, interest, and net remeasurement loss on defined benefit plans during the year countered by benefit payments and AC's retirement fund contribution¹⁷. This account is below 1% of total liabilities as of December 31, 2024 and 2023.

Other noncurrent liabilities (Note 19*) – 9% increase from ₱49,472 million to ₱53,996 million

Increase due to ALI's higher customer deposits this year. This account is 5% of total liabilities as of December 31, 2024 and 2023.

Fair value reserve of financial assets at FVOCI (Note 15*) – 4,620% increase from negative (-)₱66 million to negative (-)₱3,127 million

Increase mainly due to ACEIC's net losses on mark-to-market valuation of its financial assets at FVOCI offset by IPO's ₱817 million revaluation gain on land property carried at appraised values. This account is below 1% of total equity as of December 31, 2024 and 2023.

¹⁷ The Parent Company's pension fund is known as the AC Employees Retirement Fund (ACERF). Further details on ACERF are discussed in Note 27 of the 2024 Audited Consolidated Financial Statements.

Cumulative translation adjustments (CTA) – 34% increase from ₱3,295 million to ₱4,411 million

Increase due to forex translation (movement in forex) of the Ayala Group's business units with US Dollar functional currencies. The closing rate of PHP per USD1.00 was ₱57.85 vs. ₱55.37 as of December 31, 2024 and 2023, respectively. This account is below 1% of total equity as of December 31, 2024 and 2023.

Retained earnings (Note 20*) – 13% increase from ₱297,883 million to ₱335,194 million

Increase arose mainly from the overall net income growth of the Group net of AC dividends declared; combined with the upward impact of ALI's adoption of PIC Q&A 2018-12 on PFRS 15's significant financing component requirement (see Note 3*). This account is 46% and 44% of total equity as of December 31, 2024 and 2023, respectively.

Income Statement Items

For the Years Ended December 31, 2024 and 2023

Sale of goods and rendering of services (Note 21*) – 12% increase from ₱289,905 million to ₱325,744 million

Increase due to ALI's higher revenues from residential business, incremental construction project activities, improved mall and hotel operations, AC Industrials' higher automotive sales driven by electronic vehicles, and AC Logistics' higher import/export services, warehouse, and trucking revenues. These were offset by IMI's lower sales across sites. As a percentage of total revenues, this account is at 88% and 85% for the years ended December 31, 2024 and 2023, respectively.

Share in net profits of associates and joint ventures (AJVs) (Note 10*) – 5% decrease from ₱46,633 million to ₱44,308 million

Decrease due to lower equity in net earnings of ACEIC's AJVs and the impact of the divestment from MWC in May 2024; offset by BPI's higher net interest and non-interest income despite its higher expenses and provision for losses, better results from ALI's AJVs, and Globe's revenue growth countering higher expenses and lower one-time gains from the sale of tower assets plus higher earnings from Mynt/GCash. As a percentage of total revenues, this account is at 12% and 14% for the years ended December 31, 2024 and 2023, respectively.

Cost of goods sold and rendering services – 8% increase from ₱219,832 million to ₱238,506 million

Increase resulting from improvements in sales as explained above; impact of generally higher prices for direct costs and overhead of various BUs offset by ACEIC's lower cost of purchased power as a result of better matching of power output and purchases to demand. As a percentage of total costs and expenses, this account is at 82% and 84% for the years ended December 31, 2024 and 2023, respectively.

General and administrative expenses (GAE) (Note 22*) – 20% increase from ₱42,647 million to ₱51,270 million

Isolating the provisions for impairment taken up in both years, normalized GAE increased by 15% due to higher personnel costs, professional fees, advertising, and taxes and licenses. In addition, during the year, the Group recognized provisions for expected credit losses (ECLs) on various BUs' receivables as well as provisions on the impairment risk of certain investments and non-financial assets, such as inventories, property, plant and equipment, and intangible assets, identified during the Group's annual impairment testing exercise (see Notes 7, 8, 10, 11, 12, and 14*). As a percentage of total costs and expenses, this account is at 18% and 16% for the years ended December 31, 2024 and 2023, respectively.

Interest income (Note 22*):

(In Millions)	December 2024	December 2023	% Inc. (Dec.)
Interest income from real estate	₱–	₱5,360	(100%)
Interest income from non-real estate	13,264	11,504	15%
Total	₱13,264	₱16,864	(21%)

Absence of interest income from real estate is due mainly to ALI's adoption of PFRS 15's significant financing component requirement per PIC Q&A 2018-12 offset by the increase in non-real estate interest income from ACEIC's investments and from various receivables.

Other income (Note 22*) – 188% increase from ₱5,034 million to ₱14,509 million

Increase mainly from the Group's ₱3.8 billion calculated dilution gain arising mainly from BPI and Robinsons Bank's merger (see Note 10*); ₱0.6 billion consolidated gain on the sale of MWCI shares (excluding related expenses and taxes on the sale; see Note 10*); ACEIC's gain on early redemption of ACRI redeemable preferred shares and on early extinguishment of convertible loans; the Group's higher net foreign exchange gains the year;

and the impact of last year's one-offs items such as the ₱1.5 billion loss on sale of MWCI shares and ₱0.9 billion calculated dilution loss in BPI from its share issuances on stock incentive plans and property dividends. These were offset by ACEIC's gains from the ACEHI Netherlands, gain on settlement of its receivable from Provincia in exchange for SPNEC shares, and gain on sale of shares in KPHLC, all in 2023.

Interest and other financing charges (Note 22) – 16% increase from ₱31,200 million to ₱36,199 million*

Increase came from the Group's new borrowings and higher interest rates during the year partly offset by ACEIC's capitalization of financing costs related to its projects.

Provision for income tax (current and deferred) (Note 25) – 8% increase from ₱9,580 million to ₱10,388 million*

Increase mainly from ACEIC and ALI's higher taxable income this period reduced by last year's AC Industrials deferred tax asset reversal.

Income attributable to owners of the Parent – 10% increase from ₱38,073 million to ₱42,026 million

Increase came from better operating results of core units BPI, ALI, Globe and ACEN/ Energy (please refer to the Group's Management Discussion and Analysis for full year 2024). As a percentage of total net income, this account is at 68% and 69% for the years ended December 31, 2024 and 2023, respectively.

Income attributable to non-controlling interests – 14% increase from ₱17,103 million to ₱19,436 million

Increase came from the improvement in the current year performance of ALI and ACEIC offset by higher attributable net losses of IMI and AC Logistics. As a percentage of total net income, this account is at 32% and 31% for the years ended December 31, 2024 and 2023, respectively.

**Refer to Notes to Financial Statements of the 2024 Audited Consolidated Financial Statements*

Outlook for 2025

The Philippine economy remained resilient despite heightened uncertainties and geopolitical tensions as it registered a 5.6% growth in 2024, the fastest in the region. Household consumption continued to be the primary driver of economic activity, contributing 60-70% to annual GDP growth. This was supported by favorable demographics, strong OFW remittances, robust revenues from the BPO sector, and historically low unemployment. For 2025, BPI projects GDP growth to accelerate to 6.3%, driven by stronger domestic consumption.

BPI expects inflation to stabilize to 3.6% in 2025, barring any significant external shocks. This favorable outlook gives the Bangko Sentral ng Pilipinas (BSP) room to implement further interest rate cuts this year. Combined with reductions in reserve requirements, these measures are expected to encourage borrowing by consumers and businesses, providing a boost to economic activity.

The Peso may remain under pressure as markets assess the potential impact of President Trump's economic policies, particularly on tariffs, on inflation and monetary policy. While the Federal Reserve has signaled potential rate cuts of up to 50 basis points in 2025, these remain contingent on economic data. However, a shift in the Fed's policy is possible if higher tariffs and mass deportations trigger a resurgence in US inflation.

2023 vs. 2022 Highlights

- Ayala Corporation's ("Ayala") core net income, which excludes one-off items, reached a high water mark in 2023, increasing 48 percent to ₱41 billion. The strong performances of BPI, Ayala Land, and AC Energy anchored the Company's results. Core net income was 32 percent higher than 2019, which was when the previous high water mark was established. Accounting for one-offs, Ayala's net income grew 39 percent to ₱38.1 billion.
- BPI's net income increased 44 percent to ₱51.7 billion due to strong loan growth, higher margins, and lower provisions. Including a gain from an asset sale in 2022, net income was up 31 percent.
- Ayala Land's net income grew 32 percent to ₱24.5 billion as its property development and commercial leasing businesses continued to deliver strong results.
- ACEN's income from operating units, which excludes cash value realization gains and other one-time, noncash adjustments, was up 2.9x to ₱4.9 billion on the back of new operating capacity and a strengthened net seller position. Inclusive of one-offs, ACEN's net income decreased from ₱13.1 billion to ₱7.4 billion mainly due to the remeasurement gain from the acquisition of the Australia platform in 2022. This was partly offset by the

value realization and remeasurement gains from the sale of a small stake in the Salak and Darajat plant in Indonesia in 2023.

- AC Energy & Infrastructure (ACEIC), the parent company of ACEN, saw its core earnings jump 71 percent to ₱9.5 billion from improved operating earnings from ACEN and higher contributions from GN Power Dinginin. Including one-off items, ACEIC's net income increased 2.7x to ₱12.6 billion due to divestment gains in ACEN and GN Power Kauswagan in 2023 and the write-off from the divestment of SLTEC in 2022.

- Globe's net income dropped 29 percent to ₱24.6 billion mainly due to the one-time gain from the partial sale of its data center business in 2022. Gross service revenues and EBITDA grew three percent to ₱162 billion and ₱81 billion, respectively, both all-time highs. Core net income was flat at ₱18.9 billion.

- Ayala's group CAPEX reached ₱247.7 billion, 12 percent lower mainly due to the tapering CAPEX of Globe.

- Parent CAPEX decreased 55 percent to ₱13.2 billion, mainly due to Ayala's purchase of Ayala Land shares and participation in Globe's Stock Rights Offering, which both happened in 2022.

- AC Health continues to progress in scaling its healthcare ecosystem. Acquisitions have bolstered growth however net income remains slightly negative due to one-offs and higher manpower and marketing expenses.

- AC Health acquired a significant minority stake in St. Joseph Drug. The acquisition enables AC Health to strengthen its pharmacy footprint and reach more Filipinos throughout the country.

- AC Health entered into an agreement with the Far Eastern University-Dr. Nicanor Reyes Medical Foundation to manage the university's 300-bed hospital in Quezon City.

- In AC Industrials, losses excluding one-offs narrowed to ₱1.2 billion from ₱1.7 billion on the back of better results from IMI's core operations and AC Motor's 4-wheel business. The divestments of MT C-con and STI Enterprises led to impairment provisions that widened losses to ₱7.3 billion from ₱1.7 billion.

- IMI saw higher earnings from its core business as margins improved and component shortages eased.

- Previously AC Motors, ACMobility ventured into the electric vehicle space and has begun to distribute BYD and Kia electric vehicles. It is utilizing the group's ecosystem, particularly ALI, IMI and Globe, to build out infrastructure that is supportive of an EV push.

- ACMobility's 4-wheel business registered higher core earnings on better results from Kia, Honda, and Isuzu. Its 2-wheel business posted wider losses due to weaker demand and write-downs on aging inventory.

Consolidated Sales of Goods and Rendering of Services

Sale of goods and rendering services increased 10 percent to ₱289.9 billion due to higher residential bookings, incremental project completion, and improved leasing businesses in Ayala Land and fresh revenue contributions from newly consolidated business units in 2022 such as UPC Australia, IE Medica, and AIR21. These were offset by lower customer sales in IMI and foregone revenues from the sale of SLTEC in AC Energy & Infrastructure. As a percentage of total revenues, this account was 85 percent for years ending December 31, 2023 and 2022.

Real Estate

- Ayala Land's earnings grew 32 percent to ₱24.5 billion in 2023 as resilient property demand and heightened consumer activity fueled revenue expansion.

- Property development revenues increased 14 percent to ₱92.3 billion mainly on steady residential and office for sale bookings and higher completions that cushioned lower contributions from commercial and industrial lot sales.

- Reservation sales were up nine percent to ₱113.9 billion as demand for its residential products remained resilient despite the elevated interest rate environment.

- Ayala Land launched a total of 25 projects valued at ₱75.9 billion, of which ₱39.6 billion came during the fourth quarter.

- Commercial leasing revenues accelerated 25 percent to ₱41.7 billion due to higher occupancy and rents from malls, offices, and hotels and resorts.

- Malls occupancy and lease out rates both increased three percentage points to 84 percent and 90 percent, respectively.

- Office occupancy improved four percentage points to 92 percent.

- Capital expenditures were up 19 percent to ₱86.2 billion, roughly half of which was spent on the completion of its residential projects.
- Ayala Land launched four new estates in 2023: Batangas Technopark and Arillo in Batangas, Southmont in Cavite, and Centrala in Pampanga. These additions brought Ayala Land's total estates to 52.
- AREIT's, Ayala Land's REIT vehicle, saw its net income increase 43 percent to ₱4.9 billion, driven by contributions from new asset infusions.
- Assets under management reached ₱87.2 billion at the end of 2023. Compared to its IPO in 2020, AUM is set to quadruple to ₱117 billion with the planned property-for-share swap transactions that include assets such as Ayala Triangle Tower Two, Greenbelt Malls 3 and 5, Holiday Inn and Suites Makati, and SEDA Ayala Center Cebu.

Power

- ACEN's income from operating units jumped 2.9x to ₱4.9 billion in 2023 mainly from the ramp up of new operating capacity and its strengthened net seller position in the spot market.
- Including one-off items, ACEN's reported net income dropped from ₱13.1 billion to ₱7.4 billion because of the ₱8.6 billion net gain in 2022. This was primarily due to a remeasurement gain from the acquisition of the Australian platform, offset by provisions taken for a Supreme Court decision on Administered/Regulated Pricing in the Philippines and the Lac Hoa and Hoa Dong wind farms in Vietnam. In 2023, ACEN booked ₱4.5 billion in gains, inclusive of ₱3.4 billion in remeasurements from the partial sale of Salak & Darajat, which was offset by a ₱2 billion impairment for the India platform due to the impact of cost overruns and project delays.
- Total attributable output was up 32 percent to 4,474 gigawatt-hours.
- Output from international plants rose 31 percent to 3,328 gigawatt-hours on the back of better wind regime and increased contributions from plants in Australia, Vietnam, and India.
- Output from Philippine RE plants increased 34 percent to 1,145 gigawatt-hours because of a stronger wind regime and the operationalization of several wind and solar plants, including Balaoi in Pagudpud and the second phase of the Arayat-Mexico facility in Pampanga. The first two phases of the SanMar plant in Zambales, totaling 384 MW, were also commissioned in 2023, with full output expected in 2024.
- Consolidated revenues were up four percent to ₱36.5 billion because of fresh contributions from New England Solar, Masaya Solar, and Pagudpud Wind as well as higher RES tariffs, which offset lower WESM prices.
- Attributable EBITDA, which includes ACEN's shares of EBITDA from non-consolidated associates and joint ventures, grew 31 percent to ₱18.8 billion.
- Capital expenditures were up 10 percent to ₱55.5 billion, driven by aggressive growth in the Philippines and Australia, ACEN's largest international market, where more than 1,000 MW of new capacity is under construction.
- ACEN currently has 4,772 GW of attributable capacity from plants in the Philippines, Australia, Vietnam, Indonesia, India, and United States. Renewables now account for 99 percent of ACEN's total generation portfolio.

Share in Net Profits of Associates and JV

Share in net profits of associates and joint ventures increased 29 percent to ₱46.6 billion due to higher net interest and non-interest income as well as lower provisions in BPI, higher revenues and foreign exchange gains in MWCI, and better results from associates and joint ventures of ALI and AC Energy & Infrastructure. These were offset by the impact of the property sale of BPI and the partial sale of Globe's data center business and tower assets. As a percentage of total revenues, this account was 14 percent and 12 percent for years ending December 31, 2023 and 2022, respectively.

Banking

- BPI delivered its highest full year net income of ₱51.7 billion in 2023, up 31 percent, driven by higher revenues, and lower provisions. Return on equity was up 221 basis points to 15.35 percent.
- Excluding the impact of the one-off gain from the property sale in 2022, net income would be up 44 percent.

- Total revenues grew 17 percent to ₱138.3 billion due to improved net interest and non-interest income.
- Total loans increased 10 percent to ₱1.9 trillion as all segments exhibited strong growth. Consumer loans exhibited the fastest growth at 21 percent. Net interest margin expanded 50 basis points to 4.09 percent.
- Fee Income ex-one offs was up 17 percent to ₱28.8 billion because of increased revenues from cards, wealth management, and branch services.
- Total deposits increased nine percent to ₱2.3 trillion as the 41 percent jump in time deposits more than offset the one percent decrease in CASA.
- Asset quality remained healthy despite a slight uptick in NPL ratio. NPL cover remained adequate.
- NPLs were up 15 percent to ₱35.4 billion.
- NPL ratio increased eight basis points to 1.84 percent.
- NPL cover decreased 24 basis points to 156.1 percent.
- Total provisions declined 56 percent to ₱4 billion.
- Operating expenses increased 19 percent to ₱69.1 billion due to larger spends on manpower, technology, and marketing. Excluding the property sale gain in 2022, the bank's cost-to-income ratio decreased 108 basis points to 50.0 percent.

Telco

- Globe's core net income, which excludes non-recurring charges, foreign exchange and mark-to-market charges, was flat at ₱18.9 billion in 2023. EBITDA margin remained stable as revenue growth offset growth in operating expenses and subsidy.
- Net income declined 29 percent to ₱24.6 billion mainly due to the one-time gain on the partial sale of its data center business in 2022.
- Gross service revenues grew three percent to ₱162.3 billion, driven by sustained growth in mobile data, corporate data, and non-telco services.
- Mobile data revenues were up nine percent to ₱90.9 billion due to higher data traffic.
- Corporate data revenues increased seven percent to ₱18.3 billion mainly from increased ICT solutions and services.
- Digital service revenues grew 18 percent to ₱4.9 billion, led by contributions from Yondu and Asticom.
- Home broadband revenues declined seven percent to ₱27.1 billion as the drop in fixed wireless outweighed the 14 percent growth in postpaid fiber revenues.
- Equity earnings from Mynt nearly tripled to ₱2.4 billion, driven by GCash's sustained growth momentum.
- Total loan disbursements jumped 2.1x to ₱118 billion with unique borrowers reaching 3.9 million individuals, up 78 percent.
- Insurance policies sold life-to-date has reached 16.3 million, with GInsure users jumping 60 percent to four million over the past year.
- EBITDA grew three percent to ₱81.4 billion on the back of topline growth.
- OPEX including subsidies increased three percent to ₱80.9 billion.
- EBITDA margin stood at 50 percent.
- Capital expenditures dropped by 30 percent to ₱70.6 billion, in line with Globe's guidance of lowering spending. This led to a 20-percentage point decline in its CAPEX-to-revenue ratio, which ended at 44 percent.

Cost and Expenses

Cost of sales and services increased four percent to ₱219.8 billion resulting from improvements in sales as explained above, higher prices for direct costs and overheads of various BUs, higher cost of purchased power in AC Energy & Infrastructure, and consolidated costs of IE Medica and AIR21. As a percentage to total costs and expenses, this account was 84 percent and 86 percent for the periods ending September 30, 2023 and 2022, respectively.

Balance Sheet Highlights

- Total assets increased nine percent to ₱1.6 trillion from end-2022 levels mainly due to increases in property, plant and equipment, investments in associates and joint ventures, inventories, and noncurrent accounts and notes receivables.
- Investments in associate and joint ventures were up eight percent to ₱354.0 billion due to equity earnings net dividends in BPI, Globe, LHI, and Manila Water, additional investments to and higher equity earnings from the investees of ALI, AC Energy & Infrastructure, and AC Infrastructure, the reclassification of ACEHI Netherlands in ACEIC, and ALI's gain of control over its investment in AKL Properties. These were offset by lower contributions from Globe due to a gain from the partial sale of its data center business and tower assets last year.
- Property, plant, and equipment rose 31 percent to ₱149.1 billion due to increases in investments in solar and wind farm projects in AC Energy & Infrastructure, various purchases in ALI, and construction of the cancer hospital and refurbishment of Qualimed hospitals in AC Health. These were partially offset by the disposal of MT C-Con and depreciation.
- Ayala continues to maintain a strong balance sheet with sufficient liquidity and low cost of debt.
- Consolidated cash stood at ₱76.2 billion.
- Consolidated net debt increased eight percent to ₱513.6 billion.
- Consolidated net debt-to-equity ratio decreased four basis points to 0.76, well within the Company's covenant of 3.0x.
- Parent level cash was up five percent to ₱11.7 billion.
- Parent net debt dipped two percent to ₱146.1 billion.
- Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, stood at 11.2 percent.
- Parent net debt-to-equity ratio decreased eight basis points to 0.96 mainly due to the ₱13.1 billion preferred shares issuance.
- Parent average cost of debt increased to 5.37 percent from 4.48 percent in 2022, remaining comfortably below the 5-year benchmark of 6.0 percent.

Key performance indicators of the Company and its significant subsidiaries

The table sets forth the comparative key performance indicators of the Company and its significant subsidiaries.

<u>Ayala Corporation (Consolidated)</u>			
(In million pesos, except ratios)	2023	2022	2021
Revenue*	341,898	306,644	255,778
Net Income Attributable to Equity Holders	38,073	27,398	27,774
Total Assets	1,608,713	1,478,545	1,348,986
Total Debt	589,844	552,488	478,517
Total Stockholders' Equity	674,941	595,299	565,313
Current Ratio ¹	1.65	1.75	1.85
Debt to Equity Ratio ²	0.87	0.93	0.85
<u>Ayala Land, Inc.</u>			
(In million pesos, except ratios)	2023	2022	2021
Revenue	147,077	124,481	103,788
Net Income Attributable to Equity Holders	24,508	18,617	12,228
Total Assets	846,632	779,655	745,464
Total Debt	258,254	236,039	223,097
Total Stockholders' Equity	319,929	293,665	270,502
Current Ratio ¹	1.76	1.78	1.58

Debt to Equity Ratio ²	0.81	0.80	0.82

Integrated Micro-Electronics, Inc.

(In thousand US dollars, except ratios)

	2023	2022	2021
Revenue	1,323,757	1,401,730	1,300,590
Net loss Attributable to Equity Holders	(88,518)	(8,308)	(10,565)
Total Assets	1,013,985	1,102,994	1,123,175
Total Debt	356,449	343,074	317,256
Total Stockholders' Equity	335,810	414,958	461,713
Current Ratio ¹	1.45	1.51	1.59
Debt to Equity Ratio ²	1.06	0.83	0.69

AC Energy and Infrastructure Corporation

(In million pesos, except ratios)

	2023	2022	2021
Revenue	43,790	40,373	38,095
Net Income Attributable to Equity Holders	12,583	4,639	9,338
Total Assets	342,975	281,565	219,660
Total Debt	135,364	117,753	89,354
Total Stockholders' Equity	173,699	142,625	116,416
Current Ratio ¹	74,367	4.49	8.75
Debt to Equity Ratio ²	0.78	0.83	0.77

¹ Current Assets/ Current Liabilities.

² Total Debt/ Total Stockholders' Equity (Total Debt includes short term debt, long-term debt both current and noncurrent portion).

Causes of Any Material Variances

(Increase or decrease of 5% or more in the financial statements)

Balance Sheet Items

As at December 31, 2023 and 2022

For the year ended December 31, 2023, the following are among the key transactions of the Group which impacted some accounts in the consolidated balance sheet and income statement:

1. AC's sale and transfer of its MCX concession (or the AC-MCXPCI-PAVI transactions, see Notes 2 and 13*).
2. ACEIC-GNPK transaction or ACEIC's disposal of its investment in KPHLC, which owns GN Power Kauswagan Ltd. Co. (GNPK), following the completion of the second tranche of sale of GNPK this year (see Note 24*).
3. ACEIC's partial sale of its investment in ACEHI Netherlands (see Notes 2 and 23*).
4. IMI and AC Industrial's sale of its investment in STI and MT Technologies, respectively (see Note 2*).
5. MWCI buyback of common and preferred shares (see Note 10*).

Accounts and notes receivable (Note 7*):

(In Millions)	December 2023	December 2022	% Inc. (Dec.)	% of Total Assets	
				December 2023	December 2022
Current	₱159,553	₱161,602	(1%)	10%	11%
Noncurrent	119,341	96,029	24%	7%	6%
Total	₱278,895	₱257,631	8%	17%	17%

Combined movements came from the ACEIC-GNPK transaction; AC's dividend receivable from an associate; ACEIC's loans and interest receivables plus higher trading revenues; increase in ALI's receivable from residential business net of sale of noncurrent receivables; and AC Logistics' trade receivables and advances/loans to affiliates and non-affiliates. These accounts are 17% of total assets as of December 31, 2023 and 2022.

Inventories (Note 8) – 15% increase from P201,517 million to P231,279 million*

Increase attributable to ALI's new land acquisitions and transfers from investment properties and AC Industrial's delivery of vehicle units in the last quarter of the year. This account is 14% of total assets as of December 31, 2023 and 2022.

Other current assets (Note 9) – 21% increase from P89,793 million to P108,452 million*

Increase came from ALI's higher advances to contractors and suppliers and ACEIC's restricted cash related to ACEN's issuance of redeemable preferred shares. These were offset by AC Logistics' partial extinguishment of its exchangeable note into common stocks of AIR21 (see Note 2*). This account is 7% and 6% of total assets as of December 31, 2023 and 2022, respectively.

Assets under PFRS 5 (Note 24) – 100% decrease from P11,821 million to nil*

Decrease attributable to ACEIC-GNPK transaction. This account is less than 1% of total assets as of December 31, 2022.

Investments in associates and joint ventures (Note 10) – 8% increase from P328,120 million to P353,964 million*

Increase attributable to equity earnings less dividends from BPI, Globe, LHI, and MWCI; ALI's, ACEIC's, and AC Infra's additional investments to and higher equity earnings from their investees; ACEIC's reclassification of ACEHI Netherlands transaction including a P3.4 billion remeasurement gain; ALI's gain of control over its investment in AKL Properties. These were offset by net provisions for impairment such as Bestfull for the YSH group, MWCI for East Water, and AC Ventures for BF Jade; and Globe's lower contribution due to lower one-time gains – on partial sale of tower assets and on sale of data center business. This account is 22% of total assets as of December 31, 2023 and 2022.

Property, plant and equipment (Note 12) – 31% increase from P114,114 million to P149,055 million*

Increase attributable to ACEIC group's continued investments in solar and wind farm projects; ALI's various additions; AC Health's ongoing construction of the cancer hospital and refurbishments of Qualimed clinics; offset by AC Industrial's disposal of MT Technologies properties (see Note 2*) during the year plus period depreciation. This account is 9% and 8% of total assets as of December 31, 2023 and 2022, respectively.

Service concession assets (Note 13) – 100% decrease from P1,421 million to nil*

Service concession obligation (Note 13) – 100% decrease from P112 million to nil*

Attributable to AC-MCXPCI-PAVI transactions.

Intangible assets (Note 14) – 7% decrease from P43,536 million to P40,424 million*

Decrease came from IMI's impairment provision and from period amortization offset by additions. This account is 3% of total assets as of December 31, 2023 and 2022.

Deferred tax assets (Note 25) – 6% increase from P18,371 million to P19,460 million*

Increase mainly from ALI's DTA set-up coming from tax and book difference on accounting for real estate transactions. This account is 1% of total assets as of December 31, 2023 and 2022.

Other noncurrent assets (Note 15) – 30% increase from P65,576 million to P84,990 million*

Increase attributable to ACEIC's derivative assets related to its new solar projects in New South Wales and ALI's advances to contractors; offset by provisions for investments in debt and equity securities. This account is 5% and 4% of total assets as of December 31, 2023 and 2022, respectively.

Short-term debt (Note 18) – 37% increase from P36,527 million to P49,871 million*

Increase due to borrowings of AC and ALI partly offset by net loan settlements of ACEIC. This account is 5% and 4% of total liabilities as of December 31, 2023 and 2022, respectively.

Income tax payable – 15% decrease from P1,272 million to P1,076 million

Decrease attributable to ALI's payment of its income tax payable. This account is less than 1% of total liabilities as of December 31, 2023 and 2022.

* Refer to Notes to Financial Statements of the 2023 Audited Consolidated Financial Statements

Other current liabilities (Note 17*) – 14% increase from P34,178 million to P39,125 million

Increase mainly due to ALI's settlement of customer deposits to sales bookings. This account is 4% of total liabilities as of December 31, 2023 and December 31, 2022.

Long-term debt (Note 18*):

(In Millions)	December 2023	December 2022	% Inc. (Dec.)	% of Total Liabilities	
				December 2023	December 2022
Current	P49,461	P31,497	57%	5%	4%
Noncurrent	490,511	484,464	1%	53%	55%
Total	P539,972	P515,961	5%	58%	58%

* Refer to Notes to Financial Statements of the 2023 Audited Consolidated Financial Statements

Combined movements due to ACEIC and ALI's loan availments; offset by debt settlements. This account is 58% of total liabilities as of December 31, 2023 and 2022.

Deferred tax liabilities (Note 25*) – 25% increase from P9,194 million to P11,459 million

Increase came from ALI's real estate transactions. This account is 1% of total liabilities as of December 31, 2023 and 2022.

Pension liabilities (Note 17*) – 52% increase from P3,500 million to P5,331 million

Increase attributable to the Group's retirement expense and interest during the year countered by benefit payments and AC's retirement fund contribution¹⁸. This account is below 1% of total liabilities as of December 31, 2023 and 2022.

Paid-in capital (Note 20*) – 6% increase from P86,380 million to P91,234 million

Increase mainly due to AC's P12.5 billion proceeds from its reissuance of 5.24 million Preferred A shares from treasury (see Note 20*). This account is 14% and 15% of total equity as of December 31, 2023 and 2022, respectively.

Share-based payments (Note 28*) – 100% decrease from P39 million to nil

Decrease came from issuance on the exercise of AC stock option plans. This account is below 1% of total equity as of December 31, 2022.

Remeasurement losses on defined benefit plans (Note 27*) – 46% increase from negative (-)P4,516 million to negative (-)P6,611 million

Increase due to higher net actuarial losses on pension liabilities as result of changes in actuarial assumptions during the year. This account is 1% of total equity as of December 31, 2023 and below 1% as of December 31, 2022.

Fair value reserve of financial assets at FVOCI (Note 15*) – 98% decrease from negative (-)P3,042 million to negative (-)P66 million

Decrease mainly due to BPI's net gains on mark-to-market valuation of its financial assets at FVOCI. This account is below 1% of total equity as of December 31, 2023 and 2022.

Cumulative translation adjustments (CTA) – 24% decrease from P4,344 million to P3,295 million

Decrease due to forex translation (movement in forex) of the Ayala group's business units with US Dollar functional currencies. Closing rate of PHP per USD1.00 was P55.37 vs. P55.76 as of December 31, 2023 and 2022, respectively. This account is below 1% of total equity as of December 31, 2023 and 2022.

* Refer to Notes to Financial Statements of the 2023 Audited Consolidated Financial Statements

¹⁸ The Parent Company's pension fund is known as the AC Employees Retirement Fund (ACERF). ACERF is a legal entity separate and distinct from the Parent Company, governed by a board of trustees appointed pursuant to a Trust Agreement between the Parent Company and the initial trustees. It holds common and preferred shares of the Parent Company in its portfolio. All such shares have voting rights under certain conditions, pursuant to law. ACERF's portfolio is managed by an Executive Committee appointed by the fund's trustees for that purpose. The members of the committee include the Parent Company's Treasurer, Comptroller, and Total Rewards Head. ACERF has not exercised voting rights over any shares of the Parent Company that it owns.

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Equity reserve – 13% decrease from P29,092 million to P25,350 million

Decrease from ACEIC's acquisition of the remaining 20% interest in UPC Australia and AC Logistics' purchase of additional equity interests in Air21 and its subsidiaries, Air2100, IWMI, and WARM (see Note 2*). These were offset by ALI's gain on the sale of block sale of AREIT shares (see Note 2*). This account is 4% and 5% of total equity as of December 31, 2023 and 2022, respectively.

Retained earnings (Note 20*) – 11% increase from P267,836 million to P297,883 million

Increase arose from the overall net income growth of the group net of AC dividends declared. This account is 44% and 45% of total equity as of December 31, 2023 and 2022, respectively.

Treasury stock (Note 20*) – 11% increase from negative (-)P13,071 million to negative (-)P14,546 million

Increase due to AC's reissuance of 5.24 million Preferred A shares from treasury net of redemption of 20.0 million Preferred B Series 1 shares. This account is 2% of total equity as of December 31, 2023 and 2022.

Non-controlling interests – 22% increase from P228,237 million to P278,403 million

Increase came from AC's actual distribution of ACEN shares representing property dividends in 2022 (see Note 20*); P4.2 billion non-controlling share in ALI's gain on AREIT shares block sale (see Note 2*); P24.8 billion from ACEIC arising from ACEN's redeemable preference shares issuance; ACEIC's acquisition of minority interests of P1.9 billion in UPC Australia and AC Logistics' P1.5 billion reduced minority interests Air21 and its subsidiaries, Air2100, IWMI, and WARM (see Note 2*); higher contributions of ACEIC and ALI subsidiaries net of dividend distributions to non-controlling interests; tempered by IMI's net loss contribution. This account is 41% and 38% of total equity as of December 31, 2023 and 2022, respectively.

Income Statement Items

For the Years Ended December 31, 2023 and 2022

Sale of goods and rendering of services (Note 21) – 10% increase from P263,820 million to P289,905 million

Increase due to ALI's higher bookings from residential business, incremental construction project activities, improved mall and hotel operations plus leasing businesses; and revenue contribution this year of UPC Australia, IEM, and Air21, newly consolidated BUs in 2022; offset by IMI's lower customer sales outside the European Union; and ACEIC's revenue loss from SLTEC (deconsolidated in 2022). As a percentage of total revenue, this account is at 85% and 86% for the years ended December 31, 2023 and 2022, respectively.

Share in net profits of associates and joint ventures (AJVs) (Note 10)– 29% increase from P36,129 million to P46,633 million

Increase due to BPI's higher net interest and non-interest income and lower provision for losses; MWCI's higher revenues net of foreign exchange losses and impairment of the investment in East Water; better results from AJVs of ACEIC (including upside from UPC Australia given last year's share in net loss) and ALI; offset by impact of last year's BPI gain on sale of property to Globe, and Globe's lower one-time gains from sale of tower assets and sale of data center. As a percentage of total revenue, this account is at 14% and 12% for the years ended December 31, 2023 and 2022, respectively.

Interest income (Note 22):

(In Millions)	December 2023	December 2022	% Inc. (Dec.)
Interest income from real estate	P5,360	P6,695	(20%)
Interest income from non-real estate	11,504	8,858	30%
Total	P16,863	P15,553	8%

Increase in non-real estate interest income came from ACEIC's interest from various receivables while decrease in real estate interest income was attributed to ALI's lower accretion and sale of trade receivables during the year.

General and administrative expenses (GAE) (Note 22)– 23% increase from P34,627 million to P42,647 million

Increase driven by various impairment provisions as follows: AC Industrial's on MT Technologies accounts (see Note 2*), ACEIC's loan receivables, Vietnam Wind and UPC Solar investments (see Notes 7 and 15*), IMI related to STI (see Note 2*), Bestfull on its YSH group investments (see Notes 10 and 15*), AC Venture's investment in BF Jade (see Note 10*), and AC Infra's impairment of goodwill on its investment in Entrego whose operations will be integrated into AC Logistics (see Note 2*); ACEIC's manpower costs driven by higher headcount and the consolidation of UPC Australia; ALI's manpower costs, contracted services, repairs and maintenance, and provisions; additional professional fees across several BUs. As a percentage of total costs and expenses, this account is at 16% and 14% for the years ended December 31, 2023 and 2022, respectively.

Other income (Note 22) – 54% decrease from ₱10,883 million to ₱5,034 million

Decrease due to AC and Philwater's ₱1.5 billion loss on MWCI's share buyback (see Note 10*); IMI's ₱0.9 billion loss on divestment of STI (see Note 2*); ₱0.9 billion calculated dilution loss in BPI from its share issuances on stock incentive plans and property dividends; ₱0.5 billion lower net foreign exchange losses across the Group; offset by AC's ₱2.1 billion pre-tax net gain on AC-MCXPCI-PAVI (see Note 13*); and accounts of ACEIC: ₱0.6 billion gain on settlement of receivable from Provincia in exchange for SPNEC shares, ₱1.4 billion gain on sale of shares in KPHLC (see Note 24*), and from the ACEHI Netherlands transaction – ₱1.1 billion gain on partial sale and ₱3.4 billion on remeasurement gain (see Notes 2 and 10*). Last year, there were also ACEIC's ₱10.9 billion remeasurement and step-up gain on UPC Australia and ₱6.2 billion loss on SLTEC.

** Refer to Notes to Financial Statements of the 2023 Audited Consolidated Financial Statements*

Interest and other financing charges (Note 22) – 7% increase from ₱29,102 million to ₱31,200 million

Increase came from also from AC, ALI, IMI, and AC Industrial's new borrowings and bond issuances during the year; interest this year of UPC Australia and Air21, newly consolidated BUs in 2022; partly offset by ACEIC's capitalization of certain interest and deconsolidation of SLTEC in 2022, and ALI's lower discounting cost of receivable sales.

Provision for income tax (current and deferred) (Note 25) – 54% increase from ₱6,214 million to ₱9,580 million

Increase came from ACEIC and ALI's higher taxable income and AC Industrial's deferred tax asset reversal.

Income attributable to owners of the parent – 39% increase from ₱27,398 million to ₱38,073 million

Increase came from better operating results of subsidiaries ACEIC and ALI as well as investee BPI. As a percentage of total net income, this account is at 69% and 60% for the years ended December 31, 2023 and 2022, respectively.

Income attributable to non-controlling interests – 7% decrease from ₱18,476 million to ₱17,103 million

Increase came from the improvement in current year performance of its non-wholly owned subsidiaries, particularly ACEIC and ALI. As a percentage of total net income, this account is at 31% and 40% for the years ended December 31, 2023 and 2022, respectively.

Outlook for 2024

Despite the challenging macroeconomic and geopolitical backdrop in 2023, Philippine GDP expanded by 5.6%, beating the 4.0% average of Southeast Asian peers. The country's growth was belied by a resilient consumer class that fueled strong household consumption in spite of elevated inflation and interest rates.

This year, we see both inflation and interest rates tempering. From an average of 6.0% in 2023, we forecast inflation averaging at 3.7% for 2024, mainly on easing food inflation. Meanwhile, we see the policy rate coming down to 5.75% this year from 6.5% in 2023. The BSP is likely to mirror the US Fed's inclination to cut interest rates later in the year depending on inflation and employment performance.

Likewise contingent on what the US Federal Reserve may do, the Peso may appreciate further in 2024. However, while a Fed cut might lead to Peso appreciation, its gains are likely to be smaller relative to emerging market currencies given the Philippines' substantial current account deficit. Our year-end USDPHP forecast for 2024 is 53.80.

Overall, the Philippines may maintain its position as one of the fastest growing economies in the region with a full year growth rate of 6.2% in 2024.

NATURE AND SCOPE OF BUSINESS

Ayala Corporation was incorporated in the Republic of the Philippines on January 23, 1968. The Company's registered office address and principal place of business is 37th to 39th Floors, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City. The Company is a publicly listed company which is 47.84% owned by Mermac, Inc. and the rest by the public, as of December 31, 2025.

Ayala Corporation, currently one of the largest conglomerates in the Philippines, has meaningful presence in real estate, banking, telecommunications, and renewable energy. It likewise has a growing presence in healthcare, mobility, and logistics as well as investments in industrial technologies, education, and other ventures. Ayala manages its corporate social responsibility initiatives through Ayala Foundation.

II. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

A) Principal market where the registrant's common equity is traded.

The following table shows the high and low prices (in PHP) of Ayala Corporation's shares in the Philippine Stock Exchange for the year 2025 and 2024:

	<u>2025</u>		<u>2024</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
1 st qtr	613.00	544.00	725.00	623.00
2 nd qtr	614.00	545.00	662.50	565.00
3 rd qtr	618.00	483.00	703.00	565.00
4 th qtr	490.00	402.00	740.00	593.50

Source: Bloomberg

The high and low prices of Ayala Corporation's shares for and as of March 26, 2026 are ₱513.00 and ₱503.00, respectively.

The market capitalization of the Company's common shares as of end-2025, based on the closing price of ₱468.00/share, was approximately ₱290.2 billion.

The price information of Ayala common shares as of the close of the latest practicable trading date, March 26, 2026, is ₱503.50.

The price information of Ayala preferred A shares as of the close of the latest practicable trading date, March 25, 2026, is ₱2,500.00.

The price information of Ayala preferred B series 3 shares as of the close of the latest practicable trading date, March 26, 2026, is ₱2,000.00.

The price information of Ayala preferred B series 4 shares as of the close of the latest practicable trading date, March 24, 2026, is ₱1,955.00.

B) Holders

The following are the top 20 registered holders of the Company's securities based on the records of our stock transfer agents:

Common Shares

There are 6,143 registered holders of common shares as of January 31, 2026.

	Stockholder name	No. of common shares	Percentage of common shares
1.	Mermac, Inc	296,625,706	47.8400%
2.	PCD Nominee Corporation (Non-Filipino)	162,754,163	26.2491%
3.	PCD Nominee Corporation (Filipino)	116,113,564	18.7269%
4.	SM Investments Corporation	13,297,121	2.1446%
5.	Shoemart, Inc.	7,529,203	1.2143%
6.	Henfels Investments Corporation	7,261,790	1.1712%
7.	Sysmart Corporation	1,514,701	0.2443%
8.	ESOWN Administrator 2020	1,303,601	0.2102%
9.	Phil. Remnants Co., Inc.	823,046	0.1327%
10.	Sybase Equity Investments Corp.	752,570	0.1214%
11.	Social Security System	749,700	0.1209%
12.	ESOWN Administrator 2024	654,060	0.1055%
13.	2023 ESOWN Administrator	607,370	0.0980%

14.	2021 ESOWN Administrator	549,418	0.0886%
15.	ESOWN Administrator 2019	487,004	0.0785%
16.	2022 ESOWN Administrator	465,880	0.0751%
17.	ESOWN Administrator 2018	449,738	0.0725%
18.	ESOWN Administrator 2016	445,102	0.0718%
19.	ESOWN Administrator 2025	439,637	0.0709%
20.	ESOWN Administrator 2017	403,209	0.0650%

A list of the company's top 100 shareholders as of December 31, 2025 can be found through this link:
https://edge.pse.com.ph/openDiscViewer.do?edge_no=092e61c05108b5ea64d70b69f0a3140b.

Preferred A (Re-issued) Series Shares

There are six (6) registered holders of preferred A series shares as of January 31, 2026.

	Stockholder name	No. of preferred A (re-issued) series shares	Percentage of preferred A (re-issued) series shares
1.	PCD Nominee Corporation (Filipino)	5,193,441	99.0261%
2.	PCD Nominee Corporation (Non-Filipino)	45,794	0.8732%
3.	Diana Barretto Sy	2,000	0.0381%
4.	G.D. Tan & Co., Inc.	2,000	0.0381%
5.	ECP Holdings OPC	1,200	0.0229%
6.	Josefina B. Alberto	80	0.0015%

Preferred B Series 3 Shares

There are five (5) registered holders of preferred B series 3 shares as of January 31, 2026.

	Stockholder name	No. of preferred B series 3 shares	Percentage of preferred B series 3 shares
1.	PCD Nominee Corp – Filipino	7,457,040	99.4272%
2.	PCD Nominee Corp – Non Filipino	40,285	0.5371%
3.	Roberto Ngo Barretto Sy	2,500	0.0333%
4.	Josefina B. Alberto	100	0.0013%
5.	Rowena Parino Pangilinan	75	0.0010%

Preferred B Series 4 Shares

There are six (6) registered holders of preferred B series 4 shares as of January 31, 2026.

	Stockholder name	No. of preferred B series 4 shares	Percentage of preferred B series 4 shares
1.	PCD Nominee Corp – Filipino	9,832,300	98.3230%
2.	PCD Nominee Corp – Non Filipino	133,700	1.3370%
3.	Ralph Kenneth Cheng Ty	22,500	0.2250%
4.	Sin Chiok Ong	5,000	0.0500%
5.	Roberto Ngo Barretto Sy	4,000	0.0400%
6.	Lew Chester Cheng Ty	2,500	0.0250%

Voting Preferred Shares

There are 1,062 registered holders of voting preferred shares as of January 31, 2026.

	Stockholder name	No. of voting preferred shares	Percentage of voting preferred shares
1.	Mermac, Inc.	177,252,144	88.6261%
2.	Mitsubishi Corporation	15,072,294	7.5361%
3.	Deutsche Bank AG Manila OBO UBS HH A/C 12105904001	1,561,478	0.7807%
4.	Fernando Zobel De Ayala	554,983	0.2775%
5.	Jaime Augusto Zobel De Ayala	543,802	0.2719%
6.	CBNA MLA OBO AC 6002079755	364,810	0.1824%
7.	Delfin L. Lazaro	258,297	0.1291%
8.	Britel Fund Trustees Limited	170,064	0.0850%
9.	HSBC Manila OBO A/C 000-808154-573	169,803	0.0849%
10.	Deutsche Regis Partners Inc. A/C Clients	137,372	0.0687%
11.	BDO Securities Corporation	115,794	0.0579%
12.	AB Capital Securities Inc.	113,164	0.0566%
13.	Mercedita S. Nollado	84,996	0.0425%
14.	Ariston Dela Rosa Estrada Jr	84,396	0.0422%
15.	Deutsche Bank Ag Manila Obo A/C 12129924646	81,974	0.0410%
16.	Asiasac Equities, Inc.	78,007	0.0390%
17.	HSBC Manila OBO A/C 000-083766-550	73,272	0.0366%
18.	HSBC Manila OB A/C 000-171512-575	72,884	0.0364%
19.	Papa Securities Corporation	69,646	0.0348%
20.	Ansaldo Godinez & Company, Inc.	65,977	0.0330%

C) Dividends

Cash Dividends on Common Shares

Year	Payment Date	Rate (Php)	Record Date
2023	August 17, 2023	3.806/share	August 1, 2023
	January 10, 2024	3.806/share	December 26, 2023
2024	July 26, 2024	4.1866/share	July 11, 2024
	January 11, 2025	4.1866/share	January 2, 2025
2025	August 8, 2025	4.605/share	July 24, 2025
	January 14, 2026	4.605/share	January 5, 2026

Cash Dividends on Preferred "A" Shares (ACPAR)*

Year	Payment Date	Rate (Php)	Record Date
2023	August 29, 2023	39.741875/share	August 14, 2023
	November 29, 2023	39.741875/share	November 16, 2023
2024	February 29, 2024	39.741875/share	February 13, 2024
	May 29, 2024	39.741875/share	May 14, 2024
	August 29, 2024	39.741875/share	August 13, 2024
	November 29, 2024	39.741875/share	November 15, 2024
2025	February 28, 2025	39.741875/share	February 13, 2025
	May 29, 2025	39.741875/share	May 14, 2025
	August 29, 2025	39.741875/share	August 13, 2025
	November 29, 2025	39.741875/share	November 14, 2025
2026	February 28, 2026	39.741875/share	February 12, 2026

*issued on May 29, 2023

Cash Dividends on Preferred “B” Series 1 Shares (ACPB1)*

Year	Payment Date	Rate (Php)	Record Date
2023	February 15, 2023	6.56250/share	January 30, 2023
	May 15, 2023	6.56250/share	May 3, 2023
	August 1, 2023	6.56250/share	August 15, 2023
	November 15, 2023	6.56250/share	October 27, 2023

*redeemed on November 15, 2023

Cash Dividends on Preferred “B” Series 2 Shares (APB2R)*

Year	Payment Date	Rate (Php)	Record Date
2023	February 28, 2023	6.02675 /share	February 13, 2023
	May 16, 2023	6.02675/share	May 29, 2023
	August 14, 2023	6.02675/share	August 14, 2023
	November 29, 2023	6.02675/share	November 16, 2023
2024	February 29, 2024	6.02675 /share	February 14, 2024
	May 29, 2024	6.02675 /share	May 14, 2024
	August 29, 2024	6.02675 /share	August 13, 2024
	November 29, 2024	6.02675 /share	November 15, 2024

*redeemed on November 29, 2024

Cash Dividends on Preferred “B” Series 3 Shares (ACPB3)*

Year	Payment Date	Rate (Php)	Record Date
2025	January 15, 2025	30.269 /share	January 6, 2025
	April 15, 2025	30.269 /share	March 31, 2025
	July 15, 2025	30.269 /share	June 30, 2025
	October 15, 2025	30.269 /share	September 29, 2025
2026	January 15, 2026	30.269 /share	January 6, 2026

*issued on October 15, 2024

Cash Dividends on Preferred “B” Series 4 Shares (ACPB4)*

Year	Payment Date	Rate (Php)	Record Date
2025	September 19, 2025	31.45150 /share	September 5, 2025
	December 19, 2025	31.45150 /share	December 3, 2025
2026	March 19, 2026	31.45150 /share	March 4, 2026

*issued on June 19, 2025

Cash Dividends on Voting Preferred Shares

Year	Payment Date	Rate (Php)	Record Date
2023	May 20, 2023	0.048096/share	May 8, 2023
2024	May 20, 2024	0.048096/share	May 7, 2024
2025	May 20, 2025	0.048096/share	May 6, 2025

Property Dividends

Entitlement Ratio	Record Date	Payment Date
3 ACEN shares per 1 AC common share	May 27, 2022	January 9, 2023

Dividend policy

As a holding company, Ayala’s policy is to provide a fixed-rate, semi-annual cash dividend on common shares. For voting preferred shares, the rate is 5.7730% per annum from 2019 to 2022 and 4.8096% from 2023 until 2025. For reissued Preferred A shares, the dividends are distributed at the rate of 6.3587% per annum, while the dividends are distributed at the rate of 6.0538% for non-voting Preferred B Series 3 shares. For the redeemed non-voting Preferred B Series 1 and 2 shares, the dividends were distributed at

the rates of 5.25% and 4.8214% per annum, respectively. For non-voting Preferred B Series 4 shares, the dividends are distributed at the rate of $\frac{1}{4}$ of 6.2903% per annum.

On September 28, 2023, the Board of directors approved and ratified the resolution approving the optional redemption of the P10.0Bn 5.2500% Preferred “B” Series 1 shares. The redemption was effective November 15, 2023 (the 10th year anniversary from the issue date of the shares) by payment in cash of the redemption price equal to 100% of the issue price of the shares plus accrued and unpaid dividends up until November 15, 2023 based on the dividend rate of 5.25% per annum. The Company’s Executive Committee, in the exercise of its authority under the By-Laws, and upon endorsement of the Finance Committee, approved on September 30, 2024 the optional redemption of the P15Bn 4.8214% Preferred “B” Series 2 shares (APB2R). The redemption was effective November 29, 2024 (the 5th year anniversary from the listing of the shares) by payment in cash of the redemption price equal to 100% of the issue price of P500 per share plus accrued and unpaid dividends up until November 29, 2024 based on the dividend rate of 4.8214% per annum. The redeemed shares is part of the treasury shares until re-issued.

D) Recent sale of securities

The following shares were issued to/subscribed by the Company’s executives as a result of the exercise of stock options (ESOP) and the subscription to the stock ownership (ESOWN) plans:

<u>Year</u>	<u>No. of shares</u>	
	<u>ESOP</u>	<u>ESOWN*</u>
2024	0	719,200
2025	0	440,200

**Net of cancelled subscriptions.*

The above shares formed part of the 8,864,000 ESOP and ESOWN shares subject of the Commission’s resolution dated January 12, 2006, and 5,697,007 and 9,902,993 ESOWN shares subject of the Commission’s resolution dated December 11, 2024. Both resolutions confirm the issuance of such shares as exempt transactions pursuant to Section 10.2 of the Securities Regulation Code.

E) Corporate Governance

The Company’s corporate governance principles were formalized in its Manual on Corporate Governance, as revised and with the latest version filed with the SEC on July 14, 2022 (the “Revised Manual”), in compliance with SEC Memorandum Circular No. 19, Series of 2016. The Revised Manual establishes corporate governance practices that are founded on internationally recognized rigorous standards, systems and processes designed to ensure the Company’s progress and stability, that an effective system of check and balance is in place and that a high standard of accountability and transparency to all stakeholders is enforced.

The Revised Manual conforms to the SEC’s requirements for manuals on corporate governance. It defines primarily the roles and responsibilities of the Board and Management. More importantly, it includes a statement of their respective liabilities in the event of non-compliance with or violation of any of the provisions of the Revised Manual. It also establishes, among others, policies on (a) independent directors, (b) Board committees, (c) conflicts of interest, (d) internal and external audit procedures and practices, including risk management, (e) whistleblowing, (f) stockholders’ rights and interests and (g) management’s responsibility to communicate and inform stakeholders on matters related to the Company’s affairs. The principles embodied in the Revised Manual lay the foundation for the appropriate supervision and proper management of the Company to safeguard shareholders and other stakeholders’ interests and to ensure the Company’s long-term growth and sustainability. In line with this, Ayala endeavors to fully comply with the Revised Manual, through among others, the following:

- i. The Company annually assesses its compliance with the SEC Code of Corporate Governance for Publicly Listed Companies and its Revised Manual through the Integrated Annual Corporate Governance Report submitted to the SEC.
- ii. The Board conducts and accomplishes an annual Board Performance Self-Assessment exercise to measure or determine the level of compliance of the Board of Directors and top-level management with the Revised Manual and the ratings are submitted to the Chief Compliance Officer who prepares the required Integrated Annual Corporate Governance Report submitted to the SEC. The

Compliance Officer reports the results of the Board Performance Self-Assessment to the Board in the next meeting after the assessment. Every three years, the board assessment is conducted by an independent third party. In 2023, the Company's Board and Board Committee evaluation for year 2022 was facilitated by Aon Singapore Pte. Ltd (Aon) and covered the Board's performance across several criteria, including board composition, board roles, functions and processes, information management, representation of shareholders and ESG factors, managing company's performance, senior executive's talent management and corporate governance practices related to strategy, policy, risk and accountability. The evaluation was conducted through a questionnaire answered by each director and interviews with the President & CEO, lead independent director and corporate secretary. The results and analyses of Aon showed that the Company rated above 75th percentile for all categories, in comparison to the market. Prior to this, the last assessment conducted by a third party was in 2020. The next one is scheduled in 2026.

- iii. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance.
- iv. The Company strives to fully adhere to the leading practices and principles of good corporate governance contained in the Revised Manual.
- v. The Company periodically reviews and updates its By-Laws, Board Charter and Revised Manual as further steps to ensure adherence to prevailing principles and practices of good corporate governance. The Board Charter and Revised Manual were updated on July 14, 2022 to align with the Board's oversight responsibility on Sustainability and Climate-related matters.
- vi. The Board actively performs its fiduciary duty to the Company, including regularly meeting at least six times every calendar year.
- vii. The Board ensures the presence and adequacy of internal control mechanisms for good governance in accordance with the Revised Manual. The minimum internal control mechanisms for the Board's oversight responsibility include, but are not limited to:
 - (1) Ensuring the presence of organizational and procedural controls, supported by an effective management information system and risk management reporting system;
 - (2) Reviewing conflict-of-interest situations and providing appropriate remedial measures for the same;
 - (3) Appointing a CEO with the appropriate ability, integrity and experience to fill the role, as well as defining the CEO's duties and responsibilities;
 - (4) Reviewing proposed senior management appointments;
 - (5) Ensuring the selection, appointment and retention of qualified and competent management; reviewing the Company's personnel and human resources policies, compensation plan and the management succession plan;
 - (6) Institutionalizing the internal audit function; and
 - (7) Ensuring the presence of, and regularly reviewing, the performance and quality of external audit.
- viii. The Company adopts necessary policies to promote stronger corporate governance practices. In line with the increasing stakeholder focus on diversity in the boardroom, the Board adopted a Board Diversity Policy and elected its first female director in 2020. To date, the Board has two female directors, meeting its board diversity target. Further, to ensure the protection of shareholder interests and the integrity of its related party transactions, the Company regularly reviews and updates its Related Party Transactions Policy (the "RPT Policy") in compliance with SEC Memorandum Circular No. 10, Series of 2019. The RPT Policy was last updated on March 12, 2026. The Company also strictly implements its Insider Trading Policy.

As of 31 December 2025, the Company has substantially complied with the principles and best practices contained in the Manual. There were no sanctions imposed on any director, officer or employee for non-compliance of the Manual.

Integrated Annual Corporate Governance Report (I-ACGR)

SEC MC No. 15, Series of 2017, released in December 2017 mandated all publicly-listed companies to submit an Integrated Annual Corporate Governance Report (“I-ACGR”) on or before May 30 of the following year for every year that the company remains listed in the PSE, covering all relevant information for the preceding year. For the fiscal year 2025, the Company submitted its I-ACGR on April 30, 2025.

Integrated Report

The Integrated Report (the “Report”) provides detailed information on the financial, environmental, social and governance (ESG) performance of Ayala Corporation and its business units from January 1 to December 31, 2025.

The Report is a harmonization of various sustainability reporting frameworks and standards, including The International Integrated Reporting (IR) Framework, Global Reporting Initiative (GRI) Standards, International Financial Reporting Standards (IFRS), Task Force on Climate-related Financial Disclosures (TCFD), 10 Principles of the United Nations Global Compact (UNGC) and United Nations Sustainable Development Goals (UN SDGs).

A copy of the Company’s 2025 Integrated Report may be accessed via <https://ayala.com/investor-relations/>.

Upon the written request of the stockholders, the Company undertakes to furnish said stockholder with a copy of SEC Form 17-A free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to the following:

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

**Attention: Mr. Juan Carlos L. Syquia
Chief Finance Officer**

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

The management of Ayala Corporation (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Signed on March 12, 2026.

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Board of Directors

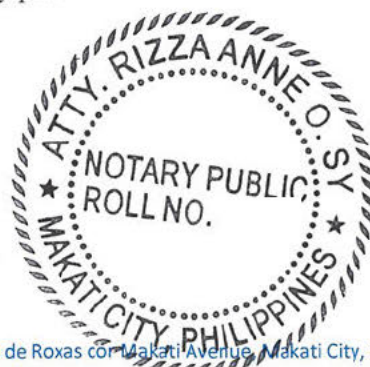
CEZAR P. CONSING
President & Chief Executive Officer

JUAN CARLOS L. SYQUIA
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this MAR 12 2026 at Makati City, affiants exhibiting to me their respective Passports, to wit:

<u>Name</u>	<u>Passport No.</u>	<u>Date & Place of Issue</u>
Jaime Augusto Zobel de Ayala		
Cezar P. Consing		
Juan Carlos L. Syquia		

Doc. No. 218 ;
Page No. 45 ;
Book No. xxvii ;
Series of 2026.



RIZZA ANNE O. SY
Notary Public – Makati City
Appt. No. M-106 until December 31, 2026

Notarial DST pursuant to Sec. 61 of the
TRAIN ACT (amending Sec. 133 of the
NRA) affixed on copy submitted to the
Commission

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Ayala Corporation
37F to 39F Ayala Triangle Gardens Tower 2
Paseo de Roxas corner Makati Avenue, Makati City

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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



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

Revenue Recognition from Real Estate Sales

Ayala Land, Inc. and its subsidiaries' (ALI Group) revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation in the following areas: (1) determination of the transaction price, (2) application of the output method as the measure of progress in determining real estate revenue and (3) estimation of the total project cost.

In determining the transaction price, the ALI Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the ALI Group uses the output method. This method measures progress based on the physical proportion of work done on the real estate project which requires technical determination by the ALI Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager, which integrates the surveys of construction activities performed to date by ALI Group and its sub-contractors.

In determining the actual costs incurred to be recognized as cost of sales, the ALI Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractors.

The disclosures related to revenue are included in Notes 3 and 21 to the consolidated financial statements.

Audit Response

We sent instructions to the statutory auditor of ALI Group to perform an audit on the relevant financial information of ALI Group for the purpose of our audit of the Group's consolidated financial statements. These audit instructions contained a discussion of their scope of work, risk assessment procedures, audit strategy and reporting responsibilities. We discussed with the statutory auditor of ALI Group their identified key audit risk areas, including their significant areas of estimation and judgment, planning and execution of audit procedures, and results of their work for the year ended December 31, 2025.

We reviewed their audit working papers and obtained relevant conclusion statements related to their audit procedures. Specifically, we reviewed the procedures performed by the statutory auditor of ALI Group on revenue from real estate sales related to the determination of the transaction price, application of the output method in recognizing real estate revenue and review of the estimation and recognition of total project cost and cost of real estate sales.

We obtained the relevant financial information of ALI Group and checked the ALI Group's disclosures in its consolidated financial statements.



Impairment Testing of Goodwill

The Group has significant amount of goodwill arising from its business acquisitions that are required to be tested for impairment at least annually. The impairment testing of goodwill is a key audit matter because it requires management to make significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the estimated future cash flows of the related cash-generating units, revenue growth rate, gross margin, long-term growth rate and the discount rate.

Relevant disclosures on goodwill are included in Note 14 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's goodwill impairment assessment process and the related controls. We involved our internal specialist in evaluating the methodologies and assumptions used in the value-in-use calculation. We compared the key assumptions used such as revenue growth rate against actual historical performance of the cash generating unit and industry outlook, and gross margin against historical rates. We tested the parameters used in the determination of the discount rate against market data.

For certain impairment testing of goodwill arising from the subsidiaries, we reviewed the working papers of the statutory auditors of the subsidiaries. Specifically, we reviewed the procedures performed in evaluating the methodology and assumptions used by management. These assumptions include revenue growth rate, gross margin, long-term growth rate and discount rate.

We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect in the determination of the recoverable amount of goodwill.

Accounting for Investments in Associate and Joint Venture

The Group has effective ownership of 45.2% in Bank of the Philippine Islands and its subsidiaries (BPI Group), an associate, and 30.6% in Globe Telecom, Inc. and its subsidiaries (Globe Group), a joint venture, as of December 31, 2025, which are both accounted for using the equity method. Directly and indirectly, BPI Group and Globe Group contributed ₱30.2 billion and ₱7.1 billion, respectively, to the Group's consolidated net income in 2025.

BPI Group's net income is significantly affected by the level of impairment provisioning on its loans and receivables which requires substantial management judgment and estimation. PFRS 9 requires the application of a forward-looking expected credit loss (ECL) model to assess impairment on debt financial assets not measured at fair value through profit or loss. Meanwhile, Globe Group's net income is affected by the propriety of the revenue recognized given the significant volume of transactions processed through various systems, which heavily rely on automated processes and controls from account activation, termination and recording of usage and billing.

Relevant disclosures related to the Group's investments in BPI Group and Globe Group are provided in Note 10 to the consolidated financial statements.



Audit Response

We sent instructions to the statutory auditors of BPI Group and Globe Group to perform an audit of the relevant financial information of BPI Group and Globe Group for the purpose of our audit of the Group's consolidated financial statements. These audit instructions contained a discussion of their scope of work, risk assessment procedures, audit strategy and reporting responsibilities. We discussed with the statutory auditors of BPI Group and Globe Group their identified key audit risk areas, including their significant areas of estimation and judgment, planning and execution of audit procedures, and results of their work for the year ended December 31, 2025.

We reviewed their audit working papers and obtained relevant conclusion statements related to their audit procedures.

For BPI Group, we focused on the review of the procedures performed by their statutory auditor on the testing of its ECL model for BPI Group's loans portfolio and treasury products. We inquired and reviewed with BPI Group's statutory auditor the overall characteristics of the loan portfolio, changes during the year, and rationale for the changes in impairment provisioning. We reviewed the procedures performed by their statutory auditor in testing the processes and controls over loan loss provisioning and reviewed the procedures performed in assessing the adequacy of loan loss provisioning.

For Globe Group, we involved our internal specialist in the assessment of the sufficiency of statutory auditor's procedures in testing Globe Group's IT general and application controls over the revenue recognition process. We evaluated the sufficiency of the procedures performed by their statutory auditor in testing Globe Group's processes and controls over the identification of the performance obligations in their contracts with customers, the allocation of the transaction price to the performance obligations based on the stand-alone selling prices, and the recognition of revenue at a point in time or over time.

We obtained the relevant financial information of BPI Group and Globe Group and recomputed the Group's share in the respective net income of BPI Group and Globe Group for the year ended December 31, 2025.

Complex Consolidation Process

Ayala Corporation is the holding company of a multiple number of domestic and foreign legal entities with diversified business portfolios. In preparing its consolidated financial statements, several factors are considered such as fair value adjustments arising from business combinations, the presence of non-controlling interests, numerous intercompany transactions, translation of subsidiaries' foreign currency-denominated financial information to Ayala Corporation's functional currency, and other equity adjustments.

Note 2 to the consolidated financial statements provides the relevant disclosures on the Group's investees.

Audit Response

We obtained an understanding of the consolidation process and relevant controls through which the consolidated financial statements are prepared. We also obtained an understanding of the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany transactions and balances. We tested the significant consolidation adjustments, including eliminations of intercompany transactions and balances, deferral and realization of intercompany profits, amortization/depreciation/reversal of fair value adjustments arising from business combinations, currency translation adjustments, and movements in non-controlling interests and other equity adjustments. We also evaluated whether the accounting policies of the Group have been consistently applied.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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



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

The engagement partner on the audit resulting in this independent auditor's report is Sherwin V. Yason.

SYCIP GORRES VELAYO & CO.

Sherwin V. Yason

Partner

CPA Certificate No.

Tax Identification No.

BOA/PRC Reg. No.

valid until August 23, 2026

SEC Partner Accreditation No.

Valid to cover audit of 2020 to 2024 financial statements,
with extension up to audit of 2025 financial statements

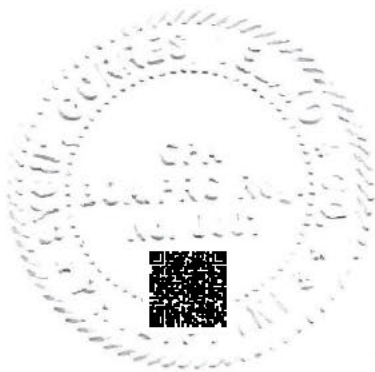
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No.

PTR No.

March 12, 2026



AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 31 and 32)	₱66,901,817	₱75,501,736
Short-term investments (Notes 6, 31 and 32)	403,532	723,567
Accounts and notes receivable (Notes 7, 31, 32 and 33)	164,320,989	158,358,122
Inventories (Note 8)	267,317,515	247,752,784
Other current assets (Notes 9, 32 and 33)	100,913,690	102,226,309
Total Current Assets	599,857,543	584,562,518
Noncurrent Assets		
Noncurrent accounts and notes receivable (Notes 7, 31, 32 and 33)	186,472,718	151,065,379
Investments in associates and joint ventures (Note 10)	426,502,241	401,221,558
Investment properties (Note 11)	285,073,751	262,903,806
Property, plant and equipment (Note 12)	211,388,747	178,131,222
Right-of-use assets (Note 30)	22,384,959	24,562,118
Intangible assets (Note 14)	40,424,923	39,383,400
Deferred tax assets - net (Note 25)	18,562,738	20,220,095
Other noncurrent assets (Notes 15, 31, 32 and 33)	100,899,809	87,275,626
Total Noncurrent Assets	1,291,709,886	1,164,763,204
Total Assets	₱1,891,567,429	₱1,749,325,722
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 18, 31, 32 and 33)	₱81,298,079	₱75,556,284
Accounts payable and accrued expenses (Notes 16, 31, 32 and 33)	253,625,415	223,662,212
Income tax payable	716,579	820,441
Current portion of:		
Long-term debt (Notes 18, 31, 32, 33 and 34)	46,564,344	60,875,018
Lease liabilities (Note 30)	3,325,546	4,647,964
Other current liabilities (Notes 17, 32 and 33)	19,227,033	23,728,590
Total Current Liabilities	404,756,996	389,290,509
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 18, 31, 32, 33 and 34)	576,625,127	530,327,828
Lease liabilities - net of current portion (Note 30)	28,323,605	28,794,012
Deferred tax liabilities - net (Note 25)	14,075,660	15,383,250
Pension liabilities (Note 27)	5,937,814	5,952,305
Other noncurrent liabilities (Notes 19, 32 and 33)	51,999,654	53,996,098
Total Noncurrent Liabilities	676,961,860	634,453,493
Total Liabilities	₱1,081,718,856	₱1,023,744,002

(Forward)



	December 31	
	2025	2024
Equity		
Equity attributable to owners of the parent company		
Paid-in capital (Notes 2 and 20)	₱112,568,388	₱93,384,205
Remeasurement losses on defined benefit plans (Note 27)	(7,856,651)	(6,618,373)
Fair value reserve of financial assets at fair value through other comprehensive income (FVOCI) (Note 15)	(2,195,195)	(3,126,991)
Cumulative translation adjustments	7,867,817	4,411,444
Equity reserve (Notes 2 and 23)	28,020,698	25,476,033
Retained earnings (Note 20)	388,402,160	335,194,299
Treasury stock (Note 20)	(15,144,721)	(14,220,992)
	511,662,496	434,499,625
Non-controlling interests (Note 2 and 23)	298,186,077	291,082,095
Total Equity	809,848,573	725,581,720
Total Liabilities and Equity	₱1,891,567,429	₱1,749,325,722

See accompanying Notes to Consolidated Financial Statements.



AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2025	2024	2023
REVENUE			
Rendering of services (Notes 11, 21, 29 and 31)	₱162,618,020	₱179,195,714	₱175,214,627
Sale of goods (Notes 11, 21, 29 and 31)	174,268,146	146,548,246	114,690,120
Share in net profits of associates and joint ventures (Notes 10 and 29)	46,749,683	44,307,947	46,633,463
Interest income from real estate (Note 21)	—	—	5,359,526
	383,635,849	370,051,907	341,897,736
COSTS AND EXPENSES			
Costs of rendering services (Notes 8, 22 and 31)	125,407,418	143,606,636	151,040,739
Cost of goods sold (Notes 8, 22 and 31)	117,248,793	94,899,203	68,791,301
General and administrative expenses (Notes 22, 28 and 31)	48,919,153	51,270,299	42,646,536
	291,575,364	289,776,138	262,478,576
OTHER INCOME (CHARGES) - NET			
Interest income (Notes 22 and 31)	17,211,790	13,264,243	11,503,551
Other income (Notes 21, 22 and 23)	29,076,932	14,509,425	5,033,563
Interest and other financing charges (Notes 18, 22 and 31)	(39,757,399)	(36,198,909)	(31,199,863)
	6,531,323	(8,425,241)	(14,662,749)
INCOME BEFORE INCOME TAX	98,591,808	71,850,528	64,756,411
PROVISION FOR INCOME TAX (Note 25)			
Current	10,609,382	7,677,230	9,698,102
Deferred	1,113,473	2,711,253	(118,049)
	11,722,855	10,388,483	9,580,053
NET INCOME	₱86,868,953	₱61,462,045	₱55,176,358
Net Income Attributable to:			
Owners of the Parent Company (Note 26)	₱61,427,524	₱42,026,496	₱38,073,084
Non-controlling interests	25,441,429	19,435,549	17,103,274
	₱86,868,953	₱61,462,045	₱55,176,358
EARNINGS PER SHARE (Note 26)			
Basic	₱94.82	₱64.77	₱58.75
Diluted	₱94.72	₱64.69	₱58.64

See accompanying Notes to Consolidated Financial Statements.



AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
NET INCOME	₱86,868,953	₱61,462,045	₱55,176,358
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences arising from translations of foreign investments	3,685,666	2,106,735	(2,554,218)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Changes in fair values of financial assets at FVOCI - net (Note 15)	(1,649,491)	(3,385,344)	383,557
Remeasurement losses on defined benefit plans (Note 27)	(551,495)	(497,335)	(1,105,131)
Tax effect relating to components of other comprehensive income	137,874	124,334	276,283
	1,622,554	(1,651,610)	(2,999,509)
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences arising from translations of foreign investments	783,086	1,015,946	(279,010)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gains (losses) on defined benefit plans	(934,453)	172,067	(1,588,958)
Changes in fair values of financial assets at FVOCI - net (Note 15)	2,044,120	539,301	2,592,684
	1,892,753	1,727,314	724,716
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	3,515,307	75,704	(2,274,793)
TOTAL COMPREHENSIVE INCOME	₱90,384,260	₱61,537,749	₱52,901,565
Total Comprehensive Income Attributable to:			
Owners of the Parent Company	₱64,507,145	₱41,822,738	₱36,271,065
Non-controlling interests	25,877,115	19,715,011	₱16,630,500
	₱90,384,260	₱61,537,749	₱52,901,565

See accompanying Notes to Consolidated Financial Statements.



AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands)

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY										
	Other Comprehensive Income										
	Paid-in Capital (Notes 2 and 20)	Share-based Payments (Note 28)	Remeasurement Gains (Losses) on Defined Benefit Plans (Note 27)	Fair Value Reserve of Financial Assets at FVOCI (Note 15)	Cumulative Translation Adjustments	Equity Reserve (Notes 2 and 23)	Retained Earnings (Note 20)	Treasury Stock (Note 20)	Total	Non-controlling Interests (Notes 2 and 23)	Total Equity
As of January 1, 2025	₱93,384,205	₱—	(₱6,618,373)	(₱3,126,991)	₱4,411,444	₱25,476,033	₱335,194,299	(₱14,220,992)	₱434,499,625	₱291,082,095	₱725,581,720
Net income	—	—	—	—	—	—	61,427,524	—	61,427,524	25,441,429	86,868,953
Share in other comprehensive income of associates and joint ventures	—	—	(934,453)	2,044,120	783,086	—	—	—	1,892,753	—	1,892,753
Other comprehensive income (loss)	—	—	(303,825)	(1,182,594)	2,673,287	—	—	—	1,186,868	435,686	1,622,554
Reclassification of fair value gain of investment in equity securities at FVOCI	—	—	—	70,270	—	—	(70,270)	—	—	—	—
Total comprehensive income (loss)	—	—	(1,238,278)	931,796	3,456,373	—	61,357,254	—	64,507,145	25,877,115	90,384,260
Exercise of ESOWN	63,961	—	—	—	—	—	—	—	63,961	—	63,961
Buyback of common shares	—	—	—	—	—	—	—	(1,923,729)	(1,923,729)	—	(1,923,729)
Reissuance of preferred shares	18,841,276	—	—	—	—	—	—	1,000,000	19,841,276	—	19,841,276
Cash dividends	—	—	—	—	—	—	(8,109,387)	—	(8,109,387)	(3,622,540)	(11,731,927)
Collection of subscription receivables	278,947	—	—	—	—	—	—	—	278,947	—	278,947
Assignment of treasury shares	(1)	—	—	—	—	—	—	—	(1)	—	(1)
Change in non-controlling interests	—	—	—	—	—	2,544,665	(40,006)	—	2,504,659	(15,150,593)	(12,645,934)
At December 31, 2025	₱112,568,388	₱—	(₱7,856,651)	(₱2,195,195)	₱7,867,817	₱28,020,698	₱388,402,160	(₱15,144,721)	₱511,662,496	₱298,186,077	₱809,848,573

See accompanying Notes to Consolidated Financial Statements



EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

	Other Comprehensive Income								Total	Non-controlling Interests (Notes 2 and 23)	Total Equity
	Paid-in Capital (Note 20)	Share-based Payments (Note 28)	Remeasurement	Fair Value	Cumulative Translation Adjustments	Equity Reserve (Notes 2 and 23)	Retained Earnings (Note 20)	Treasury Stock (Note 20)			
			Gains (Losses) on Defined Benefit Plans (Note 27)	Reserve of Financial Assets at FVOCI (Note 15)							
For the year ended December 31, 2024											
As of January 1, 2024	₱91,233,753	₱–	(₱6,611,128)	(₱66,256)	₱3,295,297	₱25,350,330	₱298,421,929	(₱14,546,351)	₱397,077,574	₱279,212,575	₱676,290,149
Net income	–	–	–	–	–	–	42,026,496	–	42,026,496	19,435,549	61,462,045
Share in other comprehensive income of associates and joint ventures	–	–	172,067	539,301	1,015,946	–	–	–	1,727,314	–	1,727,314
Other comprehensive income (loss)	–	–	(235,810)	(3,387,376)	1,692,114	–	–	–	(1,931,072)	279,462	(1,651,610)
Reclassification of fair value gain of investment in equity securities at FVOCI	–	–	–	(212,660)	(1,591,913)	–	1,804,573	–	–	–	–
Derecognition of remeasurement loss	–	–	56,498	–	–	–	(56,498)	–	–	–	–
Total comprehensive income (loss)	–	–	(7,245)	(3,060,735)	1,116,147	–	43,774,571	–	41,822,738	19,715,011	61,537,749
Exercise of ESOWN	128,071	–	–	–	–	–	–	–	128,071	–	128,071
Sale of treasury common shares	(379,882)	–	–	–	–	–	–	2,575,359	2,195,477	–	2,195,477
Reissuance of preferred shares	14,131,084	–	–	–	–	–	–	750,000	14,881,084	–	14,881,084
Redemption of preferred shares	(12,000,000)	–	–	–	–	–	–	(3,000,000)	(15,000,000)	–	(15,000,000)
Property dividends	–	–	–	–	–	–	–	–	–	847,290	847,290
Cash dividends	–	–	–	–	–	–	(7,002,201)	–	(7,002,201)	(3,416,688)	(10,418,889)
Collection of subscription receivables	271,179	–	–	–	–	–	–	–	271,179	–	271,179
Change in non-controlling interests	–	–	–	–	–	125,703	–	–	125,703	(5,276,093)	(5,150,390)
At December 31, 2024	₱93,384,205	₱–	(₱6,618,373)	(₱3,126,991)	₱4,411,444	₱25,476,033	₱335,194,299	(₱14,220,992)	₱434,499,625	₱291,082,095	₱725,581,720

See accompanying Notes to Consolidated Financial Statements



EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

	Other Comprehensive Income								Total	Non-controlling Interests (Note 2)	Total Equity
	Paid-in Capital (Note 20)	Share-based Payments (Note 28)	Remeasurement Gains (Losses) on Defined Benefit Plans (Note 27)	Fair Value Reserve of Financial Assets at FVOCI (Note 15)	Cumulative Translation Adjustments	Equity Reserve (Notes 2 and 23)	Retained Earnings (Note 20)	Treasury Stock (Note 20)			
As of January 1, 2023	₱86,380,257	₱38,950	(₱4,516,242)	(₱3,042,026)	₱4,344,422	₱29,091,712	₱267,836,258	(₱13,070,802)	₱367,062,529	₱228,236,515	₱595,299,044
Net income	-	-	-	-	-	-	38,073,084	-	38,073,084	17,103,274	55,176,358
Share in other comprehensive income of associates and joint ventures	-	-	(1,588,958)	2,592,684	(279,010)	-	-	-	724,716	-	724,716
Other comprehensive income (loss)	-	-	(434,193)	269,486	(2,362,028)	-	-	-	(2,526,735)	(472,774)	(2,999,509)
Reclassification of fair value gain of investment in equity securities at FVOCI	-	-	(71,735)	113,600	1,591,913	-	(1,633,778)	-	-	-	-
Total comprehensive income (loss)	-	-	(2,094,886)	2,975,770	(1,049,125)	-	36,439,306	-	36,271,065	16,630,500	52,901,565
Exercise of ESOWN	169,378	(38,950)	-	-	-	-	-	-	130,428	-	130,428
Reissuance of preferred shares	12,476,036	-	-	-	-	-	-	524,451	13,000,487	-	13,000,487
Redemption of preferred shares	(8,000,000)	-	-	-	-	-	-	(2,000,000)	(10,000,000)	-	(10,000,000)
Property dividends	-	-	-	-	-	-	-	-	-	12,480,844	12,480,844
Cash dividends	-	-	-	-	-	-	(6,392,657)	-	(6,392,657)	(2,818,048)	(9,210,705)
Collection of subscription receivables	208,082	-	-	-	-	-	-	-	208,082	-	208,082
Change in non-controlling interests	-	-	-	-	-	(3,741,382)	-	-	(3,741,382)	23,872,998	20,131,616
At December 31, 2023	₱91,233,753	₱-	(₱6,611,128)	(₱66,256)	₱3,295,297	₱25,350,330	₱297,882,907	(₱14,546,351)	₱396,538,552	₱278,402,809	₱674,941,361

See accompanying Notes to Consolidated Financial Statements.



AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱98,591,808	₱71,850,528	₱64,756,411
Adjustments for:			
Interest and other financing charges - net of amount capitalized (Note 22)	39,757,399	36,198,909	31,199,863
Depreciation and amortization (Note 22)	17,942,543	17,191,968	14,480,754
Gain on sale of (Note 22):			
Investments (Note 2)	(11,434,187)	(2,311,691)	(3,091,847)
Other assets	(121,036)	(464,438)	(95,181)
Provision for impairment/losses on (Note 22):			
Goodwill (Note 14)	—	2,409,852	3,115,244
Financial assets at FVOCI (Note 15)	—	—	2,562,834
Receivables (Note 7)	9,668,276	3,011,120	1,719,011
Investments in associates and joint ventures (Note 10)	1,467,022	8,140,087	949,861
Inventory obsolescence (Note 8)	336,100	887,915	518,768
Property, plant and equipment (Notes 12 and 22)	127,905	536,284	—
Various other assets (Note 22)	1,882,051	269,064	2,826,265
Mark-to-market loss on financial assets at fair value through profit or loss (Note 22)	342,518	251,126	231,187
Cost of share-based payments (Note 28)	64,155	128,430	114,645
Mark-to-market loss (gain) on derivative contracts	(6,851)	509	18,567
Dilution loss (gain) (Notes 10 and 22)	(865,305)	(3,836,727)	4,405,549
Other investment loss (income) (Note 22)	(885,306)	(2,254,011)	854,192
Dividend income (Note 22)	(1,074,787)	(825,492)	(323,378)
Interest income (Notes 21 and 22)	(17,211,790)	(13,264,243)	(16,863,077)
Remeasurement gain on previously held interest (Notes 22 and 23)	(10,215,412)	(650,214)	(3,433,327)
Share in net profits of associates and joint ventures (Note 10 and 21)	(46,749,683)	(44,307,947)	(46,633,463)
Operating income before changes in operating assets and liabilities	81,615,420	72,961,029	57,312,878
Decrease (increase) in:			
Accounts and notes receivable - trade	(33,532,162)	(21,976,141)	(4,752,733)
Inventories	(16,569,053)	(10,085,352)	(22,106,446)
Service concession assets (Note 13)	—	—	1,420,977
Other current assets	(4,037,144)	1,923,830	(18,024,928)
Increase (decrease) in:			
Accounts payable and accrued expenses	30,119,077	10,628,193	20,259,099
Net pension liabilities	(169,450)	274,471	1,140,324
Other current liabilities	(4,436,911)	(15,277,425)	(2,509,575)
Cash generated from operations	52,989,777	38,448,605	32,739,596
Interest received	7,519,485	3,357,926	15,861,534
Interest paid	(29,839,023)	(26,498,904)	(24,232,167)
Income tax paid	(11,010,588)	(7,938,492)	(9,892,507)
Net cash provided by operating activities	19,659,651	7,369,135	14,476,456

(Forward)



	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/maturities of financial assets at FVOCI	₱290,962	₱3,162,051	₱51,596
Sale/maturities of financial assets at FVTPL	18,193,605	20,402,470	3,589,957
Sale/maturities of financial assets at amortized cost	–	3,387,933	828,964
Sale/disposal of investments in subsidiaries, associates and joint ventures (Notes 10 and 23)	26,091,583	13,396,522	13,543,571
Maturities of short-term investments	338,616	925,640	1,752,997
Collections of accounts and notes receivable - nontrade	2,608,375	5,952,947	158,429
Disposals of:			
Property, plant and equipment (Note 12)	7,270,728	6,624,975	2,414,209
Investment properties (Note 11)	5,052,055	1,166,728	1,080,985
Additions to:			
Short-term investments	(18,581)	(222,628)	(6,734)
Investments in associates and joint ventures (Note 10)	(5,334,731)	(36,230,281)	(5,292,126)
Property, plant and equipment (Notes 12 and 34)	(37,162,056)	(45,088,947)	(41,302,400)
Investment properties (Notes 11 and 34)	(33,982,077)	(21,295,144)	(15,769,975)
Financial assets at FVTPL	(13,779,185)	(23,935,908)	(3,709,519)
Financial assets at FVOCI	(1,486,443)	(1,954,469)	(5,845,551)
Financial assets at amortized cost	(1,900,368)	(1,542,181)	(3,267,912)
Intangible assets (Note 14)	(1,326,428)	(2,074,182)	(1,065,436)
Increase in accounts and notes receivable - nontrade	(12,265,546)	(3,940,561)	(3,986,942)
Dividends received from associates, joint ventures and investments in equity securities (Note 10)	18,239,870	19,549,501	13,737,409
Acquisitions through business combinations - net of cash acquired (Notes 2, 10 and 23)	–	(2,379,802)	(309,200)
Sale of equity resulting to loss of control over subsidiaries (Notes 2 and 23)	(1,262,161)	(120,154)	(327,694)
Increase in other noncurrent assets	(11,860,378)	(123,587)	(11,584,525)
Net cash used in investing activities	(42,292,160)	(64,339,077)	(55,309,897)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of short-term and long-term debt (Note 18)	405,384,480	422,541,970	212,351,999
Re-issuance of preferred shares (Note 20)	19,841,276	14,881,084	13,000,487
Sale of treasury common shares (Note 20)	–	2,195,477	11,442
Payments of short-term and long-term debt (Note 18)	(372,770,916)	(351,714,945)	(172,521,000)
Buyback of common shares (Note 20)	(1,923,729)	–	–
Dividends paid (Note 20)	(11,298,071)	(10,012,625)	(9,341,869)
Redemption of preferred shares (Note 20)	–	(15,000,000)	(10,000,000)
Payment of principal portion of lease liabilities (Note 30)	(3,304,450)	(2,775,815)	(2,971,192)
Collections of subscriptions receivable	278,947	271,179	212,755
Cost of issuance of shares	(220)	(360)	(332)
Interest paid	(9,026,661)	(4,722,068)	(3,764,416)
Increase (decrease) in:			
Other noncurrent liabilities	(1,555,638)	4,510,665	(4,819,990)
Non-controlling interests in consolidated subsidiaries (Notes 2 and 23)	(12,193,140)	(3,465,586)	19,532,753
Net cash provided by financing activities	13,431,878	56,708,976	41,690,637
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	600,712	978,480	79,655
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,599,919)	717,514	936,851
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75,501,736	74,784,222	73,847,371
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱66,901,817	₱75,501,736	₱74,784,222

See accompanying Notes to Consolidated Financial Statements.



AYALA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

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

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

The Parent Company is organized as a holding company with equity interests in the Ayala Group (the Group), one of the largest and most diversified groups in the Philippines. Ayala's business activities are composed of real estate and hotels, financial services, telecommunications, power, healthcare, logistics, industrial technologies and automotives, infrastructure, education, technology services, business process outsourcing, air charter, retail, and investment holdings.

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

Ayala's emerging businesses in healthcare is conducted through Ayala Healthcare Holdings, Inc. (AC Health), and logistics operations are housed under AC Logistics Holdings Corporation (AC Logistics).

In portfolio investments, Ayala's international business in electronics manufacturing services and vehicle distribution and retail are under AC Industrial Technology Holdings, Inc. (AC Industrials or ACI). Its investments in infrastructure are housed under AC Infrastructure Holdings Corporation (AC Infra). Ayala's interest in education is conducted through iPeople, Inc. (iPeople), where it owns a 36.3% stake as of December 31, 2025 while its investments in technology ventures are in AM 50 VENTURES, INC. (formerly AC Ventures Holding Corp., see Notes 3 and 10).

Certain members of the Ayala Group, namely ALI, BPI, Globe, ACEN, iPeople, Integrated Micro-Electronics, Inc. (IMI), AREIT, Inc. (AREIT), AyalaLand Logistics Holdings Corp. (ALLHC), and ENEX Energy Corp. (ENEX) are likewise publicly listed corporations. Some of Ayala's subsidiaries, associates and joint ventures have holdings in the equity of other subsidiaries, associates and joint ventures.



2. Group Information

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Nature of Business	% of Economic Ownership Interest held by the Group	
		2025	2024
AC Energy and Infrastructure Corporation (ACEIC)	Power	100.0	100.0
AC Infrastructure Holdings Corporation (AC Infra)	Infrastructure	100.0	100.0
AC International Finance Limited (ACIFL) ¹	Investment Holding	100.0	100.0
ACX Holdings Corporation (ACX)	Investment Holding	100.0	100.0
AC Industrial Technology Holdings Inc. (AC Industrials)	Industrial Technology and Automotive	100.0	100.0
Ayala Aviation Corporation (AAC)	Air Charter	100.0	100.0
Ayala Land, Inc. (ALI)	Real Estate and Hotels	53.0	51.9
AYC Finance Ltd. (AYCFL) ¹	Investment Holding	100.0	100.0
Azalea International Venture Partners Limited (AIVPL) ²	Business Process Outsourcing	100.0	100.0
Ayala Healthcare Holdings, Inc. (AC Health)	Healthcare	93.0	100.0
Bestfull Holdings Limited (BHL) ³	Investment Holding – International	100.0	100.0
Integrated Microelectronics, Inc. (IMI)	Industrial Technologies	52.1	52.1
Michigan Holdings, Inc. (MHI)	Investment Holding	100.0	100.0
Philwater Holdings Company, Inc. (Philwater)	Investment Holding	100.0	100.0
Purefoods International Limited (PFIL) ²	Investment Holding	100.0	100.0
Technopark Land, Inc. (TLI) ⁴	Real Estate	78.8	78.8
AM 50 VENTURES INC. (AM 50 Ventures, formerly AC Ventures) (see Note 10) ⁵	Investment Holding	-	100.0
AC Logistics Holdings Corporation (AC Logistics)	Logistics	100.0	100.0

¹Incorporated in the Cayman Islands

²Incorporated in the British Virgin Islands

³Incorporated in Hong Kong

⁴On December 10, 2021, the BOD and stockholders of TLI approved the plan to shorten its corporate term to June 30, 2023.

On December 23, 2021, the SEC approved the amendment of the Fourth Article of the Articles of Incorporation to shorten the corporate term to June 30, 2023. The company obtained all necessary regulatory approvals for the closure of its business. On January 6, 2026, the BIR officially cancelled the company's registration.

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries is the Philippines.

Except as discussed below, the voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its ownership interest.

The following are the highlights of significant transactions of the Parent Company and subsidiaries, part of which affected the Parent Company's investments in its subsidiaries:

Parent Company

Capital infusions

In 2025, the Parent Company infused the following investments:

- On March 17, 2025, the Parent Company infused into AC Logistics ₱1.27 billion to fund the closure of the Express business of Airfreight 2100, Inc. (AF2100) in exchange for 1.27 billion redeemable preferred shares with a par value of ₱1.00 per share.
- On April 28, 2025, the Parent Company subscribed to 30.0 million AC Infra redeemable preferred shares, with a par value of ₱1.00 per share, for ₱30.0 million. The infusion will fund AC Infra's share in the capital call of AF Payments Inc (AFPI).
- On May 22, 2025, the Parent Company subscribed to 20,000 redeemable preferred shares of AC Mobility Holdings, Inc. (AMHI) with ₱10,000 par value per share for a total of subscription price of ₱2.0 billion, inclusive of additional paid-in capital (APIC) of ₱1.8 billion. The funds will be used for the working capital requirements of BYD Distribution.



- d. On June 19, 2025, the Parent Company infused ₱323.4 million for 323.4 million AC Logistics redeemable preferred shares with ₱1.00 par value per share. This infusion will partially fund the capital expenditure requirements of Cargohaus, Inc. (Cargohaus) and A-Movement Corporation (A-Movement).
- e. On July 2, 2025, the Parent Company infused ₱314.0 million to ACX to fund additional requirements of Anko JV Company, Inc (Anko JV). The infusion will consist of ₱45.0 million to fully pay the subscription to 215.0 million preferred shares (of which ₱170.0 million was paid in October 29, 2024), and ₱269.0 million as new subscription to 26.9 million preferred shares.
- f. On July 25, 2025, the Parent Company infused ₱1.7 billion to AMHI in exchange for 17,000 redeemable convertible preferred shares with ₱10,000 par value for a total subscription price of ₱1.7 billion, inclusive of APIC of ₱1.5 billion to fund the growth plans of infra charging stations, KIA Distribution, and IDI-BYD Dealerships. On the same day, the Parent Company subscribed to 11.0 million preferred shares of ACX with ₱1.00 par value per share at a total subscription price of ₱110.0 million to fund the initial requirements of Makro PH.
- g. On September 30, 2025, the Parent Company subscribed to 20.0 million redeemable preferred shares of AC Infra, with a par value of ₱1.00 per share, for ₱20.0 million.
- h. On November 10, 2025, the Parent Company subscribed to 103.4 million AC Infra redeemable preferred shares, with a par value of ₱1.00 per share, for ₱103.4 million to fund working capital requirements of Integrated Waste Management, Inc. (IWMI) and Waste and Resources Management, Inc. (WARM).

In 2024, the Parent Company infused the following investments:

- a. On January 8, 2024 into AC Health amounting to ₱2.20 billion intended for various projects and new investments. The Parent Company subscribed to 215.5 million common shares and 323.2 million preferred shares. The subscription price for both common and preferred shares is ₱4.00 per share.
- b. On January 10, 2024 into AMHI amounting to ₱333.5 million in exchange for 4,169 redeemable preferred shares at ₱80,000.00 per share to fund operations as holding company and the start-up operations of its new BYD brand distribution, and the initial set-up of dealerships.
- c. On January 25, 2024 into AMHI amounting to ₱288.0 million in exchange for 2,880 redeemable preferred shares at ₱100,000.00 per share to fund its electric vehicle (EV) charging infrastructure and Bosch capital requirements.
- d. On February 20, 2024 into AC Ventures amounting to ₱111.2 million in exchange for 185,288 common shares at ₱600.00 per share and is intended for 917 Venture's research and development.
- e. On March 12, 2024 into AC Health amounting to ₱547.0 million in exchange for 82.1 million preferred shares and 54.7 million common shares, both at a subscription price of ₱4.00 per share to fund:
 - i. Healthway Philippines, Inc. (HPI) and Healthway Medical Center (HMC) capital expenditures and operating expenses
 - ii. KonsultaMD funding requirements
 - iii. AC Health operating expenditures, capital expenditures, and business development costs
- f. On March 25, 2024 into AC Infra amounting to ₱2,925.0 million in exchange for 701,465 common shares at ₱4,169.8 per share to extend a loan to Entrego Express Corporation (Entex) to settle its liabilities and fund other wind down costs.
- g. On May 2, 2024 into AC Health amounting to ₱844.0 million in exchange for 84.4 million common shares and 126.6 million preferred shares, both at subscription price of ₱4.00 per share to fund the 2024 capital expenditure requirement of Healthway Qualimed Hospitals.
- h. On April 8, 2024 into AC Logistics amounting to ₱925.0 million in exchange for 438.4 million common shares at ₱2.11 per share to fund its operating expenses and infusions in Air21 Holdings, Inc. (AHI) operating companies.
- i. On May 27, 2024 into AC Logistics amounting to ₱406.0 million in exchange for 192.4 million common shares at ₱2.11 per share to partially fund GMAC Logitech Refrigeration Corporation's (GMAC) construction of its Davao facility and the capital call of AHI.



- j. On July 15, 2024 into AC Logistics amounting to ₱100.0 million in exchange for 47.4 million common shares at ₱2.11 per share to fund its infusions into Cargohaus for the latter's capital expenditure requirement.
- k. On August 8, 2024 into AC Infra amounting to ₱40.0 million for 40.0 million redeemable preferred shares at ₱1.00 per share to fund the requirements of AFPI.
- l. On August 20, 2024 into AC Ventures ₱22.4 billion in exchange for 22.4 million common shares at ₱1,000.00 per share to fund its acquisition of 157.6 million common shares in its associate, Globe Fintech Innovations, Inc. (Mynt), from selling shareholders ASP Phil LP ("Bow Wave"), Lion Fintech Investments Pte Ltd. ("Warburg"), and Insight PHP Holdings, Ltd. ("Insight").
- m. On August 29, 2024 into AC Industrials amounting to ₱160.0 million for 160,000 redeemable preferred shares at ₱1,000.00 per share to fund the exit from motorcycle businesses which hold the KTM and Husqvarna brands.
- n. On September 17, 2024 into AC Logistics amounting to ₱187.5 million for 187.5 million redeemable preferred shares at ₱1.00 per share fund its share in the capital call of AHI which will then be used for AF2100's operating expenses, working capital, and settlement of long-outstanding liabilities.
- o. On October 29, 2024 into AG Counselors Corporation (AGCC) amounting to ₱170.0 million or ₱1.00 per share, as subscription to 170.0 million preferred shares. This was intended for capital infusion to its wholly-owned subsidiary A&Co Holdings Corporation (AHC) which will then invest in Anko JV.
- p. On November 12, 2024 into AC Ventures amounting to ₱152.2 million or ₱100.00 per share, as subscription to 1.52 million redeemable preferred shares class "C" to be issued out of the increase in authorized capital stock.
- q. On November 22, 2024 into AC Logistics amounting ₱77.5 million to fund its share in the capital call of AHI for 77.5 million shares with par value of ₱1.00 per share for said capital call which will come from the increase in its authorized capital stock once approved by the Securities and Exchange Commission (SEC).
- r. On December 9, 2024 into AC Industrials amounting to ₱400.0 million, inclusive of APIC of ₱360.0 million, for 400,000 redeemable preferred shares with par value of ₱100.00 per share. The funds will be used for the expansion of BYD brand dealerships.
- s. On December 9, 2024 into AMHI amounting to ₱670.0 million, inclusive of APIC of ₱603.0 million, for 6,700 redeemable preferred shares of AMHI with ₱10,000 par value. This will support the expansion of the EV infrastructure business.
- t. On December 13, 2024 into AC Logistics amounting to ₱71.0 million to fund its share in the capital expenditure requirements for the construction of GMAC's Davao facility for 33.7 million common shares with par value of ₱2.11 per share.

Investment in ACEIC

ACEN acquisition of Negros Island Solar Power, Inc. shares from Asian Energy Impact Trust Plc (AEIT)

On March 6, 2025, ACEN executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT, involving the sale by AEIT of 7,371 Redeemable Preferred Shares E (RPS E) of Negros Island Solar Power, Inc. (ISLASOL), a subsidiary of ACEN, in favor of ACEN with a total purchase price of ₱141.3 million. Upon the completion of the sale, subject to obtaining the requisite certificate authorizing registration from the Bureau of Internal Revenue (BIR), ACEN will acquire full ownership of ISLASOL. Simultaneous with ACEN's acquisition of shares from AEIT, ISLASOL redeemed 15,906 RPS E shares held by AEIT in ISLASOL with a total redemption price amounting to ₱488.7 million.

The acquisition was accounted for as involving entities under common control. As a result, ACEN's direct and indirect ownership in ISLASOL increased from 60.0% to 100.0% and ACEIC's direct and indirect ownership increased from 34.8% as of December 31, 2024, to 58.6% to December 31, 2025. The preceding transactions resulted in an increase in equity reserve of ₱0.5 billion in the audited consolidated statement of changes in equity for the year ended December 31, 2025.



ACEN subscription agreements with Buendia Christiana Holdings Corp.

On March 17, 2025, ACEN signed a subscription agreement with its subsidiary, Buendia Christiana Holdings Corp. (BCHC), for ACEN's subscription to 660,000 common shares and 5.9 million redeemable preferred shares, to be issued out of the authorized capital stock of BCHC.

This transaction was a non-event at AC consolidated level as this was a transaction within the ACEIC Group.

Loan agreement with Amihan Renewable Energy Corp. (AREC)

On March 28, 2025, ACEN (as lender) entered into a Facility Agreement with AREC, as borrower for a ₱350.0 million term loan facility to fund AREC's working capital requirements. The loan is interest bearing and has a maturity date of five years from initial drawdown.

AREC is a wholly-owned subsidiary of North Luzon Renewable Energy Corp. (NLR). The ultimate parent of AREC and NLR is Philippine Wind Holdings Corporation (Philwind), which is a joint venture investment of the ACEIC Group (see Note 10).

ACEN stock rights offering

On April 23, 2025, the BOD of ACEN approved the offer and issuance of primary common shares by way of a stock rights offer to eligible stockholders. On May 30, 2025, ACEN submitted a request for confirmation of exempt transaction to the SEC and listing application to the PSE. On July 7, 2025, ACEN received SEC's confirmation of exempt transaction for the stock rights offering (SRO). On August 8, 2025, the BOD of ACEN approved its postponement of its proposed SRO due to revised scheduling of its capital expenditures in a number of its markets in Southeast Asia.

Sale of ACEN diesel plant companies to ACEIC

On June 16, 2025, ACEN's Executive Committee, acting on authority delegated by its BOD, approved the sale to ACEIC, of its 100% ownership interests in the following special purpose companies owning the ACEN Group's diesel plants:

- a. Bulacan Power Generation Corporation (BPGC) - 52MW diesel plant (Norzagaray, Bulacan)
- b. One Subic Power Generation Corporation (OSPGC) - 116MW diesel plant (Subic Freeport)
- c. La Union Thermal Inc. (LTI) - 21MW diesel plant (Bacnotan, La Union)

On August 29, 2025, ACEN and ACEIC executed a share purchase agreement covering the sale of the ACEN Group's outstanding common shares in the above entities for a total purchase price of ₱1.3 billion. On the same date, the parties also executed Deeds of Absolute Sale for the following:

- a. 6.0 million common shares with a par value of ₱100.00 per share in BPGC, representing 100% its issued and outstanding common shares;
- b. 33.5 million common shares with a par value of ₱1.00 per share in OSPGC, representing 17.13% of its issued and outstanding common shares; and
- c. 6.4 million common shares with a par value of ₱50.00 per share in LTI, representing 100% of its issued and outstanding common shares.

BGPC owns 162.0 million common shares with a par value of ₱1.00 per share in OSPGC, representing 82.9% of OSPGC's issued and outstanding common shares. Accordingly, upon ACEN's sale of BGPC, ACEIC became the 100% direct and indirect owner of OSPGC.

With this transaction, ACEN has fully divested its interest in the ACEN Group's diesel plants, thereby achieving its goal of reaching 100% renewable energy generation by the end of 2025.

The above transaction was a non-event at the AC and ACEIC consolidated levels as these were an exchange of assets within the Group and the impact to the audited consolidated statement of income, consolidated statement of financial position, and consolidated cash flows have been eliminated.



Disposition of land by BCHC in exchange for shares of AREIT, Inc. (AREIT) via property-for-share swap

On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC, a wholly-owned subsidiary of ACEN, to 199.1 million primary common AREIT shares in exchange for a 276-hectare parcel of land located in Zambales, subject to the approval of the SEC. This transaction was implemented simultaneous to AREIT's transaction with ALI and its subsidiaries which was approved by AREIT's shareholders on February 12, 2024.

Upon issuance of the AREIT shares in exchange for the Zambales property, Giga Ace 8, Inc., also a wholly-owned subsidiary of ACEN, will lease the land from AREIT for 25 years at a guaranteed fixed rent with annual escalation and with the option to renew for another 25 years.

The property was valued using the initial EBITDA over a capitalization rate of 6.92%. The share price was set at a 3.75% premium over AREIT's 30-day VWAP of ₱32.77 or the market price.

On September 25, 2024, SEC issued the Certificate of Approval of Valuation of the subject property. As a result of the foregoing, ACEIC acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the BIR, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the PSE.

The investment in AREIT is equity shares that are not held for trading by ACEIC. This is classified as an investment at FVOCI. The closing price of AREIT shares was ₱37.5 on September 25, 2024. The cost of the Zambales property amounted to ₱500.8 million resulting to a gain at ACEIC of ₱6,965.8 million.

On September 26, 2024, Giga Ace 8, Inc. (a wholly owned subsidiary of ACEN) and AREIT executed a contract of lease over the Property for the Group's 300MW solar power plant project in Palauig, Zambales. The lease term shall be from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and the lessee under such terms and conditions as may be acceptable to them. The initial rent shall be ₱173.54 per sqm per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payments commencing from July 1, 2025 shall be done in advance on a quarterly basis.

The lease liability amounted to ₱6,356.8 million, which is equivalent to 85% of the total fair value of the AREIT shares received from the transaction.

The above transactions qualified as a sale and leaseback transaction; consequently, 85% of the gain from the transaction will be recognized over the lease term and 15% of the gain from the transaction recognized upon closing of the transaction. For the year ended December 31, 2024, ACEIC recognized a gain amounting to ₱1,035.3 million.

The above transactions were non-events at AC consolidated level as these were an exchange of assets within the Group.

Investment in Yanara Philippines Corp. (Yanara Ph) (formerly BrightNight Philippines Corp. and Paivatar Energy Corporation)

On March 7, 2024, ACEN, and its wholly-owned subsidiary, Yanara Ph, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Yanara Ph as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines (see Note 23).

Investment in Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. ("MEM"), as the seller, for the acquisition by ACEN of 4,000 secondary common shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM's receivables from RWEI (see Note 23).



On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. ("Maraj"), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI (see Note 23).

On August 1, 2025, ACEN finalized the accounting for the acquisition of RWEI. There is no change from the provisional to the final purchase price allocation. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱1.4 billion.

Sale of shares indirectly owned by ACRI in PT UPC Sidrap Bayu Energi

On April 2, 2024, upon fulfillment of conditions precedent, ACRI, together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT Sidrap Bayu Energi ("SBE"), held through UPC Sidrap (HK) Limited ("Sidrap (HK)") and UPC Renewables Asia III Limited ("Asia III"), to Sunedison Sidrap B.V. (external party) (see Notes 10 and 22).

Subscription to Santa Cruz Solar Energy Inc. (SCSEI)

On March 29, 2023, ACEN signed a subscription agreement with its wholly-owned subsidiary, SCSEI, for the subscription by ACEN to 49,997,367 Common A Shares and 449,976,319 Redeemable Preferred A Shares (RPS A) of SCSEI for the total subscription price of ₱4,999.7 million.

Subscription to Bayog Wind Power Corp. (BWPC)

On April 4, 2023, ACEN signed a subscription agreement with its wholly-owned subsidiary, BWPC, for the subscription by ACEN to 3,608,515 Redeemable Preferred D Shares (RPS D), 2,965,722 Redeemable Preferred E Shares (RPS E), and 199,399 Redeemable Preferred G Shares (RPS G) of BWPC for the total subscription price of ₱677.4 million. BWPC is developing the 160MW Pagudpud Wind Project located in Barangays Balaoi and Caunayan, Pagudpud, Ilocos Norte, Philippines.

Subscription to additional shares in Natures Renewable Energy Development Corp. (NAREDCO)

On May 4, 2023, ACEN signed a subscription agreement with NAREDCO for the subscription by ACEN to (a) 66,470 Redeemable Preferred Shares A ("RPS A") with a par value of ₱2,820.51 per share or an aggregate par value of ₱187.5 million, and (b) 48,350 Redeemable Preferred Shares C ("RPS C") with a par value of ₱2,585.55 per share or an aggregate par value of ₱125.0 million in NAREDCO. The subscription price will be used by NAREDCO to fund the development of the 133MWdc Cagayan North Solar Power Plant Project (Phase 1) in Lal-lo, Cagayan.

Acquisition of ownership interest in ACEN Australia (formerly, UPC-AC Energy Australia (HK) Ltd. (UPC-ACE Australia))

On March 11, 2022, ACEN, through its subsidiary ACEN Renewables International Pte. Ltd. (ACRI), UPC Renewables Asia Pacific Holdings Pte Limited (UPCAPH), and Mr. Anton Rohner ("Rohner") signed a Share Purchase Agreement for ACRI's acquisition of the 50% ownership interest of UPCAPH and Mr. Rohner in ACEN Australia (formerly, UPC-ACE Australia) increasing ACRI's ownership to 80% (see Note 23).

On February 1, 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH's remaining 4,766 ordinary shares in UPC-AC Energy Australia (HK) Limited, which completes the second and final tranche of ACRI's acquisition of ACEN Australia. ACEN Australia, through ACRI, is now a wholly owned subsidiary of ACEN. The total consideration amounted to ₱4.7 billion (US\$85.4 million) including excess consideration or goodwill of ₱2.9 billion (US\$51.8 million). The acquisition of 20% ownership interest resulted to 100% interest in ACEN Australia. The excess of consideration over the carrying amount of the non-controlling interest is recognized under equity reserves.

Acquisition of 100% Interest in UPC Philippine renewable companies and businesses

On March 18, 2022, ACEN, its wholly owned subsidiary, ACE Endeavor, UPC Philippines, and Stella Marie L. Sutton (collectively "the Sellers") signed an agreement for the sale and purchase of UPC Philippine's and Ms. Sutton's share and/or subscription rights in the target companies to ACEN and ACE Endeavor.



In 2023, ACEN finalized the accounting for the acquisition of UPC Philippine renewable companies and businesses. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱118.4 million (see Note 23).

Declaration of cash dividends

On September 26, 2024, ACEIC's BOD approved the declaration of cash dividends to the Parent Company amounting to ₱2.0 billion. The record date is September 26, 2024, and paid within 2024.

On December 19, 2025, ACEIC's BOD approved the declaration of cash dividends to the Parent Company amounting to ₱1.3 billion at a rate of ₱8.33 per share. The record date is December 22, 2025, and paid within 2025.

ACEN's BOD approval

On March 7, 2023, ACEN BOD approved the amendment to the Seventh Article of the Articles of Incorporation to create Preferred Shares via the reclassification of 100.0 million unissued Common Shares into Preferred Shares, with par value of ₱1.00 per share. On April 24, 2023, during the annual special stockholder's meeting, the stockholders representing at least 2/3 of ACEN's authorized capital stock approved the amendment. On May 23, 2023, ACEN filed the Registration Statement with the SEC for the Shelf Registration of up to 50.0 million preferred shares and the proposed public offer and sale of up to 25.0 million of such preferred shares. On June 9, 2023, the SEC approved ACEN's Amended Articles of Incorporation.

Issuance and listing of ACEN preferred shares

On September 1, 2023, ACEN marked the issuance of its ₱25.0 billion perpetual preferred shares which were listed on the Main Board of the Philippine Stock Exchange (PSE) on September 1, 2023, under the trading symbols "ACENA" for the Series A preferred shares and "ACENB" for the Series B preferred shares.

Of the total proceeds from the issuance of Series A and B preferred shares, ₱8,827.83 million is held in an escrow account as of December 31, 2023 (see Note 9). Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures. This issuance resulted to an increase in non-controlling interests of ₱24.8 billion.

ACEN's sale of shares in ACEHI Netherlands B.V. (ACEHI Netherlands)

On July 10, 2023, ACRI completed the sale of 2,424 ordinary shares representing 24.24% of the outstanding capital stock of ACEHI Netherlands, a subsidiary of ACRI, to Star Energy Oil & Gas Pte Ltd. (SEOG, a third party) for US\$69.80 million which is a commercially agreed price between a willing buyer and seller. The sale transaction resulted in ACRI's loss of control over ACEHI Netherlands, resulting to recognition of gain on deconsolidation amounting to ₱1,062.0 million and remeasurement gain amounting to ₱3,433.3 million presented under "Other income" (see Notes 10, 22 and 23).

The fair value of ACEN shares held by ACEIC Group amounted to ₱63,369.44 million and ₱91,964.30 million as of December 31, 2025, and 2024, respectively.

Investment in AC Infra

Equity drawdown

On April 28, 2025, AC Infra requested for an equity drawdown in the amount of ₱30.0 million to fund AC Infra's share in the capital call of AFPI. AC Infra will issue 30.0 million redeemable preferred shares, with a par value of ₱1.00 per share coming from its existing and authorized capital stock.

On November 10, 2025, AC Infra requested for an equity drawdown amounting to ₱103.4 million to fund AC Infra's five-year non-interest-bearing working capital advance to IWMI and WARM. AC Infra



will issue 103.4 million redeemable preference share, with a par value of ₱1.00 per share, for this drawdown and it will come from its existing and unissued authorized capital stock.

Redemption of preferred shares

On July 11, 2025, the BOD of AC Infra approved the redemption of 176.0 million preferred shares held by the Parent Company at a redemption price of ₱1.00 per share or a total redemption price of ₱176.0 million; and the retirement of the redeemable preference share immediately after its redemption. The redemption was implemented on July 31, 2025. On October 16, 2025, the BOD of AC Infra approved the reduction of AC Infra's authorized capital stock equivalent to the redeemed and retired preferred shares.

On March 25, 2024, AC Infra granted a ₱2,925.0 million advance to Entex to be used to settle its outstanding bank loans and fund its winding down costs. As of December 31, 2024, the BOD of AC Infra approved the write-off of the advances to Entex.

On July 15, 2024, the SEC approved the increase in the authorized capital stock of AC Infra.

On October 25, 2024, AC Infra acquired the 100% equity share of BPI Asset Management and Trust Corporation (as Trustee of Ayala Corporation Employees' Welfare and Retirement Fund) in ARF Retail Holdings Corporation (ARFHC) for a total purchase price of ₱10.0 million. Consequently, AC Infra wholly-owned ARFHC and ARF Retail Company, Inc.

Movement in Authorized Capital Stock

On January 13, 2023, the SEC approved the decrease in the authorized capital stock of AC Infra thereby decreasing the preferred shares with ₱1.0 par value by ₱300.0 million from 4.7 billion shares to 4.4 billion shares. The decrease in authorized capital stock is in relation to AC Infra's redemption on October 21, 2021 of its preferred shares held by the Parent Company amounting to ₱300.0 million.

Integration of Entrego with AC Logistics

In December 2023, due to continuing challenges on the profitability of Entrego, its' operations and certain assets were transferred and integrated with AC Logistics Group. Improvements in operations is expected from lower costs, notable efficiencies, better coverages and improved service level agreements, yielding better results moving forward. As a result of winding down of Entrego's operations, certain assets have been impaired amounting to ₱132.0 million recognized at consolidated statement of income. This also resulted to recognition of impairment of investments in AC Infra at Parent Company financial statement amounting to ₱2,847.7 million (see Notes 7 and 22).

On January 29, 2024, the stockholders and BOD of the Entrego Group approved the shortening of its corporate terms of Entrego and its subsidiaries to May 30, 2025 subject for filing to and approval by the SEC. The SEC approved the shortening of its corporate terms of Entrego on April 18, 2024 and of Entex on April 25, 2025.

On April 5, 2024, the stockholders and BOD of Entrego approved the cessation of business operations of the Entrego Group effective July 1, 2024, and to terminate, confirm and ratify the termination of its employees effective January 1, 2024, and February 1, 2024, respectively.

In 2024, Entrego Fulfillment Solutions, Inc. (EFSI), Entrego Express Corporation (EEC) and Entrego Logistics Corporation (ELC) have adopted the liquidation basis of accounting, from going concern, following the shortening of their respective corporate terms May 30, 2025 as approved by the SEC. On May 29, 2025, EFSI redeemed 161.45 million preferred shares held by AC Infra at a redemption price of ₱1.09 per share, for a total consideration of ₱176.0 million.

The corporate existence of the Entrego Group companies expired on May 30, 2025.



As a result of the cessation of operations and liquidation, AC Logistics recognized write-offs of certain long-outstanding receivables, and the Parent Company recognized impairment provisions related to the closure of Entrego amounting to ₱2,925.0 million in 2024 (see Notes 7 and 22).

Investment in MCX Project Company, Inc. (MCXPCI)

Sale of investment in MCXPCI

On December 6, 2021, the Parent Company and Prime Asset Ventures, Inc. (PAVI) signed an Investment Agreement relating to the MCXPCI and the sale of the Parent Company's 100% ownership stake in MCXPCI subject to the satisfaction of certain conditions (see Note 13).

On various dates in 2022 and 2023, the Parent Company was able to satisfy the remaining conditions to complete the sale of its investment in MCXPCI including receipt of the required approvals from the SEC and DPWH (see Notes 13 and 23).

The transition of MCX operations and transfer of its assets and liabilities from the Parent Company to MCXPCI commenced on February 1, 2023 with the completion of full transfer of ownership of MCXPCI and MCX Project to PAVI on September 28, 2023 (see Note 13).

Post transaction, MCXPCI's assets and liabilities were deconsolidated from the Group's consolidated financial statements as at September 30, 2023.

The Group has received total proceeds of ₱3,800.0 million and recognized a total of ₱2,159.4 million gain on the divestment of MCX included as part of 'Net gain (loss) on sale of investment' under Other income (see Notes 22 and 23). Total taxes as a result of the divestment amounted to ₱23.1 million capital gains taxes and taxable income amounting to ₱1,964.1 million.

Investment in AC Industrials

Capital infusions of AC Industrials

On January 10, 2025, AC Industrials subscribed to 360,000 redeemable preferred shares with par value of ₱100.00 per share of Iconic Dealership, Inc. for a total subscription price of ₱360.0 million, inclusive of APIC of ₱324.0 million. The funds will be used for the construction and start-up of BYD dealerships.

On March 13, 2025, AC Industrials subscribed to 87,000 common shares with par value of ₱100.00 per share of ACEI for a total subscription price of ₱87.0 million, inclusive of APIC of ₱78.3 million. The funds will be used to settle outstanding obligations in relation to the termination of its distribution agreement.

Volkswagen operations

In July 2025, the Importer and Distributor Contract between Volkswagen AG and Automobile Central Enterprise, Inc., a subsidiary of AC Industrials, was terminated. A Temporary Continuation Agreement was signed effective August 1, 2025 for a period of eight weeks to support the wind down of operations.

Iconic Dealership Inc. (IDI)'s Dealership Agreement with Honda Cars Philippines, Inc. (HCP) was terminated effective December 31, 2025. Dealerships under IDI turned over the management and dealership operations of Honda to trusted new dealer principals until end of 2025.

In February 2024, AC Industrials subscribed to 42.5 million redeemable preferred shares of Adventure Cycle Philippines, Inc. with ₱10.0 par value for a total subscription price of ₱425.0 million, inclusive of APIC of ₱382.5 million.

In June 2024, Merlin Philippines redeemed its 13 preferred shares with ₱100.0 par from AC Industrials. Merlin Philippines is a subsidiary of Merlin Solar Technologies Inc. (Merlin US), which is a subsidiary of ACI Solar Holdings. ACI Solar Holdings is a subsidiary of ACI Singapore, which is a subsidiary of AC Industrials.



On September 27, 2024, AC Industrials subscribed to 250,000 redeemable preferred shares with par value of ₱100.00 per share of Automobile Central Enterprise, Inc. for a total subscription price of ₱250.00 million, inclusive of APIC of ₱225.0 million. The funds were used for the payment of loans and sale of inventories.

On October 1, 2024, AC Industrials subscribed to 60,000 redeemable preferred shares with par value of ₱100.00 per share of Iconic Dealership, Inc. for a total subscription price of ₱60.0 million, inclusive of APIC of ₱54.0 million. The funds were used for the winding up of motorcycle dealerships.

Third Party Fundraise of Merlin Solar

On July 23, 2024, an equity funding round had been concluded for Merlin Solar (with the participation of Ayala Group and other investors) resulting in the dilution of Ayala Group's indirect stake from 99% to 56%. Ayala Group infused US\$10.0 million into Merlin. The partnership provides Merlin with fresh capital, a wider customer network to drive the company's next phase of growth and enhanced technical expertise. This transaction also supports Ayala Group's strategic agenda of rationalizing its portfolio (see Note 23).

Divestment from MT Technologies

On August 8, 2024, the Parent Company through its subsidiary Ayala International Holdings Pte Ltd. (AIHPL), infused EUR2.2 million to AC Industrials (Singapore) Pte Ltd. (AC Industrials SG) for the latter to disburse to MT Technologies and C-con entities as part of an agreed overall restructuring support for the divested subsidiaries. In connection with this, a EUR 0.4 million loan was also extended by AIHPL to C-Con Munich.

Divestment in KTM Asia Motorcycle Manufacturing, Inc.

As part of AC Industrials' portfolio management initiatives, one of its subsidiaries (Adventure Cycle Philippines, Inc.) ceased its operations as Philippines distributor of KTM and Husqvarna motorcycles effective on September 30, 2024. On the same date, IDI, a wholly owned vehicle dealership subsidiary of AC Industrials, has stopped selling and servicing KTM and Husqvarna motorcycles. AC Industrials has executed a binding term sheet with KTM AG for the acquisition by KTM AG of all of AC Industrials' shares in the motorcycle manufacturing entity (KTM Asia Motorcycle Manufacturing, Inc.) based in Laguna, Philippines. However, on November 29, 2024, KTM AG filed for the initiation of judicial restructuring proceedings with self-administration. AC Industrials and KTM AG continue to discuss next steps in light of the said development.

Investment in AMHI

On July 30, 2025, AMHI subscribed to 6,000 redeemable preferred C shares with par value of ₱10,000 per share of KP Motors Corporation for a total subscription price of ₱600.0 million, inclusive of APIC of ₱540.0 million. The funds will be used for the working capital requirements of Kia Distribution.

On October 24, 2025, AMHI subscribed to 3.5 million common shares with par value of ₱200.00 per share of AC Mobility Premium Dealership, Inc., (APDI) for a total subscription price of ₱700.0 million, inclusive of APIC of ₱350.0 million. APDI was incorporated on November 3, 2025 and is engaged in the sale and distribution, service and repair of automobiles.

In March 2024, AMHI subscribed to 72,500 common shares with par value of ₱100.00 per share and 25,000 redeemable preferred shares with par value of ₱100.00 per share of AC Automotive Business Services, Inc., for a total subscription price of ₱75.0 million, inclusive of APIC of ₱67.8 million for the common share and total subscription price of ₱25.0 million, inclusive of APIC of ₱22.5 million for the redeemable preferred shares.

On September 19, 2024, AMHI entered into an Assignment of Subscription Rights with various Assignors for the 20,000,000 shares with ₱1.0 par value of Greenstrum, Inc (GSI). AMHI purchased GSI at ₱30.0 million plus ₱10.0 million earnout depending on the fulfillment of the declared sales forecast.



GSI was incorporated on August 2, 2021. GSI will assemble, manufacture, purchase, import, sell on wholesale basis, distribute, export, exchange, mortgage, pledge and otherwise dispose of, and generally to deal in or engage in any commerce relating to any and all types of electronic products and perform services related thereto; and to the extent permitted by law; to fabricate, manufacture, purchase and import machines and equipment for the design, process, manufacture and production and/or packaging of electronic assemblies and related products. GSI will sell equipment and technical services to support the EV Infrastructure business of AMHI.

In October 2024, AMHI invested ₱100.0 million in EVRO Mobility Solutions, Inc. (ESMI) for 1,000,000 common shares with par value of ₱10.00 per share and ₱90.0 million APIC.

ESMI, incorporated on October 16, 2024, is engaged in the business of creating and providing online applications, software and information technology services and solutions, software and information technology facilities for businesses related to or directly engaged in the electric vehicle charging stations business; operate as an e-Mobility Service Provider (EMSP) and as a payment gateway for the electric vehicle ecosystem; offer loyalty programs, mobile and fleet charging services, advertising realty on software platforms, and other related services.

On August 8, 2023, AC Industrials subscribed to 1.0 million common shares at ₱1.0 par value of AMHI representing 100% ownership. AMHI is the holding company of the investments in electric vehicle distribution and infrastructure of the Ayala Group.

Investment in IMI

Strategic closure of Chengdu facility to optimize operations

On January 24, 2025, IMI announced the strategic closure of its Chengdu, China facility. This move is part of the IMI Group's ongoing efforts to streamline operations and reduce costs, aligning with the company's strategy to consolidate its footprint into strategically located facilities.

Production at IMI Chengdu concluded in December 2024, with all customer commitments successfully met. The remaining customer projects have been seamlessly transferred to other IMI sites. IMI is working diligently to comply with local government regulations and initiated a six-month winding up period. On February 10, 2025, IMI Chengdu made a liquidation notice and registered a liquidation team with the Chengdu government.

Amendment of IMI's Articles of Incorporation and 2025 IMI Employee Stock Option Program

On March 7, 2025, IMI's BOD approved the following:

- a. amendment to the Second Article of its Articles of Incorporation to include in the primary purpose the following activities:

"To provide warehousing/logistics support services, particularly importation/procurement, storage, deposit, inventory management of goods for subsequent sales, transfers or dispositions to clients, interested establishments, agencies and/or export enterprises".

- b. 2025 Employee Stock Option Program which may be in the form of a Stock Appreciation Rights Plan that grants cash settled and/or equity settled options (at the option of the company) to its key talents.

Both were ratified by IMI's stockholders on April 22, 2025. The SEC approved the amendments to IMI's Second Article of its Articles of Incorporation on May 7, 2025

Investment in Integrated Micro-Electronics Czech Republic s.r.o.

On July 31, 2025, IMI announced the completion of the sale of its 100% equity interest in Integrated Micro-Electronics Czech Republic s.r.o. to Keboda Deutschland GmbH & Co. KG, a subsidiary of Keboda Technology Co., Ltd., a publicly listed company based in China. Keboda is a leading system



solution provider for automotive intelligent and energy-sufficient electronics components (see Note 23).

Investment in VIA Optronics

On November 27, 2025, IMI announced the completion of the sale through its wholly-owned subsidiary, Coöperatief IMI Europe U.A., of its 50.32% equity interest in VIA Optronics AG to Kronen 3140 GmbH (to be known in the future as V-PTR Beteiligungs GmbH) which is owned by some members of VIA's management and advisory team (see Note 23).

Consolidation of IMI Kuichong in Shenzhen, China

As part of IMI's continued efforts to drive efficiency across the organization, the company has successfully transferred the manufacturing activities of IMI Kuichong to its nearby facility in Pingshan, Shenzhen. Final production activities in IMI Kuichong were concluded on September 30, 2025, and consolidation efforts now shift towards the seamless integration of operations into the Pingshan facility.

Throughout this transition period, IMI's management team will prioritize business continuity and ensure that key customer accounts from IMI Kuichong will be served with minimal disruption. This strategic move is expected to further improve operational efficiency, increase capacity utilization in IMI Pingshan and further streamline IMI's footprint in China.

IMI remains committed to delivering world-class manufacturing solutions while continuously aligning its operations with evolving customer needs and shifting market dynamics.

The consolidation has no impact on the group structure since both plants are under the legal entity IMI Technology (Shenzhen) Co. Ltd. (IMI SZ).

Voluntary Delisting of VIA on New York Stock Exchange (NYSE)

In 2020, VIA AG raised some proceeds through an initial public offering (IPO) and was listed on the NYSE under the ticker symbol "VIAO". As a result of the IPO, IMI's ownership interest in VIA was diluted from 76.01% to 50.32%. On April 9, 2024, VIA announced its intention to voluntarily delist its American Depositary Shares ("ADSs") from the NYSE, terminate its registration with the U.S. Securities and Exchange Commission ("US SEC"). On July 29, 2024, the delisting from the NYSE and deregistration of its ADS by the SEC was completed (see Notes 12, 14 and 22).

Sale of STI Enterprise Limited (STI)

On August 3, 2023, IMI and minority shareholders of STI have entered into an agreement to sell their respective 80% and 20% shares in STI to Rcapital, a private investment firm based in London with a portfolio of UK-based companies including precision engineering solution providers in the aerospace and defense sectors, for an agreed consideration of GBP 2.5 million to be paid two years after the completion date. With the condition precedent having been met, particularly, the UK government's clearance under the National Security and Investment Act 2021, and closing deliverables having been exchanged by the parties, the transaction was completed on October 31, 2023 (see Note 23).

Impairment provisions on Investments in STI

On June 30, 2023, IMI performed an impairment test, based on the preliminary indicative price discussions with Rcapital, a London-based private investment firm, (see Note 25), and determined a one-time loss of approximately US\$84 million (¥4.7 billion), which includes the impairment of goodwill amounting to US\$55 million (¥3.0 billion), and the remaining allocated proportionately to certain assets. This impairment amount is reported under "General and administrative expenses" in the Group's consolidated statements of income.

The fair value of the IMI shares held by the Group amounted to ¥4,008.2 million and ¥1,721.1 million as of December 31, 2025 and 2024, respectively. The voting rights held by the Group in IMI is 47.90% and 52.10% in 2025 and 2024, respectively.



Investment in ALI

Sale of 50% stake in Alabang Commercial Corporation (ACC)

On December 23, 2025, ALI completed the sale of its entire interest in ACC (the owner of South Innovative Theater Management Inc.) for an aggregate consideration of ₱13.50 billion. The related gain recognized from the transaction amounting to ₱11.47 billion is presented within other income (see Notes 22 and 23).

Transactions within the ALI Group

On February 20, 2025, ALI's BOD approved the subscription of ALI and its subsidiaries, Accendo Commercial Corporation (Accendo), Cagayan de Oro Gateway Corporation (CDOGC), and Central Bloc Hotel Ventures, Inc. (CBHVI) to 505.9 million primary common shares of AREIT, in exchange for eight (8) commercial properties with an aggregate value of ₱21.0 billion, as validated by a third-party fairness opinion. The proposed property-for-share swap was approved by AREIT shareholders at their annual meeting on April 24, 2025 and by pertinent regulatory bodies.

On September 25, 2025, the SEC approved the property-for-share swap with Accendo, CDOGC and CBHVI. As a result, the ALI Group's holding in AREIT increased from 55% to 61%.

The above transaction was a non-event at the AC and ALI consolidated levels as these were an exchange of assets within the Group and the impact to the audited consolidated statement of income, consolidated statement of financial position, and consolidated cash flows have been eliminated

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

On March 13, 2025, the SEC approved the articles of merger of ALI and the following subsidiaries. Consequently, the subsidiaries' operations and its assets and liabilities have been absorbed by ALI effective April 1, 2025.

ALI Triangle Hotel Ventures, Inc.	Hillsford Property Corporation
ALO Prime Realty Corporation	HLC Development Corporation
Altaraza Prime Realty Corporation	Integrated Eco-Resort Inc.
Amorsedia Development Corporation	North Ventures Commercial Corp.
Arcasouth Hotel Ventures, Inc.	One Makati Hotel Ventures, Inc.
Asiatown Hotel Ventures, Inc.	Prima Gaedi Development Corp
Ayala Hotels Inc.	Primavera Towncentre, Inc.
Ayalaland Medical Facilities Leasing Inc.	Red Creek Properties, Inc.
Buendia Landholdings, Inc.	Regent Horizons Conservation Company, Inc.
Cebu Leisure Co. Inc.	Seda Colleges Inc.
Circuit Makati Hotel Ventures, Inc.	Southportal Properties, Inc.
Crimson Field Enterprises, Inc.	Sunnyfield E-Office Corp
Ecoholdings Company, Inc.	Westview Commercial Ventures Corp.
Enjay Hotels, Inc.	Whiteknight Holdings, Inc.
FIVE STAR Cinema Inc.	

AyalaLand Estates Inc. (ALEI), a wholly-owned ALI subsidiary, completed acquisitions that increased its ownership in three subsidiaries. ALEI purchased the 40.0% non-controlling interest in Arabica Midland Holdings, Inc. (AMHI) on January 10, 2025, the 15.0% non-controlling interest in Torcello Holdings, Inc. (THI) on May 28, 2025 and the 35.0% non-controlling interest in Erinome Holdings, Inc. (EHI) on May 28, 2025, bringing the ALI Group's ownership to 100.0% in AMHI, 95.0% in THI and 95.0% in EHI respectively. During the year, ALEI acquired 100.0% equity interest in Westpaddock Holdings Inc., Angetenar Development, Corp., and Taygata Development, Corp.



ALI Performance Shares (APS) and 2025 ALI Employee Stock Ownership (ESOWN) Plan

Also on February 20, 2025, ALI's BOD approved the following:

- a. APS Plan which is designed to propel the ALI Group's three-year strategy, strengthen key talent engagement and ensure alignment with shareholder interests. The APS supplements the ALI Group's existing ESOWN. Shares issued from the APS will form part of the 3% allocation of the ALI Group authorized common shares for stock options. The APS was approved by ALI's stockholders on April 24, 2025.
- b. The 2025 stock option program pursuant to the ESOWN which authorizes the grant to qualified executives, in accordance with the terms of the ESOWN Plan, of stock options covering up to a total of 8.1 million common shares at a subscription price of ₱20.42 per share, which is the average price of our common shares at the PSE over the last 5-day average trading as of February 14, 2025, less a prescribed discount. A total of 12.0 million shares is allocated for APS to vest over three years.

Acquisition of ABS-CBN Corporation's (ABS-CBN) property

On February 27, 2025, ALI signed a Memorandum of Agreement for the acquisition of a portion of ABS-CBN's property located in Quezon City, subject to conditions precedent, including clearance by the Philippine Competition Commission (PCC), among others. On August 20, 2025, ALI and ABS-CBN signed the Deeds of Absolute Sale (DOAS) upon compliance with the conditions precedent for a consideration amounting to ₱6.2 billion.

Acquisition of additional shares of Roxas Land Corp. (RLC)

In 2025, ALI acquired 3,600,000 shares of stocks constituting the remaining 50% of the total outstanding capital stock in RLC from the existing investor for a consideration amounting to ₱158.8 million. As a result, RLC became a wholly owned subsidiary. Total impact of this transaction to equity reserves is an increase of ₱177.7 million and a reduction in non-controlling interest amounting to ₱336.5 million.

Conversion of voting preferred shares into common shares

On March 14, 2025, ALI converted 43,777 voting preferred shares into common shares which were sourced from its existing listed treasury shares. This is in relation to ALI's Voting Preferred Shares Redemption Program which commenced on June 29, 2022. All of the converted voting preferred shares will be retired.

As a result of the conversion, ALI's issued shares were 15.7 billion common shares and 13.1 billion voting preferred shares while outstanding shares were 14.6 billion common shares and 12.4 billion voting preferred shares.

The voting preferred shareholders may continue to convert their shares into common shares at a conversion ratio of 1 voting preferred shares to 1 common share at a price which shall be the higher of (i) the average closing price for the immediately preceding 30 trading days less the par value of the voting preferred shares of ₱0.10 per share, and (ii) the closing price immediately preceding the conversion date less the par value of the voting preferred share of ₱0.10 per share.

Block sale of AREIT shares

On July 3, 2025, ALI sold an aggregate of 12.0 million common shares of AREIT at a transaction price of ₱40.78 per share, equivalent to ₱489.4 million.

This resulted in an increase in non-controlling interests of ₱294.0 million and equity reserve of ₱194.6 million in the audited consolidated statements of changes in equity for the period ended December 31, 2025.

Buyback of shares

As of December 31, 2025, ALI purchased a total of 433.5 million common shares at an average price of ₱23.03 per share for a total consideration of ₱9.9 billion under its share buyback program.



Dividend declaration

On February 20, 2025, ALI's BOD approved the declaration of a regular cash dividend of ₱0.2888 per common share for the first half of 2025 to stockholders of record on March 5, 2025, and paid on March 21, 2025.

On June 13, 2025, ALI's BOD approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of ₱0.00632862 per share, equivalent to a dividend rate of 6.32862% per annum. The payment was made on June 27, 2025, to stockholders on record as of June 20, 2025.

On October 28, 2025, ALI's BOD approved the declaration of regular cash dividends of ₱0.2928 per common share for the second half of 2025 to stockholders of record on November 12, 2025, and paid on November 26, 2025.

Changes in ALI Group structure

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

On January 26, 2024, ALI and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181.0 million common shares of AREIT at a transaction price of ₱31.10 per share, equivalent to ₱5.6 billion.

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

On March 12, 2024, the BOD of ALI approved the merger of 34 entities that are wholly owned directly by ALI, or through AyalaLand Estates, Inc. (ALEI) and AyalaLand Hotels and Resorts Corp. (AHRC), ALI, as the surviving entity. The plan of merger was approved by ALI stockholders during their annual meeting on April 25, 2024. The merger is an internal restructuring to simplify the ownership structure and is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies.

On March 14, 2024, Alveo Land Corp. acquired 1.37 million common shares and 6.59 million preferred shares of Portico Land Corp from the remaining investor for a purchase price of ₱534.3 million. The acquisition is accounted as involving entities under control. As a result, Portico became a wholly owned subsidiary of ALI.

The following ALI subsidiaries were dissolved in 2024:

- On April 17, 2024, CMPI Holdings Inc. was dissolved following the approval of SEC of the shortening of its corporate life.
- Kingfisher Capital Resources Corp., a subsidiary of Ten Knots Development Corp., a wholly owned subsidiary of ALI, has been dissolved effective June 28, 2024.
- Following subsidiaries of ALLHC were dissolved in August 2024: a) Orion Holdings Philippines, Inc., a wholly owned subsidiary of ALLHC; b) Luck Hock Venture Holdings, Inc., a wholly owned subsidiary of Orion Land Inc., which is 100% owned by ALLHC; c) TPI Holdings Corporation, a wholly owned subsidiary of Tutuban Properties Inc. which is 100% owned by ALLHC.

On April 25, 2024, MTDK Corporation was incorporated with Makati Development Corp. (MDC), a wholly owned subsidiary of ALI, owning 67% of the company.



AyalaLand Estates, Inc. (ALEI) acquired 100% equity interest in the following companies and these transactions are accounted as acquisition of asset:

Company Name	Acquisition Date	No. of Common Shares	Equity Interest	Amount
Cebalrai Development Corp.	09/27/2024	100,000	100%	₱1,000,000
Southcreston Holdings Inc.	09/18/2024	100,000	100%	1,000,000
Alchiba Development Corp.	10/28/2024	100,000	100%	1,000,000
Balitiger Inc.	10/25/2024	100,000	100%	1,000,000
Froston Inc.	10/22/2024	100,000	100%	1,000,000
Gomaisa Development Corp.	10/25/2024	100,000	100%	1,000,000
Kleysha Development Corp.	10/22/2024	80,000	80%	800,000
Praecipua Development Corp.	10/22/2024	100,000	100%	1,000,000
Arabica Midland Holding, Inc.	12/17/2024	60,000	60%	600,000
Torcello Holdings, Inc.	12/18/2024	80,000	80%	800,000
Erinome Holdings, Inc.	12/19/2024	60,000	60%	600,000
				₱9,800,000

ALI Capital Corp., a wholly owned subsidiary of ALI, sold its 100% ownership in AirSWIFT Transport Inc. to Cebu Air Inc. for a total share price of ₱120.0 million resulted into a recovery of accumulated losses amounting to ₱914.3 million.

On May 20, 2024, ALI, and its wholly-owned subsidiary, Westview Commercial Ventures Corp., sold an aggregate of 98.0 million common shares of AREIT at a transaction price of ₱32.45 per share, equivalent to ₱3.2 billion. On September 20, 2024, ALI sold 75.0 million common shares of AREIT at a transaction price of ₱36.20 per share, equivalent to ₱2.7 billion.

On September 26, 2024, the SEC approved the property-for share swap with ALI, Greenhaven Property Ventures, Inc. (Greenhaven), Cebu Insular Hotel Co., Inc. (Cebu Insular), and Buendia Christiana Holdings Corp. (BCHC), involving the issuance of 841.3 million AREIT primary common shares to ALI, Greenhaven, Cebu Insular, and BCHC, in exchange for four (4) commercial buildings located in Ayala Center Makati and Ayala Center Cebu, and a 276-hectare parcel of industrial land located in Zambales, with an aggregate value of ₱28.6 billion. In line with this, the parties have executed an Amendment to the Deed of Exchange for AREIT to recognize the income from the new assets effective July 1, 2024. As a result, the ALI Group's holding in AREIT was reduced from 66% to 55%.

On November 4, 2024, ALI acquired the shares of Aboitiz Land, Inc. ("Aboitiz Land") and Aboitiz Equity Ventures Inc. (AEV) in Cebu District Property Enterprise Inc. (CDPEI) for ₱1.8 billion. As a result, CDPEI, which was accounted from investment in associates and joint ventures became a wholly owned subsidiary of ALI.

On December 9, 2024, ALI sold 75.0 million common shares of AREIT at a transaction price of ₱37.00 per share, equivalent to ₱2.8 billion. All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control.

Sale of Seda Lio to AREIT

On January 17, 2024, AREIT completed the acquisition of the 153-room Seda Lio in Palawan from ALI's wholly owned subsidiary, Econorth Resort Ventures, Inc. for ₱1,192.00 million.

Block sale of AREIT shares

On January 26, 2024, ALI, and its wholly owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc., sold an aggregate of 181.0 million common shares of AREIT at a transaction price of ₱31.10 per share, equivalent to ₱5.6 billion, in relation to its property-for-share swap transaction with AREIT.

On May 20, 2024, ALI, and its wholly owned subsidiary, Westview Commercial Ventures Corp., sold an aggregate of 98 million common shares of AREIT at a transaction price of ₱32.45 per share, equivalent to ₱3.2 billion, in relation to its property-for-share swap transaction with AREIT. This



resulted in an increase in noncontrolling interests of ₱9.0 billion and equity reserve of ₱5.0 billion in the consolidated statements of changes in equity for the period ended December 31, 2024.

On September 20, 2024, ALI sold an aggregate of 75 million common shares of AREIT at a transaction price of ₱36.20 per share, equivalent to ₱2.3 billion.

All these transactions were executed in relation to the property-for-share swap with AREIT.

This resulted in an increase in noncontrolling interest of ₱9.0 billion and equity reserve of ₱5.0 billion in the consolidated statement of changes in equity for the period ended December 31, 2024.

Sale of ALI and ACEN properties to AREIT

On February 12, 2024, the shareholders of AREIT approved the issuance of 841.26 million primary common shares to ALI and its subsidiaries, and to BCHC at an issue price of ₱34.00 per share, in exchange for four prime commercial buildings of ALI and a land of BCHC, with an aggregate value of ₱28.6 billion.

On September 26, 2024, the SEC approved the property-for share swap among ALI, AREIT, ACEN, and certain subsidiaries of ACEN. In line with this, the parties have executed an Amendment to the Deed of Exchange for AREIT to recognize the income from the new assets effective July 1, 2024 (refer to the discussion of Investment in ACEIC).

Retirement of treasury shares

On March 12, 2024, the BOD of ALI approved the retirement of 1,374,477,380 common treasury shares arising from the internal mergers as follows: a) 883,171,005 treasury shares arising from the merger of ALI with its wholly owned entities, subject to regulatory approvals on the merger and issuance of shares; b) 491,306,375 treasury shares arising from the merger with Cebu Holdings, Inc. and its former subsidiaries, Asian I-Office Properties, Inc., Arca South Commercial Ventures Corp., and Central Block Developers, Inc.

Investment in Cebu District Property Enterprise Inc. (CDPEI)

On June 14, 2024, ALI entered into a share sale and purchase agreement with Aboitiz Land, Inc. ("Aboitiz Land") and Aboitiz Equity Ventures ("AEV") for the acquisition of their combined 50% equity interest in CDPEI. The acquisition is valued at ₱1.81 billion in exchange for 18.1 million CDPEI shares. Following the transaction, ALI will own 100% stake of the entity. On November 4, 2024, upon receipt of regulatory approval, ALI acquired the shares Aboitiz Land and AEV in CDPEI. As a result, CDPEI became a wholly owned subsidiary of ALI. ALI reclassified the amount from investment in joint venture to investment in subsidiaries in 2024 (see Notes 10 and 23).

Sustainability-Linked Financing (SLF) Program

On July 18, 2024, ALI successfully raised ₱20.5 billion in debt capital through its pioneering SLF Program. The funding package includes a ₱6.0 billion Sustainability-Linked Bond (SL-Bond) and ₱14.5 billion Sustainability-Linked Loan (SL-Loan) from the International Finance Corporation (IFC). This initiative marks a first for the Philippine real estate sector, adhering to international guidelines and independently verified by Det Norske Veritas.

The SLF Program aligns ALI's financial commitments with its environmental targets. The interest rates of the SL-Bond and SL-Loan are linked to ALI's performance on key sustainability metrics, including a 42% reduction in emissions from malls, offices, and hotels by 2030, and achieving EDGE Zero Carbon certification for 1.5 million square meters of office properties by 2025. The ₱6.0-billion SL-bond has a term of 10 years and is the first of its kind to be offered publicly in the Philippines.



Property-for-share swap between ALI and AREIT, Inc. (AREIT)

On March 7, 2023, the Executive Committee of ALI approved the subscription of ALI and its subsidiaries, Ayala Land Malls, Inc. (ALMI), and Northbeacon Commercial Corporation (NBCC) to 607.6 million primary common shares of AREIT, in exchange for flagship offices and malls with an aggregate value of ₱22,479.7 million, as validated by a third-party fairness opinion. On March 29, 2023, ALI sold 205.0 million shares (Offer Shares) of AREIT at a transaction price of ₱32.10 per share, equivalent to ₱6,580.5 million (exclusive of fees and taxes), in relation to its ₱22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holdings in AREIT was reduced from 66.0% to 54.4%, resulting to a decrease in non-controlling interest by ₱5,116.9 million and increase equity reserve by ₱2,237.7 million.

On September 20, 2023, ALI, ALMI, NBCC and AREIT received the SEC's approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of ₱22.5 billion in exchange for 607,559,380 primary common shares of AREIT, pursuant to the Deed of Exchange executed on June 2, 2023. Consequently, ALI's holding in AREIT increased to 66.0%.

Avida Land Corporation (Avida) merger

The merger of Avida and its subsidiaries, Buklod Bahayan Realty and Development Corp. and Avida Sales Corp. was approved by the SEC on April 20, 2023 with Avida as the surviving entity. Consequently, the companies' operations and its assets and liabilities have been absorbed by Avida effective May 1, 2023. The merger had no impact on the Group's consolidated financial statements.

BOD approvals

On February 20, 2024, ALI's BOD approved the raising of up to ₱50.0 billion in debt capital to partially finance general corporate requirements and refinance maturing debt through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or execution of bilateral term loans.

On February 24, 2023, ALI's BOD approved the decrease in authorized capital stock by ₱62.4 million from ₱21,500.0 million to ₱21,437.6 million, through the retirement of redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of the Articles of Incorporation. The decrease in authorized capital stock and the amendment of the Seventh Article were approved by the stockholders during the annual stockholders' meeting on April 26, 2023.

Declaration of cash dividends

On February 20, 2024, the BOD of ALI approved the declaration of a cash dividend of ₱0.2050 per outstanding common share which was paid on March 21, 2024 to stockholders of common shares as at record date of March 5, 2024. This reflects a 37% increase from the cash dividends declared in the first half of 2022 amounting to ₱0.1495.

On May 28, 2024, the BOD of ALI approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of ₱0.0063 per share, equivalent to a dividend rate of 6.33% per annum. The cash dividends were paid on June 25, 2024 to stockholders on record as of June 11, 2024.

On February 21, 2023, ALI's BOD approved the declaration of cash dividends of ₱0.1495 per outstanding common share. The dividend was paid on March 23, 2023 to stockholders of common shares as of record date of March 7, 2023. Further, on May 30, 2023, ALI's BOD approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of ₱0.006 per share. The dividend was paid on June 27, 2023 to stockholders of voting preferred shares as of record date of June 13, 2023.

Employee Stock Ownership Plan (ESOWN)

On February 20, 2024, ALI's BOD approved its 2024 stock option program pursuant to ALI's Employee Stock Ownership Plan which authorizes the grant to qualified executives, in accordance with the terms of the Employee Stock Ownership Plan, of stock options covering up to a total of



18.54 million common shares at a subscription price of ₱28.82 per share, which is the average price of ALI's common shares at the PSE over the last 30-day trading as of February 13, 2024, less a prescribed discount.

On February 24, 2023, ALI's BOD approved its 2023 stock option program pursuant to ALI's ESOWN which authorizes the grant to qualified executives, in accordance with the terms of the ESOWN, of stock options covering up to a total of 20.2 million common shares at a subscription price of ₱24.68 per share, which is the average price of common shares at the PSE over the last 5-day trading as of February 13, 2023, less a prescribed discount (see Note 28).

Buyback program

On various dates in 2024, ALI purchased a total of 225,747,400 common shares at an average price of ₱29.17 per share for a total consideration of ₱6.6 billion under its share buyback program. This resulted to an increase in ownership interest of Parent Company to 53.4% and 51.9% as of December 31, 2025 and 2024, respectively.

On various dates in 2023, ALI purchased a total of 137.1 million common shares at an average price of ₱26.96 per share for a total consideration of ₱3.7 billion under its share buyback program. This resulted to an increase in ownership interest of Parent Company to 51.0% and 51.0% as of December 31, 2024 and 2023, respectively.

Collateralized shares

ALI shares with carrying value of investment at Parent Company amounting to ₱21.2 billion and ₱14.0 billion as of December 31, 2025 and 2024, respectively, were collateralized to secure the Parent Company's loan facility. The fair value of ALI shares collateralized amounted to ₱81.0 billion and ₱62.4 billion as of December 31, 2025 and 2024, respectively (see Note 18).

The fair value of ALI shares held by the Parent Company amounted to ₱171.1 billion and ₱199.7 billion as of December 31, 2025 and 2024, respectively. The voting rights held by the Parent Company in ALI is 73.73% and 72.90% as of December 31, 2025 and 2024, respectively.

Investment in AC Health

Investment Agreement with ABC Impact Fund II LP

On August 8, 2025, AC Health's Executive Committee and its BOD approved the investment by ABC Impact Fund II LP (ABC Impact) through IMP2 Rise Pte. Ltd.'s subscription to common shares and redeemable preferred shares of AC Health equivalent to a ~16% economic stake (the "Transaction"). ABC Impact is a Singapore-based impact investor dedicated to Asia and backed by Temasek Trust and Temasek while IMP2 Rise Pte. Ltd. is a special purpose vehicle of ABC Impact.

On the same date, AC Health and IMP2 Rise Pte. Ltd. executed the Investment Agreement relating to the Transaction. The completion of the Transaction is subject to satisfaction of conditions precedent.

On September 1, 2025, ABC Impact subscribed to 121.1 million common shares with par value of ₱2.00 per share and 208.3 million preferred shares with par value of ₱1.00 per share at subscription price of ₱4.3013 and ₱4.1972 per share, respectively, for a total of ₱1.4 billion as its initial subscription for 16% share in AC Health.

On October 27, 2025, ABC Impact paid a total of ₱835.00 million for its subscription of 24.6 million common shares with par value of ₱2.00 per share and 20.4 million preferred shares with par value of ₱1.00 per share at ₱4.3013 and ₱4.1972 per share, respectively, out of existing authorized capital stock and another 64.3 million common shares with par value of ₱2.00 per share and 87.5 million preferred shares with par value of ₱1 per share at ₱4.3013 and ₱4.1972 per share, respectively, from increase in authorized capital stock.

These transactions reduced the total ownership of the Parent company to 93% as of December 31, 2025.



The Transaction is aligned with AC Health's vision of transforming healthcare for every Filipino, by building a seamless and integrated healthcare ecosystem. Furthermore, the investment supports AC Health's expansion across its core pillars of hospitals, multi-specialty clinics, and retail pharmacies - through a combination of organic initiatives and targeted acquisitions. By 2027, AC Health aims to expand its network to at least 10 hospitals, 300 clinics, and 1,150 pharmacies.

Capital infusions of AC Health

On January 8, 2024, AC Health subscribed and paid 41.1 million common shares and 96.3 million preferred shares of AHCHI Pharma Ventures, Inc. (APV), both with par value of ₱1.00 per share, with both subscription price of ₱10.00 per share for a total of ₱1,374.0 million to fund the acquisition of significant minority equity ownership in the pharmaceutical company.

On March 4, 2024, AC Health subscribed and paid ₱55.1 million and ₱6.12 million for the additional preferred and common shares, respectively, both at ₱1.00 per share intended for funding of KMD's working capital requirements for the first half of 2024.

In April and May 2024, AC Health subscribed and paid ₱1.3 billion for additional preferred shares at ₱100.00 per share intended for funding HMC, Inc. (HMC)'s capital expenditure, Mercado General Hospital, Inc. (MGHI)'s capital expenditure, MGHI's Block Share Purchase and HPI's working capital.

On September 30, 2024, AC Health subscribed and paid ₱44.1 million for additional 441,074 preferred shares at ₱100.00 per share intended for funding MGHI's Block Share Purchase and FEU capital expenditure.

On December 17, 2024, AC Health subscribed and paid ₱83.8 million for additional 837,534 preferred shares at ₱100.00 per share intended for MGHI's capital expenditure

On December 17, 2024, AC Health subscribed 50,000,000 common shares and paid ₱12.50 million at subscription price and par value of ₱1.00 per share. This is to subscribe to the increase in authorized capital stock.

On January 7, 2025, AC Health subscribed and paid ₱604.50 million preferred shares at ₱100.00 per share intended for funding Healthway Hospital Fairview, Inc. (HHFI) working capital.

On February 13, 2025, AC Health subscribed and paid ₱35.10 million and ₱3.90 million for the additional preferred and common shares, respectively, both at ₱1.00 per share intended for funding of KMD's winding down expenses.

On March 31, 2025 and August 6, 2025, AC Health subscribed and paid ₱84.85 million and ₱22.21 million preferred shares, respectively, at ₱100.00 per share intended for MGHI's capital expenditure.

On June 25, 2025, AC Health subscribed and paid ₱190.00 million preferred shares with par value of ₱1.00 per share intended for 12% additional stake in Generika.

On July 20, 2025, AC Health subscribed to 5,260,000 redeemable preferred shares at ₱100.00 per share for the subscription price of ₱526 million intended to fund MGHI's capital expenditures.

On November 3, 2025, AC Health subscribed to 3,130,000 redeemable preferred shares at ₱100.00 per share for the subscription price of ₱313 million to fund the purchase share price of CVGH, capital expenditures and friction costs.

On December 10, 2025, AC Health subscribed and paid ₱10.00 million common shares with par value of ₱1.00 per share intended to support APV's investment in AJS Pharma, Inc. (AJS) under Project Chapo. This is the first tranche of the ₱40.00 million capital commitment of APV to this joint venture representing a 40% equity stake in AJS.



As of December 31, 2025, AC Health's subscription payable amounted to ₱402.03 million and ₱125.14 million from the July and November subscription, respectively, for an aggregate subscription payable of ₱527.16 million.

Purchase of additional stake in Erikagen, Inc. (Generika)

On March 28, 2025, APV paid a total of ₱50.00 million to Ferrer group for additional 12% stake. On June 25, 2025, APV paid the balance of ₱190.00 million to Ferrer group to complete the purchase of 12% additional stake.

Sale of stake in KMD

On March 6, 2025, AC Health together with Globe Capital Ventures Inc and Salud Interactiva S.A DE C.V., signed a share purchase agreement with Metro Pacific Health Tech Corporation to sell their collective stake in KMD composing of 54,046,831 common shares and 12,000,000 preferred shares, constituting one hundred percent (100%) of the outstanding capital stock of KMD, at the selling price of ₱375.00 million.

On April 15, 2025, Vigos received proceeds of the sale from KMD amounting to ₱146.01 million exclusive of ₱9.70 million as hold out for pending electronic Certificates Authorizing Registration (eCAR) submissions. Sale price is inclusive of the convertible note of ₱53.15 million.

Vigos Ventures, Inc. (Vigos)

On March 4, 2024, Vigos infused ₱60.0 million to KMD by subscribing to 1.58 million common shares bringing its equity ownership up to 31.83% from 31.23%.

On July 31, 2024, Vigos infused ₱60.0 million to KMD by subscribing to 1.58 million common shares bringing its equity ownership up to 32.35% from 31.83%.

On February 21, 2025, Vigos extended a ₱53.15 million convertible note to KMD for its winding down expenses.

On August 5, 2025, Vigos redeemed and retired 105,000,000 preferred shares issued to the company for ₱105.00 million.

AHCHI Pharma Ventures, Inc. (APV)

On July 18, 2024, APV formally closed its purchase of 49% investment in Joleco Resources, Inc., operator of St. Joseph Drug Stores composed of 20,170 common shares with total purchase price of ₱1,225.0 million. St Joseph Drugstore is a North-Luzon based pharmaceutical company with 112 stores mainly concentrated in the Ilocos Region.

On December 15, 2023, APV entered into a Share Purchase and Call Option Agreement to purchase a significant minority equity ownership in Joleco Resources, Inc., operator of St. Joseph Drug Stores for a total purchase price of ₱1,225.0 million. The purchase price will be held in escrow with the release contingent on PCC's approval and conditions precedent (CP) to closing identified during due diligence.

Share transfer of Generika to APV

On March 31, 2025, AC Health entered a share transfer agreement transferring the 55% stake in Generika of AC Health to APV in exchange for agreed equivalent shares.

- Generika's 421,307 Common A shares (₱10.00 par value) and 47,427 Common B shares (₱750.00 par value) with a total par value of ₱4.21 million and ₱35.57 million, respectively, was exchanged from the AC Health to APV.
- APV then issues 58,726,919 common shares for ₱1.00 par value at an issue price of ₱10.00 per share with a total issue price of ₱587.27 million to AC Health.



Healthway Philippines, Inc. (HPI)

On March 18, 2024, HPI subscribed ₱582.0 million preferred shares at ₱1.00 per share intended for funding HMC's capital expenditure. In May and June 2024, HPI paid a total of ₱347.8 million to settle HMC's intercompany loan from AC Health.

On May 28, 2024, HPI subscribed ₱1.1 billion preferred shares at ₱10,000 per share intended for funding MGHI's capital expenditure. In June 2024, HPI paid a total of ₱635.0 million to settle MGHI's intercompany from AC Health and kickstart the capital expenditure rollout.

On May 2023, HPI subscribed and paid ₱562.4 million for the additional 56.2 million common shares and 506.2 million redeemable preferred shares both with par value of ₱1.00 per share intended for funding working capital requirements of Zodiac.

On November 26, 2025, HPI redeemed and retired 140,000 preferred shares issued to the company for ₱14.00 million payable on December 2025. As of December 31, 2025, the redemption was not yet paid to AC Health.

Mercado General Hospital, Inc. (MGHI)

On May 28, 2024, HPI subscribed ₱1.13 billion preferred shares at ₱10,000 per share intended for funding MGHI capital expenditure. In June 2024, HPI paid total of ₱635 million to settle MGHI's intercompany loans from AC Health and kickstart their capital expenditure rollout.

Equity restructuring

On August 31, 2023, AC Health secured from the SEC its certification for equity restructuring to partially wipe-out the deficit as of December 31, 2023 amounting to ₱1,881.9 million against APIC of ₱5,190.5 million.

Investment in AC Logistics

Capital infusions of AC Logistics

On March 17, 2025, AC infused to AC Logistics ₱1.27 billion to fund the closure of the express business of AF2100. AC Logistics will issue 1.27 billion redeemable preferred shares with a par value of ₱1.00 per share and coming from its existing and unissued authorized capital stocks.

On March 28, 2025 and April 21, 2025, AC Logistics subscribed a total of 39.2 million preferred shares (subscription deposit) of GMAC with ₱1.00 per share amounting to ₱39.2 million.

On May 13, 2025, AC Logistics subscribed a total of 29.4 million preferred shares (subscription deposit) of GMAC with ₱1.00 per share amounting to ₱29.4 million.

On June 19, 2025, AC infused ₱323.4 million to AC Logistics to fund its share in the capital expenditure requirements of: (1) the DHL Project of Cargohaus, and (2) the Carmona Warehouse Project of A-Movement Corporation. In consideration of the infusion, AC Logistics issued 323.4 million redeemable preferred shares with a par value of ₱1.00 per share. The shares were issued out of AC Logistics' existing authorized capital stock.

On April 19, 2024, AC Logistics subscribed 349.3 million common shares of AHI with ₱1.00 per share amounting to ₱349.3 million.

On May 17, 2024, AC Logistics subscribed 38.0 million common shares of GMAC with ₱1.00 per share amounting to ₱38.0 million.

On July 10, 2024, AC Logistics subscribed 15.3 million common shares (subscription deposit) of GMAC Logitech with ₱1.00 per share amounting to ₱15.3 million.

On September 4, 2024, AC Logistics subscribed 33.3 million common shares (subscription deposit) of GMAC Logitech with ₱1.00 per share amounting to ₱33.3 million.



On October 31, 2024, AC Logistics subscribed 18.1 million redeemable preferred shares (subscription deposit) of GMAC Logitech with ₱1.00 per share amounting to ₱18.1 million.

On December 10, 2024, AC Logistics subscribed 23.1 redeemable preferred shares (subscription deposit) of GMAC Logitech with ₱1.00 per share amounting to ₱23.1 million.

On January 9 and February 3, 2023, AC Logistics released the proceeds of its short-term advance to EFSI, amounting to ₱70.0 million and ₱295.0 million, respectively. The short-term advance is for a period of 60 days, commencing from release of the proceeds, and subject to an interest rate of 8% per annum. On March 3, 2023, the term was amended and changed to 180 days, (which may be extended not exceeding 60 days from the end of the 180 days). On June 6, 2023, AC Logistics released the proceeds of the second tranche of short-term advances to EFSI amounting to ₱350.0 million.

On January 30 and February 23, 2023, AC Logistics infused AHI with ₱68.1 million in exchange for 34.0 million AHI common shares and ₱57.8 million for 28.9 million AHI common shares, respectively. Also on February 23, 2023, AC Logistics subscribed to 69.9 million common shares of AHI for ₱139.7 million.

On August 9, 2023, AC Logistics infused GMAC with ₱9.8 million in exchange for 9.8 million GMAC common shares.

AC and AP Møller Partnership

On March 6, 2025, the Parent Company, through its wholly owned subsidiary, AC Logistics, and A.P. Møller Capital (AP Møller), through EMIF II Holding III B.V. (EMIF), entered into a Share Subscription Agreement for EMIF to acquire up to 40% of AC Logistics. AP Møller, with headquarters in Copenhagen, Denmark, is an infrastructure fund manager focused on scaling critical infrastructure needs, particularly in transport and logistics. As of December 31, 2025, the completion of the transaction is subject to finalization of subscription price and satisfaction of conditions precedent. In January 2026, the PCC announced its approval of the acquisition.

Shareholder advances

As of December 31, 2025, AC Logistics infused non-interest-bearing shareholder advances to Air 21 Holdings, Inc. totaling to ₱1.5 billion.

Share purchase of the sale of IWMI and WARM shareholdings

On September 8, 2025, AHI and Lucia Jane P. Lina (Ms. Lina) executed the Share Purchase Agreement for AHI to sell its 100% shares in IWMI and WARM to Ms. Lina or her designated assignee for nominal consideration, subject to the completion of conditions precedent. On November 20, 2025, the Deed of Absolute Sale (DAS) was fully executed and as of the same date, IWMI and WARM was deconsolidated from AHI Group.

Share purchase agreement with Metropac Movers, Inc. (MMI)

On January 20, 2023, AHI executed a Share Purchase Agreement with MMI for the purchase by AHI of 12% equity interest of MMI in each of Airfreight 2100 Inc., Air 2100, Inc., Integrated Waste Management Inc. (IWMI), and Waste and Resources Management, Inc. (WARM) for a total purchase price of ₱442.6 million. On February 1, 2023, the Deeds of Assignment of Shares of Stock for the shares of Air 2100, Inc., Integrated Waste Management Inc (IWMI), and Waste & Resources Management, Inc (WARM) were executed between AHI and MMI to implement the acquisition of the respective shares. On August 4, 2023, the Deed of Assignment of Shares of Stock for the shares of Air 2100, Inc. were executed between AHI and MMI to implement the acquisition of the shares.

Acquisition of and increase of ownership interest in AIR21 Holdings, Inc. (AHI)

On August 30, 2022, AC Logistics and Mr. Alberto D. Lina (Mr. Lina; an existing stockholder) reached financial close for AC Logistics' acquisition of a 60% interest in AHI amounting to ₱6.0 billion, through issuance by Mr. Lina of an exchangeable note to AC Logistics, and AC Logistics' subscription of



primary shares in AHI. AHI has controlling interests in eight operating companies that include Airfreight 2100 Inc., Air2100, Inc., U-Freight Philippines Inc., U-Ocean Inc., Cargohaus Inc., LGC

Logistics Inc., WARM, and IWMI (collectively, the AHI 8). AC Logistics acquired controlling interest in AHI by subscribing to 1.5 billion common shares at ₱1.5 billion subscription price (for 35% equity and voting interest) and through the voting proxies of the Exchangeable Note (for 25% voting interest) (see Note 23).

On March 7, 2023, a Letter of Undertaking (LOU) was issued by Mr. Lina and his Surety Parties (collectively, the “ADL Group”) in relation to the Investment Agreement dated November 11, 2021, as amended by the Supplement to the Investment Agreement dated August 30, 2022 (collectively, the “Investment Agreement”), as well as the Exchangeable Note Agreement (ENA) dated August 30, 2022 and other Transaction Documents evenly dated August 30, 2022 executed by AC Logistics, AHI, ADL Group and AHI 8”. The LOU contains various terms, supplemental agreements, and undertakings for implementation on or before March 14, 2023.

On March 14, 2023, AC Logistics, AHI, Mr. Lina, and the AHI 8 executed the Omnibus Addendum and Supplemental Agreements which contain, among others, the partial exercise by AC Logistics of its Exchange Right in the ENA whereby ₱4,050.7 million of the Exchangeable Note granted by AC Logistics to Mr. Lina shall be exchanged for common stocks of AHI owned by Mr. Lina. Effective on the same date, AC Logistics’ voting rights and equity ownership in AHI increased to 80.0% and 79.52%, respectively. This resulted to a decrease in non-controlling interest and equity reserve amounting to ₱1,520.1 million and ₱2,508.2 million, respectively.

The ₱506.3 million balances of the Exchangeable Note shall continue to earn interest pursuant to the provisions of the ENA and shall be settled, including any interest accrued thereon, in accordance with the relevant provisions of the ENA and the LOU. In the LOU, Mr. Lina shall no longer has the option to pay the primary and secondary coupons through an exchange of his shares in AHI.

On April 19, 2024, AHI received capital infusion from AC Logistics amounting to ₱349.28 million for the subscription to 349,280,550 common shares subscribed at the ₱1.00 per share par value. The capital infusion resulted to the increase in AC Logistics’ ownership equity to 81.45%, from 80.00%, in the Company. On May 30, 2024, the Company received APIC from Mr. Lina amounting to ₱303.99 million.

GMAC Logitech Refrigeration Corp.

On June 19, 2023, GMAC inaugurated and officially opened its Cold Storage Facility in Cagayan de Oro. GMAC is a joint venture between AC Logistics and GMI, a leading cold storage facility provider.

Integration of Entrego’s Operations

In December 2023, the operations and certain assets of Entrego have been integrated into AC Logistics Group (see also ‘Investment in AC Infra’ section).

Investment in AM 50 Ventures (previously, AC Ventures)

Strategic partnership with Mitsubishi Corporation (MC)

On March 31, 2025, the Parent Company, AM 50 Ventures and MC signed an Investment Agreement to document their agreement on the terms and conditions upon which MC would subscribe for shares in the capital stock of AM 50. Under the Investment Agreement, AM 50 Ventures would use the proceeds of the subscription to redeem AC’s redeemable preferred shares in AM 50 Ventures and cover related costs.

Pursuant to the Investment Agreement, on July 25, 2025, AC purchased 100 common shares in Mynt from AM 50 Ventures. On July 31, 2025 (following clearance of the transaction by the PCC on July 3, 2025 and satisfaction of other conditions precedent), AC, MC and AM 50 Ventures completed the transactions contemplated by the Investment Agreement, including the subscription by MC for shares of AM 50 Ventures for a total subscription price of approximately ₱19.0 billion, and the execution by



and among AC, AM 50 Ventures, and MC of a shareholders' agreement setting out their agreement on the management of AM 50 Ventures and AC and MC's rights and obligations as shareholders in AM 50 Ventures.

On August 4, 2025, and in accordance with the Investment Agreement, AM 50 Ventures redeemed Class A and Class C redeemable preferred shares held by AC for a total amount of approximately ₱19.0 billion. Following completion of the redemption, AC and MC each hold a 50% equity stake in AM 50.

The foregoing transactions resulted in the Ayala Group's partial divestment of AM 50, the fair revaluation of the Ayala Group's remaining interest in AM 50, and the recognition of remeasurement gain amounting to ₱10.4 billion (see Notes 10, 22 and 23).

Divestment from BF Jade (Zalora)

On December 5, 2025, the Company divested its entire interest in BF Jade E-Services Philippines, Inc. (Zalora), consisting of 358,630,194 shares or 44.57% ownership, which had a carrying value of zero. The investment was sold to Global Fashion Group (GFG) for a nominal consideration, and the proceeds have been recognized as the gain on disposal in the statement of comprehensive income for the year ended December 31, 2025.

Change in corporate name

In line with the new structure of AC Ventures as a joint venture between AC and MC, AC Ventures applied for a change in its corporate name from AC Ventures Holding Corp. to AM 50 Ventures Inc. (see Note 10). This was approved by the SEC on August 29, 2025. AC Ventures is currently in the process of changing its corporate name with the BIR.

Equity restructuring

On November 6, 2024, the BOD approved:

- a. the increase in authorized capital stock from ₱5,000.00 million divided into 50,000,000 common shares with par value of ₱100.00 per share, to ₱5,608.6 million divided into (i) 1,500 common shares with par value of ₱100.00 per share, (ii) 36,298,600 redeemable preferred shares class "A" with par value of ₱100.00 per share, (iii) 18,264,654 redeemable preferred shares class "B" with par value of ₱100.00 per share, and (iv) 1,521,585 redeemable preferred shares class "C" with par value of ₱100.00 per share
- b. conversion and/or reclassification of (i) 36,298,600 common shares into redeemable preferred shares class "A", and (ii) 13,699,900 common shares into redeemable preferred shares class "B"
- c. retirement of 1,379 common shares held in treasury at a redemption price of ₱100.00 per share

On September 18, 2025, the SEC approved AC Ventures' application for equity restructuring to fully wipe out its deficit as of December 31, 2024 amounting ₱73.0 million against its APIC.

Mynt

On August 1, 2024, AC Ventures executed a Share Purchase Agreement to acquire common shares in Mynt from existing shareholders, equivalent to an additional 8.45% ownership stake in Mynt. The acquisition closed on August 20, 2024, for a purchase price of ₱22.4 billion. This resulted in an increase in the ownership in Mynt from 5.22% to 13.67%.

On February 12, 2025, MUFG and Mynt closed its transaction on MUFG's acquisition of Mynt shares, completing MUFG's 8% stake in Mynt. This resulted to the dilution of Globe's and AC Ventures' respective ownership in Mynt from 36% to 34% and from 13.7% to 13.2%, respectively. Globe and AC Ventures each recognized calculated dilution gains amounting to ₱2.2 billion (with AC's equity share amounting to ₱0.7 billion) and ₱1.0 billion for the period ended December 31, 2025, respectively (see Note 22).



On June 2, 2025, the Mynt's BOD and shareholders, in their special board meeting and annual stockholders' meeting, approved the proposed stock split reducing the par value of Mynt's common shares from ₱1.00 per share to ₱0.03 per share, thereby increasing the number of authorized common shares from 2,149,773,612 to 71,659,120,400. Mynt's authorized capital stock of ₱2,149.8 million will remain the same. This was approved by the SEC on October 27, 2025.

Investment in ACX

Change in corporate name

On January 6, 2025, the SEC approved the amendment to AG Counselors Corporation's (AGCC) Articles of Incorporation including (1) the change of its corporate name to ACX Holdings Corporation, and (2) the change in its business activities from a business of advisory, consultancy assistance and other allied services, into a holding company with a principal business interest in the consumer retail space.

Capital infusions of ACX

On July 2, 2025, ACX Holdings Corporation infused to A&CO Holdings Corporation (AHC) 31,400,000 common shares and 282,600,000 preferred shares both at subscription price of ₱1.00 per share or a total subscription price of ₱314.0 million.

On the same date, A&CO Holdings Corporation (a wholly owned subsidiary of ACX) infused ₱269,000,000 to Anko JV Company, Inc (JV Company) comprising 269,000,000 common shares at subscription price of ₱1 per common share.

On July 25, 2025, AC infused ₱110 million to ACX to fund initial requirements of Makro PH. The infusion will be for issuance of 11 million preferred shares at ₱1.00 par value per share and at issue price of ₱10.00 per share.

On July 29, 2025, ACX Holdings Corporation infused capital to M&CO through Treasurer in Trust Fund (TITF) account to cover the subscription of 100,000,000 common shares at subscription price of ₱1 per common share or a total subscription price of ₱100.0 million. M&CO was officially incorporated on August 18, 2025, and subsequently changed its name to CP Aextra AC Corporation on October 16, 2025. ACX Holdings Corporation holds a 49.9% ownership stake in the newly named entity.

Business venture with Makro ROH Company Limited

On September 24, 2025, ACX and Makro ROH Company Limited (MROH), a subsidiary of CP Aextra Public Company Limited (CP Aextra), executed a subscription agreement and a shareholders' agreement covering ACX's and MROH's committed equity interest of 49.9% and 50.1%, respectively, in M&Co Corporation, now known as CP Aextra AC Corporation, a new entity that will operate Makro stores in the Philippines. CP Aextra is a wholesale and retail business operator (including mall management) in Thailand and overseas and is part of the Charoen Pokphand Group.

Business venture with Spinneys 1961 Holdings PLC

On September 30, 2025, ACX and Spinneys 1961 Holdings PLC (Spinneys) signed an investment and shareholders' agreement to bring Spinneys-branded premium grocery stores to the Philippines, subject to the satisfaction of certain conditions precedent by the parties where they hold a 60% and 40% ownership, respectively.

Spinneys is a leading fresh-focused premium supermarket retailer with a network of 87 stores in the United Arab Emirates, Oman, and Saudi Arabia. It recently signed a joint venture agreement to expand to Kuwait. The entry into the Philippines represents the brand's first expansion outside the Gulf Cooperation Council. Spinneys is majority-owned by the Al Seer Group, a consumer holdings company that is part of a UAE-based group with business interests in industries such as food, retail, hospitality, shipyards and construction, with presence in over 20 countries.



On June 14, 2024, the BOD approved the following:

- a. increase in authorized capital stock from ₱150.0 million divided into 15,000,000 common shares with par value of ₱10.00 per share, to ₱1,000.0 million divided into (i) 15,000,000 common shares with par value of ₱10.00 per share, and (ii) 850,000,000 preferred shares with par value of ₱1.00 per share
- b. change in the Company's business from business of advisory, consultancy assistance and other allied services, into holding company with principal business interests in consumer retail space
- c. create a wholly-owned subsidiary that will serve as the Company's vehicle in investing into a joint venture company with Kmart Australia Ltd. Or its designate which will operate the Anko-branded stores
- d. change in corporate name to ACX Holdings Corporation

Other transactions

On August 16, 2023, BHL, through its subsidiary, Ayala International Holdings Limited (AIHL), purchased a 100% stake in Blitz 23-376 GmbH, a private limited liability company registered in Munich, Germany, which was subsequently renamed as Contour 2023 GmbH ("Contour") for EUR 25,000.

On August 18, 2023, AIHL, Contour and ACI SG entered into several transactions connected with the divestment by ACI SG of its 92.45% stake in MT, which includes the following:

- Purchase by Contour of real property of MT located in Ingolstadt, Germany amounting to EUR 21.90 million (₱1,235.6 million). The purchase was funded from loan proceeds from a Shareholder Loan Facility Agreement between AIHL and Contour on August 21, 2023. The Euro-denominated term loan facility of up to EUR23.05 million was extended to Contour for the cost of the land and expenses related to the purchase. Simultaneously, Contour entered into a 10-year lease agreement with MT on the same property.
- AIHL entered into a Senior Loan Facility Agreement ("SLFA") with MT, whereby AIHL agreed to extend a Euro-denominated senior secured loan facility of up to EUR 3.00mm. Such loan facility is secured by assignment of inventories by MT and a land charge on real estate in Lebach, Germany owned by C CON Sondermaschinen GmbH, a 100% owned subsidiary of MT. On October 9 and December 8, 2023, MT availed its first and second utilization, respectively, from AIHL under the SLFA for EUR 1.0 million each.

For the above mentioned transactions, AIHL received funding from ACIFL, which subscribed to redeemable preferred shares issued on January 2, 2024. At the Group's consolidated financial statement, the above transactions are non-event and have no financial impact.

Subsidiaries with material economic ownership interest

The principal place of business of the subsidiaries are as follows:

ALI

ALI's registered and principal place of business is at the 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

ACEIC

The principal office address is at the 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City.



IMI

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

Information of subsidiaries that have material non-controlling economic interests is provided below:

2025	ALI Group	ACEIC Group	IMI Group*
	(In Thousands, except for %)		
Proportion of equity interests held by non-controlling interest	47.0%	–**	47.9%
Voting rights held by non-controlling interest	26.3%	–	47.9%
Accumulated balances of non-controlling interest	₱201,004,806	₱86,080,781	₱7,436,713
Net income (loss) allocated to non-controlling interest	₱24,902,349	₱1,084,680	(₱83,669)
2024	ALI Group	ACEIC Group	IMI Group*
	(In Thousands, except for %)		
Proportion of equity interests held by non-controlling interest	48.1%	–**	47.9%
Voting rights held by non-controlling interest	27.1%	–	47.9%
Accumulated balances of non-controlling interest	₱191,993,986	₱89,366,627	₱6,954,404
Net income (loss) allocated to non-controlling interest	₱19,781,439	₱3,379,368	(₱3,301,040)

*Translated using the exchange rate at the reporting date (US\$1:₱58.79 and US\$1:₱57.85 on December 31, 2025 and 2024, respectively.

** While ACEIC is a wholly-owned subsidiary of the Parent Company, the material non-controlling interests within the ACEIC Group is generally attributable to the 42% ownership of the non-controlling interest in ACEN.

The summarized financial information of these subsidiaries is provided below, which are based on amounts before inter-company eliminations:

2025	ALI Group	ACEIC Group	IMI Group *
	(In Thousands)		
Statements of financial position			
Current assets	₱449,204,923	₱52,735,703	₱30,472,410
Noncurrent assets	548,159,063	380,783,083	9,326,841
Current liabilities	282,827,689	32,496,310	23,154,655
Noncurrent liabilities	329,481,884	210,876,100	1,610,957
Dividends paid to non-controlling interest	5,542,235	3,430,897	–
Statements of comprehensive income			
Revenue	176,757,712	37,802,908	58,572,634
Profit (loss) attributable to:			
Owners of the parent	39,120,819	6,982,964	795,211
Non-controlling interests	6,433,310	1,534,054	(395,010)
Total comprehensive income (loss) attributable to:			
Owners of the parent	39,895,277	10,872,240	2,177,714
Non-controlling interests	6,933,505	1,520,871	(279,038)
Statements of cash flows			
Operating activities	28,985,878	2,170,340	4,471,899
Investing activities	(40,800,719)	(21,454,148)	(876,740)
Financing activities	9,028,301	10,806,258	(4,508,101)
Net increase (decrease) in cash and cash equivalents	(₱2,786,540)	(₱8,477,550)	(₱912,941)

*Translated using the exchange rate at the reporting date (US\$1:₱58.79 on December 31, 2025)



2024	ALI Group	ACEIC Group (In Thousands)	IMI Group *
Statements of financial position			
Current assets	₱435,661,032	₱62,374,213	₱34,105,016
Noncurrent assets	483,093,960	332,365,427	11,761,686
Current liabilities	249,122,963	30,368,997	24,501,929
Noncurrent liabilities	311,136,214	181,140,805	8,446,788
Dividends paid to non-controlling interest	4,111,171	2,761,995	—
Statements of comprehensive income			
Revenue	178,563,089	42,401,609	63,553,876
Profit (loss) attributable to:			
Owners of the parent	28,232,553	12,515,788	(2,880,019)
Non-controlling interests	6,003,680	3,910,174	(1,577,079)
Total comprehensive income (loss) attributable to:			
Owners of the parent	28,978,644	10,938,330	(3,470,548)
Non-controlling interests	5,829,853	3,914,684	(1,582,853)
Statements of cash flows			
Operating activities	31,211,613	9,308,989	4,163,502
Investing activities	(54,683,166)	(40,374,783)	(43,386)
Financing activities	27,829,667	17,077,913	(4,132,314)
Net increase (decrease) in cash and cash equivalents	₱4,358,114	(₱13,987,881)	(₱12,198)

*Translated using the exchange rate at the reporting date (US\$1:₱57.85 on December 31, 2024)

3. Material Accounting Policy Information

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱) and all amounts are rounded to the nearest peso unless otherwise indicated. The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

PFRSs Accounting Standards include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2025, and 2024 and for each of the three years in the period ended December 31, 2025.

In accounting for call and put options over non-controlling interests, management determines whether it has present access to the returns associated with the non-controlling interests. If the options give the Group access to the returns over the non-controlling interests, the Group consolidates the acquiree as if it acquired a 100% interest.

If the options do not give the Group present access to the returns over the non-controlling interests, the Group takes the view that the non-controlling interests should be accounted for in accordance with PFRS 10, *Consolidated Financial Statements*, and must be presented within equity separate from the equity of the Parent Company, until the option is exercised.

For the years ended December 31, 2025, and 2024, the call options are accounted for in accordance with PFRS 9, *Financial Instruments*, as a derivative asset carried at FVTPL.



The financial liability for the put option is accounted for under PFRS 9 like any other written put option on equity instruments. On initial recognition, the corresponding debit is made to a component of equity attributable to the parent, not to the non-controlling interest. All subsequent changes in the carrying amount of the financial liability that result from the remeasurement of the present value payable on exercise are recognized in profit or loss also attributable to the parent.

If the put option is exercised, the entity accounts for an increase in its ownership interest. At the same time, the entity derecognizes the financial liability and reverses the component of equity that was reduced on initial recognition. If the put option expires unexercised, the financial liability is reclassified to the same component of equity that was reduced on initial recognition.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective starting January 1, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these amendments did not have an impact on the consolidated financial statements.

- Amendments to PAS 21, Lack of exchangeability

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

New standards and interpretations that have been issued but are not yet effective

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

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.



The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an accounting standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the accounting standards. The following is the summary of the accounting standards involved:

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

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

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

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

The Group is currently assessing the impact of this new accounting standard to the consolidated financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19 reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.



- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

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

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

'Day 1' difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of income under "Interest income" or "Interest and other financing charges" unless it qualifies for recognition as some other type of asset or liability. In cases where unobservable data is used, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables, except for installment contract receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies under revenue from contracts with customers.



In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) is recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)

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

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

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

If the Group revises its estimates of receipts of future cashflows, it shall adjust the gross carrying amount of the financial asset to reflect the revised estimated contractual cash flows that are discounted at the financial instrument's original EIR. The adjustment is recognized in the profit or loss as income or expense.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments, accounts and notes receivables, deposits, and debt instruments which are classified as financial assets at amortized cost.

Financial assets at FVOCI (debt instruments)

The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition the cumulative fair value change recognized in OCI is recycled to profit or loss.

This category includes investment in bonds classified as financial assets at FVOCI.

Financial assets designated at FVOCI (equity instruments)

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

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

The Group's financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

This category includes convertible bonds or loans, derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on equity investments are also recognized as other income in the consolidated statement of income when the right of payment has been established.

Return of capital is recorded as a reduction against the investment account.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.



Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign currency swaps, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which these are entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that Group actually hedges and the quantity of the hedging instrument that Group actually uses to hedge that quantity of hedged item.

As at December 31, 2025 and 2024, the Group has designated its foreign currency swap contracts as cash flow hedges.

Hedges that meet all the qualifying criteria for cash flow hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognized in equity as 'Cash flow hedge reserve', while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses foreign currency swap contracts, as hedges of its exposure to foreign currency risks in its US Dollar denominated loans. The ineffective portion relating to foreign currency swap contracts is recognized as Other income.

The amounts accumulated in 'Cash flow hedge reserve' is reclassified to the consolidated statement of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated statement of income.



If cash flow hedge accounting is discontinued, the amount that has been accumulated in 'Cash flow hedge reserve' must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately recognized in the consolidated statement of income as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in equity shall be reclassified to the parent company statement of income.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of Income.

Impairment of financial assets

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

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



For other financial assets such as non-trade receivables from related parties, receivables from officers and employees, and advances to other companies and financial assets at amortized cost (debt instruments), ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payable and accrued expenses, short-term debt, long-term debt, other current and non-current liabilities (other than liabilities accrued by other accounting standards such as income tax payable, provisions, etc.).



Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purposes of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest and other financing charges in the consolidated statement of income.

This category generally applies to interest-bearing loans and borrowings.

Other financial liabilities

Issued financial instruments or their components, which are not designated at FVTPL, are classified as accounts payable and accrued expenses where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount, after deducting from the instrument the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. Any effect of restatement of foreign currency-denominated liabilities is recognized in profit or loss.

This accounting policy applies to the Group's accounts payable and accrued expenses, dividends payables, non-trade payables, installment payable, liability for purchased land, retention payable, construction payable and subscriptions payable (other than liabilities covered by other accounting standards such as pension liability and income tax payable).

Exchange or modification of financial liabilities

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of



the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss. When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

For financial liabilities where the modification is not considered substantial and the original loan contains prepayment option at par with no penalty, the Group considers this as a refinancing of loan at market rate and account for the modification as a prospective adjustment of EIR with no modification gain or loss in the consolidated statement of income.

Based on the Group's assessment, modifications in the contractual cash flows are not substantial and therefore do not result in the derecognition of the affected financial liabilities.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 32 and the amount initially recognized less, when appropriate, the cumulative amount of income recognized over the period of the guarantee.



Exchangeable bonds

The exchangeable bond is classified as a compound instrument and accounted for using split accounting. The value allocated to the equity component at initial recognition is the residual amount after deducting the fair value of the liability component from the issue proceeds of the exchangeable bonds. Transaction costs incurred in relation to the issuance of the exchangeable bonds is apportioned between the liability and equity component based on their values at initial recognition.

Subsequently, the liability component is carried at amortized cost using the EIR method while the equity component is not revalued. When the conversion option is exercised, the carrying amount of the liability and equity component is derecognized and their balances transferred to equity. No gain or loss is recognized upon exercise of the conversion option. The difference between the liability, the equity conversion option, and the non-controlling interest is lodged under Equity Reserve.

Deposits, customers' guaranty and other deposits

Deposits, customers' guaranty and other deposits are initially measured at fair value. After initial recognition, these are subsequently measured at amortized cost using the EIR method. The difference between the cash received and its fair value is deferred (included in the "Deferred credits" account in the consolidated statement of financial position). Deposits are amortized using the straight-line method with the amortization included under the "Costs of rendering of services" account in the consolidated statement of income while customers' guaranty are amortized over the remaining concession period with the amortization included under "Interest and other financing charges" in the consolidated statement of income.

Inventories

Inventories are carried at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and conditions are generally accounted for as follows:

Real estate inventories:

- Land cost
- Land improvement cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs

Vehicles – purchase cost on specific identification basis.

Finished goods and work-in-process – determined on a moving average basis; cost includes direct materials and labor and a proportion of manufacturing overhead costs based on normal operating capacity.

Materials, supplies and others – purchase cost on a moving average basis. NRV for real estate inventories, vehicles, finished goods and work-in-process, materials and supplies, and other inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, while NRV for materials, supplies and others represents the related replacement costs. In the event that NRV is lower than cost, the decline shall be recognized as an expense in the consolidated statement of income.

An allowance for inventory losses is provided for slow-moving, obsolete and defective inventories based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

The Group applies the approach presented in Philippine Interpretations Committee Questions and Answers (PIC Q&A) No. 2020-05 and accounts for repossession as a modification of the contract and reverses the previously recognized revenues and related cost of real estate sales recognized.



Distinction of inventories and investment properties

If it is in the Group's ordinary course of business (supported by its strategy) to hold property for short-term sale rather than for long-term capital appreciation or rental income, the entire property (including the leased units) is accounted for and presented as inventory. This will continue to be the case as long as it remains the intention to sell the property in the short-term. Rent received is included in "Other income" as it does not represent a reduction in the cost of inventory.

Properties intended for sale in the ordinary course of business, whether leased out or not, are outside the scope of PAS 40. However, if a property is not intended for sale, PAS 40 requires the property to be transferred from inventory to investment property when there is a change in use. The change can be evidenced by the commencement of an operating lease to another party.

Prepaid Expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees and advertising and promotion, taxes and licenses, rentals and insurance.

Creditable Withholding Tax

This pertains to the tax withheld at source by the Group's customers and is creditable against the income tax liability of the Group.

Value-Added Tax (VAT)

Expenses and assets are recognized, net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable, to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Deposits in Escrow

Deposits in escrow pertain to the proceeds from the sale of the Group's projects that have only been granted temporary License to Sell (LTS) as of reporting date. These proceeds are deposited in a local bank and earn interest at prevailing bank deposit rates.

Advances to Other Companies and Contractors and Suppliers

Advances to other companies and advances to contractors and suppliers are carried at cost less impairment losses, if any. Prepayments for the construction of investment property and property and equipment are classified as non-current asset while the portion representing prepayments for the construction of real estate inventories are reclassified as other current assets.

Noncurrent Assets Held for Sale and Discontinued Operations

Noncurrent assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. At reporting date, the Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.



Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

For investments in associate and joint venture, the equity method of accounting ceases from the time the investment is classified as Noncurrent assets held for sale.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

The related results of operations of the disposal group that qualified as a discontinued operation are separated from continuing operations.

When an entity acquires a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it shall classify the non-current asset (or disposal group) as held for sale at the acquisition date only if the one-year requirement is met (subject to the allowed exception) and it is highly probable that any other criteria that are not met at that date will be met within a short period following the acquisition (usually within three months).

Extension of the period required to complete a sale

An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group). An exception to the one-year requirement shall apply in the following situations which such events or circumstances arise:

- (a) at the date an entity commits itself a plan to sell a non-current asset (disposal group) it reasonably expects that others (not buyer) will impose conditions on the transfer of the asset (or disposal group) that will extend the period required to complete the sale, and: actions necessary to respond to those conditions cannot be initiated until after a firm purchase commitment is obtained; and
 - (i) a firm purchase commitment is highly probable within one year.
- (b) an entity obtains a firm purchase commitment and, as a result, a buyer or others unexpectedly impose conditions on the transfer of a non-current asset (or disposal group) previously classified as held for sale that will extend the period required to complete the sale, and;
 - (i) timely actions necessary to respond to the conditions have been taken; and
 - (ii) a favorable resolution of the delaying factors is expected.
- (c) During the initial one-year period, circumstances arise that were previously considered unlikely and, as a result, a non-current asset (or disposal group) previously classified as held for sale is not sold by the end of that period; and:
 - (i) during the initial one-year period the entity took action necessary to respond to the change in circumstances;
 - (ii) the non-current asset (or disposal group) is being actively marketed at a price that is reasonable, given the change in circumstances; and
 - (iii) the criteria to classify non-current assets and disposal groups as held for sale are met.



Reversal of impairment loss of a Disposal Group

Any subsequent increase in fair value less costs to sell of an asset up to the cumulative impairment loss previously recognized either in accordance with PFRS 5 or in accordance with PAS 36 should be recognized as a gain. In the case of a disposal group, any subsequent increase in fair value less costs to sell should be recognized:

- a) to the extent that it has not been recognized under another standard in relation to those assets outside the scope of PFRS 5's measurement requirements; but
- b) not in excess of the cumulative amount of losses previously recognized under PFRS 5 or, before that, under PAS 36 in respect of the non-current assets in the group which are within the scope of the measurement rules of PFRS 5.

Any impairment loss (or any subsequent gain) recognized for a disposal group should be allocated to the non-current assets in the group that are within the scope of the measurement requirements of PFRS 5. The order of allocation should be:

- first, to reduce the carrying amount of any goodwill in the group; and
- then, to the other non-current assets of the group pro rata on the basis of the carrying amount of each asset in the group.

Loss of Control of a Subsidiary

If a parent company loses control of a subsidiary that constitutes a business in a transaction that is not a downstream transaction and the retained interest is an investment in an associate or joint venture, the retained interest is remeasured at its fair value, and this fair value becomes the cost on initial recognition of the investment in an associate or joint venture.

To apply the equity method from the date control is lost, the Parent Company remeasures all the identifiable assets and liabilities underlying the investment at their fair values, i.e., the Parent Company performs a new purchase price allocation.

Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as other income in the period in which the investment is acquired and is included in the carrying amount of the investment.

The Group determined that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following were also considered:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Group's voting rights and potential voting rights

Investments in Associates and Joint Ventures

The Group's investments in associates and joint ventures are accounted for using the equity method.

The aggregate of the Group's share in net profits or loss of associates and joint ventures is shown on the face of the consolidated statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

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



Investment Properties

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance, are normally charged against income in the period in which the costs are incurred.

Construction-in-progress (including borrowing cost) are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation. Construction-in-progress is not depreciated or amortized until such time that the relevant assets are completed and put into operational use.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, regardless of utilization. The estimated useful lives and the depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties. The estimated useful lives of investment properties comprised of buildings ranges from 20 to 40 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party, or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property, and inventories do not change the carrying amount of the property transferred and they do not change the cost of the property for measurement or for disclosure purposes.

The Group discloses the fair value of its investment properties in accordance with PAS 40. The Group engaged independent valuation specialists to assess fair value as of December 31, 2025 and 2024. The Group's investment properties consist of land and buildings pertaining to land properties, retail (malls), and office properties. These were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

Property, Plant and Equipment

Property, plant and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of property, plant and equipment consists of its construction cost or purchase price and any directly attributable costs of bringing the property, plant and equipment to its working condition and location for its intended use.

Construction-in-progress is stated at cost. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated or amortized until such time that the relevant assets are completed and put into operational use.



Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property, plant and equipment commences once the property, plant and equipment are available for use and computed on a straight-line basis over the estimated useful lives of the property, plant and equipment as follows:

Buildings and improvements	20 to 40 years
Plant, machinery and equipment	5 to 25 years
Hotel property and equipment	20 to 50 years
Furniture, fixtures and equipment	3 to 10 years
Transportation equipment	3 to 5 years

The estimated useful life and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate. The estimated useful life of property, plant and equipment are based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items of property, plant and equipment.

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

When property, plant and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Subsequently, intangible assets are measured at cost less accumulated amortization and provision for impairment loss, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The estimated useful life of intangible assets is assessed as either finite or indefinite.

The estimated useful lives of intangible assets with finite lives are assessed at the individual asset level. Intangible assets with finite lives are amortized over their estimated useful lives on a straight-line basis. Periods and methods of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists.

The estimated useful lives of intangible assets are as follows:

Leasehold rights	20 to 23 years
Customer relationships	5 years
Unpatented technology/intellectual properties	5 years
Developed software	3 years
Licenses	3 years
Trademarks	14 years
Feed-in tariff (FIT) contract	20 years



Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible assets and is recognized in the consolidated statement of income when the intangible asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset under "Project Development Cost" when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development; and,
- The ability to use the intangible asset generated.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. The estimated useful life of research and project development costs is 5 years. During the period of development, the asset is tested for impairment annually.

Leases

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

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

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



At the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

Land, building and improvements	10-50 years
Transportation equipment	3-10 years
Others	5 years

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

ii) Lease liabilities

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

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

iii) Short-term leases and leases of low-value assets

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted on a straight-line basis over the lease term and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease concessions

The Group determines whether the rent concessions granted have changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. Where the Group has evaluated that the rent concessions do not qualify as a lease modification, the Group accounts for the lease concessions in the form of negative variable rent which the Group records when the concession is granted, regardless of the period to which the concession pertains.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the



proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and included under "Remeasurement gain/loss arising from business combination" in the consolidated statement of income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset, or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of other assets or liabilities of the Group are assigned to those units or group of units.

Each unit or group of units to which the goodwill is allocated should:

- represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- not be larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

Impairment is determined by assessing the recoverable amount of the CGU (or group of CGUs), to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the CGU retained. If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall recognize immediately in the consolidated statement of income any excess remaining after reassessment.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted



as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable accounting has been completed from the acquisition date.

Combinations of Entities Under Common Control

Business combinations of entities under common control are accounted for using the pooling of interests' method. The pooling of interests method generally involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity.
- The consolidated statement of income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparative financial information is presented as if the entities had always been combined.

The effects of any intercompany transactions are eliminated to the extent possible.

Asset Acquisitions

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other fair value indicators. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and intangible assets with indefinite life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the



asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Investments in associates and joint ventures

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee company. The Group determines at each reporting date whether there is any objective evidence that the investment in the investee company may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the Group estimates its future cash flows using key assumptions and the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The Group calculates the amount of impairment as being the difference between the recoverable amount of the investee company and the carrying cost and recognizes the amount as a reduction of the investment account and is recorded under "Provision for impairment losses" under the General and administrative expenses account in the consolidated statement of income.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Equity

Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" (APIC) account. Direct costs incurred related to equity issuance are chargeable to APIC account. If APIC is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares and is presented as reduction from equity.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to APIC when the shares were issued and to retained earnings for the remaining balance.

For the Preferred A and B treasury shares, the amount reflected under treasury stock pertains to par value.

Revenue and Cost Recognition

ALI Group's Revenue from Contracts with Customers

The ALI Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the ALI Group expects to be entitled in exchange for those goods or services. ALI Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.



Real estate sales

ALI Group derives its real estate revenue from the sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, ALI Group's performance does not create an asset with an alternative use and ALI Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, ALI Group uses the output method. ALI Group recognizes revenue and the related trade receivables on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using a survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the "customer deposit" account in the liabilities section of the consolidated statement of financial position.

The Group determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contract, the Group determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

The calculation of financing component in a transaction price is based on various inputs such as transaction price, cash discount, payment scheme, payment amortization table, discount rate, percentage of completion to the contract provision and projected percentage of completion schedule.

Cost recognition

ALI Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs, and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.



Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Hotel and resorts revenue

ALI Group recognizes room accommodation services over time since the guest simultaneously receives and consumes the services provided by ALI Group. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Revenue from banquets and other special events are recognized when the events take place.

Cost of hotel operations

Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Construction revenue and cost

Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Rental income

Rental income under noncancellable and cancellable leases on investment properties is recognized on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

No rental income is recognized when ALI Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment.

The contract for the commercial spaces leased out by the ALI Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common Use Service Area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the ALI Group determined that it is acting as an agent because the promise of the ALI Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the ALI Group, are primarily responsible for the provisioning of the utilities while the ALI Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the buildings, the ALI Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the ALI Group has the discretion on how to price the CUSA and air-conditioning charges.



IMI Group's Revenue from Contracts with Customers

IMI Group is in the business of providing electronic manufacturing and other related services to various customers. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which IMI Group expects to be entitled in exchange for those goods or services. IMI Group has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Manufacturing services

IMI Group provides manufacturing services in accordance with the customer's specifications. IMI Group promises to provide a combined performance obligation comprised of non-distinct goods or services, which include issuance of materials to production, assembly, testing and packaging.

Contracts with customers are generally classified as turnkey or consignment. In a turnkey contract, IMI Group procures the materials and provides the assembly services to the customer. In a consignment contract, IMI Group only provides assembly services to the customer.

For turnkey contracts, revenue is recognized over time since the products created have no alternative use to IMI Group and IMI Group has right to payment for performance completed to date including the related profit margin, in case of termination for reasons other than IMI Group's failure to perform as promised.

For goods manufactured not covered by customer purchase orders or firm delivery schedule, revenues are recognized at a point in time, when control of the asset is transferred to the customer, generally when goods are shipped or goods are received by the customer, depending on the corresponding agreement with the customer.

For consignment contracts, revenue is recognized over time as services are rendered since the customer simultaneously receives and consumes the benefits as IMI Group performs its obligation.

For R&D engineering services, revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided by IMI Group's performance completed to date.

Revenue from optical bonding technology and metal mesh touch sensors (VIA and VTS)

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

For optical bonding services performed under the consignment model, revenue is recognized at a point in time based on the fact that the assets created have alternative use to IMI Group entities. This is when the enhancement process is finalized, the customer removes the enhanced products from the consignment stock and is invoiced, according to contract.

For the sale of products under the full-service model, revenue is recognized at a point in time when control of the products is transferred to the customers, generally on delivery of the products.

Non-recurring engineering services

Non-recurring engineering charges, tooling and other pre-production revenue stream (NREs) are recognized at a point in time since the criteria for overtime recognition is not met. This is based on the assessment that while, in general, IMI Group has no alternative use for these NREs, either due to customization or restrictions by the customer, there is no assurance or relevant experience that IMI has enforceable right to payment or can recover the cost, plus reasonable margin, in case of contract termination. Point in time revenue recognition for NREs would mean revenue is recognized upon customer acceptance of the NREs (transfer of control).



IMI Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer options that provide material rights to customers, warranties). In determining the transaction price, IMI Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration and consideration payable to the customer, if any.

Variable consideration

If the consideration in a contract includes a variable amount, IMI Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Warranty obligations

IMI Group provides warranties for general repairs of defects that existed at the time of sale. The warranties provided are customary per industry practice. These assurance-type warranties are accounted for under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

IMI Group does not provide warranty beyond fixing defects that existed at the time of sale or outside of industry practice. After-sales repairs are arranged with customers separately and are accounted for as any other manufacturing service contract with customers.

ACEIC Group's Revenue from Contracts with Customers

Sale of electricity

Sale of electricity is consummated whenever the electricity generated by the ACEIC Group is transmitted through the transmission line designated by the buyer, for a consideration. Revenue from sale of electricity is based on sales price. Sales of electricity using bunker fuel are composed of generation fees from spot sales to the Wholesale Electricity Spot Market (WESM) and supply agreements with third parties and are recognized monthly based on the actual energy delivered.

Starting December 27, 2014, sales of electricity to the WESM using wind and solar are based on the feed-in tariff (FIT) rate under the feed-in tariff (FIT) System and are recognized monthly based on the actual energy delivered. Meanwhile, revenue from sale of electricity through ancillary services to the National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and/or dispatched and provided. Revenue from sale of electricity through Retail Supply Contract is composed of generation charge from monthly energy supply with various contestable customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

The ACEIC Group identified the sale of electricity (power generation, trading and ancillary services) where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The ACEIC Group concluded that the revenue should be recognized over time since the customers simultaneously receives and consumes the benefits as the ACEIC Group supplies electricity.

Retail supply also qualifies as a series of distinct services which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and have the same measure of progress.

For power generation and trading and retail supply, the ACEIC Group uses the actual kilowatt hours (kwh) dispatched which are also billed on a monthly basis.



For ancillary services, the ACEIC Group determined that the output method is the best method in measuring progress since actual energy is supplied to customers. The ACEIC Group recognizes revenue based on contracted and actual kwh dispatched which are billed on a monthly basis.

AC Industrials' Revenue from Contracts with Customers

AC Industrials primarily derives its revenue from sales of vehicles, parts and accessories and services. Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. AC Industrials assesses its revenue arrangements against specific criteria in order to determine whether it is acting as principal or as an agent.

Revenue from sale of vehicles, parts and accessories

Revenue from sale of vehicles, parts and accessories is recognized at the point in time when the control of the asset is transferred to the customer. Payment terms on sales of vehicles ranges from 30 to 90 days. Revenue from sale of vehicles also includes revenue from the registration services provided. Revenue is measured at the fair value of the considerations received or receivable, net of sales returns and discounts, rebates and sale taxes.

Revenue from sale of service

Revenue from services and others include vehicle repairs, rustproofing, incentives from insurance and financing. Revenue from sales of services is recognized overtime and payment is generally due upon completion of the units and acceptance of the customer.

AC Industrials considers whether there are other promises in the contract that are separate performance obligation to which a portion of the transaction price needs to be allocated. In determining the transaction price of multiple performance obligation identified in one contract, allocation is based on relative stand-alone selling price of each of the promised goods or services.

A contract liability is the obligation to transfer goods or services to a customer for which the AC Industrials has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the transfer of goods or services to a customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when AC Industrials performs under the contract.

AC Industrials considers "Customers' deposits", which are presented under 'Other current liabilities' in the liabilities section of the consolidated statement of financial position as contract liabilities.

Contract Balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.



The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain a contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Cost of sales" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

IMI Group pays sales commission to its employees for each contract that they obtain for bundled sales of equipment and installation services. IMI Group has elected to apply the optional practical expedient for costs to obtain a contract which allows IMI Group to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortization period of the asset that IMI Group otherwise would have used is one year or less.

Amortization, derecognition and impairment of capitalized costs to obtain a contract

ALI Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within Cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, ALI Group determines whether there is an indication that cost to obtain a contract may be impaired. If such indication exists, ALI Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that ALI Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, ALI Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, their judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.



Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer.

The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Expenses

Expenses are recognized in the consolidated statement of income when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income: On the basis of a direct association between the costs incurred and the earning of specific items of income; On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset. Direct operating expenses and general and administrative expenses are recognized as they are incurred.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Investment properties", "Property, plant and equipment" and "Service concession assets" accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion.

Pension Cost

Defined benefit plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with the option to accelerate when significant changes to underlying assumptions occur.

Defined benefit costs comprise the following:

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



Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

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

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

Pension liabilities are the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net pension asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined contribution plan

IMI

IMI's subsidiaries in Singapore, China and Hong Kong, Czech Republic, Mexico, Germany, and UK participate in the respective national retirement schemes defined by the laws of the countries in which it has operations. These retirement schemes are considered as defined contribution plans. A defined contribution plan is a plan under which the subsidiary pays fixed contributions. Each subsidiary has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The required contributions to the national retirement schemes are recognized as retirement expense as accrued.

Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.



Income Tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of reporting date. Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of MCIT and NOLCO can be utilized.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all as part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at the end of the reporting period. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged or credited to income for the period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same authority.

For periods where the income tax holiday (ITH) is in effect, no deferred taxes are recognized in the consolidated financial statements as the ITH status of the subsidiary neither results in a deductible temporary difference nor temporary taxable difference. However, for temporary differences that are expected to reverse beyond the ITH, deferred taxes are recognized.



Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is initially recognized as a liability in the consolidated statement of financial position and recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to the acquisition or construction of a fixed asset, it is initially recognized as a liability in the consolidated statement of financial position and recognized as income in equal amounts over the period of depreciation of the related asset.

Foreign Currency Transactions

The functional and presentation currency of the Parent Company and its subsidiaries (except for AYCFL, ACIFL, PFIL, BHL, AIVPL and IMI), is the Philippine Peso (₱). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are recognized in the consolidated statement of comprehensive income until the disposal of the net investment, at which time they are recognized in the consolidated statement of income. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity.

The functional currency of AYCFL, ACIFL, PFIL, BHL, AIVPL and IMI is the US Dollar (US\$). As of the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date and their statement of income accounts are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognized in the consolidated statement of comprehensive income and reported as a separate component of equity as "Cumulative Translation Adjustments". On disposal of a foreign entity, the deferred cumulative amount recognized in the consolidated statement of comprehensive income relating to that particular foreign operation shall be recognized in the consolidated statement of income.

Exchange differences arising from elimination of intragroup balances and intragroup transactions are recognized in profit or loss. As an exception, if the exchange differences arise from intragroup balances that, in substance, forms part of an entity's net investment in a foreign operation, the exchange differences are not to be recognized in profit or loss but are recognized in OCI and accumulated in a separate component of equity until the disposal of the foreign operation. Where circumstances have changed such that the entity decides that the monetary item is planned or is likely to be settled in the foreseeable future and ceases to form part of the net investment in a foreign operation, exchange differences that arise after that date are recognized in profit or loss.

The Group's share in the translation adjustments of associates and joint ventures are likewise included under the "Cumulative Translation Adjustments" account in the consolidated statement of comprehensive income.

Cash Dividend and Non-cash Dividend to Equity Holders of the Parent Company

The Parent Company recognizes a liability to make cash or non-cash distributions to equity holders of the Parent Company when the dividend is appropriately authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

For the non-cash dividend distribution, the liability is measured at the acquisition cost of the asset to be distributed. At Group level, the dividend is based on the Parent Company's acquisition cost.



Share-based Payments

The Group has equity-settled, share-based compensation plans with its employees.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity-settled transactions, vesting conditions, including performance conditions, other than market conditions (conditions linked to share prices), shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions are taken into account in estimating the number of equity instruments that will ultimately vest. Fair value is determined by using the Binomial Tree and Black-Scholes model, further details of which are provided in Note 28 to the consolidated financial statements.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the awards (vesting date'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 26).

Employee share purchase plans

The Parent Company and certain subsidiaries have employee share purchase plans (ESOWN) which allow the grantees to purchase the Parent Company's and its respective subsidiaries' shares on installment payment plan. The Group recognizes stock compensation expense over the holding period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. The Group treats its ESOWN plan as option exercisable within a given period. For the measurement of the fair value of options at the grant date, the Parent Company uses a Black-Scholes Merton Formula. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.

Earnings Per Share (EPS)

Basic EPS is computed by dividing net income attributable to common equity owners of the Parent Company by the weighted average number of common shares issued and outstanding during the year. The net income attributable to common equity owners of the Parent Company is net of dividends attributable to preferred equity holders.

Diluted EPS is computed by dividing net income attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all



the dilutive potential common shares. Calculation of diluted EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an antidilutive effect on earnings per share. Basic and diluted EPS are adjusted to give retroactive effect to any stock dividends declared during the period.

Operating Segments

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 29 to the consolidated financial statements.

Contingencies

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

Events after the Reporting Period

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

4. Significant Accounting Judgments, Assumptions and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue from Contracts with Customers

The Group applied the following judgments that significantly affect the identification of a contract, determination of the performance obligation and amount as well as timing of revenue from contracts with customers.

ALI Group

Existence of a contract

ALI Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of ALI Group before revenue recognition is to assess the probability that ALI Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an



amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress

ALI Group concluded that revenue for real estate sales is to be recognized over time because: (a) ALI Group's performance does not create an asset with an alternative use; and (b) ALI Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on ALI Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, ALI Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to ALI Group. ALI Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

ALI Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts ALI Group's performance in transferring control of real estate development to the customers.

Determining transaction price of sale of real estate

ALI Group determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). ALI Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contracts, the ALI Group determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

Effective January 1, 2024, ALI Group adopted the PIC Q&A No. 2018-12. ALI Group followed the allowed modified retrospective approach allowing it to adjust the beginning balance of equity in 2024. The adjustment on the 2024 beginning balance of equity, combined effect of retained earnings and noncontrolling interest, is an increase of ₱1,348.79 billion. As at December 31, 2025, and 2024, ALI Group assessed that the overall impact of the requirement of PIC Q&A No. 2018 12 pertaining to significant financing component is not material to the consolidated financial statements.

IMI Group

Identifying contracts with customers

Generally, a valid and approved manufacturing service agreement (MSA), scheduling agreement (SA), customer accepted quote, customer forecast, and/or customer purchase order or firm delivery schedule will be in place before IMI Group provides services or manufacture goods for the customers. IMI Group is not obligated to transfer any goods or provide services until the customer submits a purchase order or firm delivery schedule under the MSA or SA, respectively. The purchase order or firm delivery schedule creates the enforceable rights and obligations and is therefore evaluated together with the MSA or SA for revenue recognition in accordance with PFRS 15.



Determining the timing of revenue recognition

IMI Group assessed that revenue from manufacturing of goods shall be recognized over time or point in time. For turnkey contracts wherein the products created have no alternative use to IMI Group and IMI Group has right to payment for performance completed to date including the related profit margin, in case of termination for reasons other than IMI Group's failure to perform as promised, revenue is recognized over time. For goods manufactured not covered by customer purchase orders or firm delivery schedule, revenues are recognized at a point in time. For consignment contracts, revenue is recognized over time as services are rendered since the customer simultaneously receives and consumes the benefits as IMI Group performs.

Determining the method to measure progress for revenue recognized over time

IMI Group measures progress towards complete satisfaction of the performance obligation using an input method (i.e., costs incurred). Management believes that this method provides a faithful depiction of the transfer of goods or services to the customer because IMI Group provides integration service to produce a combined output and each item in the combined output may not transfer an equal amount of value to the customer.

ACEIC Group

Determination of transaction price from sale of electricity for feed-in-tariff plants

ACEIC Group exercised significant judgment in determining the appropriate Feed In Tariff (FIT) rates to use in recognizing revenue from its FIT eligible renewable energy plants for the years 2021 to 2025.

On November 26, 2025, the Energy Regulatory Commission (ERC) issued Resolution No. 28, Series of 2025 (the "November 2025 Resolution") approving the 2021-2025 Adjusted Approved FIT rates (the "2021-2025 AARs") in the Philippines. The 2021-2025 AARs in the November 2025 Resolution by the ERC showed material inconsistencies in the calculation method applied, in particular, the application of Consumer Price Index series for the base and index which resulted to lower FIT rates, when compared to the FIT rates calculated by the National Transmission Corporation ("TransCo"). TransCo and the various renewable energy industry associations sought clarifications from the ERC on these inconsistencies. As of December 31, 2025, the ERC has not issued a final resolution to the request for clarifications.

On February 27, 2026, ERC issued an advisory which provided clarifications and revisions to its November 2025 Resolution (the "Advisory"). The Advisory provided an updated 2021-2025 AARs that were computed consistent with TransCo's calculation methodology.

In determining the appropriate transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, management evaluated whether the revised and clarified 2021-2025 AARs represent consideration to which the Group is highly probable to be entitled, taking into account the risk of significant reversal of revenue. Following the issuance of the ERC Advisory dated February 27, 2026, management concluded that the revised FIT rates are internally consistent, largely aligned with TransCo's computed rates, and no longer subject to significant regulatory uncertainty.

The ERC Advisory was further assessed in accordance with PAS 10, *Events after the Reporting Period*, to determine whether it represents an adjusting or non-adjusting event. Management concluded that the Advisory constitutes an adjusting event after the reporting period as it provides additional evidence of conditions that existed as at December 31, 2025. The underlying condition giving rise to the uncertainty—the inconsistency in the computation methodology of the 2021-2025 AARs—was already present at the reporting date. The Advisory did not introduce new FIT rates nor a new regulatory framework, but rather revised and clarified the existing resolution by correcting computational errors and confirming the intended methodology.



Measurement of feed-in-tariff receivables and estimation of collection period

The FIT receivables represent the differential between the Original Approved FIT Rates and the 2020 AARs used for revenue recognition. The ACEIC Group exercised judgment in assessing both the recoverability and timing of cash flows associated with these receivables.

These receivables are measured at amortized cost using the effective interest rate method in accordance with PFRS 9, *Financial Instruments*. In determining the expected timing of recovery, management considered historical FIT All collections, TransCo's petition filings, and the indicative impact of the pending ERC review of the 2021–2025 AARs. Based on the latest available information as of December 31, 2025, the ACEIC Group revised its estimate of the collection period from 4.5 years to 5 years. This revision constitutes a change in accounting estimate, applied prospectively, and resulted in an adjustment to the carrying amount of the receivables and the related deferred tax assets.

ACEIC Group believes that the revised 5-year recovery period represents the best estimate of the timing of future cash flows as of the reporting date.

Vietnam Receivables

In March 2025, Vietnam Electricity (EVN) applied a reduced tariff to the January 2025 and subsequent invoices, despite previous invoices being based on the original Feed-in Tariff (FIT). No formal guidance or justification has been issued by the Ministry of Industry and Trade (MOIT), Prime Minister's Office, or other authorities regarding the application of the reduced tariff, other than meetings held by the Government of Vietnam with renewable energy (RE) investors where the matter of belated issuance of Completion Certificate Acceptance for RE projects was raised as an issue.

In late June 2025, The Deputy Prime Minister tasked the MOIT to review FIT eligibility for each project, including legal and financial implications of EVN's temporary FIT payment and claw back options.

These developments have resulted in delays in collection of outstanding receivables for certain solar projects in which the ACEIC Group holds equity interest.

In September 2025, EVN advised MOIT to base FIT eligibility on the original COD, treating missing CCAs as an administrative issue rather than grounds for reducing FIT. By December, the government issued a draft resolution directing MOIT to resolve legal and procedural barriers for FIT-priced projects and negotiate with investors to avoid disputes. With an interim MOIT Minister and expected leadership changes after the elections, the CCA issue and restoration of full FIT payments may be settled in 2026.

As of December 31, 2025, ACEIC Group's management is in the position that the outcome of the current situation in Vietnam is expected to be resolved in a way that protects investor interests.



Impairment of UPC Wind Projects

In 2025, UPC Wind Projects, comprising Lac Hoa (30MW) and Hoa Dong (30MW) wind farm projects, reached an agreement with EVN on the final tariff of the project amounting to VND1,579/kWh, which is higher than the provisional tariff of VND 793/kWh applied when operations commenced in Q1 2024.

Both projects had missed the Feed-in Tariff (FIT) deadline in October 2021 due to pandemic-related delays and inspection issues, causing Commercial Operation Date (COD) recognition in December 2023 and operation started in early 2024 with a provisional Power Purchase Agreement (PPA).

In July 2025, both Lac Hoa and Hoa Dong projects signed their respective final PPA with a retroactive application of final tariff from the start of operations.

ACEIC Group identified impairment indicators for the UPC Wind Projects, including the lower final tariff relative to the investment case, operational delays, and updated assumptions such as increased maintenance and insurance costs.

As a result, for the year ended December 31, 2025, ACEIC Group recorded additional allowance for expected credit losses for its Vietnam Projects amounting to US\$69.69 million (₱3,950.45 million). As of December 31, 2025, total allowance for expected credit losses amounted to US\$126.11 million (₱7,414.23 million) (see Notes 7 and 22). Post allowance, the carrying value of instruments related to UPC Wind Projects amounts to US\$79.70 million (₱4,685.52 million).

Classification of Notes Receivables

ACEIC Group assessed its affiliated subordinated indebtedness (ASI) with GNPowder Kauswagan Ltd. Co. (GNPK), which is presented as notes receivables in the consolidated statements of financial position, and receivable from PPLC arising from the ACEIC Group's divestment of KPHLC which will be collected on a deferred basis. Management assessed that these assets qualify as debt instruments. These are held by ACEIC Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset gives rise on specified dates to cash flows which are reflective of basic lending arrangements.

Sale of Real Estate Receivables

ALI Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. ALI Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, ALI Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Provision for Expected Credit Losses

The Group applied the following judgments that significantly affect its assessment of expected credit losses for its financial assets:

Definition of default and credit-impaired financial assets

ALI Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criterion – for residential, commercial and office development receivables, the customer received a notice of cancellation and does not continue the payments.



Qualitative criteria – the customer meets unlikelihood to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

- a. The customer is experiencing financial difficulty or is insolvent;
- b. The customer is in breach of financial covenant(s);
- c. An active market for that financial asset has disappeared because of financial difficulties;
- d. Concessions have been granted by ALI Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g. Bayanihan Acts I and II considerations); or
- e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization.

The criteria above have been applied to the financial instruments held by ALI Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout ALI Group's expected loss calculation.

Incorporation of forward-looking information

ALI Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, ALI Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on ALI Group's evaluation and assessment and after taking into consideration external actual and forecast information, ALI Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by ALI Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, ALI Group carries out stress-testing of more extreme shocks to calibrate its determination of these other representative scenarios.

ALI Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Significant increase in credit risk

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors.

The Group's cash in bank and cash equivalents and short-term investments are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.



Distinction of Land between Real Estate Inventories and Investment Properties

ALI Group determines whether a property will be classified as real estate inventories or investment properties. In making this judgment, ALI Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. All other properties that are not yet determined to be sold in the normal operating cycle are classified as investment properties.

Investments in Subsidiaries, Associates and Joint Ventures

The Group determined that it has control over its subsidiaries (see Note 2) by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following were also considered:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual agreements; and
- The Group's voting rights and potential voting rights.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights

The Group considers that it controls certain entities even though it owns 50% or less than majority of the voting rights. Control is achieved when exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

The Group determined that it exercises significant influence over its associates (see Note 10) by considering, among others, its ownership interest, board representation and participation on board sub-committees, and other contractual terms.

The Group's investments in joint ventures (see Note 10) are structured in separate incorporated entities. Even though the Group holds various percentages of ownership interest on these arrangements, their respective joint arrangement agreements require unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements.

The Group considers an associate and a joint venture as a material interest if its net assets exceed 5% of the total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the investee compared to other operations of the Group.

Non-controlling Interests

The Group considers a subsidiary as a subsidiary with material NCI if the net assets attributable to NCI exceed 5% of the total consolidated net assets of the subsidiary as of reporting period and considers the relevance of the nature of activities of the investee compared to other operations of the Group. There are no significant restrictions on the Parent Company's ability to use assets and settle liabilities of the Group.

Product Development Costs

Expenditure for the development of new products or production systems are recognized as intangible assets if such expenditures, with a high degree of certainty, will result in future economic benefits for the Group. The rules require stringent criteria to be met for these development expenditures to be recognized as assets such as determining technical feasibility of completing the intangible asset. Management assessed that it is able to meet the identifiability and separability criteria provided in PAS 38, *Intangible Assets*, on the premise that the projects involved are in separate locations from other existing lines and that each project arises from a contractual right between the Group and each customer. Moreover, management is able to demonstrate that the projects are in the advanced stage of development.



Property Acquisitions and Business Combinations

The Group acquires subsidiaries that own real estate properties. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made with regard to the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the Group (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in PAS 40 on ancillary services.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

Accounting for Business Combination

Where an asset is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the asset. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Otherwise, corporate acquisitions are accounted for as business combinations. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is included under "Remeasurement gains" in the consolidated statement of income. For previously held equity interest designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition, cumulative gains and losses at the acquisition date are reclassified to retained earnings.

The acquisitions of the Group were accounted for as business combinations (see Note 23).

Contingencies

The Group is currently involved in various legal proceedings in the ordinary conduct of business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with internal and external counsel handling the defense in these matters and is based upon an analysis of potential results.

The Group currently does not believe that these proceedings will have a material adverse effect on the consolidated financial statements (see Note 36).

Recognition of Deferred Tax Liabilities on Taxable Temporary Differences Arising from Investments in Foreign Subsidiaries, Associates and Joint Ventures

The Group did not recognize deferred tax liabilities on the taxable temporary differences arising from undistributed earnings, cumulative translation adjustment and OCI accounts of its foreign subsidiaries, associates and joint ventures since management believes that the timing of the reversal of these taxable temporary differences can be controlled by the Group and management does not expect reversal of these taxable temporary differences in the foreseeable future.

Determination of Lease Term of Contracts with Renewal and Termination Options – Group as a Lessee

ALI Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.



ALI Group has several lease contracts that include extension and termination options. ALI Group applies judgment in evaluating whether the provisions to renew or terminate the lease are enforceable. For leases where ALI Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, ALI Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Determining Taxable Profit (Tax Loss), Tax bases, Unused Tax Losses, Unused Tax Credits and Tax Rates

IMI Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable profits. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The amount of such provisions is based on various factors, such as experience on previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the entities within the Group.

Management's Use of Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Purchase Price Allocation and Goodwill

The Group made several acquisitions accounted for using the acquisition method, including initial recognition of retained interest of investment in associates, which require extensive use of accounting estimates and judgments to allocate the purchase price to the fair values of the acquiree's identifiable assets and liabilities at acquisition date. It also requires the acquirer to recognize gain on bargain purchase or goodwill. The Group's acquisitions have resulted in gain on bargain purchase and goodwill (see Note 23).

The Group determined the fair value of the net assets of the investee companies for the finalization of the purchase price allocation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred; the Group re-assesses whether it has correctly identified all the assets acquired, and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.



Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Fair Value Measurement of Retained Interests

In the determination of fair value of the retained interest in its acquisition, management determined the appropriate techniques and inputs for fair value measurements. The remeasurement gain was calculated on a preliminary basis using the transaction price or fair value to establish the fair value of retained interests (see Notes 2 and 23).

Revenue Recognition on Real Estate Projects

ALI Group's revenue from real estate is recognized based on the percentage of completion and are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to obtain contract (e.g. commission), is determined using the percentage-of-completion. To determine the cost of sales, the percentage of completion is applied to the standard cost which is regularly reviewed and adjusted to actual cost.

Estimation of Significant Financing Component

ALI Group's estimation of transaction price allocated to financing component makes use of estimates and assumptions that may affect the estimated amount of financing component. The financing component calculation prepared by management, which covers the calculation on whether the financing component of the ALI Group's contract with customers is significant, is based on various inputs such as transaction price, cash discount, payment scheme, payment amortization table, discount rate, percentage of completion to the contract provision and projected percentage of completion schedule.

In 2025 and 2024, ALI Group has assessed the impact of the financing component on revenue contracts is not material to the consolidated financial statements

Provision for Expected Credit Losses of Trade Receivables and Contract Assets

ALI Group uses a provision matrix to calculate ECLs for trade receivables other than the residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on ALI Group's historical observed default rates. ALI Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation rate and Gross Domestic Product (GDP) growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ALI Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. ALI Group's historical



credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

For the other subsidiaries' trade receivables and contract assets, the Group uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The review considered the macroeconomic outlook, client and customer/borrower credit quality, the type of collateral held, exposure at default and the effect of payment deferral options as at the reporting date.

Although lifetime expected credit losses are determined collectively, trade receivables and contract assets are also assessed individually based on default or delinquencies and possibility of financial difficulties or possibility of bankruptcy of the customers.

Further details on trade receivables and ECLs are provided in Notes 7 and 32.

Evaluation of Net Realizable Value of Inventories

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories estimated selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV.

For real estate inventories, ALI Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories and land and improvements, management considers whether those inventories are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased.

NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Further details on inventories are provided in Note 8.

Evaluation of Impairment of Nonfinancial Assets

The Group reviews investments in associates and joint ventures, investment properties, property, plant and equipment, right-of-use assets, service concession assets, goodwill and intangible assets for impairment of value. Impairment for goodwill and intangible assets with indefinite life are assessed at least annually. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or



physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Group estimates the recoverable amount as the higher of the fair value less costs to sell and value in use. For investments in associates and joint ventures, fair value less costs to sell pertain to quoted prices (listed equities) and to fair values determined using discounted cash flows or other valuation technique such as multiples. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect investments in associates and joint ventures, investment properties, plant, property, and equipment, right-of-use assets, service concession assets and intangible assets.

For goodwill, this requires an estimation of the recoverable amount which is the fair value less costs to sell or value in use of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the future cash flows for the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of cash flows.

The Group has recognized impairment loss on its investment in associates and joint ventures amounted to ₱1,467.0 million, ₱8,140.1 million and ₱949.9 million in 2025, 2024 and 2023, respectively (see Note 22).

Recoverable amounts of investments in associates and joint ventures that have been recognized impairment losses recognized in 2025 and 2024 were based on its value in use with discount rates of 9.23% to 10.08% and 7.60% to 14.52%, respectively, and long-term growth rates of 2% and 1% to 11%, respectively.

Further details on investments in associates and joint ventures, investment properties, property, plant and equipment, goodwill and intangible assets and right-of-use assets are provided in Notes 10, 11, 12, 13, 14 and 30, respectively.

Determining the Fair Value of Investment Properties

The Group discloses the fair values of its investment properties. The Group engaged independent valuation specialists to assess fair value as at December 31, 2025 and 2024. The Group's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Further details on investment properties assets are provided in Note 11.

Recognition of Deferred Tax Assets

The Group reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Group looks at its projected financial performance in assessing the sufficiency of future taxable income.

Further details on deferred tax assets are provided in Note 25.

Share-based Payments

The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Parent Company and certain subsidiaries.

Further details on the share-based payments recognized by the Group are provided in Note 28.



Defined Benefit Plans (Pension Benefits)

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are provided in Note 27.

Fair value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

Further details about the fair value of financial instruments are provided in Note 33.

Valuation of ASI loan and PPLC receivables

Subsequent to initial recognition, management revises its estimates of receipts of future cashflow from the ASI loan and PPLC receivables based on the distributable proceeds from GNPk and GNPD which is based on the priority payment waterfall provision of the divestment agreement and the management prepared forecast of future cashflows. Management has also exercised judgments in estimating the maturity dates of these assets when full collection will be made based on the terms and conditions of the assets.

In 2025, ACEIC Group recognized provision for impairment loss on receivables from PPLC amounting to ₱4,437.01 million (US\$75.60 million) (see Notes 7 and 22).

Fair Value Measurement of Receivables

In the determination of fair value of receivable from PPLC and the retained interest in KPHLC, management determined the appropriate techniques and inputs for fair value measurements. Management estimates the amount and timing of the future cash inflows based on the distributable proceeds that will be received by PPLC from GNPk and GN Power Dinginin Ltd. Co. (GNPD) which is based on the priority payment waterfall provisions of the divestment agreement. A discount rate is applied to the cash flow projections to establish the net present value of the receivables and retained interests.

Likewise, in the determination of the EIR of the ASI loan, management estimates the amount and timing of the future cash inflows based on the distributable proceeds of GNPk.

Leases - Estimating the Incremental Borrowing Rate (IBR)

The Group uses its incremental borrowing rate to measure liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the



subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Refer to Note 30 for the balance of the lease liabilities.

5. Cash and Cash Equivalents

This account consists of the following:

	2025	2024
	(In Thousands)	
Cash on hand and in banks (Note 32)	₱23,866,890	₱26,849,019
Cash equivalents (Note 32)	43,034,927	48,652,717
	₱66,901,817	₱75,501,736

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term rates.

Foreign currency-denominated cash and cash equivalents amounted to ₱25,644.52 million and ₱29,180.3 million as of December 31, 2025 and 2024, respectively (see Note 32).

Interest income earned from cash in banks and cash equivalents amounted to ₱659.06 million, ₱951.5 million and ₱1,354.3 million in 2025, 2024, and 2023, respectively (see Note 22).

6. Short-term Investments

Short-term investments pertain to money market placements made for varying periods of more than three months but less than one year and earn interest ranging from 0.25% to 6.25% per annum in 2025 and 2024.

As of December 31, 2025 and 2024, the Group's short-term investments amounted to ₱403.5 million and ₱723.6 million, respectively. Interest income arising from these investments amounted to ₱2,176.1 million, ₱2,102.1 million and ₱1,702.2 million in 2025, 2024, and 2023, respectively (see Note 22).

7. Accounts and Notes Receivable

This account consists of the following:

	2025	2024
	(In Thousands)	
Trade:		
Real estate and hotels	₱190,949,572	₱163,974,220
Industrial technologies	12,923,181	13,463,413
Power	6,690,165	7,374,170
International and others	4,133,011	2,665,715
Logistics	3,147,606	3,457,096
Automotive	2,368,995	3,063,685
Outsourcing	452,191	580,387
Receivable from related parties (Note 31)	904,529	770,987

(Forward)



	2025	2024
	(In Thousands)	
Nontrade:		
Receivable from related parties (Note 31)	₱42,717,878	₱37,668,909
Advances to other companies	41,652,590	32,263,200
Receivable from PPLC (Note 24)	35,915,090	29,445,220
Accrued interest receivable	17,672,083	18,669,490
Receivable from officers and employees	2,866,647	2,080,208
Dividend receivables (Note 31)	1,227,657	761,517
Others (Note 31)	4,985,597	2,213,682
	368,606,792	318,451,899
Less allowance for expected credit losses	17,813,085	9,028,398
	350,793,707	309,423,501
Less noncurrent portion	186,472,718	151,065,379
	₱164,320,989	₱158,358,122

The classes of trade receivables of the Group are as follows:

Real estate and hotels

Real estate receivables consist of:

- Residential, commercial and office development – pertain to receivables from the sale of high-end, upper middle-income and affordable residential lots and units; economic and socialized housing units and sale of commercial lots; sale of office units; and leisure community developments.
- Corporate business - pertain to lease receivables from office and factory buildings and receivables from sale of industrial lots
- Shopping centers - pertain to lease receivables from retail spaces
- Construction contracts - pertain to receivables from third party construction projects
- Management fees - pertain to receivables from facilities management services
- Others - pertain to receivables from hotel operations and other support services

Residential, commercial and office development receivables are collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost using the prevailing market rates. Titles to real estate properties are transferred to the buyers only once full payment has been made.

Receivables from corporate business, construction contracts, shopping centers and management fees are collectible based on various terms of payments either monthly or quarterly upon billing.

ALI Group sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party, totaling ₱12,703.7 million in 2025 and ₱14,782.2 million in 2024. These were sold at a discount with total proceeds of ₱11,376.9 million and ₱13,076.3 million, respectively. ALI Group recognized loss on sale (under "Other expenses") amounting to ₱1,326.7 million and ₱1,705.9 million in 2025 and 2024, respectively (see Note 22).

Interest Income from real estate amounted to nil in 2025 and 2024 and ₱5,359.5 million in 2023 (see Note 21).

Industrial technologies

Pertain to receivables arising from manufacturing and other related services for electronic products and components and have credit terms averaging 70 days from invoice date.

Power

Power generation receivables pertain to ACEIC Group's receivable from Independent Electricity Market Operator of the Philippines, National Grid Corporation of the Philippines (NGCP), National



Transmission Corporation (TransCo) for the FIT and from the Group's bilateral customers. Significant portion of outstanding balance pertains to receivables from MERALCO Baseload, Mid-Merit PSAs and FIT system adjustments. It consists of both noninterest-bearing and interest-bearing receivables. The term is generally 30 to 60 days.

Noncurrent trade receivables which consist of refundable amount from Philippine Electric Market Corporation (PEMC) and FIT system adjustments that are expected to be realized beyond 12 months after end of reporting period. FIT system adjustments are discounted using the PHP BVAL Reference rates - government securities with imputed credit spread of from 0.18% - 0.20% on top of the BVAL, based on the annual credit spread of 10-12bps was used to compute for the discounted net receivable as of December 2025. The PHP credit spread was derived as the difference between comparable government-owned and controlled companies' rate less risk-free rate.

Logistics

Pertain to AC Logistics' Group trade receivables which are noninterest-bearing and are generally 30 to 120 days' terms.

Automotive

Automotive receivables relate to sale of passenger cars, motorcycles and commercial vehicles and are collectible within 30 to 90 days from date of sale.

International and others

International and other receivables arose from investments in overseas property companies and projects, charter services, agri-business and others and are generally on 30- to 60- day terms.

Outsourcing

Outsourcing receivables arise from venture capital for technology businesses; provision of value-added content for wireless services, online business-to-business and business-to-consumer services; electronic commerce; technology infrastructure sales and technology services; and onshore- and offshore-outsourcing services and are normally collected within 30- to 60- days from invoice date.

The nature of the nontrade receivables of the Group follows:

Advances to other companies

ALI

Advances to other companies includes ALI's advances to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The advances are noninterest-bearing and are liquidated when the proceeds from the sale of the related projects are applied. These advances to other companies are collectible over a fixed term or on demand. As of December 31, 2025 and 2024, ALI's advances to other companies amounted to ₱25,918.6 million and ₱17,383.5 million, respectively.

Advances to other companies also include receivables from MRT Development Corporation (MRTDC) shareholders which pertains to interest-bearing advances made by North Triangle Depot Commercial Corporation (NTDCC) to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. On December 17, 2014, NTDCC and MRTDC shareholders executed a "funding and repayment agreement" wherein the latter agrees to repay NTDCC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables). Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from ALI Group. Set off shall be effective as of the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders. As of



December 31, 2025 and 2024, receivables including interest from MRTDC shareholders amounted to ₱274.2 million and ₱238.8 million, respectively.

AC Industrials

In 2019, AC Industrials extended a loan to Roadworthy Cars, Inc. (RCI) amounting to ₱1,605.0 million at an effective interest rate of 7.68% per annum. Nominal interest for the covering period of 10 years shall accrue beginning April 1, 2022 and shall be paid by RCI beginning on the second anniversary of the commencement of business of KPMC. For the succeeding years until the repayment date, interest on the principal amount of the loan shall accrue with respect to the outstanding amount of the loan.

On December 17, 2024, AC Industrials and RCI executed a Share Purchase Agreement (SPA) for the sale of the 105,000 Preferred A shares of RCI in KP Motors Corporation (KPMC) amounting to ₱2,315.5 million to AC Industrials which shall be executed in tranches from December 2024 until December 2028.

Pursuant to the SPA, on December 17, 2024, AC Industrials and RCI signed a Deed of Absolute Sale for the sale of RCI's 18,900 Preferred A Shares amounting to ₱416.8 million to ACI. On the same date, an Irrevocable Proxy and Declaration of Trust over the 105,000 RCI shares in KPMC were executed. The proceeds from the sale of KPMC shares shall be applied in tranches of the same amount to the outstanding receivable from RCI from December 2024 until December 2028.

The remaining 86,100 Preferred A shares of RCI in KPMC shall be covered by separate Deeds of Absolute Sales to be executed from 2025 until 2028.

Loans receivable from RCI amounted to ₱1,898.7 million as of December 31, 2025 and 2024. The ₱104.0 million provision for expected credit losses provided in 2022 was reversed in 2024.

ACEIC

On December 22, 2020, ACEIC signed the Affiliated Subordinated Indebtedness (ASI) agreement with GN Power Kauswagan Ltd. Co. (GNPK) for US\$200.0 million (₱9,607.2 million). The ASI loan is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50% which shall accrue starting January 1, 2021. The maturity date of the loan is the later of the (1) the final maturity date of the GNPK Senior Loans (due 2031); and (2) the full payment on, and redemption of full interest of a partner in GNPK and in GNPK's Parent Company, KPHLC under the limited partnership agreements. GNPK's payment of the interest on the ASI loan and the principal shall follow the repayment waterfall stipulation in the ASI loan agreement. Any unpaid interest shall accrue interest (see Note 31)

Interest income from ASI loan amounted to ₱1,968.6 million and ₱1,375.4 million for the years ended December 31, 2025, and 2024. Outstanding receivable amounted to ₱11,761.0 million and ₱11,602.8 million as of December 31, 2025, and 2024, respectively.

Advances to other companies also include outstanding receivables from UPC-AC Energy Solar Limited (UPC-ACE Solar) amounted to ₱2,074.29 million and ₱1,378.10 million as of December 31, 2025 and 2024, respectively. In 2024, ACEIC Group recognized additional allowance for impairment loss in development loan to UPC-AC Energy Solar Limited (UPC-ACE Solar) for its principal and interest amounting to US\$1.0 million (₱55.9 million) and US\$1.8 million (₱103.4 million) respectively. Allowance for expected credit losses on accrued interest receivable of investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) amounted to US\$15.6 million (₱1,053.9 million). Allowance provided to other receivables amounted to ₱6.3 million. In 2023, ACEIC Group recognized allowance for impairment loss in development loan to UPC-AC Energy Solar Limited (UPC-ACE Solar) for its principal and interest amounting US\$13.98 million (₱812.6 million) and US\$6.1 million (₱327.6 million) respectively. Net reversals of other credit losses amounted to ₱15.5 million in 2023.

Receivable from related parties

The terms and conditions of receivable from related parties are disclosed in Note 31.



Receivables from PPLC

On March 5, 2021, ACEIC, PPLC and certain of their affiliated companies, signed a Divestment Agreement for the transfer by ACEIC of its indirect ownership interest in GNPk in favor of PPLC and its affiliates. The transfer was implemented in tranches with the purchase price to be paid on a deferred basis. On September 30, 2021, after all conditions precedent have been met, ACEIC executed the divestment. The receivables from PPLC and affiliates arising from the first tranche sale amounted to ₱9,638.6 million. The receivable from PPLC is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50%. The maturity date of the loan is December 31, 2031. The amount and timing of collection is based on the priority payment waterfall provisions of the divestment agreement. Any unpaid interest shall accrue interest.

On June 30, 2023, the sale of 100% interest in ACE (BVI) D, Inc., ACE (BVI) F, Inc. and ACE (BVI) T, Inc. and 88.38% interest in ACE (BVI) PHILCO Corp. to PPLC and subsidiaries, equivalent to 47.1% (55% of the 85.7%) interest in GNPk (second tranche sale) was completed. The completion of the second tranche sale resulted in a gain of ₱1,261.91 million for the year ended December 31, 2023, which is presented under "Other income" in the consolidated statement of income. Total proceeds for the second tranche sale amounted to ₱13,898.5 million and was included as part of Receivable from PPLC. As of June 30, 2023, the Parent Company, through ACEIC has fully divested its interest in GNPk.

On September 19, 2024, ACEIC Group received payment amounting to US\$20.25 million (₱1,134.44 million). Interest income of US\$113.28 million (₱6,598.10 million) and US\$51.38 million (2,950.36 million) in 2025 and 2024, respectively, is reported under "Accrued interest receivable" account. As of December 31, 2025, and 2024, the outstanding interest amounted to US\$179.28 million (₱10,539.74 million) and US\$97.66 million (₱5,648.95 million), respectively.

In January 2025, ACEIC adopted a new approach to calculate the receivables from PPLC and ASI Loans whereby probability of collection is considered:

1. Effective interest rate (EIR) is kept constant i.e., 2023 rates
2. Updated cash flows are discounted at the same rate as the EIR
3. Receivables are adjusted to reflect item 2 above

For the year ended December 31, 2025, ACEIC group recognized additional allowance for expected credit loss amounting to ₱4,437.01 million (US\$75.60 million) on receivable from PPLC (see Note 22).

Accrued interest receivable

This account represents ACEIC Group's interest receivable pertaining to redeemable preferred shares, convertible loans, bridge financing, development loans and certain trade accounts with related parties and other third parties (see Note 31).

Others

Receivable from sale of interest in MWC amounting to ₱3,475.1 million and ₱5,953.8 million as of December 31, 2025 and 2024, respectively.



Movements in the allowance for expected credit losses are as follows (amounts in thousands):

	2025					
	Real Estate and Hotels	Industrial Technologies	Power	Outsourcing	Automotive and Others	Total
At January 1	₱3,014,523	₱90,908	₱2,528,374	₱63,339	₱3,331,254	₱9,028,398
Provisions during the year (Note 22)	602,478	72,358	8,527,634	29,598	436,208	9,668,276
Write-offs (Note 2)	—	(343)	—	—	(613,970)	(614,313)
Reversals/adjustments	—	(26,883)	11,149	—	(120,562)	(136,296)
Reclassification/others	(167,107)	—	87	(4,255)	38,295	(132,980)
At December 31	₱3,449,894	₱136,040	₱11,067,244	₱88,682	₱3,071,225	₱17,813,085

*Disclosure of individually and collectively impaired receivables is not required under PFRS 9.

	2024					
	Real Estate and Hotels	Industrial Technologies	Power	Outsourcing	Automotive and Others	Total
At January 1	₱2,783,716	₱240,250	₱1,283,602	₱24,507	₱3,059,727	₱7,391,802
Provisions during the year (Note 22)	248,303	4,935	1,222,264	8,906	1,526,712	3,011,120
Write-offs	—	(11,327)	—	—	(1,141,883)	(1,153,210)
Reversals/adjustments	—	13,501	—	—	(175,810)	(162,309)
Reclassification/others	(17,496)	(156,451)	22,508	29,926	62,508	(59,005)
At December 31	₱3,014,523	₱90,908	₱2,528,374	₱63,339	₱3,331,254	₱9,028,398

*Disclosure of individually and collectively impaired receivables is not required under PFRS 9.



8. Inventories

This account consists of the following:

	2025	2024
	(In Thousands)	
At cost:		
Residential and commercial lots	₱125,828,737	₱117,722,517
Residential and condominium units and offices	113,464,449	108,837,561
Vehicles	12,297,279	3,767,887
Materials and supplies	9,855,191	11,444,726
Work-in-process	1,631,499	1,467,337
Finished goods	50,156	931,699
Others	1,136,059	468,344
	264,263,370	244,640,071
At NRV:		
Materials and supplies	2,842,631	2,309,064
Work-in-process	211,331	365,604
Finished goods	183	438,045
	3,054,145	3,112,713
	₱267,317,515	₱247,752,784

A summary of the movements of real estate inventories is set out below.

	2025		
	Residential and Commercial Lots	Residential and Condominium units and Offices	Total
	(In Thousands)		
Balances at January 1	₱117,722,517	₱108,837,561	₱226,560,078
Land acquired during the year	9,916,013	–	9,916,013
Construction/development costs incurred	23,146,167	33,986,095	57,132,262
Disposals (recognized as cost of sales)	(26,828,440)	(30,516,199)	(57,344,639)
Transfers to investment properties (Note 11)	1,872,480	1,156,992	3,029,472
Balances at December 31	₱125,828,737	₱113,464,449	₱239,293,186

	2024		
	Residential and Commercial Lots	Residential and Condominium units and Offices	Total
	(In Thousands)		
Balances at January 1	₱102,006,924	₱107,309,587	₱209,316,511
Land acquired during the year	643,150	–	643,150
Construction/development costs incurred	42,154,642	40,104,709	82,259,351
Disposals (recognized as cost of sales)	(25,146,249)	(38,576,735)	(63,722,984)
Transfers to investment properties (Note 11)	(1,935,950)	–	(1,935,950)
Balances at December 31	₱117,722,517	₱108,837,561	₱226,560,078

The Group recognized provision for inventory obsolescence amounting to ₱336.1 million, ₱887.9 million and ₱518.8 million in 2025, 2024 and 2023, respectively. The provision is included under “General and administrative expenses” in the consolidated statements of income (see Note 22).



The cost of the inventories carried at NRV amounted to ₱3,200.0 million and ₱4,006.6 million as of December 31, 2025 and 2024, respectively. Write-down of inventories amounted to ₱59.3 million in 2025, ₱527.5 million in 2024 and nil in 2023 (see Note 22).

Inventories recognized as cost of services and goods sold amounted to ₱158,337.5 million, ₱140,391.3 million and ₱121,884.4 million in 2025, 2024, and 2023, respectively, and were included under "Costs of rendering services and goods sold" in the consolidated statements of income (see Note 22).

9. Other Current Assets

This account consists of the following:

	2025	2024
	(In Thousands)	
Prepaid expenses	₱24,311,728	₱23,756,356
Advances to contractors and suppliers	23,391,390	25,455,263
Creditable withholding tax	20,007,355	17,805,306
Input VAT	15,820,066	14,581,198
Financial assets at FVTPL (Note 33)	5,730,517	11,313,625
Deposits in escrow	3,751,659	2,367,973
Contract assets	2,579,649	2,219,578
Derivative assets (Notes 32 and 33)	907,314	389,630
Others	4,414,012	4,337,380
	₱100,913,690	₱102,226,309

Prepaid expenses

Prepaid expenses mainly include prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance. ALI's cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to ₱1,095.6 million and ₱2,364.6 million in 2025 and 2024, respectively. In line with ALI Group's accounting policy, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract specific key performance indicators that could trigger variable consideration, or service credits (see Note 15).

Advances to contractors and suppliers

Advances to contractors and suppliers represent prepayments for the construction of inventories. These are recouped from billings which are expected to occur in a short period of time.

Creditable Withholding Tax

The Group will be able to apply the creditable withholding taxes against income tax payable.

Input VAT

Input VAT is applied against output VAT. The remaining balance is recoverable in future periods.



10. Investments in Associates and Joint Ventures

This account consists of the following:

	2025	2024
	(In Thousands)	
Investment in stocks - cost:		
Balance at beginning of year	₱250,737,777	₱226,965,204
Additions	24,257,410	36,230,281
Disposals	(28,930,596)	(10,191,036)
Transfers/others	(694,752)	-
Acquisition of control on previously held interest (Note 23)	-	(1,810,000)
Loss of control on previously held interest	-	(456,672)
Balance at end of year	245,369,839	250,737,777
Accumulated equity in net earnings and impairment:		
Balance at beginning of year	156,633,800	134,876,472
Equity in net earnings during the year	46,749,683	44,307,947
Acquisition of control on previously held interest	-	(11,476)
Dividend income	(17,631,223)	(18,193,255)
Provision - net of reversal in 2025 (Note 22)	(1,218,953)	(8,140,087)
Dilution gain (loss) - net (Note 22)	865,305	3,836,727
Disposals/transfers/others	(8,944)	(680,483)
Gain on remeasurement of retained interest (Notes 22 and 23)	-	637,955
Balance at end of year	185,389,668	156,633,800
Other comprehensive income:		
Balance at beginning of year	(6,150,019)	(7,877,333)
Additions (deductions)	1,892,753	1,727,314
Balance at end of year	(4,257,266)	(6,150,019)
	₱426,502,241	₱401,221,558

Details of the Group's investments in associates and joint ventures and the related economic ownership percentages are shown below:

	Percentage of Economic Ownership		Carrying Amounts	
	2025	2024	2025	2024
	(In Millions)			
<i>Domestic:</i>				
Bank of the Philippine Islands (BPI)	30.6	30.7	₱164,794	₱151,115
Liontide Holdings, Inc. (LHI)*	93.4	93.4	80,701	73,376
Globe Telecom, Inc. (Globe)*	30.6	30.7	49,162	46,629
AM 50 Ventures Inc. (AM 50 Ventures)*	50.0	-	19,216	-
AA Thermal, Inc. (AA Thermal)	40.0	40.0	18,100	17,188
Ortigas Land Corporation (OLC)	21.0	21.0	11,798	10,815
ALI-ETON Property Development Corporation (ALI-ETON)*	50.0	50.0	10,338	10,025
Philippine Wind Holdings Corporation (PhilWind)*	40.5	40.5	5,892	5,698
iPeople, Inc. (IPO)	36.3	33.5	5,692	5,157
Light Rail Manila Holdings, Inc. (LRMHI)	50.0	50.0	5,036	4,276
Emerging City Holdings, Inc. (ECHI)*	50.0	50.0	4,690	4,420
North Luzon Renewable Energy Corporation (NLR)*	33.3	33.3	3,422	3,199
Berkshires Holdings, Inc. (BHI)*	50.0	50.0	2,264	2,151
Globe STT GDC Inc.* (Globe STT)	10.0	10.0	1,906	1,832
Asiacom Philippines, Inc. (Asiacom)*	60.0	60.0	1,880	1,812
Bonifacio Land Corporation (BLC)	10.0	10.0	1,704	1,602
Unlimited Renewables Holdings, B.V. (URH)*	80.0	80.0	1,697	74
Ingrid Power Holdings, Inc. (Ingrid)*	50.0	50.0	1,181	1,343
Alveo-Federal Land Communities, Inc. (Alveo-Federal)*	50.0	50.0	568	557
Globe Fintech Innovations, Inc. (Mynt)*	-	13.7	-	24,877

(Forward)



	Percentage of Economic Ownership		Carrying Amounts	
	2025	2024	2025	2024
			(In Millions)	
<i>Foreign:</i>				
ACEHI Netherlands B.V. (ACEHI Netherlands)* (incorporated in the Netherlands)	75.8	75.8	₱13,859	₱13,037
BIM Energy Holding Corporation (BIMEH) (incorporated in Vietnam)	49.0	49.0	5,858	5,552
Yanara India, B.V.* (Yanara India, previously, BrightNight India, B.V) (incorporated in the Netherlands)	50.0	50.0	2,941	3,776
Solar NT Holdings Pte. Ltd. (Solar NT) (incorporated in Singapore)	49.0	49.0	2,322	2,387
BIM Renewable Energy Joint Stock Company* (BIMRE) (incorporated in Vietnam)	30.0	30.0	1,973	1,953
UPC Power Solutions LLC (UPC Power) (incorporated in the USA)	83.3	83.3	1,263	1,804
Others - net	Various	Various	8,245	6,567
			₱426,502	₱401,222

*Joint ventures

Unless otherwise indicated, the principal place of business and country of incorporation of the Group's associates and joint ventures is the Philippines.

Except as discussed in subsequent notes, the voting rights held by the Group in its investments in associates and joint ventures are in proportion to their ownership interest.

Financial information on significant associates follows:

BPI	2025	2024
	(In Millions, except earnings per share)	
Total resources	₱3,651,488	₱3,318,813
Total liabilities	3,172,618	2,886,123
Equity	478,870	432,690
Less: non-controlling interest	2,317	2,220
Equity attributable to the equity holders of BPI	476,553	430,470
Share in equity	145,765	131,962
Notional goodwill	20,131	20,131
Others	(1,102)	(978)
Carrying value of investment	164,794	151,115
Net interest income and other income	195,277	170,139
Total expenses	128,430	107,899
Net income	66,847	62,240
Net income attributable to:		
Equity holders of BPI	66,615	62,049
Non-controlling interests	232	191
Group's share in net income for the year	20,417	19,101
Other comprehensive income (loss)	2,076	(1,492)
Group's share in other comprehensive income (loss) for the year	635	(457)
Total comprehensive income	68,923	60,748
Total comprehensive income attributable to:		
Equity holders of BPI	68,668	60,536
Non-controlling interests	255	212
Group's share in total comprehensive income for the year	21,082	18,622
Basic and diluted earnings per share	12.61	11.78
Dividend income from BPI	6,606	6,000



Financial information on significant joint ventures follows:

LHI	2025	2024
	(In Millions, except earnings per share)	
Current assets, including cash and cash equivalents amounting to ₱2,642.0 million in 2025 and ₱2,289.9 million in 2024	₱2,645	₱2,295
Noncurrent assets	74,179	67,177
Current liabilities	1,314	819
Noncurrent liabilities	3,019	4,038
Equity	72,491	64,615
Share in equity	67,735	60,376
Notional goodwill	12,988	12,988
Others	(22)	12
Carrying value of investment	80,701	73,376
Revenue	10,269	11,067
Interest income	47	29
Cost and expenses	242	286
Provision for income tax	9	6
Net income	10,064	10,804
Group's share in net income for the year	9,404	10,037
Total comprehensive income	10,388	10,641
Group's share in total comprehensive income	9,707	9,943
Dividend income from LHI	2,348	1,523
Globe	2025	2024
	(In Millions, except earnings per share)	
Current assets, including cash and cash equivalents amounting to ₱25,029.9 million in 2025 and ₱21,353.7 million in 2024	₱75,914	₱77,218
Noncurrent assets	580,078	556,418
Current liabilities including financial liabilities* amounting to ₱22,219.0 million in 2025 and ₱26,349.8 million in 2024	115,611	123,552
Noncurrent liabilities, including financial liabilities* amounting to ₱234,094.4 million in 2025 and ₱223,110.1 million in 2024	365,861	342,305
Equity	174,520	167,779
Less: non-controlling interest	50	31
Equity attributable to the equity holders of the Parent	174,470	167,748
Share in equity	44,050	42,016
Notional goodwill	3,939	3,939
Others	1,173	674
Carrying value of investment	49,162	46,629
Revenue	178,240	180,586
Other income	11,749	10,239
Costs and expenses		
General, selling and administrative expenses	72,208	72,837
Depreciation and amortization	53,871	50,473
Interest expense	16,456	14,444
Provision for income tax	4,965	6,045
Others	19,226	22,739
Net income	23,262	24,286
Net income attributable to:		
Equity holders of Globe	23,264	24,304
Non-controlling interests	(2)	(19)
Group's share in net income for the year	7,188	7,508
Other comprehensive loss	(1,096)	(944)
Share in other comprehensive loss for the year	(336)	(289)
Total comprehensive income	22,166	23,342
Share in total comprehensive income for the year	6,792	7,156
(Forward)		



Globe	2025	2024
	(In Millions, except earnings per share)	
Earnings per share:		
Basic	₱151.21	₱158.48
Diluted	150.44	157.83
Dividend income from Globe	4,427	4,427
<i>*Excluding trade and other payables and provisions</i>		

In addition to the interest in associates and joint ventures discussed above, the Group also has interest in a number of individually immaterial associates and joint ventures. Below is a summary of certain financial information concerning these immaterial associates and joint ventures:

	2025	2024
	(In Millions)	
Carrying amount	₱131,845	₱130,102
Share in net income	9,740	7,662
Share in other comprehensive income (loss)	1,278	2,304
Share in total comprehensive income	₱11,018	₱9,966

The following significant transactions affected the Group's investments in associates and joint ventures:

Investment in BPI

BPI issuance of shares to Robinsons Bank Corporation (RBC)

On December 14, 2022, the BOD of BPI approved the issuance of BPI common shares to shareholders of RBC, increasing RBC shareholders' holdings to approximately 6% of the resulting outstanding common stock of BPI as of closing date. In no case shall BPI issue more than 318,912,309 common shares pursuant to its merger with RBC.

On September 30, 2022, the BOD of BPI approved the merger between BPI and RBC, with BPI as the surviving bank, subject to shareholders' and regulatory approvals. The BOD also approved the amendments to Article Seventh of BPI's Articles of Incorporation to:

- Increase its authorized capital stock to ₱4.0 billion;
- Combine allocation of authorized common shares for ESOP and ESPP into a 3% allocation for all employee stock incentive plans; and
- Deny pre-emptive rights over the 406,179,276 treasury shares which shall be disposed of by BPI in accordance with RA No. 8791, otherwise known as the General Banking Law of 2000.

On January 17, 2023, the shareholders of BPI approved the merger with RBC with BPI as the surviving bank. The PCC approved the merger on March 9, 2023 as contained in the decision released by the Commission on September 13, 2023. On December 14, 2023, the BSP, through Monetary Board Resolution No. 1633 approved the merger. The SEC issued the Certificate of Filing of the Articles and Plan of Merger on December 29, 2023.

Refer to the succeeding discussion on the execution of the BPI-RBC merger.



Sale of GoTyme Bank shares

On March 20, 2024, BPI's BOD approved the sale of its 752,056,290 common shares in GoTyme Bank Corporation (GoTyme Bank) to GoTyme Financial Pte Ltd. (744,099,587 common shares) and Giga Investment Holdings Pte. Ltd., (7,956,703 common shares) at ₱1.20 per share, subject to BSP approval. The GoTyme Bank shares were acquired by BPI pursuant to the merger between BPI and RBC with BPI as the surviving bank. On April 1, 2024, Deeds of Absolute Sale of Shares covering the abovementioned sale of GoTyme Bank shares were signed by the authorized representatives of BPI.

BPI Peso Bond and Commercial Paper Program

On May 18, 2022, the BPI's BOD approved a new ₱100.0 billion Bond Program. On January 30, 2023, BPI issued the first tranche called BPI Reinforcing Inclusive Support for Micro, Small and Medium Enterprises (MSMEs) Bonds ("BPI RISE Bonds"). The net proceeds amounting to ₱20.1 billion were used to finance or refinance the business requirements of eligible MSMEs, consistent with BPI's Sustainable Funding Framework. On November 13, 2023, BPI issued the second tranche of this Bond Program. The net proceeds amounting to ₱36.4 billion were used for general corporate purposes. On August 9, 2024, BPI issued the third tranche called BPI Sustainable, Environmental and Equitable Development Bonds ("BPI SEED Bonds"). The net proceeds of ₱33.4 billion were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework.

On October 16, 2024, BPI's BOD approved the establishment of a ₱200.0 billion Bond Program following the full utilization of the Bank's Bond Program established in 2022 (see Note 38). On June 10, 2025, BPI issued the first tranche called BPI Supporting Inclusion, Nature and Growth Bonds ("BPI SINAG Bonds"). The net proceeds of ₱36.8 billion were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework.

BPI's Medium-Term Note (MTN) Program

On June 21, 2018, BPI's BOD approved the establishment of the MTN Program in the aggregate amount of up to USD2.0 billion. On December 13, 2023, BPI's BOD approved the increase in size of the MTN Program to USD3.0 billion. BPI's outstanding balances under its MTN Program are as follows:

a. *US\$400 million 5-year Reg S senior unsecured notes*

On March 19, 2024, BPI successfully tapped the international capital markets with a public USD bond issuance for the first time since 2019, with its offering of US\$400 million 5-year Reg S senior unsecured notes ("Notes"). The net proceeds will be used for refinancing and general corporate purposes. The 5-year Notes were priced at U.S. Treasury spread of T+105 basis points (bps) with a coupon of 5.25%, representing the tightest ever spread on a 5-year bond from a non-sovereign Philippine issuer. The Notes are rated Baa2 by Moody's.

b. *US\$500 million and US\$300 million bond offering*

On March 27, 2025, BPI successfully tapped the international capital markets with a public USD bond offering of US\$500 million 5-year and US\$300 million 10-year Reg S senior unsecured fixed rate notes offering ("Notes").

Dividends declaration

On May 21 and November 19, 2025, BPI's BOD approved the declaration of a cash dividend of ₱2.08 and ₱2.28 per common share, respectively, both for the first and second semesters of 2025.

On May 15 and November 20, 2024, BPI's BOD approved the declaration of a cash dividend of ₱1.98 per common share, both for the first and second semesters of 2024.

The fair value of the BPI shares held by the Parent Company amounted to ₱187.6 billion and ₱197.2 billion as of December 31, 2025 and 2024, respectively. In 2025 and 2024, the voting rights held by the Parent Company in BPI is 30.6% and 30.7%, respectively.



Execution of BPI-RBC merger

On January 1, 2024, BPI and RBC closed their merger, with BPI as the surviving bank, which became effective after securing the requisite corporate and regulatory approvals. On the same date, BPI issued 314.00 million common shares to the shareholders of RBC pursuant to the Plan of Merger agreement. This resulted to calculated dilution gain amounting to ₱4.2 billion (₱2.8 billion from AC's direct investment in BPI and ₱1.4 billion from its share in LHI's dilution of its investment in BPI) in the consolidated statement of income for the year ended December 31, 2024 (see Note 22).

Investment in LHI

Divestment by Arran Investment Pte. Ltd (Arran) in LHI

On January 13, 2023, Arran completed the redemption of 31,154,709 redeemable preferred shares in LHI, a joint venture company between the Parent Company and Arran, and the sale of its remaining 10,384,903 redeemable preferred shares in LHI to Robinsons Retail Holdings, Inc. (RRHI). Effective on the same date, Arran, LHI, and the Parent Company terminated their existing Shareholders' Agreement while RRHI, LHI, and the Parent Company entered into a new Shareholder's Agreement to govern their relationship as well as the conduct of the business and management of LHI, resulting in LHI becoming a joint venture company between the Parent Company and RRHI. This resulted to an increase in economic ownership interest in LHI to 93.4%. This transaction did not affect the Parent Company's 15.6% effective economic interest in BPI held indirectly through LHI as of December 31, 2023.

This transaction resulted in an increase in the share in the income in LHI amounting to ₱4.0 billion and a ₱3.6 billion dilution loss (see Note 22) on the change in interest of the Parent Company resulting to a net gain of ₱462.0 million in the Group's consolidated statement of income for the year ended December 31, 2023.

As of December 31, 2025 and 2024, LHI owns 823.2 million common shares of BPI representing a direct ownership interest in BPI of 15.6% as of both years ended. The Parent Company and RRHI, with the same agreement as GIC Special Investments Pte. Ltd., the entity controlling Arran, as joint venture partners, agreed to vote its BPI shares based on the common position reached jointly by them as shareholders.

Reduction of Authorized Capital Stock

On March 14, 2025, the SEC approved LHI's application to decrease its authorized capital stock from ₱3.4 billion or 263.3 million shares to ₱2.9 billion or 232.1 million shares in view of the redemption in January 2023 of the 31,154,709 redeemable preferred shares of the LHI, which are held as treasury shares.

BDO Unibank, Inc. (BDO) Loans

On April 30, 2018, LHI availed of a 7-year bank loan with BDO amounting to ₱10.0 billion (2018 BDO Loan) to fund LHI's participation in BPI's stock rights offering.

On April 25, 2024, LHI entered into a 4-year loan agreement with BDO in the maximum amount of ₱4.0 billion (2024 BDO Loan), the proceeds of which was used by LHI to refinance the principal amortizations of the 2018 BDO Loan. In April 2024, LHI availed the initial drawdown amounting to ₱1.0 billion which subsequently paid the maturing principal of ₱1.0 billion of the 2018 BDO Loan.

On April 30, 2025, LHI fully settled its ₱3.0 billion loan balance with BDO Unibank. On the same date, LHI availed of a new loan facility amounting to ₱2.0 billion from the same bank. This drawdown represents the second and final tranche of the original ₱3.0 billion loan facility secured by LHI in 2024.



Dividends declaration

On June 30 and December 17, 2025, the BOD of LHI approved the declaration of cash dividends amounting to ₱1.2 billion and ₱1.3 billion, respectively.

On June 28 and December 27, 2024, the BOD of LHI approved the declaration of ₱815.0 million cash dividends on both dates.

The fair value of BPI shares held by LHI amounted to ₱95.6 billion and ₱100.4 billion as of December 31, 2025 and 2024, respectively. In 2025 and 2024, the voting rights held by the Group in LHI is 95.51%.

Investment in Globe

₱10.0 billion loan facilities with BDO and Metropolitan Bank & Trust Company (Metrobank)

On March 14, 2025, Globe signed term loan facilities of ₱10.0 billion each with BDO and Metrobank. The loans were used to finance Globe's capital expenditures, debt refinancing, and/or general corporate requirements.

Joint venture with NCS Pte. Ltd. in Yondu Inc.(Yondu)

On March 26, 2025, Globe entered into an agreement with NCSI Holdings Pte. Ltd. (NCSI), based in Singapore, to hold 51% ownership in Yondu, a Globe subsidiary, as well as Yondu's acquisition of NCSI Philippines (NCS PH), making NCS PH a fully owned subsidiary of Yondu. Upon closing, Globe will retain 49% ownership in Yondu and NCS PH. As of December 31, 2025, the closing of the transaction and actual transfer of ownership are still in progress (see Note 38).

Sale of telecom towers

In 2022 and 2023, Globe signed sale and leaseback agreements with four tower companies consisting of 7,506 telecom towers and related passive telecom infrastructure. The closing of the agreements will be on a staggered basis depending on the satisfaction of closing conditions, according to the number of towers transferred.

The leaseback arrangement for those telecom towers sold took effect at the date of sale.

Year	Number of Towers Sold
2022	2,410
2023	2,057
2024	2,205
2025	273
Total	6,945

As of December 31, 2025, Globe has completed the sale of 6,945 telecom towers representing 93% of Globe's total towers portfolio subject to sale.

As of December 31, 2025 and 2024, Globe recognized gain on sale and leaseback of telecom towers, net of direct costs, amounting to ₱0.4 billion and ₱3.5 billion, respectively, with the Group's equity share in the transaction amounting to ₱0.1 billion in 2025 and ₱1.1 billion in 2024.

Dividends declaration

On February 6, May 9, August 5 and November 6, 2025, the BOD of Globe approved the declaration of quarterly cash dividends of ₱25.00 per common share or a total of ₱3.6 billion on each date. Also on November 6, 2025, the BOD of Globe approved ₱0.39 dividends for each voting preferred share.

On February 6, 2024, the BOD of Globe also approved the proposed change in the company's dividend policy to 60% to 90% (from 60% to 75%) of prior year's core net income, to be applied starting the 2024 dividend declaration.



On February 6, May 14, August 6, and November 7, 2024, the BOD of Globe approved cash dividends for the first to fourth quarter of ₱25.00 per common share or totaling ₱3.6 billion each quarter. On November 7, 2024, Globe's BOD also approved dividends on its voting preferred share of ₱0.39 per share.

The fair value of Globe shares held by the Parent Company amounted to ₱70.2 billion and ₱96.7 billion as of December 31, 2025 and 2024. In 2025 and 2024, the voting rights held by the Group in Globe is 46.00% and 46.01%, respectively.

Investment in AM 50 Ventures (formerly, AC Ventures)

Strategic partnership with Mitsubishi Corporation (MC)

On October 18, 2024, AC, MC and AC Ventures signed a binding term sheet whereby MC commits to subscribe to such number of common and redeemable preferred shares in AC Ventures for at least ₱18.4 billion (through AC Ventures), and Mitsubishi UFJ Financial Group (MUFG), through its consolidated subsidiary, MUFG Bank, the proceeds of which shall be used to redeem some of AC Ventures shares of the Parent Company. These transactions will result in AC and MC each owning a 50.00% stake in AC Ventures which was renamed to AM 50 Ventures to reflect the new joint venture arrangement. The deal pushed Mynt's valuation to \$5 billion from the \$2 billion valuation in the 2021 funding round. The Investment Agreement was signed by the parties on March 31, 2025.

AM 50 Ventures will serve as a joint venture vehicle between the Parent Company and MC for co-investments that will explore consumer-related and digital opportunities in the Philippines. These initiatives are aligned with the Parent Company's strategic priority to support the growth of clear business winners within its portfolio.

On August 4, 2025, AC, MC and AC Ventures completed the transactions contemplated in the Investment Agreement dated March 31, 2025, including MC's subscription of AM 50 Ventures shares for a total subscription price of approximately ₱19.0 billion, AM 50 Ventures' redemption of its redeemable preferred shares held by AC, and the execution by and among AC, AC Ventures, and MC of a shareholders' agreement setting out their agreement on the management of AM 50 Ventures and AC and MC's rights and obligations as shareholders in AM 50 Ventures (see Note 2).

These transactions resulted in the Parent Company's loss of control of AC Ventures and the remeasurement and accounting for the retained 50.00% interest in AM 50 Ventures. Remeasurement gain amounted to ₱10.4 billion in 2025 (see Notes 2, 22 and 23).

Investment in Mynt

On August 1, 2024, the Parent Company's wholly owned subsidiary, AC Ventures, executed a Share Purchase Agreement to acquire common shares in Mynt from existing shareholders, equivalent to an additional 8% ownership stake in Mynt, for approximately USD 392.8 million. The acquisition closed on August 20, 2024 for a purchase price of ₱22.4 billion. This resulted in the increase of the Parent Company's indirect ownership in Mynt to ~13%.

On September 25, 2024, MUFG Bank, Ltd. (MUFG Bank) signed an Investment Agreement and Share Purchase Agreement to acquire an ~8% ownership stake in Mynt for USD 392.8 million. Related to this transaction, AC Ventures, MUFG, the other shareholders of Mynt, and Mynt executed an Amended and Restated Rights Agreement which provided AC Ventures and MUFG the right to nominate one (1) director in Mynt each, among other rights and obligations.

On February 12, 2025, MUFG and Mynt closed its transaction on MUFG's acquisition of Mynt shares, completing MUFG's 8% stake in Mynt. This resulted to the dilution of Globe's and AC Ventures respective ownership in Mynt from 36% to 34% and from 13.7% to 13.2%, respectively. Globe and AC Ventures each recognized calculated dilution gains amounting to ₱2.2 billion with AC's equity share amounting to ₱0.7 billion and ₱1.0 billion for the year ended December 31, 2025.



On June 2, 2025, the Mynt's BOD and shareholders, in their special board meeting and annual stockholders' meeting, approved the proposed stock split reducing the par value of Mynt's common shares from ₱1.00 per share to ₱0.03 per share, thereby increasing the number of authorized common shares from 2.1 billion to 71.7 billion. Mynt's authorized capital stock of ₱2.1 billion will remain the same. This was approved by the SEC on October 27, 2025.

Investment in AA Thermal

AA Thermal Inc. is ACEIC's thermal platform in the Philippines.

Investment in OLC

ALI has a 21.0% stake in Ortigas Limited Corporation (OLC). OLC has a 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Investment in ALI-ETON

ALI-ETON is a joint venture between ALI and LT Group, Inc. and is organized primarily to develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

Investment in Philwind

This represents ACEIC Group's interest in PhilWind. PhilWind including its subsidiaries is engaged in the power generation business, both from renewable and non-renewable energy sources. The investment is accounted for as an investment in joint venture as the relevant activities in PhilWind require the unanimous consent of the stockholders.

On March 25, 2024, ACEIC through ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 ("RPS A-3") at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.5 million, to be issued out of the increase of PhilWind's authorized capital stock.

Investment in IPO

Acquisition of additional IPO shares

On August 14, 2025, the Parent Company purchased from A. Soriano Corporation (Anscor) 29.2 million IPO common shares, representing 2.8% of IPO's outstanding shares, at ₱12.00 per share for a total of ₱351.4 million (inclusive of broker's commission amounting to ₱0.5 million). The purchase resulted in an increase in the Parent Company's stake in IPO from 33.5% to up to 36.3%.

Dividends declaration

The dividends received from IPO amounted to ₱86.8 million and ₱66.5 million for the years ended December 31, 2025 and 2024, respectively.

The fair value of the IPO shares held by the Group amounted to ₱2.3 billion and ₱2.4 billion as of December 31, 2025 and 2024 respectively.

Investment in LRMHI

LRMHI holds 70% of the total equity of Light Rail Manila Corporation (LRMC), the project company established for the construction, operation and maintenance of the LRT 1 Cavite extension project.

On February 14, 2025, the Department of Transportation (DOTr) approved LRMC's petition for fare increase to be implemented effective April 12, 2025.

Due to continuous delays in the grant of fare increases and lower ridership forecast, the recoverable value of AC Infra's investment in LRMHI was assessed to be lower than its carrying value as of December 31, 2024. As of December 31, 2025 and 2024, AC Infra recognized an impairment loss on its investment in LRMHI amounting to nil and ₱3.2 billion under General and Administrative Expenses



(see Note 22). In 2025, AC Infra recognized a ₱248.1 million reversal of impairment loss on its investment in LRMHI and is included under “Other income” (see Note 22).

As of December 31, 2025 and 2024, AC Infra’s remaining equity investment commitment for the LRT 1 project amounted to nil and ₱0.5 billion, respectively.

Investment in ECHI, BHI and BLC

As of December 31, 2025 and 2024, ALI Group’s effective interest in BLC is 47.3%. ALI’s 5.3% direct investment in BLC and 4.8% through Regent Time aggregating 10.1% are accounted for using the equity method because the ALI has significant influence over BLC.

Investment in NLR

On March 18, 2022, ACEIC through its subsidiary, ACEN and UPC Philippines Holdco I BV executed a Deed of Absolute Sale of Shares covering 16,668 common shares and 740 preferred shares representing 33.30% ownership in NLR for ₱2.4 billion.

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million, to be issued out of the increase of NLR’s authorized capital stock. As of December 31, 2024, total subscription paid amounted to ₱495.40 million.

PhilWind directly and indirectly owns 67% of NLR through its 38.00% direct interest and 28.70% indirect interest through its 100.00% owned subsidiary, Ilocos Wind Energy Holding Co., Inc.

ACEIC’s investment in NLR is comprised of 42.96% direct interest in PhilWind, 26.80% indirect interest in PhilWind through wholly owned subsidiary, Giga Ace 1, Inc., and 33.30% direct interest in NLR.

Investment in Globe STT

Globe STT is the joint venture between the Parent Company, Globe, and ST Telemedia Global Data Centres which is engaged in installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities.

Investment in Asiacom

The Parent Company also holds 60.00% ownership interest in Asiacom, which owns 158.5 million Globe preferred shares as of December 31, 2025 and 2024. The Parent Company does not exercise control over Asiacom and Globe since it is a joint venture with Singapore Telecommunications Limited (SingTel).

Equity restructuring

On August 5, 2025, the SEC approved the Asiacom’s application for equity restructuring to fully wipe-out its deficit as of December 31, 2024 amounting ₱6.0 billion against its APIC.

Investment in URH

On December 21, 2023, ACEIC Group entered into a joint venture agreement with UPC India Pte. Ltd. to acquire a 50% ownership interest in URH for the development of renewable energy and energy storage projects in India. URH’s project portfolio in India includes the 405 MW Tejorupa project, and the 102 MW Bijapur project.

On January 2, 2024, ACEIC through its subsidiary, ACEN Renewables International Pte. Ltd. (ACRI), completed its investment in URH by infusing US\$50.00 for acquisition of 50 shares of URH from UPC India Pte. Ltd. (UPCI) and US\$2.69 million (₱151.02 million) for subscription of 2,674 ordinary shares of URH.

In 2025, ACEIC Group made additional equity infusions (including reclassifications from receivables) to URH amounting to ₱1.7 billion.



Investment in Ingrid

In 2021, ACEIC executed a subscription agreement with Axia Power Holdings Philippines Corp. for a 50% interest in Ingrid to develop, construct, and operate a 150MW diesel power plant in Pililia, Rizal. In 2025, Ingrid returned capital to ACEIC amounting to ₱0.5 billion.

Investment in MWC

In 2023, MWC Group recognized impairment on its investment in Eastern Water Resources Development and Management Public Company Limited (East Water) amounting to ₱4,063.3 million due to the current and prospective financial performance and condition of East Water. This impacted the Group's share in net income by ₱915 million for the year ended December 31, 2023.

Sale of MWC

On October 11, 2023, the Parent Company sold 289.0 million common shares of its shareholdings with MWC at ₱17.16 per share through BPI Securities Corp. for a net proceed of ₱4,926.6 million. The sale resulted to the recognition of gain amounting to ₱2,504.7 million at Parent Company level. Total capital gains taxes paid for the sale of common shares amounted to ₱375 million. On the same date, Philwater also sold 436.0 million participating preferred shares at ₱1.72, through BPI Securities Corp. for a net proceed of ₱748.8 million. The sale resulted to a loss of ₱342.1 million at Philwater level. The sale of preferred shares was subjected to capital gains taxes amounting to ₱95.1 million. As result of this sale, recognized a loss on sale of ₱1,515.6 million under "Other Income" for the year ended December 31, 2023 (see Note 22 and 23).

On May 17, 2024, the Parent Company's Executive Committee, in the exercise of its authority under its By-Laws, approved the following transactions, for its own and as stockholder: (a) the sale of its 576,997,467 common shares in MWC to Trident at a purchase price of not less than ₱21.00 per share; (b) the sale by its wholly-owned subsidiary, Michigan Holdings, Inc. (MHI) of its 1,000,000 MWC common shares to Trident at a purchase price of not less than ₱21.00 per share; (c) the sale by its wholly-owned subsidiary, Philwater Holdings Company, Inc. (Philwater) of its 872,487,863 MWC preferred shares to Trident at a purchase price of not less than ₱1.70 per share with annual payments from 2024 to 2029; and (d) the execution by Philwater of a proxy over its MWC preferred shares in favor of Trident. The transactions were executed on May 17, 2024. Post-completion of these transactions, the Ayala Group will no longer hold common shares of MWC and its voting stake in MWC will be nil (0%) as a result of the block sale and voting proxy to be issued in favor of Trident vis-à-vis the MWC preferred shares, but Philwater will continue to receive dividends on its sold MWC preferred shares, which will be paid on an installment basis, until it receives full payment. This transaction resulted to a net gain of ₱0.65 billion (excluding related expenses and taxes on the sale) as part of "Other income" for the year ended December 31, 2024 (see Notes 22 and 23).

Dividends declaration

On February 29, 2024, MWC's BOD approved the declaration of cash dividends amounting to ₱1.129 per outstanding common share, ₱0.113 per outstanding unlisted participating preferred share, and accumulated fixed cash dividends of ₱0.01 outstanding unlisted participating preferred share. For common and participating preferred shares, the record date was March 18, 2024 and was paid on April 12, 2024.

The dividends received by the Parent Company from MWC amounted to nil and ₱0.7 billion for the years ended December 31, 2025 and 2024, respectively.

Investment in ACEHI Netherlands

In 2017, ACEIC acquired an interest in Salak-Darajat, an investment holding company incorporated in the Netherlands, with assets and operations in Salak and Darajat geothermal fields in West Java, Indonesia, with a combined capacity of 637MW of steam and power through ACEHI Netherlands B.V. (ACEHI Netherlands). Its principal place of business and country of incorporation is in Indonesia.



On July 3, 2023, ACRI signed a share purchase agreement with SEOG, for the sale by ACRI of its 24.24% equity share in ACEHI Netherlands to SEOG. Upon completion of the transaction, ACEHI Netherlands' BOD shall consist equal representations from both shareholders. Furthermore, all matters relating to ACEHI Netherlands, shall be approved unanimously by both shareholders, thereby resulting in ACRI's loss of control, and account for its investment in ACEHI Netherlands as a joint venture (see Note 2 and 23).

Investments in BIMEH

On November 26, 2024, ACEIC through ACEN Vietnam Investments Pte. Ltd. signed a share purchase agreement with Huntington Renewable Investments Limited to acquire a 49% stake in BIMEH for US\$70.5 million.

The acquisition will allow ACEIC to increase its pipeline projects in Vietnam. BIMEH currently has ownership interest in the following operating renewable energy assets: Ninh Thuan Solar (405MW) and Ninh Thuan Wind (88MW).

Investment in Yanara India

On March 10, 2023, ACEIC entered into a Shareholder's Agreement with BrightNight to develop, construct, and operate renewable energy projects in India, including a 153 MW hybrid wind-solar project in Maharashtra and round-the-clock renewable projects in Rajasthan comprising the 387 MW Sheo 1 and 297 MW Sheo 2 projects. On March 24, 2023, ACEIC acquired 100 Class A shares and 100 Class A1 shares in Yanara India B.V., representing a 50% voting interest.

In 2025, ACEIC disposed of its equity interests in Yanara India amounting to ₱841.1 million.

Investment in Solar NT

On January 28, 2022, ACEIC through ACEN Vietnam Investments Pte. Ltd. (ACEV), and Super Solar Energy Company Limited through its wholly-owned subsidiary, Super Energy Group (Hong Kong) Co., Limited (Super HK), executed the Share Purchase Agreement for the 49% acquisition of interest in Solar NT for US\$165.00 million. Solar NT is the holding company for Super Energy Group's solar projects in Vietnam, with an aggregate capacity of 286.9 MW.

Investment in BIMRE

In 2018, ACEIC entered into a 30-70 joint venture agreement with BIM Group Joint Stock Company (BIM Group) to develop, construct, and operate at 330 MW of Solar Farm in Ninh Thuan Province, Vietnam, through BIMRE and BIMEH.

BIMRE and BIMEH are currently operating a 375MW and 30MW wind power plant, respectively.

ACEIC has joint control over BIMRE, BIM Energy Joint Stock Company, and BIM Wind Energy Joint Stock Company by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserved matters.

Investment in UPC Power

On May 13, 2022, ACEIC, through its subsidiary ACEN USA LLC, entered into a Limited Liability Company Agreement (LLCA) with UPC Solar & Wind Investments LLC, and Pivot Power Management to pursue opportunities and acquire operating wind projects in the USA and explore strategies for extending their useful life through preventive maintenance and repowering. The partnership resulted to a 83.33% ownership interest in UPC Power. UPC Power currently holds two operating wind projects in North America: Stockyard Wind with a net dependable capacity of 129 MW, and Chestnut Flats with a capacity of 38 MW.

In 2025, ACEIC Group made additional equity infusions into UPC Power amounting to ₱318.9 million

ACEIC has joint control over UPC Power because all fundamental decisions and matters require unanimous approval of all partners.



Others

Investment in Anko JV Company, Inc. (Anko JV)

In 2024, A&Co Holdings Corporation (AHC), a subsidiary of ACX, and Anko PH Holdings Pty. Ltd., a subsidiary of Kmart Australia Ltd. (Kmart Australia), entered into a 50-50 joint venture agreement and incorporated Anko JV to operate, manage, and maintain Anko-branded stores in the Philippines. Kmart Australia is owned by Wesfarmers Limited, a listed company in Australia. AHC made an initial infusion of ₱181.0 million to fund its 50% stake in Anko JV.

In 2025, ACX made additional infusion into Anko JV amounting to ₱269.0 million.

Investment in BF Jade (Zalora)

As of December 31, 2023, due to ongoing business headwinds and challenges in growth and profitability, the recoverable value of the Group's investment in BF Jade is assessed to be lower than the carrying amount. The Group has recognized an impairment loss amounting to ₱588.0 million under "General and administrative expenses" (see Note 22).

On December 3, 2025, the Parent Company extended a loan to BF Jade amounting to ₱98.1 million to fund the repayment of the attributable share of AM 50 Ventures, AMSI, Inc., BPI Capital Corporation, and Kickstart Ventures, Inc. (together, the "Ayala Cohort") in BF Jade's loan from BPI. The loan was subsequently condoned by the Parent Company and recognized as donation expense. The Parent Company also shouldered the related donor's tax and documentary stamp taxes.

In December 2025, the Group sold its shares in BF Jade to Global Fashion Group.

Investment in Global Telehealth, Inc.

On March 6, 2025, AC Health together with Globe Capital Ventures Holdings, Inc., a subsidiary of Globe, and Salud Interactiva S.A DE C.V., signed a share purchase agreement with Metro Pacific Health Tech Corporation to sell their collective stake in Global Telehealth, Inc. (KMD) comprised of 54.0 million common shares and 12.0 million preferred shares, constituting one hundred percent (100%) of the outstanding capital stock of KMD, at the selling price of ₱375.0 million.

On April 15, 2025, AC Health, through its subsidiary Vigos Ventures, Inc., received the proceeds of the sale from KMD amounting to ₱146.0 million, exclusive of ₱9.7 million as hold out for pending eCAR submissions.

As a result of this transaction, AC Health and Globe recognized a gain of ₱92.9 million under "Other income" and a ₱21.1 million gain (₱6.5 million AC share) as part of "Share in net profits of associates and joint ventures", respectively (see Note 22).

Investment in Merlin Solar Technologies, Inc. (Merlin Solar)

On July 23, 2024, AI North America Inc. (AINA) acquired a 42.58% stake in Merlin Solar Technologies Inc. (Merlin Solar) for US\$10.0 million (see Note 23). In 2024, remeasurement gain of previously held interest recognized in "Other income" amounted to ₱637.90 million (see Notes 22 and 23).

In December 2025, AINA, the wholly owned subsidiary of Bestfull, participated in Merlin Solar Technologies, Inc.'s ("Merlin US") US\$16.2 million Note Financing, with an investment of US\$9.2 million, inclusive of the US\$206,268 advance paid to BPI on behalf of Merlin Solar Philippines ("Merlin PH") in October 2025. The convertible notes amounting to US\$9.2 Million (₱540.9 million) have a maturity date on March 31, 2027. The outstanding principal and unpaid accrued interest of each then-outstanding Note will be automatically converted into applicable Conversion Shares upon the closing of the Qualified Equity Financing using the applicable Conversion Price.

Investment in PT UPC Sidrap Bayu Energi

On March 29, 2024, ACRI, together with its joint venture partners, signed a Share Purchase Agreement with PT Barito Wind Energy ("BWE"), for the sale of PT Sidrap Bayu Energi ("SBE"),



through sale of ownership of UPC Renewables Asia III Limited ("UPC Asia III"), UPC Sidrap (HK) Limited ("Sidrap (HK)") and Sunedison Sidrap B.V. (external party) in SBE.

On April 2, 2024, the sale transaction was completed upon receipt of total consideration of US\$101.90 million. Subsequently, on October 3, 2024, additional proceeds amounting to US\$6.4 million were received following the completion of the net working capital adjustments. Out of the total proceeds of US\$108.3 million, US\$59.31 million (₱3.5 billion) is allocated to ACRI.

UPC Asia III and Sidrap (HK) upstreamed the proceeds of sales allocated to ACRI through shareholder loans amounting to US\$56.61 million and US\$2.69 million, respectively.

UPC Asia III and Sidrap (HK) recognized gain on sales of SBE shares amounting to US\$62.50 million and US\$18.33 million, respectively.

On June 29, 2024, the BOD of UPC Asia III approved the redemption of Redeemable Class A Preferred Shares ("RPS Class A"), accounted as investment in redeemable preferred shares, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of the date of the resolution. On December 13, 2024, the redemption of the RPS Class A was completed.

On December 27, 2024, Sidrap (HK) declared dividends to ACRI amounting to \$2.29 million. The dividends were offset against the existing shareholder loan of Sidrap (HK) to ACRI.

Management determined that the sale of the SBE shares resulted in a write-down of the investment in the joint venture (UPC Asia III) and investment in Sidrap (HK), accounted as financial assets at fair value through other comprehensive income, due to the absence of the underlying asset.

The series of transactions resulted in net gain of US\$20.06 million (₱1.2 billion) through various forms (see Note 22).

As of December 31, 2024, ACRI's investments in Redeemable preferred shares (UPC Asia III), interest in joint venture (UPC Asia III) and financial asset at FVOCI (Sidrap HK) are all nil. The remaining shareholder loans from UPC Asia III and from Sidrap HK are all settled.

Investment in Yoma Strategic Holdings Ltd. (YSH)

YSH is a holding company listed in the Singapore Exchange with interests in real estate, financial services, food and beverage, automotive and heavy equipment, among others, in Myanmar. On the other hand, FMI is a holding company listed in the Yangon Stock Exchange with interests in real estate, banking, and healthcare, among others, in Myanmar. Both YSH and FMI are part of the Yoma Group of Companies.

In 2025 and 2024, the Group recognized impairment losses on its investment in YSH amounting to ₱41.5 million and ₱383.9 million, respectively (see Note 22). The recoverable amount of the investment was estimated using the closing price of YSH shares listed in the Singapore Exchange as of December 31, 2025 and 2024 of US\$0.66 and US\$0.076 per ordinary share, respectively.

The fair value of the YSH shares held by the Group amounted to US\$68.0 million (₱4.0 billion) and US\$67.6 million (₱3.4 billion) as of December 31, 2025 and 2024, respectively.



11. Investment Properties

The movements in investment properties follow:

December 31, 2025				
	Land	Building	Construction-in-Progress	Total
	(In Thousands)			
Cost				
Balance at beginning of year	₱73,114,328	₱182,876,120	₱68,616,121	₱324,606,569
Additions	8,296,786	8,452,876	17,232,415	33,982,077
Disposals	(265,776)	(4,757,048)	(29,231)	(5,052,055)
Transfers (Notes 8 and 12)	(2,541,049)	2,179,168	(2,507,002)	(2,868,883)
Exchange differences	199,227	421,593	—	620,820
Others	(189,076)	(422,023)	—	(611,099)
Balance at end of year	78,614,440	188,750,686	83,312,303	350,677,429
Accumulated depreciation and amortization				
Balance at beginning of year	—	61,225,104	—	61,225,104
Depreciation and amortization (Note 22)	—	6,900,895	—	6,900,895
Disposals	—	(3,106,044)	—	(3,106,044)
Others	—	4,765	—	4,765
Balance at end of year	—	65,024,720	—	65,024,720
Accumulated impairment losses				
Balance at beginning of year	129,441	348,218	—	477,659
Impairment	—	—	101,299	101,299
Balance at end of year	129,441	348,218	101,299	578,958
Net book value	₱78,484,999	₱123,377,748	₱83,211,004	₱285,073,751

December 31, 2024				
	Land	Building	Construction-in-Progress	Total
	(In Thousands)			
Cost				
Balance at beginning of year	₱60,778,249	₱172,189,504	₱64,150,032	₱297,117,785
Additions	8,200,026	3,101,327	11,463,391	22,764,744
Exchange differences	—	(8,202)	—	(8,202)
Disposals	(530,730)	(335,552)	(22,668)	(888,950)
Transfers (Notes 8 and 12)	4,652,712	7,861,602	(6,974,634)	5,539,680
Others	14,071	67,441	—	81,512
Balance at end of year	73,114,328	182,876,120	68,616,121	324,606,569
Accumulated depreciation and amortization				
Balance at beginning of year	—	54,155,456	—	54,155,456
Depreciation and amortization (Note 22)	—	6,398,733	—	6,398,733
Disposals	—	(22,007)	—	(22,007)
Others	—	692,922	—	692,922
Balance at end of year	—	61,225,104	—	61,225,104
Accumulated impairment losses				
Balance at beginning and end of year	129,441	348,218	—	477,659
Net book value	₱72,984,887	₱121,302,798	₱68,616,121	₱262,903,806

Substantial amount of the Group's investment properties is from the ALI Group.

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its own use and benefit.



Construction-in-progress pertains to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets.

The aggregate fair value of the Group's investment properties (land and building) amounted to ₱834.7 billion and ₱721.8 billion as of December 31, 2025 and 2024, respectively. The fair values of the investment properties were determined by independent professionally qualified appraisers.

The fair values of the land was arrived at using the Market Data Approach. Market Data Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per square meter (sqm.), the higher the fair value.

The fair values of the buildings (retail, office, hospital) arrived using the Income Approach. Income Approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

ALI Group's capitalized borrowing costs amounted to ₱1,268.2 million and ₱614.8 million for the years ended December 31, 2025 and 2024, respectively. The capitalization rates are 5.34% to 6.65% in 2025 and 3.09% to 6.22% in 2024.

ALI Group's consolidated rental income from investment properties amounted to ₱38,118.0 million, ₱35,862.6 million and ₱32,896.2 million in 2025, 2024 and 2023, respectively (see Note 21). ALI Group's consolidated direct operating expenses arising from the investment properties amounted to ₱11,517.0 million, ₱11,918.1 million and ₱10,119.0 million in 2025, 2024 and 2023, respectively.

ALI Group's depreciation and amortization expense pertaining to investment properties amounted to ₱6,840.51 million, ₱6,317.82 million and ₱5,669.64 million in 2025, 2024 and 2023, respectively.

ALI Group's certain short-term and long-term debt are secured by real estate mortgages covering both land and building. Net book value of these investment properties amounted to ₱3,947.0 million and ₱3,796.1 million as of December 31, 2025 and 2024, respectively (see Note 18).

ALI Group assesses whether there are any indicators of impairment for its investment properties. These are tested for impairment when there are indicators that the carrying amounts may not be recoverable. In 2025 and 2024, ALI Group recognized an impairment loss amounting to ₱101.3 million and nil, respectively.

ALI Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct and develop investment properties or for repairs, maintenance, and enhancement, other than those already reflected or disclosed in the consolidated financial statements.



12. Property, Plant and Equipment

The movements in property, plant and equipment follow:

December 31, 2025							
	Land, Buildings and Improvements (Note 18)	Plant, Machinery and Equipment	Hotel Property and Equipment (Note 18)	Furniture, Fixtures and Equipment	Transportation Equipment	Construction- in-Progress	Total
(In Thousands)							
Cost							
At January 1	₱31,699,611	₱81,221,448	₱21,511,273	₱24,293,150	₱4,284,049	₱73,138,359	₱236,147,890
Additions	6,883,725	16,047,250	3,781,027	210,593	676,274	9,563,187	37,162,056
Disposals	(1,075,843)	(4,339,005)	(62,683)	(1,219,763)	(480,658)	(95,494)	(7,273,446)
Transfers (Note 11)	230,601	28,579,387	—	45,525	35,931	(29,052,033)	(160,589)
Exchange differences	391,062	4,674,846	—	778,714	26,865	4,955,060	10,826,547
Reclassification/others	(191,198)	80,618	—	(462,140)	93,701	(2,147,311)	(2,626,330)
At December 31	37,937,958	126,264,544	25,229,617	23,646,079	4,636,162	56,361,768	274,076,128
Accumulated depreciation and amortization and impairment loss							
At January 1	14,890,024	25,318,841	5,476,054	9,840,620	2,117,034	374,095	58,016,668
Depreciation and amortization for the year (Note 22)	2,250,522	4,695,889	192,919	1,210,822	439,757	—	8,789,909
Impairment loss/reversal (Note 22)	108,038	—	—	—	—	19,867	127,905
Disposals	(610,816)	(3,283,359)	(12,739)	(1,038,958)	(291,873)	(2,803)	(5,240,548)
Exchange differences	213,380	1,575,491	—	340,864	19,639	2,803	2,152,177
Reclassification/others	(212,993)	(934,261)	—	(302,267)	34,259	256,532	(1,158,730)
At December 31	16,638,155	27,372,601	5,656,234	10,051,081	2,318,816	650,494	62,687,381
Net book value	₱21,299,803	₱98,891,943	₱19,573,383	₱13,594,998	₱2,317,346	₱55,711,274	₱211,388,747

December 31, 2024							
	Land, Buildings and Improvements (Note 18)	Plant, Machinery and Equipment	Hotel Property and Equipment (Note 18)	Furniture, Fixtures and Equipment	Transportation Equipment	Construction- in-Progress	Total
(In Thousands)							
Cost							
At January 1	₱34,304,898	₱46,948,142	₱15,491,389	₱17,185,858	₱6,854,794	₱83,308,653	₱204,093,734
Additions	4,031,631	13,353,969	1,002,919	2,511,109	805,691	23,383,629	45,088,948
Additions through business combination	—	137	—	10,118	—	—	10,255
Disposals	(892,230)	(2,046,292)	(114,930)	(285,669)	(3,098,562)	(14,781)	(6,452,464)
Transfers (Note 11)	922,416	23,944,094	(4,412,385)	5,004,037	2,338	(29,064,230)	(3,603,730)
Exchange differences	45,093	(2,084,601)	—	(147,823)	(308)	(802,022)	(2,989,661)
Reclassification/others	(6,712,197)	1,105,999	9,544,280	15,520	(279,904)	(3,672,890)	808
At December 31	31,699,611	81,221,448	21,511,273	24,293,150	4,284,049	73,138,359	236,147,890
Accumulated depreciation and amortization and impairment loss							
At January 1	13,327,154	24,287,157	5,457,436	8,217,083	3,379,459	370,723	55,039,012
Depreciation and amortization for the year (Note 22)	1,677,078	2,519,168	832,986	2,149,212	535,307	—	7,713,751
Impairment loss/reversal (Note 22)	—	529,742	—	3,170	—	3,372	536,284
Disposals	(78,848)	(1,678,076)	(28,015)	(169,567)	(1,640,692)	—	(3,595,198)
Exchange differences	96,265	123,390	—	(122,686)	1,125	—	98,094
Reclassification/others	(131,625)	(462,540)	(786,353)	(236,592)	(158,165)	—	(1,775,275)
At December 31	14,890,024	25,318,841	5,476,054	9,840,620	2,117,034	374,095	58,016,668
Net book value	₱16,809,587	₱55,902,607	₱16,035,219	₱14,452,530	₱2,167,015	₱72,764,264	₱178,131,222

In 2025 and 2024, ACEIC Group acquired assets with a cost of ₱21,279.0 million and ₱34,822.1 million, respectively.

ACEIC Group's borrowing cost capitalized to property, plant, and equipment amounted to ₱2,400.9 million and ₱2,634.8 million for the years ended December 31, 2025 and 2024, respectively. The capitalization rate used to determine the borrowing cost eligible for capitalization is 4.91% and 6.28% in 2025 and 2024, respectively.

The Group's contractual commitments from various construction-in-progress as of December 31, 2025 and 2024 amounted to ₱59,648.3 million and ₱90,328.3 million, respectively.

In 2024, provision for impairment loss mainly include ₱491.9 million for IMI's machinery and equipment.



NorthWind's Land, Wind Turbine Generator, Building and Machinery with carrying value of ₱1,549.7 million and ₱1,686.8 million as at December 31, 2025 and 2024, respectively, is mortgaged as security for a long-term loan (see Note 18).

Guimaras Wind's wind farm with carrying value of ₱3,219.6 million and ₱3,274.3 million as at December 31, 2025 and 2024, respectively, is mortgaged as security for the long-term loan (see Note 18).

MONTESOL's solar power plant with a carrying value of ₱746.5 million and ₱803.5 million as at December 31, 2025 and 2024, respectively, included under "Land, Buildings and Improvements" and "Plant, Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 18).

SACASOL's solar power plant with a carrying value of ₱2,196.3 million and ₱2,346.2 million as at December 31, 2025 and 2024, respectively, included under "Land, Buildings and Improvements" and "Plant, Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 18).

Certain property, plant, and equipment of the Group have been pledged as security for its obligations. Except as otherwise disclosed, the Group has no restrictions on its property, plant and equipment and none of these have been pledged as security for its obligations.

The Group has no significant property, plant and equipment which are idle as of December 31, 2025 and 2024.

13. Service Concession Assets and Obligations

Service Concession Assets (SCA)

The movements in this account as of December 31, 2023 (nil in 2025 and 2024) follow:

	(In Thousands)
Cost	
At January 1	₱2,210,886
Additions during the year -	
Construction and rehabilitation works	6,593
Divestment / deconsolidation (see Note 23)	(2,217,479)
At December 31	
Accumulated amortization	
At January 1	789,909
Amortization (Note 22)	105,611
Divestment / deconsolidation (see Note 23)	(895,520)
At December 31	-
Net book value	₱-

The SCA pertains to the Parent Company's concession agreement with the DPWH.

Deed of Assignment of Rights

On December 6, 2021, the Parent Company and PAVI signed an Investment Agreement relating to the MCX Project and for the sale of the Parent Company's 100% ownership stake in MCXPCI, subject to the satisfaction of the following conditions:

- Receipt of DPWH's written consent to the assignment of the concession from the Parent Company to MCXPCI;



- Approval and confirmation by the SEC of the valuation of the Parent Company's rights to, interests in, and obligation and principal liability under the MCX Concession Agreement, the MCX SCA and its rights and obligations; and
- Receipt by the Parent Company of the consent required under the MCX Third Party Contracts.

On March 10, 2022, DPWH granted its consent to the transfer of the service concession assets and obligations under the MCX concession arrangement from the Parent Company to MCXPCI.

On January 26, 2023, the Certificate of Approval of Valuation was issued by the SEC in relation to the assignment of the MCX assets. The approved valuation amounting to ₱3,190 million shall be applied as payment for the Parent Company's subscription to MCXPCI's 309.0 million Class A common shares at ₱1.00 par value per share, and 2,881.0 million Class B common shares at ₱1.00 par value per share. On February 1, 2023, MCXPCI waived the satisfaction of the Parent Company's receipt of the remaining third-party consents contemplated in the Deed of Assignment executed between the Parent Company and MCXPCI. Consequently, the transition of MCX operations and transfer of its assets and liabilities from the Parent Company to MCXPCI commenced on February 1, 2023. This resulted to gain on transfer of net assets recognized by the Parent Company amounting to ₱1,590.9 million and was treated as a tax-free exchange.

On June 2, 2023, consents were received from the DPWH for the following matters:

- Assignment of the Reimbursement Agreement dated July 31, 2013 between the DPWH and the Parent Company to MCXPCI, thereby entitling MCXPCI to receive the payment under the Reimbursement Agreement;
- Assignment of the Memorandum of Agreement for Toll Collection Interoperability dated September 15, 2017 to MCXPCI and execution of amendment agreement to reflect MCXPCI as new concessionaire of the MCX Project;
- Execution of an amendment agreement to the MCX Concession Agreement to reflect MCXPCI as the new concessionaire of the MCX Project, among others.

On July 19, 2023, the DPWH, as the Grantor of the MCX Project Concession, confirmed its concurrence and signified that it interposed no objection to the transfer by the Parent Company of its equity interest in MCXPCI to PAVI.

On September 28, 2023, the Group has fully divested and transferred its MCX Concession to PAVI (see Notes 22 and 23).

Service Concession Obligations

Provision for maintenance obligation of MCX

Provision for maintenance obligation pertains to the present value of the estimated contractual obligations of the Parent Company to undertake the financing of the Project's periodic maintenance, which includes renewal and restoration of toll roads and toll road facilities prior to turnover of the asset to DPWH, the grantor.

Under the Minimum Performance Standards and Specifications (MPSS), the Parent Company has the obligation to perform routine and periodic maintenance. Routine maintenance pertains to day-to-day activities to maintain the road infrastructures while periodic maintenance comprises of preventive activities against major defects and reconstruction. Moreover, the Parent Company is required to perform maintenance and repair work in a manner that complies with the MPSS until it hands the asset back to the DPWH. The provision is a product of the best estimate of the expenditure required to settle the obligation based on the usage of the road during the operating phase. The amount is reduced by the actual obligations paid for heavy maintenance of the SCA.

As at December 31, 2023, the Group had fully divested and transferred its MCX Concession to PAVI (see Notes 22 and 23).



14. Intangible Assets

The movements in intangible assets follow:

2025										
	Goodwill	Customer Relationships	Unpatented Technology/ Intellectual Properties	Developed Software	Licenses	Trademarks	Project Development Cost	Leasehold and Other Rights	Others	Total
Cost										
At January 1	₱34,490,275	₱1,610,891	₱975,072	₱457,910	₱986,922	₱3,301,741	₱1,222,261	₱3,904,552	₱3,234,712	₱50,184,336
Additions during the year	165,848	—	—	52,914	39,199	219,131	48,989	—	800,347	1,326,428
Exchange differences	481,636	20,657	90,364	—	(31,268)	—	19,840	—	—	581,229
Retirement/disposals	(2,550,854)	—	(544,794)	(35,914)	(4,423)	—	—	—	—	(3,135,985)
Reclassification/others	—	—	2,332	—	(125)	—	—	(186,487)	804	(183,476)
At December 31	32,586,905	1,631,548	522,974	474,910	990,305	3,520,872	1,291,090	3,718,065	4,035,863	48,772,532
Accumulated amortization and impairment loss										
At January 1	4,607,058	1,331,818	789,966	334,879	785,096	—	1,191,558	855,746	904,815	10,800,936
Amortization (Note 22)	—	28,870	7,771	31,462	47,382	6,261	6,350	—	184,578	312,674
Exchange differences	78,749	20,657	88,151	—	(38,597)	—	19,466	—	—	168,426
Retirement/disposals	(2,432,026)	—	(529,902)	27,025	—	—	—	—	—	(2,934,903)
Reclassification/others	—	—	—	—	(975)	—	—	—	1,451	476
At December 31	2,253,781	1,381,345	355,986	393,366	792,906	6,261	1,217,374	855,746	1,090,844	8,347,609
Net book value	₱30,333,124	₱250,203	₱166,988	₱81,544	₱197,399	₱3,514,611	₱73,716	₱2,862,319	₱2,945,019	₱40,424,923

2024										
	Goodwill	Customer Relationships	Unpatented Technology/ Intellectual Properties	Developed Software	Licenses	Trademarks	Project Development Cost	Leasehold and Other Rights	Others	Total
Cost										
At January 1	₱32,183,316	₱1,556,789	₱1,611,904	₱74,162	₱1,034,762	₱3,523,293	₱1,181,039	₱4,306,325	₱2,941,565	₱48,413,155
Additions during the year	1,398,795	—	—	285,225	70,919	—	17,745	—	301,498	2,074,182
Exchange differences	1,001,657	54,102	87,636	—	20,193	12,222	50,983	—	—	1,226,793
Retirement/disposals	(38,490)	—	—	—	(1,845)	—	—	—	(7,857)	(48,192)
Reclassification/others	(55,003)	—	(724,468)	98,523	(137,107)	(233,774)	(27,506)	(401,773)	(494)	(1,481,602)
At December 31	34,490,275	1,610,891	975,072	457,910	986,922	3,301,741	1,222,261	3,904,552	3,234,712	50,184,336
Accumulated amortization and impairment loss										
At January 1	2,123,360	1,248,846	1,002,123	62,375	764,467	48,556	1,140,575	855,746	742,781	7,988,829
Amortization (Note 22)	—	28,870	45,485	48,604	43,385	4,838	—	—	169,694	340,876
Impairment loss (reversals) (Note 22)	2,409,852	—	—	—	—	—	—	—	—	2,409,852
Exchange differences	(47,061)	54,102	30,469	—	15,497	3,707	50,983	—	—	107,697
Reclassification/others	120,907	—	(288,111)	223,900	(38,253)	(57,101)	—	—	(7,660)	(46,318)
At December 31	4,607,058	1,331,818	789,966	334,879	785,096	—	1,191,558	855,746	904,815	10,800,936
Net book value	₱29,883,217	₱279,073	₱185,106	₱123,031	₱201,826	₱3,301,741	₱30,703	₱3,048,806	₱2,329,897	₱39,383,400



Goodwill

Goodwill pertains to the excess of the acquisition cost over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

Impairment testing of goodwill

The Group's goodwill is tested for impairment annually as follows:

IMI Group

Goodwill acquired through business combinations has been allocated to the particular CGUs of IMI for impairment testing as follows (amounts in thousands):

	2025		2024	
	In US\$	In Php*	In US\$	In Php*
Speedy Tech Electronics, Ltd. (STEL)	\$38,225	₱2,247,248	\$38,225	₱2,211,316
IMI	441	25,926	441	25,512
VIA	–	–	1,793	–
	\$38,666	₱2,273,174	\$40,459	₱2,236,828

*Translated using the PDEX closing exchange rate at the statement of financial position date (US\$1:₱58.79 in 2025 and US\$1:₱ 57.85 in 2024).

IMI CZ

On July 31, 2025, IMI completed the sale of its 100% equity interest in IMI CZ to Keboda Deutschland GmbH & Co. KG resulting to the derecognition of its related goodwill (see Note 2).

VIA

On November 27, 2025, IMI completed the sale through its wholly-owned subsidiary, Coöperatief IMI Europe U.A., of its 50.32% equity interest in VIA Optronics AG to Kronen 3140 GmbH resulting to the derecognition of its related goodwill (see Note 2).

STEL, VIA and IMI CZ

The recoverable amounts of these CGUs have been based on value-in-use calculations using cash flow projections from financial budgets prepared by the management and approved by the BOD covering a five-year period. The pre-tax discount rates applied to cash flow projections are as follows:

	2025	2024
STEL	14.66%	15.17%
VIA	–	14.32%
IMI CZ	–	10.28%

Cash flows beyond the 5-year period are extrapolated using a steady growth rate of 0% to 1%, which does not exceed the compound annual growth rate (CAGR) for the global electronic manufacturing services (EMS) industry, specifically on automotive, industrial equipment, consumer electronics and telecommunications segments.

Key assumptions used in value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Revenue - Revenue forecasts are management's best estimates considering factors such as industry CAGR, existing customer contracts and projections, purchase orders and quotations, status of prototyping, current negotiations and historical experiences and other economic factors.
- Forecasted gross margins - Gross margins are based on the mix of business model arrangements with the customers. Significant assumptions include freight cost, labor costs and material costs.
- Overhead and administrative expenses - estimates are based on applicable inflation rates in the respective countries of the cash generating units considering expected future cost efficiencies and production facilities rationalization.



- Pre-tax discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. This is also the benchmark used by management to assess operating performance. The discount rate calculation is based on the specific circumstances of IMI Group and its operating segments and is derived from its weighted average cost of capital.

Sensitivity to changes in assumptions

Value in use calculation is sensitive to pre-tax discount rates, revenue growth rate and direct cost ratio. With regard to the assessment of value-in-use of STEL, an increase in the pre-tax discount rate by more than 0.73% would result to impairment of goodwill. In addition, a decrease in revenue growth rate of STEL by more than 0.77% would result to an additional impairment. Lastly, an increase in direct cost ratio of STEL by 0.49% would also result to impairment.

Impairment loss on goodwill of VIA amounted to ₱2,371.7 million 2024 (nil in 2025) (see Note 22).

IMI

The goodwill of IMI pertains to its acquisition of M. Hansson Consulting, Inc. (MHCI) in 2006 and IMI USA in 2005. MHCI was subsequently merged to IMI as testing and development department. IMI USA acts as direct support to IMI Group's customers by providing program management, customer service, engineering development and prototyping manufacturing services. IMI USA's expertise in product design and development particularly on the flip chip technology is being used across IMI Group in providing competitive solutions to customers. In 2025, 2024 and 2023, IMI Group assessed the impairment based on value-in-use calculations using cash flow projections of IMI from financial budgets approved by BOD covering a 5-year period.

In 2024, IMI recognized impairment loss on the goodwill of IMI USA amounting to \$0.66 million (₱38.2 million) due to the cessation of prototyping and manufacturing operations at the end of 2024. (see Note 22).

ACEIC Group

Significant amount of goodwill came from the acquisitions of UPC-ACE Australia in 2022 and RWEI in 2024 totaling ₱24,662.4 million (see Note 23).

ACEIC Group performs its impairment test annually and when circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the related CGU. The value in use calculation requires ACEIC Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Forecasted revenue growth - Revenue forecasts are management's best estimates considering factors such as historical/industry trend, target market analysis, government regulations and other economic factors.
- EBITDA margin - It is a measure of a 'firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation, interest expenses and changes in net working capital and maintenance capital expenditures in arriving the free cash flow.
- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is



incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

The recoverable amount is based on value in use calculations using cash flow projections from financial budgets approved by ACEIC management covering the period the CGU is expected to be operational. Based on management's assessment, recoverable amount exceeded the carrying amount of the CGU. No impairment loss was recognized on goodwill in 2025, 2024 and 2023.

The pre-tax discount rates range from 10.17% to 14.52% for Philippines and 7.59% to 8.52% for international, which are based on weighted average cost of capital of comparable entities. The growth rate ranges from (2.24%) to 9.97% in 2025 and 2% to 7% in 2024. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.

AC Health Group

Total goodwill amounted to ₱3,321.3 million and ₱3,165.5 million as of December 31, 2025 and 2024, respectively. The recoverable amounts of IEM, Generika Group and Healthway Group have been determined based on the value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rates applied to cash flow projections are 13.23% in 2025 (12.82% in 2024) for clinics and hospitals and 13.34% in 2025 (13.03% in 2024) for pharma and cash flows beyond the five-year period are extrapolated using a 5% in 2025 (7.54% in 2024) for clinics and hospitals and 10.28% in 2025 (10.30% in 2024) for pharma growth rate that is the same as the compound annual growth rate for respective industries.

The calculation of value in use for the CGUs are most sensitive to the following assumptions:

- Revenue - Revenue forecasts are management's best estimates considering factors such as industry growth rate, customer projections and other economic factors
- Forecasted gross margins - Gross margins are based on the mix of business model arrangements with the customers
- Pre-tax discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of underlying assets that have not been incorporated in the cash flow estimates. This is also the benchmark used by management to assess operating performance.

With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of these CGUs to exceed their recoverable amount. No Impairment loss on goodwill was recognized in 2025, 2024 and 2023.

Customer relationships

Customer relationships pertain to IMI Group's STEL Group, IMI BG and VTS' contractual agreements with certain customers which lay out the principal terms upon which the parties agree to undertake business. Customer relationships of STEL, IMI BG and VTS were fully amortized as of December 31, 2023.

As of December 31, 2025 and 2024, the balance of customer relationships pertains to AC Logistics AHI Group amounting to ₱250.2 million and ₱279.0 million, respectively.

Unpatented technology / Intellectual properties

Unpatented technology mainly includes IMI Group's STEL Group's products which are technologically feasible. This also includes IMI Group's intellectual properties related to the acquisition of VIA and VTS. VIA's intellectual properties pertain to display system optically bonded to a display region and enhanced liquid crystal display system and methods while VTS's IP relates to the transfer of the seller of the technology relevant to run the business.



Licenses

This includes acquisitions of computer software, applications and modules.

Developed software

This includes the system application acquired by AC Health to compile its electronic medical records, as well as to facilitate online pharmacy and consultation.

Trademarks

Trademarks mainly include the amount recognized by AC Health from the acquisition of Healthway Philippines, Inc. and Generika Group.

In 2025 and 2024, the recoverable amount of HMC amounted to ₱2,278.0 million and ₱2,178.6 million, respectively, and MGHI amounted to ₱3,088.0 million and ₱3,691.1 million, respectively. As of December 31, 2025, the recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.10% and 14.82%, respectively and cash flows beyond the five-year period are extrapolated using a 5.00% and 7.54% growth rate that is the same as the long-term average growth rate for the clinic and hospital industry.

The recoverable amount of the Generika Group amounting to ₱3,218.0 million and ₱4,391.7 million as of December 31, 2025 and 2024, respectively, has been determined based on a (value in use) calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.34% and cash flows beyond the five-year period are extrapolated using a 10.30% growth rate that is the same as the compound annual growth rate for the pharmaceutical industry.

Project development cost

This includes project development costs from AC Health Group.

Leasehold and other rights

Leasehold rights consist of the following:

- Through the acquisition of AyalaLand Logistics Holdings Corp. (ALLHC), ALI acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR) (see Notes 24 and 30).
- TKPI's leasehold rights pertain to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029.
- NTDDC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center.
- Through the acquisition of Solienda, ACEIC acquired the absolute and irrevocable title, rights and interests in the contract of lease, and the subsequent amendment agreements, of San Julio Realty, Inc. (SJRI) with San Carlos Sun Power, Inc. (SACASUN), San Carlos Solar Energy, Inc. (SACASOL) and San Carlos Biopower Inc. (SCBP). The Assignment Agreements were amended on December 26, 2016 to clarify that SJRI irrevocably assigns, transfers and conveys absolutely unto Solienda, Inc. all its rights, ownership and/or interest in 50% of the total rental payments due under the Contracts of Lease. The parties undertake to provide continuing support for the full implementation of the Agreements and shall perform in good faith any and all facts necessary to implement the Agreements and its amendments.

Others

Other intangible assets include contract of ACEIC Group for the supply and distribution of water to third parties. This also includes intangible asset amounting to ₱2,191.8 million arising from identifiable FIT contract which was recognized from the acquisition of SACASOL in 2020 with remaining useful life of 13 years.



15. Other Noncurrent Assets

This account consists of the following:

	2025	2024
	(In Thousands)	
Investment in debt and equity securities	₱35,306,064	₱32,958,451
Deferred charges	22,015,328	22,446,159
Advances to contractors and suppliers	16,096,781	8,640,107
Deposits	8,295,596	5,750,041
Creditable withholding taxes	6,296,543	5,557,283
Derivative asset	5,520,869	4,499,660
Deferred input VAT	5,253,359	4,921,647
Pension assets (Note 27)	99,828	249,097
Others (Note 31)	2,015,441	2,253,181
f	₱100,899,809	₱87,275,626

Investments in debt and equity securities

This account consists of debt and equity investments, which are classified as financial assets at amortized cost, financial assets at FVOCI and financial assets at FVTPL as follows:

	2025	2024
	(In Thousands)	
Financial assets at amortized cost		
RPS and subscription deposits	₱18,330,831	₱16,070,188
Convertible loans	1,878,411	1,848,217
Financial assets at FVOCI		
Quoted equity investments	7,430,035	7,804,486
Unquoted equity investments	4,283,786	4,124,208
Financial assets at FVTPL		
Convertible loans	3,383,001	3,111,352
	₱35,306,064	₱32,958,451

Financial assets at amortized cost

Investment in RPS and subscription deposits

The rollforward analysis of this account follows:

	2025	2024
	(In Thousands)	
Balances at beginning of year	₱16,070,188	₱20,896,462
Subscription deposits	2,192,043	1,893,212
Subscription to RPS	68,600	89,881
Redemption of subscription deposits and RPS	—	(1,389,659)
Reclassified to financial assets at FVOCI	—	(3,861,101)
Reclassified to investment in joint venture	—	(1,695,449)
Reclassified to receivables	—	(12,147)
Cumulative translation adjustment	—	148,989
	₱18,330,831	₱16,070,188

No allowance for impairment was recognized for the years 2025 and 2024.



Investments in RPS

UPC Renewables Asia III Ltd. (UPC Asia III)

On January 11, 2017, ACEIC Group entered into an agreement for subscription to Redeemable Class A preferred shares of UPC Asia III. UPC Asia III owns 75MW Wind Farm in South Sulawesi, Indonesia. Redeemable Class A preferred shares are entitled to dividends at fixed, cumulative, and compounding rate annually. The Redeemable Class A preferred shares are non-voting shares and are redeemable at par plus any accrued dividends at the holder's option within 60 days from earlier of July 15, 2035 or date as soon as funds are realized by UPC Asia III or its subsidiaries.

On June 29, 2024, the Group redeemed RPS Class A from UPC Asia III, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of date of the resolution. The redemption resulted to a gain of ₱1,520.6 million (US\$25.9 million).

As of December 31, 2025 and 2024, investment in Redeemable Class A preferred shares amounted to nil. Interest income amounted to nil, US\$1.2 million (₱68.7 million) and US\$4.6 million (₱256.7 million) in 2025, 2024 and 2023, respectively.

Impact Wind Investments Limited (Impact Wind)

Group entered into a Party B Financing Bond Subscription Agreement with MC, and Monsoon Wind B.V. to subscribe to Party B Financing to fund the construction of 600MW Monsoon Wind Project. The financing has an aggregate total amount of US\$80.4 million of which, US\$65.0 million is allocated to the Group. The Party B Financing has a fixed interest rate, payable on March 31, 2043.

In 2025 and 2024, total subscriptions amounted to US\$17.1 million (₱996.1 million) and US\$21.6 million (₱1,235.7 million) with redemption amounted to nil and US\$1.4 million (₱74.7 million), respectively.

As at December 31, 2025 and 2024, the carrying amount is US\$64.4 million (₱3,785.8 million) and US\$47.3 million (₱2,734.5 million), respectively.

AMI AC Renewables Corporation (AAR)

AAR owns a combined 80 MW of Solar Farm in Khan Hoa and Dak Lak Province, Vietnam. Redeemable Class A and Class B preference shares in AAR are entitled to dividends at fixed base rate annually, commencing from January 22, 2018. The shares are redeemable only by cash at the issuer's option on "first in first out" basis but no earlier than the 5th year from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

In 2022, ACEIC converted its subscription deposits to Class A preferred shares for a total of US\$3.25 million (₱106.8 million).

As of December 31, 2025 and 2024, investment in Redeemable Class A and B preferred shares amounted to US\$125.4 million (₱7,372.5 million) and US\$125.4 million (₱7,254.0 million), respectively. Interest income amounted to US\$16.9 million (₱996.5 million), US\$16.2 million (₱933.9 million) and US\$16.4 million (₱907.3 million) in 2025, 2024 and 2023, respectively.

BIM Renewable Energy Joint Stock Company (BIMRE)

BIMRE owns 300 MW of Solar Farm in Ninh Thuan Province, Vietnam. On November 4, 2019, ACEIC converted deposit for future equity in BIMRE into 3,437,000 redeemable Class A preferred shares and 3,437,000 redeemable Class B preferred shares. The Redeemable Class A and Class B preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable at par and only by cash and at the issuer's option on "first in, first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of project, and all accrued coupons are current.



In 2021, ACEIC Group subscribed to redeemable Class B for a total of US\$0.01 million (₱0.03 million) while US\$3.9 million (₱192.1 million) subscription deposits were converted to redeemable Class A and Class B preferred shares.

As of December 31, 2025 and 2024, investment in Redeemable Class A and Class B preferred shares amounted to US\$24.4 million (₱1,433.7 million) and US\$23.4 million (₱1,410.7 million), respectively. Interest income amounted to US\$3.12 million (₱187.3 million), US\$3.4 million (₱197.8 million) and US\$3.3 million (₱180.5 million) in 2025, 2024 and 2023, respectively.

BIM Energy Joint Stock Company (BIME)

BIME owns 30 MW of Solar Farm in Ninh Thuan Province, Vietnam. On November 4, 2019, ACEIC converted deposit for future equity in BIME into 343,700 redeemable Class A preferred shares and 343,700 redeemable Class B preferred shares. The Redeemable Class A and Class B preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable at par and only by cash and at the issuer's option on "first in, first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of project, and all accrued coupons are current.

In 2021, the Group subscribed to redeemable Class B for a total of US\$0.01 million (₱0.06 million).

As of December 31, 2025 and 2024, investment in Redeemable Class A and Class B preferred shares amounted to US\$4.3 million (₱250.2 million) and US\$4.3 million (₱246.1 million), respectively. Interest income amounted to US\$0.70 million (₱41.2 million), US\$0.76 million (₱44.0 million) and US\$0.6 million (₱31.6 million) in 2025, 2024 and 2023, respectively.

UPC-AC Energy Solar Limited (UPC Solar)

UPC Solar is currently developing solar farms with combined capacity of 210 MW in the Provinces of Rajasthan and Gujarat, India. During the years ended December 31, 2021 and 2020, ACEIC entered into different Share Subscription Agreement with UPC Solar to subscribe the latter's Class A redeemable preferred shares. The redeemable Class A Preferred shares are non-voting shares entitled to dividends at fixed, cumulative, and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years from commercial operations.

In 2024, investment in UPC-ACE Solar's Redeemable Preference Share Class A (classified as investment in redeemable preferred shares and convertible loans) with a net carrying amount of US\$59.5 million (₱2,922.3 million) was reclassified to investments in financial assets at fair value through other comprehensive income (FVOCI) due to change in business model. The instrument was amended with the following features: (a) no fixed coupon, (b) dividends payable upon discretion of the board, and (c) no fixed redemption date. Prior to reclassification, the investment has an allowance for expected credit losses amounting to US\$16.5 million (₱938.8 million), of which US\$1.1 million (₱59.7 million) was recognized in the consolidated statement of income.

As of December 31, 2025 and 2024, the carrying amount of investment in Class A is nil. Interest income amounted to nil, US\$5.7 million (₱335.0 million) and US\$10.0 million (₱554.9 million) in 2025, 2024 and 2023, respectively.

RPS bear coupon ranging from 11.2% to 14.0% per annum. Dividends on RPS which are classified and accrued as interest income on a monthly basis are subject to declaration prior to payment.

In 2025, the ACEIC did not recognize any recognized provision for impairment for the investment in redeemable preferred shares in UPC-ACE Solar while in loss. In 2024, the Group recognized provision for impairment loss was recognized amounting to US\$1.05 million (₱59.7 million) in redeemable preferred shares in UPC-ACE Solar (see Note 22).



Investment in BIM Wind

BIM Wind owns and operates an 88 MW wind project in the Province Ninh Thuan, Vietnam. The wind farms began operations on September 2021. The redeemable preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis no later than the end of the operations of the project which is expected in 20 years from commercial operations.

In 2023 and 2022, ACEIC converted its subscription deposits to redeemable preferred shares for a total of \$3.1 million (₱176.2 million) and \$29.53 million (₱1,731.0 million), respectively.

As at December 31, 2025 and 2024, investment in redeemable preferred shares amounted to US\$40.24 million (₱2,365.8 million) and US\$40.2 million (₱2,327.9 million), respectively. Interest income amounted to US\$5.7 million (₱332.4 million), US\$6.4 million (₱367.9 million) and US\$6.9 million (₱383.4 million) in 2025, 2024 and 2023, respectively.

Investment in NEFIN

Construction Equity RPS in NEFIN Limited are non-voting shares entitled to a fixed, cumulative compounding dividends annually and are not entitled to any additional dividends. The shares are redeemable only by cash at the issuer's option.

In 2024, US\$3.5 million (₱202.5 million) was collected while US\$0.26 million (₱12.2 million) was reclassified to receivables. Total subscriptions amounted to US\$7.5 million (₱433.5 million) (nil in 2025).

As at December 31, 2025 and 2024, investment in redeemable preferred shares amounted to US\$34.70 million (₱2,040.01 million) and US\$34.70 million (₱2,007.22 million), respectively. Interest income amounted to US\$1.05 million (₱61.54 million), US\$3.10 million (₱179.27 million) and US\$2.32 million (₱128.35 million) in 2025, 2024 and 2023, respectively.

Subscription deposits

Subscription to Suryagen

On March 10, 2022, The Framework Agreement Term Sheet Between ACRI and PT Puri Usaha Kencana, Pt Trisurya Mitra Bersama, PT Griya Usaha, PT Suryagen Griya Intitama and PT Puri Energi Kencana was entered into for the joint development of projects in Indonesia. Pursuant to the term sheet, ACRI infused \$2.50 million (₱139.40 million) to Suryagen Capital Pte Ltd as a non-refundable subscription deposit convertible into common shares investment upon execution of the investment definitive documentation. The balance of subscriptions amounting to \$2.50 million (₱129.90 million) was redeemed in 2023.

Subscription to BIM Wind

On July 7, 2020, ACEIC Group entered into a Share Subscription and Deposit Agreement for non-interest deposit with BIM Wind. In 2021, the Group made subscription deposit amounting to \$13.04 million (₱642.32 million). Subscriptions amounted to \$3.14 million (₱176.22 million) was converted in 2023 and subscriptions amounting to \$2.12 million (₱119.34 million) was collected in 2023.

Subscription to UPCAPH

On December 13, 2023, the Group entered into an agreement with UPC Renewables Asia Pacific Holdings Pte Ltd, for the 49% acquisition of 3 late-stage development projects in Indonesia, with a combined potential capacity of 320MW. The projects are located in South Sulawesi, Sukabumi, and Lombok. As part of the transaction, the Group, provided a subscription deposit amounting to \$2.00 million. In 2024, total subscriptions amounted to US\$35.78 million (₱228.14 million) was reclassified as subscription to PT Lombok, PT Sidrap 2 and PT Sukabumi, accounted as associates and joint venture. As at December 31, 2025 and 2024, the carrying amount is nil (see Note 10).



Subscription to Beacon Capital Holdings Limited

On December 18, 2023, the Group entered into a Reservation Agreement with Beacon Capital Holdings Limited and Huntington Renewable Investments Limited, to acquire 49% equity stake in BIM Energy Holdings, BIM Group's holding company for renewable projects in Vietnam. The transaction is subject to condition precedents, including regulatory approval in Vietnam. As part of the transaction, the Group provided a reservation deposit amounting to US\$24.50 million (P1,356.57 million).

In 2024, deposit amounting to US\$24.50 million (P1,356.57 million) was reclassified to investment in BIM Energy Holding Corporation, a joint venture (see Note 10).

Convertible loans

The rollforward analysis of this account follows (in thousands):

	2025	2024
Balance at January 1	P3,961,067	P3,882,716
Cumulative translation adjustment	30,194	78,351
	3,991,261	3,961,067
Allowance for ECL	(2,112,850)	(2,112,850)
Balance at December 31	P1,878,411	P1,848,217

Vietnam Wind Energy Limited

On April 17, 2020, ACEIC entered into an agreement with VWEL to make available a convertible term loan facility in an aggregate amount of US\$38.00 million (P1,841.67 million). ACEIC, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preferred shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends, redeemable at the issuer's option. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years of drawn down date.

In 2024 and 2023, ACEIC recognized reversal of allowance for impairment loss in convertible loan to Vietnam Wind of US\$2.77 million (P154.10 million) and allowance for impairment loss of US\$17.73 million (P982.54 million), respectively (nil in 2025) (see Note 22).

As at December 31, 2025 and 2024, ACEIC provided ECL provision amounting to \$36.53 million (P2,112.85 million).

As of December 31, 2025 and 2024, outstanding balance of the convertible loan amounted to nil. Interest income amounted to US\$6.75 million (P396.93 million), US\$6.11 million (P353.56 million), US\$5.02 million (P277.92 million) in 2025, 2024 and 2023, respectively.

Asian Wind Power 1 HK Ltd

In 2022, convertible loan amounting to US\$1.43 million (P74.45 million) was reclassified to debt replacement loans. On September 29, 2023, repaid the outstanding convertible loan facility amounting to US\$26.00 million (P1,318.77 million).

On September 27, 2023, ACEV, and Asian Wind Power 1 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US\$16.26 million (P920.15 million), payable on July 31, 2040. The Group has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commissioning date.



As of December 31, 2025 and 2024, outstanding balance of the convertible loan amounted to US\$16.26 million (₱956.17 million) and US\$16.26 million (₱940.80 million), respectively. Interest income amounted to US\$2.21 million (₱129.81 million), US\$2.02 million (₱116.92 million) and US\$3.22 million (₱178.10 million) in 2025, 2024 and 2023, respectively.

Asian Wind Power 2 HK Ltd

On September 29, 2023, ACEIC repaid the outstanding convertible loan facility amounting to US\$21.29 million (₱1,023.00 million).

On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 2 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US\$15.69 million (₱887.49 million), payable on October 31, 2041. The Group, from time to time, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commissioning date.

As of December 31, 2025 and 2024, outstanding balance of the convertible loan amounted to US\$15.69 million (₱922.24 million) and US\$15.69 million (₱907.41 million), respectively.

For both Asian Wind Power 1 HK Ltd and Asian Wind Power 2 HK Ltd, loans converted to investment in RPS are redeemable at the option of the issuer at par and has to be redeemed in case a liquidation event occurs and before returning the capital to the ordinary shareholders.

Convertible loan facilities bear interest ranging from 8.8% to 14.0% in 2025 and 2024 per annum.

Financial assets at FVOCI

Quoted equity investments

Quoted equity instruments consist mainly of investments in listed equity securities and golf club shares. Investments in golf club shares wherein ALI Group does not exercise control or demonstrate significant influence.

Unquoted equity investments

Unquoted equity investments include unlisted preferred shares in public utility companies which the Group will continue to carry as part of the infrastructure that it provides for its real estate development projects, water utilities projects, and to its other operations.

Financial assets at FVTPL

Convertible loans

First Myanmar Investment Public Co. (FMI)

On November 8, 2019, the Parent Company signed definitive agreements to acquire a 20% stake in FMI. The investment in FMI was implemented via a US\$82.5 million convertible loan, which was made by VIP on January 23, 2020. VIP disbursed US\$82.5 million into FMI after securing approval from the Central Bank of Myanmar. The transaction forms part of the VIP's \$237.5 million investment in Yoma Group (see Note 10).



In 2022, FMI and The Parent Company, through VIP, entered into a Restructured Loan Agreement that converted the Group's US\$ 82.5 million convertible loan in FMI into a US\$82.5 million perpetual loan with no fixed maturity date. The restructured loan terms contain an automatic redemption feature by delivery of 8,277,424 shares of FMI to the VIP upon the satisfaction of certain conditions, including the seven-day volume weighted average price at an FMI share price listed in the Yangon Stock Exchange hitting or exceeding MMK 15,000 per share.

In 2025 and 2024 the fair value of the convertible loan has been determined using market approach resulting to fair value loss of nil (see Note 22).

Investment in Convertible notes of Merlin Solar

As of December 31, 2025 and 2024, the book value of the convertible loan approximate to its fair value of US\$9.2 Million (₱540.9 million) and nil respectively.

Compulsory Convertible Debenture of Masaya Solar Energy Private Limited ("Masaya Solar")

On November 16 and December 9, 2021, the ACEIC Group subscribed to 21.56 million and 32.80 million, respectively, of the Compulsorily Convertible Debentures (CCDs) of Masaya Solar.

As of December 31, 2025 and 2024, the cost of the investment amounted to ₱744.9 million and ₱921.8 million, respectively.

Deferred charges

Deferred charges include ALI Group's project costs incurred for unlaunched projects of the group, advance rental payments, and noncurrent prepaid management fees. This also includes ALI Group's noncurrent portion of cost to obtain contracts which includes prepaid commissions and advances to brokers.

Deferred charges also include IMI's tooling items customized based on the specifications of the customers and to be repaid as part of the price of the manufactured items.

Advances to contractors and suppliers

Advances to contractors and suppliers represent prepayments for the construction of investment properties, property and equipment.

Deposits - others

This account consists of project-related advances, including escrow funds, security deposits for land leases, and utility meter payments for electricity and water.

Creditable Withholding Tax

The Group will be able to apply the creditable withholding taxes against income tax payable or can be claimed as tax refund from the BIR.

Deferred input VAT

Deferred input VAT pertains to the unamortized VAT portion from purchases of capital goods.

Derivative asset

Noncurrent derivative asset pertains to the long-term energy service agreements for ACEN's solar project in Australia (see Note 15).

Others

Others pertain to prepayments for expenses that is amortized for more than one year, marketable securities and Customers & Tenants Deposits to Affiliates.



16. Accounts Payable and Accrued Expenses

This account consists of the following:

	2025	2024
	(In Thousands)	
Accounts payable	₱169,271,975	₱152,927,977
Taxes payable	28,043,742	25,560,837
Accrued expenses:		
Personnel costs	7,158,416	7,046,081
Rental and utilities	2,637,563	2,301,142
Professional and management fees	1,613,029	1,512,399
Advertising and promotions	1,563,283	1,365,433
Repairs and maintenance	600,708	313,139
Various operating expenses	10,964,362	7,306,577
Interest payable	8,257,134	7,761,725
Liability for purchased land	7,836,717	4,963,944
Retentions payable	7,516,049	5,120,029
Related parties (Note 31)	4,810,410	4,544,179
Dividends payable	3,241,865	2,805,520
Property dividends (Note 20)	110,162	133,230
	₱253,625,415	₱223,662,212

Accounts payable and accrued expenses are non-interest bearing and are normally settled on 15-to 60-day terms. Other payables are non-interest bearing and are normally settled within one year.

Accounts payable also include accrued project costs of billings not yet received from suppliers for direct materials and services from subcontractors. These are accruals of project costs such as equipment charges, materials, labor, overhead and provision for repairs and maintenance. These are normally settled within one year.

Taxes payable consists of output VAT, withholding taxes, business taxes, capital gains tax and other statutory payables. These are normally settled within one year.

Accrued various operating expenses include accruals for supplies, commissions, transportation and travel, insurance, representation, dues and fees and others. These are normally settled within one year.

Interest payable pertains to interest incurred on bank loans and fixed bonds but not yet paid. These are normally settled within one year.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertain to the amount withheld by ALI Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Dividends payable pertains to dividend declared but not yet paid.



Property dividends pertain to the declaration of property dividends consisting of the ACEN shares acquired from ACEIC to the Parent Company's common shareholders at a ratio of three (3) ACEN shares per one (1) parent company common share. The SEC approved and issued Certificate of Filing Notice of the Property Dividend declaration last October 24, 2022. BIR released the Certificates Authorizing Registration (CAR) to stockholders who have met the BIR requirements last December 29, 2022, including the submission of their Tax Identification Numbers. For stockholders who have not been issued a CAR, the payment date of the property dividend is on the 5th business day following their submission of a CAR to Parent Company.

17. Other Current Liabilities

This account consists of:

	2025	2024
	(In Thousands)	
Customers deposits	₱16,471,825	₱21,831,822
Nontrade payables	1,762,504	1,414,404
Others	992,704	482,364
	₱19,227,033	₱23,728,590

Customer deposits pertain to security and customers' deposits. Security deposits are normally equivalent to three (3) to six (6) months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last rentals on the related contracts. Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion (see Note 3). The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to ₱16,890.8 million and ₱21,492.2 million in 2025 and 2024, respectively.

Nontrade payables pertain mainly to non-interest-bearing real estate-related payables to contractors and various non-trade suppliers which are due within one year.

Others include derivative liability, contract liabilities, installment payable and financial liabilities on put option. Contract liabilities include short-term advances received to render manufacturing services. Contract liabilities are recognized as revenue when the Group performs under the contract.

18. Short-term and Long-term Debt

Short-term debt consists of:

	2025	2024
	(In Thousands)	
Philippine peso debt - with interest rates ranging from 4.6% to 10% per annum in 2025 and 5.1% to 10% per annum in 2024	₱62,205,783	₱64,425,377
Foreign currency debt - with interest rates ranging from 6.25% to 7.5% in 2025 and 5.37% to 7.25% in 2024	19,092,296	11,130,907
	₱81,298,079	₱75,556,284



Parent Company

In October 2023, the Parent Company drew ₱5,000 million against its working capital lines with a local bank at a fixed interest rate. In December 2023, the Parent Company drew ₱4,000 million against its working capital lines with a local bank at a fixed interest rate. As of December 31, 2023, unsecured short-term debt of the Parent Company amounted to ₱9,000.0 million from local bank with fixed interest rate of 5.75% per annum. These were subsequently paid in 2024.

In December 2024, the Parent Company drew ₱11,500 million and ₱10,500 million against its working capital lines with local banks at a fixed interest rate ranging from 5.5% to 5.8% which matured in February 2025 and March 2025, respectively. The Parent Company also drew ₱6,500 million against its revolver loan facility with a local bank at a fixed rate of 5.5% which matured in March 2025. As of December 31, 2024, unsecured short-term debt of the Parent Company amounted to ₱28,500 million from local banks, maturing in 50 to 92 days with a fixed interest rate ranging from 5.5% to 5.8% per annum. These were subsequently paid in 2025.

On December 15, 2025, the Parent Company availed of ₱9,700 million short term loan with a local bank maturing on March 13, 2026 at a fixed rate of 5.20% secured by shares of stock of a subsidiary. On the same period, the Parent Company settled its short term loan with the same bank amounting to ₱9,700 million.

As of December 31, 2025, unsecured short-term debt of the Parent Company amounted to ₱9,700 million from local banks, maturing in 87 days with a fixed interest rate ranging from 5.20% per annum.

ALI Group

ALI Group's short-term debt amounted to ₱32,236.0 million and ₱20,671.0 million as of December 31, 2025 and 2024, respectively. These represent peso and foreign-currency denominated bank loans with various interest rates. Peso-denominated short-term loans had a weighted average cost of 5.45% and 6.22% per annum in 2025 and 2024, respectively.

In compliance with Bangko Sentral ng Pilipinas (BSP) rules on directors, officers, stockholders and related interests, certain short-term and long-term debt with a carrying value of ₱4,512.2 million and ₱5,616.5 million as of December 31, 2025 and 2024, respectively, are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. The net book value of the property amounted to ₱3,947.0 million and ₱3,796.1 million as of December 31, 2025 and 2024, respectively, which is accounted as part of the "Investment properties" account (see Note 11).

AC Industrials Group

AC Industrials' short-term loans include Philippine peso loans with various banks and institutions amounting to ₱7,076.0 million and ₱7,828.5 million as of December 31, 2025 and 2024, respectively. These loans are unsecured and bear interest rate of 5.1% to 10.0% and 6.10% to 7.70% per annum in 2025 and 2024, respectively.

Short-term foreign currency denominated debt amounted to ₱6,315.0 million and ₱148.1 million as of December 31, 2025 and 2024, respectively. These loans are unsecured and bear interest rate of 5.1% to 10.0% per annum in 2025 and 6.9% to 7.0% per annum in 2024.

AIVPL Group

AIVPL Group's short-term loans include peso-denominated and dollar-denominated debt through its subsidiary, Affinity Express India Private Limited (AEIPL), with various banks amounting to ₱572.4 million and ₱619.9 million as of December 31, 2025 and 2024, respectively. These loans are unsecured and bear interest rate at 6.50% to 7.25% per annum in 2025 and 2024, respectively.



IMI Group

IMI Group's short-term debt includes unsecured loans aggregating to US\$96.9 million (P5,699.2 million (US\$96.9 million) and P8,916.8 million (US\$152.6 million (P8,916.8 million) as of December 31, 2025 and 2024, respectively. These short-term loans have maturities ranging from 30-180 days and bear fixed interest rates ranging from 3.00% to 6.50% and 5.37% to 6.63% per annum in 2025 and 2024, respectively.

ACEIC Group

ACEIC Group's short-term debt pertains to unsecured short-term loans aggregating to P14,361.4 million and P5,600.0 million as of December 31, 2025 and 2024, respectively. These short-term loans bear fixed interest rates ranging from 4.60% to 4.75% and 5.50% to 5.70% in 2025 and 2024, respectively.

AC Health Group

AC Health Group's short-term debt includes unsecured loans availed from local banks for working capital purposes amounting to P777.5 million and P493.0 million as of December 31, 2025 and 2024, respectively. These are on a 30-day to 1-year term with interest rates ranging from 4.00% to 8.00% and 5.80% to 8.00% per annum in 2025 and 2024, respectively.

AC Logistics

AC Logistics short-term debt includes unsecured loans availed from local banks for working capital purposes amounting to P151.2 million and P1,332.7 million as of December 31, 2025 and 2024, respectively. These are on a 60 to 180-days term with interest rates ranging from 7.35% to 7.85% per annum in 2025 and 7.30% to 7.45% in 2024.

AYCFL

On May 16 and May 28, 2025, AYCFL secured short-term borrowings from a foreign bank amounting to US\$50 million and US\$25 million, respectively. These funds were obtained for general corporate purposes. As of December 31, 2025 and 2024, AYCFL has outstanding loans payable amounting to P4,409.2 million and P1,446.11 The loan is guaranteed by the Parent Company and bear interest rates of 4.63% to 5.01%.

Long-term debt consists of:

	2025	2024
	(In Thousands)	
Parent Company:		
Bank loans - with fixed interest rates ranging from 0.8% to 7.50% and 3.0% to 3.31% per annum in 2025 and 2024 with varying maturity dates up to 2029	P53,966,186	P52,813,071
Bonds	15,933,830	30,879,523
	69,900,016	83,692,594
Subsidiaries:		
Loans from banks and other institutions:		
Philippine peso - with interest rates ranging from 4.00% to 9.08% in 2025 and 3.75% to 8.00% in 2024	211,660,545	186,016,325
Foreign currency - with interest rates ranging from 1.05% to 7.24% in 2025 and 1.05% to 8.65% in 2024 (Note 23)	108,262,809	82,273,644
Bonds:		
Foreign currency bonds:		
Green bonds / Fixed for life (FFL) bonds	111,331,636	106,018,981
Social bonds	5,879,000	5,784,500
Islamic bonds	4,364,544	3,883,463

(Forward)



	2025	2024
	(In Thousands)	
Philippine peso bonds:		
Due 2025	P–	P23,006,438
Due 2026	15,990,712	15,964,884
Due 2027	21,400,844	24,857,539
Due 2028	21,969,082	22,060,583
Due 2029	13,911,598	13,972,958
Due 2030	7,412,542	–
Due 2031	2,985,740	2,983,627
Due 2033	6,866,165	6,860,258
Due 2034	13,840,002	13,827,052
Due 2035	7,414,236	–
	553,289,455	507,510,252
	623,189,471	591,202,846
Less current portion	46,564,344	60,875,018
	P576,625,127	P530,327,828

Reconciliation of carrying amount against nominal amount follows:

	2025	2024
	(In Thousands)	
Nominal amount	P626,154,623	P594,230,792
Unamortized discount	(2,965,152)	(3,027,946)
	P623,189,471	P591,202,846

Parent Company

Bank loans

The Parent Company positions its deals across various currencies, maturities, and product types to provide utmost flexibility in its financing transactions.

Generally, the Parent Company's long-term loans are unsecured. Due to certain regulatory constraints in the local banking system regarding loans to directors, officers, stockholders and related interest, some of the Parent Company's credit facilities with a local bank are secured by shares of stock of a subsidiary with a fair value of P80,955.1 million and P62,444.4 million as of December 31, 2025 and 2024, respectively, in accordance with Bangko Sentral ng Pilipinas (BSP) regulations. All credit facilities of the Parent Company outside of BPI are unsecured, and their respective credit agreements provide for this exception.

Loans secured by collateral for DOSRI compliance

The Parent Company signed the following loan facilities with a local bank that are secured by collateral:

- January 2018: P1.9 billion 10-year loan facility with an interest rate based on the prevailing benchmark rates plus a certain spread; and 1.9 billion 10-year Loan Facility with subsidiary shares as collateral. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to P1.2 billion and P1.3 billion, respectively.
- October 2020: P10.0 billion term loan agreement secured by ALI shares. The said facility has a tenor of ten (10) years with an interest rate based on the applicable BVAL rate plus a certain spread. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to P7.9 billion and P8.4 billion, respectively.



- c. December 2022: ₱4.0 billion term loan facility with a fixed and floating rate option for six (6) or seven (7) years. In December 2023, the facility was amended to improve interest rate and availed of by the Parent Company with a tenor of seven (7) years at a fixed interest rate structure of 3 years (3Y) + 4 years (4Y) based on 3Y and 4Y BVAL plus margin and subject to floor rate. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.8 billion and ₱4.0 billion, respectively.

In December 2016, the Parent Company entered into a term loan agreement with a domestic bank amounting to ₱10.0 billion with an interest rate based on (i) the prevailing Benchmark Rate plus a certain spread or (ii) the 28-day BSP Deposit Facility Rate plus a certain spread, whichever is higher. In August 2021, the Parent Company drew ₱2.5 billion with a tenor of 5 years. Principal repayments amounting to ₱25.0 million shall be made at the first anniversary until end of the fourth year and payment for the remaining principal balance amounting to ₱2.4 billion at maturity date. In October 2021, the Parent Company drew ₱7.5 billion with a tenor of 4 years. Principal repayments amounting to ₱75.0 million shall be made at the first anniversary until end of the third year and payment of remaining principal balance amounting to ₱7.3 billion at maturity date. As of December 31, 2025 and 2024, total outstanding balance of the long-term loan facility amounted to ₱2.4 billion and ₱9.6 billion, respectively.

In April 2018, the Parent Company signed an ₱11.0 billion fixed term loan facility with a domestic bank with a tenor of 8 years. The amount was fully drawn on April 30, 2018. The original terms of the loan stipulated a fixed interest rate of 6.00% for the first five years, which was based on the prevailing 5-year benchmark plus a certain spread and will reprice at the prevailing 3-year benchmark plus a certain spread. In July 2020, the Parent Company and the local bank agreed to revise the interest rate to 4.60% up to April 30, 2023 based on the applicable three (3) year PHP BVAL plus a corresponding spread. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱5.0 million and ₱9.2 billion, respectively.

In September 2021, the Parent Company signed a ₱5.0 billion loan facility with a fixed or floating rate option and a term of five (5) or seven (7) years. In August 2022, the Parent Company drew down the full amount of ₱5.0 billion with tenor of seven (7) years with interest rate based on 3 months BVAL plus a spread and subject to a floor rate. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱1.7 billion and ₱4.9 billion, respectively.

In May 2022, the Parent Company signed an ₱8.0 billion term loan facility with a local bank. In August 2022, the Parent Company drew down the full amount in two tranches at ₱5.0 billion and ₱3.0 billion, both with a tenor of 6 years with interest rate based on 3 months BVAL plus margin and subject to a floor rate. In December 2025, the Parent Company made principal repayments and partial principal payment of ₱4.4 billion. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.2 billion and ₱7.6 billion, respectively.

In December 2022, the Parent Company signed a sustainability linked credit facility for ₱5.0 and was amended in March 2023 to extend availability period. In October 2023, the facility was further amended to reduce facility amount to ₱4.0 billion and was availed by the Parent Company for a tenor of eight (8) years at a fixed interest rate. The facility is subject to reduction in coupon for met Key Performance Indicators (KPIs). As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.7 billion and ₱4.0 billion, respectively.

In October 2023, the Parent Company signed and availed of a sustainability linked credit facility for ₱1.0 billion with a tenor of eight (8) years at a fixed interest based on BVAL plus margin. The facility is subject to a reduction in coupon for met KPIs. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱1.0 billion.

In March 2024, the Parent Company signed a EUR50.0 million Committed Term Loan Facility and drew its peso equivalent of ₱3.09 billion through a cross-currency swap in the same year. The tenor of the loan is five (5) years at a fixed interest rate based on the prevailing benchmark rates plus margin. As of December 31, 2025, the outstanding balance of the loan facility is ₱3.4 billion and ₱3.1 billion, respectively.



In August 2024, the Parent Company signed a US\$200 million multi-currency loan agreement and drew ₱11.0 billion in April 2025. The tenor of the loan is five (5) years at a floating rate based on the prevailing benchmark rates plus margin. As of December 31, 2025, the outstanding balance of the loan is ₱11.0 billion.

In December 2024, the Parent Company signed a sustainability linked credit facility for 2.5 billion and drew ₱2.5 billion in 2025. As of December 31, 2025, the outstanding balance of the loan facility is ₱2.5 billion.

In December 2024, the Parent Company signed a US\$100Mn Blended Finance Facility with a fixed or floating rate option and a term of seven (7) years. The facility is composed of a bilateral and a concessional loan. In 2025, the Parent Company drew Peso and USD tranches at its peso equivalent of ₱2.4 billion through a cross-currency swap and US\$8.0 million, respectively. As of December 31, 2025, outstanding Peso and USD tranches are ₱2.4 billion and US\$8.0 million (₱470.3 million), respectively.

In March 2025, the Parent Company signed a JPY Term Loan (US\$200 million) Facility and drew its peso equivalent of ₱5.9 billion through a cross-currency swap. The tenor of the loan is five (5) years at a fixed interest rate based on the prevailing benchmark rates plus margin. As of December 31, 2025, the outstanding balance of the loan facility is ₱5.9 billion.

In May 2025, the Parent Company signed a US\$180 million term loan facility with fixed or floating rate options and a term of up to eight (8) years. As of December 2025, the facility remains undrawn.

In September 2025, the Parent Company signed a US\$250 million term loan facility with a fixed and floating rate options and a term of up to four (4) years. As of December 2025, the facility remains undrawn.

In October 2025, the Parent Company signed a ₱12.0 billion term loan agreement with fixed and floating rate options. In December 2025, the Parent Company drew ₱4.0 billion with a tenor of five (5) year and interest based on (i) the prevailing Benchmark Rate plus margin or (ii) the BSP Reverse Repurchase Rate plus whichever is higher. As of December 31, 2025, the outstanding balance of the loan facility is ₱4.0 billion.

Bonds

Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term	Interest rate	Principal Amount (In thousands)	Carrying Value (In Thousands)		Features
				2025	2024	
2017	8 years	4.8200%	₱10,000,000	₱—	₱9,989,859	Callable from the 6.5 th anniversary issue until every year thereafter. 5-year fixed coupon Series B bond callable on the 12 th to 19 th interest payment date with a call option price of 101.0% on the 12 th to 15 th interest payment date and 100.5% on the 16 th to 19 th interest payment date.
2021	5 years	3.7874%	6,000,000	5,986,407	5,972,815	3-year fixed coupon Series C bond with no call option.
2022	3 years	4.4542%	5,000,000	—	4,988,606	5-year fixed coupon Series D bond callable on the 12 th to 19 th interest payment date with a call option price of 101.0% on the 12 th to 15 th interest payment date and 100.5% on the 16 th to 19 th interest payment date.
2022	5 years	5.6239%	7,500,000	7,465,481	7,450,002	7-year fixed coupon Series E bond callable on the 16 th to 27 th interest payment date with a call option price of 102.0% on the 16 th to 19 th interest payment date, a call option price of 101.0% on the 20 th to 23 rd interest payment date and 100.5% on the 24 th to 27 th interest payment date.
2022	7 years	6.1351%	2,500,000	2,481,942	2,478,241	
			₱31,000,000	₱15,933,830	₱30,879,523	



The outstanding Peso bonds of the Parent Company have been rated “PRS AAA” by PhilRatings, which is the highest credit rating possible for long-term issuances. Obligations rated PRS AAA are of the highest quality with minimal credit risk and indicates the obligor’s capacity to meet its financial commitment is extremely strong.

Bond redemption

On May 28, 2024, the Parent Company's ₱4.0 billion, 3.03% Series A Bonds Due 2024 were fully redeemed on its maturity date. The Bonds were redeemed by payment in cash of the redemption price set at 100% of the Issue Price plus all accrued and unpaid interest based on the coupon rate of 3.03% per annum.

On February 10, 2025, the ₱10.0 billion 4.82% Ayala Bonds were redeemed by the payment in cash of the redemption price set at 100% of the issue price plus all accrued and unpaid interest based on the Coupon Rate of 8.82% per annum.

On May 26, 2025, the Parent Company redeemed its ₱5.0 billion 4.4542% fixed rate Bonds (Series C) at 100% of its issue price plus all accrued interest.

Outstanding fixed rate bonds

Philippine Peso 8-Year Bond due 2025

On February 10, 2017, the Parent Company issued ₱10.0 billion, 4.82% bonds due in 2025. This pertains to the second and final tranche of the ₱20.0 billion fixed rate bonds program approved by the BOD on March 10, 2016.

Philippine Peso 3-Year and 5-Year Bonds due 2024 and 2026

On May 28, 2021, the Parent Company issued a total of ₱10.0 billion bonds, broken down into a ₱4.0 billion bond due 2024 at a fixed rate equivalent to 3.03%, and a ₱6.0 billion bond due 2026 at a fixed rate of 3.7874%. Interest on the Bonds will be payable quarterly. The proceeds were used to refinance select Philippine Peso-denominated obligations and partially to finance capital expenditures. The ₱10.0 billion amount represents the first tranche under the Parent Company's ₱30.0 billion shelf registration program of the SEC. The 3-year bond due 2024 was redeemed in cash based on a redemption price set at 101.0% of the issue price plus all accrued and unpaid interest based on coupon rate of 3.03% per annum.

Philippine Peso 3-Year, 5-Year, and 7-Year Bonds due 2025, 2027, and 2029

On May 26, 2022, the Parent Company issued a total of ₱15.0 billion bonds, which constitute the second tranche of the Parent Company's ₱30.0 billion shelf registration that has been approved by the BOD. The Second Tranche consists of 4.45% Series C Bonds due 2025, 5.62% Series D Bonds due 2027, and 6.14% Series E Bonds due 2029 amounting ₱5.0 billion, ₱7.5 billion, and ₱2.5 billion, respectively. Interest on the Bonds will be payable quarterly. Proceeds will be used to refinance select Philippine Peso-denominated obligations and partially to finance capital expenditures.

Subsidiaries

Foreign currency debt

IMI Group

IMI Group's outstanding long-term debt amounted to US\$99.07 million (₱5.8 billion) and US\$137.94 million (₱7.9 billion) as of December 31, 2025 and 2024, respectively.

IMI Parent's unsecured long-term debts amounting to US\$99.07 million and US\$132.47 million as of December 31, 2025 and 2024, respectively, were obtained from Philippine banks with terms of three to five years, subject to fixed annual interest rates of 8.65% in 2025 and 4.22% to 8.65% in 2024.



VTs and IMI CZ have unsecured long-term loans amounting to nil and US\$5.4 million as of December 31, 2025 and 2024, respectively, were obtained from the Japanese and Czech-based banks that are payable in regular monthly installments both with terms of five years. The VTs and IMI CZ loans has interest rates ranging from 0.7878% to 2.31% per annum.

AC Industrials

The long-term foreign currency denominated debt pertaining to Union Bank of the Philippines, Inc. (UnionBank) amounted to US\$18.4 million (P1.1 billion) and US\$18.8 million (P1.1 billion) as of December 31, 2025 and 2024, respectively. These loans are unsecured and bear interest rate of 3.91% to 7.24% per annum in 2025 and 2024.

In 2022, long-term foreign currency denominated debt was availed from Bank of the Philippine Islands amounting to US\$ 25.0 million (P1.3 billion) with interest rate of 3.95% per annum. US\$20.0 million (P1.0 billion) of the loans from BPI is secured by continuing guarantee from AC Industrials (Singapore) PTE, LTD. This loan was excluded in the balances as of December 31, 2024, as a result of Merlin Group dilution in 2024 (see Note 2).

In 2024, additional long term foreign currency debt was availed from BPI amounted to US\$44.6 million (P2.6 billion) with interest of 8.13% per annum to refinance the matured Unionbank loans. As of December 31, 2025 and 2024, the outstanding balance of the loans is US\$43.2 million (P2.5 billion) and US\$44.6 million (P2.6 billion) with interest rate of 3.95% per annum.

ACEIC Group

On February 20, 2017, ACEIC entered into an unsecured loan agreement with The Philippine American Life and General Insurance Company (PHILAM) amounting to P1,000.0 million payable in 10 years from the date of drawdown with 6% fixed interest per annum. The loan shall be paid in one lump sum at the maturity date. As of December 31, 2025 and 2024, outstanding balance of the interest-bearing loans amounted to P1,000.0 million.

On September 25, 2020, ACEIC secured a 12-year term loan facility from BDO Unibank, Inc with maximum loanable amount of P10,000.00 million or its US dollar equivalent. On November 23, 2020 and on December 22, 2020 ACEIC made drawdowns from the loan facility amounting to US\$62.5 million (P3,015.6 million) and US\$37.5 million (P1,802.3 million), respectively. ACEIC shall pay interest on the outstanding principal amount of the loan at the fixed rate of 4.04% and 4.03% per annum for the first five years term with duration of three (6) months commencing on the drawdown date. Interest shall then be repriced on the 5th anniversary from the drawdown date and will be fixed for the next 7 years until maturity. As of December 31, 2025 and 2024, outstanding balance of the unsecured interest-bearing loan amounted to P3,713.4 million and P5,883.0 million, respectively.

On November 27, 2020, ACEIC secured a 12-year term loan facility from Bank of the Philippine Islands with maximum loanable amount of US\$60.00 million. On December 22, 2020 ACEIC made a US\$60.00 million (P2,883.7 million) drawdowns from the loan facility. ACEIC shall pay interest on the outstanding principal amount of the loan at the fixed rate of 3.0% per annum for the first five years term with duration of three (3) months commencing on the drawdown date. Interest shall then be repriced on the 5th and 10th anniversary from the drawdown date. As of December 31, 2025 and 2024, outstanding balance of the unsecured interest-bearing loan amounted to P3,481.5 million and P3,467.5 million, respectively.

On October 19, 2022, ACEIC secured a 10-year term loan facility with maximum loanable amount of P3,500.0 million. On the same date, ACEIC made a P3,500.0 million drawdown from the loan facility. ACEIC shall pay interest on the outstanding principal amount of the loan at the fixed 6.18% per annum subject to quarterly repricing. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to P3,500.0 million.



ACEIC subsidiaries

On April 15, 2024, ACEN, through its subsidiary ACRI, signed a US\$150.0 million green term loan facility with Sumitomo Mitsui Banking Corporation. This strategic financial move is in line with ACEN's ongoing efforts to finance investments in renewable power projects across the region.

On February 11, 2021, long term loans with carrying amounts of AU\$138.3 million (P4,778.6 million) construction facility loan under NESF Syndicated Facility Agreement, AU\$10.5 million (P362.8 million) million green long-term revolving loan with DBS Bank Australia (DBS Bank), AU\$10.0 million (P345.6 million) green term loan with MUFG Bank, Ltd. (MUFG Bank), Sydney Branch and AU\$0.4 million (P13.0 million) green term loan facility agreement with Clean Energy Finance Corporation (CEFC) were assumed as a result of acquisition of control over UPC-ACE Australia.

ACEN Australia

- a. On August 18, 2022, ACEN Australia and DBS Bank, executed a Common Provisions Agreement and a Facility Agreement for a AU\$100.00 million (US\$68.10 million) green long-term revolving loan facility. The facility prices off the Bank Bill Swap Rate (BBSW) interest rate benchmark plus 1.75% and will mature on August 18, 2027.

Total loan drawn from a facility amounted to AU\$67.39 million (US\$44.94 million; P2,642.5 million) and AU\$67.39 million (US\$41.92 million; P2,412.29 million) in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to P1,952.7 million and P2,412.3 million, respectively.

- b. On September 15, 2022, ACEN, as guarantor to ACEN Australia, executed a Facility Agreement with ACEN Australia and MUFG Bank for a AU\$140.0 million (US\$95.4 million) green term loan facility. MUFG Bank and ACEN Australia also entered into an Accession Letter to include MUFG Bank as a Lender under the Common Provisions Agreement dated August 18, 2022 (with ACEN Australia and DBS Bank and ACEN as Guarantor to ACEN Australia). The facility bears Bank Bill Swap Bid Rate (BBSY) interest rate benchmark plus 1.65% and will mature on September 15, 2027.

Total loan drawn from a facility amounted to AU\$140 million (US\$93.38 million; P5,489.81 million) and AU\$140 million (US\$87.59 million; P5,011.32 million) in 2025 and 2024, respectively. The facility will mature on September 15, 2027. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to nil and P5,011.3 million.

- c. On October 28, 2022, ACEN Australia executed a facility agreement with a bank for a AU\$75.0 million (US\$51.1 million) green term loan facility. The facility will mature on October 28, 2027.

Total loan drawn from a facility amounted to (US\$44.68 million; P2,626.48 million) and AU\$66.98 million (US\$41.7 million; P2,397.4 million) in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to P2,636.1 million and P2,397.4 million, respectively.

- d. ACEN Australia entered into a Syndicated Facility Agreement amounting to AU\$204.54 million (US\$139.40 million) last December 21, 2020. The proceeds of the loan shall be initially used for the construction and eventually for the operation of the 400MW Ac New England Solar Farm Project in New South Wales at conversion date. The Term Facility will be repaid based on an agreed repayment schedule ending in September 2040. The interest rate structure for the facility is a floater based on BBSY bid plus a margin applicable during the plant's construction period with a step up in margins during operations. The facility requires the borrower to enter into a hedging agreement and under such arrangement the floating rate of the loan was swapped for a fixed rate of 2.90%.



On February 11, 2021, ACEN Australia executed the New England Solar Farm Syndicated Facility Agreement with a group of banks. The Syndicated Facility Agreement includes a prepayment clause allowing ACEN Australia to make voluntary prepayments, whether in full or in part, subject to the achievement of various project milestones. This syndicated loan is secured by the Group's property. As at December 31, 2024, the Group had available AU\$203.84 million (US\$126.79 million) under the syndicated facility in respect of which all conditions precedent had been met. As at December 31, 2025, there are no more drawdowns from this facility.

On December 7, 2023, ACEN Australia executed a facility agreement with a bank for a total of US\$100.00 million of term facility, with a maturity date of December 7, 2028. As at December 31, 2025, there are no drawdowns from this facility.

On December 7, 2023, ACEN Australia executed a facility agreement with a bank for a total of AU\$75.0 million, with a maturity date of February 26, 2028. As at December 31, 2025, there are no drawdowns from this facility. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to nil and ₱5,011.3 million, respectively.

- e. On January 11, 2023, ACEN Australia executed a facility agreement with a bank for a AU\$277.0 million (US\$172.3 million) loan facility. The facility will mature on January 6, 2028.

Total loan drawn from a facility amounted to AU\$277.0 million (US\$185.5.0 million, ₱10,902.7 million) and AU\$277.0 million (US\$172.3 million, ₱9,915.3 million) in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱10,902.7 million and ₱9,915.4 million, respectively.

- f. On February 26, 2024, ACEN Australia executed a facility agreement with a bank for a total of AU\$75.0 million loan facility, with a maturity date of February 26, 2028.

Total loan draw from a facility amounted to AU\$75.0 (US\$50.0 million, ₱2,940.9 million) and AU\$6.8 million (US\$4.2 million, ₱243.4 million) in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱2,483.8 million and ₱243.4 million, respectively.

- g. On March 1, 2024, ACEN Australia executed a facility agreement with a bank for a total of AU\$75.0 million loan facility, with a maturity date of March 31, 2026.

Total loan draw from a facility amounted to AU\$75.0 (US\$50.0 million, ₱2,940.9 million) AU\$20.9 (US\$13.9 million, ₱817.59 million) in 2025 and 2025, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱2,480.6 million and ₱248.8 million, respectively.

- h. On April 10, 2025, ACEN Australia executed a facility agreement with a bank for at total of AU\$373.00 million loan facility, with a maturity date of April 10, 2030 with 80% of the drawdown is hedged with interest rate swap fixed at 5.07% until maturity. Principal Repayment based on agreed schedule and interest and principal are payable on a quarterly basis

Total loan drawn from the facility amounted to AU\$373.0 (US\$248.8 million, ₱14,626.4 million) in 2025. As of December 31, 2025, the outstanding balance of the loan amounted to ₱14,615.3 million.

As of December 31, 2025 and 2024, the total outstanding balance of the loan facility agreements of ACEN Australia amounted to ₱35,071.3 million and ₱26,710.4 million, respectively.



ACEFIL

On January 23, 2024, ACEFIL entered into a loan facility agreement amounting to US\$10.0 million due on January 23, 2027 at an annual interest rate of 5.4% per annum. As of December 31, 2025 and 2024, the outstanding balance as of the loans amounted to ₱587.9 million and ₱578.5 million, respectively.

ACEN Cayman

On January 19, 2024 and January 23, 2024, ACEN Cayman entered into a loan facility agreement amounting to US\$140.0 million. and \$180.0 million due in 2027 and 2029 at an annual interest rate of 5.31% to 5.40% per annum. As of December 31, 2025 and 2024, the total outstanding balance of the loan facility agreements amounted to ₱18,495.3 million and ₱18,406.3 million, respectively.

ACRI

During 2024, ACEN Renewables International Pte. Ltd (ACRI) entered into various loan facility agreements aggregating US\$475.00 million due in 2028 and 2029 at an annual interest rate of 5.82% to 6.53% per annum. As of December 31, 2025 and 2024, the outstanding balance of the loan facility agreements amounted to ₱13,508.3 million and ₱6,370.1 million, respectively.

ACEN International

On May 9, 2025, ACEN International signed a term loan facility worth EUR50.0 million due in May 27, 2030 with a foreign bank, to be used to finance and/or refinance investment in and/or advances to existing and future renewable energy projects through its subsidiaries and joint ventures, and for general corporate purposes. Total loan drawn from the facility amounted to EUR50.0 million (US\$58.8 million, ₱3,453.9 million) in 2025. As of December 31, 2025, the outstanding balance of the loan facility agreements amounted to ₱3,462.7 million.

On August 11, 2025, ACEN International signed a term loan facility worth US\$100.0 million with a foreign bank to be used to finance and/or refinance investment in and/or advances to existing and future renewable energy projects through its subsidiaries and joint ventures, and for general corporate purposes. Total loan drawn from the facility amounted to US\$35.0 million (₱2,057.6 million) in 2025. As of December 31, 2025, the outstanding balance of the loan facility agreements amounted to ₱2,058.2 million.

As of December 31, 2025, the total outstanding balance of the loan facility agreements of ACEN International amounted to ₱5,520.9 million.

Philippine peso debt

ALI Group

The outstanding long-term debts issued by ALI Group, net of related unamortized debt issuance cost follows:

Year Issued	Maturity year	Term (Years)	Interest rate	Principal Amount (In thousands)	Carrying Value (In thousands)		Features
					2025	2024	
Loans							
ALI Parent							
							Unsecured except for P306.0 million principal loan amount secured with investment property;
2017-2025	2027 - 2034	6 - 10 years	3.75% - 6.40%	116,649,700	₱112,373,362	₱96,303,799	Fixed interest rates; Floating BVAL + margin
ALI Subsidiaries							
							Unsecured except for P15.51 billion principal loan amount secured with various collaterals;
2016-2025	2025 - 2032	3 - 10 years	2.40% - 7.26%	66,054,885	₱63,714,453	47,690,647	Fixed interest rates; Floating BVAL + margin
Total					₱176,087,815	₱143,994,446	



Since its launch in 2024, ALI raised a total of ₱56.0 billion in debt capital through its Sustainability-Linked Financing (SLF) Program. In 2024, ALI issued ₱28.2 billion which comprised of ₱6.0 billion ASEAN Sustainability-Linked Bond (SL - Bond) issued on July 18, 2024, ₱14.2 billion Sustainability-Linked Loan (SL-Loan) (included in the long-term loans) from the International Finance Corporation (IFC) completed on October 11, 2024 and ₱8.0 billion 10-year SL-Bond issued on November 13, 2024. On October 23, 2025, ALI issued another tranche of SL-Bond amounting to ₱15.0 billion with tenors of five years and ten years at ₱7.5 billion each. Subsequently, on November 27, 2025, ALI availed ₱12.9 billion SL-Loan with IFC.

All SL-Bonds are listed on the Philippine Dealing & Exchange Corp. (PDEX) and were issued under the existing ₱50.00 Billion Securities Program rendered effective on June 13, 2023. The SLF Program aligns with ALI's financial commitments with its environmental targets. The interest rates of the SL-Bond and SL-Loan are linked to ALI's performance on key sustainability metrics of which the applicable interest rate shall be equal to the original interest rate plus 0.05% for each occurrence of unmet key sustainability metrics.

These key sustainability metrics include achieving EDGE Zero Carbon certification for 1.5 million square meters by 2025 and reducing greenhouse gas emissions by 42% across malls, offices, and hotels by 2030. As at December 31, 2025, ALI achieved IFC EDGE Zero Carbon certification for more than 1.5 million square meters of commercial office properties located across Metro Manila, Laguna, Cebu, Baguio, Iloilo, and Bacolod. These properties include a mix of corporate and BPO office buildings.

On August 8, 2024, the ALI Group made a first issuance of RM300 million in nominal value pursuant to its Sukuk Murabahah Programme

As of December 31, 2025 and 2024, the remaining aggregate balance of US Dollar-denominated unsecured long-term loans included in the table above amounted to ₱14,537.5 million and ₱5,462.1 million, respectively.

The long-term loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the ALI/ALI/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by ALI Group as at December 31, 2025 and 2024.

ACEIC Group

ACEN

Description	Interest Rate (per annum)	Terms	2025	2024
₱1,500.00 million Loan A	Availed ₱1,175 million loan at a fixed rate of 6.50% per annum	Availed on January 11, 2017, payable in a semi-annual installment within 12 years with final repayment on July 11, 2029.	₱420.3	₱515.8
₱5,000.00 million Loan B	Availed ₱5,000 million loan at a rate of 5.05% per annum in 2024, 7.34% per annum in 2025 For the first 5 years; repricing for the succeeding five (5) years is the average of the 5-year BVAL, three (3) days prior to repricing date, plus an agreed margin	Availed on November 15, 2019, payable in a semi-annual installment within 10 years with final repayment on November 14, 2029.	4,684.2	4,736.8

(Forward)



Description	Interest Rate (per annum)	Terms	2025	2024
₱7,000.00 million Loan C	Availed ₱500 million loan at a fixed rate of 5.00% per annum which shall be payable at the end of the interest period of six months Availed ₱1,000 million loan at a fixed rate of 5.00% per annum which shall be payable at the end of the interest period of six months Availed ₱1,000 million loan at a fixed rate of 5.066% per annum which shall be payable quarterly Availed ₱2,000 million loan at a fixed rate of 7.1720% per annum which shall be payable quarterly Availed ₱2,500 million loan at a fixed rate of 6.4580% per annum which shall be payable quarterly	Availed on July 15, 2020, payable in a semi-annual installment within 10 years with final repayment on July 15, 2030. Availed on August 24, 2020, payable in a semi-annual installment within 10 years with final repayment on July 15, 2030. Availed on June 10, 2022, payable in a quarterly installment within 8 years with final repayment on July 15, 2030; repricing for the 4th and 7th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus a margin of 80 basis points Availed on November 15, 2022, payable in a quarterly installment within 8 years with final repayment on July 15, 2030; repricing for the 3rd and 6th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus a margin of 80 basis points. Availed on January 13, 2023, payable in a quarterly installment within 7 years with final repayment on July 15, 2030; repricing for the 4th and 7th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus a margin of 80 basis points.	₱6,739.0	₱6,823.0
₱4,500 million Loan D	Availed ₱805 million loan at a fixed rate of 7.00% per annum which shall be payable at the end of the interest period of six months Availed ₱2,000 million loan at a fixed rate of 7.00% per annum which shall be payable at the end of the interest period of six months Availed ₱1,695 million loan at a fixed rate of 7.00% per annum which shall be payable at the end of the interest period of six months	Availed on March 30, 2021, payable in a semi-annual installment within 10 years with final repayment on March 30, 2031. Availed on February 28, 2022, payable in a semi-annual installment within 9 years with final repayment on March 30, 2031. Availed on April 11, 2022, payable in a semi-annual installment within 9 years with final repayment on March 30, 2031.	4,387.5	4,432.5

(Forward)



Description	Interest Rate (per annum)	Terms	2025	2024
₱10,000 million Loan E	Availed ₱3,000 million at a fixed rate of 6.91% per annum in 2024 and 6.94% in 2025 Availed ₱3,000 million at a fixed rate of 6.96% per annum in 2024 and 6.53% per annum in 2025 which shall be payable at the end of the interest period of six months floating interest rate repriced on every succeeding semi-annual period.	Availed on December 13, 2022 payable in semi-annual installments within 10 years with final repayment on December 13, 2032. Availed on January 27, 2023 payable in semi-annual installments within 10 years with final repayment on December 13, 2032.	₱6,000.0	₱6,000.0
₱10,000 million Loan F	Availed ₱250 million loan at a fixed rate of 7.09% per annum for the first 2 years; repricing for the 2 nd , 4 th , 6 th , and 8 th anniversaries is the Final BVAL, one (1) banking day prior to repricing date, plus a margin of 80 basis points.	Availed on August 17, 2023, payable in a semi-annual installment within 10 years with final repayment on August 17, 2033.	239.5	244.8
₱5,000 million Loan G	Availed ₱500 million loan at 6.50%-6.37% per annum Floating interest rate repriced on every succeeding quarterly period. Can be converted to fixed up to 12 months from initial drawdown. Availed ₱3,200 million loan at 5.128% per annum). Availed ₱1,000 million loan at 5.33% per annum	Availed on October 24, 2023, payable in a quarterly installment within 10 years with final repayment on October 24, 2033. Availed on August 6, 2024, payable in quarterly installment within 5 years with final repayment on July 24, 2029. Availed on December 18, 2024, with final repayment on April 30, 2030.	4,727.7	4,670.8
₱20,000 million Loan H	Availed ₱500 million loan with a rate of 6.5% to 6.60% per annum. Availed ₱500 million loan with a rate of 6.59% per annum. Availed ₱1,500 million loan with a rate of 6.39% per annum.	Availed on December 22, 2023, payable in a quarterly installment within 10 years with final repayment on December 22, 2033. Availed on September 11, 2024, payable in a quarterly installment within 10 years with final repayment on December 22, 2033. Availed on December 18, 2024, payable in a quarterly installment within 10 years with final repayment on December 22, 2033.	2,500.0	2,500.0
₱5,500 million Loan I	Availed ₱509 million loan with a rate of 6.07% per annum. Availed ₱2,290.91 million loan with a rate of 6.72% per annum. Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries of the financial close is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin.	Availed on October 24, 2024, payable in a semi-annual installment within 10 years with final repayment on October 24, 2034. Availed on October 24, 2024, payable in a semi-annual installment within 10 years with final repayment on October 24, 2034.	2,800.0	2,800.0

(Forward)



Description	Interest Rate (per annum)	Terms	2025	2024
₱5,500 million Loan J	Availed ₱2,800 million loan with a rate of 5.89% per annum with Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries of the financial close is an agreed base rate, one (1) banking day prior to repricing date, plus an agreed margin	Availed on October 24, 2024, payable in a semi-annual installment within 10 years with final repayment on October 24, 2024.	₱2,800.0	₱2,800.0
₱8,000 million Loan K	Availed ₱8,000 million loan with a rate of 5.58% floating interest rate repriced on every succeeding quarterly period. One-time option to convert floating interest to fixed at least one day before intended conversion date	Principal and interest payable quarterly	2,000.0	—
Carrying value			₱37,298.2	₱35,523.7

₱1.0 billion Omnibus Loan and Security Agreement (OLSA) with Provincia Investments Corporation and Solar Philippines Power Project Holdings, Inc.

On January 25, 2023, ACEN, Provincia Investments Corporation (Provincia), and Solar Philippines Power Project Holdings, Inc. (Solar PH) entered into definitive agreements whereby ACEN receives 500 million shares of SP New Energy Corporation (SPNEC), a listed company, which is an affiliate of Solar PH (which SPNEC shares have a market value of approximately ₱660.0 million as of January 24, 2023) as (a) pre-payment for part of the development loan principal, (b) payment of interest and arrangement and security amendment in consideration for ACEN releasing its pledge over shares owned by Solar PH in SPNEC, and (c) allow further drawdown by Provincia from the existing ₱1,000.0 million loan facility. Consequently, on January 25, 2023, Provincia drew additional ₱125.0 million from its development loan facility. ACEN recognized a ₱515.0 million gain from the partial settlement of development loan recognized under Other income (see Note 22).

Guimaras Wind Corporation

On December 18, 2013, Guimaras Wind entered into a ₱4.30 billion Term Loan Facility with Security Bank Corporation (SBC) and Development Bank of the Philippines (DBP). The proceeds were used to partially finance the 54 MW San Lorenzo Wind Farm composed of 272 MW wind turbine generators and related roads, jetty, substations, transmission line facilities and submarine cable to connect to the grid. The loan facility is divided into two tranches amounting to ₱2.15 billion each - DBP as the Tranche A lender and SBC as the Tranche B lender.

Both tranches have a term of 15 years with semi-annual interest payments starting on the date on which the loan is made. The Tranche A's interest is to be fixed at the higher of 10-year PDS Treasury Fixing (PDST-F) plus a spread of 1.625% or a minimum interest rate of 6.25% for the first 10 years, to be repriced at higher of existing rate or 5-year PDST-F plus a spread of 1.25% for the last 5 years. The Tranche B will be fixed at higher of interpolated 15-year PDST-F plus a spread of 1.625% or a minimum interest rate of 6.5%. The interest rate floor on the loan is an embedded derivative that is required to be bifurcated. In 2013, the Group did not recognize any derivative liability arising from the bifurcated interest floor rate since the fair value is not significant.

On April 1, 2015, the publication of PDST-F rates ceased pursuant to the memo of the Bankers Association of the Philippines (BAP) dated January 8, 2015. Subsequently, the parties agreed to adopt PDST-R2 and BVAL rates as benchmark rate in lieu of PDST-F rates. BVAL rates were adopted starting October 29, 2018 when the BAP launched its new set of reference rates to replace the current set of PDST Reference Rates, PDST-R1 and PDST-R2.



The loan facility also contains a prepayment provision which allows Guimaras Wind to make optional prepayment for both Tranche A and Tranche B in the amount calculated by the facility agent as accrued interest and other charges on the loan up to the prepayment date plus, the higher of (a) the principal amount of the loan being prepaid, or (b) the amount calculated as the present value of the remaining principal amortizations and interest payments on the loan being prepaid, discounted at the comparable benchmark tenor as shown in the Philippine Dealing and Exchange Corporation (PDEx) Market Page, Reuters and the PDS website (www.pds.com.ph) at approximately 11:16 am on the business day immediately preceding the prepayment date. In addition, Guimaras Wind is allowed to prepay the Tranche A loan, without penalty or breakfunding cost, on the interest re-pricing date. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by Guimaras Wind's wind farm, included in "Machinery and equipment" account under "Property, plant and equipment" with carrying values amounting to ₱3,219.6 million and ₱3,274.3 million as at December 31, 2025 and 2024, respectively (see Note 12). In addition, as a security for the timely payment, discharge, observance and performance of the obligations, ACEN entered into a Pledge Agreement covering the subscriptions of stocks of ACEN and its nominees.

As December 31, 2025 and 2024, outstanding balance of the interest-bearing loan amounted to ₱644.5 million and ₱820.4 million, respectively.

NorthWind Power Development Corporation (NPDC)

On May 29, 2020, NPDC entered into a long-term loan facility with BPI amounted to ₱2,300.0 million. The proceeds of the loan were used to fully repay the senior loans of Northwind amounting to ₱2,467.18 million. The payments shall be made in twenty-four (24) sculpted semi-annual amortizations set forth in the agreement. The interest rate is fixed for the initial period of ten (10) years to be repriced after the 10th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus a spread of 1.115%, or (b) 5.125% per annum, whichever is higher.

The loan facility contains a prepayment provision which allows the NPDC to make optional prepayment, wholly or partially, any time during the term of the loan. The amount payable to BPI shall be the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any additional taxes, including additional GRT as a result of such prepayment, and prepayment penalty as indicated in the loan agreement. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by NPDC's Land and Wind Turbine Generator, Building and Machinery and Equipment account under "Property, plant and equipment" with a carrying amount of ₱1,549.7 million and ₱1,686.8 million as at December 31, 2025 and 2024, respectively (see Note 12).

As of December 31, 2025 and 2024, the outstanding balance of NPDC's loans amounted to ₱1,426.9 million and ₱1,607.0 million, respectively.

Montesol

On August 17, 2023, Montesol entered into an Omnibus Loan and Security Agreement ("OLSA") with a local bank for a long-term loan facility amounting to ₱600 million. The proceeds of the loan shall be used to partially finance MONTESOL's permanent working capital requirements and for other general corporate purposes. The loan shall be repaid in twenty-four (24) straight-line semi-annual amortizations. The interest rate is fixed for the initial two (2) years, to be repriced one business day prior to the 2nd and 7th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus a spread of ninety basis points (0.90%), or (b) five hundred seventy-five basis points (5.75%), whichever is higher. The OLSA includes a prepayment clause that allows MONTESOL to make voluntary prepayments, whether in full or in part, at any point during the term of loan. The amount payable in respect of any prepayment of the loan shall be comprised of: (i) any accrued interest on the principal amount of the loan to be prepaid; (ii) the principal amount of the loan to be prepaid; (iii) prepayment penalty as set forth in the OLSA; and (iv) any additional taxes, including additional GRT, resulting from such prepayment. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated. On December 4, 2023, repricing floor rate



was amended from five hundred seventy-five basis points (5.75%) to five hundred fifty basis points (5.50%). As of December 31, 2025 and 2024, the outstanding balance of Montesol's loans amounted to ₱500.0 million and ₱549.9 million, respectively.

The loan facility is secured by Montesol's, solar power plant with a carrying value of ₱746.5 million and ₱803.5 million as at December 31, 2025 and 2024, respectively, included under "Land, Buildings and Improvements" and "Plant, Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 12).

San Carlos Solar energy Inc. (SACASOL)

On May 22, 2024, SACASOL entered into a long-term loan facility with a bank amounting to ₱1,400.0 million. The payments shall be made semi-annual amortizations set forth in the agreement. Floating at a rate of 7.07% for three (3) months to be repriced one banking day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher. The OLSA includes a prepayment clause that allows SACASOL to make voluntary prepayments, whether in full or in part, commencing at the end of the second (2nd) year from initial advance date (May 22, 2024) and on any interest payment date thereafter, together with accrued interest thereon up to and including the date immediately preceding the date of prepayment, subject to the payment of applicable prepayment penalty, at least 30 days prior written notice to the lender, and in multiples of ₱50.00 million. As of December 31, 2025 and 2024, the outstanding balance of SACASOL loans amounted to ₱1,190.0 million and ₱1,330 million, respectively. The long-term loan facility is guaranteed by ACEN.

The loan facility is secured by SACASOL's solar power plant with a carrying value of ₱2,196.28 million and ₱2,346.19 million as at December 31, 2025 and 2024, respectively, included under "Land, Buildings and Improvements" and "Plant, Machinery and Equipment" account (see Note 12).

ACEN International

On January 22, 2024, ACEN International executed long-term loan facility with a bank amounting to ₱7,000 million. Payments of principal and interest shall be made semi-annually. Interest rate ranges from 6.85% to 7.46% per annum with repricing for the 36th month at a rate of whichever is higher of (i) moving average of the 4-year BVAL plus margin divided by 0.95; and (ii) 3.25% per annum divided by 0.95. The facility will mature on January 31, 2031.

Total loan drawn from the facility in 2025 amounted to ₱666.8 million. As of December 31, 2025 and 2024, the outstanding balance of ACEN International's loans amounted to ₱4,883.1 million and ₱4,166.3 million, respectively.

AC Health

AC Health Group has an outstanding 10-year unsecured loans from BPI and Land Bank of the Philippines amounting to ₱1,964.1 million and ₱1,400.4 million with interest rate of 5.5% and 5% per annum, respectively. AC Health Group has an outstanding 5-year unsecured loan from Asia United Bank amounting to ₱235.8 million with interest rate of 5.75% per annum. These loans are intended for the capital expenditure and working capital requirements of the AC Health Group. As of December 31, 2025 and 2024, total remaining balance of the loans amounted to ₱3,600.0 million and ₱1,827.69 million, respectively.

AC Logistics

AC Logistics has outstanding, secured, long-term loans from local banks amounting to ₱616.1 million and ₱215.8 million as of December 31, 2025 and 2024, respectively.



Bonds

ALI Group

Below is the summary of the outstanding bonds issued by ALI:

Year Issued	Term (Years)	Interest rate	Principal Amount (In thousands)	Carrying Value (In thousands)		Features
				2025	2024	
Peso bonds:						
2013	20.0	6.000%	2,000,000	₱1,990,288	₱1,989,334	Fixed rate bond due 2033
2016	10.0	4.850%	8,000,000	7,996,664	7,987,266	Fixed rate bond due 2026
2016	9.0	4.750%	7,000,000	—	6,992,501	Fixed rate bond due 2025
2017	10.0	5.262%	7,000,000	6,994,188	6,990,112	Fixed rate bond due 2027
2019	7.0	6.369%	8,000,000	7,994,048	7,977,618	Fixed rate bond due 2026
2019	7.25	4.990%	1,000,000	991,273	983,758	Fixed rate bond due 2027
2020	5.0	3.862%	6,250,000	—	6,237,893	Fixed rate bond due 2025
2021	4.0	3.626%	10,000,000	—	9,989,594	Fixed rate bond due 2025
2021	10.0	4.078%	3,000,000	2,985,740	2,983,627	Fixed rate bond due 2031
2022	6.0	5.809%	12,000,000	11,960,999	11,945,937	Fixed rate bond due 2028
2022	5.0	6.211%	7,000,000	6,973,575	6,957,383	Fixed rate bond due 2027
2022	7.0	6.805%	14,000,000	13,911,600	13,890,083	Fixed rate bond due 2029
2023	5.0	6.030%	10,075,000	10,008,083	9,983,971	Fixed rate bond due 2028
2023	10.0	6.290%	4,925,000	4,875,876	4,870,924	Fixed rate bond due 2033
2024	10.0	6.99%	6,000,000	5,930,796	5,925,274	Fixed rate bond due 2034
2024	10.0	6.13%	8,000,000	7,909,206	7,901,778	Fixed rate bond due 2034
2025	5.0	6.07%	7,500,000	7,412,542	—	Fixed rate bond due 2030
2025	10.0	6.32%	7,500,000	7,414,236	—	Fixed rate bond due 2035
Foreign bond						
2024	5.0	4.50%	4,458,000	4,364,544	3,883,463	Fixed rate bond due 2029
Total				₱109,713,658	₱117,490,516	

Philippine Rating Services Corporation (PhilRatings) rated ALI's 2025 and 2024 bond issuances "PRS Aaa" with a stable outlook and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest credit rating possible on PhilRatings' rating scale for long-term issuances, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months.

Philippine Peso 20-year Bonds due 2033

In October 2013, ALI issued a ₱2,000.0 million bond due 2033 at a fixed rate equivalent to 6.000% p.a. CRISP assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to ALI's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP.

Philippine Peso 7-year and 10-year Bonds due 2026

In March 2016, ALI issued and listed on the PDEX a total of ₱8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.850% p.a. This is the first tranche of the tranche of debt securities issued under ALI's 2016 Program. The bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. In May 2019, the ALI issued and listed on the PDEX ₱8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.369% p.a. The bonds, the first tranche of ALI's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025

In April 2016, ALI issued and listed on the PDEX a total of ₱7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.750% p.a. The Bonds is the second tranche of debt securities issued under the ALI's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027

In May 2017, ALI issued a ₱7,000.0 million fixed rate bonds due 2027 at a rate equivalent to 5.262% p.a. The bonds represent the fourth tranche of the Fixed-rate Bonds Series issued under the ALI's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in PDEX. In November 2019, ALI issued a ₱1,000.0 million fixed rate bonds due 2027 at a rate equivalent to 4.99% p.a. The



bonds, the third tranche of bonds issued under the ALI's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025

In September 2020, ALI issued and listed on the PDEX its ₱6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.862% per annum. The bonds represent the fifth tranche of the new ₱50.0 billion debt securities issued under the ALI's 2019 Program. The bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 4-year Bonds due 2025

In May 2021, ALI issued and listed on the PDEX its ₱10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.626% p.a. The Bonds represent the sixth tranche of debt securities issued under the ALI's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031

In October 2021, the ALI issued a total of ₱3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on October 26, 2026, the fifth anniversary of the Issue Date, at the higher of 4.08% p.a. or the prevailing 5-year benchmark plus 70 bps. The offering which was listed on the PDEX is composed of ₱2,750.0 million issued as the first tranche of ALI's 2021 Program while ₱250.0 million representing the seventh tranche of debt securities were issued under ALI's 2019 Program. The bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. ALI exercised the call option and the bonds were fully redeemed in April 2023.

Philippine Peso 6-year Bonds due 2028

In May 2022, ALI issued a total of ₱12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.809% p.a. The offering is composed of ₱9,500.0 million as the second tranche of debt securities issued under ALI's ₱50,000.0 million Debt Securities Program registered and rendered effective by the SEC on October 11, 2021 (the "2021 Program"), while ₱2,500.0 million represent the eight and final tranche of debt securities that were issued under the 2019 Program. The bonds were listed on the PDEX and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 7-year Bonds due 2027, and 2029

In July 2022, ALI issued a total of ₱21,000.0 million fixed rate bonds, broken down into ₱7,000.0 million bonds due 2027 at a rate equivalent to 6.211% p.a., and a ₱14,000.0 million bonds due 2029 at a rate equivalent to 6.805% p.a.. The offering is the third tranche of debt securities issued under the ALI's 2021 Program. The bonds were listed on the PDEX and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 10-year Bonds due 2028 and 2033

In June 2023, ALI issued a total of ₱15,000 million fixed rate bonds, broken down into ₱10,075.0 million bonds due 2028 at a rate equivalent to 6.03% p.a. and ₱4,925.0 million bonds due 2033 at a rate equivalent to 6.29% p.a. The offering is composed of ₱4,750.0 million issued as the fourth and final tranche of ALI's 2021 Program while ₱10,250.0 million representing the first tranche of debt securities issued under its 2023 Program. The bonds were listed on the PDEX and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 10-Year ASEAN Sustainability Bonds due 2034

In 2024, ALI issued a total of ₱14,000.0 million fixed rate bonds broken down into ₱6,000.0 million bonds due 2034 at a rate equivalent to 6.99% p.a. and ₱8,000.0 million bonds due 2034 at a rate equivalent to 6.13% p.a. The bonds are composed of Sustainability-Linked Bond and listed an 10-year SL-Bond on the Philippine Dealing & Exchange Corp. (PDEX) issued under the existing securities program.

Philippine Peso Sustainability-Linked Bonds due 2030 and 2035

On October 8, 2025, ALI secured a Permit to Offer Securities for the issuance of up to ₱10 billion in ASEAN Sustainability-Linked Bonds, with an oversubscription option of up to ₱5 billion. The offer consists of 6.07% p.a. Series C Bonds due 2030 and 6.31% p.a. Series D Bonds due 2035. This



issuance forms the fourth tranche under the Company's ₱50-billion shelf registration program approved by the SEC in 2023. Earlier tranches under the same program included: ₱10.25 billion fixed-rate bonds issued in June 2023, ₱6.0 billion Sustainability-Linked Bonds issued in July 2024, and ₱8.0 billion Sustainability-Linked Bonds issued in November 2024.

Foreign Currency Sukuk Murabahah Programme bond due 2029

On August 8, 2024, ALI made a first issuance of RM300 million (₱4,364.5 million) in nominal value pursuant to its Sukuk Murabahah Programme. The long-term loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets

ACEIC Group

Philippine Peso 10.0 Billion Fixed Rate Bonds due 2027

On September 22, 2022, ACEN issued an unsecured fixed-rate bonds with an aggregate principal of ₱10,000.00 million. The proceeds will be used to finance investments in various solar farms. There are no securities pledged as collateral for these bonds. The issue cost amounted to ₱126.28 million.

The offer is comprised of 5-year bonds due on September 22, 2027 with interest rate of 6.0526% per annum. This issuance is ACEN's first tranche offered out of the shelf registration of debt securities of ₱30,000.00 million to be offered within a period of three (3) years. Interest on the bonds is payable quarterly in arrears starting on December 22, 2022, for the first interest payment date and on March 22, June 22, September 22, and December 22 each year for each subsequent payment date. As of December 31, 2025 and 2024, the remaining balance of this loan amounted to ₱6,441.81 million and ₱9,926.29, respectively

Redemption at the option of the Issuer

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding PHP Green Bonds before the relevant Maturity on any one of the following Interest Payment Dates indicated below, or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

- 12th to 15th Interest Payment Date at Call Option Price of 101.00%
- 16th to 19th Interest Payment Date at Call Option Price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

FFL Bonds / Green Bonds

Green bonds

ACEIC Group

ACEFIL - Medium Term Note (MTN) Programme

On January 16, 2019, ACEFIL established its MTN Programme with an aggregate amount of US\$1,000.00 million (₱48,470.0 million). The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including eligible green projects and other use of proceeds under ACEFIL's green bond framework.

On November 17, 2020, ACEFIL amended the MTN Programme to increase the aggregate amount to US\$2,000.0 million (₱94,960.0 million) and allow the issuance of senior undated guaranteed notes under the MTN Programme.



On January 25, 2024, ACEFIL redeemed \$360.0 million (P20,246.40 million) of the Senior guaranteed notes under the MTN Programme. Remaining outstanding guaranteed notes amounted to \$410.00 million.

As of December 31, 2025 and 2024, ACEFIL has outstanding US\$410.0 million (P33,467.8 million) and US\$410.0 million (P23,130.19 million) notes under the MTN Programme, respectively.

ACEFIL - Senior guaranteed notes due 2024 and 2029 and Senior undated guaranteed notes under the MTN Programme

On January 29, 2019, ACEFIL issued US\$225.0 million (P11,417.4 million) senior guaranteed notes due 2024 guaranteed by ACEIC with a fixed coupon of 4.75%. The notes were priced at 99.45.

On July 9, 2020, ACEFIL issued US\$60.00 million (P2,908.2 million) senior guaranteed notes due 2029 guaranteed by ACEIC with a fixed coupon of 4.75%. The notes were priced at 104.75.

On November 25, 2020, ACEFIL issued US\$300.0 million (P14,541.0 million) senior undated guaranteed notes with a fixed coupon of 5.10% for life. The notes were priced at par. The new issue was used to finance the successful tender of US\$186.9 million (P9,058.5 million) of the US\$400.0 million (P19,388.0 million) 5.65% senior undated guaranteed notes at a tender price of US\$104.6 million.

As of December 31, 2025 and 2024, the remaining balance of the above loans amounted to P17,637.0 million and P17,336.1 million, respectively.

Redemption at the option of the issuer

At any time, ACEFIL may on any one or more occasions redeem all or part of the “notes under the MTN Programme”, by giving notice, at redemption price equal to 100% of the principal amount of the “notes under the MTN Programme” redeemed, plus the applicable premium (as defined in the respective pricing supplements) as of date, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the “notes under the MTN Programme” is registered on the relevant record date to receive interest due on the relevant interest payment date. record date to receive interest due on the relevant interest payment date.

ACEFIL entered into a Loan Agreement guaranteed by ACEIC Parent

On January 12, 2024, ACEIC as Guarantor to its subsidiary, ACEFIL entered into a loan agreement with a lender for US\$10.00 million. This loan obtained by ACEFIL shall be used to redeem its maturing green bonds in January 2024.

ACEN Finance - Medium Term Note (MTN) Programme

On August 31, 2021, ACEN Finance Limited (ACEN Finance) established its MTN Programme with an aggregate amount of US\$1,500.0 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the ACEN Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN's Green Bond Framework.

The Notes to be issued by ACEN Finance under its medium-term note program; may be distributed by way of private or public placement; and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).

ACEN Finance - Senior guaranteed undated FFL notes (Notes) under the MTN Programme

On September 8, 2021, ACEN Finance issued US\$400.0 million (P20,383.6 million) senior undated fixed-for-life (non-deferrable) Notes guaranteed by ACEN with a fixed coupon of 4% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds will be used to finance or



refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework. On September 9, 2021, the Notes were listed with the SGX-ST. The unsecured US dollar-denominated senior Green Bonds requires ACEIC Group to comply with certain covenants including among others, limitations on the incurrence or guarantee of additional indebtedness, creation or incurrence of certain liens, creation or permission of any restrictions on the payment of dividends to ACEIC Group by certain of ACEIC Group's subsidiaries, entering into unrelated businesses or engagement in certain activities, and limitations on the consolidation, merging or selling of all or substantially all of ACEIC Group's properties and assets with other entities if ACEIC is not the surviving entity. The incurrence test for additional debt requires the Group to maintain a Net Debt to Total Equity ratio not exceeding 2.5 to 1.0.

FFL Bonds

AYCFL

2017 AYCFL US\$400.0 Million Senior Unsecured and Guaranteed Fixed For Life Perpetual Notes (Fixed For Life)

On September 7, 2017, the Parent Company announced that AYCFL had successfully set the terms of a US dollar-denominated fixed-for-life senior perpetual issuance at an aggregate principal amount of US\$400 million (₱20,171.9 million) with an annual coupon of 5.125% for life with no reset and step-up. The issuer, AYCFL, may redeem the Notes in whole but not in part on September 13, 2022 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The Parent Company unconditionally guarantees the due and punctual payment of this note if, for any reason, AYCFL does not make timely payment of the amount due.

In September 2021, the aggregate principal amount of US\$100 million of this 5.13% Undated Notes was tendered and the aggregate amount of US\$300 million remained outstanding after payment.

On May 10, 2022, AYCFL made a tender offer settlement amounting to US\$40.12 million in aggregate principal amount of its 5.125% Undated Notes. Pursuant to the settlement of the Tender Offer, US\$40.12 million in aggregate principal amount of the Notes was repurchased and cancelled pursuant to the terms and conditions of the Notes. Following the cancellation, the aggregate principal amount of the Notes that will remain outstanding will be US\$259.98 million.

As of December 31, 2025 and 2024, the remaining balance of this loan amounted to ₱15,278.30 million and ₱15,032.84 million, respectively.

2019 AYCFL US\$400.0 Million Senior Unsecured and Guaranteed Fixed For Life Perpetual Notes (Fixed for Life)

On October 23, 2019, the Parent Company announced that AYCFL had successfully priced a similar US dollar denominated fixed-for-life senior perpetual issuance at an aggregate principal amount of US\$400 million (₱20,118.9 million) with an annual coupon of 4.85% for life with no reset and step-up. The issuer, AYCFL, may redeem the Notes in whole but not in part on October 30, 2024 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The Parent Company unconditionally guarantees the due and punctual payment of this note if, for any reason AYCFL does not make timely payment of the amount due.

In September 2021, the aggregate principal amount of US\$35 million of this 4.85% undated Notes was tendered and the aggregate amount of US\$365 million remained outstanding as of December 31, 2025 and 2024.

As of December 31, 2025 and 2024, the remaining balance of this loan amounted to ₱21,458.4 million and ₱21,113.4 million, respectively.



2021 AYCFL US\$400 Million Senior Fixed-for-Life Perpetual Notes (the Notes)

On September 16, 2021, the Parent Company announced that it had successfully set the terms for a US dollar-denominated fixed-for-life (non-deferrable) senior perpetual issuance. The Notes have an aggregate principal amount of US\$400 million with a fixed coupon of 3.90% for life, with no step-up and no reset, payable semi-annually. The issuer, AYCFL, may redeem the Notes in whole but not in part on September 23, 2026 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The transaction was settled on September 23, 2021, and the Notes are unconditionally and irrevocably guaranteed by the Parent Company.

As of December 31, 2025 and 2024, the remaining balance of this loan amounted to ₱23,516.0 million and ₱23,138.0 million, respectively.

AYCFL Social Bond

On November 11, 2021, AYCFL signed a 10-year Social Bond through private placement by the International Finance Corporation (“IFC”) amounting to US\$100 million (the “Social Bond”), to fund the sustainable and resilient growth and capacity building of the Group’s healthcare arm, AC Health. The Social Bond is unconditionally and irrevocably guaranteed by the Parent Company.

On January 14, 2022, AYCFL drew the full amount at a rate of 2.99% for 10 years. Sustainalytics was engaged to provide a second party opinion on the Ayala Health Social Bond Framework which aligns with the Social Bond Principles and Social Loans Principles published by the International Capital Market Association.

As of December 31, 2025 and 2024, the outstanding balance of the bond amounted to US\$100 million (₱5,879.0 million in 2025 and ₱5,784.5 million in 2024).

The Parent Company aims to maintain a debt-to-equity ratio not exceeding 3:1 in compliance with loan covenants of AYCFL.

Guarantees

The Parent Company or its subsidiaries may act as guarantor on debt taken out by other subsidiaries within the Group provided approval from the Parent Company’s Finance Committee and respective Boards are obtained. Both domestic and foreign loans of the Group may be subject to guarantees.

Compliance with debt covenants

The long-term loan agreements of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, declaration and/or payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels.

For the Parent Company, these covenants include, among others, certain ratios like:

- Consolidated net debt to equity ratio not to exceed 3:1
- Consolidated net debt to tangible net worth ratio not to exceed 3:1
- Consolidated current ratio of not lower than 0.5:1

For the subsidiaries, these covenants include, among others, certain ratios like:

- Net debt to equity ratio not to exceed 3:1; not to exceed 1.75:1; not to exceed 2.5:1
- Maximum debt to equity 2.33x
- Debt service ratio of at least 1.25:1
- Current ratio of not lower than 1:1



The Group has complied with these restrictions and requirements as of December 31, 2025 and 2024.

Interest expense on short-term debt amounted to ₱4,559.4 million, ₱3,702.2 million and ₱3,240.4 million in 2025, 2024 and 2023, respectively. Interest expense on long-term debt amounted to ₱28,821.7 million, ₱25,885.3 million and ₱21,963.8 million, respectively (see Note 22).

Interest capitalized by subsidiaries amounted to ₱3,669.03 million and ₱3,249.6 million in 2025 and 2024, respectively. The capitalization rates are 4.91% to 6.65% in 2025 and 3.09% to 6.28% in 2024.

19. Other Noncurrent Liabilities

This account consists of the following:

	2025	2024
	(In Thousands)	
Deposits and deferred credits	₱31,356,947	₱33,755,683
Liability for purchased land	7,086,422	5,044,725
Contractors payable	2,189,629	5,637,478
Retentions payable	4,373,054	5,815,111
Asset retirement obligation	2,554,980	1,110,866
Subscriptions payable	2,406,281	507,550
Deferred output VAT	269,399	604,867
Others	1,762,942	1,519,818
	₱51,999,654	₱53,996,098

Deposits and deferred credits

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three (3) to six (6) months' rent of long-term tenants with noncancellable leases. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts. This also includes customers' deposits which consist of excess of collections over the recognized receivables based on percentage of completion. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. The payments made by ALI Group for the processing of title are charged to this account.

Liability for purchased land

Liability for purchased land pertains to the portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three (3) or five (5) years.

Contractors payable

Contractors payable represents accrued costs incurred for property development that are not yet billed.

Retentions payable

Retentions payable pertain to amount withheld by the Group from the contractors' billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. Retention serves as a security from the contractor should there be defects in projects requiring rework.

Asset retirement Obligation

This includes dismantling obligations for lease properties and contingent consideration related to acquisition of investment.



Subscriptions payable

Subscription payable mainly pertains to ALLHC's investment in Cyber Bay and to AC Industrial's investment in KP Motos Corporation (KPMC).

Deferred output VAT

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

Others

Others include nontrade payables. As of December 31, 2025, it includes ACEIC's dismantling obligations for lease properties and contingent consideration related acquisitions of investment.

20. Equity

The details of the Parent Company's preferred and common shares follow:

	Preferred A shares		Preferred B shares		Preferred C shares		Voting Preferred shares		Common shares	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	<i>(In Thousands, except par value per share)</i>									
Authorized shares	12,000	12,000	58,000	58,000	40,000	40,000	200,000	200,000	900,000	900,000
Par value per share	₱100	₱100	₱100	₱100	₱100	₱100	₱1	₱1	₱50	₱50
Issued and subscribed shares	12,000	12,000	58,000	58,000	—	—	200,000	200,000	636,211	635,771
Treasury shares										
At the beginning of year	(6,755)	(6,755)	(50,500)	(28,000)	—	—			(12,175)	(15,245)
Reacquisition	—	—	—	(30,000)	—	—	—	—	(4,000)	—
Reissuance	—	—	10,000	7,500	—	—	—	—	1	3,070
At end of year	(6,755)	(6,755)	(40,500)	(50,500)	—	—	—	—	(16,174)	(12,175)
Outstanding shares at end of year	5,245	5,245	17,500	7,500	—	—	200,000	200,000	620,037	623,596

The details of the Parent Company's outstanding shares follow:

	Preferred A shares		Preferred B Shares		Preferred C Shares		Voting Preferred shares		Common shares	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Outstanding shares:										
At beginning of year	5,245	5,245	7,500	30,000	—	—	200,000	200,000	623,596	619,807
Subscribed shares	—	—	—	7,500	—	—	—	—	440	719
Treasury shares -	—	—	—	—	—	—	—	—	—	—
Reacquisition	—	—	—	(30,000)	—	—	—	—	(4,000)	—
Reissuance	—	—	10,000	—	—	—	—	—	1	3,070
Outstanding shares at end of year	5,245	5,245	17,500	7,500	—	—	200,000	200,000	620,037	623,596

The details of the Parent Company's paid-in capital follow:

	December 31, 2025								
	Preferred Stock - A	Preferred Stock - B	Voting Preferred	Common Stock	Subscribed	Additional Paid-in Capital	Subscriptions Receivable	Total Paid-in Capital	Treasury Stock
	<i>(In Thousands)</i>								
At beginning of year	₱1,200,000	₱5,800,000	₱200,000	₱31,478,499	₱310,075	₱57,246,480	(₱2,850,849)	₱93,384,205	(₱14,220,992)
Exercise/Cancellation/ Subscription of ESOP/ ESOWN	—	—	—	33,070	(11,060)	287,850	(245,900)	63,960	—
Collection of subscription receivable	—	—	—	—	—	—	278,948	278,948	—
Buyback of common shares	—	—	—	—	—	—	—	—	(1,923,729)
Reissuance of preferred shares	—	—	—	—	—	18,841,276	—	18,841,276	1,000,000
Assignment of treasury shares	—	—	—	—	—	(1)	—	(1)	—
At end of year	₱1,200,000	₱5,800,000	₱200,000	₱31,511,569	₱299,015	₱76,375,605	(₱2,817,801)	₱112,568,388	(₱15,144,721)



December 31, 2024									
	Preferred Stock - A	Preferred Stock - B	Voting Preferred	Common Stock	Subscribed	Additional Paid-in Capital	Subscriptions Receivable	Total Paid-in Capital	Treasury Stock
	(In Thousands)								
At beginning of year	₱1,200,000	₱5,800,000	₱200,000	₱31,475,111	₱277,503	₱54,980,070	(₱2,698,931)	₱91,233,753	(₱14,546,351)
Exercise/Cancellation/ Subscription of ESOP/ ESOWN	—	—	—	3,388	32,572	515,208	(423,097)	128,071	—
Collection of subscription receivable	—	—	—	—	—	—	271,179	271,179	—
Sale of treasury shares	—	—	—	—	—	(379,882)	—	(379,882)	2,575,359
Redemption of preferred shares	—	—	—	—	—	(12,000,000)	—	(12,000,000)	(3,000,000)
Reissuance of preferred shares	—	—	—	—	—	14,131,084	—	14,131,084	750,000
At end of year	₱1,200,000	₱5,800,000	₱200,000	₱31,478,499	₱310,075	₱57,246,480	(₱2,850,849)	₱93,384,205	(₱14,220,992)

Preferred Shares

Preferred A shares

As of December 31, 2025 and 2024, details of Preferred A shares as follows (*in Thousands, except par value per share*).

Preferred A	Total
Par value per share	₱100
Issued and subscribed shares	12,000
Outstanding shares	5,245
Treasury shares	6,755
Cost of treasury shares	₱675,500

On November 11, 2008, the Parent Company filed a primary offer in the Philippines of its Preferred A shares to be listed and traded on the PSE.

Preferred A shares are cumulative, nonvoting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of shares and with a dividend rate of 8.88% per annum. The Preferred A shares may be redeemed at the option of the Parent Company starting on the fifth year.

On June 28, 2013, the BOD approved and authorized the exercise of call option on Preferred A shares effective November 25, 2013 based on the dividend rate of 8.88% per annum. The redemption of Preferred A shares is presented as part of treasury stock.

On March 23, 2023, the Parent Company filed a registration statement for the offer and re-issuance of 4.0 million Preferred “A” Shares with an aggregate issue value of ₱10.0 billion and an oversubscription option of up to 4.0 million Preferred “A” Shares with an aggregate issue value of up to ₱10.0 billion.

On May 29, 2023, the Parent Company re-issued 5,244,515 of its non-voting perpetual Preferred A shares at an issue price of ₱2,500.0 per share and a par value of ₱100.00 per share or for a total of ₱13.1 billion with a dividend rate of 6.3587% per annum.

Preferred B shares

Details of Preferred B shares as follows (*in Thousands, except par value per share*).

	Series 1		Series 2		Series 3		Series 4		Total	
Preferred B	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Par value per share	₱100	₱100	₱100	₱100	₱100	₱100	₱100	—	—	—
Issued and subscribed shares	20,500	20,500	20,000	30,000	7,500	7,500	10,000	—	58,000	58,000
Outstanding shares	—	—	—	—	7,500	7,500	10,000	—	17,500	7,500
Treasury shares	20,500	20,500	20,000	30,000	—	—	—	—	40,500	50,500
Cost of treasury shares	₱2,050,000	₱2,050,000	₱2,000,000	₱3,000,000	₱—	₱—	₱—	₱—	₱4,050,000	₱5,050,000



In July 2006, the Parent Company filed a primary offer in the Philippines of its Preferred B shares at an offer price of ₱100.00 per share to be listed and traded in the PSE. The Preferred B shares are cumulative, nonvoting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of shares and with dividend rate of 9.4578% per annum. The Preferred B shares may be redeemed at the option of the Parent Company starting on the fifth year from the date of issuance.

On March 14, 2011, the BOD approved and authorized the exercise of call option on its Preferred B shares effective July 21, 2011 based on the dividend rate of 9.5% per annum. The redemption of Preferred B shares is presented as part of treasury stock.

Preferred B Series 1 shares

In September 2013, the BOD approved and authorized the re-issuance and offering of 20.0 million Preferred B Series 1 shares from its 58.0 million authorized Class “B” preferred treasury share capital for an aggregate amount of ₱10.0 billion. The Preferred B Series 1 shares were offered at a price of ₱500.00 per share with a fixed quarterly dividend rate of 5.25% per annum.

On September 28, 2023, the BOD approved the optional redemption of the 20.0 million Preferred B Series 1 shares effective November 15, 2023 by payment in cash of the redemption price equal to 100% of the issue price of the shares plus accrued and unpaid dividends up until November 15, 2023 based on the dividend rate of 5.25% per annum.

Preferred B Series 2 shares

On August 22, 2014, the BOD approved and authorized the re-issuance and offering of 27.0 million Preferred B Series 2 shares, which comprise a second and separate series from the Parent Company’s outstanding 5.25% Preferred B Series 1 shares, from its 58.0 million authorized Class “B” preferred treasury share capital, for an aggregate amount of ₱13.5 billion. The Preferred B Series 2 shares were offered at a price of ₱500.00 per share with a dividend rate of 5.575%. The re-issuance resulted to the Parent Company’s recognition of ₱10.7 billion APIC excluding direct expenses from re-issuance.

On September 13, 2019, the BOD approved and authorized the redemption by the Parent Company of its 27.0 million Preferred B Series 2 shares representing all of the outstanding Preferred B Series 2 shares at the redemption price equal to the issue price plus all accrued and unpaid dividends until November 5, 2019 based on the dividend rate of 5.575% per annum. On the same date, the BOD also approved and authorized the re-issuance and offering of 30.0 million Preferred B Series 2 shares for an offer price of ₱500.00 per share with a dividend rate of 4.8214%. These two transactions resulted to the Parent Company’s recognition of ₱1.1 billion net APIC excluding direct expenses from re-issuance.

On January 15, 2020, the Parent Company has fully utilized the proceeds from the reissuance of Preferred B Series 2 shares. On November 29, 2024, the 5th year anniversary from the listing of the shares, the Parent Company redeemed its ACPB2 Series shares at redemption price equal to 100% of its issue price of ₱500.00 per share plus accrued and unpaid dividends up until November 29, 2024 based on the dividend rate of 4.8214% p.a.

Preferred B Series 3 shares

October 10, 2024, the BOD approved and authorized the re-issuance and offering of ₱15,000.0 million Preferred B Series 3 shares, with an issue price of ₱2,000 per share, to be reissued from the Company’s treasury shares. The Parent Company sold 5.0 million Preferred B Series 3 shares with an aggregate issue price of ₱10,000.0 million constituting the base size of the offer, and, as a result of the Parent Company’s exercise of its oversubscription option in order to address the excess demands for the shares, an additional 2.5 million Preferred B Series 3 shares with an aggregate issue price of 5,000.0 million were sold. The re-issuance resulted to the Parent Company recognizing ₱14,450.0 million APIC net of direct expenses from re-issuance.



On June 27, 2024, the BOD approved the issuance of Preferred Shares with a base amount of ₱10.00 billion with an oversubscription option for up to an additional ₱5.00 billion, subject to regulatory requirements. On September 27, 2024, the Parent Company received the Certificate of Permit to Offer Securities for Sale from the SEC for the offer and re-issuance of 5.0 million Preferred “B” Shares with a base amount of ₱10.00 billion with an oversubscription option of up to 2.5 million Preferred “B” Shares with an aggregate issue value of up to ₱5.00 billion. On October 15, 2024, 7.5 million Preferred “B” Shares Series 3 (ACPB3) shares were issued at ₱2,000.0 per share and listed with the Philippine Stock Exchange.

On September 30, 2024, the Parent Company’s Executive Committee, in the exercise of its authority under the By-Laws, and upon endorsement of our Finance Committee, approved the optional redemption of the ₱15.0 billion 4.8214% Preferred “B” Series 2 shares (APB2R). The redemption will be effective November 29, 2024 (the 5th year anniversary from the listing of the shares) by payment in cash of the redemption price equal to 100% of the issue price of ₱500.00 per share plus accrued and unpaid dividends up until November 29, 2024 based on the dividend rate of 4.8214% per annum.

On January 20, 2025, the Parent Company has fully utilized the proceeds from the reissuance of ACPB3 shares.

Preferred B Series 4 shares

On March 14, 2025, the BOD approved and authorized the re-issuance and offering of ₱20 billion Preferred B Series 3 shares, with an issue price of ₱2,000 per share, to be reissued from the Company’s treasury shares. On May 30, 2025, the Parent Company received the Certificate of Permit to Offer Securities for Sale from the SEC. The Parent Company sold 5.0 million Preferred B Series 4 shares with an aggregate issue price of ₱10 billion constituting the base size of the offer, and, as a result of the Parent Company’s exercise of its oversubscription option in order to address the excess demands for the shares, an additional 5.0 million Preferred B Series 4 shares with an aggregate issue price of ₱10 billion were sold. The shares were listed with the Philippine Stock Exchange on October 15, 2024. On June 19, 2025, The Parent Company received in full the proceeds from the successful re-issuance of 10 billion preferred shares (ACPB Series “4”) with par value of ₱100 per share and subscription price ₱2,000 per share. The re-issuance resulted to the Parent Company recognizing ₱18.85 billion APIC net of direct expenses from re-issuance.

Preferred C shares

Preferred C shares are cumulative, non-participating, non-voting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of the shares.

Voting Preferred shares

On March 15, 2010, the BOD approved the reclassification of 4.0 million unissued common shares with a par value of ₱50.00 per share into 200.0 million Voting Preferred shares with a par value of ₱1.00 per share and the amendment of the Parent Company’s amended Articles of Incorporation to reflect the reclassification of the unissued common shares into new Voting Preferred shares.

On April 16, 2010, the Parent Company’s stockholders ratified the reclassification.

On April 22, 2010, the SEC approved the amendments to the Parent Company’s Articles of Incorporation embodying the reclassification of the unissued common shares to new Voting Preferred shares.

The Voting Preferred shares are cumulative, voting and redeemable at the option of the Parent Company under such terms that the BOD of the Parent Company may approve at the time of the issuance of shares and with a dividend rate of 5.3% per annum. In 2016, the dividend rate was repriced to 3.6950%.



On July 16, 2019, the BOD approved the re-pricing of dividend rate to 5.7730% per annum, which is equal to the 3-year PHP BVAL reference rate as of May 20, 2019 and will be applicable until May 20, 2022, the next re-pricing date.

On May 21, 2025, the dividend rate of the Parent Company's 200.0 million voting preferred shares was repriced from 4.8096% per annum to 5.7967% per annum, which is equal to the 3-year PHP BVAL reference rate as of May 20, 2025 and will be applicable until May 20, 2028, the next re-pricing date.

Clause 3 of the Terms and Conditions of the Offer and Subscription of the Shares provides that the dividend rate on the voting preferred shares will be re-priced on every third-year anniversary from the Issue Date, using 3-year PDST-R2 on the subsequent re-pricing dates. In case the PDST-R2 ceases to be an acceptable benchmark, the dividend rate shall mean the replacement mark-to-market benchmark that the Bankers' Association of the Philippines will utilize.

The PDS Treasury Reference Rates R1 (PDST-R1) and R2 (PDST-R2) have been decommissioned as of October 26, 2018 end-of-day and that the Bankers' Association of the Philippines now utilize PHP BVAL Reference Rates as replacement benchmark.

The APIC pertaining to preferred shares amounted to ₱45,145.1 million and ₱26,303.8 million as of December 31, 2025 and 2024, respectively.

Common Shares

The common shares may be owned or subscribed by or transferred to any person, partnership, association or corporation regardless of nationality, provided that at any time at least 60% of the outstanding capital stock shall be owned by citizens of the Philippines or by partnerships, associations or corporations with 60% of the voting stock or voting power of which is owned and controlled by citizens of the Philippines.

In July 2013, the SEC approved the amendments to the Parent Company's Articles of Incorporation for the exemption of 100 million common shares from the exercise of pre-emptive rights of holders of common shares. These shares are allocated to support the financing activities of the Parent Company. On July 21, 2018, the Parent Company issued 8.8 million common shares at a price of ₱916.0 per share to an institutional investor and paid documentary stamp taxes and listing fee amounting to ₱4.4 million and ₱9.0 million, respectively.

On May 22, 2019, the Parent Company purchased its 3,805,644 common shares at ₱838.0 from Mitsubishi Corporation (MC) pursuant to the share buyback program approved by the BOD on September 10, 2007, June 2, 2010, and December 10, 2010.

On December 11, 2019, the Parent Company also purchased its 613,000 common shares at ₱815.00 pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019. The Parent Company purchased another 60,000 common shares at ₱752.00 on December 16, 2019.

On various dates in 2020, the Parent Company, pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019, purchased 1,266,210 of its common shares with prices ranging from ₱408 to ₱755 per share.

On May 26, 2021, the Parent Company, pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019, purchased 8,450,000 of its common shares at 683.12 per share.



On December 10, 2021, the BOD approved the allocation of an additional ₱10.0 billion to our current ₱10.0 billion share buyback program approved on December 5, 2019.

On various dates in 2022, the Parent Company purchased a total of 1,050,000 common shares with prices ranging from ₱607.93 to ₱697 per share.

On September 18, 2025, the BOD approved the expansion of the coverage of the Parent Company's share buyback program (the "Program"), to include the purchase of shares of its publicly listed subsidiaries, as endorsed by the Ayala's Finance Committee. The Program has an outstanding approval of ₱20.0 billion, as previously disclosed on December 5, 2019 and December 10, 2021.

In 2023, 51,842 common shares were issued under ESOP (nil in 2024 and 2025) (see Note 28).

Treasury shares

On March 31, 2022, the Parent Company assigned from its Treasury Shares two (2) common shares, as qualifying shares, to the two (2) new nominees for independent directors of the Parent Company.

On May 31, 2022, the Parent Company purchased its 40,000 common shares at ₱625.00 price per share, 450,000 common shares at ₱697.00 price per share, and 310,000 common shares at ₱634.1158 price per share, respectively, pursuant to the share buyback program approved by the BOD on December 5, 2019 and December 10, 2021.

On July 14, 2022, the Parent Company purchased its 250,000 common shares at ₱607.9301 price per share pursuant to the share buyback program approved by the BOD on December 5, 2019 and December 10, 2021.

On September 26, 2024, Parent Company sold 3,070,150 Treasury Common Shares at a price of ₱720.00 per share through a block sale transaction.

On October 15, 2024, the Parent Company received in full the proceeds from the successful re-issuance of ₱15,000.0 million preferred B shares (ACPB3). Total Preferred "B" shares subscribed were 7.5 million shares at ₱2,000.0 per share.

On March 7, 2025, the Parent Company assigned from its Treasury Share one (1) common share, as qualifying share, to the new nominee for independent director of the Parent Company

On various dates on September 2025 and October 2025, pursuant to the share buyback program, the Parent Company purchased a total of 4.0 million shares of varying prices (1.0 million shares at ₱490 per share, 1.0 million shares at ₱482 per share, 1.0 million shares at ₱480 per share, and 1.0 million shares at ₱470 per share).

As of December 31, 2025, treasury shares include 6.8 million Preferred A shares amounting to ₱675.5 million and 40.5 million Preferred B shares amounting to ₱4,050.0 million or a total of ₱4,725.5 million. As of December 31, 2024, treasury shares include 6.8 million Preferred A shares amounting ₱675.5 million and 50.5 million Preferred B shares amounting to ₱5,050.0 million or a total of ₱5,725.5 million. As of December 31, 2025, and 2024, treasury shares also include 16.2 million and 12.2 million common shares, respectively, amounting to ₱10,419.2 million and ₱8,495.4 million, respectively.



In accordance with Revised SRC Rule 68, Annex 68-K, below is a summary of the Parent Company's track record of registration of securities.

				2025	2024
	Number of shares registered	Issue/offer price	Date of approval	Number of holders of securities as of December 31	Number of holders of securities as of December 31
Common shares	200,000,000 ¹	₱1.00 par value ² ; ₱4.21 issue price	July 1976	6,151	6,217
Preferred A shares	12,000,000	₱100 par value; ₱500 issue price	November 2008	—	—
Preferred A shares ³	8,000,000	₱100 par value; ₱2,500 issue price	May 2023	6	6
Preferred B shares	8,000,000	₱100 par value; ₱500 issue price	July 2006	—	—
Preferred B shares- Series 1 ⁴	20,000,000	₱100 par value; ₱500 issue price	October 2013	—	—
Preferred B shares- Series 2 ⁵	30,000,000	₱100 par value; ₱500 issue price	November 2019	—	—
	27,000,000	₱100 par value; ₱500 issue price	October 2014	—	—
Preferred B shares- Series 3 ⁶	7,500,000	₱100 par value; ₱2,000 issue price	September 2024	5	2
Preferred B shares – Series 4 ⁷	10,500,000	₱100 par value; ₱2,000 issue price	May 30, 2025	6	—
Voting preferred shares	200,000,000	₱1 par value; ₱1 issue price	March 2010	1,062	1,058

¹Initial number of registered shares only.

²Par value now is ₱50.00

³5,244,515 Preferred A shares were re-issued on May 29, 2023.

⁴The Preferred B- Series 1 shares were re-issued on November 15, 2013.

⁵The Preferred B-Series 2 share were re-issued on November 29, 2019.

⁶The Preferred B-Series 3 shares were re-issued on October 15, 2024.

⁷ The Preferred B-Series 4 shares were re-issued on June 19, 2025.

Retained Earnings

Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries and associates and joint ventures accounted for under the equity method amounting to ₱288,147.5 million, ₱244,078.5 million, ₱211,065.1 million as of December 31, 2025, 2024 and 2023, respectively, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies. Retained earnings are further restricted for the payment of dividends to the extent of the cost of the shares held in treasury.

In accordance with the Revised SRC Rule 68, Annex 68-D, the Parent Company's retained earnings available for dividend declaration as of December 31, 2025 and 2024 amounted to ₱69,403.3 million and ₱67,898.5 million, respectively.

Cash dividends consist of the following:

	Per Share			Amount (In Thousands)		
	2025	2024	2023	2025	2024	2023
Dividends to common shares declared and paid during the year:						
1 st Declaration	₱4.60	₱4.19	₱3.81	₱2,873,690	₱2,597,897	₱2,358,987
2 nd Declaration	₱4.61	4.19	3.81	₱2,855,270	2,610,750	2,358,987
Dividends paid to equity preferred shares during the year						
Preferred Shares A	6.3587%	6.3587%	6.3687%	833,707	833,707	416,854
Preferred Shares B - Series 1	0.0000%	0.0000%	5.2500%	—	—	525,000
Preferred Shares B - Series 2	0.0000%	4.8214%	4.8214%	—	723,210	723,210
Preferred Shares B - Series 3	6.0538%	1.5135%	0.0000%	908,070	227,018	—
Preferred Shares B - Series 4	3.1452%	0.0000%	0.0000%	629,030	—	—
Voting Preferred Shares	4.8096%	4.8096%	4.8096%	9,619	9,619	9,619



On December 11, 2023, the BOD approved the declaration of regular cash dividends of ₱3.806 per common share, payable to stockholders of record as of December 26, 2023, and distributable on January 10, 2024.

As of December 31, 2025, and 2024, the Parent Company has cash dividend payable to common and preferred stockholders amounting to ₱3,082.3 million and ₱2,681.5 million, respectively.

Property dividends consist of the following:

On May 12, 2022, BOD confirmed the declaration of property dividends consisting of the ACEN shares acquired from ACEIC to the Parent Company's common shareholders at a ratio of three (3) ACEN shares per one (1) parent company common share, subject to: (a) completion of the AC-ACEIC Transaction, and (b) applicable regulatory approvals. The record date is May 27, 2022, with distribution or settlement date of the dividends payable to be determined by the management after applicable regulatory approvals have been obtained. No shareholder shall be entitled to fractional shares.

On October 24, 2022, the SEC approved the property dividends and issued a Certificate of Filing Notice of the Property Dividend declaration.

The dividend distribution commenced in December 2022 and will continue as and when electronic Certificates Authorizing Registration (eCARs) are issued by BIR. The eCAR issuance is a prerequisite for the transfer of the properties of the Parent Company, i.e. the ACEN shares, to each entitled stockholder as of the record date and it is a process that entails the participation of both the Parent Company, as transferor, and the stockholders, as transferees.

As of December 31, 2025 and 2024, the Parent Company has property dividend payable to common stockholders amounting to ₱110.2 million and ₱133.2 million, respectively.

As of December 31, 2025, the Parent Company has significantly completed the distribution of property dividends. The BIR's issuance of eCARs and subsequent distribution of ACEN shares are ongoing.

Capital Management

The primary objective of the Parent Company's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for the years ended December 31, 2025 and 2024.

The Parent Company monitors capital using a gearing ratio of debt to equity and net debt to equity.



Debt consists of short-term and long-term debt of the Group. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and restricted cash of the Group. The Parent Company considers as capital the total equity.

	2025	2024
	(In Thousands)	
Short-term debt	₱81,298,079	₱75,556,284
Long-term debt	623,189,471	591,202,846
Total debt (a)	704,487,550	666,759,130
Less:		
Cash and cash equivalents	66,901,817	75,501,736
Short-term investments	403,532	723,567
Net debt (b)	637,182,201	₱590,533,827
Total equity (c)	₱809,848,573	₱725,581,720
Debt to equity (a/c)	87.0%	91.9%
Net debt to equity (b/c)	78.7%	81.4%

The Parent Company also monitors capital through return-to-common equity ratio. For this ratio, the Parent Company considers as capital the average amount of equity with the exclusion of accounts pertaining to preferred shares and the non-controlling interests.

	2025	2024
	(In Thousands)	
Net income attributable to owners of the parent company	61,427,524	₱42,026,496
Less:		
Dividends to equity preferred shares	2,380,427	1,793,554
	59,047,097	40,232,942
Divided by: average common equity attributable to owners of the parent company	435,382,130	₱388,730,241
Return to common equity	13.6%	10.3%

21. Revenue

This account consists of:

	2025	2024	2023
	(In Thousands)		
Revenue from contracts with customers			
Real estate	₱136,334,239	₱140,670,158	₱112,605,037
Manufacturing services	57,641,312	62,762,188	73,590,033
Power generation	31,357,291	36,671,202	35,275,111
Automotive	55,045,481	31,221,987	24,333,624
Others	18,389,862	18,555,795	11,204,730
	298,768,185	289,881,330	257,008,535
Rental income (Note 30)	38,117,981	35,862,630	32,896,212
Sales of goods and rendering of services	336,886,166	325,743,960	289,904,747
Share in net profits of associates and joint ventures	46,749,683	44,307,947	46,633,463
Interest income from real estate (Note 3)*	—	—	5,359,526
	₱383,635,849	₱370,051,907	₱341,897,736

*ALI group fully adopted PFRS 15 which considered interest income previously recognized as a non-significant financing component



Disaggregated revenue information

Set out below is the disaggregation of revenue from contracts with customers of the material subsidiaries of the Group:

ALI Group

Revenue from contracts with customers of ALI Group consists of:

	2025	2024	2023
	(In Thousands)		
Revenue from contracts with customers			
Residential development	₱113,909,596	₱112,916,969	₱92,337,260
Hotels and resorts	10,616,962	9,732,010	8,780,374
Construction	8,930,400	13,027,625	6,595,611
Others	2,877,281	4,993,554	4,891,792
	₱136,334,239	₱140,670,158	₱112,605,037

ALI Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types. ALI Group's disaggregation of each source of revenue from contracts with customers are presented below:

Residential development

	2025	2024	2023
	(In Thousands)		
Type of Product			
Middle income housing	₱39,821,696	₱39,171,820	₱32,204,567
Core-mid	28,862,960	30,657,377	25,990,604
Condominium	27,535,133	28,495,003	24,297,144
Lot only	17,689,807	14,592,769	9,844,945
	₱113,909,596	₱112,916,969	₱92,337,260

All of ALI Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Hotels and resorts

	2025	2024	2023
	(In thousands)		
Type of Services			
Rooms	₱6,330,319	₱5,926,258	₱5,086,501
Food and beverage	3,284,329	3,151,353	2,727,063
Other operated department	591,912	152,695	482,190
Others	410,402	501,704	484,620
	₱10,616,962	₱9,732,010	₱8,780,374

ALI Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts or serviced apartments.

ALI Group's construction revenue pertains to transactions with related parties such as joint ventures, and external customers.

Others are mainly composed of property management facilities of ALI Group and third-party projects.



Information about ALI Group's performance obligations are summarized below:

Real estate sales

ALI Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium unit and ALI Group concluded that there is one performance obligation in each of these contracts. ALI Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, ALI Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by ALI Group as a quality assurance warranty and not treated as a separate performance obligation.

Hotels and resorts

Rooms revenue from hotel and resort operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when events take place.

Construction

Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to output method.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as of December 31, 2025 and 2024 are as follows:

	2025	2024
	(In Thousands)	
Within one year	₱64,959,038	₱74,621,596
More than one year	49,834,890	48,813,403
	₱114,793,928	₱123,434,999

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of ALI Group's real estate projects. ALI Group's condominium units are completed within three to five years, from start of construction while serviced lots and serviced house and lots are expected to be completed within two to three years from start of development.



IMI Group

The following table presents revenue of IMI Group by type:

	2025	2024	2023
		(In thousands)	
Manufacturing of goods	₱57,476,948	₱62,619,923	₱73,382,620
Non-recurring engineering services	164,364	142,265	207,413
Revenue from contracts with customers	₱57,641,312	₱62,762,188	₱73,590,033

Translated using the average exchange rate for the year (US\$1:₱57.86 in 2025, \$1: ₱57.12 in 2024 and US\$1: ₱55.59 in 2023).

The following table presents revenue per market segment:

	2025	2024	2023
		(In Thousands)	
Automotive	₱37,223,974	₱42,846,175	₱44,378,856
Industrial	17,065,476	15,651,188	21,642,071
Consumer	1,320,597	1,855,100	1,848,429
Telecommunication	1,117,604	438,182	1,685,600
Multiple market/others	776,249	701,216	734,645
Medical	137,412	1,270,327	1,289,953
Aerospace/defense	—	—	2,010,479
	₱57,641,312	₱62,762,188	₱73,590,033

Translated using the average exchange rate for the year (US\$1:₱57.86 in 2025, \$1: ₱57.12 in 2024 and US\$1: ₱55.59 in 2023).

Revenues from contracts with customers of IMI Group are also further disaggregated by customer's nationality and timing of revenue recognition, as management believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The following table presents revenues from external customers based on customer's nationality:

	2025	2024	2023
		(In Thousands)	
Europe	₱42,297,209	₱45,869,251	₱51,571,384
America	6,200,371	6,525,718	10,324,572
Japan	3,284,079	3,550,754	3,174,683
Rest of Asia / Others	5,859,653	6,816,465	8,519,394
	₱57,641,312	₱62,762,188	₱73,590,033

Translated using the average exchange rate for the year (US\$1:₱57.86 in 2025, \$1: ₱57.12 in 2024 and US\$1: ₱55.59 in 2023).

ACEIC Group

Feed-in-Tariff (FIT) Adjustment

On May 26, 2020, the ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, Series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index and foreign exchange variations through Discounted Cash Flows Model per renewable energy technology, covering for the years 2016-2020.

Renewable energy subsidiaries under the FIT system which include Guimaras Wind Corporation, Monte Solar Energy, Inc. (Montesol), SACASOL, and Northwind, accrued the retroactive revenue adjustment amounting to ₱791.5 million. This will be recovered for a period of five (5) years.

On February 19, 2021, ERC clarified on its letter to National Transmission Corporation ("TransCo"), the Administrator of the FIT system, by specifying the timing and manner of billing the FIT Adjustment. Actual recovery of arrears shall be for a period of five (5) years. Billing for January 2016 generation period shall start in December 2020, and payment schedule shall start in January 2021, following the five-year recovery period. Moreover, pending the approval of the 2021 FIT-All rate and



adjustment of FIT rates, the original approved FIT rates shall be used for the 2021, 2022 and 2023 generation billing. Revenues recognized from 2021 to 2024 were based on 2020 approved FIT rates in the absence of approved FIT rates for the succeeding years. Currently, there's a moratorium on interest on the delayed payments. It is expected that the adjusted FIT rates applicable for 2021 will also be collected in arrears in accordance with the approval of the ERC.

On November 26, 2025, the ERC issued Resolution No. 28, Series of 2025, approving the adjusted FIT rates for the period 2021 to 2025 (the "2021–2025 AARs"). Following the issuance of this resolution, TransCo and several renewable energy industry associations formally sought clarification from the ERC due to perceived inconsistencies in the computation methodology, particularly the use of non-aligned CPI base years. The ERC acknowledged these concerns and indicated that a hearing will be conducted to discuss the possible re-computation of the adjusted FIT rates.

As of the reporting date, the ERC has not issued a final and unambiguous resolution on the adjusted FIT rates. In accordance with PFRS 15, *Revenue from Contracts with Customers*, the ACEIC Group assessed whether the 2021-2025 AARs represent consideration to which the ACEIC Group is highly probable to be entitled, considering the risk of significant revenue reversal. The ACEIC Group concluded that recognition of revenue based on the 2021-2025 AARs would involve significant judgment and reliance on assumptions that remain subject to regulatory challenge and uncertainty.

Any subsequent adjustments arising from future ERC resolutions will be recognized in profit or loss when the related uncertainties are resolved.

22. Costs and Expenses and Other Income (Charges)

Details of cost of goods sold and services included in the consolidated statements of income are as follows:

	2025	2024	2023
		(In Thousands)	
Cost of goods sold (Notes 8 and 31)	₱117,248,793	₱94,899,203	₱68,791,301
Cost of services:			
Cost of inventory (Note 8)	41,088,756	45,492,145	53,093,114
Cost of power operations	17,815,212	23,390,253	28,900,920
Depreciation and amortization (Notes 11, 12, 13 and 14)	15,221,826	13,981,078	11,576,692
Personnel costs (Notes 27 and 31)	11,099,982	11,444,930	13,561,869
Hotels and resorts operations	8,087,612	7,788,893	7,106,025
Transportation and travel	3,777,986	3,335,507	2,295,799
Professional fees, management fees and commissions	9,845,047	7,919,477	5,967,666
Contract labor	1,362,129	1,103,362	1,662,569
Repairs and maintenance	3,454,572	4,995,137	4,284,556
Taxes and licenses	5,501,079	5,580,374	4,760,682
Rental, utilities and supplies	4,363,075	4,338,428	6,008,569
Insurance	971,286	543,121	687,293
Others	2,818,856	13,693,931	11,134,985
	125,407,418	143,606,636	151,040,739
Costs of goods sold and services	₱242,656,211	₱238,505,839	₱219,832,040

Cost of goods sold includes, among others, the cost of real estate inventories amounting to ₱57.3 billion, ₱63.7 billion and ₱45.3 billion in 2025, 2024 and 2023, respectively; and cost of vehicles, automotive parts and accessories amounting to ₱50.3 billion, ₱32.4 billion and ₱20.7 billion in 2025, 2024 and 2023, respectively.



“Others” include various items such as AC Logistics’ group’s export and import costs; other business units’ communication, dues and fees, miscellaneous overhead, among others.

General and administrative expenses included in the consolidated statements of income are as follows:

	2025	2024	2023
		(In Thousands)	
Personnel costs (Notes 27 and 31)	₱14,982,521	₱16,446,546	₱14,151,057
Provision for impairment/losses on:			
Receivables (Note 7)	9,668,276	3,011,120	1,719,011
Investments in associates and joint ventures (Note 10)	1,467,022	8,140,087	949,861
Inventories (Note 8)	336,100	887,915	518,768
Property, plant and equipment (Note 12)	127,905	536,284	–
Goodwill (Note 14)	–	2,409,852	3,115,244
Financial assets at FVOCI (Note 15)	–	–	2,562,834
Various other assets (Notes 11, 14 and 23)	1,882,051	269,064	2,826,265
Professional fees	3,612,485	4,256,683	3,561,687
Taxes and licenses	3,100,200	2,841,314	2,207,325
Advertising and promotions	2,955,503	1,960,897	1,343,359
Depreciation and amortization (Notes 11, 12, 13, 14 and 30)	2,720,717	3,210,890	2,904,062
Contract labor	1,343,628	1,516,482	1,026,405
Rental and utilities	973,553	676,592	700,099
<i>(Forward)</i>			
Repairs and maintenance	888,764	789,961	882,555
Transportation and travel	697,716	639,247	694,173
Donations and contributions	443,158	185,786	206,917
Insurance	393,334	718,571	444,395
Dues and fees	365,074	437,819	561,864
Research and development	305,825	276,476	477,826
Postal and communication	284,504	284,218	351,949
Supplies	238,723	247,437	236,449
Entertainment, amusement and recreation	206,444	182,500	172,157
Others	1,925,650	1,344,559	1,032,274
	₱48,919,153	₱51,270,300	₱42,646,536

“Others” include various expenses such as plant relocation costs, management fees, marketing, collection charges, sales commission, bank service charge, periodicals and miscellaneous operating expenses.

Depreciation and amortization expense included in the consolidated statements of income follows:

	2025	2024	2023
		(In Thousands)	
Included in:			
Cost of sales and services	₱15,221,826	₱13,981,078	₱11,576,692
General and administrative expenses	2,720,717	3,210,890	2,904,062
	₱ 17,942,543	₱17,191,968	₱14,480,754

Personnel costs included in the consolidated statements of income follow:

	2025	2024	2023
		(In Thousands)	
General and administrative expenses	₱14,982,521	₱16,446,546	₱14,151,057
Cost of sales and services	11,099,982	11,444,930	13,561,869
	₱26,082,503	₱27,891,476	₱27,712,926



Other income consists of:

	2025	2024	2023
		(In Thousands)	
Remeasurement gain on previously held interest (Notes 10 and 23)	₱10,215,412	₱650,214	₱3,433,327
Net gain on sale of investments (Notes 2, 10 and 23)	11,434,187	2,311,691	3,091,847
Revenue from management contracts	882,704	977,235	437,419
Dilution gain (loss) in associates (Note 10)	865,305	3,836,727	(4,405,549)
Collateral income on automotive sales	332,395	453,581	710,954
Mark-to-market loss on financial assets at FVTPL (Notes 9 and 33)	(342,518)	(251,126)	(231,187)
Foreign exchange gain (Note 32)	427,632	1,340,195	127,000
Dividend income	1,074,787	825,492	323,377
Gain on sale of other assets	121,036	464,438	95,181
Insurance proceeds	26,089	1,228	10,523
Recoveries of account written off (Note 7)	54,417	98,300	—
Others	3,985,486	3,801,450	1,440,671
	₱29,076,932	₱14,509,425	₱5,033,563

“Remeasurement gain on previously held interest” mainly pertains to the remeasurement gain on retained interest from the partial sale of ownership in AM 50 Ventures amounting to ₱10.4 billion in 2025, partial sale of ownership in Merlin Solar amounting to ₱638.0 million and acquisition of additional shares in CDPEI amounting to ₱12.0 million in 2024 and the sale of shares in ACEHI Netherlands B.V. amounting to ₱3,433.3 million in 2023 (see Notes 2, 10 and 23).

“Net gain (loss) on sale of investments” mainly includes the ₱11.4 billion gain from sale by ALI Group of its 50% stake in ACC in 2025, the ₱1,665.2 million net gain on the series of transaction for PT Sidrap Bayu Energi (SBE) value realization and ₱646.5 million gain on sale of MWC in 2024, the ₱1,261.9 million gain on sale of the remaining interest in GNPK, ₱1,062.0 million gain on deconsolidation of ACEHI Netherlands, ₱2,159.4 million gain on sale of MCX and ₱1,515.6 million on loss on MWC buyback in 2023 (see Notes 2, 10 and 23).

In 2025, dilution gain (loss) in associates includes the effect on AC Venture’s ownership interest in Mynt following the acquisition of Mitsubishi UFJ Financial Group (MUFG) of Mynt shares amounting to ₱1,033.5 million and other movements in associates and joint ventures capital amounting (₱168.2 million). In 2024, the “dilution gain in associates” includes the effect on the Group’s ownership interest in BPI following its merger with RBC amounting to ₱4,187.6 million (see Note 10). In 2023, the “dilution loss in associates” includes the effect of change in ownership interest in investment in LHI amounting to ₱3,553.4 million (see Note 10).

“Others” mainly pertain to income derived from ancillary services, other activities rendered for the customers, not in the normal course of business and miscellaneous income of consolidated subsidiaries.

In 2025, “Others” mainly includes guarantee fee income amounting to ₱434.5 million, income from forfeitures of deposits and penalties amounting to ₱489.2 million, liquidated damages amounting to ₱344.2 million, miscellaneous income and credit notes amounting to ₱1,066.7 million, reversal of prior period’s impairment provisions amounting to ₱338.9 million (see Note 10), shell tolling fees amounting to ₱295.1 million, net other gain or loss amounting to ₱1,045.9 million.

In 2024, “Others” mainly includes income from forfeitures of deposits and penalties amounting to ₱559.2 million, incentives amounting to ₱424.7, gain from early extinguishment of convertible loans through the partial sale at a premium to Acciona Energia of the loan for Blue Circle’s Mui Ne Wind Project in Vietnam amounting to ₱389.1 million, gain on reversal of ACEIC on ACEN non-controlling interest transaction cost from follow-on offering, stock rights offering and share issuance amounting to ₱349.5 million, gain on write-off payables amounting to ₱351.9 million, reversal of impairment



provision amounting to ₱226.1 million, government grants of amounting to ₱174.6, guarantee fee amounting to ₱163.8 million, gain on derivative and swaps amounting to ₱150.5 and non-technical billings amounting to ₱101.4 million.

In 2023, "Others" mainly includes gain on conversion of receivables of SPNEC amounting to ₱515.0 million, income from forfeitures amounting to ₱494.8 million, release of escrow from sale of Milestone amounting to ₱239.5 million and guarantee fee income amounting to ₱154.7 million.

Interest income consists of:

	2025	2024	2023
	(In Thousands)		
Interest income on:			
Cash and cash equivalents (Note 6)	₱659,056	₱951,461	₱1,354,337
Short-term investments (Note 7)	2,176,073	2,102,070	1,702,177
Receivables, financial assets at amortized cost and other current assets	14,376,661	10,210,712	8,444,976
Others	—	—	2,061
	₱17,211,790	₱13,264,243	₱11,503,551

Interest and other financing charges consist of:

	2025	2024	2023
	(In Thousands)		
Interest expense on:			
Long-term debt (Note 18)	₱28,821,655	₱25,885,315	₱21,963,791
Short-term debt (Note 18)	4,559,446	3,702,237	3,240,446
Accretion of lease liabilities (Note 30)	2,581,254	2,409,910	2,081,347
Amortization of discount on long-term debt	588,440	830,037	932,368
Others	3,206,604	3,371,410	2,981,911
	₱39,757,399	₱36,198,909	₱31,199,863

"Others" include, among others, various charges, such as pretermination costs, bond offering fees, and credit card charges. Pre-termination costs include fees paid upon prepayment of long-term facility and/or borrowings by the ACEIC Group in 2021. Others also include ALI Group's loss on sale of residential receivables without recourse amounting to ₱1,326.7 million in 2025, ₱1,705.9 million in 2024 and ₱1,806.8 million in 2023 (see Note 7).

23. Business Combinations, Disposals and Transactions with Non-controlling Interests

Business Combinations

2024 Acquisitions

Paivatar Energy Corporation (Paivatar)

On March 7, 2024, ACEN, and its wholly-owned subsidiary, Paivatar, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines.

BrightNight APAC subscribed for 0.42 million common shares with ₱1.00 par value and 0.56 million redeemable preferred shares with ₱100.00 par value. Total subscription amounted to ₱56.39 million for 40% and 50% voting and economic interest, respectively. Further to the transaction, BrightNight Philippines B.V. (BrightNight PH), an affiliate of BrightNight APAC, assigned ownership investment in Jord Energy Corp and Renovable Earth Corp. in favor of Paivatar.



The Group's 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024, where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.

Paivatar accounts have been classified in the Group's consolidated financial statement as at September 30, 2024 as follows: a.) balance sheet accounts were deconsolidated b.) income statement accounts for the period January 1 to February 29, 2024 are included in the consolidated statement of income.

The net assets of Paivatar as at March 7, 2024 and proceeds from divestment are as follows (amounts in thousands):

Assets	₱139,501
Liabilities	1,013
Total identifiable net asset	138,488
Less BrightNight APAC investment	56,331
Net assets attributable to ACEN	82,157
Less: Fair value of retained interest	82,275
Gain on deconsolidation	₱118

After BrightNight APAC's subscription, the Group has diluted its interest and partially divested in Paivatar. The deconsolidation resulted in a gain of ₱0.12 million which is recognized under "Other income - net" account in the 2024 consolidated statement of income deconsolidation is as follows (amounts in thousands):

Cash consideration	₱-
Less cash surrendered with the subsidiary	62,375
Net cash outflow	(₱62,375)

Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (MEM), as the seller, for the acquisition by ACEN of 4,000 secondary common shares in RWEI and a Loan Assignment Agreement for the assignment of MEM's receivables from RWEI. The total cost of the transaction is ₱568.7 million (US\$10.0 million) which is comprised of the acquisition cost for the shares amounting to US\$8.8 million and assigned receivables of US\$1.2 million.

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. ("Maraj"), as the seller, for the acquisition by ACEN of 6,000 secondary common shares representing the remaining 60% ownership in RWEI. The total transaction cost is ₱742.0 million which is comprised of the acquisition cost for the shares amounting to ₱32.0 million and ₱710.0 million earnout. As a result, the Group acquired control over RWEI.

The fair values of the identifiable assets and liabilities, net of eliminations, at acquisition date on August 1, 2024 follow (amounts in thousands):

Assets	28,060
Liabilities	92,408
Total identifiable net liabilities	(64,348)
Less cost of acquisition	741,984
Fair value of previously held interest	568,719
Goodwill arising on acquisition	₱1,375,051



RWEI is a special purpose vehicle for the development and operation of a 500MW wind energy project located in Real, Quezon. The RWEI project is strategically located close to another ACEN wind project spanning Laguna and Quezon. This new acquisition presents opportunities for synergies through the joint use of logistical routes, transmission lines, and substation infrastructure.

The cost of the business combination follows (amounts in thousands):

Cash consideration	₱31,984
Earnout consideration	710,000
Fair value of equity interest in RWEI before business combination	568,719
Total consideration	₱1,310,703

As of December 31, 2024, ₱30.0 million of acquisition cost remains unpaid and this is payable upon release of Certificate Authorizing Registration which is expected within the next 12 months from September 30, 2024. The earnout remains unpaid and is payable upon achievement of certain milestones which is beyond 12 months from December 31, 2024.

Net cash outflow on acquisition is as follows (amounts in thousands):

Total cash consideration paid in cash	₱570,703
Less cash acquired with the subsidiary ^(a)	(901)
Net cash outflow	₱569,802

^(a) Cash acquired with the subsidiary is included in cash flows from investing activities.

If the acquisition had taken place at the beginning of 2024, revenue reduction for the year ended December 31, 2024 would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱33.5 million.

On August 1, 2025, the Group finalized the accounting for the acquisition of RWEI. There is no change from the provisional to the final purchase price allocation. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱1,375.05 million.

Cebu District Property Enterprise, Inc. (CDPEI)

On November 4, 2024, ALI acquired the shares of Aboitiz Land and AEV in CDPEI. As a result, CDPEI became a wholly owned subsidiary of ALI. The total consideration for the acquisition is valued at ₱1.81 billion in exchange for 18.1 million CDPEI shares resulting to a goodwill of ₱12 million. The Group reclassified the amount from investment in a joint venture to investment in a subsidiary in 2024 (see Note 10)

Disposals of Subsidiaries

2025 Disposals

Strategic partnership with Mitsubishi Corporation (MC)

On March 31, 2025, AC, AM 50 Ventures and MC signed an Investment Agreement to document their agreement on the terms and conditions upon which MC would subscribe for shares in the capital stock of AM 50 Ventures. Under the Investment Agreement, AM 50 Ventures would use the proceeds of the subscription to redeem AC's redeemable preferred shares in AM 50 Ventures and cover related costs.

Pursuant to the Investment Agreement, on July 25, 2025, AC purchased 100 common shares in Mynt from AM 50. On July 31, 2025 (following clearance of the transaction by the PCC on July 3, 2025 and satisfaction of other conditions precedent), AC, MC and AM 50 Ventures completed the transactions contemplated by the Investment Agreement, including the subscription by MC for shares of AM 50 Ventures for a total subscription price of approximately ₱19.0 billion, and the execution by and among AC, AM 50 Ventures, and MC of a shareholders' agreement setting out their agreement



on the management of AM 50 Ventures and AC and MC's rights and obligations as shareholders in AM 50 Ventures.

On August 4, 2025, and in accordance with the Investment Agreement, AM 50 Ventures redeemed Class A and Class C redeemable preferred shares held by AC for a total amount of approximately ₱19.0 billion. Following completion of the redemption, AC and MC each hold a 50% equity stake in AM 50 Ventures.

The foregoing transactions resulted in the Ayala Group's partial divestment of AM 50 Ventures, the fair revaluation of the Ayala Group's remaining interest in AM 50 Ventures, and the recognition of remeasurement gain amounting to ₱10.4 billion (see Notes 10 and 22).

Sale of investment in Integrated Micro-Electronics Czech Republic s.r.o.

On July 31, 2025, IMI announced the completion of the sale of its 100% equity interest in Integrated Micro-Electronics Czech Republic s.r.o. to Keboda Deutschland GmbH & Co. KG, a subsidiary of Keboda Technology Co., Ltd., a publicly listed company based in China. Keboda is a leading system solution provider for automotive intelligent and energy-sufficient electronics components.

As disclosed on June 4, 2025, the transaction was executed through IMI's subsidiary, Coöperatief IMI Europe U.A. After successful completion of all conditions pertinent to the transaction, the deal officially closed on July 31, 2025. The total consideration amounts to €9.99 million (\$11.69 million), subject to post-closing adjustments. As of December 31, 2025, Coöperatief has received €7.419.53 million (\$11.14 million) out of the total proceeds, while the rest are still subject to an agreement on post-closing adjustments.

This strategic divestment is in line with IMI's ongoing efforts to streamline its global manufacturing footprint. With this transaction, IMI is better equipped to enhance operational efficiency, increase facility utilization, and drive overall profitability in the region. High value customers that were previously managed by the Czech facility have been successfully transitioned into IMI's Bulgaria and Serbia manufacturing sites.

The table below shows the gain recognized related to sale of IMI Czech:

	(in thousands)
Net asset	\$7,848
Total investment carrying value	7,848
Recoverable amount (cash consideration)	11,689
Gain on disposal	\$3,841

Sale of VIA Optronics

On November 27, 2025, IMI announced the completion of the sale through its wholly-owned subsidiary, Coöperatief IMI Europe U.A., of its 50.32% equity interest in VIA Optronics AG to Kronen 3140 GmbH (to be known in the future as V-PTR Beteteiligungs GmbH) which is owned by some members of VIA's management and advisory team.

This strategic divestment is part of IMI's portfolio realignment strategy which aims to sharpen the Group's focus on its core strengths in the automotive and industrial EMS sectors. The move also supports the optimization of IMI's global footprint to concentrate capital and management allocation into high-growth, high-profitability markets. The related gain recognized from the transaction is presented in "Other Income" (see Notes 22 and 23).



The table below shows the gain recognized related to sale of VIA Optronics:

	(in thousands)
Net liabilities	(\$1,283)
Non-controlling interest	638
Total investment carrying value	(\$645)
Recoverable amount (cash consideration)	405
Gain on disposal	\$1,050

Sale of 50% of ALI stake in Alabang Commercial Corporation (ACC)

On December 23, 2025, ALI completed the sale of its entire interest in ACC (the owner of South Innovative Theater Management Inc.) for an aggregate consideration of ₱13.50 billion. The related gain recognized from the transaction amounting to ₱11.47 billion is presented within "Other Income" (see Notes 2 and 22).

2024 Disposals

Third Party Fundraise of Merlin Solar

On July 23, 2024, an equity funding round had been concluded for Merlin Solar (with the participation of Ayala Group and other investors) resulting in the dilution of Ayala Group's indirect stake from 99% to 56% and remeasurement gain of ₱638.0 million on the investment in Merlin Solar Group (see Note 10). Ayala Group infused US\$10.0 million into Merlin. The partnership provides Merlin with fresh capital, a wider customer network to drive the company's next phase of growth and enhanced technical expertise. This transaction also supports Ayala Group's strategic agenda of rationalizing its portfolio.

On February 3, 2025, the final close for the capital raise was completed. This further reduced the effective ownership of the Ayala Group in Merlin Solar from 56% to 39%.

Sale of ACEN Axedale Solar Farm Pty. Ltd.

On December 12, 2024, ACEN Australia Pty. Ltd completed the sale of 100% of the outstanding capital stock of ACEN Axedale Solar Farm Pty. Ltd. ("Axedale") to FRV Solar Holdings B.V. ("FRV", a third party) for a purchase price of ₱214.77 million (AU\$6 million) and a contingent consideration of up to ₱227.3 million (AU\$6.35 million) payable upon financial close completion. As at December 31, 2024, the Group estimated the contingent consideration to be at ₱53.25 million (AU\$1.5 million) and recorded as other receivables under current assets. This transaction was accounted for as a loss of control transaction which resulted in the deconsolidation of the assets and liabilities of Axedale in the Group's consolidated financial statements as at the date of loss of control.

The net assets of Axedale as at December 12, 2024 and proceeds from divestment are as follow:

	In PHP (In Thousands)	In AU\$
Assets	₱253,545	\$7,086
Liabilities	(22,388)	(596)
Total identifiable net assets	231,157	6,490
Less:		
Cash consideration received	214,771	6,000
Contingent consideration	53,245	1,488
Gain on deconsolidation	₱36,859	\$998

The amount of the contingent consideration represents the Group's best estimate of the final capital expenditures that the buyer (or FRV) will incur upon completion of the financial close. The Group has taken into account assumptions that reflect uncertainties regarding the final agreed capital and other contractual clauses.



Net cash inflow on deconsolidation is as follows:

	In PHP (in Thousands)	In AU\$
Cash consideration	₱214,771	\$6,000
Less cash surrendered with the subsidiary	—	—
Net cash inflow	₱214,771	\$6,000

2023 Disposals

The Group completed disposals or partial sale of the following investments generating funds of ₱13,543.6 million, as follows:

Business Units	Proceeds (In thousands)
MWC (see Note10)	₱5,674,665
ACEHI Netherlands B.V.	3,949,564
MCXPCI	3,800,000
Others	119,342
Total	₱13,543,571

Sale of MCXPCI

On December 6, 2021, the Parent Company and PAVI signed an Investment Agreement relating to the MCX Project and for the sale of the Parent Company's 100% ownership stake in MCXPCI subject to the satisfaction of certain conditions (see Note 13).

On various dates in 2022 and 2023, the Parent Company was able to satisfy the remaining conditions to complete the sale of its investment in MCXPCI including receipt of the required approvals from the SEC and DPWH (see Note 13).

On January 26, 2023, the SEC issued its Certificate of Approval of Valuation to MCXPCI certifying and approving that the valuation of rights, assets and contracts of the Parent Company (see Note 13). On February 1, 2023, MCXPCI waived the satisfaction of the Parent Company's receipt of the remaining third-party consents and on the same day, commenced the transition of MCX operations and transfer of its assets and liabilities from the Parent Company to MCXPCI (see Note 13).

On April 5, 2023, in accordance with the provisions of the Investment Agreement, MCXPCI redeemed 277.3 million preferred shares held by the Parent Company at ₱1.00 per share or at a total redemption amount of ₱277.3 million. The redeemed preferred shares were retired by MCXPCI to treasury shares and will not be re-issued.

On June 2, 2023, consents were received from the DPWH for certain assignments and actions.

On July 19, 2023, the DPWH, as the Grantor of the MCX Project Concession, confirmed its concurrence and signified that it interposed no objection to the transfer by the Parent Company of its equity interest in MCXPCI to PAVI.

On August 8, 2023, MCXPCI and PAVI executed a Loan Agreement for a ₱2.85 billion loan amount and on September 28, 2023, PAVI released the loan amount to MCXPCI. The loan has a term of one (1) year from the signing of the Loan Agreement and subject to interest at a rate equivalent to one (1)-year tenor Bloomberg Valuation Reference Rate plus 325 basis points. The interest shall be due semi-annually. On the same date, MCXPCI converted 2.9 billion Class B common shares held by the Parent Company into 2.9 billion of its redeemable preferred shares at par value of ₱1.00 per share or a total redemption price of ₱2.9 billion.



On September 28, 2023, MCXPCI redeemed 2,903.7 million redeemable preferred shares held by the Parent Company for a total consideration of ₱3,431.0 million resulting in a ₱527.3 million gain on redemption (see Note 22). The redeemed preferred shares were retired to treasury and will not be re-issued. On the same date, PAVI subscribed to 1.0 million redeemable preferred shares of MCXPCI with par value of ₱1.00 per share. at a total subscription price of ₱581.0 million. As a result, as of September 28, 2023, full ownership of MCXPCI has been transferred to PAVI.

Sale of Shares in ACEHI Netherlands B.V.

On July 10, 2023, ACRI completed the sale of 2,424 ordinary shares representing 24.24% of the outstanding capital stock of ACEHI Netherlands, a subsidiary of ACRI / ACEIC group, to Star Energy Oil & Gas Pte Ltd. (SEOG, a third party) for US\$69.80 million (₱3,949.6 million) which is a commercially agreed price between a willing buyer and seller. ACEHI Netherlands is a Dutch holding company that has a 19.80% ownership interest in Star Energy Geothermal Salak-Darajat B.V. (Salak-Darajat) owner operator of a 655.5 MW geothermal power plants in West Java, Indonesia. Prior to the transaction, the interests in Salak-Darajat was an investment in associate of the Group. On the other hand, SEOG is part of the Star Energy Group, which is ACRI's current partner for the Salak-Darajat.

As of December 31, 2023, ACEIC Group's 75.76% retained interest in ACEHI Netherlands was accounted for as a joint venture where both ACRI and SEOG are equally represented in ACEHI Netherlands' BOD and all matters shall be approved unanimously by both shareholders. ACEIC Group's indirect interest in Salak-Darajat decreased from 19.80% to 15.00% (see Note 10).

The sale transaction resulted in ACEIC Group's loss of control over ACEHI Netherlands. The Group remeasured its 75.76% retained interest in ACEHI Netherlands using the fair market value of the sale transaction with SEOG which gave rise to the remeasurement gain amounting to ₱3,433.3 million. ACEIC Group received ₱3.9 billion consideration for the sale and resulted in a ₱1,062.0 million gain on deconsolidation of ACEHI Netherlands, both presented under "Other income" in the consolidated statements of income.

Net cash inflow on acquisition is as follows (in thousands):

	In US\$	In PhP
Cash consideration	\$69,811	₱3,949,564
Less: cash surrendered with the subsidiary ^(a)	73	4,120
Net cash inflow	\$69,738	₱3,945,444

^(a) Cash acquired with the subsidiary is included in cash flows from investing activities.

Sale of STI Enterprise Limited (STI)

On August 3, 2023, IMI and minority shareholders of STI have entered into an agreement to sell their respective 80% and 20% shares in STI to Rcapital, a private investment firm based in London with a portfolio of UK-based companies including precision engineering solution providers in the aerospace and defense sectors, for an agreed consideration of GBP 2.5 million to be paid two years after the completion date. With the condition precedent having been met, particularly, the UK government's clearance under the National Security and Investment Act 2021, and closing deliverables having been exchanged by the parties, the transaction was completed on October 31, 2023.

Sale of MT C-Con

On August 18, 2023, AC Industrials, through its subsidiary, AC Industrials (Singapore) Pte. Ltd., entered into and completed a Sale and Purchase Agreement for the sale of its 92.45% stake to Munich, Germany-based Callista Asset Management 18 GmbH, an affiliate of Callista Private Equity (Callista). MT Technologies GmbH's minority shareholders also sold their shares, resulting in a 100% transfer of MT Technologies GmbH's ownership to Callista. This transaction resulted to a realization of the loss equivalent to the impairment previously booked. MT Technologies GmbH, a majority-owned entity by Ayala Group through AC Industrials (Singapore) Pte. Ltd., is a German auto parts-maker specializing in designing and manufacturing of injection molds for metal and plastic car parts. The sale of MT Technologies GmbH continues Ayala Group's strategic priority to realize value through a combination of strategic partnerships and divestments from certain non-core assets. Ayala Group will sharpen its focus on the continued expansion of its core businesses in real estate,



banking, telecommunications, and power, and scaling up its emerging businesses in healthcare and logistics.

Transactions with Non-controlling Interest

ACEIC Group

Acquisition of non-controlling interest in ISLASOL

On March 6, 2025, ACEN executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT, involving the sale by AEIT of 7,371 Redeemable Preferred Shares E ("RPS E") of ISLASOL in favor of ACEN with a total purchase price of ₱141.27 million. The sale is subject to obtaining the requisite certificate authorizing registration from the Bureau of Internal Revenue.

Simultaneously with ACEN's acquisition of shares from AEIT, ISLASOL redeemed 15,906 RPS E shares held by AEIT in ISLASOL with a total redemption price amounting to ₱488.73 million and was paid in cash.

		Amount (in thousands)
Carrying amount of NCI		₱1,084,102
Total consideration for acquisition of 40% interest:		
Sale of 7,371 RPS E shares at discount	141,267	
Redemption of 15,906 RPS E shares at par	488,733	630,000
Excess of carrying amount		₱454,102

As at December 31, 2025, the remaining unpaid sale purchase price amounted to ₱15.63 million. On February 4, 2026, the remaining balance of sale purchase price was fully settled. The acquisition of 40% ownership interest resulted to 100% interest in ISLASOL. The excess of the carrying amount of the non-controlling interest over the consideration paid is recognized under equity reserves. As of report date, transfer of certificate authorizing registration from the Bureau of Internal Revenue is still in process.

Acquisition of ACEN Shares

On August 19, 2025, ACEIC purchased 306,512,716 ACEN shares in the secondary market. The acquisition was treated as an equity transaction and reduced non-controlling interest. ACEIC ownership interest in ACEN increased from 58.23% to 58.92%.

On April 29 and 30, 2024, ACEIC purchased 30.00 million ACEN shares at ₱3.92 per share and 15.35 million ACEN shares at ₱4.10 per share, respectively, via block purchase. Total cost of purchase of shares amounted to ₱180.32 million.

Acquisition by ACRI of 20% non-controlling in UPC-ACE Australia

On February 1, 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH's remaining 4,766 ordinary shares in UPC-ACE Australia, which completes the second and final tranche of ACRI's acquisition of ACEN Australia. ACEN Australia, through ACRI, is now a wholly owned subsidiary of ACEN. The total consideration amounted to US\$85.4 million (₱4.7 billion) including excess consideration or goodwill of US\$ 51.8 million (₱2.9 billion).

The acquisition of 20% ownership interest resulted to 100% interest in ACEN Australia. The excess of consideration over the carrying amount of the non-controlling interest is recognized under equity reserves amounting to ₱2,864.6 million.



ACEN's Capital Raising Activities

Issuance and listing of ACEN preferred shares

On September 1, 2023, ACEN marked the issuance of its ₱25.0 billion perpetual preferred shares which were listed on the Main Board of the PSE on September 1, 2023 under the trading symbols "ACENA" for the Series A preferred shares and "ACENB" for the Series B preferred shares.

Of the total proceeds from the issuance of Series A and B preferred shares, ₱18,381.98 million is held in an escrow account (see Note 9). Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures. This resulted to an increase in noncontrolling interests of ₱24.8 billion.

ALI Group

Acquisition of Roxas Land Corp. (RLC)

In 2025, ALI acquired 3,600,000 shares of stocks constituting the remaining 50% of the total outstanding capital stock in RLC from the existing investor for a consideration amounting to ₱158.8 million. As a result, RLC became a wholly owned subsidiary. Total impact of this transaction to equity reserves is an increase of ₱177.7 million and a reduction in non-controlling interest amounting to ₱336.5 million.

Acquisition of Portico Land Corp.

On March 14, 2024 Alveo Land Corp., a wholly owned subsidiary of ALI, acquired 1,370,400 common shares and 6,589,600 preferred shares of Portico Land Corp from the remaining investor resulting to a decrease in non-controlling interest of the Group by ₱1.0 billion. The acquisition is accounted as involving entities under common control. As a result, Portico became a wholly owned subsidiary.

Property-for-share swap between ALI and AREIT, Inc. (AREIT)

On July 3, 2025, ALI sold 12.0 million common shares of AREIT at a transaction price of ₱40.78 per share, equivalent to ₱489.36 million. On November 26, 2025, ALI sold an additional 100.0 million common shares of AREIT at a transaction price of ₱41.90 per share, equivalent to ₱4.19 billion. All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control. Equity reserves increased by ₱3,552.3 million as a result of this transaction.

On September 20, 2024, ALI sold an aggregate of 75.0 million common shares of AREIT at a transaction price of ₱36.20 per share, equivalent to ₱2.3 billion. All these transactions were executed in relation to the property-for-share swap with AREIT. This resulted in an increase in noncontrolling interest of ₱9.0 billion and equity reserve of ₱5.0 billion in the consolidated statement of changes in equity for the period ended December 31, 2024.

On March 7, 2023, the Executive Committee of ALI approved the subscription of ALI and its subsidiaries, ALMI, and NBCC to 607.6 million primary common shares of AREIT, in exchange for flagship offices and malls with an aggregate value of ₱22,479.7 million, as validated by a third-party fairness opinion. This was approved by AREIT stockholders at the annual stockholders' meeting on April 26, 2023.

On March 29, 2023, ALI sold 205.0 million shares (Offer Shares) of AREIT at a transaction price of ₱32.10 per share, equivalent to ₱6,580.5 million (exclusive of fees and taxes), in relation to its ₱22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holdings in AREIT was reduced from 66.0% to 54.4%, resulting to an increase in noncontrolling interests of ₱4.2 billion and equity reserve of ₱2.2 billion.



On September 20, 2023, ALI and AREIT received the SEC's approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of ₱22.5 billion in exchange for 607.6 million primary common shares of AREIT, pursuant to the Deed of Exchange executed last June 2, 2023. Consequently, ALI's holdings in AREIT increased to 66.0%.

Property for share swap between the Parent Company, ALI and Mermac

On January 20, 2022, the BOD approved the transfer by the Parent Company of certain assets having an aggregate value of ₱17,275.6 million (the "AC Assets") to ALI in exchange for 309,597,711 common shares (the "ALI Shares") to be issued by ALI at the subscription price of ₱55.80 per share (the Transaction). The valuations are supported by a fairness opinion issued by an independent firm, FTI Consulting Philippines, Inc. (FTI). The AC Assets to be transferred and the corresponding as follows:

Property	Valuation Method
Parent Company's 50% stake in Ayala Hotels, Inc.	DCF, Term and Reversion Model
Parent Company's 100% stake in Darong Agricultural and Development Corporation	NAV Model
Parent Company and Mermac's office units at the 32nd to 35th Floors of Tower One and Exchange Plaza with appurtenant parking slots;	Market Approach
Parent Company's lot with improvements in Brgy. Bagumbayan, Quezon City along C5 Road; and its land in Calauan, Laguna.	Market Approach

The Deed of Exchange for this transaction was executed on January 31, 2022.

On January 12, 2023, the Parent Company, ALI, and Mermac received the SEC's approval for the property-for-share swap transaction issued on December 29, 2022. With the SEC's approval, the closing condition for the transaction had been met and the parties closed the transaction.

The transaction is aligned with the Group's strategic direction to increase its stake in ALI, which will consequently improve equity earnings and cashflows from dividends, as well as with the Group's goal to value realize ₱50 billion by 2023. The Parent Company's effective ownership in ALI increased to 50.60%, and the recognized gain amounted to ₱16,929.4 million. The transaction resulted in an increase in equity reserve amounting to ₱746.0 million in the consolidated statement of financial position. This was a non-event at consolidated level as it is a transfer within the Group.

The transaction is a tax-free exchange transaction under Section 40(C)(2) of the National Internal Revenue Code, as amended. The Parent Company and ALI are working on the requirements for the issuance of the CAR over the AC assets and for the additional listing of the ALI Shares.

Other ALI Transactions

ALI acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of ₱31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control. As a holder of preferred shares, ALI has voting rights same as that attached to common shares. The impact to equity reserves is a decrease of ₱357.13 million in 2023.

On November 14, 2023, ALI purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of ₱203.58 million from the existing investor which is equivalent to a 5% stake in SITE. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves is a decrease of ₱132.15 million.



24. Assets and Liabilities and Operations of Segment under PFRS 5

On July 1, 2019, ACEIC and PPLC executed the Divestment Term Sheet for the acquisition in tranches by PPLC of the ACEIC Group's indirect partnership interest in GNPK, through the sale of its limited partnership interest in KPHLC. The completion of the first tranche of the transaction will result in PPLC gaining control over GNPK's coal power plant. The transaction is subject to certain conditions precedent, including PCC approval that was already obtained on September 30, 2019, and lenders' consent for ACEIC's full divestment from the project which has been obtained on December 15, 2020. The Group classified the assets and liabilities of KPHLC as assets and liabilities held for sale in 2019 since based on management's assessment, the criteria under PFRS 5 have been met.

On December 28, 2020, ACEIC, PPLC and their related companies amended and restated the Divestment Term Sheet and signed and executed an Amended and Restated Term Sheet for the divestment of ACEIC from GNPK to update the terms and conditions of the divestment.

On March 5, 2021, ACEIC, PPLC and certain of their affiliated companies, signed a Divestment Agreement for the transfer by ACEIC of its indirect ownership interest in GNPK in favor of PPLC and its affiliates. The transfer was implemented in tranches with the purchase price to be paid on a deferred basis.

As of September 30, 2021, the following transactions were completed:

1. Redemption of the Kauswagan Power Holding Ltd. Co. (KPHLC) Class A and B limited partnership interest held by ACEIC. KPHLC holds 85.7% ownership interest in GNPK.
2. Investment by ACEIC subsidiaries (ACE (BVI) B, Inc., ACE (BVI) D, Inc., ACE (BVI) F, Inc., ACE (BVI) T, Inc., and ACE (BVI) PHILCO Corp.) in GNPK through subscription to KPHLC's Class A and B limited partnership interests.
3. Sale of 100% interest in ACE (BVI) B, Inc. and 11.62% interest in ACE (BVI) PHILCO Corp. to PPLC and subsidiaries, equivalent to 38.6% (45% of 85.75%) interest in GNPK (first tranche sale). Pursuant to the Divestment Agreement, with the completion of the first tranche sale, management and operational control over KPHLC and GNPK is transferred to PPLC and its affiliates, whereby PPLC and its affiliates, among others, acquired the right to appoint and elect four of the five members of KPHLC's and GNPK's management committee representatives, and four of the five members of the Board of directors of Kauswagan Power GP Corporation, the sole general partner of GNPK. The sale and retained interest were valued at US\$453.24 million (₱23,096.8 million) payable on a deferred basis. Total gain upon loss of control over GNPK is at ₱3,501.4 million which includes the following: 1) ₱1,299.5 million gain on sale of shares on the 38.6% interest in GNPK; 2) ₱1,588.2 million fair value gain on sale on the 41.7% retained interest in GNPK; and 3) ₱613.7 million gain on the re-attribution of accumulated share in currency translation adjustments as of September 30, 2021. ACEIC continued to consolidate the balances until completion of the first tranche sale as of September 30, 2021, upon which, the Assets held for sale and Liabilities held for sale were deconsolidated from the Group's consolidated statements financial position.

On February 23, 2023, the Group has issued a Second Sale Tranche Notice to PPLC confirming the intent to execute and complete the Sale Tranche covering the balance of the Group's interests in KPHLC by March 31, 2023. On June 30, 2023, the sale of 100% interest in ACE (BVI) D, Inc., ACE (BVI) F, Inc. and ACE (BVI) T, Inc. and 88.4% interest in ACE (BVI) PHILCO Corp. to PPLC and subsidiaries, equivalent to 47.1% (55% of the 85.7%) interest in GNPK (second tranche sale) was completed. As of June 30, 2023, the Group, through ACEIC, has fully divested its interest in GNPK. The completion of the second tranche sale resulted in a net gain of ₱1,261.9 million for the year ended December 31, 2023, which is presented under "Other income" of consolidated statements of income (see Note 22).



The amount and timing of collection of the consideration is dependent on the distributable proceeds that will be received by the buyer from its two GN Power affiliates, GNPk and GNPD, which is based on the priority payment waterfall provisions of the divestment agreement. In determining the fair value of the receivables and the retained interest, ACEIC used key assumptions such as revenue from energy sales, fuel costs and discount rate in relation to the future cashflows of GNPk and GNPD.

On September 19, 2024, the ACEIC Group received payment amounting to US\$20.3 million (P1,134.4 million). Interest income of US\$ 113.3 million (P6,598.1 million), US\$51.38 million (P2,950.4 million) in 2025 and 2023, respectively, is reported under "Accrued interest receivable" account. As of December 31, 2025 and 2024, the outstanding interest amounted to US\$179.3 million (P10,539.7 million) and US\$97.7 million (P5,648.9 million), respectively.

Receivables from PPLC and affiliates resulting from the above transactions amounted to P35,915.1 million and P29,445.2 million as of December 31, 2025 and 2024, respectively (see Note 7).

25. Income Tax

The components of the Group's deferred taxes are as follows:

Net deferred tax assets

	2025	2024
	(In Thousands)	
Deferred tax assets on:		
Lease liability	P6,939,662	P4,737,857
NOLCO	4,777,857	854,597
Difference between tax and book basis of accounting for real estate transactions	3,966,336	10,627,809
Accrued Expenses	3,791,164	369,115
Allowance for probable losses	1,004,530	369,120
Retirement benefits	755,407	474,701
MCIT	676,009	32,651
Allowance for expected credit losses	178,267	171,798
Unrealized foreign exchange loss	125,931	34,247
Allowance for inventory obsolescence	63,343	47,698
Advanced rental	1,580	2,545
Remeasurement loss	10,894	3,385,388
Others	775,404	936,505
	23,066,384	22,044,031
Deferred tax liabilities on:		
ROU asset	(3,331,940)	(1,040,606)
Unrealized foreign exchange gain	(161,831)	(550,725)
Capitalized interest and other expenses	(261,419)	(126,113)
Difference between amortization expense of SCA per straight line depreciation	(1,143,826)	—
Others	395,370	(106,492)
	(4,503,646)	(1,823,936)
Net deferred tax assets	P18,562,738	P20,220,095



Net deferred tax liabilities

	2025	2024
	(In Thousands)	
Deferred tax assets on:		
Lease liability	₱346,656	50,604
Accrued Expenses	239,784	608,262
Allowance for probable losses	185,100	820,104
Retirement benefits	116,426	115,793
Unrealized foreign exchange loss	61,406	67,132
Advanced rental	(1,580)	(1,580)
NOLCO	(51,568)	31,266
Others	30,178	106,222
	₱926,402	1,797,803
Deferred tax liabilities on:		
Unrealized gain on FVTPL	—	(5,590)
Unrealized fair value gain less costs to sell of biological assets	(6,611)	(6,611)
Accrued receivables	(114,109)	(118,789)
Reversal of impairment	(120,300)	(120,300)
Land and improvements	(177,657)	(165,681)
Unrealized foreign exchange gain	(344,844)	(146,781)
Property, plant and equipment	(735,629)	(418,108)
Capitalized interest and other expenses	(806,208)	(408,545)
Acquisition of trademarks and patents	(825,749)	(825,749)
ROU asset	(1,878,498)	(1,791,664)
Difference between tax and book basis of accounting for real estate transactions	(9,112,194)	(12,250,654)
Others	(880,263)	(922,581)
	(15,002,062)	(17,181,053)
Net deferred tax liabilities	(₱14,075,660)	(₱15,383,250)

Deferred tax related to items recognized in OCI during the year:

	2025	2024
	(In Thousands)	
Net loss / (gain) on cash flow hedges	₱360,275	₱484,292
Net loss / (gain) on FVOCI	142,328	—
Remeasurement loss / (gain) on defined benefit plan	46,939	(50,431)
Deferred tax charged / (credited) to OCI	₱549,542	₱433,861

The Group has NOLCO amounting to ₱77.8 billion and ₱60.8 billion in 2025 and 2024, respectively, and MCIT amounting to ₱1,898.1 million and ₱997.2 million in 2025 and 2024, respectively. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used.

As of December 31, 2025, total unrecognized deferred tax assets on NOLCO and MCIT amounted to ₱46,216.4 million and ₱904.4 million, respectively. As of December 31, 2024, total unrecognized deferred tax assets on NOLCO and MCIT amounted to ₱35,633.37 million and ₱672.57 million, respectively. The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next three (3) to five (5) consecutive taxable years immediately following the year of such loss.



As of December 31, 2025, the Group has incurred NOLCO in taxable years 2021 which can be claimed as deduction from the regular taxable income for the next five (5) years, pursuant to the Bayanihan to Recover As One Act, and three (3) consecutive taxable years for NOLCO incurred in taxable year 2023 and 2024, as follows:

Year incurred	Expiry Date	NOLCO (In Thousands)
2021	2026	₱11,296,257
2022	2025	11,966,782
2023	2026	16,749,341
2024	2027	16,561,945
2025	2028	17,299,419

For the NOLCO of certain entities within the Group, this expires between three (3) to ten (10) years from the date incurred depending on the jurisdiction the entity is operating. Details are as follows (in thousands):

Year incurred	NOLCO
2019 and prior	₱1,958,311
2020	649,305
2021	479,903
2022	228,517
2023	258,144
2024	276,527
2025	53,440

As of December 31, 2025, MCIT that can be claimed as deduction from future taxable income or used as deductions against income tax liabilities, respectively, is as follows (in thousands):

Year incurred	Expiry Date	MCIT
2023	2026	₱181,001
2024	2027	689,512
2025	2028	1,027,599

The following are the deductible temporary differences and unused NOLCO and MCIT for which no deferred tax assets were recognized:

	2025	2024
	(In Thousands)	
NOLCO	₱30,667,531	₱22,519,365
Accumulated impairment losses on property, plant and equipment	—	2,140,380
Pension liability	1,083,542	777,688
MCIT	407,009	93,519
Allowance for expected credit losses	169,306	80,101
Accrued expenses	50,937	47,749
Allowance for doubtful accounts	30,410	20,069
Excess of cost over NRV of inventories	—	22,702
Provision for maintenance obligation	—	49,640
Others	4,111	9,090

As of December 31, 2025 and 2024, deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.



The reconciliation between the statutory and the effective income tax rates follows:

	2025	2024	2023
Statutory income tax rate	25%	25%	25%
Tax effects of:			
Nontaxable share in net profits of associates and joint ventures	(11.60)	(15.17)	(16.94)
Nondeductible expenses	3.42	5.31	4.70
Interest income and capital gains subjected to lower rates	(1.77)	(4.61)	(3.12)
Income under income tax holiday	(3.31)	(0.32)	(0.56)
Others	0.15	4.25	5.71
Effective income tax rate	11.89%	14.46%	14.79%

The income tax on profits of overseas subsidiaries have been calculated at the rates of tax prevailing in the countries where such subsidiary operates, based on existing legislation, interpretations and practices in respect thereof.

ALI

The BOI issued certificates of registrations to ALI Group in accordance with the existing Omnibus Investment Code. The projects have been granted an ITH for a fixed period from the date of registration or actual start of operations, whichever is earlier.

IMI

The IMI Group is registered with PEZA and is entitled to certain incentives, which include ITH. As of December 31, 2025, there are four remaining project activities with ITH which will expire in 2027, 2028 and 2029. Under its PEZA registrations, the IMI's projects and activities are subject to certain requirements and are entitled to certain incentives, which include, but are not limited to, ITH and tax and duty-free importation of inventories and capital equipment.

The IMI Group is allowed to continue to avail the incentives provided in the implementing Rules and Regulations of RA No. 11534 otherwise known as the Corporate Recovery and Tax Incentives Act (CREATE Law). Registered Business Enterprises (RBEs) currently availing of the 5% tax on gross income earned prior to the effectivity of CREATE Law shall be allowed to continue availing the tax incentive for ten years. The Special Corporate Income Tax (SCIT) shall be equivalent to a tax rate of 5% based on the gross income earned (GIE), in lieu of all national and local taxes.

For projects as Ecozone Export Enterprise under Supplemental Agreements with PEZA dated December 9, 2019 which were granted an ITH prior to the effectivity of the Act and that are entitled to the 5% tax on gross income earned incentive after the ITH are allowed to use the ITH for the period specified in the terms and conditions of its registration and thereafter, avail of the 5% tax on gross income earned incentive, subject to the 10 year limit for both incentives.

Based Erosion and Profit Shifting (BEPS) Pillar Two

The Organization for Economic Co-operation and Development (OECD) has published the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which include a minimum 15% tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years.

Pillar Two tax legislation has been implemented in some of the countries in which subsidiaries of the Group operate which became effective for reporting periods beginning on 1 January 2024. Given this, the Group determined that it is in-scope for Pillar Two and has assessed the applicable Pillar Two tax legislation in all the countries in which subsidiaries of the Group operate to determine whether or not a Pillar Two 'top-up' tax liability needs to be recognized.



The relevant Pillar Two Rules also provide for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two tax legislation provides for a transitional Country-by-Country Reporting (“CbCR”) safe harbor (“TCSH”) that applies for the first three fiscal years beginning FY2024 through FY2026, extended recently to include FY2027, following the entry into force of the relevant regulation.

The TCSH relies on simplified calculations (mainly based on data extracted from the CbCR under BEPS Action 13) and three kinds of alternative tests. Where at least one of the TCSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero. A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

Based on the tests performed, most of the jurisdictions where the Group operates benefit from the TCSH. In 2024, four jurisdictions did not pass any of the TCSH tests, namely Bulgaria, Serbia, Singapore and British Virgin Islands. In 2025, four jurisdictions, namely Bulgaria, Serbia, China, and Czech Republic similarly did not qualify under any of the TCSH tests.

As of December 31, 2025 and 2024, the Group provided for and expects to pay the collectible top – up liability under the Qualified Domestic Minimum Top-up Tax (“QDMTT”) and Income Inclusion Rule (“IIR”).

In certain jurisdictions, the Group elected to apply the GloBE Loss Election which allows jurisdictional losses to be carried forward as deferred tax assets under the Pillar Two framework. These deferred tax assets may be used to reduce potential top up taxes in succeeding years effective until FY2028.

Starting 2024, the Group has also applied the amendment to PAS 12 which allows for temporary mandatory relief from accounting for the deferred tax impacts of the top-up tax and recognizes top-up tax as current tax expense as incurred.

26. Earnings Per Share

The following table presents information necessary to calculate EPS on net income attributable to owners of the Parent Company:

	2025	2024	2023
	(In Thousands, except EPS figures)		
Net income attributable to the owners of the Parent Company	₱61,427,524	₱42,026,496	₱38,073,084
Less: Dividends on preferred stock	(2,380,427)	(1,793,554)	(1,674,683)
	59,047,097	40,232,942	36,398,401
Less profit impact of assumed conversions of potential ordinary shares of investees	(62,185)	(50,951)	(69,746)
	₱58,984,912	₱40,181,991	₱36,328,655
Weighted average number of common shares	622,757	621,195	619,552
Dilutive shares arising from stock options	—	—	—
	622,757	621,195	619,552
Basic EPS	₱94.82	₱64.77	₱58.75
Diluted EPS	₱94.72	₱64.69	₱58.64



27. Defined Benefit Plan

The Parent Company and certain subsidiaries have their respective funded, noncontributory tax-qualified defined benefit type of retirement plans covering substantially all of their employees. The benefits are based on defined formula with a certain minimum lump-sum guarantee of effective salary per year of service. The consolidated retirement costs charged to operations amounted to ₱1,261.0 million, ₱1,356.9 million and ₱1,408.2 million in 2025, 2024 and 2023, respectively.

The Parent Company's pension fund is known as the AC Employees Retirement Fund (ACERF). ACERF is a legal entity separate and distinct from the Parent Company, governed by a board of trustees appointed under a Trust Agreement between the Parent Company and the initial trustees. It holds common and preferred shares of the Parent Company in its portfolio. All such shares have voting rights under certain conditions, pursuant to law. ACERF's portfolio is managed by an Executive committee appointed by the fund's trustees for that purpose. The members of the committee include the Parent Company's Treasurer, Comptroller and Total Rewards Head. ACERF has not exercised voting rights over any shares of the Parent Company that it owns.

For the subsidiaries, the funds are generally administered by a trustee bank under the supervision of the Board of Trustees of the plan for each subsidiary. The Board of Trustees is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity.

Existing regulatory framework in the Philippines requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. Some of the entities of the Group also provides additional post employment healthcare benefits to certain senior employees in the Philippines.

The components of expense (included in personnel costs under "Cost of services" and "General and administrative expenses") in the consolidated statements of income follow:

	2025	2024	2023
	(In Thousands)		
Current service cost	₱1,057,514	₱869,923	₱1,206,584
Past service cost	13,448	222,471	28,075
Net interest cost on benefit obligation	291,547	264,483	174,873
Gain on curtailment and settlements	(101,540)	—	(1,334)
Total pension expense	₱1,260,969	₱1,356,877	₱1,408,198

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement losses (gains) on defined benefit plans") in the consolidated statements of financial position follow:

	2025	2024	2023
	(In Thousands)		
Gain (loss) on plan assets (excluding amount included in net interest)	(₱57,007)	₱101,152	(₱137,574)
Actuarial gain (loss) due to liability assumption changes - experience and demographic assumptions	152,217	(185,617)	(429,063)
Actuarial gain (loss) due to liability assumption changes - financial	(646,705)	(412,870)	(1,072,753)
Remeasurements in other comprehensive income	(₱551,495)	(₱497,335)	(₱1,639,390)



The funded status and amounts recognized in the consolidated statements of financial position for the pension plan as of December 31, 2025 and 2024, are as follows:

	2025	2024
	(In Thousands)	
Benefit obligations	₱11,345,599	₱10,810,558
Plan assets	(5,407,785)	(4,858,253)
Net pension liability position	₱5,937,814	₱5,952,305

As of December 31, 2025 and 2024, pension assets (included under "Other Noncurrent Assets") amounted to ₱99.8 million and ₱249.1 million (see Note 15), respectively, and pension liabilities amounted to ₱5,937.8 million and ₱5,952.3 million, respectively.



Changes in net defined benefit liability of funded funds in 2025 and 2024 are as follows:

2025

	Net benefit cost in consolidated statement of income						Remeasurements in other comprehensive income										
	January 1	Current service cost	Past Service Cost	Net interest	Loss (gain) on Curtailments and Settlements	Subtotal	Benefits paid	Return on plan assets*	Actuarial loss due to liability experience	Actuarial loss (gain) due to demographic assumption changes	Actuarial (gain) loss due to liability assumption changes	Subtotal	Transfer payments	Contribution by employer	Foreign currency exchange differences	Settlements	December 31
(In Thousands)																	
Present value of defined benefit obligation	₱10,810,558	₱1,057,514	₱13,448	₱451,739	(₱101,540)	₱1,421,161	(₱1,226,104)	₱—	₱646,705	(₱152,217)	₱—	₱494,488	₱—	₱—	(₱154,613)	₱108	₱11,345,599
Fair value of plan assets	(4,858,253)	—	—	(160,192)	—	(160,192)	1,041,548	57,007	—	—	—	57,007	(226,776)	(1,261,119)	—	—	(5,407,785)
Net defined benefit liability (asset)	₱5,952,305	₱1,057,514	₱13,448	₱291,547	₱ (101,540)	₱1,260,969	₱ (184,556)	₱57,007	₱646,705	₱ (152,217)	₱—	₱551,495	(₱226,776)	(₱1,261,119)	(₱154,613)	₱108	₱5,937,814

*Excluding amount included in net interest

2024

	Net benefit cost in consolidated statement of income						Remeasurements in other comprehensive income										
					Loss (gain) on Curtailments and Settlements												
	January 1	Current service cost	Past Service Cost	Net interest		Subtotal	Benefits paid	Return on plan assets*	Actuarial loss due to liability experience	Actuarial loss due to demographic assumption changes	Actuarial loss due to financial assumption changes	Subtotal	Transfer payments	Contribution by employer	Foreign currency exchange differences	Settlements	December 31
	(In Thousands)																
Present value of defined benefit obligation	₱9,673,016	₱869,923	₱222,471	₱406,420	₱—	₱1,498,814	(₱751,112)	₱—	₱412,870	₱185,617	₱—	₱598,487	(₱3,244)	₱—	(₱341,292)	₱135,889	₱10,810,558
Fair value of plan assets	(4,341,719)	—	—	(141,937)	—	(141,937)	649,227	(101,152)	—	—	—	(101,152)	167,937	(851,720)	168	(239,057)	(4,858,253)
Net defined benefit liability (asset)	₱5,331,297	₱869,923	₱222,471	₱264,483	₱—	₱1,356,877	(₱101,885)	(₱101,152)	₱412,870	₱185,617	₱—	₱497,335	₱164,693	(₱851,720)	₱(341,125)	(₱103,168)	₱5,952,303

*Excluding amount included in net interest



The fair value of plan assets by each class as of the end of the reporting period are as follows:

	2025	2024
	(In Thousands)	
Cash and cash equivalents	₱140,476	₱174,464
Debt investments	2,517,313	2,428,068
Government securities	904,516	899,842
AAA rated debt securities	1,134,415	1,019,872
Not rated debt securities	478,382	508,354
Equity investments	2,123,449	1,973,647
Holding firms	199,297	209,528
Unit investment trust fund	583,986	311,694
Mutual funds	40,331	48,217
Property	482,758	368,590
Financials	24,218	24,644
Others	792,859	1,010,974
Other assets	626,547	282,074
	₱5,407,785	₱4,858,253

All equity and debt instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

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

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves using various assumptions. The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2025	2024
Discount rates	4.82% to 6.71%	4.03% to 7.71%
Future salary increases	3.5% to 10%	3.5% to 10.0%

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

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

		2025	2024
	Increase (decrease)	Net Pension Liabilities	
		(In Thousands)	
Discount rates	1%	(₱554,222)	(₱446,301)
	(1%)	700,391	624,381
Future salary increases	1%	667,145	638,373
	(1%)	(536,083)	(479,165)

The management performed an Asset–Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plans. The Group's current strategic investment strategy consists of 49.98% of debt instruments, 40.62% of equity instruments and 9.40% other assets.



The Group expects to contribute ₱1,492.22 million to the defined benefit pension plan in 2026.

The average duration of the defined benefit obligation at the end of the reporting period is 3 to 24 years in 2025 and 3 to 25 years in 2024.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2025 (amounts in thousands):

	2025	2024
Less than 1 year	₱556,025	₱494,879
More than 1 year to 5 years	3,334,821	2,834,599
More than 5 years	77,366,536	63,703,263
	₱81,257,382	₱67,032,741

As of December 31, 2025 and 2024, the plan assets include shares of stock of the Parent Company with total fair value of ₱80.3 million and ₱75.9 million, respectively. The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares.

The fund includes investment in securities of its related parties. The details of the fair value of investment per type of security are as follows (amounts in thousands):

	2025	2024
Equity securities	₱867,043	₱845,978
Debt securities	1,579,573	1,487,913
Unit investment trust funds	583,987	311,693
Others	16,411	6,189
	₱3,047,014	₱2,651,773

The overall expected rate of return on assets is determined based on the market prices prevailing on that date.

The Group's transactions with the fund mainly pertain to contributions, benefit payments, settlements and curtailments.

28. Stock Option Purchase Plans

The Group has stock option plans for key officers (Executive Stock Option Plan - ESOP) and employees (ESOWN). The grantee is selected based on certain criteria like outstanding performance over a defined period of time.

Parent Company

ESOWN

The Parent Company also has ESOWN granted to qualified officers wherein grantees may subscribe in full to the shares awarded to them based on the average market price determined by the Personnel and Compensation Committee as the offer price set at grant date. For any share awards unsubscribed, grantees still have the option to subscribe from the start of the fifth year but not later than on the start of the seventh year from date of grant.

The original terms of the ESOWN grant provided that, to subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year payment period. For any shares awards unsubscribed, grantees still have the option to subscribe from the start of the fifth year but not later than on the start of the seventh year from the date of grant. In case the grantee resigns, the unsubscribed shares are cancelled, while the subscribed shares may be paid up to the percent of holding period completed, with any payments already convertible into the equivalent number of



shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, and payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may continue to subscribe to the unsubscribed shares anytime within the 10-year period. The plan does not allow sale or assignment of the share. All shares acquired through the plan are subject to the Parent Company's Right to Repurchase.

In 2015, the Parent Company introduced a revised ESOWN plan wherein grantees are given one (1) month from the time an allocation is awarded to subscribe in full, with any unsubscribed awards forfeited.

In April 2021 and 2020, the BOD approved the 2021 and 2020 stock option program pursuant to its Employee Stock Ownership Plan (the "Plan").

In 2021, the program authorizes the grant to 32 executives, in accordance with the terms of the Plan, stock options covering up to a total of 600,275 common shares at a subscription price of ₱749.47 per share, which is the rounded off volume-weighted average prices of our common shares at the PSE over the last 5-day trading days from April 16 to 22, 2021.

In April 2022, the BOD approved the 2022 stock option program pursuant to its Employee Stock Ownership Plan (the "Plan"). The program authorizes the grant to 71 executives, in accordance with the terms of the Plan, stock options covering up to a total of 483,145 common shares at a subscription price of ₱749.55 per share, which is the rounded off volume-weighted average prices of the Parent Company's common shares at the PSE over the last 5-day trading days from April 22 to 28, 2022.

The Plan involved two grantee subgroups with distinct subscription payment structures: (A) following previous due dates from previous grants, i.e., 40% of subscription amount payable within three years from grant date, balance payable within 10 years, (B) 10% down payment, 90% payable in equal installments over a 10-year horizon (including the grant date).

In April 2023, the BOD approved the 2023 stock option program pursuant to its Employee Stock Ownership Plan (the "Plan"). The plan authorizes the grant to 81 executives in accordance with the terms of the Plan, stock options covering up to a total of 632,500 common shares at a subscription price of ₱635.74 per share, which is the rounded off volume-weighted average prices of the Parent Company's common shares at the PSE over the last 5-days from April 20 to 27, 2023.

On April 2024, the BOD, during its organization board meeting approved the 2024 stock option program pursuant to the Employee Stock Ownership Plan (the Plan), authorizing the grant to 111 executives, in accordance with the terms of the Plan, stock options covering up to a total of 790,000 common shares at a subscription price of ₱588.29 per share, which is the rounded off volume weighted average prices of our common shares at the PSE over the last 5-day trading days from April 19 to April 25, 2024. Subscribed shares remain in trust for the account of ESOWN Administrator until fully paid.

On April 25, 2025, the Parent Company's stockholders approved the amendment of the Parent Company's Employee Stock Ownership (ESOWN) Plan including provisions on the implementation of the Restricted Share Plan to complement the ESOWN Program as Long-Term Incentive Programs for the Corporation's employees, directors (excluding independent directors), and consultants of the Ayala Group, as approved and endorsed by its BOD.

On the same date, the Parent Company's BOD approved the 2025 stock option program pursuant to the Parent Company's ESOWN Plan. The 2025 stock option program authorizes the grant to 114 executives, in accordance with the terms of the ESOWN Plan, stock options covering up to a total of 812,000 common shares at a subscription price of ₱558.61 per share, which is the rounded off volume-weighted average prices of Ayala's common shares at the PSE over the last 5-day trading days from April 16 to April 24, 2025.



On May 27, 2025, 87 grantees subscribed to a total of 440,200 common shares at ₱558.61 per share under the 2025 General ESOWN grant of 2005 ESOWN, as amended. As a result of the subscriptions, the Parent Company's issued common shares are now 636,211,677 and outstanding common shares are 624,036,976.

ESOWN grants totaling 440,200, and 719,200 were subscribed in 2025 and 2024, respectively. Movements in the number of grants outstanding under ESOWN as of December 31, 2025 and 2024 follow:

	2025		2024	
	Number of ESOWN grants	Weighted average exercise price	Number of ESOWN grants	Weighted average exercise price
At January 1			—	₱—
Granted	511,000	558.61	763,000	588.29
Subscribed	(440,200)	(558.61)	(719,200)	(588.29)
Expired	(70,800)	558.61	(43,800)	588.29
At December 31	₱—	₱—	₱—	₱—

The ESOWN grants are effectively treated as options on shares exercisable within a given period, considering both the subscription period allowed to grantees and the subscription payment pattern. As such, the fair values of these options are estimated on the date of grant using the Black-Scholes Merton Formula, taking into account the terms and conditions upon which the options were granted. This model requires six inputs to produce the stock option value, which are namely: share price, exercise price, time to maturity, volatility rate, dividend yield, and risk-free rate.

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	April 26, 2025	April 28, 2024	April 23, 2023	April 23, 2023	April 23, 2022	April 23, 2021
Number of unsubscribed shares		—	—	—	—	—
Fair value of each option	155.20	₱187.16	₱194.28	₱205.64	₱132.88	₱162.32
Share price	₱562	₱595	₱639	₱737.50	₱737.50	₱754.50
Exercise price	558.61	₱588.29	₱635.74	₱749.55	₱749.55	₱749.47
Expected volatility	16.39%	19.95%	29.28%	28.61%	28.61%	32.69%
Dividend yield	1.490%	1.1630%	4.3460%	0.94%	0.94%	0.90%
Interest rate	5.16%	5.89%	5.67%	0.95%	0.95%	1.13%

In 2025, 2024 and 2023 the Parent Company recognized ₱64.2 million, ₱128.4 million and ₱114.6 million as share-based payments expense, respectively.

Subscriptions receivable from the stock option plans covering the Parent Company's shares are presented under equity.

ALI

ALI has stock option plans for key officers and employees covering 2.5% of ALI's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

ESOP

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of ALI or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given 3 years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.



ALI has no ESOP grant and availment during 2025, 2024 and 2023.

ESOWN

In November 2001, ALI offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, ALI introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee of ALI as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of ALI or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to ALI's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

On August 17, 2020, the BOD approved ALI's 2020 stock option program pursuant to ALI's Employee Stock Ownership Plan (the "Plan"), covering up to 18,194,618 common shares at a subscription price of ₱27.72 per share, which is the average price of ALI common shares at the Philippine Stock Exchange over the last 15-day trading as of August 14, 2020, less 15% discount.

On September 28, 2020, 169 stock option grantees subscribed to 14,845,498 common shares at ₱27.72 per share and became effective on the same day. As a result of the subscription of the 169 stock option grantees, the number of ALI outstanding common shares increased to 14,730,395,599.

On February 23, 2021 and April 21, 2021, the ALI BOD and stockholders, respectively, approved the amendment of the ESOWN Plan to increase the covered shares from 2.5% to 3% of the ALI's total authorized capital stock.

On May 3, 2021, 156 ESOWN grantees subscribed to a total of 11,389,265 common shares at ₱33.29 per share. The subscriptions became effective on the same day. The option price is the average price of common shares at the PSE over the last five trading days as of February 22, 2021, less a 15% discount. As a result of the subscriptions, the outstanding common shares of ALI increased to 14,711,784,864.

On May 19, 2022, 223 grantees subscribed to a total of 14,170,576 common shares at ₱30.29 per share. Of the 14,170,576 common shares subscribed, 10,072,622 shares are immediately available for issuance while the remainder will become available upon approval by the SEC of the ALI's application for exemption from the registration requirements. The option price is the average price of the common shares at the PSE over the last 30-day trading as of February 14, 2022, less 15% discount.



On September 9, 2022, the SEC approved the application for exemption from the registration requirements for the additional 100,000,000 common shares allocated for ESOWN. With this, an additional 4,097,954 common shares were issued to the eligible subscribers of the 2022 ESOWN Grant at ₱30.29 per share. The option price is the average price of the common shares at the PSE over the last 30-day trading 33 as of February 14, 2022, less 15% discount. As a result of the additional subscriptions, the number of ALI's issued and outstanding common shares are now at 15,395,366,537 and 14,762,076,694, respectively.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2025	WAEP	2024	WAEP	2023	WAEP
At January 1	₱114,437,102	₱-	₱121,751,919	₱-	₱122,528,917	₱-
Granted	8,439,996	20.42	9,894,677	28.82	14,579,091	24.68
Exercised	(8,339,431)	-	(16,235,865)	-	(14,496,300)	-
Forfeitures	(9,879,274)	-	(973,629)	-	(859,789)	-
At December 31	₱104,658,393	₱20.42	₱114,437,102	₱28.82	₱121,751,919	₱-

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	Grant Date									
	May 26, 2025	May 1, 2024	March 31, 2023	March 31, 2022	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016
Number of unsubscribed shares	-	-	-	-	-	-	-	-	-	181,304
Fair value of each option(BTM)	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱8.48	₱13.61
Fair value of each option(BSM)	₱8.86	₱8.30	₱9	₱12.62	₱9.25	₱9.12	₱17.13	₱12.71	₱-	₱18.21
Weighted average share price	₱24.02	₱33.91	₱29	₱35.63	₱39.17	₱32.61	₱44.70	₱41.02	₱39.72	₱35.58
Exercise price	₱20.42	₱28.82	₱25	₱30.29	₱33.29	₱27.72	₱44.49	₱45.07	₱35.81	₱26.27
Expected volatility	28.16%	25.80%	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%
Dividend yield	2.46%	1.43%	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%
Interest rate	5.24%	5.55%	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%

Total expense (included under "General and administrative expenses") recognized in 2025, 2024 and 2023 in the consolidated statement of income arising from share-based payments of ALI amounted to ₱86.5 million, ₱107.5 million and ₱149.5 million, respectively.

IMI

IMI Group has an ESOWN, which is a privilege extended to IMI Group's eligible managers and staff whereby IMI Group allocates up to 10% of its authorized capital stock for subscription by said personnel under certain terms and conditions stipulated in the ESOWN.

The key features of the plan are as follows:

- The subscription price per share shall be based on the average closing price at the PSE for 20 consecutive trading days with a discount to be determined by the Compensation Committee of IMI.
- Term of payment is eight years reckoned from the date of subscription with specified percentage of payment (i.e., 2.5% initial payment, 5.0% on 1st anniversary, 7.5% on 2nd anniversary, 10% on 3rd anniversary and balance over remaining years).
- Holding period: 40%, 30% and 30% after one (1), two (2) and three (3) years from subscription date, respectively.



Movements in the number of shares outstanding under ESOWN in 2025, 2024 and 2023 follow:

	2025		2024		2023	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
At beginning of year	136,872,538	6.93	136,926,800	₱6.60	137,004,327	₱6.60
Forfeitures	-	-	(54,262)	12.50	(77,527)	12.50
At end of year	136,872,538	6.93	136,872,538	₱6.63	136,926,800	₱6.60

Total expense arising from share-based payments of IMI (included under "General and administrative expenses") in the consolidated statements of income amounted to nil in 2025, 2024 and 2023.

29. Operating Segment

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

- Parent Company - represents operations of the Parent Company including its financing and investing entities such as ACIFL, AYCFL, PFIL and MHI.
- Real estate and hotels - planning and development of large-scale fully integrated mixed-used communities that become thriving economic centers in their respective regions. These include development and sale of residential, leisure and commercial lots and the development and leasing of retail and office space and land in these communities; construction and sale of residential condominiums and office buildings; development of industrial and business parks; development and sale of high-end, upper middle-income and affordable and economic housing; strategic land bank management; hotel, cinema and theater operations; and construction and property management income and affordable and economic housing; strategic land bank management; hotel, cinema and theater operations; and construction and property management.
- Financial services and insurance - commercial banking operations with expanded banking license. These include diverse services such as deposit taking and cash management (savings and time deposits in local and foreign currencies, payment services, card products, fund transfers, international trade settlement and remittances from overseas workers); lending (corporate, consumer, mortgage, leasing and agri-business loans); asset management (portfolio management, unit funds, trust administration and estate planning); securities brokerage (on-line stock trading); foreign exchange and capital markets investments (securities dealing); corporate services (corporate finance, consulting services); investment banking (trust and investment services); a fully integrated bancassurance operations (life, non-life, pre-need and reinsurance services); and other services (internet banking, foreign exchange and safety deposit facilities). planning); securities brokerage (on-line stock trading); foreign exchange and capital markets investments (securities dealing); corporate services (corporate finance, consulting services); investment banking (trust and investment services); a fully integrated bancassurance operations (life, non-life, pre-need and reinsurance services); and other services (internet banking, foreign exchange and safety deposit facilities).
- Telecommunications (Telecoms) - provider of digital wireless communications services using a fully digital network; domestic and international long distance communication services or carrier services; broadband internet and wireline voice and data communication services; also licensed to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services. In recent years, operations include developing, designing, administering, managing and operating software applications and systems, including systems designed for the operations of bill payment and money remittance, payment facilities through various telecommunications systems operated



by telecommunications carriers in the Philippines and throughout the world and to supply software and hardware facilities for such purposes.

- Industrial Technologies - global provider of electronics manufacturing services (EMS) and power semiconductor assembly and test services with manufacturing facilities in Asia, Europe, and North America. It serves diversified markets that include those in the automotive, industrial, medical, telecommunications infrastructure, storage device, and consumer electronics industries. Committed to cost-development to manufacturing and order fulfillment), ACITHI's comprehensive capabilities and global manufacturing presence allow it to take on specific outsourcing needs.
- Power - unit that will build a portfolio of power generation assets using renewable and conventional technologies which in turn will operate business of generating, transmission of electricity, distribution of electricity and supply of electricity, including the provision of related services.
- Automotive and Others - includes operations of the following:
 - Automotive/ Motors - business on manufacturing, distribution and sale plus providing repairs and services for passenger cars, commercial vehicles, motorcycles. Initiatives include industrial manufacturing activity for long-term synergy and integration with automotive business.
 - Healthcare - catering to accessible, affordable, and quality healthcare for all Filipinos by building, investing, and connecting various businesses into an integrated and seamless ecosystem of services across the continuum of care.
 - Infrastructure - development arm for various types of infrastructure
 - Logistics - business unit provides end-to-end logistics solutions to cater to all customers across the value chain.
 - Water - water delivery, sewerage, sanitation, distribution services, pipeworks, used water management and management services; also exclusively provides water services, facilities to all property development projects of major real estate companies.
 - Education - delivering accessible, quality education that enables significantly improved employability for our high school and college graduates; with mission to transform lives and society by innovating Philippine education and research.
 - Venture capital - platform for peeking into new technologies and business models that are relevant to the group; aims to be an enabler by investing in adjacent businesses that are complementary to Ayala's existing business units and a pathfinder by investing in new sectors, emerging trends, and innovative businesses.
 - International unit - strategic investments in overseas property companies and projects.
 - Others - includes outsourcing services unit (onshore and offshore outsourcing services in the research, analytics, legal, electronic discovery, document management, finance and accounting); aviation (air-chartered services); consultancy, and other operating companies.

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

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

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

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



The following tables regarding operating segments present assets and liabilities as of December 31, 2025, 2024 and 2023 and revenue and income information for each of the three years in the period ended December 31, 2025 (amounts in millions):

2025

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Revenue									
Sales to external customers	P340	P172,947	P-	P-	P57,384	P31,547	P74,668	P-	P336,886
Intersegment	396	1,548	-	-	(67)	-	300	(2,177)	-
Share in net profits of associates and joint ventures	-	2,305	29,821	7,262	-	4,657	2,705	-	46,750
	736	176,800	29,821	7,262	57,317	36,204	77,673	(2,177)	383,636
Costs and expenses									
Costs of sales and services	10	102,526	-	-	51,890	24,110	65,736	(1,616)	242,656
General and administrative	5,749	12,192	-	-	3,864	13,874	13,520	(280)	48,919
	5,759	114,718	-	-	55,754	37,984	79,256	(1,896)	291,575
Other income (charges)									
Interest income	971	848	-	-	50	14,861	676	(194)	17,212
Other income	10,469	12,448	-	-	182	1,724	3,899	355	29,077
Interest and other financing charges	(10,307)	(19,306)	-	-	(1,171)	(7,315)	(1,896)	237	(39,758)
	1,133	(6,010)	-	-	(939)	9,270	2,679	398	6,531
Net income (loss) before income tax	(3,890)	56,072	29,821	7,262	624	7,490	1,096	117	98,592
Provision for (benefit from) income tax	233	10,519	-	-	439	60	492	(20)	11,723
Net income (loss)	(P4,123)	P45,553	P29,821	P7,262	P185	P7,430	P604	P137	P86,869
Other information									
Segment assets	P69,006	P952,257	P-	P-	P39,729	P365,987	P96,646	(P77,123)	P1,446,502
Investments in associates and joint ventures	316,308	32,399	-	-	-	63,638	14,157	-	426,502
Deferred tax assets	167	13,328	-	-	112	3,253	1,025	678	18,563
Total assets	P385,481	P997,984	P-	P-	P39,841	P432,878	P111,828	(P76,445)	P1,891,567
Segment liabilities	P207,473	P602,176	P-	P-	P25,422	P241,667	P52,941	(P62,036)	P1,067,643
Deferred tax liabilities	167	9,902	-	-	59	1,661	2,287	-	14,076
Total liabilities	P207,640	P612,078	P-	P-	P25,481	P243,328	P55,228	(P62,036)	P1,081,719
Segment additions to property, plant and equipment and investment properties	P460	P42,387	P-	P-	P449	P20,788	P2,529	P4,531	P71,144
Depreciation and amortization	275	10,665	-	-	1,530	3,958	2,018	(503)	17,943
Non-cash expenses other than depreciation and amortization	P934	P2,273	P-	P-	P240	P8,616	P1,465	(P47)	P13,481
Cash flows provided by (used in):									
Operating activities	(P12,351)	P28,986	P-	P-	P4,448	P2,171	(P9,837)	P6,243	P19,660
Investing activities	36,562	(40,801)	-	-	(857)	(21,454)	23,527	(39,269)	(42,292)
Financing activities	(21,619)	9,028	-	-	(4,410)	10,806	(13,403)	33,030	13,432



2024

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Revenue									
Sales to external customers	P68	P177,333	P-	P-	P62,702	P36,861	P48,780	P-	P325,744
Intersegment	132	(800)	-	-	(44)	-	329	383	-
Share in net profits of associates and joint ventures	-	2,025	27,915	7,591	-	4,623	2,154	-	44,308
	200	178,558	27,915	7,591	62,658	41,484	51,263	383	370,052
Costs and expenses									
Costs of sales and services	17	110,208	-	-	57,389	27,379	43,020	493	238,506
General and administrative	8,715	9,471	-	-	9,839	7,127	15,928	190	51,270
	8,732	119,679	-	-	67,228	34,506	58,948	683	289,776
Other income (charges)									
Interest income	684	844	-	-	100	10,752	1,055	(171)	13,264
Other income	4,386*	1,330	-	-	742	4,966	2,805	280	14,509
Interest and other financing charges	(9,898)	(18,288)	-	-	(1,209)	(5,387)	(1,587)	170	(36,199)
	(4,828)	(16,114)	-	-	(367)	10,331	2,273	279	(8,426)
Net income (loss) before income tax	(13,360)	42,765	27,915	7,591	(4,937)	17,309	(5,412)	(21)	71,850
Provision for (benefit from) income tax	65	8,534	-	-	196	1,109	452	32	10,388
Net income (loss)	(P13,425)	P34,231	P27,915	P7,591	(P5,133)	P16,200	(P5,864)	(P53)	P61,462
Other information									
Segment assets	P64,867	P873,722	P-	P-	P46,492	P333,001	P79,292	(P69,490)	P1,327,884
Investments in associates and joint ventures	272,925	30,734	-	-	-	58,917	38,646	-	401,222
Deferred tax assets	151	14,853	-	-	216	3,372	955	673	20,220
Total assets	P337,943	P919,309	P-	P-	P46,708	P395,290	P118,893	(P68,817)	P1,749,326
Segment liabilities	P234,197	P549,559	P-	P-	P33,587	P209,292	P42,197	(P60,471)	P1,008,361
Deferred tax liabilities	73	10,468	-	-	56	2,195	2,591	-	15,383
Total liabilities	P234,270	P560,027	P-	P-	P33,643	P211,487	P44,788	(P60,471)	P1,023,744
Segment additions to property, plant and equipment and investment properties	P348	P34,349	P-	P-	P545	P34,013	P2,740	(P4,141)	P67,854
Depreciation and amortization	261	10,275	-	-	1,885	2,658	2,271	(158)	17,192
Non-cash expenses other than depreciation and amortization	P3,846	P255	P-	P-	P3,751	P1,150	P5,763	P489	P15,254
Cash flows provided by (used in):									
Operating activities	(P10,377)	P31,212	P-	P-	P3,750	P8,012	(P5,031)	(P20,197)	P7,369
Investing activities	(2,111)	(54,683)	-	-	(34)	(40,752)	(23,391)	56,632	(64,339)
Financing activities	12,377	27,830	-	-	(4,101)	18,753	28,830	(26,980)	56,709

* Includes calculated dilution gain from BPI and RBC merger amounting to P4.2 billion (P2.8 billion from AC's direct investment in BPI and P1.4 billion from its share in LHI's dilution of its investment in BPI) (see Note 10).



2023

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Revenue									
Sales to external customers	P57	P139,463	P-	P-	P74,337	P35,458	P40,590	P-	P289,905
Intersegment	97	583	-	-	(139)	6	275	(822)	-
Share in net profits of associates and joint ventures	-	1,577	24,649**	7,655	-	6,939	1,797	4,016**	46,633
Interest income from real estate	-	5,360	-	-	-	-	-	-	5,360
	154	146,983	24,649	7,655	74,198	42,403	42,662	3,194	341,898
Costs and expenses									
Costs of sales and services	17	87,092	-	-	67,508	30,627	35,019	(431)	219,832
General and administrative	2,965	9,625	-	-	9,260	7,458	14,630	(1,291)	42,647
	2,982	96,717	-	-	76,768	38,085	49,649	(1,722)	262,479
Other income (charges)									
Interest income	573	643	-	-	118	9,717	667	(215)	11,503
Other income	(3,415)**	1,015	-	-	(1,217)	6,584	3,991	(1,924)	5,034
Interest and other financing charges	(8,757)	(15,406)	-	-	(1,178)	(4,672)	(1,540)	353	(31,200)
	(11,599)	(13,748)	-	-	(2,277)	11,629	3,118	(1,786)	(14,663)
Net income (loss) before income tax	(14,427)	36,518	24,649	7,655	(4,847)	15,947	(3,869)	3,130	64,756
Provision for (benefit from) income tax	61	7,489	-	-	439	360	1,212	19	9,580
Net income (loss)	(P14,488)	P29,029	P24,649	P7,655	(P5,286)	P15,587	(P5,081)	P3,111	P55,176
Other information									
Segment assets	P63,177	P796,438	P-	P-	P56,216	P294,645	P76,423	(P51,610)	P1,235,289
Investments in associates and joint ventures	262,757	31,174	-	-	-	45,102	14,931	-	353,964
Deferred tax assets	133	15,146	-	-	142	2,224	912	903	19,460
Total assets	P326,067	P842,758	P-	P-	P56,358	P341,971	P92,266	(P50,707)	P1,608,713
Segment liabilities	P211,266	P519,146	P-	P-	P37,813	P166,635	P41,727	(P54,274)	P922,313
Deferred tax liabilities	73	7,324	-	-	56	1,288	2,718	-	11,459
Total liabilities	P211,339	P526,470	P-	P-	P37,869	P167,923	P44,445	(P54,274)	P933,772
Segment additions to property, plant and equipment and investment properties	P340	P21,455	P-	P-	P1,527	P29,379	1,886	P2,485	P57,072
Depreciation and amortization	P228	P9,506	P-	P-	P1,966	P1,648	P2,043	(P910)	P14,481
Non-cash expenses other than depreciation and amortization	(P416)	P589	P-	P-	P3,557	P3,001	P5,406	(P870)	P11,267
Cash flows provided by (used in):									
Operating activities	(P8,388)	P21,360	P-	P-	P301	P1,581	(P3,563)	P3,185	P14,476
Investing activities	13,660	(30,186)	-	-	(1,903)	(26,115)	(4,040)	(6,726)	(55,310)
Financing activities	(4,667)	13,886	-	-	219	29,929	5,905	(3,581)	41,691

**Represents gain from divestment by Arran in LHI amounting to P4.0 billion and related dilution loss on the change in interest of the Parent Company amounting to P3.6 billion (see Note 10).



Geographical Segments

	Revenue			Total Assets		Investment Properties and Property, Plant and Equipment Additions	
	(In Millions)						
	2025	2024	2023	2025	2024	2025	2024
Philippines	₱322,426	₱304,380	₱265,132	₱1,583,802	₱1,513,970	₱58,359	₱49,035
Europe	41,900	46,176	51,587	286,608	21,604	12,542	1,621
Asia	13,157	13,160	13,758	15,399	207,199	235	17,022
USA	6,153	6,336	11,421	5,758	6,553	8	176
	₱383,636	₱370,052	₱341,898	₱1,891,567	₱1,749,326	₱71,144	₱67,854

30. Leases

Group as a lessee

The Group has lease contracts for land, building, warehouses and various items of plant, machinery, vehicles and other equipment used in its operations. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of office space and machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rollforward analysis of right-of-use assets recognized and the movements during the years are as follows:

	2025			
	Right-of-use Assets			
	Land, Building and Improvements	Transportation Equipment	Others	Total
	(In Thousands)			
Cost				
At January 1	₱35,677,239	₱307,569	₱1,333,632	₱37,318,440
Addition during the year	964,634	160,022	748,587	1,873,243
Modifications/adjustments	(2,843,010)	(245,135)	702,534	(2,385,611)
At December 31	33,798,863	222,456	2,784,753	36,806,072
Accumulated Depreciation and Amortization				
At January 1	11,913,055	252,922	590,345	12,756,322
Depreciation (Note 22)	1,436,518	30,218	472,329	1,939,065
Capitalized depreciation	303,271	11,634	1,263	316,168
Cumulative translation adjustment	(777,164)	(40,494)	105,890	(711,768)
Modification/adjustments	166,463	(200,606)	155,469	121,326
At December 31	13,042,143	53,674	1,325,296	14,421,113
Net Book Value	₱20,756,720	₱168,782	₱1,459,457	₱22,384,959

	2024			
	Right-of-use Assets			
	Land, Building and Improvements	Transportation Equipment	Others	Total
	(In Thousands)			
Cost				
At January 1	₱31,120,777	₱1,618,232	₱1,099,092	₱33,838,101
Addition during the year	4,321,198	204,899	324,523	4,850,620
Modifications/adjustments	235,264	(1,515,562)	(89,983)	(1,370,281)
At December 31	35,677,239	307,569	1,333,632	37,318,440
Accumulated Depreciation and Amortization				
At January 1	8,990,531	753,345	596,044	10,339,920
Depreciation (Note 22)	2,027,982	433,986	276,640	2,738,608
Capitalized depreciation	256,037	3,367	-	259,404
Cumulative translation adjustment	192,882	1,569	1,733	196,184
Modification/adjustments	445,623	(939,345)	(284,072)	(777,794)
At December 31	11,913,055	252,922	590,345	12,756,322
Net Book Value	₱23,764,184	₱54,647	₱743,287	₱24,562,118



The rollforward analysis of lease liabilities follows (in thousands):

	2025	2024
At January 1	₱33,441,975	₱30,705,536
Additions	1,873,243	4,850,620
Accretion of interest expense (Note 22)	2,581,254	2,409,910
Foreign exchange loss (gain)	724	(34,306)
Cumulative translation adjustment	(239,916)	(260,875)
Payments	(3,304,450)	(2,775,815)
Remeasurement due to lease modification/adjustments	(1,091,134)	(195,683)
Remeasurement due to termination of lease contract	(237)	83,554
Disposals	(114,554)	(908,475)
Others	(1,497,754)	(432,490)
As at December 31	31,649,151	33,441,976
Current lease liabilities	(3,325,546)	(4,647,964)
Noncurrent lease liabilities	₱28,323,605	₱28,794,012

The following are the amounts recognized in the consolidated statement of income (in thousands):

	2025	2024
Depreciation expense of right-of-use assets	₱1,939,065	₱2,587,151
Interest expense on lease liabilities	2,581,254	2,409,910
Expense relating to short-term leases	491,207	383,045
Expense relating to variable lease payments	80,648	—
Foreign exchange loss	724	3,385
Expense relating to leases of low-value assets	469	—
	₱5,093,367	₱5,383,491

The Group had a total cash outflow for leases of ₱3,304.5 million and ₱2,775.8 million in 2025 and 2024, respectively. In 2025 and 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of ₱1,873.2 million and ₱4,850.6 million, respectively.

Refer to Note 32 (Liquidity risk) for the maturity analysis of the undiscounted lease payments.

The significant leases entered into by the Group are as follows:

ALI Group

ALI Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

ALI Group has lease contracts for land that contains variable payments based on certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned.

The following provides information on the ALI Group's variable lease payments, including the magnitude in relation to fixed payments (in thousands):

	2025		
	Fixed Payments	Variable Payments	Total
Fixed	₱1,714,690	₱—	₱1,714,690
Variable rent with minimum payment	—	3,411,824	3,411,824
Variable rent only	—	275,468	275,468
At December 31	₱1,714,690	₱3,687,292	₱5,401,982



	2024		
	Fixed Payments	Variable Payments	Total
Fixed	₱806,242	₱—	₱806,242
Variable rent with minimum payment	—	2,689,830	2,689,830
Variable rent only	—	259,801	259,801
At December 31	₱806,242	₱2,949,631	₱3,755,873

ALI

On January 2017, ALI signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three (23) years and three (3) months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to ₱100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In 2025, ALI became the new lessee for the lease of Ten parcels of land located Brgy. Mactan, Lapu-Lapu City, Mactan Island, Cebu, after the merger of Asiatown Hotel Ventures, Inc. with ALI. The term of lease shall be for a period of fifty (50) years commencing from date of execution agreement.

Bay City

On January 2015, ALI signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. ALI signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and ALI. ALI assigned the parcels of land to Bay City in December 2017.

ALI also signed the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014.

Ayalaland MetroNorth, Inc. (AMNI)

On January 28, 2011, the Board of Regents of the University of the Philippines awarded to AMNI the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. AMNI signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to AMNI in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

NTDCC

NTDCC entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to NTDCC in exchange for NTDCC's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.



In consideration of the lease, the NTDC will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the NTDC's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the NTDC to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDC was acknowledged by DOTC making MRTDC and NTDC jointly and severally liable for the DRP and all other obligations attached thereto. NTDC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration.

On October 29, 2015, the NTDC entered into a non-cancellable land lease agreement with GERI for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development rights period.

During 2016, the NTDC entered into non-cancellable land lease agreement with Anglo, DBH and Allante which shall be effective until August 8, 2047.

ALICAP

In December 2017, the ALICAP entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US\$0.42 million. The ATR72-600 with

MSN 1440 was delivered to ALICAP in February 2018 and has started flight operations in March 2018. ALICAP, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US\$14.16 million.

In June 2018, ALICAP entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US\$0.42 million. The ATR72-600 with MSN 1492 was delivered to ALICAP on the same month and has started flight operations in August 2018. ALICAP, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US\$14.16 million.

AHRC

On January 30, 2018, the AHRC signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 3,220 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) ₱70 million per annum for the first 5 years (b) 5% of Gross Revenues or ₱70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5% of Gross Revenues or ₱70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of ₱73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. AHRC has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys Capitol Central Hotel Ventures, Inc. to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.



Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱350 per square meter for the 1st year, ₱375 per square meter for the 2nd year and ₱400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. Bonifacio Hotel Ventures, Inc. entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱575 per square meter for the 1st year, ₱616.06 per square meter for the 2nd year and ₱657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

ALLHC

On August 28, 1990, ALLHC, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014.

Station Square East Commercial Corporation (SSECC)

ALI has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, ALI transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

Capitol

On April 26, 2012 ALI signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. ALI signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and ALI. ALI assigned the parcels of land to Capitol in December 2017.

Arvo Commercial Corporation (Arvo)

On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of 2 years and lease payments shall commence thereafter. Lease payments shall be paid annually at ₱60.00 per sqm, subject to an annual escalation of 4%.



IMI Group

IMI Group has various operating lease agreement in respect of plant facilities, office spaces and land. These lease agreements have terms ranging from 5 to 15 years, fixed payment subject to escalation clauses, renewal option and early termination penalties.

Operating leases - as lessor

ALI Group

ALI Group have lease agreements with third parties covering their investment properties portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under noncancellable operating leases of ALI Group are as follows:

	2025	2024
	(In Thousands)	
Within one year	₱19,406,247	₱15,743,963
After one year but not more than five years	43,596,568	18,764,311
More than five years	28,285,936	42,335,735
	₱91,288,751	₱76,844,009

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

Total rental income from the lease agreements amounted to ₱38,118.0 million, ₱35,862.6 million and ₱32,896.2 million in 2025, 2024 and 2023, respectively (see Note 21).

31. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Parent Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Risk Management and Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the Committee approved threshold value of ₱50.0 million or five (5) percent of the total assets, whichever is lower. The Parent Company's Risk Management Unit, acting as the secretariat of the Committee, reviewed the RPTs before these were presented to the Committee for approval.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of deposits/placements, advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative



service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

The transactions and balances of accounts with related parties follow:

a. Transactions with BPI, an associate

1. As of December 31, 2025 and 2024, the Group maintains current and savings account, money market placements and other short-term investments with BPI broken down as follows (amounts in thousands):

	2025	2024
Cash in banks	₱5,636,570	₱6,986,671
Cash equivalents	18,744,468	16,972,959
Short-term investments	142,379	474,375
Financial assets at FVTPL	1,417,953	6,084,589

2. From the Group's placements and short-term investments with BPI, the Group has accrued interest receivable amounting to ₱32.7 million and ₱14.3 million as of December 31, 2025 and 2024, respectively. Cash in banks and cash equivalents earn interest at 0.25% to 6.25% per annum. Investment in FVTPL pertain to MMF which earns interest depending on the duration of time invested in the fund with fair value of ₱1,658.8 million and ₱6,084.6 million as of December 31, 2025 and 2024, respectively. Interest income earned from all the deposits, placements and investments amounted to ₱629.3 million in 2025, ₱717.0 million in 2024 and ₱706.76 million in 2023.

The Group also has short-term and long-term debt payable to BPI aggregating to ₱69.60 billion and ₱66.89 billion as of December 31, 2025 and 2024, respectively. These short-term and long-term debts are interest bearing with varying rates ranging from 3.27% to 7.11%, have various maturities starting 2019 and varying schedules of payments for interest. Interest expense incurred from the debt amounted to ₱3,473.8 million in 2025, ₱2,686.9 million in 2024 and ₱2,164.2 million in 2023.

Transactions with BPI will be settled in cash.

b. Outstanding balances of related party transactions follow (amounts in thousands):

	Receivables		Payables	
	2025	2024	2025	2024
Associates:				
BPI	₱1,005,030	₱1,196,001	₱1,620,383	₱1,055,281
HCP	444,610	105,091	12,916	183,805
Rize-Ayalaland (Kingsway) GP Inc.	341,586	733,070	—	—
BF Jade E-Services Philippines, Inc.	—	90,059	—	5,932
Tianjin Eco-City Ayala Land Development Co. Ltd.	24,320	24,320	—	—
Alveo-Federal Land Communities, Inc.	23,540	—	—	—
Bonifacio Land Corp. (BLC)	573	573	211,893	212,696
Mercado General Hospital, Inc. (MGHI)	—	792	—	—
	1,839,659	2,149,906	1,845,192	1,457,714
Joint ventures:				
ALI-ETON Property Development Corporation	3,476,528	3,043,999	4,542	4,417
BrightNight	3,019,322	648,478	—	—
Unlimited Renewable Holding	2,616,783	485,247	—	—
AMI AC Renewables Corporation (AAR)	1,984,552	1,694,948	—	—
Yoma Group	1,731,982	1,634,863	—	—
Globe	370,721	308,005	78,265	207,810
Greencore Power Solutions 3, Inc	116,618	4,810,301	—	—
Maibara Geothermal, Inc.	3,453	—	195,826	105,251
	13,319,959	12,625,841	278,633	317,478

(Forward)



	Receivables		Payables	
	2025	2024	2025	2024
Other related parties:				
Vietnam Wind Energy Limited	₱9,305,035	₱8,455,330	₱—	₱—
Asian Wind 1 /Asian Wind Power 2 HK Ltd.	3,547,420	3,080,135	—	—
UPC Solar Asia Pacific Ltd.	3,306,909	2,738,482	—	—
BIM Renewable Energy Joint Stock Company (BIMRE)	3,072,553	2,099,233	—	—
UPC Power Solutions	2,287,631	1,378,101	—	—
NEFIN Solar Asset Limited	1,552,442	1,464,001	—	—
Yindjibarndi Energy Corporation	1,245,250	—	—	—
Amihan Renewables	725,712	—	—	—
BIM Wind Power Joint Stock Company (BIM Wind)	608,661	747,678	—	—
Impact Wind	591,583	—	—	—
Masaya Solar Energy Private Ltd	119,932	147,505	—	—
PT Entities	55,800	763,788	—	—
Columbus Holdings, Inc.	42,922	42,922	—	—
Ingrid Power Holdings	40,724	120,727	—	—
North Luzon Renewable Energy Corp.	25,874	—	—	—
Esta Galleria, Inc.	21,312	—	99,320	98,151
AA Thermal	8,653	—	438,593	—
Fort Bonifacio Development Corporation (FBDC)	—	661,527	77,621	42,634
Masaya Solar Hold Co. Ltd.	—	—	1,950,053	1,918,707
GNPower Dinginin Ltd. Co.	—	—	—	479,827
Others	1,904,376	1,964,719	120,997	229,668
	28,462,789	23,664,148	2,686,584	2,768,987
	₱43,622,407	₱38,439,895	₱4,810,409	₱4,544,179

Dividends	Receivables		Payables	
	2025	2024	2025	2024
Stockholder				
Mermac	₱—	₱—	₱1,365,961	₱1,241,853
Cash				

1. Receivable from BPI includes trade receivables on vehicles sold and financing dealer incentives by AC Industrials Group, dividends receivable and accrued interest receivables on short-term placements by the Group.
2. Receivable from HCP pertains to marketing and sales incentives arising from the sale of vehicles. Payable to HCP consist of purchased parts and accessories and vehicles that are trade in nature, interest-free, unsecured and are payable within 15 to 30 days.
3. Receivable from MGHI includes 5-year loan subject to interest of 4% (Note 35), billings related to Testing/Laboratory sites, and receivable for rent and utilities.
4. Receivable from BLC pertains to parcels and documents delivery by Entrego.
5. Receivable from ALI-ETON pertains to the sale of land by Alveo to ALI-ETON.
6. Receivable from BrightNight pertains to an interest-bearing shareholder loan agreement to fund renewable projects in India. The loan is payable on the date falling twenty (20) years after the date of Agreement or such other date as may be agreed between the Parties, with 12.00% interest per annum.
7. Receivable from URH pertains to facility agreement between ACEIC and URH to fund renewable energy projects in India.
8. Receivable from AAR and UPC III pertains to accrued interest income on dividend yields from investments in the redeemable preference shares.
9. Receivable from Globe includes trade receivables on vehicles sold and project management and professional fees.
10. Receivable from Asian Wind 1 pertains to an interest-bearing loan agreement to refinance the Preferred B Facility Agreement with ACEIC and to provide additional funding for the development, financing and construction of the Dai Phong Project. The interest-bearing loan has a total facility of US\$61.00 million and bears an annual fixed rate and payable 12 months from the commissioning date.



11. Receivable from Asian Wind 2 pertain to a Preferred B Facility Agreement with Asian Wind Power 2 HK to make available a convertible term loan facility (convertible to RPS) in an aggregated amount not exceeding US\$54.00 million (¥2,617.00 million) to finance the development and construction of Hong Phong 1 Project. The principal and interest are payable on earlier of 5 business days from the date of drawdown of Debt Replacement facility or 25th anniversary of drawdown date. The RPS shall earn coupon rate which is fixed, cumulative, and compounding annually and are not entitled to any additional dividends, is redeemable only by cash at the issuer's option on "first in first out".
12. Receivable from BIM Wind pertains to an interest-bearing loan agreement to fund the pre-development costs and turbine reservation fees for the project of BIM Wind in Vietnam. The interest-bearing loan has a total facility of US\$45.00 million and bears an annual fixed interest and payable 5 months from the drawdown date. On May 19, 2021, the loan facility was amended to increase the principal amount and extend the maturity to 10 years.
13. Receivable from Vietnam Wind Energy pertains to an interest-bearing loan facility to provide bridge financing and to partially fund the construction of the Soc Trang Wind projects.
14. Receivable from BIMRE pertains to an interest-bearing loan agreement to partially fund the construction of the incremental project expansion. The interest-bearing loan has a total facility of US\$40.00 million, bears an annual fixed interest and is payable 12 months from the drawdown date. First drawdown was made on June 9, 2020 and subsequently on January 4, 2021.
15. Receivable from Greencore pertains to interest bearing loan agreement to finance the development, construction, operation and maintenance of the power plant (Note 10). The loan is secured by (1) a real estate mortgage over Greencore's real assets in favor of ACEN, (2) a mortgage and pledge over the shareholding of the shareholders of Greencore in favor of ACEN, and (3) the cashflows of the project
16. Receivable from UPC Solar pertains to the loan agreement it has entered into with ACEIC Group to fund the development and construction of renewable energy assets in Asia. The loan and interest are payable on January 31, 2023.
17. Receivable from NEFIN Solar pertains to the interest-bearing loan facility to provide bridge financing. The interest-bearing loan has a total facility of US\$35 million and bears an annual fixed rate payable from the second anniversary date of the first issuance. First issuance date is April 22, 2022.
18. Receivable from Amihan Renewables (AREC) pertain to facility agreement with ACEN to fund AREC's working capital requirements. The loan is interest bearing and has a maturity date of five years from initial drawdown.
19. Receivable from Yindjibarndi Energy Corporation (YEC) pertains to a loan facility to fund the working capital requirements of YEC.
20. Receivable from FBDC largely pertains to management fees which are included under "Other income" and billed and unbilled receivables of MDC Group for the construction of FBDC's projects.
21. Receivable from Ingrid Power Holdings pertains to the short-term loan agreement for Ingrid's working capital requirements. The interest-bearing loan bears an annual fixed rate and principal is payable 30 to 120 days from drawdown.
22. Receivable from Masaya Solar pertains to loan facility to fund the development of Masaya Solar in Madhya Pradesh, India. The loan is payable in 3 years from utilization date.
23. ACEIC Group's interest-bearing receivables with related parties bear interest ranging from 3.00% to 15% annually.

ACEIC Group has RPS and convertible loans with related parties. Refer to Note 15 for the details of the transactions, balances, and terms and conditions.

24. Other outstanding balances of receivable from related parties at year-end pertain mostly to advances, including those for project development, logistics and reimbursement of operating expenses
25. All these are unsecured, interest free, will be settled in cash and are due and demandable, unless otherwise stated.



26. Payable to BPI includes interest payable on Group's borrowings payable at various payment terms like monthly or quarterly and insurance premiums payable which are due in 30-60 days.
27. The other outstanding balances of payable to related parties at year-end pertains to advances, including those for development costs and land acquisitions, and expenses incurred on utilities, professional services, logistics and other miscellaneous services. Unless otherwise stated, all these are unsecured, interest free, will be settled in cash and are due and demandable.
28. Allowance for doubtful accounts on amounts due from related parties amounted to ₱6.5 billion and ₱2.4 billion as of December 31, 2025 and 2024, respectively.

Other related parties pertain to entities which are either subsidiaries, associates or joint ventures of the Group's associates or joint ventures.

Dividends receivable from related parties pertain to accrued dividend declarations from associates and joint ventures. These are non-interest bearing and usually collectible within one year. This amounted to ₱1,227.7 million and ₱761.5 million as of December 31, 2025 and 2024, respectively (see Note 7).

c. Revenue and expenses from related parties follow:

	Revenue			Costs and Expenses		
	2025	2024	2023	2025	2024	2023
	(In Thousands)					
Associates:						
KPHLC	₱—	₱—	₱535,614	₱—	₱—	₱—
BPI	3,066,616	2,002,308	1,969,928	4,379,459	3,637,653	2,850,969
MWC	—	1,456,498	928,922	—	383,518	882,341
BF Jade	22,691	79,893	247,218	—	6,882	15,742
HCPI	5,477	7,479	2,679	5,579,415	6,969,557	6,218,274
Joint ventures:						
Globe	747,623	695,939	654,357	316,214	334,151	344,704
AMI AC Renewables Corporation (formerly New Energy Investments Corp)	1,138,178	957,726	890,825	—	—	—
UPC Renewables Asia III Ltd	—	73,476	252,040	—	—	—
Greencore Power Solutions 3, Inc	666,938	698,588	495,884	—	—	—
UPC Power Solutions LLC	190,344	—	—	—	—	—
	5,837,867	5,971,907	5,977,467	10,275,088	11,331,761	10,312,030
Other related parties:						
Vietnam Wind Energy	1,237,371	919,973	993,732	—	—	—
Asian Wind Power 1 HK Limited	282,718	509,063	855,084	—	—	—
Asian Wind Power 2 HK Ltd.	234,507	—	29,526	—	—	—
BIM Wind	337,999	377,056	504,933	—	—	—
UPC AC Energy Solar Ltd.	—	458,452	722,197	—	—	—
BIM Renewable Energy Joint Stock Company	238,578	202,399	177,239	—	—	—
Others	113,154	885,483	534,123	1,034,733	73,265	34,495
	2,444,327	3,352,426	3,816,834	1,034,733	73,265	34,495
	₱8,282,194	₱9,324,333	₱9,794,301	₱11,309,821	₱11,405,026	₱10,346,525



Revenue recognized from related parties includes:

1. Leasing and project development and management services rendered by ALI Group.
2. Water and sewerage services rendered by MWC.
3. Automotive sales and repair services rendered by AC Industrials Group.
4. Energy sales provided by ACEIC Group.
5. Interest and miscellaneous income from cash deposits and money market placement as well as financing dealer incentive from BPI and other entities.
6. Interest income earned by ACEIC Group on interest-bearing receivables, RPS and convertible loans from related parties.
7. Others include various income such as interest and management fees.

Expenses recognized from related parties include:

1. Interest expense from short-term and long-term debt and credit card and other bank charges payable to BPI.
2. Purchases of communications software and billings for mobile phone charges and internet connections with Globe.
3. Building rental, leased lines, internet connections and ATM connections with Innove, subsidiary of Globe.
4. Purchases of vehicles and parts and accessories from HCP.
5. Others include miscellaneous operating expenses such as professional and management services.

- d. The Group's compensation of key management personnel by benefit type follows:

	2025	2024	2023
		(In Thousands)	
Short-term employee benefits (Note 22)	₱3,051,383	₱2,564,401	₱1,493,307
Post-employment benefits (Note 27)	119,624	141,250	114,353
	₱3,171,007	₱2,705,651	₱1,607,660

Key management personnel of the Group include all officers with position of vice president and up.

- e. Integrated Micro-Electronics Bulgaria EOOD (IMI BG) has agreed to provide continuing operational, investment and financial assistance to the facilities of C-Con GmbH (C-Con), a related party and an entity under common control of AC Industrials, for C-Con will duly and timely perform all required obligations under contracts to be entered into with a particular customer. In case of C-Con's failure to perform its contractual obligations under the contract including but not limited to failure to perform due to C-Con's insolvency (Breach), IMI BG will indemnify and hold harmless the customer from any and all costs, liabilities, damages, losses, and reasonable amount of actually-incurred out of pocket expenses (including court costs and legal expenses) of the customer occasioned by or arising from such Breach.

As consideration for extending said guarantee, IMI BG will be charging C-Con a guarantee fee equivalent to two (2%) of the revenue for the projects won using or relying upon IMI BG's guarantee. Additionally, IMI BG's guarantee to C-Con is backstopped by AC Industrials (Singapore) Pte. Ltd., another related party of IMI BG.



32. Financial Instruments

Financial Risk Management

General

Like any other risks, financial risks are inherent in the business activities and are typical of any large holding company. The financial risk management of the Parent Company seeks to effectively contribute to better decision making, enhance performance, and satisfy compliance demands.

The Parent Company defines financial risks as risk that relates to the Parent Company's ability to meet financial obligations and mitigate funding risk, credit risk and exposure to broad market risks, including volatility in foreign currency exchange rates and interest rates. Funding risk refers to the potential inability to meet contractual or contingent financial obligations as they arise and could potentially impact the Parent Company's financial condition or overall financial position. Credit risk is the risk of financial loss arising from a counterparty's failure to meet its contractual obligations or non-payment of an investment. These exposures may result in unexpected losses and volatilities in the Parent Company's profit and loss accounts.

The Parent Company maintains a strong focus on its funding strategy to help provide access to sufficient funding to meet its business needs and financial obligations throughout business cycles. The Parent Company's plans are established within the context of our annual strategic and financial planning processes. The Parent Company also take into account capital allocations and growth objectives, including dividend pay-out. As a holding company, the Parent Company generates cash primarily on dividend payments of its subsidiaries, associates and joint ventures and other sources of funding.

The Parent Company also establishes credit policies in setting limits for counterparties that are reviewed quarterly and monitoring of any changes in credit standing of counterparties.

The Parent Company has a formal foreign exchange and interest rate risk management policy. The Parent Company actively monitors foreign exchange exposure and interest rate changes. And in addition, the Parent Company ensures that all loan covenants and regulatory requirements are complied with.

The Ayala Group continues to monitor and manage its financial risk exposures in accordance with Board approved policies. The succeeding discussion focuses on Ayala Group's financial risk management.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise financial assets at amortized cost, FVTPL and FVOCI, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as cash and cash equivalents, short-term investments, accounts and notes receivable and accounts payable and accrued expenses which arise directly from its operations.

The Group's main risks arising from the use of financial instruments are interest rate risk, foreign exchange risk, price risk, liquidity risk, and credit risk.

The Group also uses hedging instruments, the purpose of which is to manage the currency and interest rate risks arising from its financial instruments.



The Group's risk management policies relevant to financial risks are summarized below:

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Parent Company's and its subsidiaries' obligations. The policy is to keep a certain level of the total obligations as fixed to minimize earnings volatility due to fluctuation in interest rates.

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates as of December 31, 2025 and 2024, with all variables held constant.

Cash flow interest rate risk

	Change in basis points	Effect on profit before tax	
		2025	2024
		(In Thousands)	
Parent Company -			
Floating rate	+100	(P234,638)	(P234,588)
Borrowings	-100	234,638	234,588
Subsidiaries -			
Floating rate	+100	(P1,117,990)	(P805,604)
Borrowings	-100	1,117,990	805,604

There is no other impact on the Group's equity other than those already affecting the net income.



The terms and maturity profile of the interest-bearing financial assets and liabilities, together with the corresponding nominal amounts and carrying values are as follows (amounts in thousands):

December 31, 2025

Group	Interest terms (per annum)	Rate Fixing Period	Carrying Value	Nominal Amount			Total
				< 1 year	1 to 5 years	> 5 years	
Cash and cash equivalents	Fixed at the date of investment	Various	P66,901,817	P66,901,817	P-	P-	P66,901,817
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	403,532	403,532	-	-	403,532
Accounts and notes receivable	Fixed at the date of sale or transaction	Various	1,888,123	1,611,483	276,640	-	1,888,123
Receivables from related parties	Fixed at the date of transaction	Various	22,763,399	6,724,953	2,951,851	13,086,595	22,763,399
Financial assets at amortized cost	Fixed at the date of transaction	Various	20,209,242	-	-	20,209,242	20,209,242
			112,166,113	75,641,785	3,228,491	33,295,837	112,166,113
Parent Company							
Short-term debt							
Fixed							
Peso	Ranging from 5%	Various	9,700,000	9,700,000	-	-	9,700,000
Long-term debt							
USD	Fixed at 3.0%	2 years	5,857,663	5,879,000	-	-	5,879,000
Fixed							
Peso	Fixed at 7.00%	8 years	5,000	5,000	-	-	5,000
Peso	Fixed at 5.67%	5 years	5,563,756	-	5,871,538	-	5,871,538
Peso	Fixed at 6.20%	10 years	7,835,945	500,000	7,375,000	-	7,875,000
Peso	Fixed at 6.44%	10 years	3,728,743	200,000	3,550,000	-	3,750,000
Peso	Fixed at 6.70%	8 years	3,674,201	615,384	2,461,538	615,385	3,692,307
Peso	Fixed at 5.44%	6 years	2,485,346	384,615	1,538,462	576,923	2,500,000
Peso	Fixed at 7.00%	8 years	994,077	-	1,000,000	-	1,000,000
Peso	Fixed at 5.49%	5 years	3,436,136	441,439	2,648,635	-	3,090,074
Peso and USD	Fixed at 5.32%	7 years	2,921,899	-	2,015,314	863,706	2,879,020
Peso	Fixed at 3.7874%	5 years	5,986,407	6,000,000	-	-	6,000,000
Peso	Fixed at 5.6239%	5 years	7,465,481	-	7,500,000	-	7,500,000
Peso	Fixed at 6.1351%	7 years	2,481,942	-	2,500,000	-	2,500,000
Floating							
Peso	Variable at PHP BVAL rate plus margin or RRP	3 months	10,918,502	-	11,000,000	-	11,000,000
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	3,970,186	-	4,000,000	-	4,000,000
Peso	Variable at PHP BVAL rate plus margin or 28-day BSP TDF rate plus margin	3 months	2,396,600	2,400,000	-	-	2,400,000
Peso	Variable at 14-day TDF or BSP ODF and BSP Overnight RRP rate plus margin	3 months	1,160,001	95,000	1,068,750	-	1,163,750
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	3,183,127	400,000	2,800,000	-	3,200,000
Peso	Variable at PHP BVAL rate plus margin subject to a floor rate	3 months	1,692,668	200,000	1,500,000	-	1,700,000
Subsidiaries							
Short-term debt	Ranging from 4.6% to 10%	Monthly	62,205,783	36,065,271	-	-	36,065,271
Long-term debt	Ranging from 1.16% to 4.73%	Monthly, Quarterly	19,092,296	1,058,101	-	-	1,058,101
Fixed							
Peso and foreign currency	Fixed at 3.0445% to 6.37%	2, 4, 5, 7, 7.25, 9.5, 10, 20 years	496,648,232	27,696,906	264,025,585	164,220,348	455,942,839
Floating							
Peso	Variable	3 months	41,083,559	7,626,000	1,278,740	32,178,819	41,083,559
			P704,487,550	P99,266,716	P322,133,562	P198,455,181	P619,855,459



December 31, 2024

	Interest terms (per annum)	Rate Fixing Period	Carrying Value	Nominal Amount			Total
				< 1 year	1 to 5 years	> 5 years	
Group							
Cash and cash equivalents	Fixed at the date of investment	Various	P75,501,736	P75,501,736	P-	P-	P75,501,736
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	723,567	723,567	-	-	723,567
Accounts and notes receivable	Fixed at the date of sale or transaction	Various	1,474,029	1,205,599	268,430	-	1,474,029
Receivables from related parties	Fixed at the date of transaction	Various	39,008,679	7,461,429	5,042,434	9,227,147	21,731,010
Financial assets at amortized cost	Fixed at the date of transaction	Various	17,918,405	-	-	17,918,405	17,918,405
			134,626,416	84,892,331	5,310,864	27,145,552	117,348,747
Parent Company							
Short-term debt							
Fixed							
Peso	Ranging from 5.3%to 5.8%	Various	28,500,000	28,500,000	-	-	28,500,000
Long-term debt							
USD	Fixed at 3.0%	2 years	5,747,728	-	5,784,500	-	5,784,500
Fixed							
Peso	Fixed at 7.00%	8 years	9,222,035	880,000	8,360,000	-	9,240,000
Peso	Fixed at 7.13%	10 years	8,329,435	500,000	2,000,000	5,875,000	8,375,000
Peso	Fixed at 6.44%	10 years	3,924,428	200,000	800,000	2,950,000	3,950,000
Peso	Fixed at 6.69%	8 years	3,976,427	308,000	2,462,000	1,230,000	4,000,000
Peso	Fixed at 7.00%	8 years	993,347	-	-	1,000,000	1,000,000
Peso	Fixed at 5.49%	5 years	2,996,283	-	-	3,090,075	3,090,075
Peso	Fixed at 4.82%	8 years	9,989,860	10,000,000	-	-	10,000,000
Peso	Fixed at 4.4542%	3 years	4,988,606	5,000,000	-	-	5,000,000
Peso	Fixed at 3.7874%	5 years	5,972,815	-	6,000,000	-	6,000,000
Peso	Fixed at 5.6239%	5 years	7,450,002	-	7,500,000	-	7,500,000
Peso	Fixed at 6.1351%	7 years	2,478,241	-	2,500,000	-	2,500,000
Floating							
Peso	Variable at PHP BVAL rate plus margin or 28-day BSP TDF rate plus margin	3 months	9,680,205	7,300,000	2,400,000	-	9,700,000
Peso	Variable at 14-day TDF or BSP ODF and BSP Overnight RRP rate plus margin	3 months	1,253,752	95,000	1,163,750	-	1,258,750
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	7,562,497	400,000	7,200,000	-	7,600,000
Peso	Variable at PHP BVAL rate plus margin subject to a floor rate	3 months	4,874,662	200,000	4,700,000	-	4,900,000
Subsidiaries							
Short-term debt	Ranging from 2.40% to 6.50%	Monthly	35,925,377	36,065,271	-	-	36,065,271
Long-term debt	Ranging from 1.16% to 4.73%	Monthly	11,130,907	1,180,761	-	-	1,180,761
Fixed							
Peso and foreign currency	Fixed at 3.0445% to 6.37%	2, 4, 5, 7, 7.25, 9.5, 10, 20 years	474,549,523	34,670,668	20,863,858	422,837,964	478,372,490
Floating							
Peso	Variable	3 months	27,213,000	1,321,350	9,224,355	15,414,272	25,959,977
			P666,759,130	P126,621,050	P 80,958,463	P452,397,311	P659,976,824



Foreign exchange risk

The Group's foreign exchange risk results primarily from movements of the PHP against other currencies. The Group's consolidated statements of income can be affected significantly by movements in the USD and other currencies versus the PHP. In 2025 and 2024, the Group entered into currency forward contracts and cross-currency contracts to hedge its risks associated with foreign currency fluctuations.

IMI Group

The IMI Group's foreign exchange risk results primarily from movements of the functional currency of each legal entity against other currencies. As a result of significant transactions denominated in RMB, PHP and EUR the consolidated statements of income can be affected significantly by movements in the USD versus these currencies. In 2025 and 2024, IMI entered into currency forward contracts to hedge its risks associated with foreign currency fluctuations.

IMI Group also has transactional currency exposures. Such exposure arises from sales or purchases denominated in other than IMI's functional currency. Approximately 50% and 52% of IMI Group's sales for the years ended December 31, 2025 and 2024, respectively, and 58% of costs for the years ended December 31, 2025 and 2024, are denominated in currencies other than IMI's functional currency.

IMI Group manages its foreign exchange exposure risk by matching, as far as possible, receipts and payments in each individual currency. Foreign currency is converted into the relevant domestic currency as and when the management deems necessary. The unhedged exposure is reviewed and monitored closely on an ongoing basis and management will consider hedging any material exposure where appropriate.

ACEIC Group

The ACEIC Group's foreign exchange risk is limited to certain foreign currency denominated cash and cash equivalents, receivables and payables, resulting primarily from the movements of the Philippines Peso against the US dollar. For ACEIC Group's subsidiaries with functional currency in US\$, financial assets and liabilities are translated into Philippine peso, the presentation currency of the Group, using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated cash and cash equivalents, receivables from related parties, accrued interest receivable, financial assets at amortized cost, investments in financial assets at FVOCI, investments in associates and joint ventures, accounts and other payables, and short-term and long-term debt with US\$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average rate for the period. Assets and liabilities of ACEFIL, ACEIC Cayman, ACETI and subsidiaries, ACEC, ACEN Finance and ACE HKL which are in US\$ functional currency were likewise translated to the Group's presentation currency. The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments".

Information on the Ayala Group's significant foreign currency-denominated monetary assets and liabilities and their Php equivalent follows:

	December 31, 2025		December 31, 2024	
	US\$	Php Equivalent*	US\$	Php Equivalent*
	(In Thousands)			
Assets				
Cash and cash equivalents	US\$305,932	₱18,015,176	US\$402,313	₱23,284,960
Accounts and notes receivables	389,611	22,942,717	298,173	17,279,695
Other financial assets	3,682	216,844	8,943	509,644
Other noncurrent assets	—	—	—	—
Total assets	699,225	41,174,737	709,429	41,074,299

(Forward)



	December 31, 2025		December 31, 2024	
	US\$	Php Equivalent*	US\$	Php Equivalent*
	(In Thousands)			
Liabilities				
Accounts payable and accrued expenses	US\$1,467	₱86,431	US\$19,411	₱1,110,772
Other current liabilities	15	860	16	842
Short-term debt	52,063	3,065,760	—	—
Long-term debt	166,490	9,803,935	332,493	19,272,243
Other noncurrent liabilities	17	1,042	199	10,106
Total liabilities	220,052	12,958,028	352,119	20,393,963
Net foreign currency denominated assets (liabilities)	US\$479,171	₱28,216,709	US\$357,310	₱20,680,336

*Translated using the exchange rate at the reporting date (US\$1:₱58.79 on December 31, 2025 and US\$1:₱57.85 on December 31, 2024).

	December 31, 2025		December 31, 2024	
	JPY	Php Equivalent*	JPY	Php Equivalent*
	(In Thousands)			
Assets				
Cash and cash equivalents	JPY600	₱225	JPY427,554	₱156,641
Accounts and notes receivable	199	75	430,641	157,772
Other noncurrent assets	—	—	—	—
Total assets	799	300	858,195	314,413
Liabilities				
Accounts payable and accrued expenses	265,408	99,974	991,990	363,430
Other current liabilities	—	—	50,122	18,363
Short-term debt	—	—	101,543	37,202
Long-term debt	14,936,500	5,602,382	295,299	108,187
Other noncurrent liabilities	—	—	114,529	41,959
Total liabilities	15,201,908	5,702,356	1,553,483	569,141
Net foreign currency denominated liabilities	(JPY15,201,109)	(₱5,702,056)	(JPY695,288)	(₱254,728)

*Translated using the exchange rate at the reporting date (JPY1:₱0.3751 on December 31, 2025 and JPY1:₱0.3664 on December 31, 2024).

	December 31, 2025		December 31, 2024	
	RMB	Php Equivalent*	RMB	Php Equivalent*
	(In Thousands)			
Assets				
Cash and cash equivalents	RMB164,217	₱1,373,540	RMB159,603	₱1,284,328
Accounts and notes receivables	102,391	856,415	189,341	1,523,625
Total assets	266,608	2,229,955	348,944	2,807,953
Liabilities				
Accounts payable and accrued expenses	154,160	1,288,034	205,020	1,649,634
Other current liabilities	8,192	68,521	14,622	117,664
Short-term debt	1,000	8,364	1,000	8,047
Other noncurrent liabilities	—	—	116,288	935,767
Total liabilities	163,352	1,364,919	336,930	2,711,112
Net foreign currency denominated assets	RMB103,256	₱865,036	RMB12,014	₱96,841

*Translated using the exchange rate at the reporting date (RMB1: ₱8.378 on December 31, 2025 and RMB1: ₱8.060 on December 31, 2024).



	December 31, 2025		December 31, 2024	
	EUR	Php Equivalent*	EUR	Php Equivalent
	(In Thousands)			
Assets				
Cash and cash equivalents	EUR 18,186	₱1,258,791	EUR 24,995	₱1,505,998
Accounts and notes receivable	82,527	5,704,758	89,988	5,423,028
Other noncurrent assets	—	—	1,080	65,042
Total assets	100,713	6,963,549	116,063	6,994,068
Liabilities				
Accounts payable and accrued expenses	34,160	2,364,501	33,286	2,005,525
Other current liabilities	787	51,644	1,451	87,714
Short term debt	—	—	957	57,675
Long-term debt	(50,000)	(2,959,488)	52,063	3,143,672
Other noncurrent liabilities	—	—	2,798	168,609
Total liabilities	(15,053)	(543,343)	90,555	5,463,195
Net foreign currency denominated assets	EUR 115,766	₱7,506,892	EUR 25,508	₱1,530,873

*Translated using the exchange rate at the reporting date (EUR1: ₱64.8455 on December 31, 2025, and EUR1: ₱60.0188 on December 31, 2024).

	December 31, 2024 (nil as of December 31, 2025)	
	VND	Php Equivalent
	(In Thousands)	
Liabilities		
Accounts payable & accrued expenses		
Other current liabilities	VND 6,290,944	₱14,276
Other noncurrent liabilities		
Total liabilities	6,290,944	14,276
Net foreign currency denominated assets	(VND6,290,944)	(₱14,276)

*Translated using the exchange rate at the reporting date (VND1: ₱0.0023 on December 31, 2024).

	December 31, 2025		December 31, 2024	
	MYR	Php Equivalent*	MYR	Php Equivalent
	(In Thousands)			
Assets				
Cash and cash equivalents	MYR 325,945	₱4,721,792	MYR 202,522	₱2,619,832
Accounts and notes receivable	427,407	6,191,608	524,008	6,778,588
Other current assets	89,373	1,294,692	44,292	572,963
Investment in bonds & other securities	—	—	1,952	25,249
Other noncurrent assets	2,005	29,049	4,089	52,900
Total assets	844,730	12,237,141	776,863	10,049,532
Liabilities				
Accounts payable and accrued expenses	485,746	7,036,744	555,975	7,192,117
Long-term debt	261,175	3,783,495	3,090	39,972
Other noncurrent liabilities	492	7,123	—	—
Total liabilities	747,413	10,827,362	559,065	7,232,089
Net foreign currency denominated assets	MYR 97,317	₱1,409,779	MYR 217,798	₱2,817,443

*Translated using the exchange rate at the reporting date (MYR1: ₱14.486 on December 31, 2025 and MYR1: ₱12.936 on December 31, 2024).



The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (amounts in thousands).

Currency	Increase (decrease) in Peso per foreign currency	Increase (decrease) in profit before tax	
		2025	2024
US\$	₱1.00	₱244,963	₱90,416
	(1.00)	(244,963)	(90,416)
JPY	1.00	(15,256,043)	(695,288)
	(1.00)	15,256,043	695,288
RMB	1.00	103,256	12,015
	(1.00)	(103,256)	(12,015)
EUR	1.00	15,677	25,507
	(1.00)	(15,677)	(25,507)
VND	1.00	-	(6,290,944)
	(1.00)	-	6,290,944
MYR	1.00	97,317	-
	(1.00)	(97,317)	-

There is no other impact on the Group's equity other than those already affecting net income.

Equity price risk

Financial assets at FVTPL and FVOCI are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, the country's economic performance, political stability, and domestic inflation rates, these prices change, reflecting how market participants view the developments. The Group's investment policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each sector and market.

The Group has not presented the sensitivity of change in market index to reasonably possible change due to the insignificance of impact of effect on equity.

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that make it difficult to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at loss due to wider than normal bid-offer spreads.



The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues, both on-shore and off-shore.

ALI Group

ALI Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. ALI Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

IMI Group

IMI Group's exposure to liquidity risk relates primarily to its short-term and long-term obligations. IMI Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. IMI Group maintains a level of cash and cash equivalents deemed sufficient to finance its operations. As part of its liquidity risk management, IMI Group regularly evaluates its projected and actual cash flows. To cover financing requirements, IMI Group intends to use internally-generated funds and loan facilities with local and foreign banks. Surplus funds are placed with reputable banks.

The table summarizes the maturity profile of the Group's financial liabilities as of December 31, 2025 and 2024, based on contractual undiscounted payments.

	December 31, 2025				Total
	< 1 year	1 to < 2 years	2 to < 3 years	> 3 years	
	(In Thousands)				
Accounts payable and accrued expenses					
Accounts payable	P163,649,811	P-	P-	P-	P163,649,811
Accrued expenses	24,537,361	-	-	-	24,537,361
Retentions payable	7,516,049	4,373,054	-	-	11,889,103
Related parties	4,810,410	-	-	-	4,810,410
Project costs	5,622,164	-	-	-	5,622,164
Dividends payable	3,241,865	-	-	-	3,241,865
Long-term debt	46,785,898	321,445,558	37,673,996	220,249,171	626,154,623
Short-term debt	81,298,079	-	-	-	81,298,079
Deposits and deferred credits	16,471,825	-	-	31,356,947	47,828,772
Lease liabilities	3,517,430	4,692,853	1,981,329	23,283,695	33,475,307
Liability for purchased land	7,836,717	-	-	7,086,422	14,923,139
Interest payable*	50,768,023	35,862,626	32,318,678	39,347,374	158,296,701
Nontrade payable	1,762,504	-	-	-	1,762,504
Subscription payable	-	2,406,281	-	-	2,406,281
Contractors payable	-	-	-	2,189,629	2,189,629
Asset retirement obligation	-	-	-	2,554,980	2,554,980
Other liabilities	992,704	1,762,942	-	-	2,755,646
	P418,810,840	P370,543,314	P71,974,003	P326,068,218	P1,187,396,375

*includes future interest payments



December 31, 2024					
	< 1 year	1 to < 2 years	2 to < 3 years	> 3 years	Total
(In Thousands)					
Accounts payable and accrued expenses					
Accounts payable	₱150,013,024	₱—	₱—	₱—	₱150,013,024
Accrued expenses	19,844,771	—	—	—	19,844,771
Retentions payable	5,120,029	5,815,225	—	—	10,935,254
Related parties	4,544,179	—	—	—	4,544,179
Project costs	2,914,953	—	—	—	2,914,953
Dividends payable	2,805,520	—	—	—	2,805,520
Long-term debt	61,186,800	291,090,290	58,341,272	183,612,430	594,230,792
Short-term debt	75,556,284	—	—	—	75,556,284
Deposits and deferred credits	21,831,822	—	—	33,755,683	55,587,505
Lease liabilities	4,916,152	4,692,853	4,541,970	21,220,601	35,371,576
Liability for purchased land	4,963,944	—	—	5,044,725	10,008,669
Interest payable*	17,542,568	32,220,597	26,761,234	35,549,650	112,074,049
Nontrade payable	1,414,404	—	—	—	1,414,404
Subscription payable	—	507,550	—	—	507,550
Contractors payable	—	—	—	5,637,478	5,637,478
Asset retirement obligation	—	—	—	1,110,866	1,110,866
Other liabilities	482,364	1,519,818	—	—	2,002,182
	₱373,136,814	₱335,846,333	₱89,644,476	₱285,931,433	₱1,084,559,056

*includes future interest payments

Cash and cash equivalents, short-term investments and financial assets at FVTPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profile of these financial assets under the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section.

Credit risk

Credit risk is the risk that the Group's counterparties to its financial assets will fail to discharge their contractual obligations. The Group's holding of cash and cash equivalents and short-term investments and receivables from customers and other third parties exposes the Group to credit risk of the counterparty. Credit risk management involves dealing with institutions for which credit limits have been established. The Treasury and Financial Policies of the individual subsidiaries set credit limits for their counterparty. The Group trades only with recognized, creditworthy third parties and has a well-defined credit policy and established credit procedures.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

Given the Group's diverse base of counterparties, the Group is not exposed to large concentrations of credit risk.

The maximum exposure to credit risk for the components of the consolidated statement of financial position is equal to the carrying values.

Part of the policies is the performance of impairment analysis for the credit accounts (see Note 3).



ALI Group

ALI Group's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, ALI Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. ALI Group also undertakes supplemental credit review procedures for certain installment payment structures. ALI Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with ALI Group security deposits and advance rentals which helps reduce ALI Group's credit risk exposure in case of defaults by the tenants. For existing tenants, ALI Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short-term investments, financial assets at FVTPL and financial assets at FVOCI. ALI Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, ALI Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

ALI Group's maximum exposure to credit risk as of December 31, 2025 and 2024 is equal to the carrying values of its financial assets.

Given ALI Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate is based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental are considered in the calculation of impairment as recoveries. As of December 31, 2025 and 2024, the exposure at default amounts to ₱24,098.7 million and ₱37,066.7 million, respectively. The average expected credit loss rate is 1.51% and 1.58% (over total receivables) that resulted in the ECL of ₱3,449.9 million and ₱3,014.5 million as of December 31, 2025 and December 31, 2024, respectively.

IMI Group

The credit evaluation reflects the customer's overall credit strength based on key financial and credit characteristics such as financial stability, operations, focus market and trade references. All customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that IMI Group's exposure to bad debts is not significant.



The Ayala Group's aging analysis of accounts and notes receivable that are past due follows:

December 31, 2025		Trade Receivable						
		Days Past Due						
	Current	<30 days	31-60 days	61-90 days	91-120 days	>120 days	Total	Total
		(In Thousands)						
Expected credit loss rate	0.52%	0.02%	0.06%	0.22%	0.13%	19.78%	9.16%	2.31%
Trade:								
Real estate and Hotels	₱158,881,883	₱10,327,208	₱2,594,679	₱2,089,196	₱1,403,530	₱15,653,076	₱32,067,689	₱190,949,572
Industrial Technologies	10,711,175	1,125,624	338,259	104,814	161,905	481,404	2,212,006	12,923,181
Automotive	455,562	740,817	382,361	234,148	272,057	284,050	1,913,433	2,368,995
Power	4,292,874	544,734	393,554	109,226	104,579	1,245,198	2,397,291	6,690,165
Logistics	129,678	431,794	207,111	98,164	183,964	2,096,895	3,017,928	3,147,606
Outsourcing	205,545	87,189	42,572	9,283	107,601	—	246,645	452,190
International and others	599,043	771,174	444,521	591,322	451,185	1,275,766	3,533,968	4,133,011
Receivable from related parties	399,610	165,144	114,755	87,948	48,126	151,945	567,918	967,528
Total	175,675,370	14,193,684	4,517,812	3,324,101	2,732,947	21,188,334	45,956,878	221,632,248
Expected credit loss	918,570	2,467	2,739	7,228	3,598	4,191,933	4,207,965	5,126,535

December 31, 2024		Trade Receivable						
		Days Past Due						
	Current	<30 days	31-60 days	61-90 days	91-120 days	>120 days	Total	Total
		(In Thousands)						
Expected credit loss rate	0.26%	0.05%	0.15%	0.46%	0.03%	11.05%		
Trade:								
Real estate and Hotels	₱120,281,608	₱6,034,339	₱3,409,509	₱1,398,621	₱19,271,717	₱13,578,426	₱43,692,612	₱163,974,220
Industrial Technologies	10,710,293	1,627,989	361,681	234,232	118,422	410,796	2,753,120	13,463,413
Automotive	1,272,282	915,943	311,599	200,065	78,783	285,013	1,791,403	3,063,685
Power	4,407,537	997,633	296,056	359,922	67,396	1,245,626	2,966,633	7,374,170
Logistics	81,544	254,663	290,481	284,981	124,604	2,420,823	3,375,552	3,457,096
Outsourcing	299,013	136,693	34,590	6,887	103,204	285,013	566,387	865,400
International and others	823,516	542,876	147,803	166,099	357,402	628,019	1,842,199	2,665,715
Receivable from related parties	126,112	175,048	122,320	60,052	63,222	224,233	644,875	770,987
Total	138,001,905	10,685,184	4,974,039	2,710,859	20,184,750	19,077,949	57,632,781	195,634,686
Expected credit loss	446,356	2,357	2,387	5,870	2,233	2,220,407	2,233,254	2,679,610

For other financial assets such as non-trade receivables from related parties, receivables from officers and employees, and advances to other companies and financial assets at amortized cost (debt instruments), ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

As of December 31, 2025 and 2024, allowance for expected credit loss on non-trade receivables amounted to ₱12.7 billion and ₱6.3 billion, respectively.

The Group has the following credit quality classification:

- High Grade or Class A are financial assets with minimal risks, this includes cash and cash equivalents, short term investments and receivables from customers exhibiting excellent paying habits and no defaults in the monthly payments.
- Medium Grade or Class B are financial assets with average risks, this includes receivables from customers with good paying habits, or up to 3 defaults in the monthly payments.
- Low Grade or Class C are financial assets with fairly high to high risk, this includes receivable from customers with unsecured or more than 3 defaults in the monthly payments.



33. Fair Value Measurement and Derivative Instruments

Fair Value of Financial and Nonfinancial Instruments

The carrying amounts approximate fair values for the Group's financial assets and liabilities due to its short-term maturities except for the following financial instruments as of December 31, 2025 and 2024 (amounts in thousands):

	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
FINANCIAL ASSETS AT FVTPL				
Financial assets at FVTPL - current	₱5,730,517	₱5,730,517	₱11,313,625	₱11,313,625
Convertible loans - noncurrent	3,383,001	3,383,001	3,111,352	3,111,352
Derivative assets				
Freestanding	6,160,673	6,160,673	4,889,291	4,889,291
Total financial assets at FVTPL	15,274,191	15,274,191	19,314,268	19,314,268
AT AMORTIZED COST				
Accounts and notes receivables	362,752,992	357,932,735	215,920,691	214,041,340
Financial assets at amortized cost	20,209,242	16,712,718	17,918,405	14,421,881
Total financial assets at amortized cost	382,962,234	374,645,453	233,839,096	228,463,221
FINANCIAL ASSETS AT FVOCI				
Quoted equity investments	7,430,035	7,430,035	7,804,486	7,804,486
Unquoted equity investments	4,283,786	4,283,786	4,124,208	4,124,208
Total financial assets at FVOCI	11,713,821	11,713,821	11,928,694	11,928,694
OTHER FINANCIAL ASSETS				
Deposits	12,047,255	12,047,255	8,118,014	8,118,014
Total other financial assets	12,047,255	12,047,255	8,118,014	8,118,014
Total financial assets	₱421,997,501	₱413,680,720	₱273,200,072	₱267,824,197
FINANCIAL LIABILITIES AT FVTPL				
Derivative liabilities	₱767,102	₱767,102	₱257,918	₱257,918
	₱767,102	₱767,102	₱257,918	₱257,918
OTHER FINANCIAL LIABILITIES				
Long-term debt	623,189,471	578,886,191	₱591,202,846	₱550,837,604
Deposits and other noncurrent liabilities	49,105,674	47,067,178	54,621,935	55,001,502
Total other financial liabilities	672,295,145	625,953,369	645,824,781	605,839,106
Total financial liabilities	₱673,062,247	₱626,720,471	₱646,082,699	₱606,097,024

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Financial assets at FVTPL – Fair values of investment securities are based on quoted prices as of the reporting date. For other investment securities such as FVTPL with no reliable measure of fair value, these are carried at its last transaction price. For convertible loan, the fair values of the investments are determined using the applicable discount rate for similar type of instruments.

The fair value of the investment in UITF is based on net asset values as of reporting dates.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund fair valuation, it is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.



Derivative instrument – The fair value of the freestanding currency forwards is based on counterparty valuation.

Noncurrent trade and nontrade receivables – The fair values are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 5.70% to 6.66% and 6.09% to 6.61% as of December 31, 2025 and 2024.

Financial assets at amortized cost includes investments in RPS and convertible loans. For investment in RPS and convertible loan, the fair values of the investments are determined using the applicable discount rate for similar type of instruments.

Financial assets at FVOCI investment in bonds - fair value of the bonds is based on binomial lattice approach.

Financial assets at FVOCI quoted equity securities – fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities – fair values are based on the latest selling price available.

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties.

Derivative liability the fair value of the derivative liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period.

Other financial liabilities - noncurrent - The fair values are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged 2.83% to 8.14% and 3.02% to 8.52% as of December 31, 2025 and 2024 respectively. This also include the contingent consideration related to the acquisition of STI determined based on the specific circumstances of the acquiree and is derived from its weighted average cost of capital. The discount rate is based on the specific circumstances of the acquiree and is derived from its weighted average cost of capital. The contingent liability was fully reversed in 2019.

For variable rate loans that reprice every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates.

The following table shows the fair value hierarchy of the Group's assets and liabilities as of December 31, 2025 and 2024 (amounts in thousands):

	2025			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Recurring financial assets measured at fair value				
Financial assets at FVTPL - current	P=	P336,669	P5,393,848	P5,730,517
Convertible loans - noncurrent	-	-	3,383,001	3,383,001
Derivative assets				
Freestanding	-	6,160,673	-	6,160,673
Financial assets at FVTPL	P=	P6,497,342	P8,776,849	P15,274,191
Quoted equity investments	P609,612	P6,820,423	P=	P7,430,035
Unquoted equity investments	-	-	4,283,786	4,283,786
Financial assets at FVOCI	P609,612	P6,820,423	P4,283,786	P11,713,821

(Forward)



	2025			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Recurring financial assets for which fair values are disclosed				
Noncurrent trade and nontrade receivables	P=	P=	P357,932,735	P357,932,735
Financial assets at amortized cost	—	—	16,712,718	16,712,718
Deposits	—	—	12,047,255	12,047,255
Financial assets at amortized cost	P=	P=	P386,692,708	P386,692,708
Recurring financial liabilities measured at fair value				
Derivative liabilities	P=	P767,102	P=	P767,102
Financial liabilities at FVTPL	P=	P767,102	P=	P767,102
Recurring financial liabilities for which fair values are disclosed				
Long-term debt	P=	P=	P578,886,191	P578,886,191
Deposits and other noncurrent liabilities	—	—	47,067,178	47,067,178
Other financial liabilities	P=	P=	P625,953,369	P625,953,369
Nonfinancial assets for which fair values are disclosed				
Investment properties	P=	P=	P834,682,236	P834,682,236
Investments in associates and joint ventures*	433,712,284	—	—	433,712,284
Nonfinancial assets	P433,712,284	P=	P834,682,236	P1,268,394,520

	2024			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Recurring financial assets measured at fair value				
Financial assets at FVTPL - current	P=	P471,010	P10,842,615	P11,313,625
Convertible loans - noncurrent	—	—	3,111,352	3,111,352
Derivative assets				
Freestanding	—	4,889,291	—	4,889,291
Financial assets at FVTPL	P=	P5,360,301	P13,953,967	P19,314,268
Quoted equity investments	P568,690	P7,235,796	P=	P7,804,486
Unquoted equity investments	—	—	4,124,208	4,124,208
Financial assets at FVOCI	P568,690	P7,235,796	P4,124,208	P11,928,694
Recurring financial assets for which fair values are disclosed				
Noncurrent trade and nontrade receivables	P=	P=	P214,041,340	P214,041,340
Financial assets at amortized cost	—	—	14,421,881	14,421,881
Deposits	—	—	8,118,014	8,118,014
Financial assets at amortized cost	P=	P=	P236,581,235	P236,581,235
Recurring financial liabilities measured at fair value				
Derivative liabilities	P=	P257,918	P=	P257,918
Financial liabilities at FVTPL	P=	P257,918	P=	P257,918
Recurring financial liabilities for which fair values are disclosed				
Long-term debt	P=	P=	P550,837,604	P550,837,604
Deposits and other noncurrent liabilities	—	—	55,001,502	55,001,502
Other financial liabilities	P=	P=	P605,839,106	P605,839,106
Nonfinancial assets for which fair values are disclosed				
Investment properties	P=	P=	P721,805,327	P721,805,327
Investments in associates and joint ventures*	478,702,961	—	—	478,702,961
Nonfinancial assets	P478,702,961	P=	P721,805,327	P1,200,508,288

*Fair value of material investments in listed associates and joint ventures for which there are published price quotations, including the BPI shares held by Liontide Holdings, Inc.



There was no change in the valuation techniques used by the Group in determining the fair market value of the assets and liabilities.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The following table presents the valuation techniques and unobservable key inputs used to value the Group's assets and liabilities categorized as Level 3:

December 31, 2025

	Valuation Technique	Significant Unobservable Input	Range (weighted average)
Assets for which fair value was disclosed			
Financial assets at FVOCI	Mark to market Approach	Published price quotations	₱0.009 to ₱120,000,000 per share
Notes receivable	DCF method	Discount rate	5.70% to 6.66%
Investment properties			
Land	Market data Approach	Price per square meter	₱55 to ₱298,000 per square meter
Buildings and Improvements	DCF method	Discount rate	9.54% to 10.39%

December 31, 2024

	Valuation Technique	Significant Unobservable Input	Range (weighted average)
Assets for which fair value was disclosed			
Financial assets at FVOCI	Mark to market Approach	Published price quotations	₱0.008 to ₱160,000,000 per share
Notes receivable	DCF method	Discount rate	4.00% to 15.00%
Investment properties			
Land	Market data Approach	Price per square meter	₱2,486 to ₱2,000,000 per square meter
Buildings and Improvements	DCF method	Discount rate	5.00% to 13.00%

The Group categorizes equity instruments at FVOCI, loans payable and notes payable under Level 3 valuation techniques:

Equity instruments at FVOCI

Management uses the discounted cash flow technique in estimating the fair value of the financial instruments. Based on the financial performance and financial position of the investee entity, management estimates the amount and timing of the future cash inflow arising from redemption. This is a Level 3 valuation technique.

Loans and notes payable

The estimated fair values are based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread Interest rates used in discounting cash flows ranged from 2.83% to 8.14% and 3.02% to 8.52% as at December 31, 2025 and 2024, respectively. This is a Level 3 valuation technique.



Trade and nontrade receivables, Long-term debt and Deposits

ALI Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other noncurrent liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

A reconciliation of the beginning and closing balances of Level 3 financial assets and liabilities at FVTPL are summarized below (financial liabilities at FVPL is nil in 2025 and 2024):

Financial Assets at FVTPL

	2025	2024
At January 1	₱13,953,967	₱10,890,853
Additions (Disposals)	(5,310,803)	2,923,452
Recognized in consolidated statement of income	—	—
Exchange difference and others	133,685	139,662
At December 31	₱8,776,849	₱13,953,967

Derivatives

	2025	2024
Derivative Assets		
Call option of AC Industrials and AC Health	₱9,852	₱—
Forward contract of Parent Company, ACEIC, IMI and AIVPL	6,150,821	4,889,291
	₱6,160,673	₱4,889,291
Derivative Liabilities		
Put option and forward contract of Parent Company, IMI and ACEIC	₱767,102	₱257,918

Embedded derivatives

BHL

Convertible bonds

In June 2014, BHL invested VND113 billion (equivalent to USD5.3 million) in CII convertible bonds through its wholly owned subsidiary, VIP Infrastructure Holdings Pte. Ltd. These bonds have a maturity of 5 years, and a coupon rate of 5% per annum.

On June 23, 2016, the third bond conversion exercise, BHL Group converted 69,235 bonds into 6,293,461 shares at a closing price of VND 26,500 per share. Based on the initial bond offering submission made by CII, the conversion ratio would be 90.9:1 (1 convertible bond to 90.9 shares), where the number of converted shares will be rounded down to the next last whole number. This conversion increased the investment in CII shares by VND 166.6 billion (equivalent to US\$7.5 million).

BHL Group recognized a total gain of VND 37.9 million (US\$1.7 million) on the conversion exercise, out of which VND 28.3 million (US\$1.3 million) was the gain on the difference between the CII share price on the date of conversion and the carrying amount of convertible bond, and VND 9.6 million (US\$ 0.4 million) was the gain on the realization of the valuation reserve previously recorded on the convertible bonds (see Note 24).



In 2017, the last bond conversion exercise, BHL Group converted 43,755 bonds into 3,977,329 shares at a closing price of VND 37,250 per share. Based on the initial bond offering submission made by CII, the conversion ratio would be 90.9:1 (1 convertible bond to 90.9 shares), where the number of converted shares will be rounded down to the next last whole number. This conversion increased the investment in CII shares by VND 148.2 billion (equivalent to US\$6.7 million). BHL Group recognized a total gain of VND91.4 billion (US\$4.0 million) on the conversion exercise, out of which VND 35.7 billion (US\$1.6 million) was the gain on the difference between the CII share price on the date of conversion and the carrying amount of convertible bond, and VND 55.7 million (US\$ 2.4 million) was the gain on the realization of the valuation reserve previously recorded on the convertible bonds (see Note 24).

Fair Value Changes on Derivatives

The net movements in fair values of the Group's derivative instruments as of December 31, 2025 and 2024 follow (amounts in thousands):

Derivative Assets

	2025	2024
Balance at beginning of year	₱4,889,291	₱6,447,640
Additions (disposals) during the year	1,271,382	(1,558,349)
Balance at end of year	₱6,160,673	₱4,889,291

Derivative Liabilities

	2025	2024
Balance at beginning of year	₱257,918	₱305,149
Net changes in fair value of derivatives	509,184	(47,231)
Balance at end of year	₱767,102	₱257,918

No other financial assets or liabilities are carried at fair value as of December 31, 2025 and 2024.

Derivative asset included in additions during the year amounting to AUD\$139.21 million (₱5,162.8 million) pertains to the 20-year LTESA secured by ACEN Australia for its solar projects at the NSW Government's first renewable energy and storage auction, with corresponding recognition of deferred revenue

Net changes in fair value of derivative assets and liabilities was recognized in the consolidated statement of income under "Other Income". However, the net changes in fair value of IMI Group's freestanding currency forward are recognized in the consolidated income under "Foreign exchange gains (losses)" (see Note 22).

34. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities follow:

2025

	January 1, 2025	Cash Flows	Non-cash Changes	Change due to loss of control (Note 24)	Foreign Exchange Movement	December 31, 2025
Short-term debt and long-term debt	₱666,759,130	₱32,613,564	₱260,105	₱-	₱4,854,751	₱704,487,550
Dividends payable	2,938,750	(11,298,071)	11,711,348	-	-	3,352,027
Other noncurrent liabilities	53,996,098	(1,555,639)	(440,805)	-	-	51,999,654
Lease liabilities	33,441,976	(3,304,450)	1,426,858	-	84,767	31,649,151
Total liabilities from financing activities	₱757,135,954	₱16,455,404	₱12,957,506	₱-	₱4,939,518	₱791,488,382



2024

	January 1, 2024	Cash Flows	Non-cash Changes	Change due to loss of control (Note 24)	Foreign Exchange Movement	December 31, 2024
Short-term debt and long-term debt	₱589,843,737	₱70,827,025	₱454,406	(₱1,419,648)	₱7,053,610	₱666,759,130
Dividends payable	3,379,776	(10,012,625)	9,571,599	—	—	2,938,750
Other noncurrent liabilities	49,472,112	4,510,665	119,204	(105,883)	—	53,996,098
Lease liabilities	30,705,536	(2,775,815)	5,576,945	—	(64,690)	33,441,976
Total liabilities from financing activities	₱673,401,161	₱62,549,250	₱15,722,154	(₱1,525,531)	₱6,988,920	₱757,135,954

2023

	January 1, 2023	Cash Flows	Non-cash Changes	Change due to loss of control (Note 24)	Foreign Exchange Movement	December 31, 2023
Short-term debt and long-term debt	₱552,487,867	₱39,830,999	(₱163,671)	(₱1,399,354)	(₱912,104)	₱589,843,737
Dividends payable	16,383,289	(9,341,869)	(3,661,644)	—	—	3,379,776
Other noncurrent liabilities	49,043,265	(4,819,990)	5,209,642	39,195	—	49,472,112
Lease liabilities	30,343,440	(2,971,192)	3,351,233	—	(17,945)	30,705,536
Service concession obligation	111,795	—	—	(111,795)	—	—
Total liabilities from financing activities	₱648,369,656	₱22,697,948	₱4,735,560	(₱1,471,954)	(₱930,049)	₱673,401,161

The Group's noncash investing and financing activities are as follows:

2025

- Transfer from property and equipment to investment properties amounting to ₱160.6 million
- Transfer from investment properties to inventories and property plant and equipment amounting to ₱3,029.4 million
- Capitalized interest in investment properties amounted to ₱1,268.2 million
- Recognition of ROU asset and lease liabilities (refer to Note 30)
- Distribution of property dividend amounting to ₱20.6 million
- The sale of the entire interest in ACC for an aggregate consideration of ₱13.5 billion, with remaining collectible amount of ₱9.0 billion which is considered non-cash. Consequently, the movement in the statement of cash flows covering disposed assets or liabilities particularly accounts and notes receivables, investment properties, accounts and other payables, deposits and other non-current liabilities take into account the non-cash component of the transaction at balance sheet date.
- Loss of control in AM 50 VENTURES resulting to:
 - Derecognition of investment in joint venture in Mynt amounting to ₱27.5 billion (see Note 10)
 - Recognition of remeasurement gain amounting to ₱10.4 billion (see Notes 2, 10 and 22)
 - Recognition of investment in joint venture in AM 50 Ventures amounting to ₱18.9 billion pertaining to the Parent Company's 50% retained interest (see Notes 2 and 10)

2024

- Transfer from property and equipment to investment properties amounting to ₱3,603.7 million
- Transfer from inventories to investment properties amounting to ₱1,935.9 million
- Capitalized interest in investment properties amounted to ₱614.8 million
- Recognition of ROU asset and lease liabilities (refer to Note 30)
- Distribution of property dividend amounting to ₱847.3 million
- Acquisition of the 50% shares in CDPEI resulted in the assumption of the fair values of its inventory, investment property and payables amounting to ₱6,930.6 million, ₱854.8 million and ₱7,759.0 million, respectively

2023

- Transfer from investment properties to inventories amounting to ₱9,411.0 million
- Transfer from property and equipment to investment properties amounting to ₱4,702.0 million
- Transfer from inventory to property, plant and equipment amounting to ₱9 million
- Capitalized interest in investment properties amounted to ₱683.1 million
- Recognition of ROU asset and lease liabilities (refer to Note 30)
- Distribution of property dividend amounting to ₱12,480.8 million



- Loss of control over ACEHI resulting to:
 - Derecognition of investment in joint venture in Salak Darajat amounting to ₱11,551.0 million
 - Recognition in investment in associate amounting to ₱12,668.0 million
- Recognition of derivative asset and deferred revenue arising from accounting for LTESA (see Note 2)

The cash flows from the increase in non-controlling interests in 2025 and 2024 are as follows:

2025

- Property-for-share swap between ALI and AREIT amounting to ₱3,552.3 million
- ALI's buy-back of shares amounting to ₱9,339.6 million

2024

- Property-for-share swap between ALI and AREIT amounting ₱9,040.9 million
- ALI's buy-back of shares for total consideration of ₱6,585.1 million

2023

- Property-for-share swap between ALI and AREIT amounting ₱1,848.1 million;
- Acquisition of 20% stake in UPC-ACE Australia amounting to ₱2,864.6 million
- Exercise of exchangeable notes of AC Logistics in Air21 amounting to ₱2,506.2 million
- Issuance and listing of preferred shares by ACEN amounting to ₱24,828.4 million

35. Commitments

Parent Company

The Parent Company acted as guarantor to AYCF's term loans and borrowings as follows:

Description of loans and borrowings	Date Contracted	2025	2024
		Outstanding balance (Amounts in thousands)	
US\$400.0 million Perpetual Undated Notes	September 13, 2017	US\$259,880	US\$259,880
US\$400.0 million Perpetual Undated Notes	October 31, 2019	365,000	365,000
US\$400.0 million Perpetual Undated Notes	September 23, 2021	400,000	400,000
US\$100 million Social Bond	January 14, 2022	100,000	100,000
		US\$1,124,880	US\$1,124,880

Parent Company Guarantee

The Parent Company unconditionally guarantees the due and punctual payment of these loan drawdowns if, for any reason AYCF does not make timely payment of the amount due. The Parent Company's obligation as guarantor will remain in full force until no sum remains to be lent by the lenders, and the lenders recover the outstanding loan drawdowns (see Note 18).

The loan agreements on long-term debt of the Parent Company and AYCF provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Parent Company as of December 31, 2025 and 2024. The Parent Company aims to maintain for its debt-to-equity ratio not to exceed 3:1 in compliance with loan covenants of AYCF.



ALI Group

SM-ALI Group Consortium

On June 30, 2015, ALI, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI and ALI Group. Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018, ALI has fully paid ₱4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council. On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commenced on February 18, 2020. As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

Integrated Transport System Project – South Terminal (“ITS South Project”)

On November 13, 2015, the ALI Group won the bid for the Integrated Transport System Project – South Terminal. The Company was awarded by the Department of Transportation and Communications (“DOTC”) with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57-hectare of the former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.

Management Agreement between AHRC and Mandarin Oriental Hotel Group

On June 4, 2014, AHRC, a wholly owned subsidiary of ALI has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2026, the new Mandarin Oriental Makati will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US\$5 million (₱223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or on June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.

Assignment Agreement between Metro Rail Transit Corporation (Metro Rail) and MRTDC

On August 8, 1997, an Assignment Agreement was executed between Department of Transportation and Communications (DOTC), Metro Rail whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.

Agreement between ALI and LT Group, Inc. (LTG)

ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company, named ALI-ETON Property Development Corporation, was incorporated on May 13, 2016. On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2026. Alveo's first residential development, The Lattice, was also launched in 2019, together with ALP's second tower, Parklinks South tower. On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

Partnership between Manila Water Ventures, Inc. and the Parent Company

On January 12, 2016, ALI has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc. for the waterworks of Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was subsequently amended on May 31,



2021 to amend certain provisions. The original MOA and its amendments were signed by the Parent Company and its subsidiaries and affiliates.

ACEIC Group

Feed-in-Tariff (FIT)

On June 10, 2015, San Lorenzo Wind Project (SLWP) under Guimaras Wind was issued a Certificate of Endorsement for Feed-In Tariff Eligibility by the DOE. On December 1, 2015, Guimaras Wind received its Certificate of Compliance from the ERC which entitles Guimaras Wind Corporation to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning December 27, 2014, for a guaranteed period of twenty (20) years until December 26, 2034. Outstanding receivable under the FIT System amounted to ₱172.2 million and ₱184.7 million as of December 31, 2023 and 2022.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the SLWP's FIT Rate starting 2020 shall be ₱8.59/kWh.

Power Supply Agreement with MERALCO

On September 9, 2019, the bid submitted by ACEN was declared as one of the best bids of MERALCO's 1200 MW competitive selection process ("CSP"). ACEC will supply MERALCO a baseload demand of 200MW from December 26, 2019 until December 25, 2029 subject to the approval of the ERC. ACEN received a copy of the provisional ERC approval for the contract on January 31, 2020 and the final approval on May 13, 2020 for the baseload.

Mid-merit Supply

On September 11, 2019, the bid submitted by ACEN was declared as one of the best bids of MERALCO's 500 MW CSP. Under the contract, ACEN will supply MERALCO a baseload demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of the ERC. Under the contract, ACEN will supply MERALCO a baseload demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of the ERC. ACEN received copies of the provisional and final ERC approvals for the contract on January 31, 2020 and June 1, 2020, respectively.

On November 2, 2024, ACEN terminated its 200MW baseload and 110MW mid-merit power supply agreements ("PSA") with MERALCO. The termination was premised on the occurrence of Change in Circumstances ("CIC") resulting in losses and the Parties having failed, despite earnest efforts and good faith negotiations, to agree on a satisfactory solution to amend the PSA to restore the Parent Company's commercial position prior to the CIC.

No fee was paid in relation to the termination of the PSAs with MERALCO.

Ancillary Services Procurement Agreements (ASPA) with NGCP

ACEN and certain subsidiaries executed ASPAs with NGCP. Under the ASPA, the power plants will provide contingency and dispatchable reserves to NGCP to ensure reliability in the operation of the transmission system and the electricity supply in the Luzon Grid for five (5) years upon the effectivity of the provisional approval or final approval issued by the ERC. Pending ERC's issuance of a final approval, provisional approval is extended every year.

Other Electricity Supply Agreements (ESA) / Contract for the Sale of Electricity (CSE) with customers
ACEN signed contracts to supply the energy requirements of various bilateral and RES contestable customers with a duration ranging from one (1) to fifteen (15) years.

AC Infra Group

On September 12, 2015, LRMC took over the operations of LRT Line 1. In December 2015, LRMC started its rehabilitation of the existing line.



On May 3, 2021 and October 26, 2021, the Re-engineering Project and the Security Network Systems Project, respectively, were completed. As of December 31, 2022, the Engineering, Procurement and Construction (EPC) Works related to the Existing System Rehabilitation and the Rectifier Sub-Stations Rehabilitation Project are 99.9% and 99.7% complete, respectively.

As of December 31, 2024, LRMC has fully drawn its OLSA Facility totaling to ₱24.0 billion to finance the rehabilitation of existing LRT 1 system and construction of the Cavite Extension.

OLSA principal payments made for the year ended December 31, 2025 amounted to ₱1,200.0 million while interest payments made for the quarter ended December 31, 2025, and applicable to the YTD loan payable balance, amounts to ₱1,607.0 million.

OLSA principal payments made for the year ended December 31, 2024 amounted to ₱133.5 million while interest payments made for the quarter ended December 31, 2024, and applicable to the YTD loan payable balance, amounts to ₱407.6 million.

Total interest payments made in 2024 amounted to ₱407.6 million.

Total interest payments made in 2023 amounted to ₱1,681.6 million and total drawdowns made to finance EPC payments amounted to ₱3,394.9 million.

Total interest payments made in 2022 amounted to ₱1,512.7 million and total drawdowns made to finance EPC payments amounted to ₱3,394.9 million.

Construction of the Cavite extension is expected to commence once right of way is delivered by the Grantors and is targeted to complete four years thereafter. On May 30, 2017, LRMC received the Permit to Enter certificate from the Grantors allowing LRMC to enter the concerned properties and commence the construction of Cavite extension. As of December 31, 2024, the EPC Works related to the Cavite Extension Works is 100% complete.

36. Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable.

In the opinion of the Group's management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations.

ACEIC Group

Claims for tax refund

- a. On May 19, 2022, Guimaras Wind received a copy of the Decision of the CTA En Banc dated May 17, 2022 denying Guimaras Wind 's Petition for Review for lack of merit. The CTA en banc affirmed the decision dated January 3, 2020 and Resolutions dated July 1, 2020 and September 23, 2020, both rendered by the CTA Third Division, which partially granted Guimaras Wind 's claim for the refund of or the issuance of a tax credit certificate in the reduced amount of ₱16.1 million, out of the total amount claimed of ₱335.8 million representing Guimaras Wind's excess and unutilized input value-added tax for Q3 and Q4 of 2014 and Q1 and Q2 of 2015. Guimaras Wind filed its Motion for Reconsideration (MR) to the CTA En Banc on June 3, 2022.



On June 27, 2022, Guimaras Wind received a Resolution from the CTA En Banc directing Guimaras Wind to file its Comment to the MR filed by the Commissioner of Internal Revenue within five (5) days from receipt of the said Resolution. Consequently, Guimaras Wind complied with the Resolution and filed its Comment to the CTA En Banc on July 4, 2022. The case remains pending with the CTA En Banc.

On January 17, 2023, the CTA EB issued a Resolution reiterating its Decision dated May 17, 2022, which in turn affirmed the CTA Third Division's Decision limiting the Guimaras Wind's entitlement to refund to a reduced amount of ₱16.1 million.

The CTA EB held that the Certificate of Endorsement (COE) from the Department of Energy (DOE) and the Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) are both required in order for Guimaras Wind to properly avail VAT zero-rating incentives. The CTA EB also rejected the Guimaras Wind's position that its application for COC should be deemed "provisionally approved" six months from the filing of its application for a COC with the ERC.

On February 3, 2023, Guimaras Wind filed a Motion for Extension of Time to File Petition for Review on Certiorari with the Supreme Court. The Petition for Review is due for filing on March 6, 2023.

On January 24, 2024, the Supreme Court Third Division issued a Resolution requiring Guimaras Wind to file a Comment to the Petition for Review filed by the Commissioner of Internal Revenue within ten (10) days from receipt of the notice. Guimaras Wind filed the Comment on February 10, 2024.

On April 16, 2024, Guimaras Wind received the CIR's MOTEX to file their Comment dated April 3, 2024. On December 19, 2024, the SC Third Division issued a Resolution dated August 7, 2024, requiring Guimaras Wind to file a Reply to the Comment within ten (10) days from notice, or until January 2, 2025. Guimaras Wind filed the Reply on said date.

As at December 31, 2025, Guimaras Wind has not received any decision or resolution from the SC's Third Division relating to the case.

- b. On April 12, 2017, SACASOL filed a Petition for Review with the CTA regarding the disallowed claim of 2015 input VAT amounting to ₱40.62 million. On February 3, 2021, the CTA denied SACASOL's Petition for Review on the ground that SACASOL failed to establish that its sales qualify for VAT zero-rating because SACASOL did not present any proof that it was issued a DOE COE, on a per transaction basis. On February 26, 2021, SACASOL filed a Motion for Reconsideration ("MR"), on the basis that there is no legal requirement for the COE to be on a per transaction basis for the VAT zero-rating of SACASOL's sales, and the VAT zero-rated sales were never disputed considering the partial grant by the BIR of SACASOL's claim for unutilized input VAT attributable to VAT zero-rated sales.

On May 6 and 20, 2021, SACASOL filed Supplemental Motions to admit additional evidence which included a DOE letter and certification confirming that a COR on a per transaction basis is not required for purposes of VAT zero-rating of RE Sales of RE Developers and such document is not actually being issued by the DOE. On September 22, 2021, CTA Third Division issued a resolution denying the Motion for Reconsideration.

On February 2, 2023, SACASOL filed a Petition for Review before the CTA En Banc. On April 27, 2023, CTA En Banc denied SACASOL Petition for Review on the basis of jurisdictional grounds. The CTA En Banc denied the Petition on the ground that the CTA Third Division purportedly has no jurisdiction to entertain the judicial claim for refund for being filed beyond the 120+30 day mandatory and jurisdictional period. The CTA En Banc counted the 120-day period from November 3, 2016 - the date when SACASOL filed its administrative claim for refund, and noted that the BIR only had until March 3, 2017 to decide the said claim. The CTA



En Banc then held that since SACASOL did not receive an adverse decision from the BIR by March 3, 2017, the law considers the administrative claim as denied. According to the Decision, SACASOL had 30 days from March 3, 2017 or until April 3, 2017 to seek judicial redress. Since the Petition was only filed on April 12, 2017, the CTA is deprived of jurisdiction to hear the case.

On May 19, 2023, SACASOL filed its MR on the ground that (i) Sec112(c) does not require that the BIR acts and the taxpayer receives the decision within the 120 days; and (ii) SACASOL should be able to file the judicial claim within 30 days from receipt of the decision, as long the decision was made within the 120-day period.

On January 12, 2024, SACASOL received CTA EN Banc Resolution denying the and reiterated its earlier ruling that CTA has no jurisdiction for failure of SACASOL to file its judicial claim for refund within the 120+30 days period from the filing of its administrative claim. The CTA En Banc ruled that the issues in the MR were already addressed, discussed and found wanting in its earlier Decision. On 25 January 2024, SACASOL filed Petition for Extension to File Petition for Review with the Supreme Court. As at March 11, 2024, SACASOL have not received any orders from the Supreme Court relating to the case.

On February 5, 2025, BIR filed its Comment with the Supreme Court. On August 18, 2025, SACASOL submitted its reply to the Supreme Court.

As of December 31, 2025, SACASOL has not received any orders from the Supreme Court relating to the case.

- c. NorthWind Power Development Corporation v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11637)

On October 7, 2024, NorthWind Power Development Corporation (NorthWind) timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱14.7 million.

On December 26, 2024, NorthWind received the CIR's Answer. The Commissioner's hearing was held on 26 June 2025 while the presentation of the Company's witness and Independent Certified Public Accountant's ("ICPA") Commissioning was held on 11 September 2025 at CTA Quezon City. Commissioner's Hearings for the Company and CIR were held on September 18, 2025 and October 21, 2025, respectively. The presentation of ICPA Report was held on November 5, 2025.

No decision as of date.

- d. North Luzon Renewable Energy Corp. ("c") v. Bureau of Internal Revenue

On October 7, 2024, NLR timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱21.6 million.

On December 26, 2024, NLR received the Commissioner of Internal Revenue's Answer.

On March 6, 2025, the CTA Division conducted the Pre-Trial Conference.

On August 28, 2025, the Commissioner's Hearing was conducted.

On October 2, 2025, NLR filed the Judicial Affidavit ("JA") of the Independent Certified Public Accountant and the Motion to Substitute Witness and JA of Mr. Ronald Edward Tan, NLR's Head of Finance.

The hearing was held on January 22, 2026.



No decision as of date.

- e. Guimaras Wind Corporation versus Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11638)

On October 7, 2024, Guimaras Wind timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱12.1 million.

On December 5, 2024, Summons were issued by the CTA 2nd Division.

On June 24, 2025 and July 8, 2025, the Commissioner's hearings were held where marking of exhibits was completed.

The presentation of ICPA Report was held on November 20, 2025 while the filing of Formal Offer of Evidence was completed on December 22, 2025.

There still no decision on this case as of December 31, 2025.

- f. Monte Solar Energy Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11632)

On October 7, 2024, Monte Solar Energy Inc. ("MONTESOL") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱6.4 million.

On December 27, 2024, Summons were issued by the CTA 1st Division.

On March 27, 2025, parties attended the Pre-Trial Conference.

On April 15, 2025, MONTESOL and BIR filed a Joint Stipulation of Facts and Issues. MONTESOL also filed a Motion to Avail of the Provisions of Rule 13 of the Revised Rules of the Court of Tax Appeals (Trial by Commissioner)

On May 20, 2025, a Commissioner's hearing was conducted on May 20, 2025. On July 2, 2025, MONTESOL presented its witness. On August 20, 2025, the Independent Certified Public Accountant presented his report.

On September 2, 2025, MONTESOL's Formal Offer of Evidence was filed.

- g. Negros Island Solar Power Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11633)

On October 7, 2024, Negros Island Solar Power Inc. ("ISLASOL") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱6.0 million.

On March 20, 2025, Summons were issued by the CTA Division.

Pre-Trial Conference was held on June 25, 2025

ISLASOL is currently waiting for the hearing schedule of the presentation of its witness.



- h. Monte Solar Energy Inc. v. Commissioner of Internal Revenue (Claim for 2018 Input VAT Refund - CTA Case No. 10434)

On December 28, 2020, Monte Solar Energy Inc. ("MONTESOL") filed a Petition for Review before the CTA for a refund claim for unutilized input VAT in the amount of ₱4.6 million attributable to zero-rated sales of power generated from RE sources for the four (4) quarters of 2018. BIR filed its Answer on March 15, 2021. Pre-Trial Conference proceeded on July 15, 2021.

On January 18, 2024, the CTA issued its Decision partially allowing the refund claim for MONTESOL and ordering the REFUND or ISSUANCE OF TAX CREDIT CERTIFICATE amounting to ₱4.1 million, representing MONTESOL's unutilized input VAT attributable to its zero-rated sales for all quarters of CY 2018, with a ₱0.5 million variance from the claim that was filed. Management has decided not to appeal the disallowed claim.

On February 21, 2024, Montesol received CIR's Motion for Partial Reconsideration arguing that Montesol is not the property party to seek the tax refund. The CIR further argued that MONTESOL failed to prove that the same remained unutilized and were not carried over to the succeeding periods and that Montesol's input tax is creditable and directly attributable to its zero-rated sales.

On May 7, 2024, MONTESOL received a copy of the CTA Division's Resolution promulgated on May 2, 2024 which denied the CIR's Motion for Partial Reconsideration. The CTA held that the issues raised by the CIR in its MR were already ruled upon by the Court. The CTA also held that the grant of refund of valid input VAT is proper irrespective of whether the input taxes claimed as refund are directly attributable to its zero-rated sales.

On June 5, 2024, the CIR filed his Petition for Review before the CTA En Banc praying for the reversal of the Decision and Resolution. On July 8, 2024, the Company filed its Comment Re: CIR's Petition for Review.

On July 26, 2024, Montesol received a copy of the CTA En Banc's resolution submitting the Petition for decision.

On April 15, 2025, CTA En Banc promulgated its Decision dismissing CIR's Petition for Review.

On April 25, 2025, CIR filed its Motion for Reconsideration. On June 19, 2025, MONTESOL filed its Comment via counsel. On July 28, 2025, CTA En Banc noted the comment and submitted the Motion for Reconsideration for resolution.

On November 5, 2025, the CTA denied BIR's Motion for Reconsideration.

On December 9, 2025, BIR filed a Motion for Extension of Time to File Petition for Review on Certiorari and the Solicitor General filed its Entry of Appearance.

On January 8, 2026, CIR filed a Petition for Review on Certiorari before the Supreme Court.

- i. San Carlos Solar Energy Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11636)

On October 7, 2024, San Carlos Solar Energy Inc. ("SACASOL") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱11.8 million.

On December 13, 2024, Summons were issued by the CTA 1st Division.

On February 19, 2025, BIR filed its Answer.



On June 4, 2025, Pre-trial Conference was held.

On July 28, 2025, Commissioner's Hearing was held.

On October 22, 2025, the ICPA Commissioning and Presentation of SACASOL's witness was held.

On December 10, 2025, the ICPA report was submitted. Subsequently, SACASOL filed a Motion to Admit an Amended ICPA Report on December 22, 2025.

SACASOL is currently waiting for the schedule for the presentation of the ICPA.

- j. Gigasol 3, Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11635)

On October 7, 2024, Gigasol 3 Inc. ("Gigasol 3") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱1.0 million.

On December 21, 2024, GIGASOL3 received the CIR's Answer.

On March 19, 2025, the Pre-Trial Conference was held. On April 15, 2025, Gigasol 3 filed a motion to avail of the provisions of Rule 13 of the Rules of the Court of Tax Appeals to avail of the services of an Independent CPA who will conduct the audit, examination, and verification of the voluminous documents supporting the petition.

On December 18, 2025, the CTA issued a Minute Resolution, the initial presentation of evidence for Gigasol 3, for the testimony of its witness and the commissioning of the ICPA, Rose Angeli S. Bernaldo is set on April 8, 2026.

- k. Alaminos Solar Inc. (formerly SolarAce1 Energy Corp.) v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11639)

On October 7, 2024, Alaminos Solar Inc. ("Alaminos Solar") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱1.8 million.

On January 3, 2025, SA1 received the Answer filed by the CIR.

The CTA Division set the case for CAM on March 17, 2025, and subsequently, for Pre-Trial Conference on June 10, 2025. ICPA commissioning and Presentation of witness was held on August 28, 2025.

ICPA report and Supplemental ICPA Report were filed on September 29, 2025 and October 6, 2025, respectively. ICPA was presented and Commissioner's Hearing for some documents was held on October 9, 2025.

Formal Offer of Evidence was filed on October 29, 2025.

CTA has yet to schedule the hearing for presentation of CIR's witness.

- l. ACEN Tech Hub Inc. (Bataan BESS) (formerly Bataan Solar Energy, Inc.) v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11540)

On June 26, 2024, Bataan BESS timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the CTA, with a total claimed amount of ₱18.6 million.



On 16 October 2024, Bataan BESS received a copy of the Court's Order setting the case for Pre-Trial Conference on February 12, 2025, with Pre-Trial set on February 9, 2025. Bataan BESS engaged Reyes Tacandong & Co. as its ICPA.

On April 30, 2025, Bataan BESS presented its witness.

On July 2, 2025, the ICPA was presented. On August 1, 2025, Bataan BESS filed its Formal Offer of Evidence, to which BIR filed a comment/opposition on August 17, 2025.

BIR was set to present its witness on October 15, 2025, but the hearing was cancelled until further notice because of CTA reorganization.

- m. Monte Solar Energy Inc. ("MONTESOL") v. Commissioner of Internal Revenue (VAT Final Decision on Disputed Assessment - CTA Case No. 12198)

On October 20, 2025, MONTESOL filed a Petition for Review with the CTA, praying to cancel and set aside the Final Decision on Disputed Assessment dated July 11, 2025 issued by the BIR, imposing alleged deficiency income taxes, VAT, miscellaneous taxes, and compromise penalty for taxable year 2021, in the total amount of ₱13.7 million inclusive of interest.

MONTESOL is currently waiting for issuance of further orders by the CTA.

Compliance with Must Offer Rule

On October 4, 2018, CIPP, One Subic Power, Bulacan Power and ACEN received a letter from PEMC for pending investigation of trading intervals covering periods from 2014 to 2018. The scope of the investigation covers possible non-compliance with the Must Offer Rule (MOR) and with the Real-Time Dispatch (RTD) or System Operator Instructions.

On October 28, 2020 and August 17, 2021, the PEMC Board cleared CIP and found no breaches from August 2014 to December 2015. On June 3, 2022, the PEMC Board cleared OSPGC and found no breaches for the period May- December 2014 period. In the May 2022 meeting, PEMC met with trading participants with pending investigations and discussed a shortened process in the investigation while at the same time ensuring due process for all participants. The shortened process will adopt the current PEMC process of frequently flagging the trading participant of the intervals under investigation and requesting for immediate replies and dispensing with lengthy discussions in its investigation reports.

On July 7, 2023, the PEMC Board issued a Notice on Investigation Report which approves the imposition of penalty amounting to ₱700,000 against One Subic Power for breach of MOR. The said breaches were broken down as follows: four breaches in 2014, one breach in 2015, one breach in 2016, and one breach in 2019.

In the May 5, 2023 PEM Board Action letter, the PEM Board cleared Bulacan Power of 10,821 trading intervals, and released its findings and found NO breaches for Bulacan Power for said trading intervals during the January 2015-December 2015 and January 2016-December 2016 investigation periods.

As for CIP II, no breach was found for all the trading intervals from 2014-2021. The PEMC Board issued a Certification dated 24 July 2023 certifying that the investigation cases have been closed and finally disposed of by PEMC.



37. Renewable Energy Act of 2008

Republic Act No. 9513, *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes*, which shall be known as the “Renewable Energy Act of 2008” or “RE” (the Act), became effective on January 30, 2009.

As provided for in the Act, developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the Board of Investments, shall be entitled to the following incentives, among others:

- i. Income Tax Holiday (ITH) – For the first seven (7) years of its commercial operations, the duly registered RE developer shall be exempt from income taxes levied by the National Government;
- ii. Duty-free Importation of RE Machinery, Equipment and Materials – Within the first ten (10) years from issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties;
- iii. Special Realty Tax Rates on Equipment and Machinery – Any law to the contrary notwithstanding, realty and other taxes on civil works, equipment, machinery, and other improvements of a registered RE developer actually and exclusively used for RE facilities shall not exceed 1.5% of their original cost less accumulated normal depreciation or net book value;
- iv. NOLCO – the NOLCO of the RE developer during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss;
- v. Corporate Tax Rate – After seven (7) years of ITH, all RE developers shall pay a corporate tax of 10% on its net taxable income as defined in the National Internal Revenue Code of 1997, as amended by Republic Act No. 9337;
- vi. Accelerated Depreciation – If, and only if, an RE project fails to receive an ITH before full operation, it may apply for accelerated depreciation in its tax books and be taxed based on such;
- vii. Zero Percent VAT Rate – The sale of fuel or power generated from renewable sources of energy shall be subject to 0% VAT;
- viii. Cash Incentive of RE Developers for Missionary Electrification – An RE developer, established after the effectivity of the Act, shall be entitled to a cash generation-based incentive per kilowatt-hour rate generated, equivalent to 50% of the universal charge for power needed to service missionary areas where it operates the same;
- ix. Tax Exemption of Carbon Credits – All proceeds from the sale of carbon emission credits shall be exempt from any and all taxes; and

Tax Credit on Domestic Capital Equipment and Services – A tax credit equivalent to 100% of the value of the VAT and customs duties that would have been paid on the RE machinery, equipment, materials and parts had these items been imported shall be given to an RE operating contract holder who purchases machinery, equipment, materials, and parts from a domestic manufacturer for purposes set forth in the Act.



In addition, to accelerate the development of emerging renewable energy resources, a feed-in tariff system for electricity produced from wind, solar, ocean, run-of-river hydropower and biomass will be promulgated which shall include, but not limited to, the following:

- a. Priority connections to the grid for electricity generated from emerging renewable energy resources;
- b. The priority purchase and transmission of, and payment for, such electricity by the grid system operators; and
- c. Determine the fixed tariff to be paid to electricity produced from each type of emerging renewable energy and the mandated number of years for the application of these rates, which shall not be less than twelve (12) years.

The feed-in tariff to be set shall be applied to the emerging renewable energy to be used in compliance with the renewable portfolio standard as provided for in the Act and in accordance with the feed-in-tariff rules to be promulgated by the ERC in consultations with the National Renewable Energy Board.

RE developers and local manufacturers, fabricators and suppliers of locally-produced RE equipment shall register with the DOE, through the Renewable Energy Management Bureau (REMB). All certifications required to qualify RE developers to avail of the incentives provided for under the Act shall be issued by the DOE through the REMB upon registration.

On July 12, 2010, the ERC approved and issued the FIT Rules which provides for the rules and regulations for the determination of the FIT for emerging RE technologies such as biomass, solar, run-of-river hydropower, ocean and wind energy.

On December 16, 2013, the ERC approved Resolution No. 24 of 2013, A Resolution Adopting the Guidelines on the Collection of the Feed-In Tariff Allowance (FIT-All) and Disbursement of the FIT-All Fund.

Northwind

On July 31, 2007, NorthWind and the DOE entered into a Negotiated Commercial Contract ("NCC") covering the contract area located in Bangui, Ilocos Norte. As a holder of a valid and existing NCC, NorthWind is deemed provisionally registered as a RE Developer under RA 9513. The provisional authority shall subsist until the issuance by the DOE of a Certificate of Registration.

On February 26, 2013, the DOE granted NorthWind a COR under Wind Energy Service Contract No. 2012-07-058. The COR served as the basis or its application with the BOI for the grant of incentives under RA 9513. The approval grants an ITH incentive of seven (7) years starting September 2014.

On October 10, 2014, the DOE granted Northwind a Certificate of Endorsement for FIT Eligibility (COE-FIT No. 2014-10-001) for its Phase III expansion project. The endorsement was the basis for the ERC to issue a FIT COC on April 13, 2015.

The tariff on the generation of the original twenty (20) turbines (Phases I & II) is a FIT rate specific to the NorthWind of ₱5.76/kWh, as approved by the ERC in its decision dated June 30, 2014. In an Order dated November 7, 2017, the ERC granted NorthWind an increase of ₱0.20/kWh, in connection with a Motion for Partial Reconsideration of the Decision dated June 30, 2014, in ERC Case No. 2011-060RC filed by NorthWind on December 5, 2014, thereby increasing the FIT rate specific to Phases I & II from ₱5.76/kWh to ₱5.96/kWh.

The FIT rate specific to NorthWind is lower than the national FIT rate and is valid for twenty (20) years, less the actual years of operation as provided for under the FIT Rules.

The tariff on the six (6) turbines (Phase III) is at ₱8.53/kWh, subject to adjustments as may be approved by the ERC under the FIT rules. The FIT period on the six turbines shall be from October 10, 2014 to October 8, 2034.



On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the NPDC's rate starting 2020 shall be ₱6.52/kWh and ₱8.90/kWh for Phase I & 11 and Phase III, respectively.

MSEI

On June 13, 2016, the DOE, through its issuance of the Certificate of Endorsement, certified the Montesolar's Solar Farm Project as an eligible project under the FIT system. On December 28, 2016, MSEI received another provisional authority to operate by the ERC dated December 8, 2016 but this time, as a renewable energy generation company, which allows MSEI to be entitled to a FIT rate of ₱8.69/kWh for a period of twenty (20) years from March 11, 2016.

On February 6, 2017, MSEI received the COC from ERC and accordingly measured its revenue from energy sales using FIT rate.

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index (CPI) and foreign exchange variations through Discounted Cash Flows (DCF) Model per Renewable Energy technology, covering for the years 2016, 2017, 2018, 2019 and 2020. MSEI accrued the retroactive net revenue adjustment based on the adjusted FIT rates for the years 2016 (₱8.69/kWh), 2017 (₱8.71/kWh), 2018 (₱9.04/kWh), 2019 (₱9.41/kWh) and 2020 (₱9.82/kWh).

Tariff Adjustment

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. Renewable energy subsidiaries under the FIT system include Guimaras Wind Corporation, MSEI, SACASOL, and NorthWind.

38. Events After the Reporting Period

Parent Company

Dividend declaration

On January 29, 2026, the BOD approved the declaration of the first quarter cash dividend on its outstanding Preferred Class "A" shares amounting to ¼ of 6.3587% per annum, or ₱39.741875 per share, based on the issue price of the shares payable to stockholders of record as of February 12, 2026 and will be distributable on February 28, 2026.

On February 18, 2026, the BOD approved the declaration of the first quarter cash dividend on its outstanding Preferred "B" Series 4 (ACPB4) shares amounting to ¼ of 6.2903% per annum, or ₱31.45150 per share, based on the issue price of the shares payable to stockholders of record as of March 4, 2026 and will be distributable on February 19, 2026.

Capital infusions

On January 30, 2026, the Parent Company infused into ACX ₱115.0 million or 11.5 million preferred shares with par value of ₱1.00 per share to be utilized in setting up Fine Fare Food Corporation (Spinneys PH), the holding company for its partnership with Spinneys.

₱30.0 billion shelf registration

On January 22, 2026, the Parent Company's BOD approved the filing with SEC of a five-year shelf registration of up to ₱30.0 billion to provide the Parent Company with the ability to undertake future issuances of Philippine Peso-denominated bonds on an efficient and timely basis. The securities will be sold through general public offerings and relevant documents and information will be filed with pertinent regulatory agencies in due course.



Return of invested capital

On February 9, 2026, the Parent Company received the Notice that “TLI was dissolved by operation of law upon the expiration of its shortened corporate term, pursuant to the Revised Corporation Code of the Philippines and the SEC-approved amendment to the Articles of Incorporation. Following such dissolution, the TLI’s BOD/Trustee approved and implemented a Plan of Liquidation for the orderly winding up of the affairs of the company.” The Parent Company received the return of its invested capital in TLI in February 2026.

ACEIC Group

ACEN PSA with MERALCO price adjustment

Subsequent to December 31, 2025, the Energy Regulatory Commission (ERC) issued decisions dated January 26, 2026 approving the Joint Urgent Motions for Price Adjustment filed by MERALCO and ACEN covering the baseload and mid merit Power Supply Agreements (PSAs).

The ERC ruled that the extraordinary increase in coal prices during 2022–2023, arising from events including the Indonesia coal export ban and the Russia Ukraine war, constituted a “Change in Circumstances” under the PSAs and approved the corresponding price adjustments. The total approved price adjustment amounts to ₱1.7 billion, which ACEN is allowed to recover through MERALCO’s generation charges over a twelve month recovery period commencing March 2026. The ERC decisions also noted that the baseload and mid merit PSAs were terminated effective November 2024.

The ERC approvals were issued after the reporting date and resulted in the establishment of the ACEN’s enforceable right to recover the approved amounts. Accordingly, the related income and receivable will be recognized in 2026.

ACRI acquisition of additional interest in URH

On February 4, 2026, ACRI acquired an additional 50.0% interest in URH from UPC Asia Pacific Holdings Pte. Ltd. for a cash consideration of US\$20.0 million with earn-out of up to US\$20.0 million payable based on the development of qualifying renewable energy and battery storage projects in India through to December 31, 2032.

Prior to this acquisition, ACRI held a 50.0% voting interest in URH, which was accounted for as an investment in joint venture using the equity method (see Note 10).

As a result of this transaction, ACRI increased its ownership from 50.0% to 100.0%, obtaining control of URH. Consequently, URH became a subsidiary of the ACEIC Group, and the results of its operations will be consolidated from the acquisition date onwards.

ACEN investment in ENEX Energy Corp. (ENEX)

Further to the March 11, 2024 ACEN BOD approval of ACEN’s subscription to the preferred shares of ENEX, ACEN executed a subscription agreement with ENEX on February 24, 2026, covering ACEN’s subscription to 75.1 million ENEX non-voting preferred shares, with a par value of ₱1.00 per share, for a total subscription price of ₱75.1 million.

The subscription price was paid in full by applying ACEN’s outstanding receivables due from ENEX as of December 31, 2025. The shares will be issued out of ENEX’s unissued authorized capital stock, subject to compliance with SEC requirements.



ALI Group

On February 26, 2026, the Board of Directors of ALI approved the following:

- a. The amendment of Articles of Incorporation:
 - i. The Second Article to include the cold storage business in the Parent Company's secondary purpose; and
 - ii. The Seventh Article to decrease the authorized capital stock from ₱20.4 billion to ₱19.9 billion through the retirement of 500,000,000 common shares held in treasury.
- b. The raising of up to ₱40.0 billion with tenor of up to 10 years through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or bilateral term loans primarily for the purpose of debt refinancing and to partially finance general corporate requirements.
- c. The filing with the SEC of a new 5-year shelf registration for debt securities of up to ₱50.0 billion.
- d. The declaration of cash totaling ₱0.3513 per common share consisting of a regular cash dividend of ₱0.3194 per common share and a special cash dividend of ₱0.0319 per common share for the first half of 2026. The record date is March 6, 2026, and the payment date is March 19, 2026.
- e. The allocation of 10,000,000 common shares for the ALI Performance Shares to vest over three years.

Block sale of AREIT shares

On February 27, 2026, ALI sold an aggregate of 88.0 million common shares of AREIT at a transaction price of ₱42.00 per share, equivalent to ₱3.7 billion (exclusive of fees and taxes).

AC Health

Increase in authorized capital stock

On February 3, 2026, the SEC approved AC Health's increase in authorized capital stock from ₱7.4 billion divided into 2.1 billion common shares with par value of ₱2.00 per share, and 3.2 billion preferred shares with a par value of ₱1.00 per share to ₱8.3 billion divided into 2.4 billion common shares with par value of ₱2.00 per share, and 3.6 billion redeemable preferred shares with par value of ₱1.00 per share. The increase in authorized capital stock was approved by AC Health's BOD August 8, 2025.

Investment Agreement with ABC Impact

Subsequent to the SEC's approval of AC Health's increase in authorized capital stock on February 3, 2026, AC Health converted ABC Impact's ₱643.6 million deposits for future stock subscription into 64.3 million issued common shares with par value of ₱2.00 per share and 87.5 million issued preferred shares with par value of ₱1.00 per share. This resulted to the reduction of the Parent Company's ownership in AC Health from 93.0% to 90.2% (see Note 2).

Capital infusion of AC Health

On January 26, 2026 and February 20, 2026, AC Health infused ₱9.4 million and to ₱148.0 million, respectively, into Healthway Philippines, Inc. (HPI) reducing the subscription payable related to the ₱526.0 million subscription agreed on in July 2025.

Redemption of HPI preferred shares

On January 30, 2026, HPI paid ₱14.0 million to redeem 140,000 preferred shares with a par value of ₱100.00 per share.



AC Infra

Investment in LRMC

On January 29, 2026, LRMC received a significant claims payment from its Grantors, with a total of ₱522.0 million (₱182.7 million AC and AC Infra share) for Structural Deficit Restoration and NAS ISF compensation.

AC Logistics

Investment in Glacier Megafridge, Inc. ("GMI")

On January 23, 2026, AC Logistics signed an Investment Agreement for the acquisition of up to an ~84% stake in GMI, one of the leading cold storage operators in the Philippines by capacity, subject to closing conditions and regulatory approval.

This investment is consistent with AC Logistics' strategy to expand its cold chain business, one of its key growth pillars, and to leverage the capabilities of an established cold storage player. It builds on the existing partnership between AC Logistics and GMI through GMAC.

ACX

Capital Infusion of ACX

On January 28, 2026, ACX infused capital amounting to ₱15.0 million into Fine Food and Co Corporation through a Treasurer-in-Trust Fund (TITF) account.

IMI

2025 Stock Appreciation Rights (SAR) Program

On February 25, 2026, IMI's BOD approved the amendment to the 2025 Employee Stock Option Program in the form of the Stock Appreciation Rights Plan (the "SAR Plan") allowing eligible employees the early exercise of 15.5 million common shares, subject to conditions stated in the SAR Plan. The shares will be issued from IMI's available listed treasury shares.

Philwater

Dividend declaration

On February 8, 2026, Philwater's BOD approved the declaration of cash dividends amounting to ₱2,095 million to be sourced from its unrestricted retained earnings, inclusive of the transferred amount of ₱800.0 million from appropriated retained earnings to unappropriated retained earnings, wherein the transfer was also approved by Philwater's BOD on the same date.

Receivable from MWC

Pursuant to the Share Purchase Agreement executed on February 15, 2021 where Philwater agreed to sell the 1st tranche of its MWC preferred shares to Trident Water, the last amortization was received on February 13, 2026 from Trident Water amounting to ₱2,372 million, representing the full payment under the agreement (see Note 7). The BIR eCAR was received on March 5, 2026, finally closing the transaction.

TLI

Business closure

On January 6, 2026, TLI received a Certificate of No Outstanding Tax Liability from the BIR, in connection with the cessation of its business operations. With the issuance of this certificate, TLI has formally completed the process of business closure. Consequently, the distribution of capital to stockholders commenced on February 16, 2026, following the completion of all necessary administrative and regulatory requirements.



BPI

Planned merger of BPI Direct Banko, Inc., a Savings Bank and Legazpi Savings Bank

On December 17, 2025, the BOD of BPI authorized its management to pursue plans to merge BPI Direct Banko, Inc., A Savings Bank (Banko) and Legazpi Savings Bank, Inc. (LSB), with Banko as the surviving entity, subject to the consideration and approval of their respective BOD and stockholders. On January 22, 2026, the BOD of both Banko and LSB approved the Plan for Merger, subject to shareholder and regulatory approvals.

The merger is subject to conditions precedent including obtaining corporate and regulatory approvals.

Pricing and listing of BPI SIGLA Bonds

On February 13, 2026, BPI listed on the PDEX its BPI Supporting Individuals Grow, Lead, and Achieve Bonds (the "BPI SIGLA Bonds") in the aggregate principal amount of ₱50.0 billion (the "Offer"), representing the second tranche under BPI's ₱200.0 billion Bond and Commercial Paper Program, which was approved by its Board of Directors on October 16, 2024 (see Note 10).

The BPI SIGLA Bonds has a tenor of two years and an interest rate of 5.4050% p.a., paid quarterly. The bonds bear the ASEAN Social Bond label and its net proceeds will be exclusively allocated to finance or refinance eligible social projects in accordance with BPI's Sustainable Funding Framework consistent with the ASEAN Social Bonds Standards.

Globe Group

Sale of Yondu

On January 2, 2026, Globe completed the closing of the sale of Yondu and the transfer of ownership to NCSI (see Note 10). The transaction diluted Globe's ownership from 100.0% to 49.0% and resulted in a loss of control over Yondu. Thereafter, the investment in Yondu was accounted for as an investment in associate since Globe has significant influence in the financial and operating policy decisions of Yondu.

Dividend declaration

On February 3, 2026, the BOD of Globe approved the declaration of first quarter cash dividends of ₱25.00 per common share or total dividends of ₱3.6 billion. The dividends were paid to common stockholders of record as of February 18, 2026 on March 5, 2026.

Issuance of non-voting preferred shares

On March 2, 2026, Globe listed on the PSE its 12.5 million cumulative, non-voting, non-participating, non-convertible, redeemable, and re-issuable Philippine Peso-denominated perpetual preferred shares ("Non-Voting Preferred Shares") with a total subscription amount of ₱25.0 billion. The Non-Voting Preferred Shares were issued in two series at an offer price of ₱2,000.00 per share, with a par value of ₱50.00 per share. The net proceeds will be used to redeem all or a portion of Globe's USD perpetual capital securities and fund capital expenditures, supporting the continued expansion and enhancement of its network and digital infrastructure.

IPO

Amendment of By-Laws

On February 18, 2026, the SEC approved IPO's amendment of its By-laws specifically amending Article II, Section 8 (d) and (deleting) Section 8 (e).



39. Approval of the Consolidated Financial Statements

The consolidated financial statements of the Ayala Group as of December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 were endorsed for approval by the Audit Committee and authorized for issue by the BOD on March 12, 2026.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Ayala Corporation
37F to 39F Ayala Triangle Gardens Tower 2
Paseo de Roxas corner Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Corporation and its subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 12, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Sherwin V. Yason

Partner

CPA Certificate No.

Tax Identification No.

BOA/PRC Reg. No.

SEC Partner Accreditation No.

Valid to cover audit of 2020 to 2024 financial statements,
with extension up to audit of 2025 financial statements

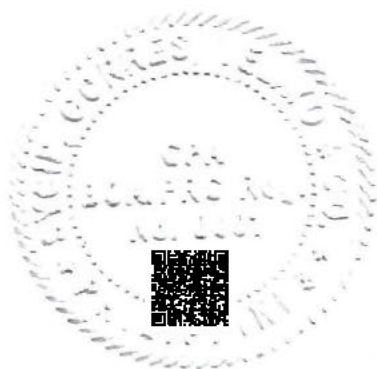
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No.

PTR No.

March 12, 2026



AYALA CORPORATION AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex B: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex C: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2025

(IN THOUSAND PESOS)

A. Financial Assets at Fair Value Through Profit and Loss (FVTPL) - Current Financial Assets at FVTPL amounted to ₱5,730,517 is shown under the Other Current Assets account and is 1.0% of the ₱599,857,543 Total Current Assets as of December 31, 2025.	Not applicable
B. Financial Assets at Fair Value Through Profit and Loss (FVTPL) - Noncurrent Financial Assets at FVTPL-noncurrent amounted to ₱3,383,001 is shown under the Other Noncurrent Assets account and is 0.3% of the ₱1,291,709,886 Total Noncurrent Assets as of December 31, 2025.	Not applicable
C. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) - Noncurrent Financial Assets at FVOCI amounted to ₱11,713,821 is shown under Other Noncurrent Assets account and is 0.9% of the ₱1,291,709,886 Total Noncurrent Assets as of December 31, 2025.	Not applicable
D. Financial Assets at Amortized Cost - Noncurrent Financial Assets at amortized cost amounted to ₱20,209,242 is shown under Other Noncurrent Assets account and is 1.6% of ₱1,291,709,886 Noncurrent Assets as of December 31, 2025.	Not applicable

AYALA CORPORATION AND SUBSIDIARIES**SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)****AS OF DECEMBER 31, 2025****(IN THOUSAND PESOS)**

Account Type	Beginning Balance	Additions	Deductions	Ending Balance	Payment Period
Advances to Employees	₱1,025,847	₱582,140	(₱189,277)	₱1,418,710	30 days to 1 year
Housing and Related Loan	665,432	302,175	(112)	967,495	1 year to 15 years
Car and Related Loan	183,425	53,167	(6,840)	229,752	1 year to 5 years
Others	205,504	437,911	(392,725)	250,690	6 months to 1 year
TOTAL*	₱2,080,208	₱1,375,393	(₱588,954)	₱2,866,647	

*Please refer to Notes 7 Accounts and Notes Receivable and 31 Related Party Transactions in the 2025 Consolidated Audited Financial Statements for detailed account analysis and discussion.

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE C1 - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025

(IN THOUSAND PESOS)

Creditor	Creditor's Relationship to the Reporting Co.	Account Type	Beginning Balance	Movement	Ending Balance	Nature of Accounts
AC	Parent	Accounts and other receivable	P271,246	(P94,738)	P176,508	Rental fees, with interest on overdue accounts; other receivables
AYC	Subsidiary	Other receivable	38,736,318	826,833	39,563,151	Non-interest-bearing receivable from ACIFL (for various investment)
AYC	Subsidiary	Loans receivable	5,784,500	94,451	5,878,951	Interest-bearing loans receivable from BHL
BHL	Subsidiary	Loans receivable	5,917,966	119,797	6,037,763	Mainly interest-bearing loans receivable from AC
BHL	Subsidiary	Accounts Receivable	141,261	2,307	143,568	Other receivables from AC Industrials
ACIFL	Subsidiary	Accounts and loans receivable	78,562	1,273	79,835	Mainly interest-bearing loans receivable from BHL (for various investments)
AC Health	Subsidiary	Subscription receivable	2,558	(547)	2,011	Deposits on subscriptions, non-interest bearing
ALI	Subsidiary	Accounts receivable	333,149	(108,064)	225,085	Advances, non-interest bearing
Others	Subsidiary	Trade and other receivable	127,885	29,108	156,993	Legal fees; reimbursement of expenses, etc.
TOTAL			P51,393,445	P870,420	P52,263,865	

AYALA CORPORATION AND SUBSIDIARIES
SCHEDULE C2 - AMOUNTS PAYABLE TO RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

Debtor	Debtor's Relationship to the Reporting Co.	Account Type	Beginning Balance	Movement	Ending Balance	Nature of Accounts
AC	Parent	Accounts and loans payable	₱5,917,966	₱119,797	₱6,037,763	Mainly interest-bearing loans payable to BHL
AC	Parent	Accounts and Subscriptions payable	310,721	(223,636)	87,085	Deposits on subscriptions; advances, non-interest bearing
ACIFL	Subsidiary	Other payable	38,736,318	826,833	39,563,151	Non-interest bearing payable to AYC (for various investment)
ACIFL	Subsidiary	Other payable	89,102	1,419	90,521	Other payables to PFIL & AC
BHL	Subsidiary	Accounts and loans payable	18,682	13,422	32,104	Mainly interest-bearing loans payable to ACIFL (for various investments)
BHL	Subsidiary	Loans payable	5,784,500	94,451	5,878,951	Interest-bearing loans payable to AYC
ALI	Subsidiary	Other payable	166,875	(129,558)	37,317	Advances, non-interest bearing
AYC	Subsidiary	Other payable	77,854	1,134	78,988	Other payables to ACIFL & AC
ACEIC	Subsidiary	Other payable	48,893	11,015	59,908	Advances, non-interest bearing
ACI	Subsidiary	Accounts and other payables	158,309	56,841	215,150	Mainly rental fees, with interest on overdue accounts
Others	Subsidiary	Accounts and other payables	84,225	98,702	182,927	Rental fees, with interest on overdue accounts; reimbursement of expenses, etc.
TOTAL			₱51,393,445	₱870,420	₱52,263,865	

AYALA CORPORATION AND SUBSIDIARIES**SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS
FROM RELATED PARTIES)****AS OF DECEMBER 31, 2025****(IN THOUSAND PESOS)**

Name of Related Parties	Balance at Beginning of Period	Balance at End of Period
Bank of the Philippine Islands (BPI)*	₱35,450,987	₱28,005,344

*Amounts shown form part of the short-term and long-term debt payable to BPI per Note 31 - Related Party Transactions of the 2025 Consolidated Audited Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES**SCHEDULE F- GUARANTEES OF SECURITIES OF OTHER ISSUERS****AS OF DECEMBER 31, 2025****(IN THOUSAND PESOS)**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guaranty
AYC Finance Limited *	Various *	Total loan drawdowns amounted to \$1,300.0M wherein \$1,124.9M is outstanding as of December 31, 2025.*	None	The Parent Company unconditionally guarantees the due and punctual payment of the loan drawdowns if, for any reason AYCFL does not make timely payment of the amount due. The Parent Company's obligation as guarantor will remain in full force until no sum remains to be lent by the lenders, and the lenders recover the outstanding loan drawdowns.*

* Please refer to Note 35 - Commitments of the 2025 Consolidated Audited Financial Statements for the detailed discussion.

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE G - CAPITAL STOCK

AS OF DECEMBER 31, 2025

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING	NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSION & OTHER RIGHTS	NUMBER OF SHARES HELD BY RELATED PARTIES	DIRECTORS, OFFICERS & EMPLOYEES	OTHERS
Common stock issued and subscribed ^{a/}	900,000,000	623,596,775	Refer to "Warrants and options outstanding; repricing" portion of Item 10 of the SEC17A report.	Refer to "Security ownership of certain record and beneficial owners" portion of Item 11 of the SEC17A report.	6,110,733	
Issued and subscribed on exercise of share options	–	440,201				
Treasury shares reissuance/acquisition	–	(4,000,000)				
–						
Common shares outstanding	900,000,000	620,036,976				
Preferred A shares ^{b/}	12,000,000	5,244,515			400	
Preferred B shares ^{c/}	58,000,000	17,500,000			–	
Preferred C shares	40,000,000	–			–	
Voting Preferred shares ^{d/}	200,000,000	200,000,000			1,365,976	
^{a/} Ayala Corporation has stock option plans for the employees (Employee Stock Ownership Plan - ESOWN) covering 3% of the Company's capital stock. ^{b/} Cumulative, nonvoting and redeemable with a par value of ₱100.00 per share and is listed and traded at the Philippine Stock Exchange. It may be redeemed at the option of Ayala Corporation starting on the fifth year from date of issuance.* ^{c/} Cumulative, nonvoting and redeemable with a par value of ₱100.00 per share and is listed and traded at the Philippine Stock Exchange. It may be redeemed at the option of Parent Company starting on the fifth year of from the date of issuance.* ^{d/} Cumulative, nonparticipating, nonvoting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of the shares.* ^{e/} Cumulative, voting and redeemable at the option of Parent Company with a par value of ₱1.00 per share and dividend rate of 4.8096% per annum and will be applicable until May 20, 2025, the next re-pricing date.*						

* Please refer to Note 22 of the 2025 Consolidated Audited Financial Statements for the related discussion.

AYALA CORPORATION AND SUBSIDIARIES**ANNEX B: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION****AS AT DECEMBER 31, 2025 AND 2024
(IN THOUSAND PESOS)**

	December 2025	December 2024
Unappropriated retained earnings, beginning of reporting period*	₱67,898,508	₱61,589,700
Add (less):		
Dividend declaration during the reporting period	(8,109,387)	(7,002,201)
Sale/retirement of investment in FVOCI	32,661	—
Unappropriated retained earnings, as adjusted	59,821,782	54,587,499
Add (less): Net Income (loss) for the current year	11,428,287	9,278,311
Add (less):		
Net movement of treasury shares	(1,923,729)	4,050,907
Net movement in deferred tax asset and deferred tax liabilities related to same transaction	77,044	(18,209)
	(1,846,685)	4,032,698
Retained earnings available for dividends	₱69,403,384	₱67,898,508

**Reconciliation of unappropriated retained earnings, beginning of reporting period as per SEC MC No. 16-2023:*

	December 2025	December 2024
Unappropriated retained earnings, beginning (per audited FS)	₱78,470,997	₱76,194,887
Add (less):		
Treasury shares, beginning	(10,495,444)	(14,546,351)
Deferred tax asset, beginning	(77,045)	(58,836)
Unappropriated retained earnings, beginning of reporting period	₱67,898,508	₱61,589,700

*Per SEC MC No. 16-2023, Footnote 2, "Unappropriated retained earnings, beginning of reporting period" refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period. SEC MC No. 16-2023 is effective for audited financial statements covering period December 31, 2023 and onwards and supersedes the guidance under SEC MC No. 11-2008 on the determination of the availability of retained earnings for dividend declarations.

AYALA CORPORATION AND SUBSIDIARIES

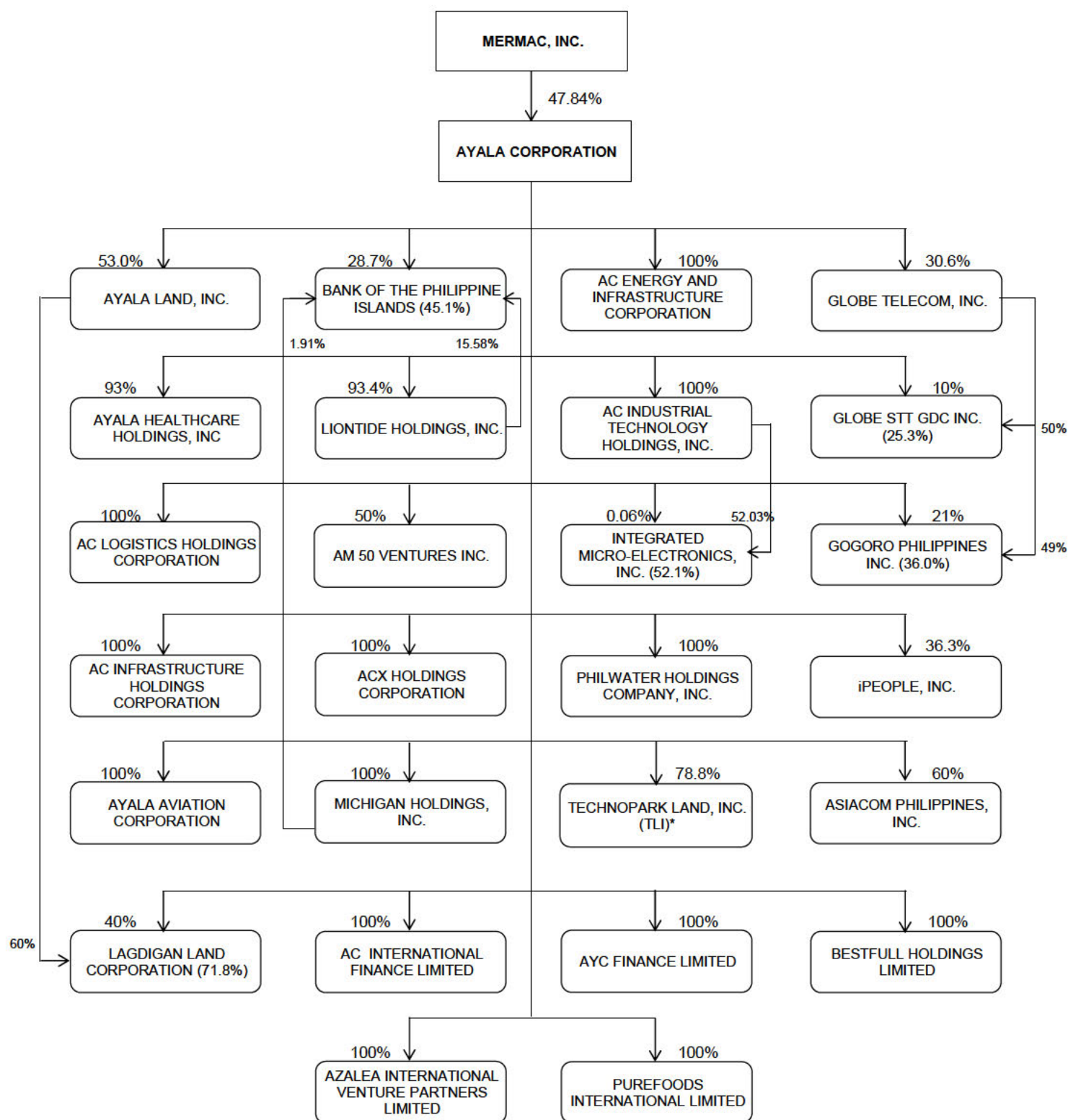
**ANNEX C: MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE
COMPANY AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT,
SUBSIDIARIES OR CO-SUBSIDIARIES, ASSOCIATES, WHEREVER LOCATED OR
REGISTERED**

(Refer to succeeding pages)

AYALA CORPORATION AND SUBSIDIARIES

Map of Relationships of the Companies within the Group

As of December 31, 2025

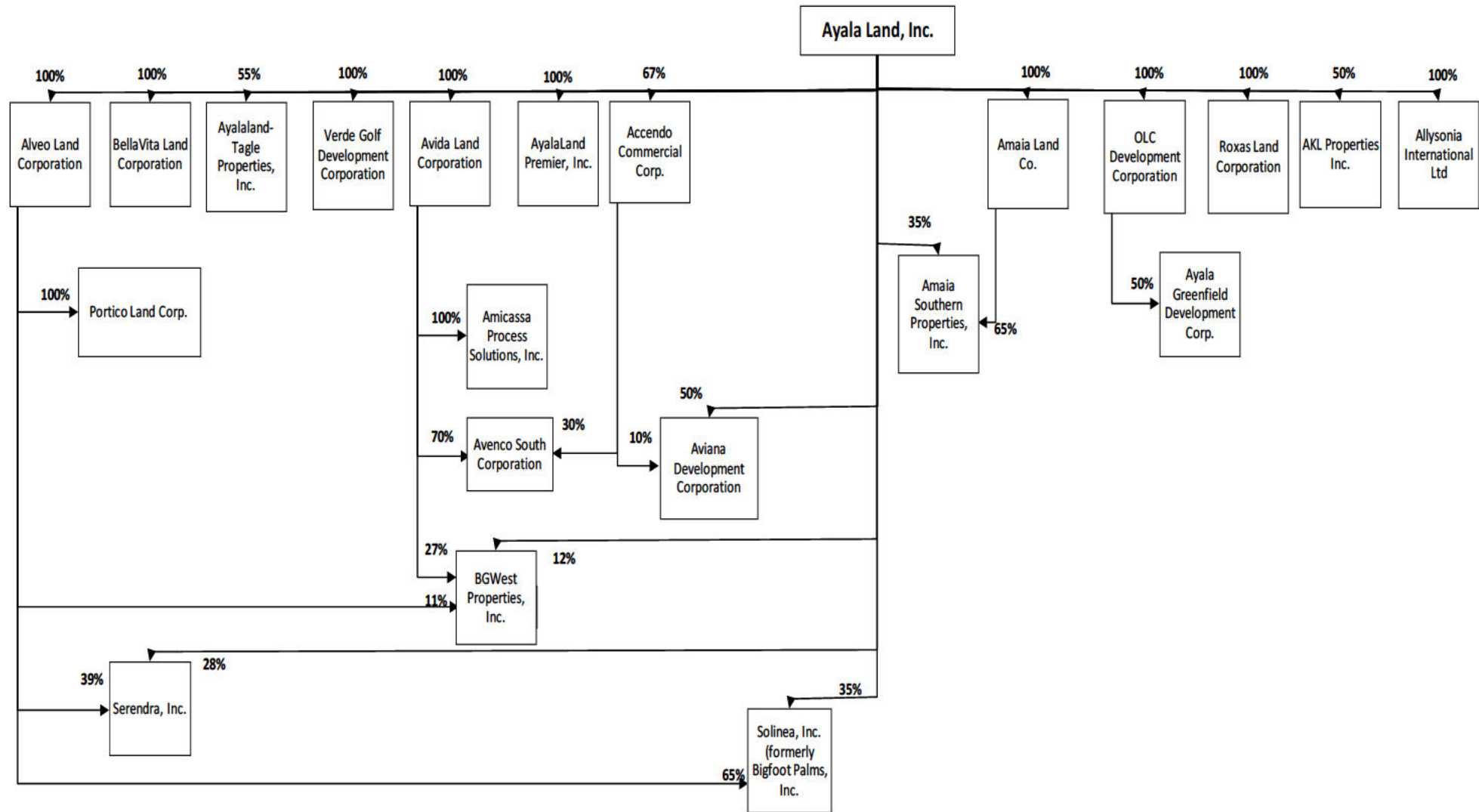


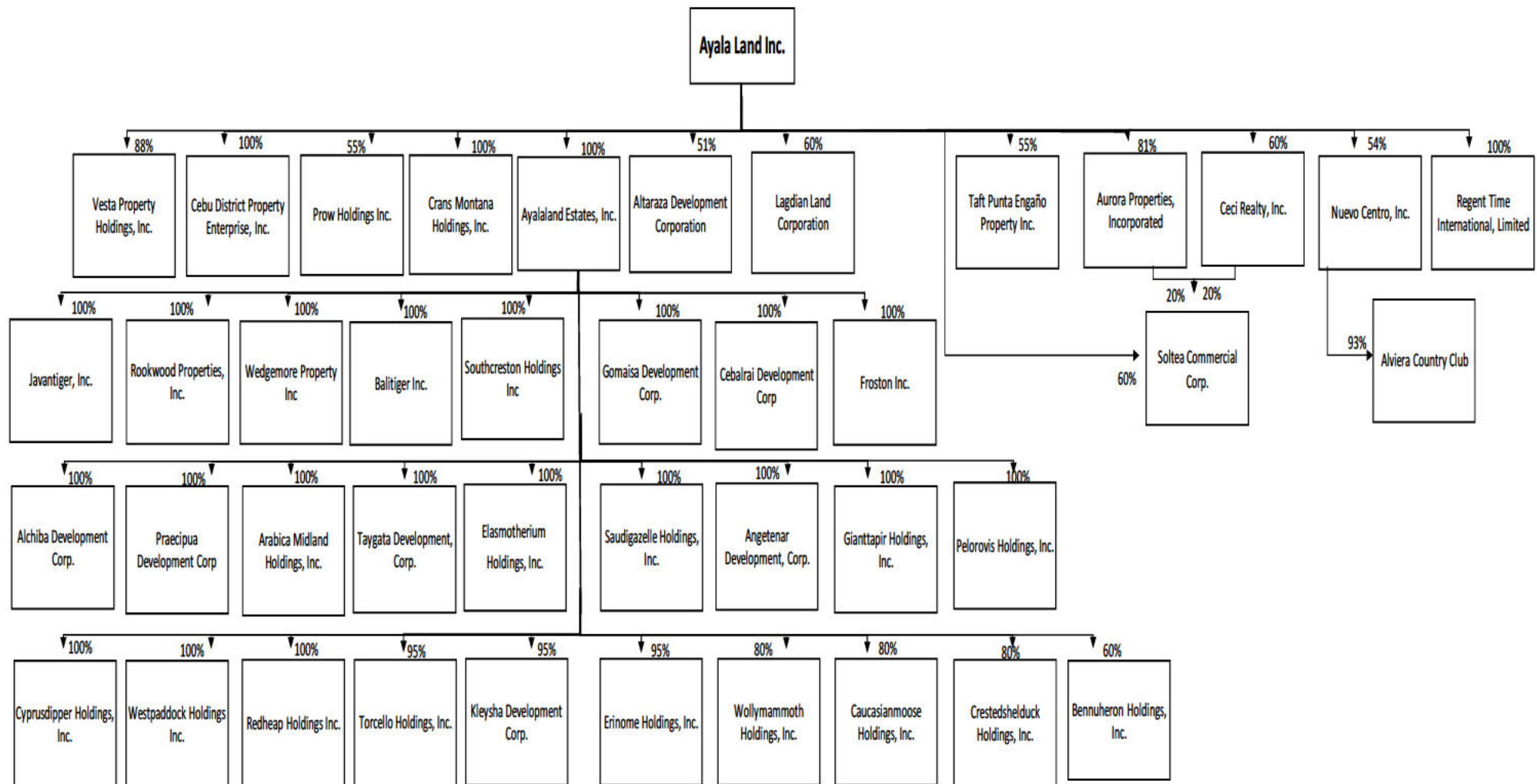
Legend:

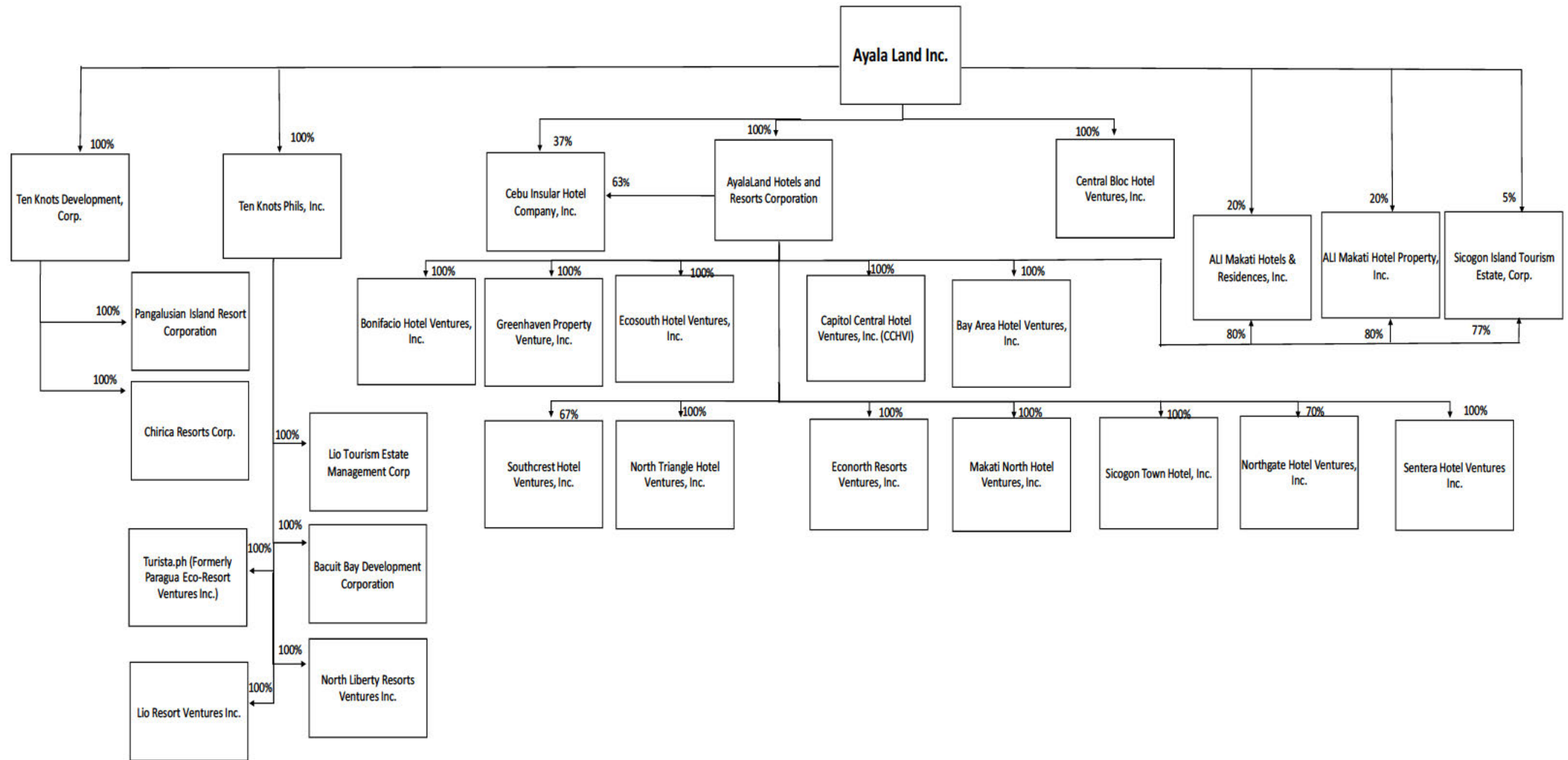
% of ownership appearing outside the box - direct % of economic ownership

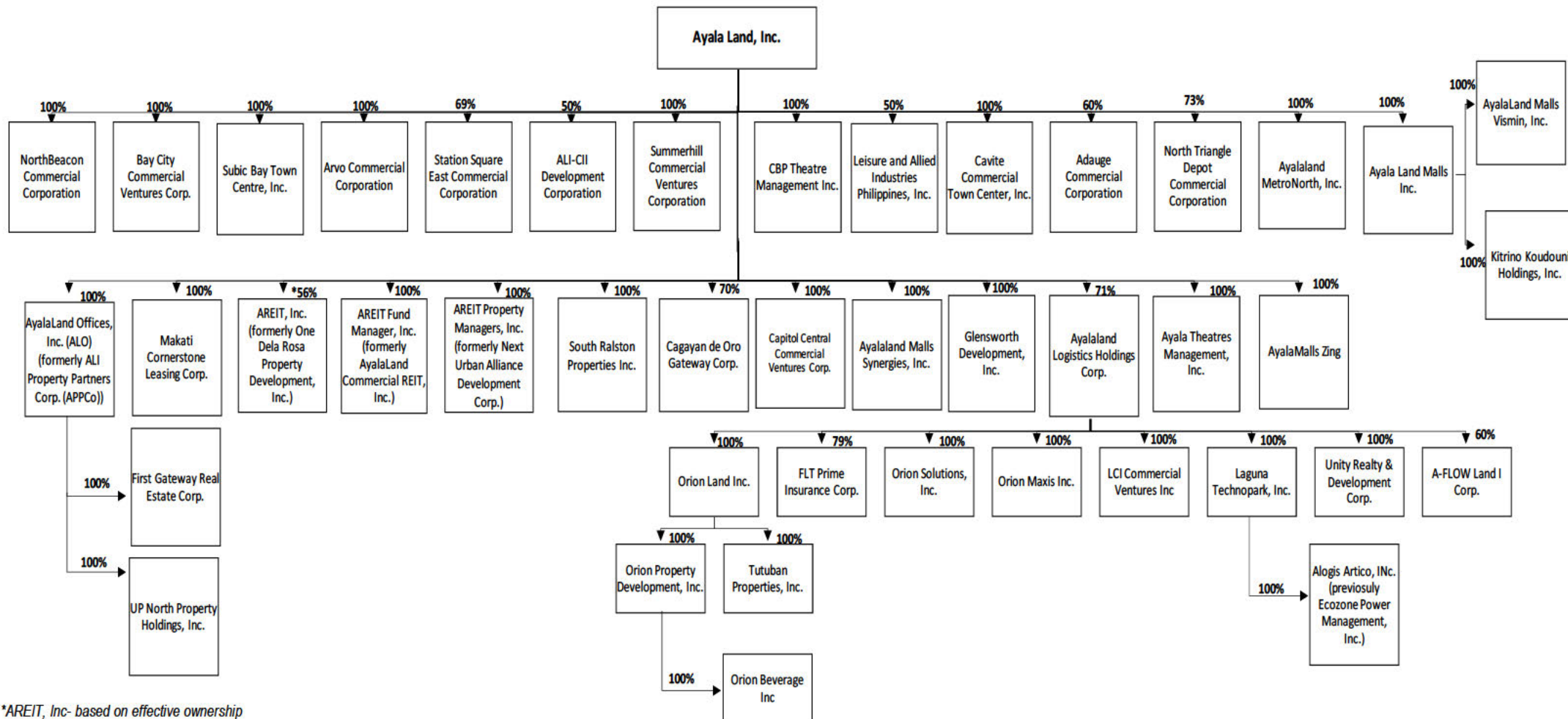
% of ownership appearing inside the box - effective % of economic ownership

*On December 10, 2021, the BOD and stockholders of TLI approved the plan to shorten its corporate term to June 30, 2023. On December 23, 2021, the SEC approved the amendment of the Fourth Article of the Articles of Incorporation to shorten the corporate term to June 30, 2023. The company obtained all necessary regulatory approvals for the closure its business. On January 6, 2026, the BIR officially cancelled the company's registration.

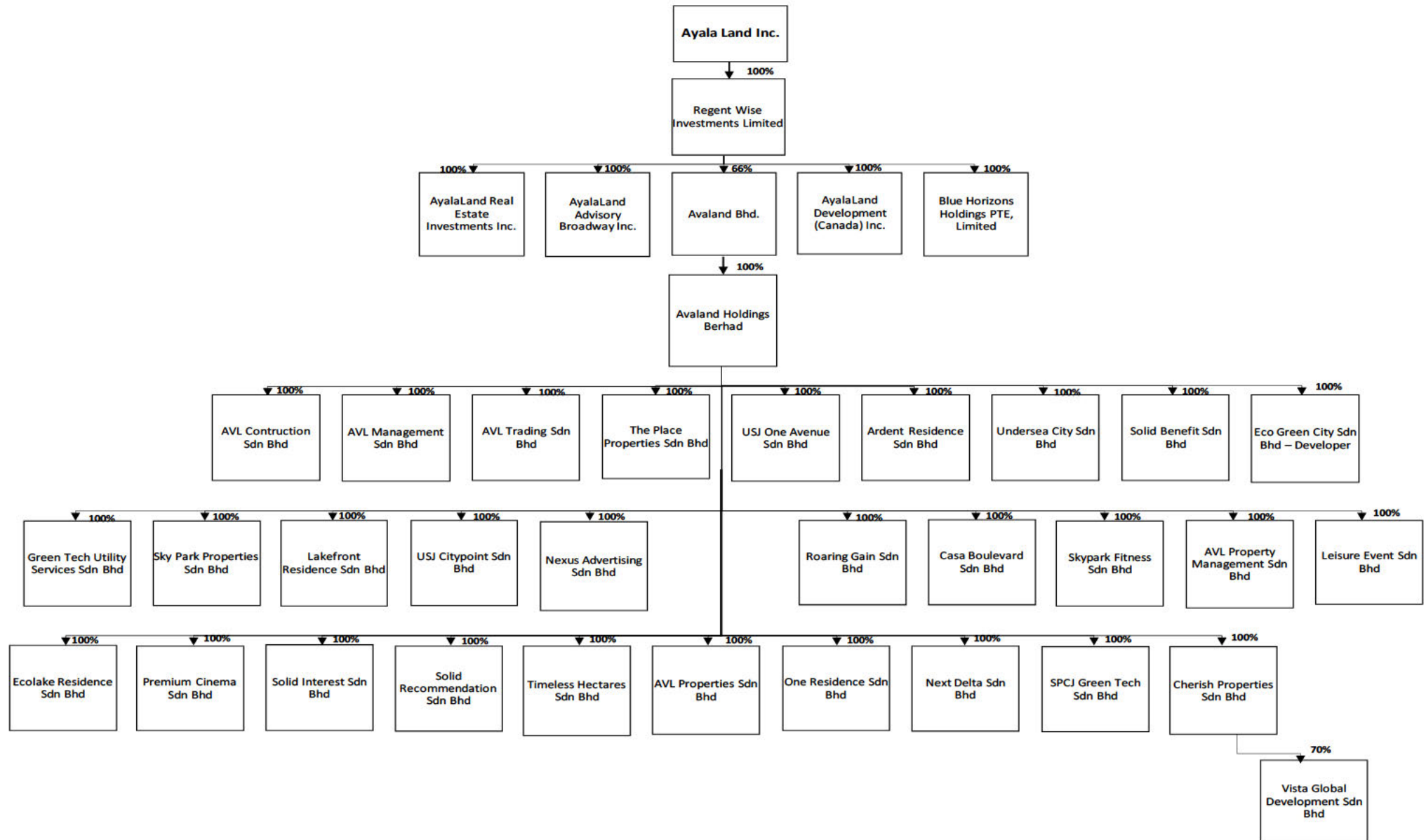


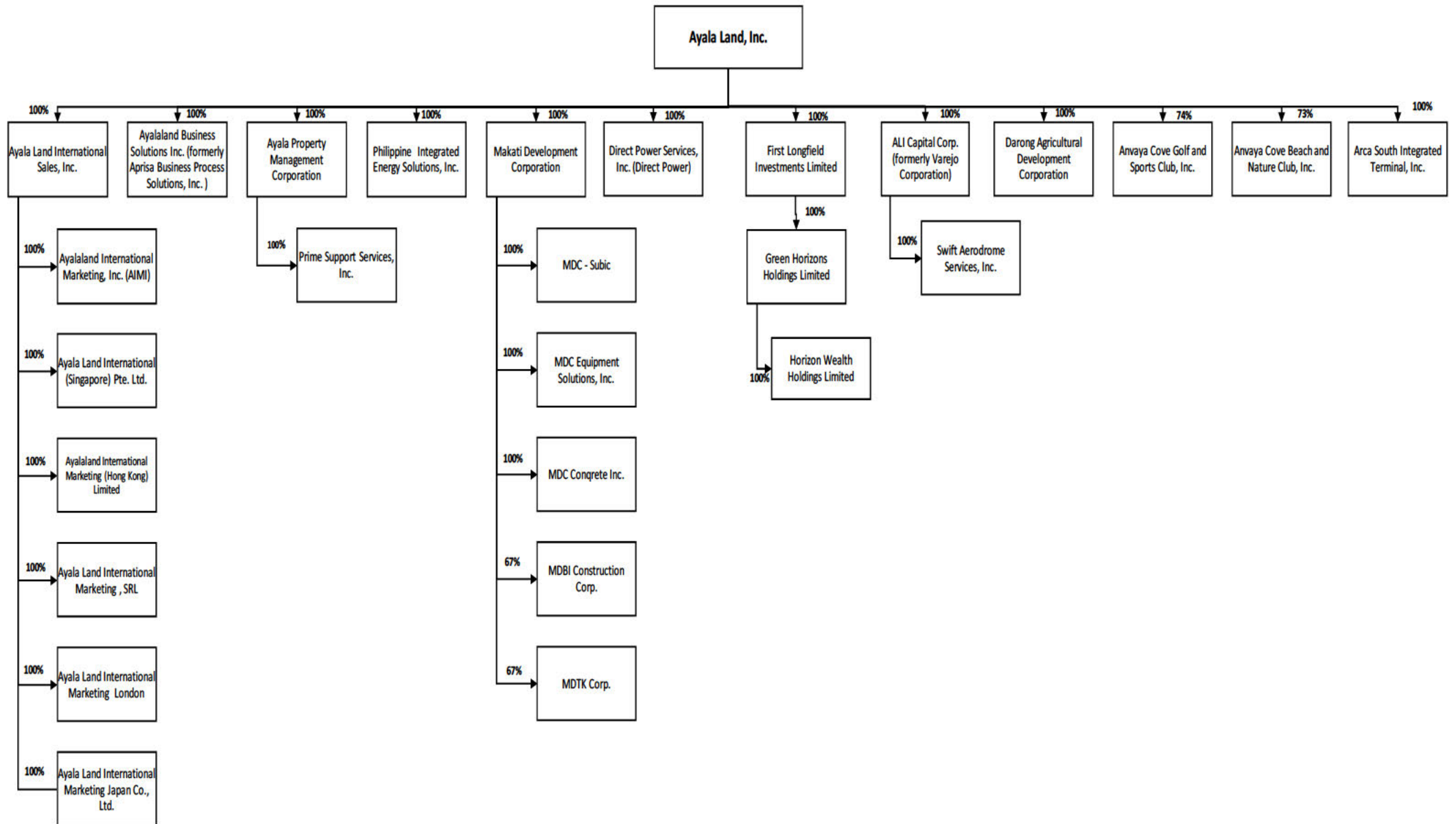




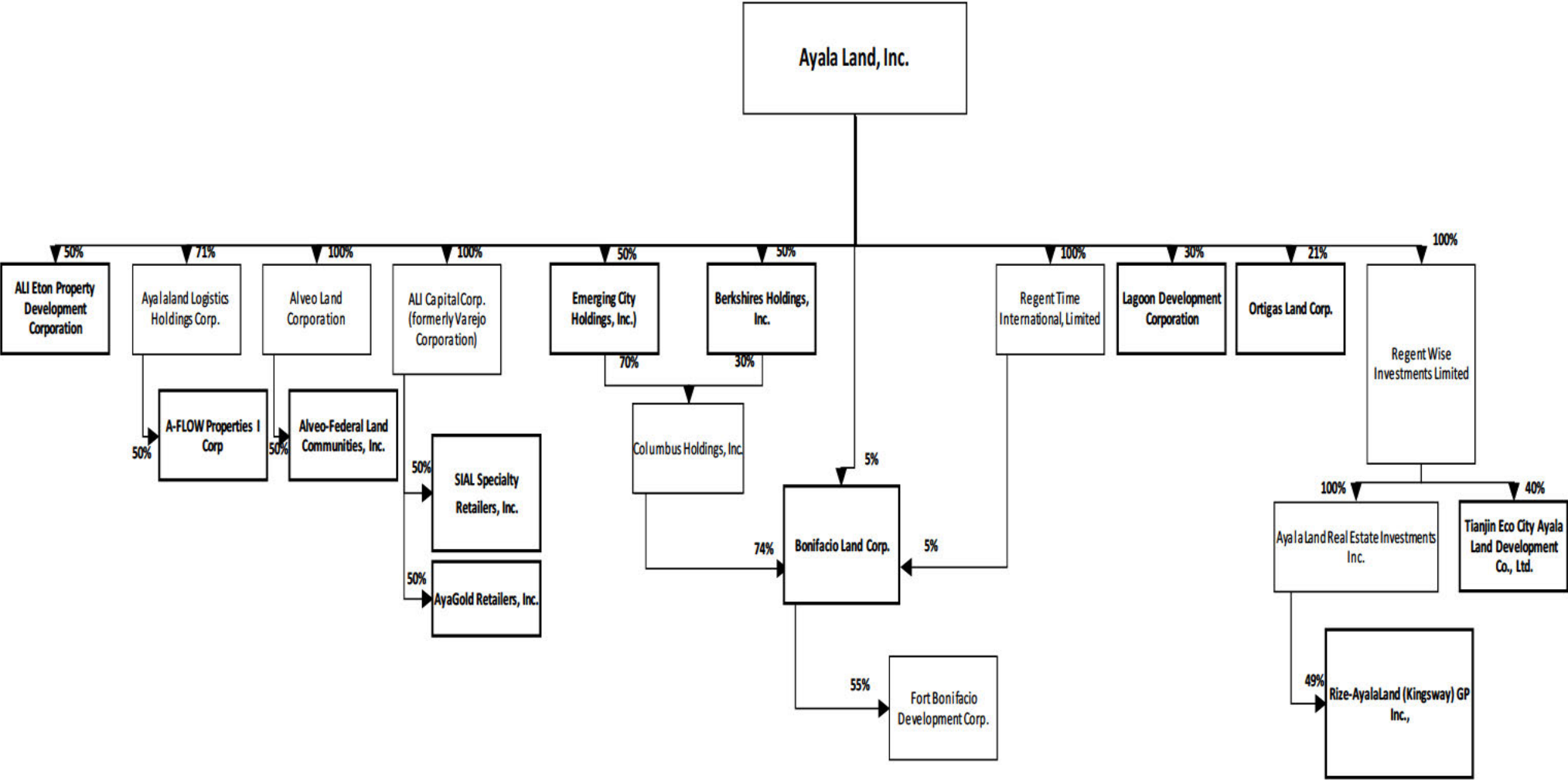


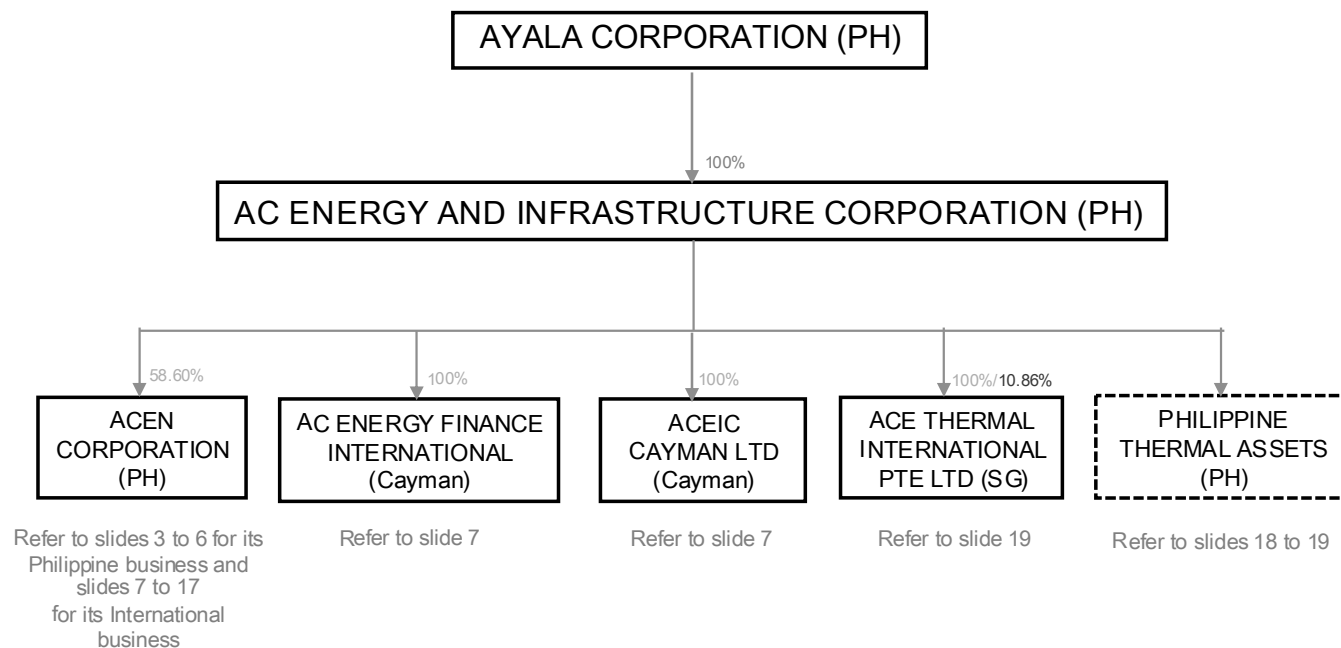
*AREIT, Inc- based on effective ownership





Investments in Associates/Joint Ventures



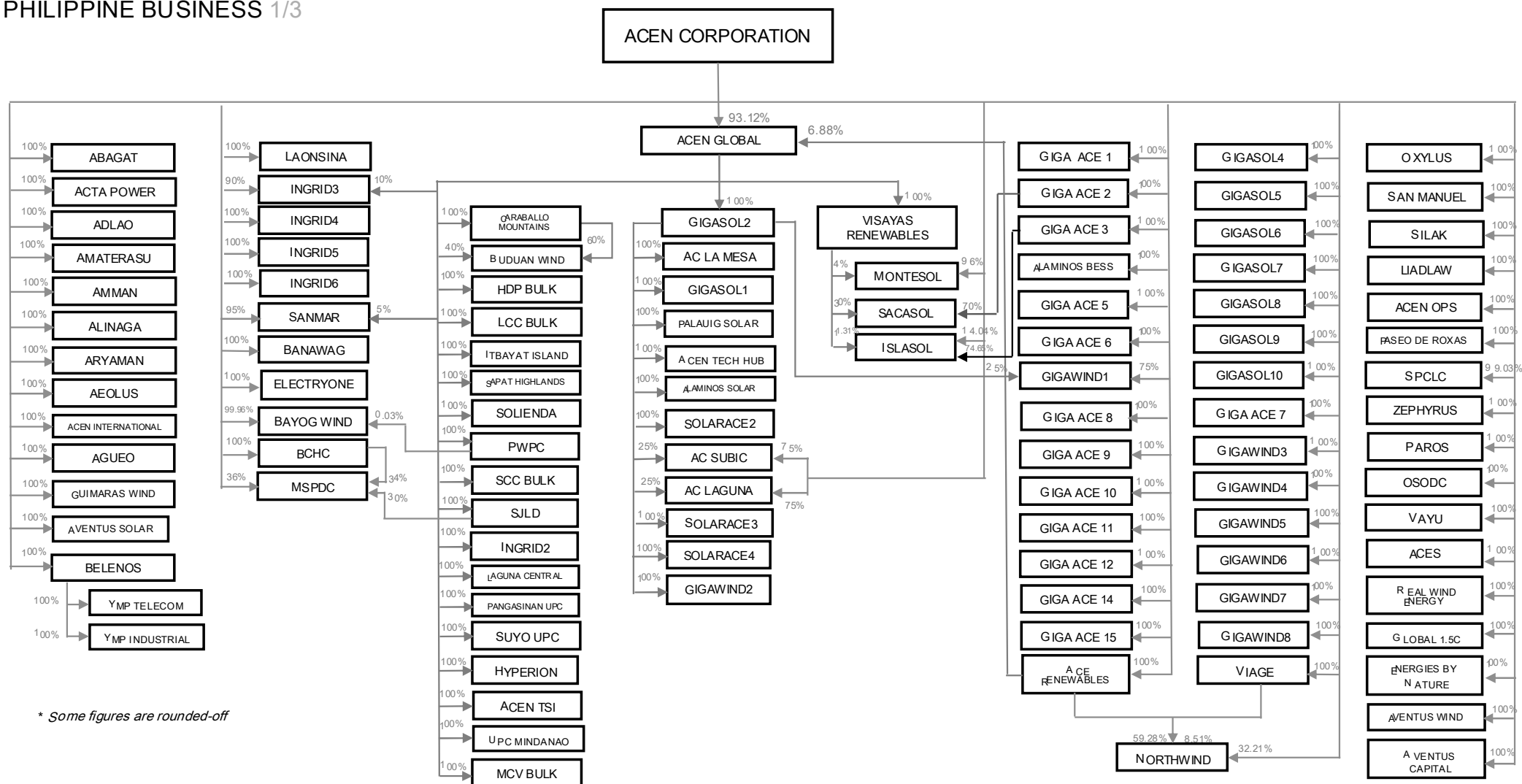


Note:

For figures in split form (X%/Y%) as shown in all slides, figures in left represent voting interest, while figures in right represent economic interest.

For figures not in split form, figures represent both voting and economic interest.

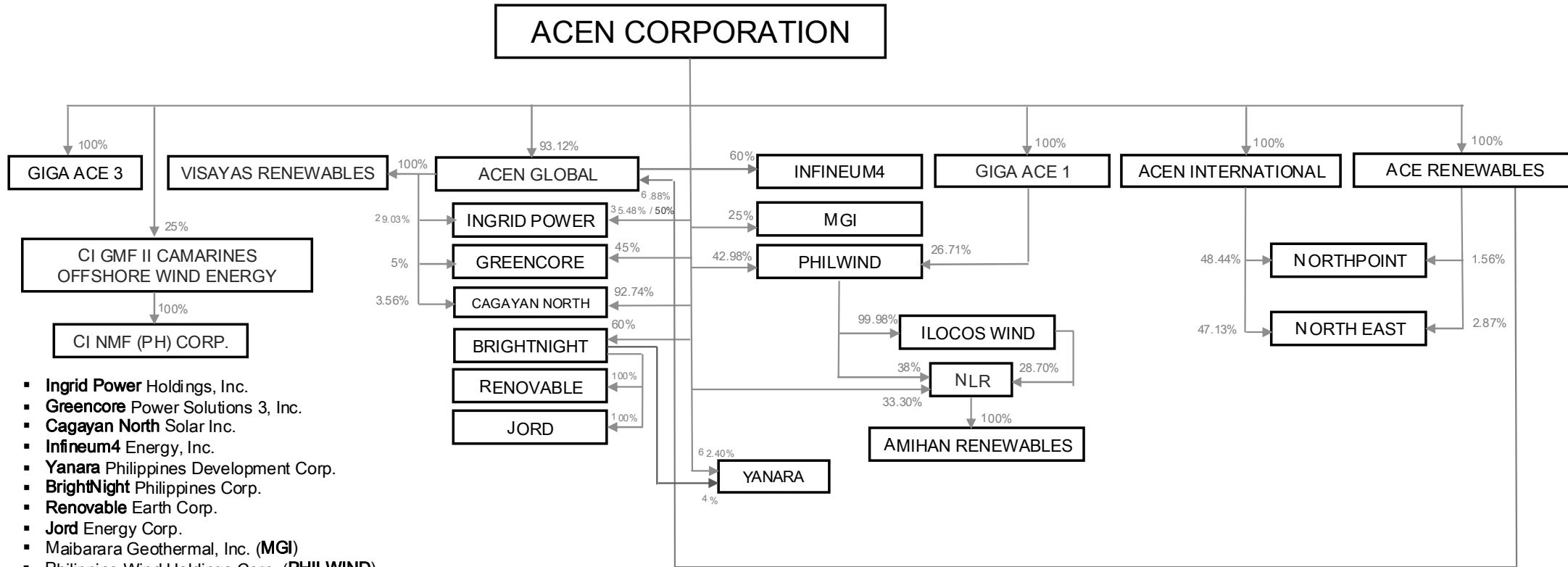
ACEN WHOLLY-OWNED COMPANIES
PHILIPPINE BUSINESS 1/3



GLOSSARY

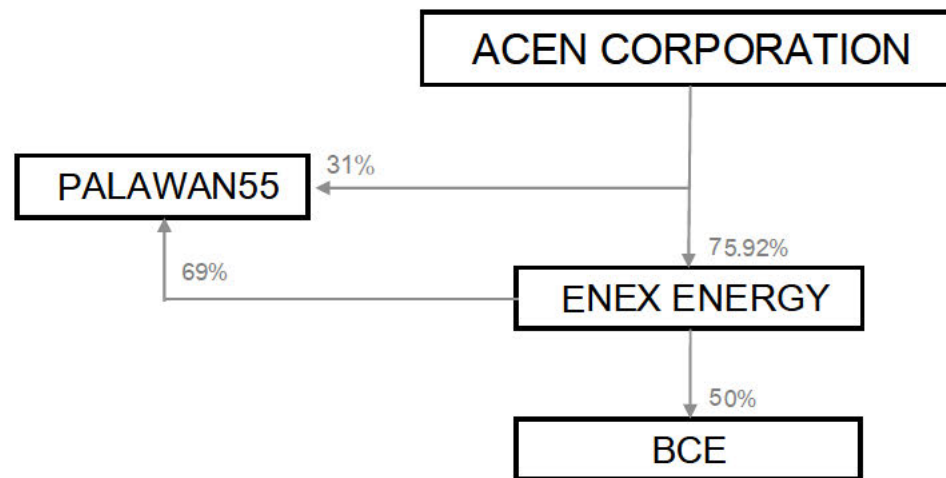
- **Abagat** Energy Corporation
- **ACE Renewables** Philippines, Inc.
- ACEN Shared Services, Inc. (**ACES**)
- **ACEN Global** Development Group, Inc.
- **ACEN International**, Inc.
- ACEN Technical Services, Inc. (**ACEN TSI**)
- ACEN Operations Services, Inc. (**ACEN OPS**)
- ACEN Tech Hub Inc.
- **AC La Mesa Solar**, Inc.
- **AC Laguna Solar**, Inc.
- **AC Subic Solar**, Inc.
- **Acta** Power Corporation
- **Adlao** Energy Corporation
- **Aeolus** Energy Corporation
- **Agueo** Energy Corporation
- **Alaminos Solar** Inc.
- **Alaminos BESS** Inc.
- **Alinaga** Energy Corporation
- **Amaterasu** Energy Corporation
- **Amman** Energy Corporation
- **Aryaman** Energy Corporation
- **Aventus Solar** Farm, Inc.
- **Aventus Wind** Farm Inc.
- **Aventus Capital** Corporation
- **Banawag** Energy Corporation
- **Bayog Wind** Power Corp.
- Buendia Christiana Holdings Corp. (**BCHC**)
- **Belenos** Energy Corporation
- **Buduan Wind** Energy Co., Inc.
- **Caraballo Mountains** UPC Asia Corporation
- **Electryone** Energy Corporation
- Energies by Nature Inc.
- **Giga Ace 1**, Inc.
- **Giga Ace 2**, Inc.
- **Giga Ace 3**, Inc.
- **Giga Ace 5**, Inc.
- **Giga Ace 6**, Inc.
- **Giga Ace 7**, Inc.
- **Giga Ace 8**, Inc.
- **Giga Ace 9**, Inc.
- **Giga Ace 10**, Inc.
- **Giga Ace 11**, Inc.
- **Giga Ace 12**, Inc.
- **Giga Ace 14**, Inc.
- **Giga Ace 15**, Inc.
- **Gigasol 1**, Inc.
- **Gigasol 2**, Inc.
- **Gigasol 4**, Inc.
- **Gigasol 5**, Inc.
- **Gigasol 6**, Inc.
- **Gigasol 7**, Inc.
- **Gigasol 8**, Inc.
- **Gigasol 9**, Inc.
- **Gigasol 10**, Inc.
- **Gigawind1**, Inc.
- **Gigawind2**, Inc.
- **Gigawind3**, Inc.
- **Gigawind4**, Inc.
- **Gigawind5**, Inc.
- **Gigawind6**, Inc.
- **Gigawind7**, Inc.
- **Gigawind8**, Inc.
- **Global 1.5C** Energies Inc.
- **Guimaras Wind** Corporation
- **HDP Bulk Water** Supply, Inc.
- **Hyperion** Renewables Holdings, Inc.
- **Ingrid2** Power Corp.
- **Ingrid3** Power Corp.
- **Ingrid4** Power Corp.
- **Ingrid5** Power Corp.
- **Ingrid6** Power Corp.
- **Itbayat Island** UPC Asia Corporation
- **LCC Bulk Water** Supply, Inc.
- **Laguna Central** Renewables, Inc.
- **Laonsina** Energy Corporation
- **Liadlaw** Energy Corporation
- **MCV Bulk Water** Supply, Inc.
- Manapla Sun Power Development Corp. (**MSPDC**)
- Monte Solar Energy, Inc. (**MONTESOL**)
- Northwind Power Development Corporation (**Northwind**)
- Negros Island Solar Power, Inc. (**ISLASOL**)
- One Subic Oil Distribution Corp. (**OSODC**)
- **Oxylus** Energy Corporation
- **Palauig Solar 1** Inc.
- **Pangasinan UPC** Asia Corporation
- Pagudpud Wind Power Corp. (**PWPC**)
- Paseo De Roxas Energy Corporation
- **Paros** Energy Corporation
- **Real Wind** Energy, Inc.
- **Sapat Highlands** Wind Corporation
- San Carlos Solar Energy, Inc. (**SACASOL**)
- San Julio Land Development Corp. (**SLJD**)
- **Suyo UPC** Asia Corporation
- **SCC Bulk Water** Supply, Inc.
- **Silak** Energy Corporation
- **San Manuel** Solar Inc.
- **Solienda** Incorporated
- Solar Philippines Central Luzon Corporation (**SPCLC**)
- **SolarAce2** Energy Corp.
- **SolarAce3** Energy Corp.
- **SolarAce4** Energy Corp.
- **SanMar** Solar, Inc.
- **UPC Mindanao** Wind Power Corporation
- **Vayu** Energy Corporation
- **Viage** Corporation
- **Visayas Renewables** Corp.
- **Zephyrus** Energy Corporation
- **YMP Industrial** Power Inc.
- **YMP Telecom** Power, Inc.

ACEN JOINT VENTURES
PHILIPPINE BUSINESS 2/3



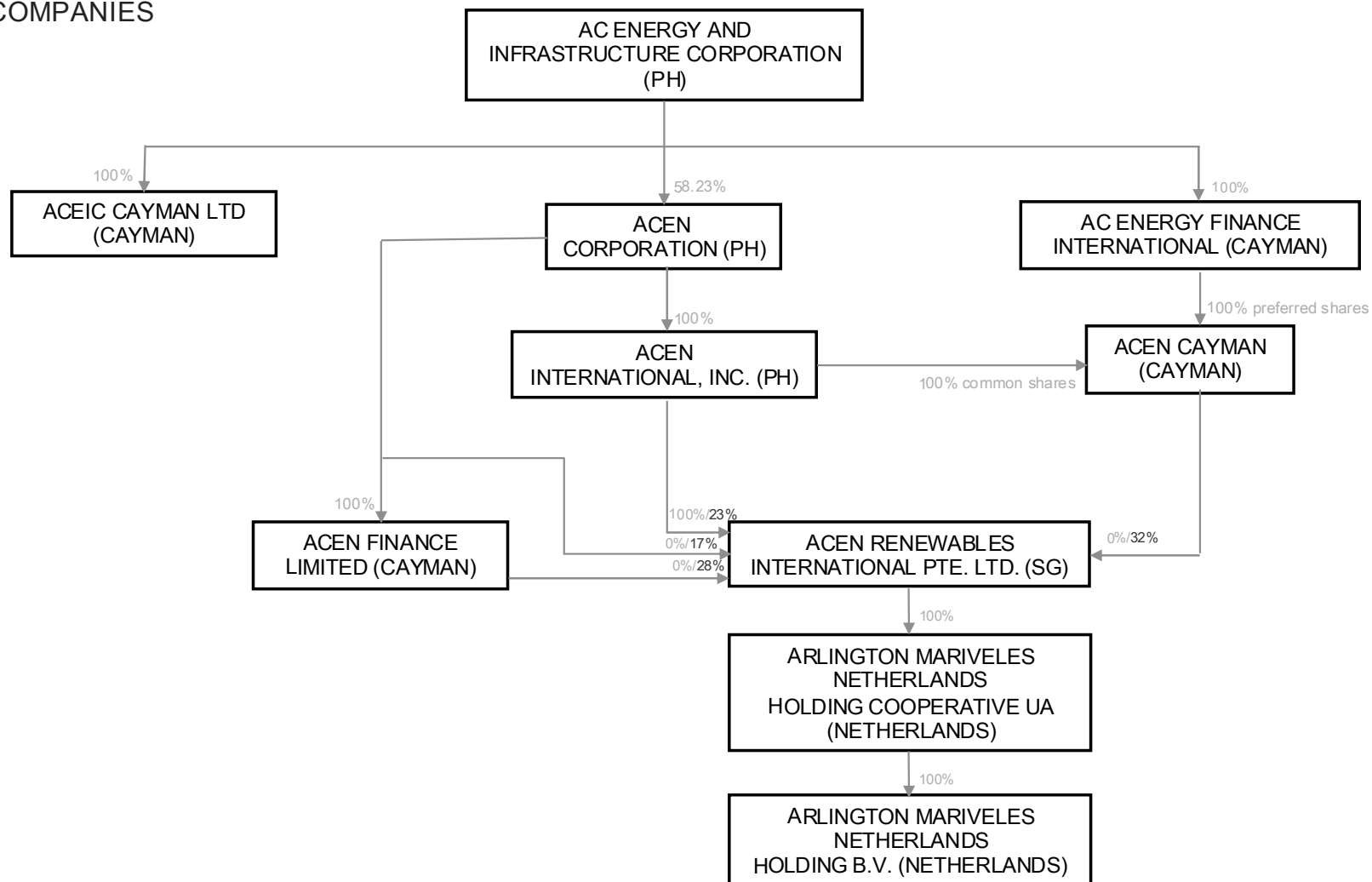
- **Ingrid Power** Holdings, Inc.
- **Greencore** Power Solutions 3, Inc.
- **Cagayan North** Solar Inc.
- **Infineum4** Energy, Inc.
- **Yanara** Philippines Development Corp.
- **BrightNight** Philippines Corp.
- **Renovable** Earth Corp.
- **Jord** Energy Corp.
- Maibarara Geothermal, Inc. (**MGI**)
- Philippine Wind Holdings Corp. (**PHILWIND**)
- Ilocos Wind Energy Holding Co., Inc. (**ILOCOS WIND**)
- North Luzon Renewable Energy Corp. (**NLR**)
- **Amihan Renewable** Energy Corp.
- **ACE Renewables** Philippines, Inc.
- **Northpoint** Wind Power Development Corporation
- **North East** Wind Systems Corporation
- CI GMF II Camarines Offshore Wind Energy Corporation
- CI NMF (PH) Corp.

ACEN - ENEX COMPANIES
PHILIPPINE BUSINESS 3/3

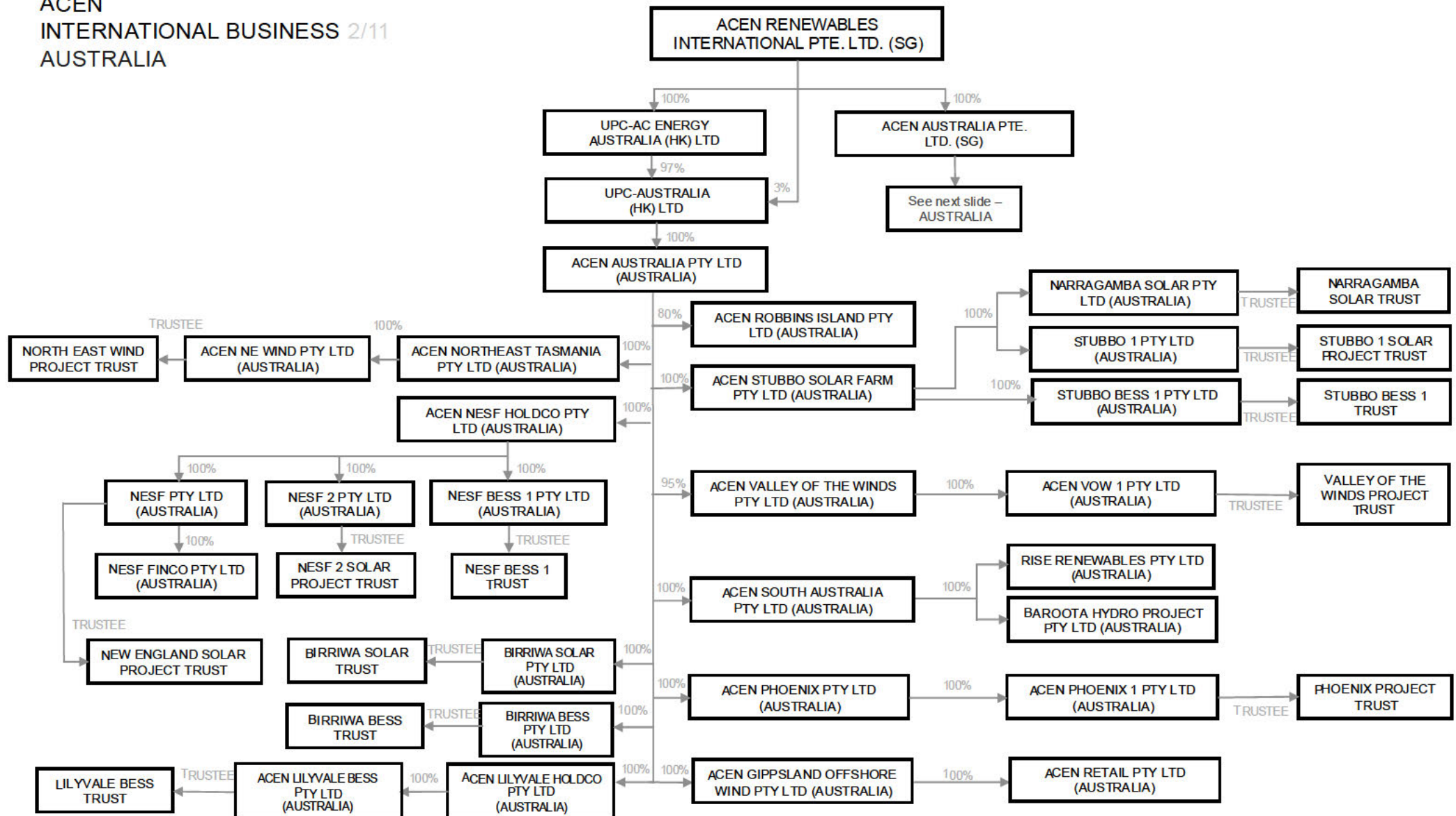


- **Enex Energy** Corporation (PSE-Listed Company)
- **Palawan55** Exploration and Production Corp.
- Batangas Clean Energy, Inc. (**BCE**)

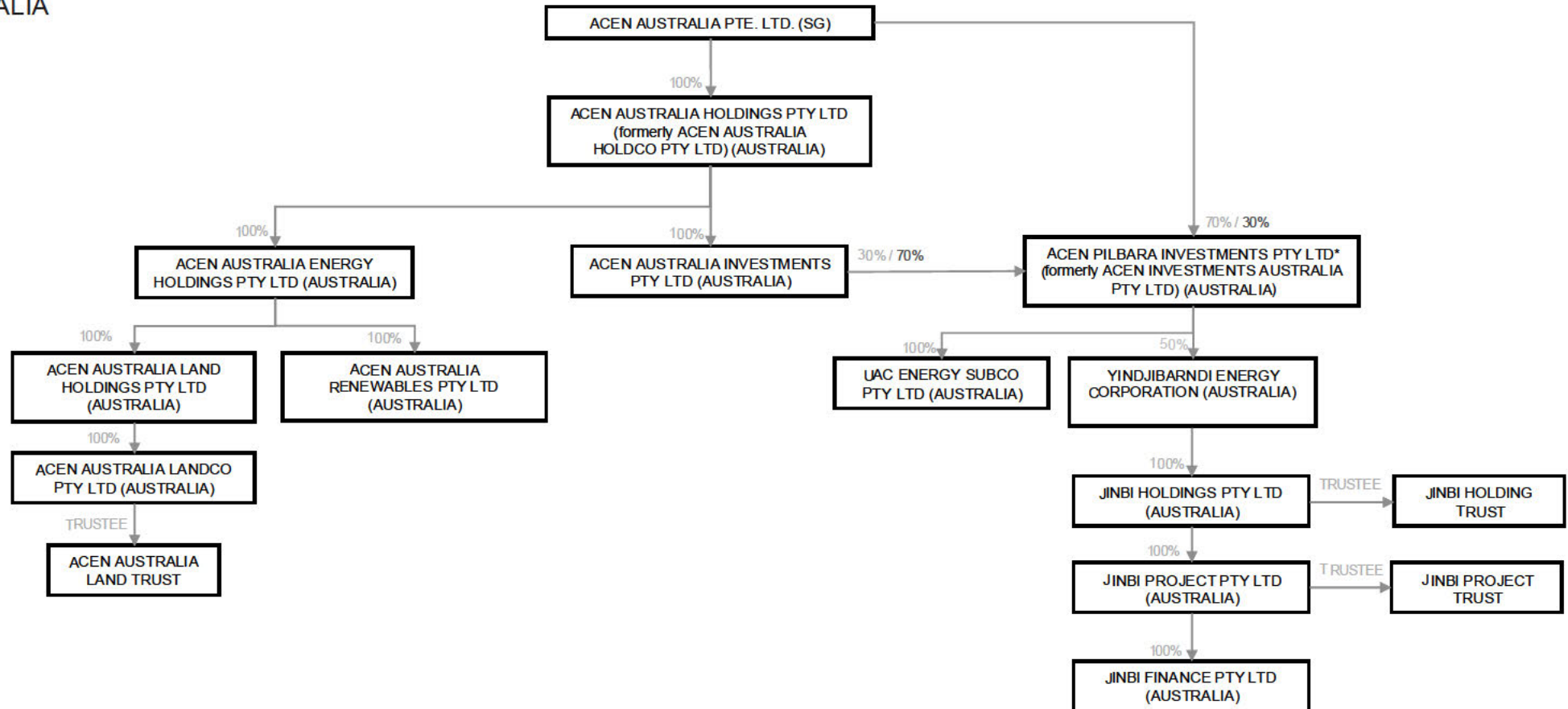
ACEN INTERNATIONAL BUSINESS 1/11
HOLDING COMPANIES



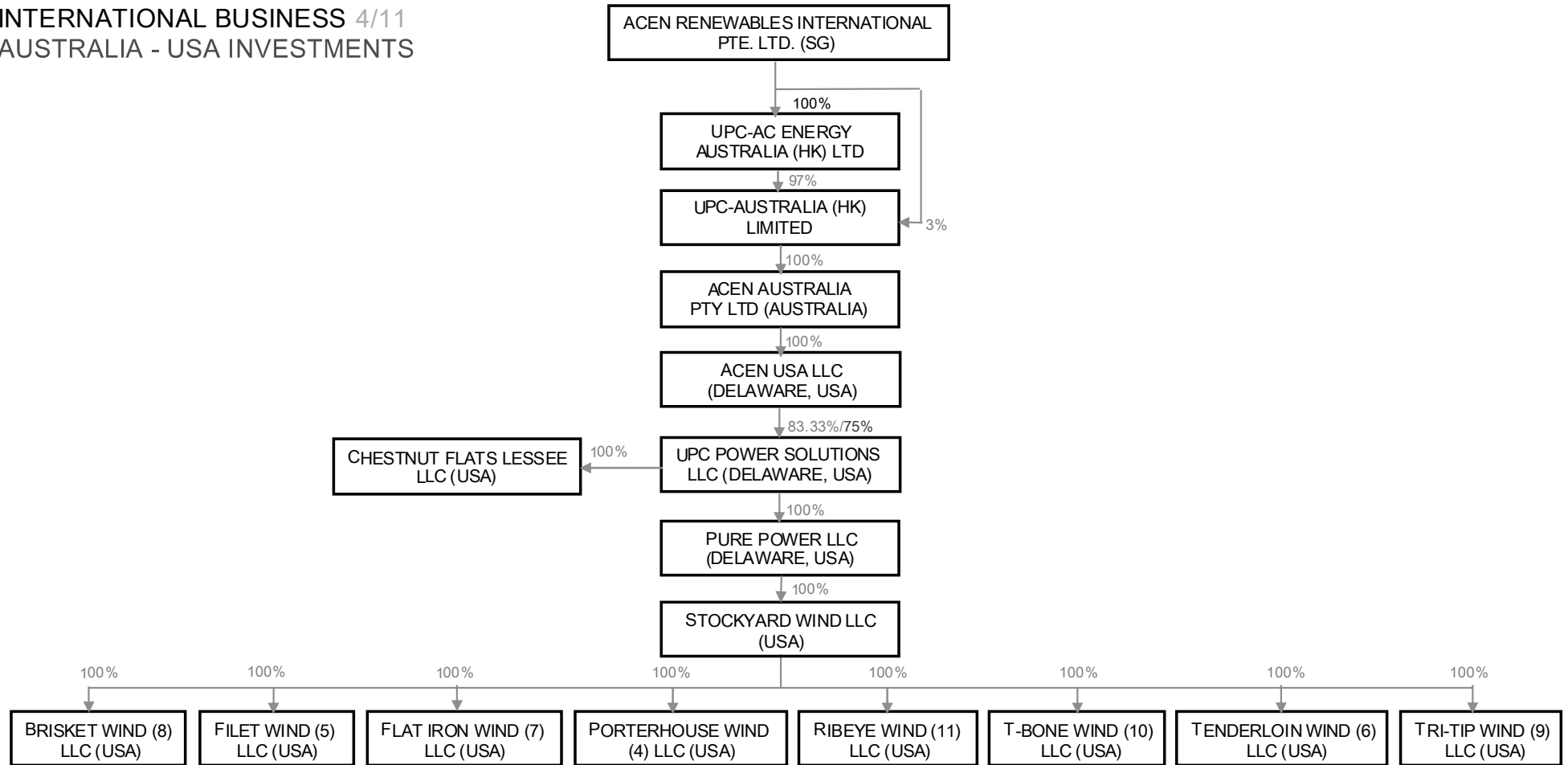
ACEN
INTERNATIONAL BUSINESS 2/11
AUSTRALIA



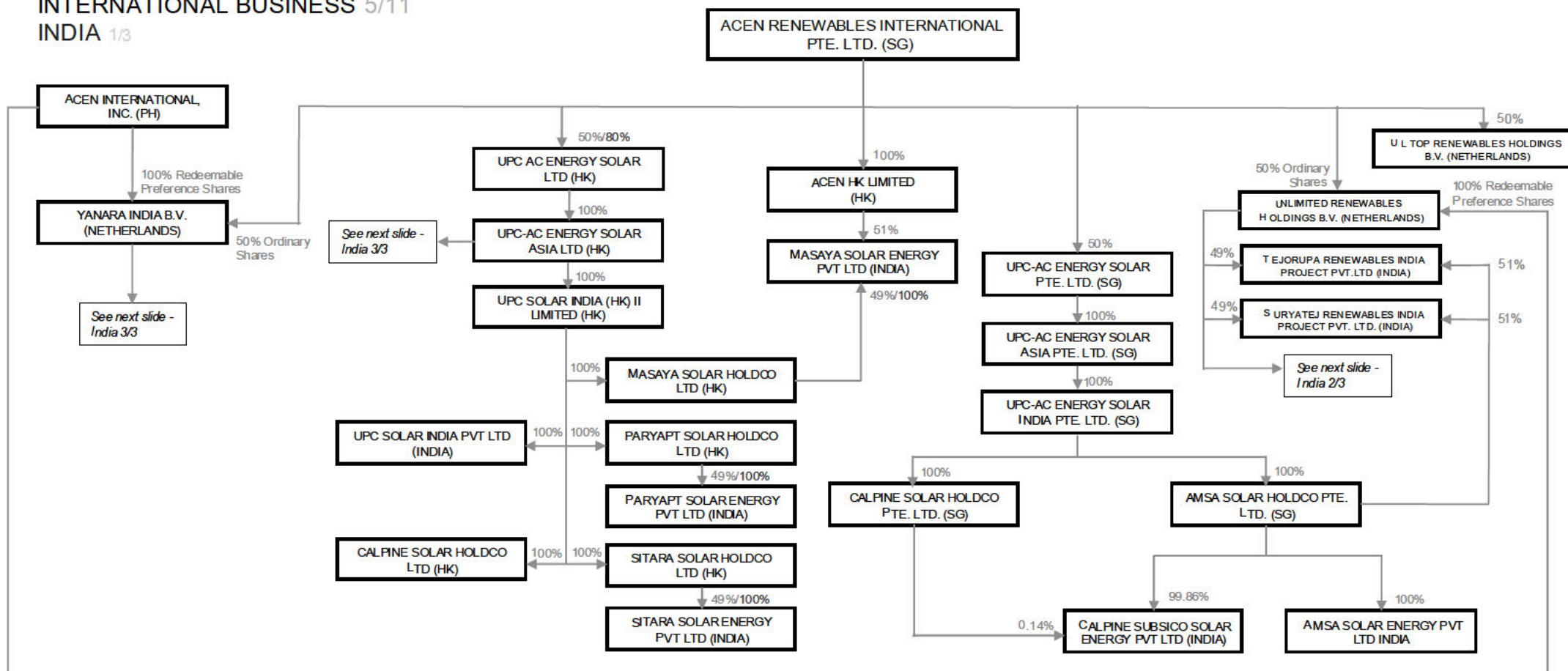
ACEN
INTERNATIONAL BUSINESS 3/11
AUSTRALIA



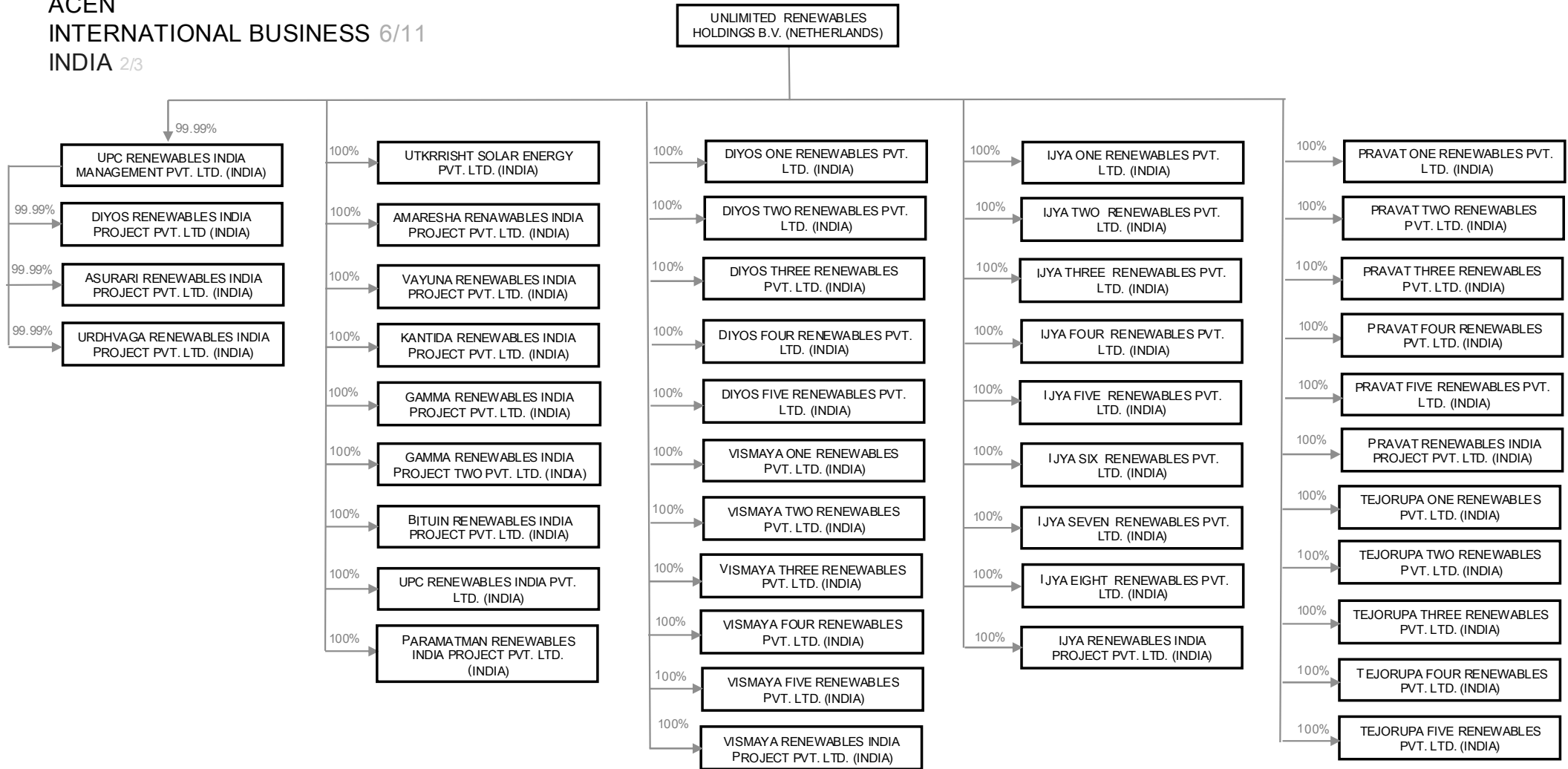
ACEN
INTERNATIONAL BUSINESS 4/11
AUSTRALIA - USA INVESTMENTS



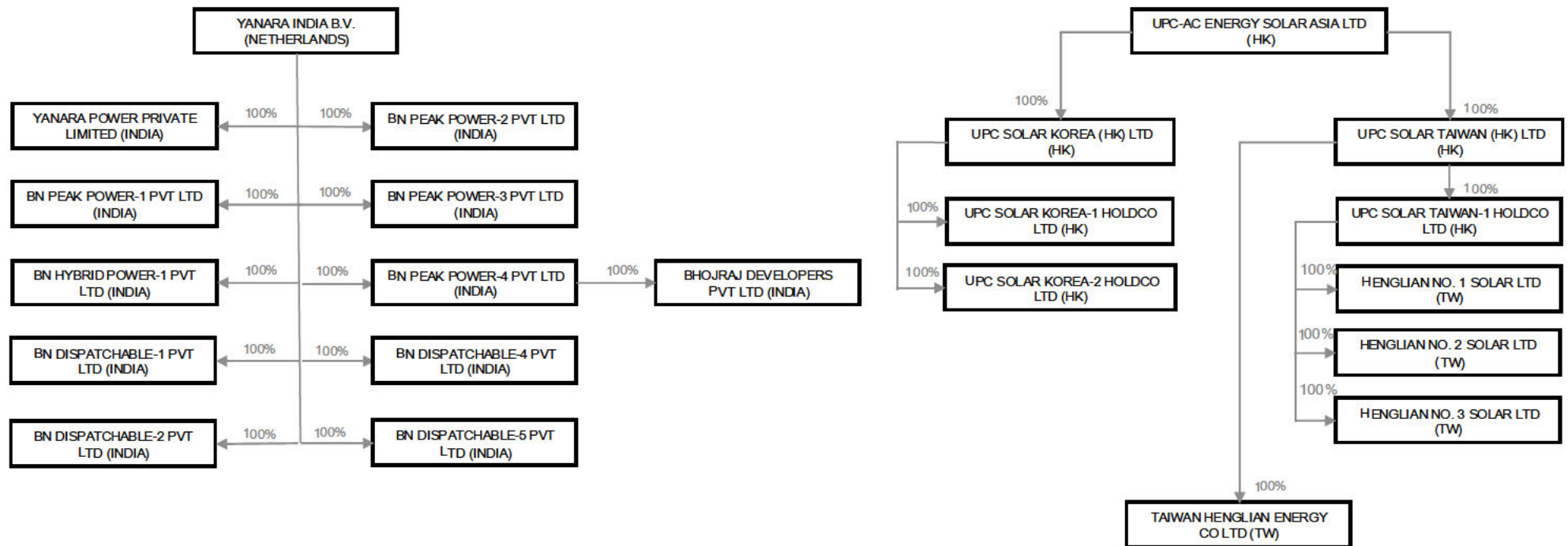
ACEN
INTERNATIONAL BUSINESS 5/11
INDIA 1/3



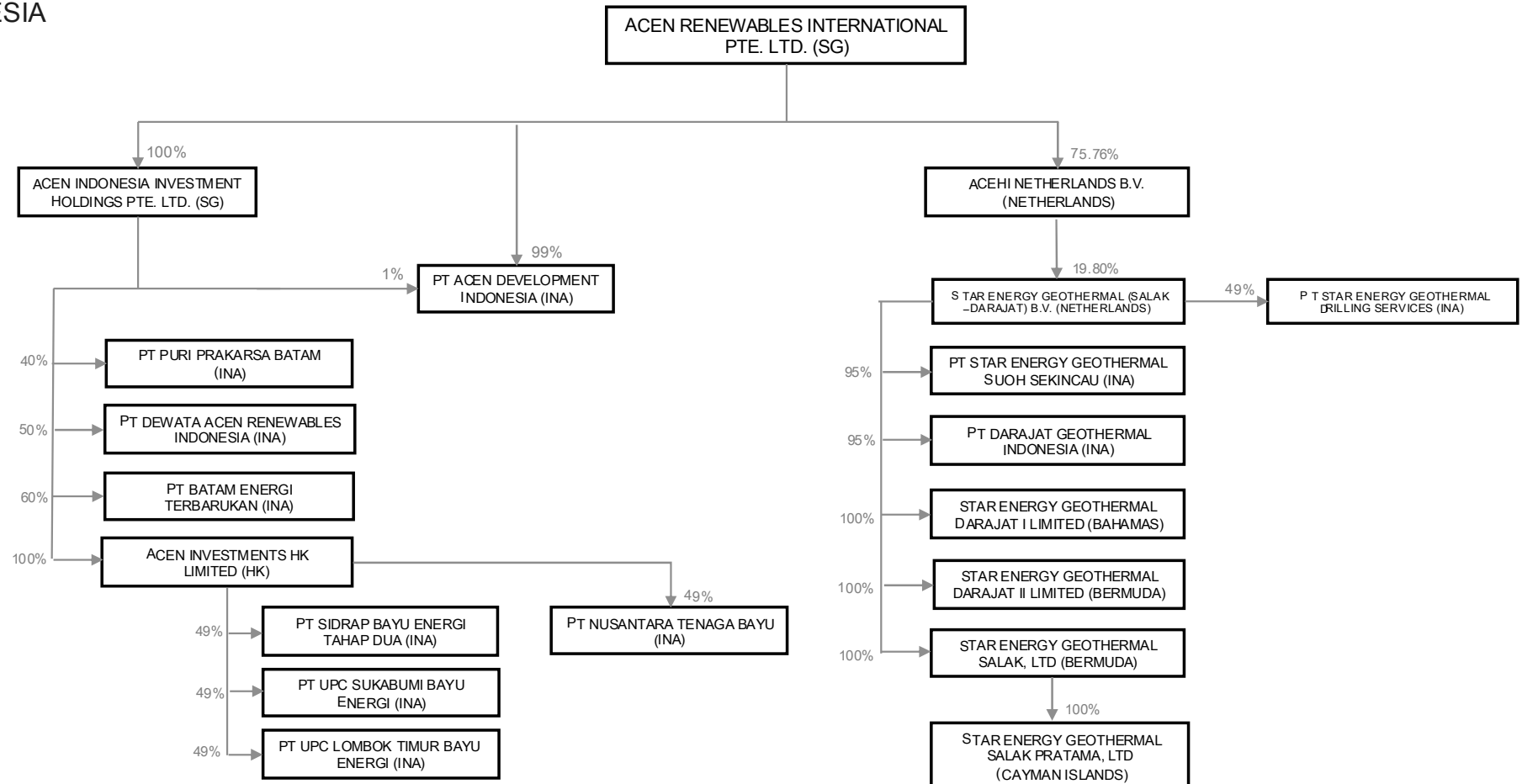
ACEN
INTERNATIONAL BUSINESS 6/11
INDIA 2/3



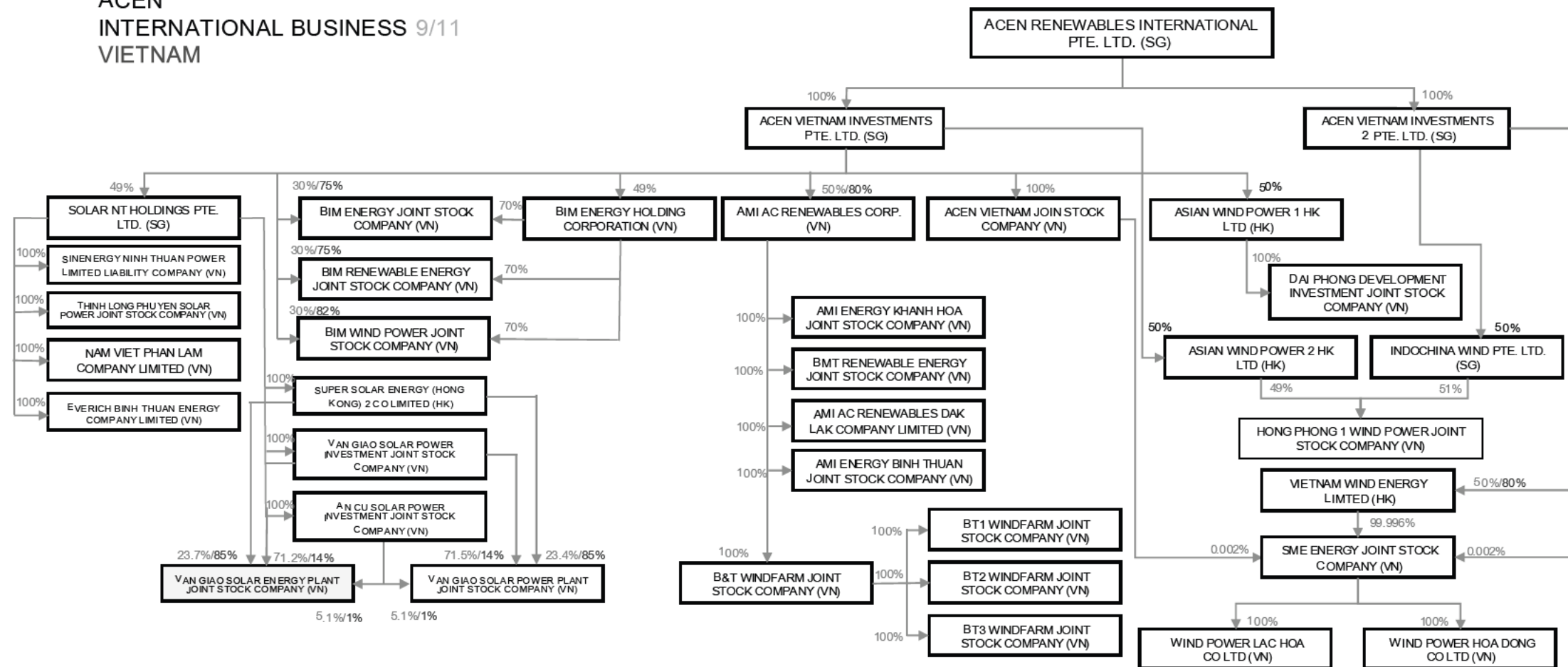
ACEN
INTERNATIONAL BUSINESS 7/11
INDIA 3/3



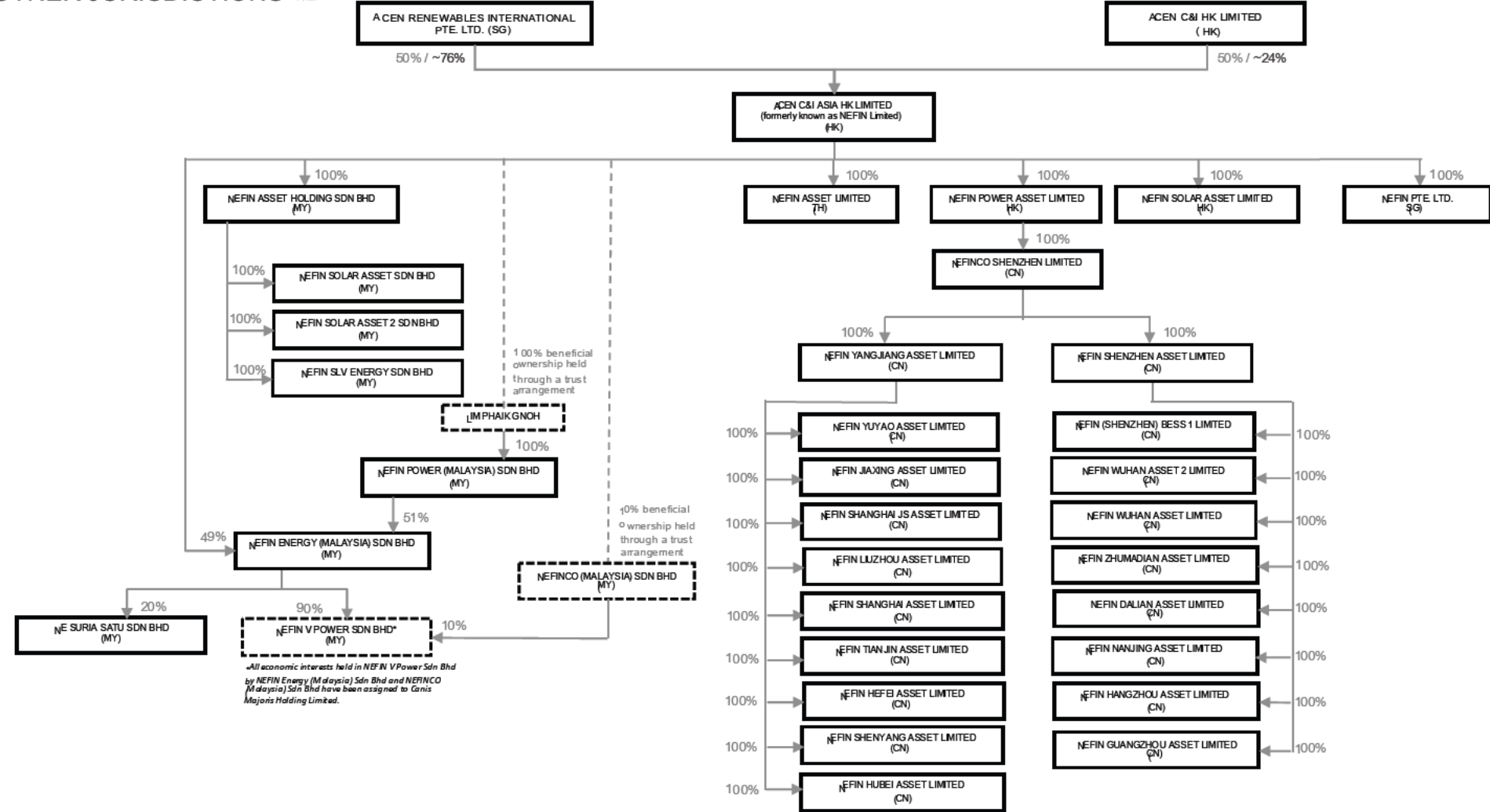
ACEN
INTERNATIONAL BUSINESS 8/11
INDONESIA



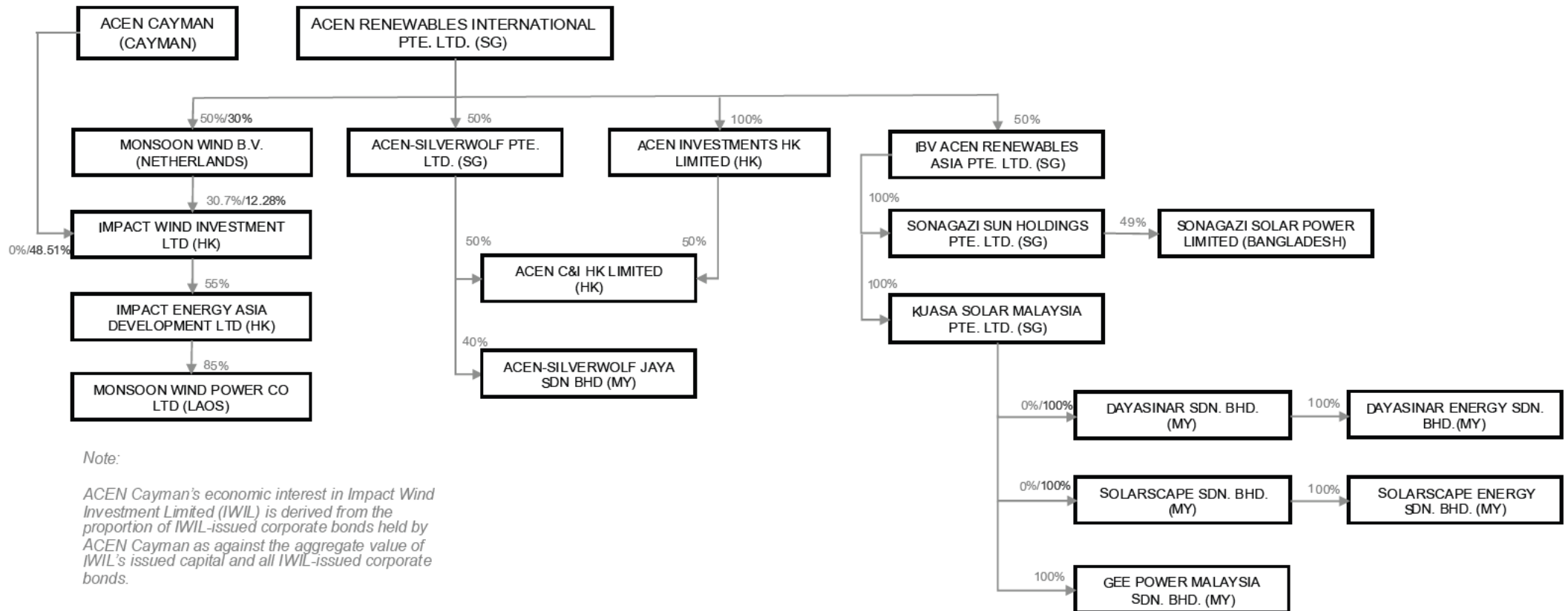
ACEN
INTERNATIONAL BUSINESS 9/11
VIETNAM



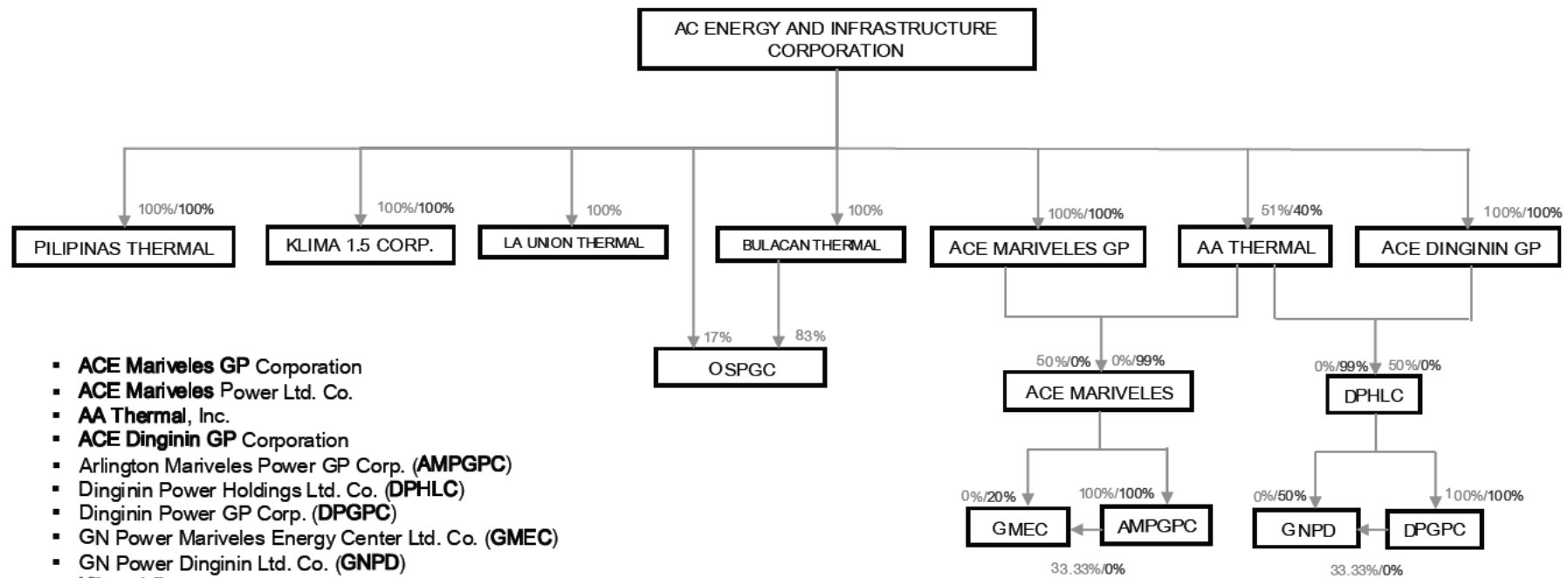
ACEN
INTERNATIONAL BUSINESS 10/11
OTHER JURISDICTIONS 1/2



ACEN
INTERNATIONAL BUSINESS 11/11
OTHER JURISDICTIONS 2/2

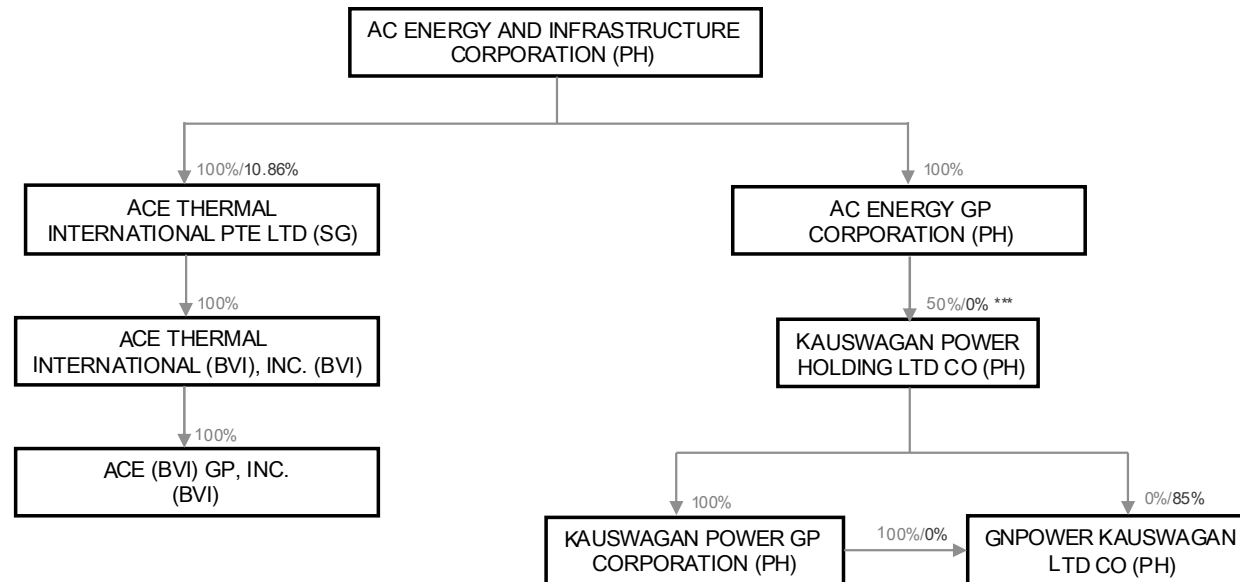


AC ENERGY AND INFRASTRUCTURE CORPORATION
PHILIPPINE THERMAL ASSETS 1/2



- **ACE Mariveles GP** Corporation
- **ACE Mariveles** Power Ltd. Co.
- **AA Thermal**, Inc.
- **ACE Dinginin GP** Corporation
- Arlington Mariveles Power GP Corp. (**AMPGPC**)
- Dinginin Power Holdings Ltd. Co. (**DPHLC**)
- Dinginin Power GP Corp. (**DPGPC**)
- GN Power Mariveles Energy Center Ltd. Co. (**GMEC**)
- GN Power Dinginin Ltd. Co. (**GNPD**)
- **Klima 1.5** Corp.
- **Pilipinas Thermal**, Inc.
- **La Union Thermal** Inc.
- **Bulacan Thermal** Inc.
- One Subic Power Generation (**OSPGC**)

AC ENERGY AND INFRASTRUCTURE CORPORATION
PHILIPPINE THERMAL ASSETS 2/2

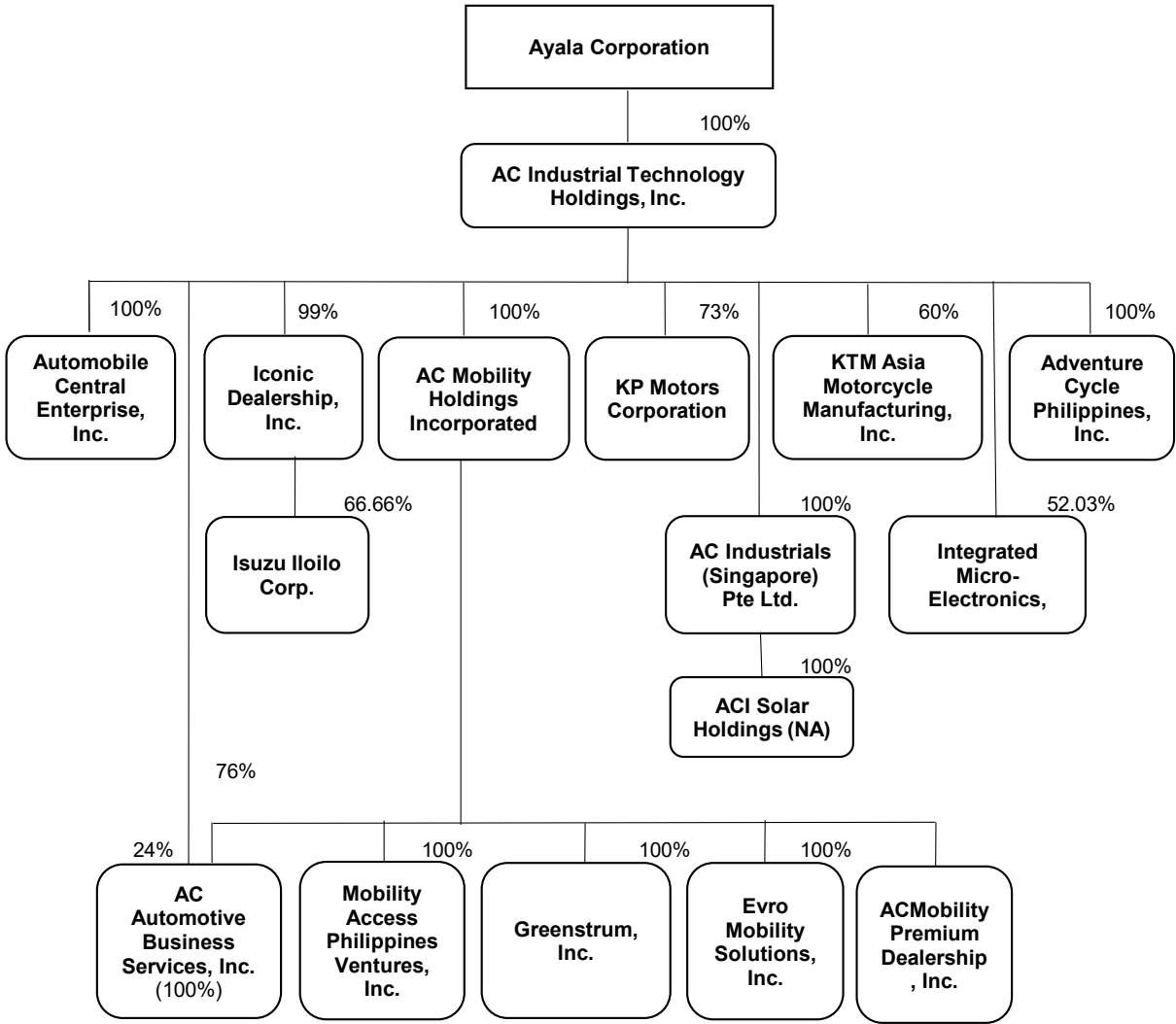


***with very minimal approving rights

Map of Relationships of the Companies within the Group
As of December 31, 2025

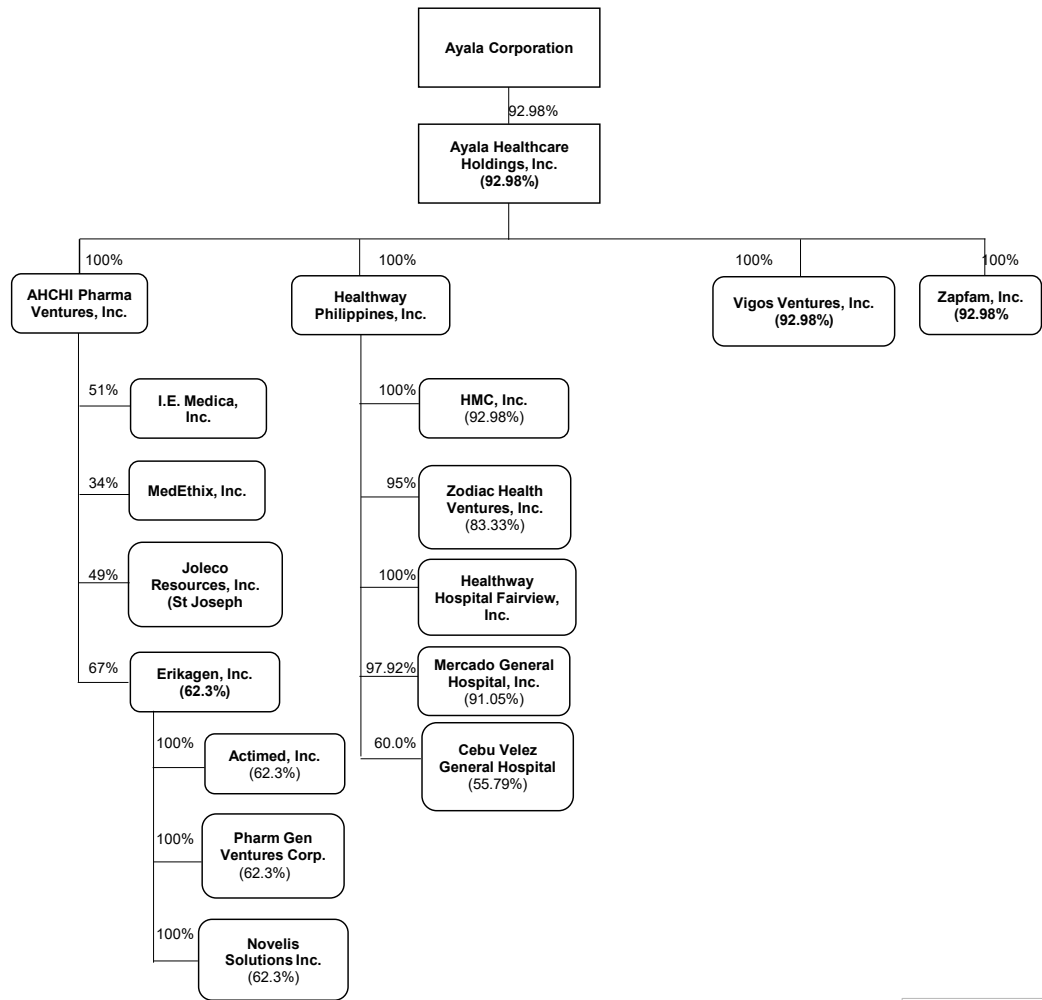


AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



Legend:
% of ownership appearing outside the box - direct economic % of ownership
% of ownership appearing inside the box - effective % of economic ownership

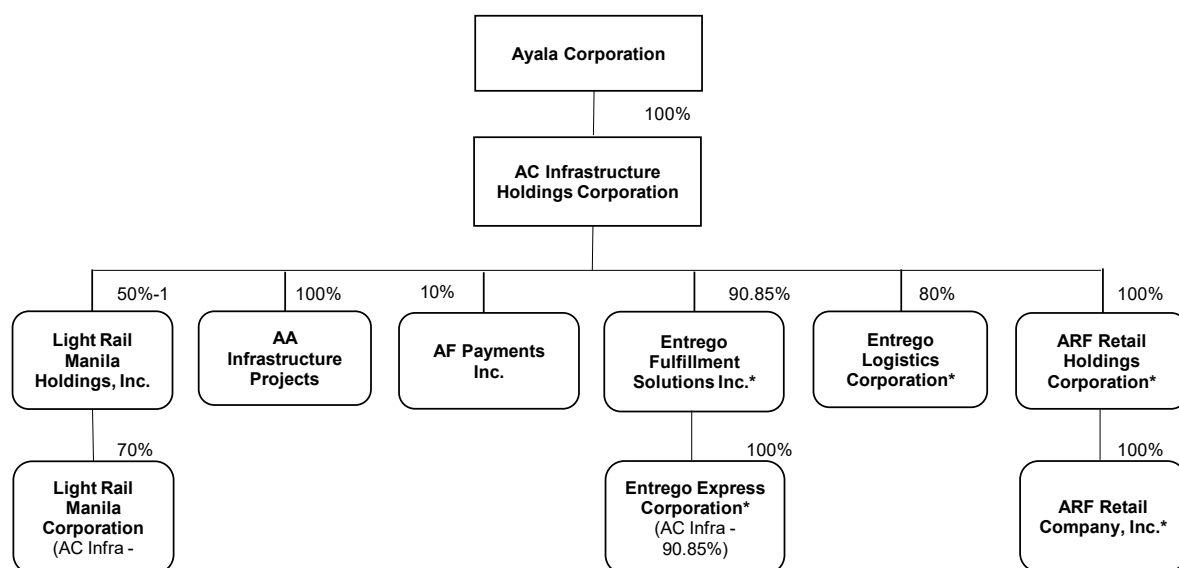
AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



Legend:
% of ownership appearing outside the box - direct economic % of ownership
% of ownership appearing inside the box - effective % of economic ownership

*Chart does not show companies established through former Azalea Technology, Investments, Inc. and which are now in the process of dissolution and liquidation: Talentworks Asia Inc. (100%), CNG Global Data Hub (18.03%), Wireless Internet Solutions, Inc. (100%) and Ayala Port, Inc. (50%)

AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025

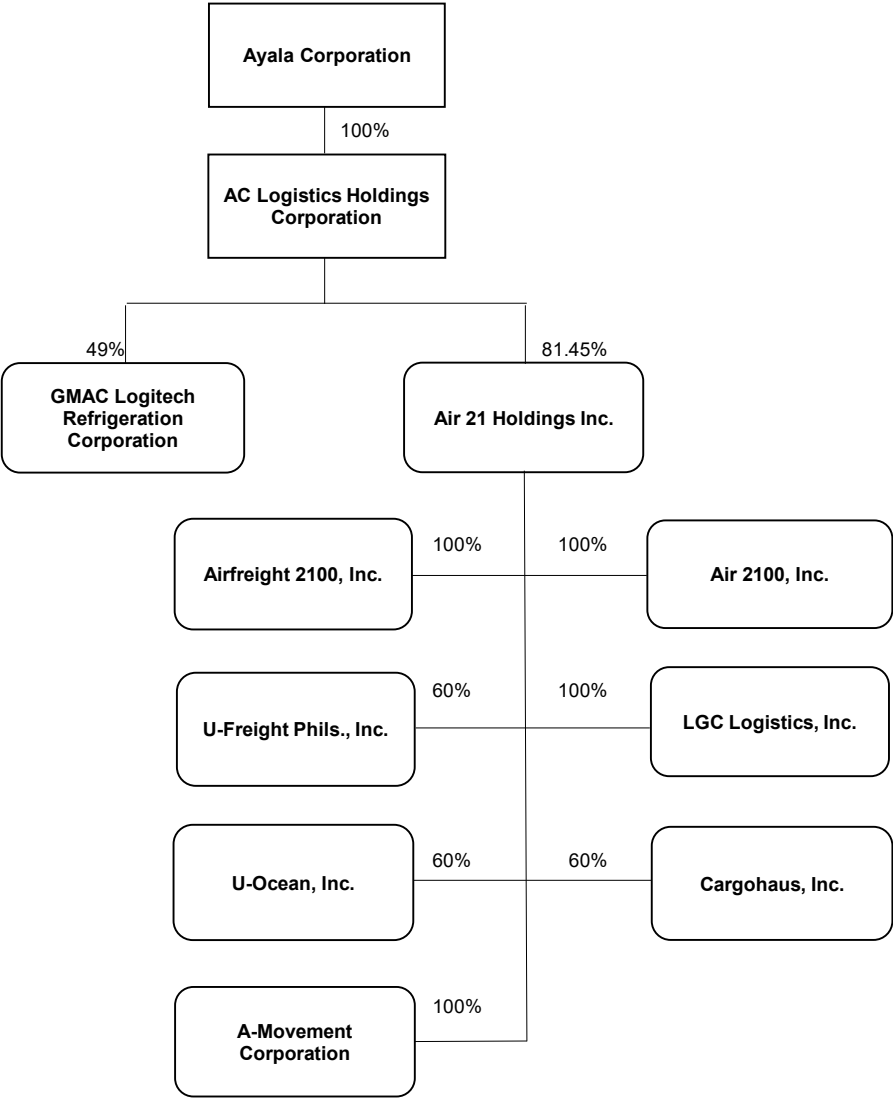


Legend:

% of ownership appearing outside the box - direct economic % of ownership
 % of ownership appearing inside the box - effective % of economic ownership

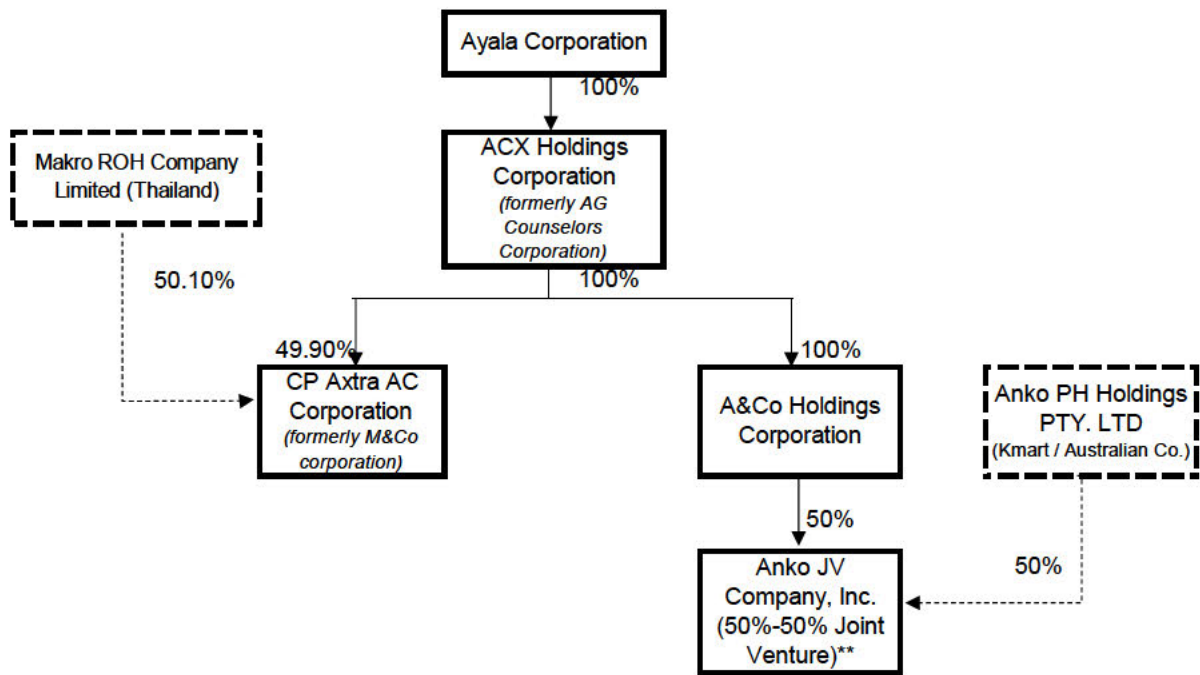
* Under dissolution, please refer to Note 2 of the Notes to Audited Consolidated FS.

AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



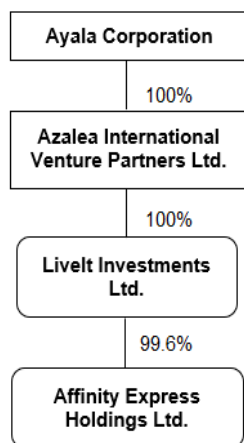
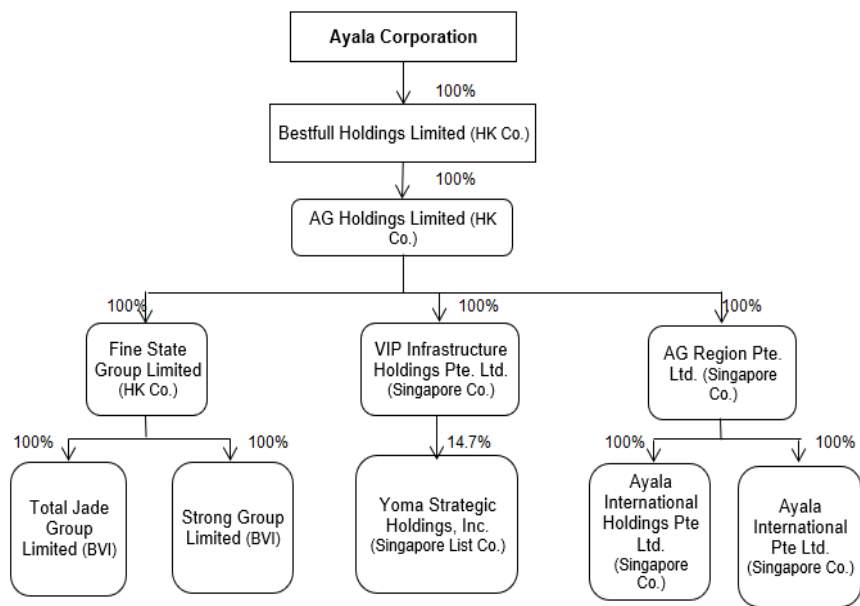
Legend:
% of ownership appearing outside the box - direct economic % of ownership
% of ownership appearing inside the box - effective % of economic ownership

AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



50.1%-49.9% Joint Venture - will operate large format food retail Makro stores in the Philippines, offering a modern shopping experience with a wide range of food and non-food products for both end consumers and businesses.Retail store in glorieta.*
***50%-50% Joint venture, with retail stores in Glorietta, Alabang Town Center, Trinoma, Ayala Malls Manila Bay (Parañaque) and Ayala Malls Feliz (Pasig)*

AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



INDEPENDENT AUDITOR'S REPORT COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Ayala Corporation
37F to 39F Ayala Triangle Gardens Tower 2
Paseo de Roxas corner Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Corporation and its subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 12, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. Except for Price per share, components of these financial soundness indicators have been traced to the consolidated financial statements as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Sherwin V. Yason

Partner

CPA Certificate No.

Tax Identification No.

BOA/PRC Reg. No.

SEC Partner Accreditation No.

Valid to cover audit of 2020 to 2024 financial statements,
with extension up to audit of 2025 financial statements

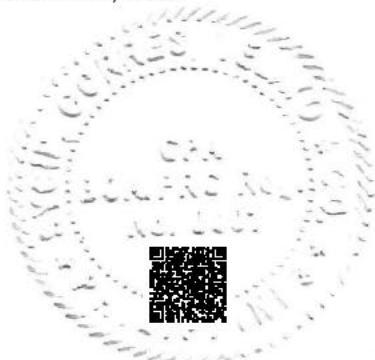
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No.

PTR No.

March 12, 2026



AYALA CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

AS AT DECEMBER 31, 2025 AND 2024

Ratio	Formula	December 2025 (In thousands)	December 2024	December 2025	December 2024
Liquidity Analysis Ratios					
Liquidity Ratio*	Cash & Cash equivalents + Short-term investments	₱67,305,349	₱76,225,303	0.17	0.20
	Current Liabilities	404,756,996	389,290,509		
	Cash & Cash equivalents	66,901,817	75,501,736		
	Short-term investments	403,532	723,567		
	Total	67,305,349	76,225,303		
Current Ratio*	Current Assets	599,857,543	584,562,518	1.48	1.50
	Current Liabilities	404,756,996	389,290,509		
Quick Ratio*	Quick assets	308,228,300	313,053,378	0.76	0.80
	Current Liabilities	404,756,996	389,290,509		
	Current assets	599,857,543	584,562,518		
	Inventories	(267,317,515)	(247,752,784)		
	Prepayments	(24,311,728)	(23,756,356)		
	Quick assets	308,228,300	313,053,378		
Solvency Ratio*	Total Assets	1,891,567,429	1,749,325,722	1.75	1.71
	Total Liabilities	1,081,718,856	1,023,744,002		
Financial Leverage Ratios					
Assets- to-Equity Ratio*	Total Assets	1,891,567,429	1,749,325,722	2.34	2.41
	Total Stockholders' Equity	809,848,573	725,581,720		
Interest Rate Coverage Ratio**	Earnings Before Interest and Taxes (EBIT)	138,349,207	108,049,437	3.48	2.98
	Interest and other financing charges	39,757,399	36,198,909		
	Income after income tax from continuing operations	86,868,953	61,462,045		
	Provision for income tax	11,722,855	10,388,483		
	Interest and other financing charges	39,757,399	36,198,909		
	EBIT	138,349,207	108,049,437		
Debt Ratio*	Short-term debt + Long-term debt	704,487,550	666,759,130	0.37	0.38
	Total Assets	1,891,567,429	1,749,325,722		
	Short-term debt	81,298,079	75,556,284		
	Long-term debt (current & noncurrent)	623,189,471	591,202,846		
	Total debt	704,487,550	666,759,130		
Debt-to-Equity Ratio*	Short-term debt + Long-term debt	704,487,550	666,759,130	87.0%	91.9%
	Total Stockholders' Equity	809,848,573	725,581,720		
Net Debt-to-Equity Ratio*	Net debt	637,182,201	(590,533,827)	78.7%	81.4%
	Total Stockholders' Equity	809,848,573	725,581,720		
	Short-term debt	81,298,079	75,556,284		
	Long-term debt (current & noncurrent)	623,189,471	591,202,846		
	Total debt	704,487,550	666,759,130		
	Less:				
	Cash and cash equivalents	66,901,817	75,501,736		
	Short-term investments	403,532	723,567		
	Net debt	637,182,201	590,533,827		
Profitability Ratios					
Gross Profit Margin**	Sale of goods & rendering of services - Cost of sales & services	94,229,955	87,238,121	0.28	0.27
	Sale of goods & rendering of services	336,886,166	325,743,960		
	Sale of goods & rendering of services	336,886,166	325,743,960		
	Cost of sales & services	(242,656,211)	(238,505,839)		
	Gross profit	94,229,955	87,238,121		

Ratio	Formula	December 2025 (In thousands)	December 2024	December 2025	December 2024
Net Profit Margin**	Net Profit	₱45,310,802	₱35,967,822	0.13	0.11
	Sale of goods & rendering of services	336,886,166	325,743,960		
	Gross profit	94,229,955	87,238,121		
	General and administrative expenses	(48,919,153)	(51,270,299)		
	Net Profit	45,310,802	35,967,822		
Return on Equity**	Net Income to Owners of the Parent	61,427,524	42,026,496	7.6%	5.8%
	Total Stockholders' Equity	809,848,573	725,581,720		
Return on Common Equity***	Net Income to Owners of the Parent (Common)	59,047,097	40,232,942	13.6%	10.3%
	Common Equity Attributable to Owners of the Parent (Average)	435,382,130	388,730,241		
	Net income to owners of the Parent	61,427,524	42,026,496		
	Less: Dividends on preferred stock	(2,380,427)	(1,793,554)		
	NIAT to Common	59,047,097	40,232,942		
	Equity attributable to owners of the parent	511,662,496	434,499,625		
	Less:				
	Preferred Shares - A	1,200,000	1,200,000		
	Preferred Shares - B	5,800,000	5,800,000		
	Voting Preferred Shares	200,000	200,000		
	Additional paid-in capital - preferred shares	45,145,118	26,303,842		
	Treasury shares - preferred shares	(4,725,549)	(5,725,549)		
		47,619,569	27,778,293		
	Common equity attributable to owners of the Parent	464,042,927	406,721,332		
	Average common equity attributable to owners of the Parent	435,382,130	388,730,241		
	Equity attributable to owners of the parent	434,499,625	396,538,552		
	Less:				
	Preferred Shares - A	1,200,000	1,200,000		
	Preferred Shares - B	5,800,000	5,800,000		
	Voting Preferred Shares	200,000	200,000		
	Additional paid-in capital - preferred shares	26,303,842	22,074,952		
	Treasury shares - preferred shares	(5,725,549)	(3,475,549)		
		27,778,293	25,799,403		
	Common equity attributable to owners of the Parent	406,721,332	370,739,149		
	Average common equity attributable to owners of the Parent	388,730,241	356,452,478		
Return on Assets**	Net Income	86,868,953	61,462,045	4.6%	3.5%
	Total Assets	1,891,567,429	1,749,325,722		
Price/Earnings Ratio**	Price Per Share	468	599.00	4.94	9.25
	Earnings Per Common Share (Basic)	94.82	64.77		
Other Ratio Book Value per Share*	Common Equity Attributable to Owners of the Parent	464,042,927	406,721,332	748.41	652.22
	Outstanding Common Shares	620,037	623,597		

* Based on "As at" December 31, 2025 and 2024 balances.

** Includes both "As at" and "Period ended" December 31, 2025 and 2024 balances.

*** Includes both "As at" and "Period ended" December 31, 2025, 2024, and 2023 balances.

AYALA CORPORATION AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION****AS AT DECEMBER 31, 2025 AND 2024**

	2025	2024
Total Audit Fees	₱113,199,604	₱127,809,363
Non-audit services fees:		
Other assurance services	18,364,310	19,233,714
Tax services	3,718,449	8,097,492
All other services	11,337,821	2,485,257
Total non-audit fees	33,420,580	29,816,463
Total audit and non-audit fees	₱146,620,184	₱157,625,826

AYALA CORPORATION AND SUBSIDIARIES**SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF
SECURITIES TO THE PUBLIC****AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)****1. Gross and net proceeds as disclosed in the final prospectus**

	Base offer of P10 Billion	Base offer with Oversubscription Option of up to P5 Billion
Gross proceeds	₱10,000,000	₱20,000,000
Net proceeds	₱9,911,016	₱19,861,279

2. Actual gross and net proceeds

AC Preferred Class "B" Series Re-issuance (APB4) Offering Proceeds		₱20,000,000
Less: Related Disbursements		
SEC registration and legal research fee	₱5,618	
Documentary stamp tax	10,000	
PSE filing fee	20,000	
VAT on PSE Filing Fee	2,400	
Fees paid to the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, and Selling Agents (other than the PSE Trading Partners)	79,078	
Stock Transfer Service Inc.'s receiving agent service fee	794	
Professional expenses	3,573	
Marketing/printing/photocopying costs and out-of-pocket expenses	311	121,774
Balance of Proceeds as of June 30, 2025		19,878,226
Less:		
Legal fees	293	
Fees paid to the Trading Participants	2,500	
Professional expenses / Other expenses	29,729	
Repayment of BPI short-term loan	11,500,000	
Partial repayment of BPI short-term loan	1,300,000	12,832,522
Balance of Proceeds as of September 30, 2025 and December 31, 2025		7,045,704

3. Each expenditure item where the proceeds were used

As of December 31, 2025, the proceeds were used in the upfront expenses related to the sale of the Offer Shares, repayment of ₱11.50 billion BPI short-term loan, and partial repayment of ₱1.30 billion for another BPI short-term loan.

4. Balance of the proceeds as of end of reporting period

The balance of the proceeds as of December 31, 2025 is ₱7.05 billion.