



SECURITIES AND EXCHANGE COMMISSION

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BELINDA E. DUGAN
Corporate Secretary



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Hi HOLCIM PHILIPPINES, INC.,

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Submission Date/Time: **Apr 15, 2026 03:51 PM**
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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
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- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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BELINDA E. DUGAN
Corporate Secretary



Holcim Philippines, Inc. Phone +63 2 8581 1511
7th Floor, Two World Square, www.holcim.ph
McKinley Hill, Fort Bonifacio,
Taguig, Philippines

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

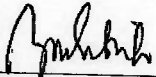
The Management of Holcim Philippines, Inc. (the "Company") is responsible for all information and representations contained in the Annual Income Tax Return for the years ended December 31, 2025 and 2024. Management is likewise responsible for all information and representations contained in the audited financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the years ended December 31, 2025 and 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b) any disparity of figures in the submitted reports arising from the preparation of the financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8 - 2007 and other relevant issuances;
- c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Martin Kriegner
Chairman of the Board

Mohit Kapoor
President and Chief Executive Officer



Zoe M. Sibala
Treasurer

Signed this 13th day of April 2026.

CERTIFIED TRUE COPY
BELINDA E. DUGAN
Corporate Secretary



Holcim Philippines, Inc. Phone +63 2 8581 1511
 7th Floor, Two World Square, www.holcim.ph
 McKinley Hill, Fort Bonifacio,
 Taguig, Philippines

SUBSCRIBED AND SWORN to before me this APR 13 2026 at TAGUIG CITY,
 Philippines, who is known to me to be the same person who presented and signed the instrument
 (STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN) in my
 presence, affiant/s exhibiting to me as competent evidence of identity the following:

| NAME | ID | Place Issued | Expiry Date |
|---------------|--------------------|--------------|-----------------|
| Mohit Kapoor | Passport Z8040307 | Nairobi | April 01, 2035 |
| Zoe M. Sibala | Passport P8570603A | DFA Manila | August 31, 2028 |

Doc. No. 773;
 Page No. 76;
 Book No. 11;
 Series of 2026



Kobe
KOBE LAWRENCE P. VENERACION
 Notary Public for Taguig City
 Appointment No. 212 valid until 31 December 2026
 16th Floor, One Neo Building, 26th Street, cor 3rd Ave
 Crescent Park West, Bonifacio Global City, Taguig City
 Roll Attorney No. 87807
 PTR No A-6767089, 01/08/2026, Taguig City
 IBP Membership Receipt No 536766, 01/07/2026, Quezon City
 MCEE Certificate No. 87807, 01/11/2025

CERTIFIED TRUE COPY
BELINDA E. DUGAN
 Corporate Secretary



Holcim Philippines, Inc.
7th Floor, Two World Square,
McKinley Hill, Fort Bonifacio,
Taguig, Philippines

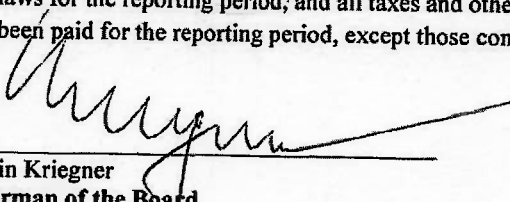
Phone +63 2 8581 1511
www.holcim.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

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In this regard, the Management affirms that the attached audited financial statements for the years ended December 31, 2025 and 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b) any disparity of figures in the submitted reports arising from the preparation of the financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8 - 2007 and other relevant issuances;
- c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



Martin Kriegner
Chairman of the Board

Mohit Kapoor
President and Chief Executive Officer

Zoe M. Sibala
Treasurer

Signed this 13th day of April 2026.





Holcim Philippines, Inc. Phone +63 2 8581 1511
 7th Floor, Two World Square, www.holcim.ph
 McKinley Hill, Fort Bonifacio,
 Taguig, Philippines

SUBSCRIBED AND SWORN to before me this _____ with the presentation of the following:

| NAME | ID | Place Issued | Expiry Date |
|-----------------|--------------------|----------------|-------------------|
| Martin Kriegner | Passport U1541160 | Magistrat Wien | December, 20.2026 |
| Mohit Kapoor | Passport Z8040307 | Nairobi | April 01, 2035 |
| Zoe M. Sibala | Passport P8570603A | DFA Manila | August 31, 2028 |

Doc. No. _____;
 Page No. _____;
 Book No. _____;
 Series of 2026

BEGLAUBIGUNG / NOTARIAL CERTIFICATE
 Die Echtheit der vorstehenden Unterschrift vor
 The authenticity of the signature of

Vorname / first name: Martin
 Name / name: Dr. Kriegner
 Geburtsdatum / Date of birth: 6.9.1961
 Geschlecht / sex: male
 Bürgerort / citizenship: Österreich
 Wohnort / residence: Walenwil (CH)
 wird beglaubigt / is certified. Zug, 14.4.2026
 Die Urkundsperson / The notary public:



Apostille
 (Convention de la Haye du 5 octobre 1961)

- Country: Swiss Confederation, Canton of Zug
This public document
- has been signed by **Jonas Utiger**
- acting in the capacity of **Notary Public**
- bears the stamp of **Notary Public of the Canton of Zug**
Certified
- at 6300 Zug
- The 14 April 2026
- by Chancery of State of the Canton of Zug
- under No. 5717/26
- Stamp
- Signature
Andrea Arnold
Andrea Arnold



CERTIFIED TRUE COPY
BELINDA E. DUGAN
 - Corporate Secretary -



Holcim Philippines, Inc.
7th Floor, Two World Square,
McKinley Hill, Fort Bonifacio,
Taguig, Philippines

Phone +63 2 8581 1511
www.holcim.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

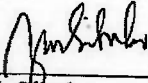
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the parent company financial statements including the schedules attached therein and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders for the periods December 31, 2025 and 2024, respectively, has audited the parent company financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders or members, has expressed their opinion on the fairness of presentation upon completion of such audit.

Martin Kriegner
Chairman of the Board

Mohit Kapoor
President and Chief Executive Officer



Zoe M. Sibala
Treasurer

Signed this 13th day of April 2026.





Holcim Philippines, Inc. Phone +63 2 8581 1511
7th Floor, Two World Square, www.holcim.ph
McKinley Hill, Fort Bonifacio,
Taguig, Philippines

SUBSCRIBED AND SWORN to before me this APR 13 2026 at TAGUIG CITY,
Philippines, who is known to me to be the same person who presented and signed the instrument
(STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS) in my
presence, affiant/s exhibiting to me as competent evidence of identity the following:

| NAME | ID | Place Issued | Expiry Date |
|---------------|--------------------|--------------|-----------------|
| Mohit Kapoor | Passport Z8040307 | Nairobi | April 01, 2035 |
| Zoe M. Sibala | Passport P8570603A | DFA Manila | August 31, 2028 |

Doc. No. 712;
Page No. 76;
Book No. I;
Series of 2026



Kobe
KOBE LAWRENCE P. VENERACION
Notary Public for Taguig City
Appointment No. 212 valid until 31 December 2026
16th Floor, One/Neo Building, 26th Street, cor. 3rd Ave
Crescent Park West, Bonifacio Global City, Taguig City
Roll Attorney No. 87807
PTR No. A-6767089; 01/08/2025; Taguig City
IBP Membership Receipt No. 536766; 01/07/2026; Quezon City
MCLE Compliance No. VTR-002717A; 04/11/2025

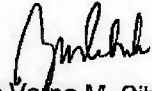
CERTIFIED TRUE COPY
Belinda E. Dugan
BELINDA E. DUGAN
— Corporate Secretary —

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Taguig on ~~APR 13 2026~~ 2026.

By:

Mohit Kapoor
President / Chief Executive Officer


Zoe Verna M. Sibala
Senior Vice President / Chief Financial Officer

Belinda E. Dugan
General Counsel / Corporate Secretary / Compliance Officer

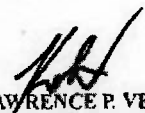
SUBSCRIBED AND SWORN to before me this _____ day of APR 13 2026 2026 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

| NAMES | RES. CERT. NO. | EXPIRY DATE | PLACE OF ISSUE |
|--------------------------|----------------|-------------------|----------------|
| Holcim Philippines, Inc. | 00484070 | December 31, 2026 | Taguig City |
| | PASSPORT NO | | |
| Mohit Kapoor | Z8040307 | April 01, 2035 | Nairobi |
| Zoe M. Sibala | P8570603A | August 31, 2028 | DFA Manila |
| Belinda E. Dugan | P7916925A | July 11, 2028 | DFA Legazpi |

Doc No.: 771
Page No.: 6
Book No.: 1
Series No.: 2006



Notary Public


KOBE LAWRENCE P. VENERACION
Notary Public for Taguig City
Appointment No. 212 valid until 31 December 2026
16th Floor, One/Neo Building, 26th Street, cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City
Roll Attorney No. 87807
PTR No A-6767089; 01/08/2026; Taguig City
IBP Membership Receipt No. 536766; 01/07/2026; Quezon City
MCLC Compliance No. VT11-0027174; 04/11/2025

CERTIFIED TRUE COPY
BELINDA E. DUGAN
Corporate Secretary



Holcim Philippines, Inc.
7th Floor, Two World Square,
McKinley Hill, Fort Bonifacio,
Taguig, Philippines

Phone +63 2 8581 1511
www.holcim.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

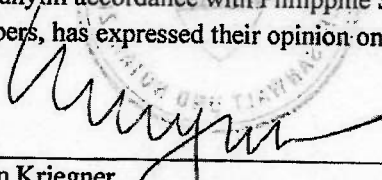
The management of Holcim Philippines, Inc. (the "Company") is responsible for the preparation and fair presentation of the parent company financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting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

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

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders for the periods December 31, 2025 and 2024, respectively, has audited the parent company financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders or members, has expressed their opinion on the fairness of presentation upon completion of such audit.




Martin Kriegner
Chairman of the Board

Mohit Kapoor
President and Chief Executive Officer

Zoe M. Sibala
Treasurer

Signed this 13th day of April 2026.


CERTIFIED TRUE COPY
BELINDA E. DUGAN
— Corporate Secretary —

SUBSCRIBED AND SWORN to before me this _____ with the presentation of the following:

| NAME | ID | Place Issued | Expiry Date |
|-----------------|--------------------|----------------|-----------------|
| Martin Kriegner | Passport U1541160 | Magistrat Wien | 20.12.2026 |
| Mohit Kapoor | Passport Z8040307 | Nairobi | April 01, 2035 |
| Zoe M. Sibala | Passport P8570603A | DFA Manila | August 31, 2028 |

Doc. No. ____;
 Page No. ____;
 Book No. ____;
 Series of 2026

BEGLAUBIGUNG / NOTARIAL CERTIFICATE
 Die Echtheit der vorstehenden Unterschrift vor
 The authenticity of the signature of
 Vorname / first name: Martin
 Name / name: Dr. Kriegner
 Geburtsdatum / Date of birth: 6.9.1962
 Geschlecht / sex: male
 Bürgerort / citizenship: Österreich
 Wohnort / residence: Waldwil (CH)
 wird beglaubigt / is certified. Zug, 14.4.2026
 Die Urkundsperson / The notary public:



Apostille
 (Convention de la Haye du 5 octobre 1961)

- Country: Swiss Confederation, Canton of Zug
This public document
- has been signed by **Jonas Utiger**
- acting in the capacity of **Notary Public**
- bears the stamp of **Notary Public of the Canton of Zug**
Certified
- at 6300 Zug
- The **14 April 2026**
- by Chancery of State of the Canton of Zug
- under No. **5718 / 26**
- Stamp
- Signature
Andrea Arnold
Andrea Arnold



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Holcim Philippines, Inc.
7th floor, Two World Square, McKinley Hill, Fort Bonifacio
Taguig City, Metro Manila

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Holcim Philippines, Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the two years in the period ended December 31, 2025, and notes to the parent company financial statements, including material accounting policy information.

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

Basis for Opinion

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

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

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

CERTIFIED TRUE COPY
BELINDA E. DUGAN
Corporate Secretary



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

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

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

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RELINDA E. DUGAN
Corporate Secretary

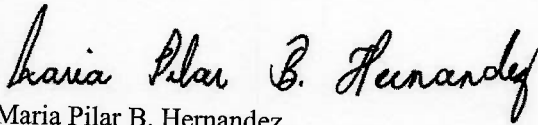


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 33 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Holcim Philippines, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Maria Pilar B. Hernandez
Partner

CPA Certificate No. 105007

Tax Identification No. 214-318-972

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

SEC Partner Accreditation No. 105007-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-116-2025, December 19, 2024, valid until December 18, 2027

PTR No. 10765059, January 2, 2026, Makati City

April 13, 2026



CERTIFIED TRUE COPY
RELINDA E. DUGAN
Corporate Secretary



HOLCIM PHILIPPINES, INC.**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

| | December 31 | |
|--|--------------------|--------------------|
| | 2025 | 2024 |
| <i>(In Thousands)</i> | | |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents (Notes 4, 26 and 27) | ₱1,168,361 | ₱4,014,717 |
| Trade and other receivables (Notes 5, 26 and 27) | 1,777,824 | 1,569,429 |
| Due from related parties (Notes 13, 26 and 27) | 1,246,797 | 987,622 |
| Inventories (Note 6) | 2,731,360 | 2,916,283 |
| Other current assets (Note 7 and 27) | 934,429 | 664,441 |
| Total Current Assets | 7,858,771 | 10,152,492 |
| Noncurrent Assets | | |
| Property, plant and equipment (Note 9) | 13,522,811 | 15,175,236 |
| Intangible assets (Note 10) | 19,843 | 25,183 |
| Right-of-use assets (Note 23) | 1,139,442 | 1,308,013 |
| Investments, advances and loans (Notes 8, 26 and 27) | 9,347,204 | 9,375,435 |
| Retirement benefit asset (Note 12) | - | 1,516,364 |
| Deferred tax assets - net (Note 25) | 925,341 | 220,631 |
| Other noncurrent assets (Notes 10, 26 and 27) | 1,191,417 | 1,227,145 |
| Total Noncurrent Assets | 26,146,058 | 28,848,007 |
| TOTAL ASSETS | ₱34,004,829 | ₱39,000,499 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Trade and other payables (Notes 11, 26 and 27) | ₱7,818,257 | ₱8,256,996 |
| Due to related parties (Notes 13, 26 and 27) | 8,484,725 | 7,825,560 |
| Current portion of lease liabilities (Note 23) | 73,408 | 39,427 |
| Income tax payable | 34,005 | - |
| Total Current Liabilities | 16,410,395 | 16,179,802 |
| Noncurrent Liabilities | | |
| Provisions | - | 57,819 |
| Lease liabilities - net of current portion (Note 23) | 1,264,856 | 1,460,144 |
| Retirement benefit liability (Note 12) | 25,607 | - |
| Long-term derivative liabilities (Note 26) | - | 365,044 |
| Total Noncurrent Liabilities | 1,290,463 | 1,883,007 |
| Total Liabilities | 17,700,858 | 18,004,990 |
| Equity | | |
| Capital stock (Note 14) | 6,452,099 | 6,452,099 |
| Additional paid-in capital | 8,476,002 | 8,476,002 |
| Other reserves | 4,552 | (445,176) |
| Remeasurement gain on retirement benefits | (183,828) | 1,087,425 |
| Retained earnings (Note 14) | 1,555,146 | 5,425,159 |
| Total Equity | 16,303,971 | 20,995,509 |
| TOTAL LIABILITIES AND EQUITY | ₱34,004,829 | ₱39,000,499 |

See accompanying Notes to Parent Company Financial Statements.

CERTIFIED TRUE COPY
BELINDA E. DUGAN
Corporate Secretary



HOLCIM PHILIPPINES, INC.**PARENT COMPANY STATEMENTS OF COMPREHENSIVE LOSS**

| | Years Ended December 31 | |
|--|-------------------------|---------------------|
| | 2025 | 2024 |
| | <i>(In Thousands)</i> | |
| NET SALES (Note 15) | ₱22,025,470 | ₱21,905,946 |
| COST OF SALES (Note 16) | 23,761,014 | 21,248,096 |
| GROSS PROFIT (LOSS) | (1,735,544) | 657,850 |
| General and administrative expenses (Note 17) | (960,311) | (1,117,399) |
| Selling expenses (Note 18) | (505,675) | (471,489) |
| Interest and finance income (Note 21) | 221,892 | 143,714 |
| Interest and financing charges (Note 21) | (117,112) | (112,837) |
| Other expense - net (Note 22) | (1,168,689) | (241,862) |
| LOSS BEFORE INCOME TAX | (4,265,439) | (1,142,023) |
| BENEFIT FROM INCOME TAX (Note 25) | (395,426) | (128,366) |
| NET LOSS | (3,870,013) | (1,013,657) |
| OTHER COMPREHENSIVE INCOME (LOSS) | | |
| <i>Other comprehensive loss not be reclassified to profit or loss in subsequent periods</i> | | |
| Actuarial loss on retirement benefits (Note 12) | (1,695,004) | (207,099) |
| Income tax effect | 423,751 | 53,023 |
| | (1,271,253) | (154,076) |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i> | | |
| Net gain on derivative instruments (Note 26) | 599,637 | 110,002 |
| Income tax effect | (149,909) | (27,501) |
| | 449,728 | 82,501 |
| | (821,525) | (71,575) |
| TOTAL COMPREHENSIVE LOSS | (₱4,691,538) | (₱1,085,232) |
| BASIC/DILUTED EARNINGS PER COMMON SHARE (Note 30) | (₱0.60) | (₱0.16) |

See accompanying Notes to Parent Company Financial Statements.

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HOLCIM PHILIPPINES, INC.

**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

| | Capital Stock (Note 14) | Additional Paid-in Capital | Other Reserves <i>(In Thousands)</i> | Remeasurement Gain on Retirement Benefits | Retained Earnings (Note 14) | Total |
|--------------------------------------|----------------------------|-------------------------------|---|--|-----------------------------------|-------------|
| Balances at January 1, 2024 | ₱6,452,099 | ₱8,476,002 | (₱527,677) | ₱1,241,501 | ₱8,987,419 | ₱24,629,344 |
| Net loss | — | — | — | — | (1,013,657) | (1,013,657) |
| Other comprehensive income (loss) | — | — | 82,501 | (154,076) | — | (71,575) |
| Total comprehensive income (loss) | — | — | 82,501 | (154,076) | (1,013,657) | (1,085,232) |
| Cash dividend (Note 14) | — | — | — | — | (2,548,603) | (2,548,603) |
| Balances at December 31, 2024 | 6,452,099 | 8,476,002 | (445,176) | 1,087,425 | 5,425,159 | 20,995,509 |
| Net loss | — | — | — | — | (3,870,013) | (3,870,013) |
| Other comprehensive income (loss) | — | — | 449,728 | (1,271,253) | — | (821,525) |
| Total comprehensive income (loss) | — | — | 449,728 | (1,271,253) | (3,870,013) | (4,691,538) |
| Balances at December 31, 2025 | ₱6,452,099 | ₱8,476,002 | ₱4,552 | (₱183,828) | ₱1,555,146 | ₱16,303,971 |

See accompanying Notes to Parent Company Financial Statements.

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HOLCIM PHILIPPINES, INC.**PARENT COMPANY STATEMENTS OF CASH FLOWS**

| | Years Ended December 31 | |
|--|-------------------------|--------------|
| | 2025 | 2024 |
| | <i>(In Thousands)</i> | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before income tax | (₱4,265,439) | (₱1,142,023) |
| Adjustments for: | | |
| Depreciation and amortization (Note 20) | 1,383,499 | 1,349,390 |
| Impairment loss on property, plant and equipment (Notes 9 and 22) | 1,200,684 | 254,642 |
| Interest and finance income (Note 21) | (221,892) | (143,714) |
| Write-off of assets (Note 22) | 177,580 | 85,233 |
| Interest and financing charges (Note 21) | 117,112 | 112,837 |
| Movement in retirement benefit asset/liability | (64,001) | (43,010) |
| Gain on write-off of lease termination (Notes 22 and 23) | (9,718) | - |
| Unrealized foreign exchange loss (gain) - net | 5,216 | (23,627) |
| Loss (gain) on sale of property and equipment (Note 22) | (67) | 8,664 |
| Changes in working capital: | | |
| Decrease (increase) in: | | |
| Trade and other receivables | (208,495) | (337,850) |
| Due from related parties | (175,163) | (238,851) |
| Inventories | 184,923 | 916,068 |
| Other current assets | (176,243) | (266,258) |
| Increase (decrease) in: | | |
| Trade and other payables | (191,336) | 527,796 |
| Due to related parties | 1,524,401 | 718,586 |
| Provisions | (71,835) | (6,301) |
| Derivative liability | (5,274) | - |
| Net cash provided by (used in) operations | (796,048) | 1,771,582 |
| Income taxes paid | (95,182) | (240,843) |
| Interest received | 48,849 | 34,599 |
| Net cash provided by (used in) operating activities | (842,381) | 1,565,338 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment (Note 9) | (1,019,173) | (806,543) |
| Decrease (increase) in other noncurrent assets | 35,728 | (299,625) |
| Proceeds from: | | |
| Collection of loan receivable from a related party | 28,231 | 210,351 |
| Disposal of property and equipment | 67 | 124 |
| Maturity of short-term time deposits | - | 274,162 |
| Net cash used in investing activities | (955,147) | (621,531) |
| CASH FLOWS FROM FINANCING ACTIVITIES (Note 28) | | |
| Payments of: | | |
| Cash dividends (Note 14) | (854,818) | (1,548,603) |
| Lease liabilities (Note 23) | (159,205) | (200,276) |
| Interest expenses and finance charges | (26,172) | (24,051) |
| Loan payable to related party | - | (245,000) |
| Cash used in financing activities | (1,040,195) | (2,017,930) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (2,837,723) | (1,074,123) |
| EFFECTS OF EXCHANGE RATE CHANGES | (8,633) | 21,860 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 4,014,717 | 5,066,980 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4) | ₱1,168,361 | ₱4,014,717 |

See accompanying Notes to Parent Company Financial Statements.

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HOLCIM PHILIPPINES, INC.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Holcim Philippines, Inc. (“HPI” or “the Company”) is incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). The Company manufactures and distributes cement products domestically or for export.

The plant sites of the Parent Company are in Davao City and in the provinces of La Union and Bulacan while the plant sites of its subsidiaries, Mabini Grinding Mill Corporation (MGMC) and Holcim Philippines Manufacturing Corporation (HPMC) are in the provinces of Batangas and Misamis Oriental, respectively. The registered office address and principal place of business of the Company is 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City.

The Company is majority-owned by Union Cement Holdings Corporation (UCHC), a company incorporated in the Philippines. Clinco Corporation (Clinco), a company incorporated in the Philippines, is an intermediate parent company of HPI. The ultimate Parent of the Company is Holcim Ltd., a company incorporated in Switzerland.

The Company’s shares of stocks were listed in the Philippine Stock Exchange (PSE) on June 17, 1996. Total shares issued and outstanding as at December 31, 2022 is 6.5 billion. On November 20, 2023, the PSE approved the Company’s application for the voluntary delisting of its shares in PSE effective November 27, 2023. After the Company’s shares were delisted, the Company became a public company.

Status of Operations

On November 19, 2020, the Board of Directors (BOD) of HPI approved the upstream merger of HPMC, MGMC and Bulkcem Philippines, Inc. (BPI) into the Company. The stockholders likewise approved the upstream merger in a special meeting held on January 15, 2021. As at December 31, 2025, this plan is still deferred.

Authorization for the Issuance of the Financial Statements

The parent company financial statements were approved and authorized for issuance by the Board of Directors on April 13, 2026.

2. Material Accounting Policy Information

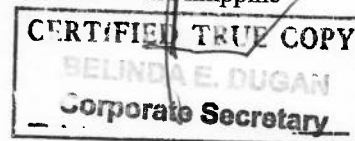
Basis of Preparation

The parent company financial statements are prepared on a historical cost basis, except for financial liabilities at fair value through profit or loss (FVTPL) and financial asset at fair value through other comprehensive income (FVOCI), which are measured at fair value.

The parent company financial statements are presented in Philippine peso (Peso), the Company’s functional currency. All values are rounded to the nearest thousand, unless otherwise indicated.

Statement of Compliance

The parent company financial statements of the Company are prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.



Changes in Accounting Policies

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

The adoption of Amendments to Philippine Accounting Standards (PAS) 21, *Lack of exchangeability* did not have an impact on the parent company financial statements of the Company. 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.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Except for the adoption of PFRS 18, adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS7, PFRS 18, PAS 1, PAS 8, PAS 26, and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

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

Material Accounting Policies

Fair Value Measurement

The Company measures financial instruments such as financial liabilities at FVTPL and financial assets at FVOCI at each balance sheet date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the parent company 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 or 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

Financial Instruments

A. *Financial Assets*

Initial recognition and subsequent measurement. The Company's financial assets are classified as financial assets at amortized cost and at FVOCI (equity instruments).

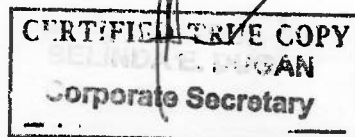
Financial assets at amortized costs includes cash and cash equivalents, trade and other receivables, and loan receivable from a related party, which is presented under "Investments, advances and loans" account, restricted cash and guarantee deposits as at December 31, 2025 and 2024. Financial asset at FVOCI comprise listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI as at December 31, 2025 and 2024.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. The Company applies the simplified approach in measuring expected credit losses (ECL) for trade receivables which uses a lifetime expected loss allowance for all trade receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information using a provision matrix. The Company also assesses impairment of trade receivables on an individual and collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due. Meanwhile, impairment of other financial assets is assessed using the general approach which considers available financial information of counterparties.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

Upon initial recognition, the Company can elect to classify irrevocably its equity instruments 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 the statements of comprehensive income. Dividends are recognized as other income in the statements of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.



A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when and only when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;
- The Company has transferred substantially all the risks and rewards of the asset and either (a) has neither transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company 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 Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

B. Financial Liabilities

The Company's financial liabilities are classified as loans and borrowings and financial liabilities at FVTPL. Financial liabilities classified as loans and borrowings are initially measured at fair value, net of directly attributable transaction costs, and subsequently measured at amortized cost. On the other hand, financial liabilities at FVTPL are initially measured at fair value, with changes in fair value recognized in profit or loss. Any directly attributable transaction costs of financial liabilities at FVTPL are recognized in profit or loss as they occur.

Financial liabilities classified as loans and borrowings include the Company's trade and other payables and lease liabilities as at December 31, 2025 and 2024. Financial liabilities at FVTPL include derivative instruments as at December 31, 2025 and 2024.

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 statements of comprehensive income.

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Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments, particularly forward commodity contracts, to hedge its commodity price risks. The Company's derivative financial instruments are classified as cash flow hedges. The effective portion of the gain or loss on the cash flow hedges is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the profit or loss. 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 Company designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Cash and Cash Equivalents

Cash and cash equivalents exclude any restricted cash (presented as part of "Other noncurrent assets") that is not available for use by the Company and therefore, is not considered highly liquid, such as cash set aside to cover rehabilitation obligations and restricted cash balance which is due to pending settlement of case with a port operator.

Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

- | | | |
|---|---|---|
| Finished goods and goods in process | - | determined using the weighted average method; cost includes direct materials, direct labor and a proportion of manufacturing overhead costs. |
| Raw materials, fuel, spare parts and others | - | determined using the moving average method; cost includes purchase price and other costs incurred in bringing these inventories to their present location or condition. |

The NRV of finished goods and goods in process inventories is the selling price in the ordinary course of business, less estimated costs to complete the product and make the sale. The NRV of raw materials, fuel, spare parts and other inventories is the current replacement cost.

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Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried in the parent company statements of financial position at cost, less any impairment in value. The Parent Company recognizes income from the investment only to the extent that it receives distributions from accumulated income of the subsidiary arising after the date of acquisition. Distributions received in excess of the accumulated income of the subsidiary is regarded as a recovery of investment and are recognized as a reduction to the cost of the investment.

The Company's investment in an associate pertains to 40% investment in Helix Mining and Development Corporation (HMDC). HMDC was incorporated in the Philippines with registered place of business of Don Mariano Santos Avenue, Barangay San Isidro, Angono, Rizal. HMDC is involved in mining, processing and sale of quarry resources of mineral rights. The financial statements of the associate is prepared for the same reporting period as the Company.

Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost and subsequently recognized at cost less accumulated depreciation and amortization and any impairment in value.

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

| | |
|-------------------------------|--|
| Building and installations | Shorter of the lease term and estimated useful lives of 20 to 40 years |
| Machinery and equipment | 10 to 30 years |
| Furniture, vehicles and tools | 3 to 10 years |

Major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, these are accounted for as property, plant and equipment.

Stand-by equipment is depreciated from the date it is made available for use over the shorter of the life of the stand-by equipment or the life of the asset the stand-by equipment is part of, while major spare parts are depreciated over the period starting it is brought into service, continuing over the lesser of its useful life and the remaining expected useful life of the asset to which it relates.

Impairment of Nonfinancial Assets

The Company's property, plant and equipment, right-of-use assets, investment in an associate; and other nonfinancial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. On the other hand, goodwill is tested for impairment annually at the cash generating unit (CGU) level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

An asset's recoverable amount is determined for an individual asset, unless the asset does not generate inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset of CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount of the assets is the higher of fair value less costs of disposal and value-in-use (VIU).

In assessing VIU, 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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These

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calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Employee Benefits

Post-employment Benefits. The Company has both defined benefit and defined contribution plans.

- *Defined contribution plan.* Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as asset to the extent that a cash refund or a reduction in future payments is available.
- *Defined benefit plan.* Net retirement benefits 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. The Company's defined benefit post-employment plan covers all regular full-time employees.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Defined benefit costs comprise the following:

- a) service cost;
- b) interest on the defined benefit liability; and
- c) remeasurements of defined benefit liability.

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.

Interest on the defined benefit liability is the change during the period in the net defined benefit liability 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. Interest on the defined benefit liability is recognized as expense or income in the profit or loss.

Remeasurements comprising actuarial gains and losses and return on plan assets (excluding net interest on defined benefit liability or asset) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Revenue Recognition

Sale of Goods. Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, depending on the shipping terms.

Certain contracts for the sale of goods of the Company provides customer with volume rebates. The volume rebates gives rise to variable consideration.

- *Volume rebates.* The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. Volume rebates are accrued on a monthly basis based on estimated achievement of volume targets and are adjusted to actual amounts at year-end.

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Costs and Expenses

Costs and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs of goods sold, selling and distribution and general and administrative expenses and interest expense are recognized in the parent company statements of comprehensive income in the period these are incurred.

Leases

The Company as a lessee. Subsequent to initial recognition, the Company amortized the right-of-use assets on a straight-line basis over the shorter of the economic life of the underlying asset or lease term of 3 to 50 years.

Short-term leases. The Company applies the short-term lease recognition exemption to its short-term leases of plant facilities, grinding equipment (effective January 1, 2024) and warehouse (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).

Provisions

Provisions arising from present obligation are recognized in profit or loss when the timing and amount of settlement can be reliably measured.

Additional Paid-in Capital

Proceeds and/or fair value considerations received in excess of par value are recognized as additional paid-in capital.

Contingencies

Contingent liabilities are not recognized in the parent company financial statements. These are disclosed in the notes to parent company financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but are disclosed in the notes to parent company financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the parent company financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the parent company financial statements.

Events after the Reporting Period

Post year-end events that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to parent company financial statements when material.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's Chief Financial Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company reports separately, information about an operating segments that meets any of the following quantitative thresholds:

- The absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and

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- Its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the parent company financial statements.

For management purposes, the Company is currently organized into two business segments: clinker and cement segment and other materials and construction segments. These divisions are the basis on which the Company reports its primary segment information.

Financial information on segment reporting is presented in Note 32.

3. **Material Accounting Judgement and Estimates**

The preparation of parent company financial statements in conformity with PFRS Accounting Standards requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years.

Estimates

The key estimates concerning the future and other key sources of estimation uncertainty as at balance sheet date that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are as follows:

ECL Computation. The Company applied the following judgements and estimates that significantly affect the computation of ECL under PFRS 9.

Definition of Default and Credit-Impaired Financial Assets. The Company 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 Criteria.* The borrower is more than 30 days past due on its contractual payments, which is consistent with the Company's definition of default.
- *Qualitative Criteria.* The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
 - a. The borrower is experiencing financial difficulty or is insolvent.
 - b. The borrower is in breach of financial covenant(s).
 - c. Concessions have been granted by the Company, for economic or contractual reasons relating to the borrower's financial difficulty; or
 - d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

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The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes, unless otherwise stated. The default definition has been applied consistently to model the probability of default, loss given default and expected actual default throughout the Company's ECL calculation.

- *General approach for Cash and Cash Equivalents, Other Receivables, Loan Receivable from a Related Party, Restricted Cash and Guarantee Deposits.* Under the general approach, at each reporting date, the Company recognizes a loss allowance based on either 12- month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Company has leveraged on available market data for cash and cash equivalents to calculate the ECL.
- *Simplified Approach for Trade Receivables.* The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. Furthermore, specific identification was also applied by the Company for trade receivables which are deemed uncollectible.
- *Grouping of instruments for losses measured on collective basis.* For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. The characteristic used to determine groupings is based on the type of customer.
- *Macro-economic forecasts and forward-looking information.* Macro-economic forecasts are determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The Company takes into consideration using different macro-economic variables to ensure linear relationship between internal rates and outside factors. Regression analysis was used to objectively determine which variables to use.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past three years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The financial assets of the Company are composed of the following as at December 31, 2025 and 2024:

| | 2025 | 2024 |
|--|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Cash and cash equivalents (see Note 4) | ₱1,168,361 | ₱4,014,717 |
| Trade and other receivables (see Note 5) | 1,777,824 | 1,569,429 |
| Due from related parties (see Note 13) | 1,246,797 | 987,622 |
| Advances to subsidiaries and associates (see Note 8) | 165,204 | 165,204 |
| Loans to related parties (see Notes 8 and 13) | 1,637,066 | 1,665,296 |
| Guarantee deposits (see Note 10) | 143,276 | 142,205 |
| Restricted cash (see Note 10) | 269,426 | 271,235 |
| | ₱6,407,954 | ₱8,815,708 |

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The allowance for expected credit loss on trade receivables amounted to ₱48.6 million and ₱34.9 million as at December 31, 2025 and 2024, respectively (see Note 5).

Assessment of Impairment of Nonfinancial Assets. Impairment review is performed when impairment indicators are present. As of December 31, 2025 and 2024, the factors that the Company considered important which could trigger an impairment review include the following:

- a. significant adverse changes in the technological, market, or economic environment where the Company operates
- b. significant decrease in the market value of an asset
- c. evidence of obsolescence and physical damage
- d. significant changes in the manner in which an asset is used or expected to be used
- e. plans to restructure or discontinue an operation
- f. significant decrease in the capacity utilization of an asset, or
- g. evidence is available from internal reporting that the economic performance of an asset is, or will be, worse than expected.

In 2025, the Company performed an impairment test to reassess the recoverability of machinery and equipment at the Mabini plant and certain terminals that had been temporarily closed. These assets were primarily used for the importation of clinker and cement when the Company's production capacity was insufficient to meet market requirements.

Management evaluated various alternatives to generate economic benefits from these assets and concluded that the closed plant and certain terminals are no longer strategically aligned with the Company's country strategy.

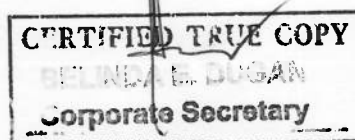
Accordingly, an impairment loss of ₱1.2 billion was recognized in 2025, representing the carrying value of machinery and equipment of the Mabini plant and certain terminals as at December 31, 2025 (see Note 9).

In 2024, an impairment loss of ₱254.6 million was recognized, representing the total cost of a specific construction in progress as at December 31, 2024. Management determined that it is highly unlikely the project will begin before 2030, making it potentially unrecoverable, hence, impairment loss was recognized (see Note 9).

The nonfinancial assets of the Company as at December 31, 2025 and 2024 are the following:

| | 2025 | 2024 |
|--|-----------------------|-------------|
| | <i>(In Thousands)</i> | |
| Property, plant and equipment (see Note 9) | ₱13,522,811 | ₱15,175,236 |
| Investments in subsidiaries and associates (see Note 8) | 7,544,935 | 7,544,935 |
| Right-of-use assets (see Note 23) | 1,139,442 | 1,308,013 |
| Intangible assets (see Note 10) | 19,843 | 25,183 |
| | ₱22,227,031 | ₱24,053,367 |

Retirement Benefit Costs. The costs of defined benefit pension plan as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. 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. Further details about the assumptions used are provided in Note 12.



In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases are based on historical actual salary increases of the Company.

Net retirement benefit liability amounted to ₱0.03 billion and net retirement benefit asset amounted to ₱1.5 billion as at December 31, 2025 and 2024 respectively, as disclosed in Note 12.

Deferred Income Tax Assets. The Company reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces these to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The Company's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the past results and future expectations of revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Company will generate sufficient future taxable income to allow all or part of deferred income tax assets to be utilized.

Total deferred tax assets recognized in the Company's statements of financial position amounted to ₱1,215.3 million and ₱937.3 million as at December 31, 2025 and 2024, respectively (see Note 25).

Net Realizable Value of Inventories. The Company writes down the cost of inventories whenever the net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, change in price levels or other causes. The lower of cost and net realizable value of inventories is reviewed on a periodic basis. Inventory items identified to be obsolete and unusable are written-off and charged as expense in the statements of comprehensive income. The allowance for inventory obsolescence amounted to ₱304.9 million and ₱334.1 million as at December 31, 2025 and 2024, respectively, as disclosed in Note 6. The carrying values of inventories amounted to ₱2.7 billion and ₱2.9 billion as at December 31, 2025 and 2024, respectively, as disclosed in Note 6.

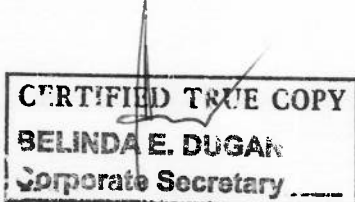
Contingencies. The Company is either a defendant or plaintiff in several legal cases primarily involving collection and claims for damages. As at December 31, 2025 and 2024, based on the assessment of management and the opinion of the Company's external legal counsels, the outflow of resources is not probable to happen.

4. Cash and Cash Equivalents

Cash and Cash Equivalents

| | 2025 | 2024 |
|------------------|-----------------------|-------------------|
| | <i>(In Thousands)</i> | |
| Cash in banks | ₱1,139,252 | ₱3,895,946 |
| Cash equivalents | 29,109 | 118,771 |
| | ₱1,168,361 | ₱4,014,717 |

Cash and cash equivalents earn interest at prevailing bank deposit rates of 1.21% and 0.57% in 2025 and 2024, respectively.



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The Company holds restricted cash balance amounting to ₱0.27 billion as at December 31, 2025 and 2024, which are not available for use. The restricted cash are presented under "Other noncurrent assets" account in the statement of financial position as disclosed in Note 10.

Interest income earned from cash and cash equivalents amounted to ₱32.6 million and ₱30.3 million in 2025 and 2024, respectively, as disclosed in Note 21.

5. Trade and Other Receivables

The Company's trade and other receivables consist of:

| | 2025 | 2024 |
|--|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Trade | ₱1,486,051 | ₱1,113,742 |
| Others | 340,355 | 490,616 |
| | 1,826,406 | 1,604,358 |
| Less allowance for expected credit losses (see Note 29) | 48,582 | 34,929 |
| | ₱1,777,824 | ₱1,569,429 |

Trade receivables are non-interest bearing and generally have credit terms of 30 to 60 days.

Other receivables consist mainly of collectibles from various parties for transactions other than sale of goods such as advances, reimbursements, receivable from the Bureau of Internal Revenue for the refund of overpayment, etc., which are normally collected within one (1) year.

Movements in the expected credit losses that pertain to trade and other receivables are as follows:

| | 2025 | 2024 |
|-------------------|-----------------------|---------|
| | <i>(In Thousands)</i> | |
| Beginning balance | ₱34,929 | ₱23,339 |
| Provisions | 17,448 | 12,580 |
| Reversals | (3,795) | (990) |
| Ending balance | ₱48,582 | ₱34,929 |

The Company applies a simplified approach in calculating ECLs. Furthermore, specific identification was applied by the Company for trade receivables which are deemed uncollectible.

Customary to the credit practices of the Company, customers are required to provide guarantees in the form of a standby letter of credit, bank guarantee and cash bond to allow them to purchase on credit. In the event that customers are deemed incapable of settling their obligations, the Company shall exercise its right to call out the letter of credit or bank guarantee from the issuing banks or apply the cash bond accordingly.

As at December 31, 2025, 23% of the total trade receivables (₱341.79 million) is covered by letter of credit and bank guarantee while 77% (₱1,144.26 billion) is not covered by letter of credit and bank guarantee. As at December 31, 2024, 22% of the total trade receivables (₱240.0 million) is covered by letter of credit and bank guarantee while 78% (₱871.0 million) is not covered by letter of credit and bank guarantee. In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

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6. Inventories

Details of the Company's inventories are as follows:

| | Finished Goods | Goods In-process | Raw Materials | Fuels | Spare Parts and Others | Total |
|--------------------------------------|----------------|------------------|---------------|------------|------------------------|------------|
| <i>(In Thousands)</i> | | | | | | |
| 2025 | | | | | | |
| At Cost | ₱354,631 | ₱649,581 | ₱197,481 | ₱893,811 | ₱940,787 | ₱3,036,291 |
| Allowance for inventory obsolescence | (6,375) | - | (1,729) | - | (296,827) | (304,931) |
| At net realizable value | ₱348,256 | ₱649,581 | ₱195,752 | ₱893,811 | ₱643,960 | ₱2,731,360 |
| 2024 | | | | | | |
| At Cost | ₱565,819 | ₱429,689 | ₱330,079 | ₱1,045,492 | ₱879,329 | ₱3,250,408 |
| Allowance for inventory obsolescence | (18,797) | - | (1,437) | - | (313,891) | (334,125) |
| At net realizable value | ₱547,022 | ₱429,689 | ₱328,642 | ₱1,045,492 | ₱565,438 | ₱2,916,283 |

Except for specific portion of clinker classified under finished goods, as well as spare parts and others, no provisions were provided; furthermore, these inventories are perpetually consumed in operations and disposed through sale hence have lower risk of obsolescence.

The table below shows the movement of allowance for inventory obsolescence as of December 31:

| | 2025 | 2024 |
|-----------------------|----------|----------|
| <i>(In Thousands)</i> | | |
| Beginning balance | ₱334,125 | ₱258,728 |
| Additions | 30,343 | 122,389 |
| Reversal | (59,537) | (46,992) |
| Ending balance | ₱304,931 | ₱334,125 |

Total inventories charged to cost of sales amounted to ₱15.6 billion and ₱14.2 billion in 2025 and 2024, respectively, as disclosed in Note 16.

Reversal of allowance for inventory obsolescence was made as a result of the subsequent usage of inventories previously assessed as slow-moving or potentially obsolete which were utilized in operations, resulting in the recovery of value.

7. Other Current Assets

The details of the Company's other current assets are shown below:

| | 2025 | 2024 |
|---------------------------|----------|----------|
| <i>(In Thousands)</i> | | |
| Prepayments | ₱795,545 | ₱585,088 |
| Advances to suppliers | 123,090 | 67,134 |
| Advances to employees | 10,738 | 7,163 |
| Financial assets at FVOCI | 5,056 | 5,056 |
| | ₱934,429 | ₱664,441 |

Prepayments include rent, insurance, derivative assets, creditable withholding taxes (CWTs) and real property taxes that are amortized within the next year. CWTs are expected to be used to offset against income tax due.

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Advances to suppliers represent advances that are applied against subsequent purchases and are outstanding for less than one year from initial recognition.

Financial assets at FVOCI pertains to quoted and unquoted club shares which entitle playing rights to particular employees as follows:

| | 2025 | 2024 |
|----------|-----------------------|---------------|
| | <i>(In Thousands)</i> | |
| Quoted | P1,300 | P1,300 |
| Unquoted | 3,756 | 3,756 |
| | P5,056 | P5,056 |

Advances to employees are non-interest bearing and generally have terms of 30 days.

8. Investments, Advances and Loans

This includes the following as at December 31, 2025 and 2024:

| | 2025 | 2024 |
|--|-----------------------|-------------------|
| | <i>(In Thousands)</i> | |
| Investments in and advances to subsidiaries and associates (see Note 13) | P7,710,139 | P7,710,139 |
| Loans to related parties (see Note 13) | 1,637,065 | 1,665,296 |
| | P9,347,204 | P9,375,435 |

As of December 31, 2025 and 2024, details of the investments in subsidiaries and associate are as follows:

| | Amount |
|--|-----------------------|
| | <i>(In Thousands)</i> |
| Acquisition costs, beginning and end of year | P7,782,435 |
| Less allowance for impairment loss | 237,500 |
| Investments in subsidiaries and associates | P7,544,935 |

The Company's investments in the following subsidiaries and associates are as follows:

| Entity Name | Percentage of Ownership | | Place of Incorporation | Principal Place of Business |
|---|-------------------------|----------|------------------------|--|
| | 2025 | 2024 | | |
| Subsidiaries | | | | |
| Excel Concrete Logistics, Inc. (ECLI) | 100.00% | 100.00% | Philippines | 5 th Floor One Campus Place Bldg. B, McKinley Hill, Fort Bonifacio, Taguig City |
| Shop and Build Corporation (S&B) | 100.00% | 100.00% | Philippines | 7 th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City |
| Hubb Stores and Services, Inc. (HSSI) | 100.00% | 100.00% | Philippines | 5 th Floor One Campus Place Bldg. B, McKinley Hill, Fort Bonifacio, Taguig City |
| Wellborne International Group Limited (WEB)* | 100.00% | 100.00% | British Virgin Islands | |
| Mabini Grinding Mill Corporation (MGMC)* | 100.00% | 100.00% | Philippines | Pulong Balibaguan, Mabini, Batangas |
| Holcim Philippines Manufacturing Corporation (HPMC) | 99.35% | 99.35% | Philippines | Lugait, Misamis Oriental |
| Associate | | | | |
| Helix Mining and Development Corporation (HMDC) | 40.00%** | 40.00%** | Philippines | Don Mariano Santos Avenue, Barangay San Isidro, Angono, Rizal |

*WEB's underlying assets is equivalent to MGMC, wherein it has an ownership of 88%. Considering the Company also owns 12% of MGMC, the latter is deemed to be a subsidiary of the Company.

**10.29% of which is owned by HPMC.

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The carrying values of the Company's investments in subsidiaries and associate are as follows:

| | Acquisition Cost | Allowance for Impairment <i>(In Thousands)</i> | Total |
|---------------------|---------------------|--|-------------------|
| Subsidiaries | | | |
| HPMC | ₱3,695,424 | ₱- | ₱3,695,424 |
| MGMC | 2,595,086 | - | 2,595,086 |
| ECLI | 125,000 | (125,000) | - |
| S&B | 30,000 | - | 30,000 |
| HSSI | 112,500 | (112,500) | - |
| Associate | | | |
| HMDC | 1,224,425 | - | 1,224,425 |
| | <u>₱7,782,435</u> | <u>(₱237,500)</u> | <u>₱7,544,935</u> |

There is no significant restriction on the ability of the subsidiaries and associate to transfer funds to the Company in the form of cash dividends or to repay loan or advances.

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9. Property, Plant and Equipment

Movements in the carrying amounts of the Company's property, plant and equipment are as follows:

| | January 1, 2025 | Additions/ Depreciation (see Note 20) | Disposals/ Retirements/ Write-offs (see Note 22) | Transfers/ Reclassification (see Note 10) | Impairment (see Note 22) | December 31, 2025 |
|---|--------------------|---|---|---|-----------------------------|----------------------|
| <i>(In Thousands)</i> | | | | | | |
| Cost | | | | | | |
| Buildings and installations | ₱7,893,233 | ₱23,188 | (₱143,463) | ₱84,944 | ₱- | ₱7,857,902 |
| Machinery and equipment | 27,237,063 | 404,352 | (376,462) | 621,284 | - | 27,886,237 |
| Furniture, vehicles and tools | 714,242 | 15,346 | (802) | 16,609 | - | 745,395 |
| Construction in-progress | 1,202,060 | 561,849 | (228,618) | (723,998) | - | 811,293 |
| | 37,046,598 | 1,004,735 | (749,345) | (1,161) | - | 37,300,827 |
| Accumulated depreciation and impairment loss | | | | | | |
| Buildings and installations | 4,984,062 | 194,061 | (130,055) | - | 246,350 | 5,294,418 |
| Machinery and equipment | 16,065,332 | 1,054,737 | (186,943) | - | 951,580 | 17,884,706 |
| Furniture, vehicles and tools | 567,326 | 29,614 | (802) | - | 2,754 | 598,892 |
| Construction in-progress | 254,642 | - | (254,642) | - | - | - |
| | 21,871,362 | 1,278,412 | (572,442) | - | 1,200,684 | 23,778,016 |
| Carrying Amount | | | | | | |
| Buildings and installations | 2,909,171 | | | | | 2,563,484 |
| Machinery and equipment | 11,171,731 | | | | | 10,001,531 |
| Furniture, vehicles and tools | 146,916 | | | | | 146,503 |
| Construction in-progress | 947,418 | | | | | 811,293 |
| | ₱15,175,236 | | | | | ₱13,522,811 |

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| | January 1, 2024 | Additions/ Depreciation (see Note 20) | Disposals/ Retirements/ Write-offs (see Note 22) | Transfers/ Reclassification (see Note 10) | Impairment (see Note 22) | December 31, 2024 |
|---|--------------------|---|---|---|-----------------------------|----------------------|
| <i>(In Thousands)</i> | | | | | | |
| Cost | | | | | | |
| Buildings and installations | ₱7,896,337 | ₱33,621 | (₱128,324) | ₱91,599 | ₱- | ₱7,893,233 |
| Machinery and equipment | 26,458,184 | 202,968 | (27,836) | 603,747 | - | 27,237,063 |
| Furniture, vehicles and tools | 915,251 | 1,085 | (202,354) | 260 | - | 714,242 |
| Construction in-progress | 1,318,667 | 590,659 | - | (707,266) | - | 1,202,060 |
| | 36,588,439 | 828,333 | (358,514) | (11,660) | - | 37,046,598 |
| Accumulated depreciation and impairment loss | | | | | | |
| Buildings and installations | 4,848,819 | 194,871 | (59,628) | - | - | 4,984,062 |
| Machinery and equipment | 15,074,840 | 997,828 | (7,336) | - | - | 16,065,332 |
| Furniture, vehicles and tools | 734,896 | 29,959 | (197,529) | - | - | 567,326 |
| Construction in-progress | - | - | - | - | 254,642 | 254,642 |
| | 20,658,555 | 1,222,658 | (264,493) | - | 254,642 | 21,871,362 |
| Carrying Amount | | | | | | |
| Buildings and installations | 3,047,518 | | | | | 2,909,171 |
| Machinery and equipment | 11,383,344 | | | | | 11,171,731 |
| Furniture, vehicles and tools | 180,355 | | | | | 146,916 |
| Construction in-progress | 1,318,667 | | | | | 947,418 |
| | ₱15,929,884 | | | | | ₱15,175,236 |

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In 2025, the Company recognized an impairment loss of ₱1.2 billion, representing the carrying value of machinery and equipment of the Mabini plant and certain terminals as at December 31, 2025. Management determined that the temporarily closed plant and these specific terminals are no longer strategically aligned with the Company's strategy, hence, an impairment loss was recognized (see Note 3).

In 2024, an impairment loss of ₱254.6 million was recognized, representing the total cost of a specific construction in progress as at December 31, 2024. Management determined that it is highly unlikely the project will begin before 2030, making it potentially unrecoverable, hence, impairment loss was recognized (see Note 3).

Of the total amount of additions to property, plant and equipment, ₱252.6 million and ₱267.0 million are still unpaid as at December 31, 2025 and 2024, respectively, which are presented in "Trade payables" under trade and other payables account in the statements of financial position (see Note 11).

10. Intangible Assets and Other Noncurrent Assets

Intangible Assets

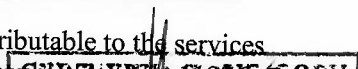
The movements in intangible assets, which pertain to software and other project development costs, are as follows:

| | 2025 | 2024 |
|-------------------------------|-----------------------|----------------|
| | <i>(In Thousands)</i> | |
| Costs: | | |
| Beginning of year | ₱171,412 | ₱159,752 |
| Reclassification (see Note 9) | 1,161 | 11,660 |
| | <u>172,573</u> | <u>171,412</u> |
| Accumulated amortization: | | |
| Beginning of year | 146,229 | 140,620 |
| Amortization (see Note 20) | 5,824 | 5,609 |
| Write-off | 677 | - |
| End of year | <u>152,730</u> | <u>146,229</u> |
| Carrying amount | <u>₱19,843</u> | <u>₱25,183</u> |

Other Noncurrent Assets

| | 2025 | 2024 |
|-------------------------------|-----------------------|-------------------|
| | <i>(In Thousands)</i> | |
| Deferred input VAT | ₱508,233 | ₱478,489 |
| Deferred charges | 270,482 | 335,216 |
| Restricted cash (see Note 4) | 269,426 | 271,235 |
| Guarantee deposits and others | 143,276 | 142,205 |
| | <u>₱1,191,417</u> | <u>₱1,227,145</u> |

The deferred input VAT pertains to the deferrals of input VAT credits attributable to the services obtained from HPMC, MGMC and BPI prior to the implementation of Republic Act No. 11975/COA of Paying Taxes Act.


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Restricted cash pertains to restricted funds in relation to the minimum mine rehabilitation fund required by the Department of Environment and Natural Resources (DENR) to cover site restoration cost. As at December 31, 2025, the Company is already working to close the rehabilitation fund as DENR requirement is no longer applicable consequent to the disposal of all land and mining assets previously owned by the Company.

Guarantee deposits represent cash deposits made to suppliers for raw materials supply agreement and various security deposits for rentals.

11. Trade and Other Payables

| | 2025 | 2024 |
|-----------------------------|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Trade payables (see Note 9) | ₱3,583,502 | ₱3,336,598 |
| Accrued expenses | 2,197,338 | 1,628,711 |
| Contract liabilities | 1,649,215 | 2,263,249 |
| Statutory payables | 110,128 | 210,153 |
| Derivative liability | - | 240,553 |
| Others | 278,074 | 577,732 |
| | ₱7,818,257 | ₱8,256,996 |

Trade payables are non-interest bearing and normally have payment terms of 30 to 90 days.

Details of the Company's accrued expenses are as follows:

| | 2025 | 2024 |
|------------------|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Outside services | ₱675,071 | ₱812,342 |
| Power | 496,709 | 348,829 |
| Employee-related | 300,157 | 236,410 |
| Rebates | 171,262 | 138,042 |
| Freight | 169,070 | - |
| Maintenance | 53,536 | 41,504 |
| Others | 331,533 | 51,584 |
| | ₱2,197,338 | ₱1,628,711 |

Outside services include accrual for third party services such as professional fees, security services, and consigned raw materials, among others.

Other accrued expenses include accrual of interest on cash bonds, which is refundable anytime upon demand by the customers, company insurance, data communication, rates and taxes and provisions which are expected to be settled within one year.

Other payables include taxes payable and capex payable with normal payment terms of 30 to 90 days.

Non-trade payables represent accounts with suppliers other than production-related expenses such as government-related expenses, employee benefits and other administrative expenses.

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Contract liabilities

Contract liabilities represent those that will be applied against subsequent shipments to customers, which are expected to be applied within 30 to 90 days.

Revenue recognized from amounts included in the contract liabilities at the beginning of the year amounted to ₱2.3 billion and ₱2.5 billion for the years ended December 31, 2025 and 2024, respectively.

No revenue was recognized for the years ended December 31, 2025 and 2024 from performance obligations that were partially satisfied in prior years.

12. Retirement Benefit Obligation

Defined Benefit Retirement Plan

The Company has distinct funded, non-contributory defined benefit retirement plan (the "Plan"). The Plan covers all permanent employees, each administered by their respective Retirement Committees or Board of Trustees.

The following tables summarize the components of retirement benefit costs, the funding status and the amounts recognized as retirement benefit asset of the Company.

Details of retirement benefit costs are as follows:

| | 2025 | 2024 |
|--------------------------------------|-----------------------|-----------------|
| | <i>(In Thousands)</i> | |
| Current service cost | ₱44,705 | ₱41,580 |
| Net interest income (see Note 21) | (89,032) | (109,115) |
| Retirement benefit income recognized | | |
| in profit or loss | (44,327) | (67,535) |
| Remeasurement loss recognized in OCI | 1,695,004 | 207,099 |
| Net retirement benefit cost | ₱1,650,677 | ₱139,564 |

Remeasurement loss (gain) on retirement benefits consists of:

| | 2025 | 2024 |
|-------------------------------------|-----------------------|-----------------|
| | <i>(In Thousands)</i> | |
| Actuarial loss (gain) arising from: | | |
| Changes in assumptions | (₱7,669) | ₱31,555 |
| Experience adjustments | (3,833) | 13,143 |
| Loss on plan assets* | 1,706,505 | 162,401 |
| | ₱1,695,004 | ₱207,099 |

* Excluding amounts recognized in net interest cost.


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The reconciliation of retirement benefit asset (liability) recognized in the parent company statements of financial position follows:

| | 2025 | 2024 |
|---|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Present value of defined benefit obligation | (P612,014) | (P638,776) |
| Fair value of plan assets | 586,407 | 2,155,140 |
| Retirement benefit (liability) asset | (P25,607) | P1,516,364 |

The movements in net retirement benefit asset are as follows:

| | 2025 | 2024 |
|---|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Balance at beginning of year | P1,516,364 | P1,571,338 |
| Retirement benefit income recognized in profit or loss | 44,327 | 67,535 |
| Remeasurement loss recognized in OCI | (1,695,004) | (207,099) |
| Contributions | 108,706 | 84,590 |
| Balance at end of year | (P25,607) | P1,516,364 |

The changes in the present value of defined benefit obligation are as follows:

| | 2025 | 2024 |
|------------------------------|-----------------------|----------|
| | <i>(In Thousands)</i> | |
| Balance at beginning of year | P638,776 | P605,439 |
| Actuarial loss | (11,502) | 44,698 |
| Current service cost | 44,705 | 41,580 |
| Interest cost | 35,966 | 39,842 |
| Benefits paid from plan | (95,931) | (92,783) |
| Balance at end of year | P612,014 | P638,776 |

The changes in the fair value of plan assets are as follows:

| | 2025 | 2024 |
|--------------------------------|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Balance at beginning of year | P2,155,140 | P2,176,777 |
| Interest income on plan assets | 124,99 | 148,957 |
| Actuarial loss on plan assets | (1,706,505) | (162,401) |
| Contributions | 108,706 | 84,590 |
| Benefits paid from plan | (95,931) | (92,783) |
| Balance at end of year | P586,407 | P2,155,140 |

The fund is administered by a trustee bank under the supervision of the duly Authorized Person or Trustee of the Plan. The Authorized Person or Trustee is responsible for investment of the assets. Based on the overall direction set by a Retirement Fund Committee, the Trustee proposes an investment strategy and as approved by the Retirement Fund Committee, executes such strategy. The Trustee defines the investment strategy based on the investment instructions found in the Trust Agreement. When defining the investment strategy, the Trustee takes into account the Plan's objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The control, direction, and management of the fund shall reside in and be the sole responsibility of the Trustee.

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The major categories of the Company's plan assets as percentages of the fair value of total plan assets are as follows:

| | 2025 | 2024 |
|---|---------------|---------------|
| Cash | 3.5% | 0.9% |
| Investment in debt securities: | | |
| Government securities | - | 0.2% |
| Corporate debt securities | - | 0.5% |
| Investment in equity securities: | | |
| Construction, infrastructure, property and mining | 6.3% | 2.6% |
| Others | 90.2% | 95.8% |
| | 100.0% | 100.0% |

The principal assumptions used in determining the retirement benefit obligation of the Company are as follows:

| | 2025 | 2024 |
|------------------------------|-------|-------|
| Discount rate: | | |
| Beginning | 5.80% | 6.95% |
| Ending | 5.90% | 5.80% |
| Future salary rate increases | 4.00% | 4.00% |

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of defined benefit obligation as of December 31, 2025, and 2024, assuming all other assumptions were held constant:

| | Increase (Decrease) | Effect on Present Value of Defined Benefit Obligation | |
|--------------------------|------------------------|--|-----------|
| | | In % | In Peso |
| <i>(In Thousands)</i> | | | |
| 2025 | | | |
| Discount rate: | | | |
| Sensitivity 1 | 0.5% | 96.01% | (P24,432) |
| Sensitivity 2 | (0.5%) | 104.28% | 26,207 |
| Future salary increases: | | | |
| Sensitivity 1 | 0.5% | 104.34% | 26,584 |
| Sensitivity 2 | (0.5%) | 95.92% | (24,990) |
| 2024 | | | |
| Discount rate: | | | |
| Sensitivity 1 | 0.5% | 95.92% | (P26,037) |
| Sensitivity 2 | (0.5%) | 104.37% | 27,927 |
| Future salary increases: | | | |
| Sensitivity 1 | 0.5% | 104.43% | 28,287 |
| Sensitivity 2 | (0.5%) | 95.84% | (26,595) |


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The table below shows the maturity profile of the defined benefit obligation:

| | 2025 | 2024 |
|----------------------------------|-----------------------|---------|
| | <i>(In Thousands)</i> | |
| Within one year | ₱40,286 | ₱37,354 |
| More than one year to five years | 256,409 | 264,185 |
| More than five years | 344,884 | 436,138 |

As at December 31, 2025 and 2024, the average duration of the benefit obligation is 8.2 years and 8.9 years, respectively.

The latest actuarial valuation is as at December 31, 2025.

The Company expects to contribute ₱105.3 million to the defined benefit plans during the next financial year.

Defined Contribution Retirement Plan

The Company also has a defined contribution plan wherein the Company's obligation is limited to the specified contribution in the defined contribution plan. The Company recognized retirement benefit cost related to the defined contribution plan amounting to ₱28.9 million and ₱20.2 million in 2025 and 2024, respectively.

Total retirement benefit costs (income) under the defined benefit and defined contribution plans recognized in the parent company statements of comprehensive income as part of profit or loss are as follows:

| | 2025 | 2024 |
|----------------------------------|-----------------------|-----------|
| | <i>(In Thousands)</i> | |
| Expense (income) recognized for: | | |
| Defined benefit plans | (₱44,327) | (₱67,535) |
| Defined contribution plan | 28,861 | 20,242 |
| Retirement benefit income | (₱15,466) | (₱47,293) |

13. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders.

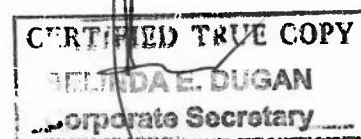
The Company has transactions with the following related parties:

Ultimate Parent Company

- Holcim Ltd. (HOFI)

Intermediate Parent Companies

- Cemco Holdings, Inc. (Cemco): a subsidiary of Clinco
- Union Cement Holdings Corporation (UCHC): a subsidiary of Cemco
- Holderfin B.V.



Direct and Indirect Subsidiaries

- Excel Concrete Logistics, Inc. (ECLI)
- Shop and Build Corporation (S&B)
- Holcim Philippines Manufacturing Corporation (HPMC)
- Calamba Aggregates, Co., Inc. (CACI)
- Bulkcem Philippines, Inc. (BPI)
- Mabini Grinding Mill Corporation (MGMC)

Associate and its Subsidiaries


- Helix Mining and Development Corporation (HMDC)
- Helix Resources and Development Corporation (HRDC)
- Helix Aggregates Inc. (HAI)
- APC Properties, Inc. (APC)
- Quimson Limestones, Inc. (QLI)
- Lucky One Realty Ventures, Inc. (LORVI)

Entities Under Common Control

- Holcim Trading Pte. Ltd., Singapore (HTPL)
- Holcim Technology Ltd. (HTEC)
- Lafargeholcim Investment Co.,
- Fuels and procurement at holcim trading (FPHT)
- Holcim Group Services Ltd. (HGSX)
- Holcim Services (South Asia) LTD (HSSA)
- LH Shipping PTE LTD
- LH Global Hub Services Pvt Ltd. (LHGH)
- Holcim International Services (LHISS)
- Holcim Helvetia Finance Ltd. (HHFL)

The following table summarizes the related party transactions and outstanding balances as at and for the years ended December 31, 2025 and 2024:

| <i>Related Party</i> | <i>Year</i> | <i>Amount/ Volume of Transactions</i> | <i>Due from Related Parties</i> | <i>Loans to Related Parties (see Note 8)</i> | <i>Due to Related Parties</i> | <i>Loan Payable to a Related Party</i> |
|---|-------------|---|-------------------------------------|--|-----------------------------------|--|
| <i>(In thousands)</i> | | | | | | |
| <u>Ultimate Parent Company</u> | | | | | | |
| HOLCIM LTD (HOFL) | | | | | | |
| (1) Purchases and/or expenses | 2025 | ₱467,497 | ₱- | ₱- | ₱- | ₱- |
| | 2024 | 508,990 | - | - | - | - |
| (2) Reimbursement | 2025 | 23,295 | 4,549 | - | - | - |
| | 2024 | 29,529 | 16,586 | - | - | - |
| <u>Intermediate Parent Company</u> | | | | | | |
| UCHC | | | | | | |
| (1) Loan | 2025 | - | - | - | - | - |
| | 2024 | - | - | - | - | - |
| (2) Interest | 2025 | - | - | - | - | - |
| | 2024 | 5,931 | - | - | - | - |
| (3) Dividend (see Note 14) | 2025 | - | - | - | - | - |
| | 2024 | 1,543,038 | - | - | (787,835) | - |
| Cemco | | | | | | |
| (1) Long-term loan (see Note 8) | 2025 | - | - | - | - | - |
| | 2024 | - | - | 28,230 | - | - |
| (2) Interest (see Note 21) | 2025 | 852 | 21 | - | - | - |
| | 2024 | 4,035 | 439 | - | - | - |
| (3) Dividend (see Note 14) | 2025 | - | - | - | (130,392) | - |
| | 2024 | 180,392 | - | - | (180,392) | - |
| (4) Recharges | 2025 | 3,043 | 670 | - | - | - |
| | 2024 | 2,888 | 77 | - | - | - |
| Holderfin B.V. | | | | | | |
| (1) Dividend (see Note 14) | 2025 | - | - | - | (14,791) | - |
| (Forward) | 2024 | 799,646 | - | - | - | - |


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| <i>Related Party</i> | <i>Year</i> | <i>Amount/ Volume of Transactions</i> | <i>Due from Related Parties</i> | <i>Loans to Related Parties (see Note 8)</i> | <i>Due to Related Parties</i> | <i>Loan Payable to a Related Party</i> |
|--|-------------|---|-------------------------------------|--|-----------------------------------|--|
| <i>(In thousands)</i> | | | | | | |
| <u>Entities Under Common Control</u> | | | | | | |
| HTEC | | | | | | |
| (1) Purchases and/or expenses | 2025 | ₱286,425 | ₱- | ₱- | (₱197,769) | - |
| | 2024 | 79,465 | - | - | 714 | - |
| LH Shipping Pte Ltd | | | | | | |
| (1) Purchases and/or expenses | 2025 | 24 | - | - | 165 | - |
| | 2024 | 51,736 | - | - | 29 | - |
| HGSX | | | | | | |
| (1) Administrative fees | 2025 | 180,228 | - | - | (38,468) | - |
| | 2024 | 209,854 | - | - | - | - |
| (2) Reimbursements | 2025 | 6,822 | - | - | - | - |
| | 2024 | 6,360 | 393 | - | - | - |
| HSSA | | | | | | |
| (1) IT/Various charges | 2025 | 72,614 | - | - | (10,212) | - |
| | 2024 | 70,078 | - | - | (12,359) | - |
| LHGH | | | | | | |
| (1) Service fee | 2025 | 55,219 | - | - | (7,608) | - |
| | 2024 | 52,210 | - | - | (5,484) | - |
| HTPL | | | | | | |
| (1) GCDC Opex Capex | 2025 | (45,898) | - | - | (8,670) | - |
| | 2024 | (64,044) | - | - | (15,538) | - |
| FPHT/HT72 | | | | | | |
| (1) Fuel and Procurement | 2025 | 49,149 | - | - | (284,362) | - |
| | 2024 | 344,274 | - | - | (319,042) | - |
| LHISS/(CC73) | | | | | | |
| (1) Service charges and salaries | 2025 | 83,607 | - | - | (15,244) | - |
| | 2024 | 55,581 | - | - | (11,284) | - |
| HHFL | | | | | | |
| (1) Purchase and expenses | 2025 | 664,956 | - | - | - | - |
| | 2024 | 224,149 | - | - | - | - |
| <u>Direct and Indirect Subsidiaries</u> | | | | | | |
| ECLI | | | | | | |
| (1) Expenses from various charges | 2025 | - | - | - | - | - |
| | 2024 | 252 | - | - | - | - |
| (2) Interest | 2025 | - | - | - | - | - |
| | 2024 | 260 | - | - | - | - |
| BPI | | | | | | |
| (1) Various charges | 2025 | - | - | - | (5,061) | - |
| | 2024 | - | - | - | - | - |
| (2) Rental fee | 2025 | 6,764 | - | - | (56,696) | - |
| | 2024 | 6,764 | - | - | (54,519) | - |
| CACI | | | | | | |
| (1) Interest | 2025 | 11 | - | - | - | - |
| | 2024 | 31 | - | - | - | - |
| (2) Loan | 2025 | 2,639 | 2,639 | - | - | - |
| | 2024 | - | - | - | - | - |
| S&B | | | | | | |
| (1) Sales | 2025 | 85,416 | 25,892 | - | - | - |
| | 2024 | 97,035 | 40,943 | - | - | - |
| (2) Support service | 2025 | 3,856 | - | - | - | - |
| | 2024 | 3,856 | - | - | - | - |
| HPMC | | | | | | |
| (1) Plant facilities and bareboat lease | 2025 | 9,175 | - | - | - | - |
| | 2024 | 22,021 | - | - | - | - |
| (3) Asset leasing | 2025 | 675,388 | - | - | (5,182,958) | - |
| | 2024 | 675,388 | - | - | (4,696,835) | - |
| (4) Labor recharges | 2025 | 118,973 | - | - | - | - |
| | 2024 | 114,813 | - | - | - | - |
| (6) Administrative expenses | 2025 | 60,574 | 815,180 | - | - | - |
| | 2024 | 69,334 | 758,690 | - | - | - |
| HSSI | | | | | | |
| (1) Interest | 2025 | 1 | - | - | - | - |
| | 2024 | 3 | - | - | - | - |
| MGMC | | | | | | |
| (1) Lease of grinding facility | 2025 | 172,711 | - | - | (1,237,676) | - |
| | 2024 | 172,711 | - | - | (1,098,627) | - |
| <i>(Forward)</i> | | | | | | |

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| <i>Related Party</i> | <i>Year</i> | <i>Amount/ Volume of Transactions</i> | <i>Due from Related Parties</i> | <i>Loans to Related Parties (see Note 8)</i> | <i>Due to Related Parties</i> | <i>Loan Payable to a Related Party</i> |
|-------------------------------------|-------------|---|-------------------------------------|--|-----------------------------------|--|
| <i>(In thousands)</i> | | | | | | |
| <i>Associates</i> | | | | | | |
| <i>HMDC</i> | | | | | | |
| (1) Recharges as receivable | 2025 | ₱117,590 | (₱867) | ₱- | ₱- | ₱- |
| | 2024 | 166,142 | (131,840) | - | - | - |
| (2) Purchases of quarried materials | 2025 | 1,043,575 | - | - | (68,594) | - |
| | 2024 | 624,208 | - | - | (82,957) | - |
| (3) In-plant billing | 2025 | 50,238 | - | - | (111,209) | - |
| | 2024 | 40,128 | - | - | (39,222) | - |
| (4) Asset leasing | 2025 | 155,751 | - | - | (25,940) | - |
| | 2024 | 121,214 | - | - | (23,815) | - |
| (6) Interest | 2025 | 99,387 | 97,813 | - | - | - |
| | 2024 | - | 13,384 | - | - | - |
| (7) Dividend | 2025 | - | 19,857 | - | - | - |
| | 2024 | - | 19,857 | - | - | - |
| (8) Reimbursement | 2025 | - | - | - | - | - |
| | 2024 | - | - | - | - | - |
| (9) Loan conversion | 2025 | 1 | - | 1,637,065 | 89 | - |
| | 2024 | 1,637,066 | - | 1,637,066 | - | - |
| <i>HRDC</i> | | | | | | |
| (2) Purchases of quarried materials | 2025 | 467,830 | - | - | (189,392) | - |
| | 2024 | 250,404 | - | - | (59,954) | - |
| (3) Asset lease | 2025 | 17,075 | - | - | (4,078) | - |
| | 2024 | 15,602 | - | - | (1,359) | - |
| (4) Fuel withdrawal/quarried | 2025 | - | 255,081 | - | - | - |
| | 2024 | - | 255,081 | - | - | - |
| <i>HAI</i> | | | | | | |
| (1) Purchases and/or expenses | 2025 | 1,367,221 | - | - | (802,209) | - |
| | 2024 | 1,047,021 | - | - | (358,586) | - |
| (2) Reimbursements | 2025 | 13,343 | 25,962 | - | - | - |
| | 2024 | 12,267 | 14,012 | - | - | - |
| <i>APC</i> | | | | | | |
| (1) Asset Lease and/or expenses | 2025 | 1,314 | - | - | (10,474) | - |
| | 2024 | 12,341 | - | - | (9,757) | - |
| <i>QLI</i> | | | | | | |
| (1) Purchases and/or expenses | 2025 | 1,247 | - | - | (10,261) | - |
| | 2024 | 954 | - | - | (9,161) | - |
| (2) Interest on loan | 2025 | 13,384 | - | - | - | - |
| | 2024 | - | - | - | - | - |
| <i>LORVI</i> | | | | | | |
| (1) Foreshore lease | 2025 | 76,230 | - | - | (72,826) | - |
| | 2024 | - | - | - | (27,893) | - |
| TOTAL | 2025 | | ₱1,246,797 | ₱1,637,065 | (₱8,484,725) | ₱- |
| | 2024 | | 987,622 | 1,665,296 | (7,825,560) | - |

Ultimate Parent Company

HOFI. In 2020, the Company entered into an agreement with Holcim Ltd, under Master Branding Agreement (MBA). Total expenses incurred amounted ₱467.5 million and ₱509.0 million in 2025 and 2024, respectively (see Note 16).

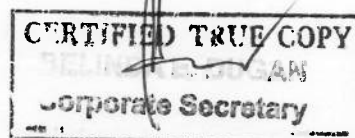
In 2025 and 2024, the Company recognized reimbursement for services related to sustainability, finance, legal and project management.

Intermediate Parent Companies

UCHC. In 2022, the Company, as a borrower, entered into a short-term loan contract with UCHC for ₱300.0 million. In December 2023, the loan agreement was renewed and is subject to annual interest of 5.35%. As at December 31, 2023, the loan has carrying value of ₱245.0 million and the loan was paid in 2024.

Cemco. On September 28, 2018, the Company entered into a long-term loan with Cemco, a borrower, amounting ₱381.8 million with 5.30% interest rate per annum to be paid on or before September 28, 2020. In 2021, the loan agreement was extended, with interest rate of 3.096% and is payable in full on September 28, 2026. In 2024, the Company made partial payment of the principal amount. Interest earned in 2025 and 2024 amounted to ₱0.9 million and ₱4.0 million, respectively (see Note 21).

On September 25, 2023, the Company entered into agreement with CEMCO for compensation of cost incurred on administrative nature.



Entities under Common Control

- a. *HTEC*. Effective January 1, 2013, the Company and HTEC entered into an agreement for the application of new Industrial Franchise Fee (IFF). The agreement is aligned with the Organization for Economic Co-operation and Development (OECD) principles and takes into account arm's length transfer pricing principles.

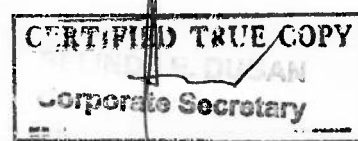
The IFF shall cover all intellectual properties and value-adding solutions derived by the Company. IFF is an annual charge payable quarterly and is based on fair assessment of economic value of intellectual properties and value adding solutions.

HTEC also renders managerial and project support services to the Company.

In 2020, IFF was replaced by MIIPA- Master Industrial Intellectual Property Agreement under the same terms and conditions of the previous contract.

Total expenses incurred amounted to ₱286.4 million and ₱79.5 million in 2025 and 2024, respectively (see Note 16).

- b. *LH Shipping*. The Company had an outstanding receivable from LH Shipping related to time-chartered shipping amounting to ₱0.16 million and ₱0.3 million as at December 31, 2025 and 2024, respectively.
- c. *HGSX*. On January 1, 2017, the Company entered into an agreement for the "Administrative Support" which include activities in the field of administration as well as clerical and operational support. The administrative support fee is calculated based on the allocated costs plus mark-up and other indirect costs in connection of rendering such support. The administrative support fee amounted to ₱180.2 million and ₱209.9 million in 2025 and 2024 respectively. Also, the Company has reimbursement transactions of ₱6.8 million and ₱6.4 million in 2025 and 2024 respectively (see Notes 16, 17, and 18).
- d. *HSSA*. The Company has an outstanding liability pertaining to IT support services and Sales Force - Non-IT recharges amounting to ₱10.2 million and ₱12.4 million as at December 31, 2025 and 2024, respectively (see Note 17).
- e. *Holcim Trading*. The Company imports raw materials such as coal, gypsum and granulated blast furnace slag. The Company has an outstanding payable of ₱18.6 million and ₱15.5 million as at December 31, 2025 and 2024, respectively.
- f. *LHGH*. On June 1, 2021, the Company entered into a service agreement contract with LI Global Service Hub (GHBS) to provide the support on Finance, Procurement and Human Resources function from January 1, 2022 to December 31, 2026 for an annualized fee of IHF692,016 charged to the Company. The total service fees recognized amounted to ₱55.2 million and ₱52.2 million in 2025 and 2024, respectively (see Note 17).
- g. *HTPL*. The Company imports raw materials such as coal, gypsum and granulated blast furnace slag. The Company has an outstanding payable of ₱8.7 million and ₱15.5 million as at December 31, 2025 and 2024, respectively (see Note 16).



- h. *FPHT*. The Company imports raw materials, such as gypsum, coal and granulated blast furnace slag. The Company has outstanding liability of ₱284.4 million and ₱319.0 million as at December 31, 2025 and 2024, respectively (see Note 16).
- i. *LHISS*. The Company has an outstanding liability pertaining to expat recharges amounting to ₱15.2 million and ₱11.3 million as at December 31, 2025 and 2024, respectively (see Note 11).
- j. *HHFL*. The Company entered into a hedging transaction managed by HHFL starting January 2023. On a monthly basis, the Company received the hedging benefit from the results of the hedging transaction in the form of credit note. The Company has no outstanding liability as at December 31, 2025 and 2024, respectively.

Direct and Indirect Subsidiaries

BPI

- a. In January 2018, HPMC's lease contract with BPI, as a lessor, was transferred to HPI. On January 1, 2019, the lease was renewed for five years until December 31, 2023. In 2024, the parties agreed to renew the lease contract for a period of one (1) year from January 1, 2024 to December 31, 2024, subject to annual renewal as agreed by the parties (see Note 23).

CACI

- a. In 2025, Company, as a lender, entered into a short-term loan contract with CACI for ₱2.6 million. As at December 31, 2025 and 2024, the outstanding loan balance is ₱2.6 million and nil, respectively.

S&B

- a. The Company sold cement products to S&B. In addition, on April 4, 2022, the Company entered into a support service agreement with S&B. Under the terms of agreement, HPI will provide support services to S&B such as, but not limited to financial, human resources management, safety management, corporate communications, legal, and internet audit service. The services to be rendered by HPI are made at prices mutually agreed upon by both parties.

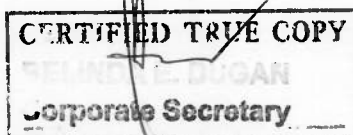
HPMC

- a. HPMC leases substantially all of its cement facilities and manufacturing assets located in Lugait, Misamis Oriental and Calaca, Batangas to HPI. In 2019, the lease contract was renewed for another 5 years commencing on January 1, 2019.

The lease of cement plant facilities has a monthly lease rate of ₱56,282,298 while the bareboat agreement covering two (2) vessels has a monthly rental of ₱1,835,048.

In 2024, the parties agreed to renew the lease contract for a period of one (1) year from January 1, 2024 to December 31, 2024, subject to annual renewal as agreed by the parties (see Note 23).

- b. In connection with the lease of cement manufacturing assets to HPI, HPMC entered into a service agreement with HPI whereby HPMC will provide experienced and skilled personnel to run the cement plant efficiently. Consideration is based on actual personnel cost incurred by the Company plus 5% mark-up.
- c. Administrative expenses pertain to salaries and wages and statutory deductions initially paid by HPI that are subsequently billed and offset against the receivables from lease revenues of HPMC.



MGMC

- a. On January 1, 2014, the Company and MGMC entered into a lease agreement. In 2019, the lease contract was renewed for another 5 years commencing on January 1, 2019. In 2024, the parties agreed to renew the lease contract for a period of one (1) year from January 1, 2024 to December 31, 2024, subject to annual renewal as agreed by the parties (see Note 23). Annual lease rental amounted to ₱172.7 million in 2025 and 2024.

Associates

- a. *HMDC*. The Company has an existing service agreement with HMDC for the supply of raw materials for the Company's day-to-day operations, including in-plant billings.
- b. In January 2016, the Company has entered into various lease agreements with HMDC and its subsidiaries (APC, HRDC, QLI and LORVI) covering certain plant sites and terminals in various locations. In December 2023, the Company amended the lease term of the lease agreement with HMDC to 50 years effective January 1, 2023. Likewise, the Company sought the approval of the Bureau of Investment's ("BOI") for a long-term lease agreement with HMDC, stipulating a lease term of 50 years. This was later approved by the BOI.
- c. *HAI*. The Company has transactions related to purchases of raw materials and reimbursements with HAI amounting to ₱1,380.6 million, ₱1,059.3 million and ₱1,054.7 million in 2025, 2024 and 2023, respectively (see Note 16). As at December 31, 2025 and 2024, the Company had a total payable of ₱802.2 million and ₱358.6 million, respectively (see Note 11).
- d. The Company has also other transactions with HMDC Company related to various charges and expenses such as reimbursement of expenses, printing recharges, and payment of taxes.
- e. On December 20, 2024, HPI Group and HMDC Group entered into an agreement to convert the long-standing receivables of the Company from HMDC into a long-term loan amounting to ₱1,637.1 million, which is set to mature on December 20, 2029, based on the agreed schedule, which the Company has an option to pay the entire loan, with accrued interest thereon prior to December 31, 2029 (see Note 8).

Terms and Conditions of Transactions with Related Parties

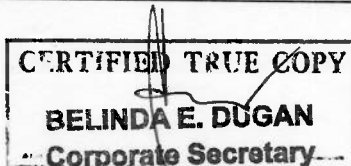
The following are the terms and conditions of transactions with related parties:

- Except for loans, related party transactions are non-interest bearing.
- Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year.
- There have been no guarantees provided or received for any related party receivables or payables.
- Unless specified, related party transactions are payable on demand.
- There is no provision for ECL recognized on the Company's related party receivables. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Key Management Personnel

The following are the details of compensation of key management personnel:

| | 2025 | 2024 |
|------------------------------|-----------------------|----------------|
| | <i>(In Thousands)</i> | |
| Short-term employee benefits | ₱94,086 | ₱81,306 |
| Retirement benefit costs | 11,124 | 15,886 |
| | ₱105,210 | ₱97,192 |


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14. Equity

a. Capital Stock

The composition of the Company's capital stock as at December 31, 2025 and 2024 is as follows:

| | Number of Shares | Amount <i>(In Thousands)</i> |
|--|---------------------|---------------------------------|
| Authorized - ₱1 par value: | | |
| Preferred shares | 20,000,000 | ₱20,000 |
| Common shares | 9,980,000,000 | 9,980,000 |
| Issued and outstanding - Common shares | 6,452,099,144 | 6,452,099 |

The Company has one class of common share which carries voting right and right to dividends but none for fixed income.

The Company's common shares were registered/listed on June 17, 1996. As disclosed in Note 1, the PSE approved the Company's application for the voluntary delisting of its shares in PSE effective November 27, 2023. After the Company's shares were delisted, the Company became a public company.

As of December 31, 2025 and 2024, the Company's common shares were held by 6,488 stockholders and 6,940 stockholders, respectively.

The preferred shares are cumulative and non-participating and entitled to preferential dividend rate when declared by the management of the Parent Company. There are no preferred shares issued and outstanding as at December 31, 2025 and 2024.

b. Retained Earnings

The Company's retained earnings available for dividend declaration amounted to ₱0.3 billion and ₱4.4 billion as at December 31, 2025 and 2024, respectively, based on the guidelines set in the Revised Securities Regulation Code Rule 68.

On December 3, 2024, the Company declared cash dividends amounting to ₱2.5 billion or at ₱0.395 per share to its shareholders of record as of November 30, 2024, out of which ₱0.9 billion was paid in 2025 and ₱1.5 billion was paid in 2025 and 2024, respectively (see Note 11).

15. Net Sales

For management's purposes, the Company is organized into activities based on their products and has two segments, as follows:

- Clinker and cement segment, which manufactures and sells clinker and cement for domestic customers; and
- Other construction materials and services segment, which includes operations from Specialty Products and Aggregates Trading.

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The Company has determined the clinker and cement segment as the only reportable segment. Information on the other segments that are not reportable are combined and presented as "Others". Segment revenues in 2025 and 2024 are presented below:

| | Clinker and Cement | Others | Total |
|-----------------------|-----------------------|-------------------|--------------------|
| <i>(In Thousands)</i> | | | |
| 2025 | | | |
| Revenue: | | | |
| External customers | ₱20,097,014 | ₱1,853,190 | ₱21,950,204 |
| Related party | 75,266 | - | 75,266 |
| | ₱20,172,280 | ₱1,853,190 | ₱22,025,470 |
| <i>(In Thousands)</i> | | | |
| 2024 | | | |
| Revenue: | | | |
| External customers | ₱20,016,768 | ₱1,804,295 | ₱21,821,063 |
| Related party | 84,883 | - | 84,883 |
| | ₱20,101,651 | ₱1,804,295 | ₱21,905,946 |

In 2025 and 2024, all revenues generated were from domestic sales.

16. Cost of Sales

| | 2025 | 2024 |
|---|--------------------|-------------|
| <i>(In Thousands)</i> | | |
| Power and fuel (see Notes 6 and 24) | ₱8,619,502 | ₱8,355,922 |
| Raw, packaging and production material (see Note 6) | 6,970,187 | 5,803,158 |
| Depreciation and amortization (see Notes 9, 10 and 20) | 1,337,416 | 1,316,752 |
| Outside services | 1,460,408 | 1,258,173 |
| Transportation and communication | 1,265,460 | 1,159,591 |
| Personnel (see Note 19) | 1,101,212 | 986,152 |
| Repairs and maintenance | 1,436,357 | 919,631 |
| Rent (see Note 23) | 1,027,599 | 894,060 |
| Taxes and licenses | 308,299 | 285,483 |
| Insurance | 190,236 | 171,105 |
| Office supplies | 44,338 | 35,450 |
| Others | - | 62,619 |
| | ₱23,761,014 | ₱21,248,096 |

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17. General and Administrative Expenses

| | 2025 | 2024 |
|---|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Personnel (see Note 19) | ₱340,738 | ₱442,080 |
| Software implementation costs | 161,534 | 210,424 |
| Outside services | 106,704 | 116,688 |
| Taxes and licenses | 155,092 | 245,024 |
| Office supplies | 66,777 | 46,035 |
| Director's fees | 38,617 | 12,129 |
| Depreciation and amortization (see Notes 9, 10 and 20) | 33,953 | 22,304 |
| Others | 56,896 | 22,715 |
| | ₱960,311 | ₱1,117,399 |

18. Selling Expenses

| | 2025 | 2024 |
|---------------------------------------|-----------------------|----------|
| | <i>(In Thousands)</i> | |
| Personnel (see Note 19) | ₱219,574 | ₱229,068 |
| Advertising | 99,736 | 43,517 |
| Outside services | 91,306 | 86,626 |
| Transportation and communication | 48,484 | 46,307 |
| Depreciation (see Notes 9, 10 and 20) | 12,130 | 10,334 |
| Taxes and licenses | 6,773 | 11,298 |
| Others | 27,672 | 44,339 |
| | ₱505,675 | ₱471,489 |

19. Personnel Expenses

| | 2025 | 2024 |
|---------------------------------------|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Salaries, wages and employee benefits | ₱1,307,100 | ₱1,252,240 |
| Employee relations | 78,363 | 131,432 |
| Medical services | 101,338 | 80,908 |
| Meals | 58,596 | 70,263 |
| Training | 6,050 | 7,565 |
| Others | 110,077 | 114,892 |
| | ₱1,661,524 | ₱1,657,300 |

Others include employees' meal and clothing allowances, medical services and reimbursements, collective employee transport cost, recruitment and hiring expenses and other labor expenses.


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20. Depreciation and Amortization

| | 2025 | 2024 |
|--|-----------------------|-------------------|
| | <i>(In Thousands)</i> | |
| Property, plant and equipment (see Note 9): | | |
| Cost of sales (see Note 16) | ₱1,245,984 | ₱1,193,795 |
| General and administrative expenses (see Note 17) | 25,343 | 21,437 |
| Selling expenses (see Note 18) | 7,085 | 7,426 |
| | 1,278,412 | 1,222,658 |
| Right-of-use assets (see Note 23): | | |
| Cost of sales (see Note 16) | 89,615 | 121,123 |
| General and administrative expenses (see Note 17) | 7,511 | - |
| Selling expenses (see Note 18) | 2,137 | - |
| | 99,263 | 121,123 |
| Intangibles (see Note 10): | | |
| Cost of sales (see Note 16) | 1,817 | 1,834 |
| General and administrative expenses (see Note 17) | 1,099 | 867 |
| Selling expenses (see Note 18) | 2,908 | 2,908 |
| | 5,824 | 5,609 |
| | ₱1,383,499 | ₱1,349,390 |

21. Interest and Financing Charges and Income

Interest and Financing Charges

| | 2025 | 2024 |
|-------------------------------|-----------------------|-----------------|
| | <i>(In Thousands)</i> | |
| Interest expense on: | | |
| Lease liability (see Note 23) | ₱76,924 | ₱87,880 |
| Loans payable (see Note 13) | - | 5,931 |
| Accretion of stranded cost | - | 4,414 |
| Bank charges and others | 40,188 | 14,612 |
| | ₱117,112 | ₱112,837 |

Interest and Finance Income

| | 2025 | 2024 |
|--|-----------------------|-----------------|
| | <i>(In Thousands)</i> | |
| Interest income on: | | |
| Defined benefit obligation (see Note 12) | ₱89,032 | ₱109,115 |
| Cash and cash equivalents (see Note 4) | 32,593 | 30,270 |
| Loan receivable (see Note 13) | 100,267 | 4,329 |
| | ₱221,892 | ₱143,714 |

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22. Other Expense (Income) - Net

| | 2025 | 2024 |
|---|-----------------------|-----------|
| | <i>(In Thousands)</i> | |
| Impairment loss and write-off of assets (see Note 9) | ₱1,200,684 | ₱254,642 |
| Sale of by-products and other revenue | (119,786) | (138,130) |
| Foreign exchange loss (gain) - net | (12,654) | (15,702) |
| Others - net (see Notes 9 and 23) | 100,445 | 141,052 |
| | ₱1,168,689 | ₱241,862 |

Others include gain/loss on write-offs/reversals, scrap sales, gain/loss on sale of assets, miscellaneous revenues from non-operating assets, loss on unrecoverable advances to officers and employees and provisions.

23. Leases

The Company has a number of lease agreements covering land, office spaces and warehouses that are accounted under PFRS 16, with periods ranging from more than one year to fifty years. Bulk of the commitments pertains to lease of land and manufacturing facilities (until December 31, 2023).

As discussed in Note 13, the existing lease contracts with HMDC and its subsidiaries was amended in 2024 to extend the lease term from 25 years to 50 years. Hence, effective January 1, 2024, the Company remeasured the ROU asset and lease liability based on the extended lease term.

In addition, in 2024, HPI, as a lessee, and its subsidiaries (HPMC, BPI and MGMC), as lessors, renewed its long-term contracts for the lease of plant facilities, grinding equipment and warehouse for a period of one (1) year from January 1, 2024 to December 31, 2024, subject to annual renewal as agreed by the parties (see Note 13). The Company applies the “short-term lease” recognition exemption for these leases.

In 2025, the Company entered into lease contracts for the lease of land, buildings and vehicles, with lease term of two (2) to four (4) years.

See out below the movements of lease liabilities:

| | 2025 | 2024 |
|---|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| January 1 | ₱1,499,571 | ₱1,611,967 |
| Accretion of interest (see Note 21) | 76,924 | 87,880 |
| Additions | 41,703 | - |
| Payments | (159,204) | (200,276) |
| Write-off and termination (see Note 22) | (120,730) | - |
| December 31 | 1,338,264 | 1,499,571 |
| Less current portion | 73,408 | 39,427 |
| Noncurrent portion | ₱1,264,856 | ₱1,460,144 |

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Shown below is the maturity analysis of the undiscounted lease payments and unamortized interest:

| | 2025 | 2024 |
|------------------------------|-----------------------|-----------|
| | <i>(In Thousands)</i> | |
| 1 year | ₱144,775 | ₱150,436 |
| More than 1 year to 2 years | 142,712 | 151,183 |
| More than 2 years to 3 years | 129,309 | 152,511 |
| More than 3 years to 4 years | 114,113 | 137,185 |
| More than 4 years | 1,246,212 | 1,495,468 |

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

See out below are the movements of right-of-use assets:

| | 2025 | | | | |
|--|-----------------------|--|--|---|-------------------|
| | Right-of-Use Land | Right-of-Use Buildings and installations | Right-of-Use Machinery and equipment | Right-of-Use Furniture, vehicle and tools | Total |
| | <i>(In Thousands)</i> | | | | |
| Cost | | | | | |
| At January 1 | ₱1,854,206 | ₱3,401,504 | ₱20,790 | ₱1,154,170 | ₱6,430,670 |
| Addition | 7,471 | 28,703 | | 5,529 | 41,703 |
| Write-off and termination (see Note 22) | (313,824) | (422,778) | (20,790) | (687,565) | (1,444,957) |
| At December 31 | 1,547,853 | 3,007,429 | - | 472,134 | 5,027,416 |
| Accumulated depreciation | | | | | |
| At January 1 | 619,280 | 3,328,583 | 20,624 | 1,154,170 | 5,122,657 |
| Amortization (see Note 20) | 72,081 | 26,760 | - | 421 | 99,263 |
| Write-off and termination (see Note 22) | (237,723) | (388,034) | (20,624) | (687,565) | (1,333,946) |
| At December 31 | 453,638 | 2,967,309 | - | 467,026 | 3,887,974 |
| Net book value | ₱1,094,214 | ₱40,120 | ₱- | ₱5,108 | ₱1,139,442 |

| | 2024 | | | | |
|---------------------------------|-----------------------|--|--|---|-------------------|
| | Right-of-Use Land | Right-of-Use Buildings and installations | Right-of-Use Machinery and equipment | Right-of-Use Furniture, vehicle and tools | Total |
| | <i>(In Thousands)</i> | | | | |
| Cost | | | | | |
| At December 31 and January 1 | ₱1,854,206 | ₱3,401,504 | ₱20,790 | ₱1,154,170 | ₱6,430,670 |
| Accumulated depreciation | | | | | |
| At January 1 | 528,742 | 3,297,998 | 20,624 | 1,154,170 | 5,001,534 |
| Amortization (see Note 20) | 90,538 | 30,585 | - | - | 121,123 |
| At December 31 | 619,280 | 3,328,583 | 20,624 | 1,154,170 | 5,122,657 |
| Net book value | ₱1,234,926 | ₱72,921 | ₱166 | ₱- | ₱1,308,013 |

The following are the amounts recognized in the parent company statements of comprehensive income:

| | 2025 | 2024 |
|---|-----------------------|-------------------|
| | <i>(In Thousands)</i> | |
| Expenses relating to short-term leases (see Notes 13 and 16) | ₱1,027,599 | ₱894,060 |
| Amortization expenses of right-of-use assets (see Note 20) | 99,263 | 121,123 |
| Interest expense on lease liabilities (see Note 21) | 76,924 | 87,880 |
| | ₱1,203,786 | ₱1,103,063 |

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24. Commitments and Contingencies

Lawsuits

The Company is either a defendant or plaintiff in several legal cases primarily involving collection and claims for damages. As at December 31, 2025 and 2024, based on the assessment of management and the opinion of the Company's external legal counsels, the outflow of resources is not probable to happen.

Commitments

a. Electricity Supply Agreement (ESA)

An amended electricity supply agreement was signed with AC Energy Philippines, Inc. (ACEPI) effective June 26, 2020 and valid until December 26, 2030 which will supply Bulacan, La Union and Mabini Grinding plants. The related expense under this contract is recognized as part of "Power and fuel" account in Note 16.

b. Service Agreement with Misamis Oriental – 1 Rural Electric Service Cooperative, Inc. (MORESCO-1)

On November 26, 2012, the Company entered into a Sub Transmission Line Wheeling Service Agreement with MORESCO-1 for supply of electric power exclusively for the operation and requirement of Lugait plant. The related expense under this contract is recognized as part of "Power and fuel" account in Note 16.

c. Davao Light Service Contract

The Company also entered into a contract with Davao Light and Power Group (DLPC) for electric service to the Company's plant in Davao commencing on November 14, 2013 and thereafter until the contract is terminated. The related expense under this contract is recognized as part of "Power and fuel" account in Note 16.

d. Alsons Power Supply Corporation (APSC)

The Company entered into a contract with APSC as primary Retail Electricity Supplier (RES) for the supply of up to 41MW power demand covering Lugait and Davao plant for a 2-year period from August 2024 to July 2026.

e. Green Core Geothermal Inc (GCGI)

The Company entered into a contract with GCGI as Secondary Electricity Supplier (RES) for the supply of 10 MW geothermal baseload covering Lugait and Davao plant for a 3-year period from August 2024 to July 2027.

f. Power Purchase Agreement (PPA)

On November 16, 2021, the Company signed a 20-year power purchase agreement with Blueleaf Energy, to deliver solar power to its plants in Bulacan and La Union. Under the agreement, Blueleaf Energy will finance, build, operate, and maintain solar energy facilities in Norzagaray, Bulacan and Bacnotan, La Union with a combined capacity of 29-megawatt peak and an annual generation of more than 50 gigawatt hours that will supply up to 15% of the energy requirements of Holcim Philippines' plants there. However, in October 2024, HPI decided to terminate this contract for both sites on the basis of supplier default to deliver the project.

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On October 26, 2023, a Power Purchase Agreement was signed with Balapi Energy Corp. for the construction and operations of on-site solar installations and to deliver annually 7.8 GWh of solar energy to La Union and Bulacan plants starting in 2025. Both projects are already generating solar energy and Holcim is enjoying free power until the commercial operation date (COD).

On October 2024, a Power Purchase Agreement was signed with Berde Rooftop Inc for the construction and operations of on-site solar installation and deliver 4 GWh of solar energy to Lugait plant starting 2025, the target installation completion.

On January 2025, a Power Purchase Agreement was signed with Berde Rooftop Inc for the construction and operations of on-site solar installation and deliver 17.3 GWh of solar energy to Davao plant starting mid 2026, the target installation completion.

g. Others

There are contingent liabilities for tax assessments and cases occurring in the ordinary course of business. On the basis of information furnished by the Company's legal counsels, management believes that the ultimate liability, if any, with respect to such tax assessments and cases is not material to affect the Company's financial position and financial performance.

25. Income Tax

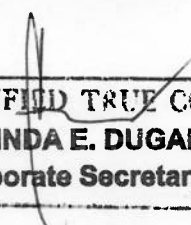
a. The components of benefit from income tax are as follows:

| | 2025 | 2024 |
|--|-----------------------|-------------------|
| | <i>(In thousands)</i> | |
| Current | ₱ – | ₱29,389 |
| Deferred | (430,868) | (192,247) |
| Adjustments in respect of current income tax of previous year | 35,442 | 34,492 |
| | (₱395,426) | (₱128,366) |

Provision for current income tax represents minimum corporate income tax (MCIT) 2024.

b. The reconciliation of the provision for (benefit from) income tax computed at regular corporate income tax rate (RCIT) of 25% to provision for (benefit) income tax as shown in the parent company statements of comprehensive income is as follows:

| | 2025 | 2024 |
|---|-----------------------|-------------------|
| | <i>(In Thousands)</i> | |
| Benefit from income tax at statutory income tax rate of 25% | (₱1,066,360) | (₱285,506) |
| Reconciling items: | | |
| Change in unrecognized DTA | 393,418 | – |
| Non-deductible expenses and others | 307,799 | 163,406 |
| Interest income subject to final tax and non- taxable income | (30,283) | (6,266) |
| | (₱395,426) | (₱128,366) |


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- c. The components of the Company's net deferred tax assets computed using the 25% RCIT rate are as follows:

| | 2025 | 2024 |
|---|-----------------------|-----------|
| | <i>(In Thousands)</i> | |
| Deferred tax assets | | |
| Lease liabilities | ₱334,566 | ₱374,893 |
| Derivative liability | - | 151,399 |
| Allowances for: | | |
| Net Operating Loss Carry Over (NOLCO) | 661,298 | 83,267 |
| Decline in value of inventories | 79,408 | 83,402 |
| Impairment losses on property, plant and equipment and investments | 48,614 | 114,277 |
| Provision for bonus accrual | 38,826 | 30,727 |
| Unamortized past service costs | 36,291 | 23,287 |
| Accrued expenses | 9,866 | 250 |
| Provisions for RPT Assessment | - | 37,500 |
| Excess of MCIT over RCIT | - | 29,389 |
| Expected credit losses | - | 8,733 |
| Unused raw material | - | 130 |
| Others | 6,402 | - |
| | 1,215,271 | 937,254 |
| Deferred tax liabilities | | |
| Right-of-use-assets | (284,861) | (327,003) |
| Unrealized foreign exchange gain and others | (5,069) | (5,862) |
| Retirement benefit asset | - | (379,091) |
| Capitalized cost of property, plant and equipment from insurance proceeds | - | (4,667) |
| | (289,930) | (716,623) |
| Deferred tax assets - net | ₱925,341 | ₱220,631 |

The related tax assets for the following temporary differences have not been recognized because management believes that it is not probable that sufficient future taxable income will be available to allow such deferred tax assets to be realized:

| | 2025 | 2024 |
|--|-----------------------|------|
| | <i>(In Thousands)</i> | |
| Impairment loss on property, plant and equipment | ₱1,201,360 | ₱- |
| Carryforward benefit of NOLCO | 206,175 | - |
| Allowance for expected credit losses | 48,582 | - |
| Excess MCIT over RCIT | 29,389 | - |
| | ₱1,485,506 | ₱- |

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The following are the carryforward benefits of NOLCO, which can be claimed as deduction against future regular taxable income:

| Date Incurred | NOLCO | Applied Previous Year | Applied Current Year | Expired | Total | Expiry Date |
|---------------|------------|-----------------------|----------------------|---------|------------|-------------|
| 2025 | ₱2,518,299 | ₱- | ₱- | ₱- | 2,518,299 | 2028 |
| 2024 | 333,067 | - | - | - | 333,067 | 2027 |
| | ₱2,851,366 | ₱- | ₱- | ₱- | ₱2,851,366 | |

The following are the carryforward benefits of the excess of MCIT over RCIT, which can be credited against future RCIT due:

| Date Incurred | MCIT | Applied Previous Year | Applied Current Year | Expired | Total | Expiry Date |
|---------------|---------|-----------------------|----------------------|---------|---------|-------------|
| 2025 | ₱- | ₱- | ₱- | ₱- | ₱- | 2028 |
| 2024 | 29,389 | - | - | - | 29,389 | 2027 |
| | ₱29,389 | ₱- | ₱- | ₱- | ₱29,389 | |

26. Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, financial assets at FVTPL and FVOCI, loan receivable from a related party, guarantee deposits, restricted cash and cash equivalents and trade and other payables which arise directly from operations.

The main risks arising from the Company's financial instruments are commodity risk, market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The management reviews and approves the policies for managing each of these risks and they are summarized below. The Company's accounting policies in relation to financial instruments are set out in Note 2 to the parent company financial statements.


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Commodity risk

In 2025 and 2024, the Company is subject to commodity risk with respect to coal price changes. Under the Company’s risk management policy, the Company uses derivative instruments to hedge part of its exposure to these risks. Derivative instruments are generally limited to swaps and standard options.

Effects of hedge accounting. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Ineffectiveness is recognized on hedges where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. Ineffectiveness may arise if there is a difference in the principal terms of the hedging instrument and designated hedged risk, from credit valuation of the hedging instrument or timing of the transaction changes from what was originally estimated.

The table below sets out the information about the Company’s derivative financial instruments as at December 31, 2025 and 2024:

| Commodity | Effective Date | Termination Date | Floating Price | Notional Amount | Net Mark-to-market and Fair Value Change Losses |
|--|---------------------------|---|---|-----------------|---|
| <i>(In Thousands)</i> | | | | | |
| <i>Transactions designated as hedges</i> | | | | | |
| 2025 | | | | | |
| Forward commodity contracts | Coal Newcastle Globalcoal | Various dates from January 1 to December 31, 2025 | The monthly average in USD per metric tons on the pricing date compiled from the weekly averages published each Friday in the relevant calculation period by the Argus/McCloskeys Coal Price Index Report | P- | P- |
| | | Various dates from January 1, 2025 to December 31, 2026 | | | |
| 2024 | | | | | |
| Forward commodity contracts | Coal Newcastle Globalcoal | Various dates from January 1 to December 31, 2025 | The monthly average in USD per metric tons on the pricing date compiled from the weekly averages published each Friday in the relevant calculation period by the Argus/McCloskeys Coal Price Index Report | 426,136 | 240,553 |
| | | Various dates from January 1, 2025 to December 31, 2026 | | 702,915 | 365,044 |

The fair value gain (loss) of hedging instruments under cash flow hedge accounting in 2025 and 2024 amounted to ₱600.2 million and ₱110.0 million, respectively, which was recognized in the other comprehensive income.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss deferred in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as property, plant and equipment or inventory against which the cumulative gains and losses is adjusted. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the statement of income.

The carrying value of hedging instruments amounted to nil and ₱605.6 million as at December 31, 2025 and 2024, respectively, which is presented as short-term derivative liability under “Trade and other payables” account (see Note 11) and “Long-term derivative liability” account in the parent company statements of financial position.



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Market risks

The Company is exposed to market risks, such as foreign currency and interest rate risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

The Company is not significantly exposed to interest rate risk since the loans receivable from/to related parties is subject to fixed interest rate, therefore, the parent company statements of comprehensive income and equity are not sensitive to interest rate changes.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign exchange exposures, arising primarily from purchases of goods and services in currencies other than the Philippine peso that leads to currency translation effects. None of the Company's revenues in 2025 and 2024 were denominated in currencies other than the Philippine peso.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency and significant amount of capital expenditures may be in foreign currencies. As a consequence, thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As at December 31, 2025 and 2024, the Company had minimal assets and liabilities exposed to foreign currency risks.

The table below summarizes the Company's exposure to foreign currency risk before considering the effect of hedging transactions. Included in the table are the Company's foreign currency denominated assets and liabilities at carrying amounts:

| | 2025 | | 2024 | |
|-----------------------------|----------------------|------------------------|----------------------|------------------------|
| | Original Currency | Functional Currency | Original Currency | Functional Currency |
| <i>(In Thousands)</i> | | | | |
| Financial assets: | | | | |
| Cash and cash equivalents - | | | | |
| U.S. dollar | \$2,819 | ₱166,188 | \$4,191 | ₱244,757 |
| Short-term time deposits - | | | | |
| U.S. dollar | - | - | - | - |
| | \$2,819 | ₱166,188 | | ₱244,757 |
| Financial liabilities: | | | | |
| Trade and other payables: | | | | |
| U.S. dollar | \$1,138 | ₱69,962 | \$315 | ₱18,302 |
| Euro | €83 | 5,701 | €115 | 6,899 |
| Korean won | ₩576 | 23 | ₩576 | 23 |
| | | ₱75,686 | | ₱25,224 |


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The table below shows the closing exchange rates used in translating the foreign currency denominated financial assets and liabilities to ₱1:

| | 2025 | 2024 |
|------------------|----------|----------|
| U.S. dollar | \$0.0170 | \$0.0172 |
| Euro | €0.0145 | €0.0166 |
| South Korean won | ₩24.5098 | ₩25.4470 |

The following table demonstrates the sensitivity of the Company's income before income tax (due to changes in fair value of monetary assets and liabilities after considering the impact of hedging transactions) to a reasonably possible change in foreign currencies exchange rate, with all other variables held constant.

| | US Dollar Appreciates (Depreciates) by | Effect on Profit Before Income Tax (In Thousands) |
|--------------------------|--|--|
| December 31, 2025 | | |
| Sensitivity 1 | 10% | ₱24,187 |
| Sensitivity 2 | (5%) | (12,094) |
| December 31, 2024 | | |
| Sensitivity 1 | 10% | 21,953 |
| Sensitivity 2 | (5%) | (10,977) |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The impact of any change in foreign exchange rate on the embedded currency forwards of the Company is immaterial.

Credit Risk

Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset in the Company's balance sheets.

| | Gross Maximum Exposure ^(a) | | Net Maximum Exposure ^(b) | |
|--|---------------------------------------|------------|-------------------------------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| | <i>(In Thousands)</i> | | | |
| Cash and cash equivalents | ₱1,168,361 | ₱4,014,717 | ₱1,168,361 | ₱4,007,217 |
| Trade and other receivables: | | | | |
| Trade receivables | 1,486,051 | 1,113,742 | 1,442,574 | 843,979 |
| Others | 340,355 | 490,616 | 335,250 | 485,511 |
| Due from related parties | 1,246,797 | 987,622 | 1,246,797 | 987,622 |
| Loans to related parties* | 1,637,066 | 1,665,296 | 1,637,066 | 1,665,296 |
| Advances to subsidiaries and associates* | 165,204 | 165,204 | 165,204 | 165,204 |
| Guarantee deposits** | 143,276 | 142,205 | 143,276 | 142,205 |
| Restricted cash** | 269,426 | 271,235 | 269,426 | 271,235 |
| | ₱6,456,536 | ₱8,850,637 | ₱6,407,953 | ₱8,668,269 |

(a) Gross financial assets before taking into account any collateral held or other credit enhancements or offsetting arrangements.

(b) Gross financial assets after taking into account any collateral or other credit enhancements or offsetting arrangements or deposit insurance.

*Included under "Investment, advances and loans" account in the parent company statements of financial position.

**Included under "Other noncurrent assets" account in the parent company statements of financial position.

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The following table details the risk profile of trade and other receivables based on the Company's provision matrix. As the Company's expected credit loss rate is not significantly different from each customer segments, the expected credit loss rate is not further distinguished between the Company's different customer segments.


| | Current -30 days | 31-90 days | 91-180 days | 181-360 days | Over 360 days | Specifically Identified | Total |
|--|---------------------|---------------|----------------|-----------------|------------------|----------------------------|------------|
| <i>(In Thousands)</i> | | | | | | | |
| 2025 | | | | | | | |
| Estimated total gross carrying amount at default | ₱1,169,301 | ₱94,014 | ₱70,104 | ₱67,975 | ₱42,457 | ₱42,200 | ₱1,486,051 |
| Expected credit loss rate | 0.05% | 0.83% | 1.43% | 2.33% | 5.71% | 100% | |
| Provision for ECL | ₱589 | ₱779 | ₱1,002 | ₱1,585 | ₱2,427 | ₱42,200 | ₱48,582 |
| <i>(In Thousands)</i> | | | | | | | |
| 2024 | | | | | | | |
| Estimated total gross carrying amount at default | ₱853,941 | ₱59,793 | ₱50,921 | ₱90,260 | ₱29,332 | ₱29,494 | ₱1,113,741 |
| Expected credit loss rate | 0.05% | 0.83% | 1.43% | 2.33% | 5.71% | 100% | |
| Provision for ECL | ₱430 | ₱495 | ₱728 | ₱2,105 | ₱1,677 | ₱29,494 | ₱34,929 |

The Company trades only with recognized, credit-worthy third-parties. It is the Company's policy that all third-party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimum.

With respect to credit risk arising from the other financial assets of the Company, which consist of cash in banks, guarantee deposits, refundable deposits, restricted cash in banks presented under "Other noncurrent assets" account, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. For these financial assets, the Company computes a loss allowance based on either 12-month expected credit losses (ECLs) or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition.

In order to minimize credit risk, the Company has tasked its credit management committee to develop and maintain the Company's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The Company's current credit risk grading framework comprises the following categories:

| Category | Description |
|------------|--|
| Performing | The counterparty has a low risk of default and does not have any past-due amounts |
| Doubtful | Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition |
| In default | Amount is >360 days past due or there is evidence indicating the asset is credit-impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery |



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The table below details the credit quality of the Company's financial assets at amortized cost, as well as the Company's maximum exposure to credit risk by credit risk rating grades:

| | External credit rating | Internal credit rating | 12m or lifetime ECL? | Gross carrying amount | Loss allowance | Net carrying amount |
|--|------------------------|------------------------|------------------------------------|-----------------------|------------------|---------------------|
| <i>(In Thousands)</i> | | | | | | |
| 2025 | | | | | | |
| Cash and cash equivalents | N/A | Performing | 12m ECL | ₱1,168,361 | ₱- | ₱1,168,361 |
| Trade and other receivables: | | | | | | |
| Trade receivables | N/A | (i) | Lifetime ECL (simplified approach) | 1,486,051 | (43,477) | 1,442,574 |
| Others | N/A | Performing | 12m ECL | 340,355 | - | 340,355 |
| | N/A | Doubtful | Lifetime ECL | 5,105 | (5,105) | - |
| Due from related parties | N/A | Performing | 12m ECL | 1,246,797 | - | 1,246,797 |
| Loans to related parties* | N/A | Performing | 12m ECL | 1,637,066 | - | 1,637,066 |
| Advances to subsidiaries and associates* | N/A | Performing | 12m ECL | 165,204 | - | 165,204 |
| Guarantee deposits** | N/A | Performing | 12m ECL | 143,276 | - | 143,276 |
| Restricted cash** | N/A | Performing | 12m ECL | 269,426 | - | 269,426 |
| | | | | ₱6,461,461 | (₱48,582) | ₱6,413,059 |
| 2024 | | | | | | |
| Cash and cash equivalents | N/A | Performing | 12m ECL | ₱4,014,717 | ₱- | ₱4,014,717 |
| Trade and other receivables: | | | | | | |
| Trade receivables | N/A | (i) | Lifetime ECL (simplified approach) | 1,113,742 | (29,824) | 1,083,918 |
| Others | N/A | Performing | 12m ECL | 485,511 | - | 485,511 |
| | N/A | Doubtful | Lifetime ECL | 5,105 | (5,105) | - |
| Due from related parties | N/A | Performing | 12m ECL | 987,622 | - | 987,622 |
| Loans to related parties* | N/A | Performing | 12m ECL | 1,665,296 | - | 1,665,296 |
| Advances to subsidiaries and associates* | N/A | Performing | 12m ECL | 165,204 | - | 165,204 |
| Guarantee deposits** | N/A | Performing | 12m ECL | 142,205 | - | 142,205 |
| Restricted cash** | N/A | Performing | 12m ECL | 271,235 | - | 271,235 |
| | | | | ₱8,850,637 | (₱34,929) | ₱8,815,708 |

*Included under "Investments, advances and loans" account in the parent company statements of financial position.

**Included under "Other noncurrent assets" account in the parent company statements of financial position.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result in payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and, in certain cases, at the management level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature and unused credit lines to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As at December 31, 2025 and 2024, the Company has unutilized credit facilities of ₱12.7 billion and ₱12.8 billion, respectively.


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The table below summarizes the maturity profile of the Company's financial assets used for liquidity management as at December 31, 2025 and 2024:

| | On Demand | Less than One Year | >1 to 5 Years | Total |
|--|-------------------|--------------------|-------------------|-------------------|
| 2025 | | | | |
| Cash and cash equivalents | ₱1,168,361 | ₱- | ₱- | ₱1,168,361 |
| Trade and other receivables: | | | | |
| Trade receivables | - | 1,486,051 | - | 1,486,051 |
| Others | - | 340,355 | - | 340,355 |
| Due from related parties | 1,246,797 | - | - | 1,246,797 |
| Loans to related parties* | - | - | 1,637,066 | 1,637,066 |
| Advances to subsidiaries and associates* | 165,204 | - | - | 165,204 |
| Guarantee deposits** | - | - | 143,276 | 143,276 |
| Restricted cash** | - | - | 269,426 | 269,426 |
| | ₱2,580,362 | ₱1,826,406 | ₱2,049,768 | ₱6,456,536 |
| 2024 | | | | |
| Cash and cash equivalents | ₱4,014,717 | ₱- | ₱- | ₱4,014,717 |
| Trade and other receivables: | | | | |
| Trade receivables | - | 1,083,918 | - | 1,083,918 |
| Others | - | 485,511 | - | 485,511 |
| Due from related parties | 987,622 | - | - | 987,622 |
| Loans to related parties* | - | - | 1,665,296 | 1,665,296 |
| Advances to subsidiaries and associates* | 165,204 | - | - | 165,204 |
| Guarantee deposits** | - | - | 142,205 | 142,205 |
| Restricted cash** | - | - | 271,235 | 271,235 |
| | ₱5,167,543 | ₱1,569,429 | ₱2,078,736 | ₱8,815,708 |

*Included under "Investments, advances and loans" account in the parent company statements of financial position.

**Included under "Other noncurrent assets" account in the parent company statements of financial position.

The tables below summarize the maturity profile of the Company's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments:

| | On Demand | Less than One Year | >1 to 5 Years | Total |
|---------------------------|--------------------|--------------------|-------------------|--------------------|
| | (In Thousands) | | | |
| 2025 | | | | |
| Trade and other payables: | | | | |
| Trade payables | ₱2,190,449 | ₱1,393,053 | ₱- | ₱3,583,502 |
| Accrued expenses | - | 2,197,338 | - | 2,197,338 |
| Short-term derivative | - | 686 | - | 686 |
| Others | - | 263,347 | - | 263,347 |
| Due to related parties | 8,484,725 | - | - | 8,484,725 |
| Lease liabilities | - | 144,775 | 1,632,346 | 1,777,121 |
| Long-term derivative | - | - | - | - |
| | ₱10,675,174 | ₱3,999,199 | ₱1,632,346 | ₱16,306,719 |
| 2024 | | | | |
| Trade and other payables: | | | | |
| Trade payables | ₱1,439,362 | ₱1,572,389 | ₱- | ₱3,011,751 |
| Accrued expenses | - | 1,628,711 | - | 1,628,711 |
| Short-term derivative | - | 240,553 | - | 240,553 |
| Others | - | 1,112,732 | - | 1,112,732 |
| Due to related parties | 7,825,560 | - | - | 7,825,560 |
| Lease liabilities | - | 150,436 | 1,936,347 | 2,086,783 |
| Long-term derivative | - | - | 365,044 | 365,044 |
| | ₱9,264,922 | ₱4,704,821 | ₱2,301,391 | ₱16,271,134 |

Management believes that it has the sufficient reserves to meet its liquidity requirements at all times. It has the financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The Company manages its negative liquidity ratio position in 2025 and 2024 by forecasting cash flow regularly, monitoring and optimizing net working capital and managing existing credit facilities. As of December 31, 2025 and 2024, the total credit line from various bank partners is ₱14.0 billion.

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Capital Management Policy

The Company considers equity attributable to the equity holders of the Company as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio. Gearing ratio is calculated as net financial debt (asset) divided by total equity in the parent company statements of financial position as shown in the table below:

| | 2025 | 2024 |
|----------------------------------|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Trade and other payables* | ₱6,155,001 | ₱5,993,747 |
| Lease liabilities | 1,338,264 | 1,499,571 |
| Long-term derivative liabilities | - | 365,044 |
| Financial debt | 7,493,265 | 7,858,362 |
| Less cash and cash equivalents | 1,168,361 | 4,014,717 |
| Net financial debt | 6,324,904 | 3,843,645 |
| Total equity | 16,303,971 | 20,955,509 |
| Gearing ratio | 0.39:1 | 0.18:1 |

*Excluding contract liabilities

The Company's target is to maintain a gearing ratio in the range of no more than one (1). There were no changes in the Company's approach to capital management during the year.

27. Financial Assets and Liabilities

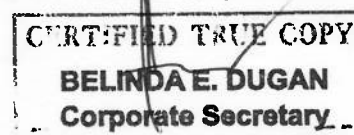
Fair Value of Financial Instruments

The estimated fair value of each class of the Company's financial instruments is equal to their carrying amount as at December 31, 2025 and 2024. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as at end of each reporting period.

Derivatives. The fair values of the forward commodity contracts are calculated by reference to current forward exchange.

Financial Assets at FVOCI. The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period.





Guarantee Deposits and Restricted Cash in Banks presented under "Other Noncurrent Assets" Account. These are carried at cost, less any impairment in value, which approximates their fair values calculated using the discounted cash flows method.

Loan Receivable from a Related Party. As at December 31, 2025 and 2024, the fair values of loan receivable from a related party amounting to ₱1,713.7 million and ₱1,698.0 million, respectively, are based on the discounted value of future cash flows using the Philippine Government Zero Coupon Yield as at the financial reporting date. Fair value category is Level 2, significant observable inputs.

Fair Value Hierarchy

As at December 31, 2025 and 2024, the Company's financial instruments measured at fair value include the quoted equity securities, classified as FVOCI, and derivative financial instruments. The Company's quoted equity securities are measured at fair value using recent market transactions. Fair value category is Level 1, quoted prices in active markets. On the other hand, derivative financial instruments' fair value category is Level 2.

There were no reclassifications made between the different fair value hierarchy levels in 2025 and 2024.

28. Notes to Cash Flows Statements

Reconciliation of Liabilities Arising from Financing Activities

The table below details the changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the parent company statements of cash flows as cash flows from financing activities.

| | Beginning balance | Financing cash flows | Noncash Additions/Adjustments | Interest | Ending balance |
|-----------------------------------|-----------------------|----------------------|----------------------------------|-----------------|-------------------|
| | <i>(In Thousands)</i> | | | | |
| 2025 | | | | | |
| Lease liabilities | ₱1,499,571 | (₱159,205) | (₱79,026) | ₱76,924 | ₱1,338,264 |
| Accrued interest and bank charges | - | (26,172) | - | 26,172 | - |
| Dividend payable | 1,000,000 | (854,817) | - | - | 145,183 |
| | ₱2,499,571 | (₱1,040,194) | (₱79,026) | ₱103,096 | ₱1,483,447 |
| 2024 | | | | | |
| Lease liabilities | ₱1,611,967 | (₱200,276) | ₱- | ₱87,880 | ₱1,499,571 |
| Dividend payable | - | (1,548,603) | 2,548,603 | - | 1,000,000 |
| Accrued interest and bank charges | 3,508 | (24,051) | - | 20,543 | - |
| Loan payable to related party | 245,000 | (245,000) | - | - | - |
| | ₱1,860,475 | (₱2,017,930) | ₱2,548,603 | ₱108,423 | ₱2,499,571 |

Noncash activities

The following are the non-cash activities of the Company:

- As at December 31, 2025 and 2024, the Company has non-cash additions to property, plant and equipment amounting to ₱252.59 million and ₱267.02 million, respectively.
- On December 20, 2024, the Company and HMDC entered into an agreement to convert the receivables of the Company from HMDC into a long term-loan amounting to ₱1.6 billion (see Note 13).
- In 2025 and 2024, construction in progress amounting to ₱1.1 million and ₱11.7 million respectively, which was presented in "Property, Plant and Equipment" account, was reclassified to intangible assets (see Notes 9 and 10).


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 Corporate Secretary



29. Share-Based Payments

Long-Term Incentive

The Company has a long-term incentive scheme for its executives. In accordance with the terms of the LafargeHolcim's Long-term Incentive (LTI) Plan, the Company was instructed to process the LTI Share Award Payroll Instruction plan for executives with more than five years of service with the Company.

In 2025 and 2024, employees purchased 4,876 shares at an average price of CHF 99.84 and 2,122 shares at an average price of CHF 73.56 per share, respectively. Total incentive compensation related to the purchased plans amounted to ₱24,142,576 and ₱7,132,160 in 2025 and 2024, respectively.

The following long-term incentive arrangements were in existence during the current and prior year:

| | Number | Grant Date | Expiry Date | Exercise Price (in CHF) | Fair value at grant date (in CHF) |
|--------------------------|--------|------------|-------------|-------------------------|-----------------------------------|
| Granted on 01 March 2025 | 200 | 3/1/2024 | 3/1/2025 | 99.84 | 19,968 |
| Granted on 01 March 2025 | 3,006 | 3/1/2022 | 3/1/2025 | 99.84 | 300,119 |
| Granted on 01 March 2025 | 1,670 | 3/1/2022 | 3/1/2025 | 99.84 | 166,733 |
| Granted on 01 March 2024 | 2,122 | 3/1/2021 | 3/1/2024 | 73.56 | 156,094 |

The LTI outstanding as at December 31, 2025 and 2024 has an exercise price of CHF99.84 and CHF73.56, respectively.

Other reserves represent the Company's share in the performance compensation scheme of the Holcim Company.

30. Earnings Per Share (EPS)

Basic/diluted EPS is computed as follows:

| | 2025 | 2024 |
|---|--|---------------------|
| | <i>(In Thousands, except per share amount)</i> | |
| Net loss | (₱3,870,013) | (₱1,013,657) |
| Weighted average number of common shares issued and outstanding | 6,452,099 | 6,452,099 |
| Basic/diluted EPS of net loss | (₱0.60) | (₱0.16) |

Basic EPS is computed based on weighted average number of issued and outstanding common shares during each year. Diluted EPS is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year. Where the Company does not have any potential common share or other instruments that may entitle the holder to common shares, diluted EPS is the same as basic EPS.

There are no dilutive financial instruments in 2025 and 2024; hence, diluted EPS is the same as basic EPS.



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31. Environment And Regulatory Matters

a. Clean Air Act (RA 8749)

The *Clean Air Act* and the related IRR contain provisions that have an impact on the industry as a whole, and to the Company in particular, that needs to be complied with within 44 months from the effectivity date or by July 2004. Based on the assessment made on the Company's existing facilities and audits conducted by external stakeholders, management believes it complies with the provisions of the Clean Air Act and the related IRR.

b. Clean Water Act (RA 9275)

On February 4, 2004, the Senate and House of Representatives passed The *Clean Water Act* and the related IRR which contain provisions that have an impact on the industry as a whole, and to the Company in particular. Based on the assessment made on the Company's existing facilities and audits conducted by external stakeholders, management believes it complies with the provisions of the Clean Water Act and the related IRR.

c. Ecological Solid Waste Management Act (RA 9003)

On December 12, 2000, the Senate and House of Representatives passed The *Ecological Solid Waste Management Act* which contains provisions that have an impact to the Company. The Company adheres to all the rules and regulations and follows the waste management hierarchy which prioritizes waste avoidance, reduction, re-processing, and recycling. As an attestation to Geocycle's responsible handling and management of qualified wastes including hazardous wastes, the Company has valid Treatment, Storage and Disposal (TSD) Certificate.

HPI's four cement integrated plants continued to be recognized by the relevant national government agencies for its environmental programs.

d. Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 (RA 6969)

The Company is subject to the provisions of Republic Act No. 6969, which regulates the generation, importation, manufacture, handling, storage, transportation, and disposal of toxic chemicals and hazardous wastes to mitigate risks to human health and the environment. In strict compliance with this Act and its corresponding Implementing Rules and Regulations, the Company's cement plants are duly registered with the Environmental Management Bureau (EMB). The Company utilizes its cement kilns to co-process qualified industrial hazardous and non-hazardous wastes, recovering thermal and mineral properties while guaranteeing complete destruction of harmful substances at temperatures up to 1450°C. The Company strictly conforms to DENR-EMB systems to track the cradle-to-grave transport and treatment of these materials, ensuring operational compliance and zero-residue waste management.

e. Extended Producer Responsibility Act of 2022 (RA 11898)

The Company operates in compliance with Republic Act No. 11898, which amended the Ecological Solid Waste Management Act of 2000 (RA 9003) to institutionalize the Extended Producer Responsibility (EPR) framework. As an Obligated Enterprise (OE), the Company is mandated to establish and implement an EPR program for its plastic packaging footprint, adhering to the phased recovery targets stipulated by the Department of Environment and Natural Resources (DENR). The Company continuously evaluates its packaging footprint (e.g., plastic and paper sacks). Beyond internal compliance, the Company enables the national circular

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-Corporate Secretary -



economy. Through its Geocycle operations, the Company partners with local government units (LGUs) and other Obligated Enterprise to divert non-recyclable plastics and municipal solid wastes from landfills. By substituting traditional fossil fuels with these alternative fuels and raw materials in the cement manufacturing process, the Company facilitates verified plastic footprint recovery for its partners, directly supporting national EPR targets and Holcim’s global decarbonization and circularity goals

32. Segment Information

Business segment

Operating segments are components of the Company that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any changes in the operating segments or in the reportable operating segments in accordance with PFRS 8, *Operating Segments*.

For management purposes, the Company is organized into activities based on their products and has two segments, as follows:

- Clinker and Cement segment, which manufactures and sells clinker and cement for domestic customers; and
- Other Construction Materials and Services segment, which includes operations from Specialty Products and Aggregates Trading

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with net income in the parent company statements of comprehensive income. However, the Company’s finance income and charges and income taxes are managed on a group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm’s length basis similar to transactions with third parties.

The Company has determined the Clinker and Cement segment as the only reportable segment. Information on the other segments that are not reportable are combined and presented as “Others”. Segment revenues, EBITDA, assets, liabilities and other information for segments as at and or the years ended December 31, 2025 and 2024 are presented below:

| | Clinker and Cement | Others | Total |
|-------------------------------|-----------------------|------------------|-------------------|
| | <i>(In Thousands)</i> | | |
| 2025 | | | |
| Revenue: | | | |
| External customers | ₱20,097,014 | ₱1,853,190 | ₱21,950,204 |
| Related party | 75,266 | - | 75,266 |
| | <u>20,172,280</u> | <u>1,853,190</u> | <u>22,025,470</u> |
| Operating EBITDA | (2,199,007) | 380,976 | (1,818,031) |
| Segment assets | 33,740,980 | 263,849 | 34,004,829 |
| Segment liabilities | 16,701,519 | 999,339 | 17,700,858 |
| Results - | | | |
| Depreciation and amortization | 1,376,885 | 6,614 | 1,383,499 |
| Other disclosures | | | |
| Construction-in-progress | 811,293 | - | 811,293 |



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| | Clinker and Cement | Others | Total |
|-------------------------------|-----------------------|------------------|-------------------|
| | <i>(In Thousands)</i> | | |
| 2024 | | | |
| Revenue: | | | |
| External customers | ₱20,016,768 | ₱1,804,295 | ₱21,821,063 |
| Related party | 84,883 | - | 84,883 |
| | <u>20,101,651</u> | <u>1,804,295</u> | <u>21,905,946</u> |
| Operating EBITDA | (25,212) | 443,564 | 418,352 |
| Segment assets | 38,778,827 | 221,672 | 39,000,499 |
| Segment liabilities | 17,412,406 | 592,584 | 18,004,990 |
| Results - | | | |
| Depreciation and amortization | 1,342,804 | 6,586 | 1,349,390 |
| Other disclosures | | | |
| Construction-in-progress | 946,913 | 505 | 947,418 |

Following is the reconciliation of segment operating profit to loss before income tax:

| | 2025 | 2024 |
|--------------------------------|-----------------------|---------------------|
| | <i>(In Thousands)</i> | |
| Operating EBITDA | (₱1,818,031) | ₱418,352 |
| Depreciation and amortization | (1,383,499) | (1,349,390) |
| Interest and financing charges | (117,112) | (112,837) |
| Interest and finance income | 221,892 | 143,714 |
| Other expense - net | (1,168,689) | (241,862) |
| Loss before income tax | (₱4,265,439) | (₱1,142,023) |

| | 2025 | 2024 |
|--|-----------------------|--------------------|
| | <i>(In Thousands)</i> | |
| Segment assets | ₱25,126,329 | ₱27,275,643 |
| Cash and cash equivalents | 1,168,361 | 4,014,717 |
| Investments | 7,710,139 | 7,710,139 |
| Total assets | ₱34,004,829 | ₱39,000,499 |
| Segment liabilities/total liabilities | ₱17,700,858 | ₱18,004,990 |

Geographic information

The Company operates in just one geographic location – the Philippines.

The Company has no revenue from transactions with a single external customer accounting for 10% or more of the consolidated revenues. Moreover, there are no noted additions of non-current assets allocable to the reportable segments. All property, plant, and equipment of the Company are located in the Philippines.


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33. Supplementary Information Required Under Revenue Regulations 15-2010

The Company reported and/or paid the following types of taxes in 2025 is as follows:

Output VAT

Details of the Company's output VAT in 2025 are as follows:

| | Sales | Output VAT |
|---------------------------|-----------------------|------------|
| | <i>(In Thousands)</i> | |
| Vatable sales/receipts | ₱23,202,364 | ₱2,784,284 |
| Zero-rated sales/receipts | 349,025 | — |
| Exempt sales/receipts | 732 | — |
| | ₱23,552,121 | ₱2,784,284 |

Zero-rated sales declared pertain to the Company's sale of goods and services to PEZA-registered entities. Pursuant to Section 4.106-5 (c) of RR No. 16-05, sale of goods or properties to persons or entities who are tax exempt under special laws (i.e. sales to enterprises duly registered and accredited with the PEZA) shall be effectively subject to VAT at zero-rate (0%).

Movements of the Company's output VAT in 2025 are as follows:

| | Amount |
|--------------------------------|-----------------------|
| | <i>(In Thousands)</i> |
| Balance at January 1 | ₱9,549 |
| Addition | 2,784,284 |
| Application of input VAT | (2,353,374) |
| VAT payments | (421,960) |
| Balance at the end of the year | ₱18,499 |

Input VAT

Details of the Company's input VAT claimed in 2025 are as follows:

| | Amount |
|---|-----------------------|
| | <i>(In Thousands)</i> |
| Balance at January 1 | ₱— |
| Domestic purchase of goods and services | 1,765,570 |
| VAT on importations | 459,653 |
| Services rendered by Non-residents (WVAT) | 128,152 |
| Input VAT application | (2,353,375) |
| Balance at December 31 | ₱— |
| Dutiable cost of importation of goods | ₱3,830,439 |
| Taxes on importation of goods | ₱459,653 |

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Other Taxes and Licenses

Details of the Company's other taxes and licenses and permit fees paid or accrued in 2025 are as follows:

| | Amount |
|--|-----------------------|
| | <i>(In Thousands)</i> |
| Real property taxes | ₱114,374 |
| Business taxes, fees, licenses and permits | 74,845 |
| Fringe benefit tax | 8,824 |
| Documentary stamp tax | 245 |
| | <u>₱198,289</u> |

Withholding Taxes

Details of the Company's withholding taxes paid or accrued in 2025 are as follows:

| | Beginning Balance | Addition | Payments | Ending Balance |
|--------------------------|-----------------------|-----------------|---------------------|-------------------|
| | <i>(In Thousands)</i> | | | |
| Compensation | ₱26,954 | ₱197,484 | (₱203,869) | ₱20,569 |
| Expanded withholding tax | 39,550 | 403,326 | (388,129) | 54,747 |
| Final withholding tax | 112,904 | 193,739 | (270,224) | 36,419 |
| Withholding VAT | 20,195 | 131,739 | (148,347) | 3,587 |
| Fringe benefits tax | 2,933 | 8,824 | (8,489) | 3,268 |
| Total | ₱202,536 | ₱935,112 | (₱1,019,058) | ₱118,590 |

Tax Assessments and Cases

The Company has on-going tax assessment with the Bureau of Internal Revenue (BIR) for taxable year 2020 amounting to ₱120.1 million. On January 31, 2025, the BIR issued the Final Assessment Notice (FAN) containing alleged deficiency taxes. The Company submitted the Protest to FAN on February 28, 2025 and additional supporting documents on April 29, 2025. On August 6, 2025, the BIR issued the Final Decision on Disputed Assessment (FDDA) and which the Company already paid and settled.

The Company has on-going tax assessment for taxable year 2021 amounting to ₱90.0 million. On February 26, 2025, the BIR issued the Preliminary Assessment Notice (PAN). The Company submitted the reply to PAN on March 13, 2025. On May 19, 2025, the BIR issued the FAN. The Company submitted the Protest to FAN on June 17, 2025 and the additional supporting documents on August 15, 2025. As at February 25, 2026, the BIR issued the FDDA and which the Company already paid and settled.

The Company has an on-going case related to an illegal garnishment for the value-added tax third quarter of 2023. In January 2024, the BIR issued a Preliminary Notice on alleged one-day late payment of the value-added tax due for the third quarter of 2023. For the alleged one-day late payment, the BIR imposed an interest and surcharges. On January 27, 2025, the Company filed an Application for Abatement with the BIR. On April 11, 2025, the BIR issued a Notice of Denial of Application for Abatement. On May 13, 2025, the Company filed a Petition for Review before the Court of Tax Appeals (CTA) and was docketed as CTA Case No. 11916. As at December 31, 2025, the hearing of the case is ongoing.



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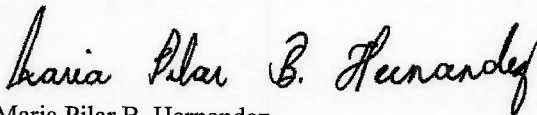


**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

The Board of Directors and the Stockholders
Holcim Philippines, Inc.
7th floor, Two World Square, McKinley Hill, Fort Bonifacio
Taguig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Holcim Philippines, Inc. (the Company) as at and for the year ended December 31, 2025 and have issued our report thereon dated April 13, 2026. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not part of the basic financial statements. This has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Maria Pilar B. Hernandez
Partner

CPA Certificate No. 105007

Tax Identification No. 214-318-972

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

SEC Partner Accreditation No. 105007-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

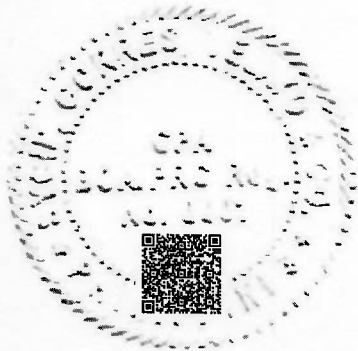
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-116-2025, December 19, 2024, valid until December 18, 2027

PTR No. 10765059, January 2, 2026, Makati City

April 13, 2026



Reconciliation of Retained Earnings Available for Dividend Declaration


(Note: Amounts below are in thousands)

As at December 31, 2025

Holcim Philippines, Inc.

7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City

| | |
|---|--------------------|
| Unappropriated Retained Earnings, January 1, 2025 | ₱5,425,159 |
| Add: Category A: Items that are directly credited to Unappropriated Retained Earnings | |
| Reversal of Retained Earning Appropriation/s | - |
| Effect of restatements or prior-period adjustments | - |
| Others (describe nature) | - |
| Less: Category B: Items that are directly debited to Unappropriated Retained Earnings | |
| Dividend declaration during the reporting period | - |
| Retained Earnings appropriated during the reporting period | - |
| Effect of restatements or prior-period adjustments | - |
| Deferred tax assets, beginning | (937,254) |
| Unappropriated Retained Earnings, as adjusted | 4,487,905 |
| Add/Less: Net Income (loss) for the current year | (3,870,013) |
| Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax) | |
| Equity in net income of associate/joint venture, net of dividends declared | - |
| Unrealized foreign exchange gain, except those attributable to cash and cash equivalents | (3,417) |
| Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax) | - |
| Add: Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax) | - |
| Adjusted Net Income (Loss) | (3,873,430) |
| Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax) | |
| Depreciation on revaluation increment (after tax) | - |
| Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP | |
| Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution | |
| Net movement of treasury shares (except for reacquisition of redeemable shares) | - |
| Net movement of deferred tax asset not considering in the reconciling items under the previous categories | (318,344) |
| Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g. set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable | (1,815) |
| Subtotal | (320,159) |
| Total Retained Earnings, end of the reporting period available for dividend | ₱294,316 |


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