

COVER SHEET

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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Form Type

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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address <div style="border: 1px solid black; padding: 2px; text-align: center;">-</div>	Company's Telephone Number <div style="border: 1px solid black; padding: 2px; text-align: center;">8857-0100</div>	Mobile Number <div style="border: 1px solid black; padding: 2px; text-align: center;">-</div>
No. of Stockholders <div style="border: 1px solid black; padding: 2px; text-align: center;">1,259 (as of March 31, 2026)</div>	Annual Meeting (Month / Day) <div style="border: 1px solid black; padding: 2px; text-align: center;">Last Wednesday of April</div>	Fiscal Year (Month / Day) <div style="border: 1px solid black; padding: 2px; text-align: center;">12/31</div>

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person <div style="border: 1px solid black; padding: 2px; text-align: center;">Mr. Franklin C. Gomez</div>	Email Address <div style="border: 1px solid black; padding: 2px; text-align: center;">-</div>	Telephone Number/s <div style="border: 1px solid black; padding: 2px; text-align: center;">8857-0100</div>	Mobile Number <div style="border: 1px solid black; padding: 2px; text-align: center;">-</div>
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CONTACT PERSON'S ADDRESS

10th Floor, OneE-Com Center, Harbor Drive, Mall of Asia Complex, CBP-1A, Pasay City 1300

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SEC Number 16342
PSE Disclosure Security Code _____

SM INVESTMENTS CORPORATION

(Company's Full Name)

**10th Floor, OneE-Com Center, Harbor Drive,
Mall of Asia Complex, CBP-IA, Pasay City 1300**

(Company's Address)

8857- 0100

(Telephone Number)

December 31

(Year Ending)
(month & day)

**SEC Form 17-Q
1st Quarter Report**

Form Type

Amendment Designation (If applicable)

March 31, 2026

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2026**
2. Commission Identification Number **016342**
3. BIR Tax Identification No. **169-020-000**
4. Exact name of registrant as specified in its charter **SM INVESTMENTS CORPORATION**
5. **PHILIPPINES**
Province, Country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **10th Floor, OneE-Com Center, Harbor Drive, Mall of Asia Complex, CBP-IA, Pasay City
1300**
Address of principal office Postal Code
8. **8857-0100**
Registrant's telephone number, including area code
9. Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the
RSA

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt Outstanding
COMMON STOCK P10 PAR VALUE	1,218,390,100 (as of May 13, 2026)	N.A.

11. Are any or all of these securities listed on the Philippine Stock Exchange.
Yes No
12. Indicate by check mark whether the registrant:
(a) has filed all reports required to be filed by Section 11 of the Securities Regulation Code (SRC) and SRC Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);
Yes No
(b) has been subject to such filing requirements for the past 90 days.
Yes No

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PART II – SIGNATURE

YTD MARCH 2025

Management's Discussion and Analysis as at March 31, 2025

PART I FINANCIAL INFORMATION

Item 1. Interim Condensed Consolidated Financial Statements

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

Interim Condensed Consolidated Financial Statements
As at March 31, 2026 (Unaudited), March 31, 2025 (Unaudited) and
December 31, 2025 (Audited)

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Millions)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 20 and 23)	₱98,179	₱101,847
Receivables and contract assets (Notes 6 and 20)	92,018	94,099
Inventories (Note 7)	126,996	119,167
Other current assets (Notes 8, 9, 20, 23 and 24)	43,094	46,289
Total Current Assets	360,287	361,402
Noncurrent Assets		
Financial assets at FVOCI - net of current portion (Notes 9 and 24)	25,865	23,676
Investments in associate companies and joint ventures (Note 10)	439,331	437,230
Property and equipment (Note 11)	59,768	59,646
Investment properties (Note 12)	670,124	657,173
Right-of-use assets (Note 22)	51,887	51,702
Intangibles (Note 13)	40,386	40,386
Other noncurrent assets (Notes 13, 20, 22, 23 and 24)	179,141	180,586
Total Noncurrent Assets	1,466,502	1,450,399
Total Assets	₱1,826,789	₱1,811,801
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans (Notes 14, 20 and 23)	₱57,595	₱20,223
Accounts payable and other current liabilities (Notes 15, 20, and 22)	204,046	213,084
Income tax payable	5,234	3,550
Current portion of long-term debt (Notes 16, 20, and 23)	53,722	100,397
Total Current Liabilities	320,597	337,254
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 16, 20, 23 and 24)	403,679	390,839
Lease liabilities - net of current portion (Note 22)	34,837	35,172
Deferred tax liabilities (Note 21)	21,011	21,138
Tenants' deposits and others (Notes 17, 22 and 24)	73,393	71,763
Total Noncurrent Liabilities	532,920	518,912
Total Liabilities	853,517	856,166

(Forward)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Equity Attributable to Owners of the Parent Company		
Capital stock (Note 18)	₱12,331	₱12,331
Additional paid-in capital	75,602	76,667
Treasury stock	(7,282)	(5,175)
Equity adjustments from common control transactions	(6,949)	(6,949)
Cost of Parent Company common shares held by subsidiaries	(6,225)	(6,225)
Cumulative translation adjustment	3,891	2,962
Fair value changes on cash flow hedges and others	890	183
Unrealized gain on financial assets at FVOCI (Note 9)	7,286	7,130
Remeasurement loss on defined benefit asset/obligation	(1,732)	(1,789)
Share in other comprehensive loss of associate companies and joint ventures - net	(17,671)	(11,107)
Retained earnings (Note 18):		
Appropriated	30,000	30,000
Unappropriated	618,743	597,230
Total Equity Attributable to Owners of the Parent Company	708,884	695,258
Non-controlling Interests	264,388	260,377
Total Equity	973,272	955,635
Total Liabilities and Equity	₱1,826,789	₱1,811,801

See accompanying Notes to Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Millions Except Per Share Data)

	Three-Month Periods Ended	
	March 31	
	2026	2025
REVENUES		
Sales:		
Merchandise	₱102,632	₱97,099
Real estate	7,757	9,217
Rent (Notes 12, 20 and 22)	19,050	17,620
Equity in net earnings of associate companies and joint ventures (Note 10)	12,795	12,080
Others (Note 19)	17,171	15,998
	159,405	152,014
COSTS AND EXPENSES (Note 7)	121,003	115,960
OPERATING INCOME	38,402	36,054
OTHER INCOME (CHARGES)		
Interest expense (Note 20)	(5,268)	(5,709)
Interest income (Note 20)	639	1,159
Foreign exchange gain (loss) - net and others (Notes 23 and 24)	(467)	47
	(5,096)	(4,503)
INCOME BEFORE INCOME TAX	33,306	31,551
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 21)		
Current	4,345	4,033
Deferred	(228)	(88)
	4,117	3,945
NET INCOME	₱29,189	₱27,606
Attributable to		
Owners of the Parent Company	₱21,513	₱20,055
Non-controlling interests	7,676	7,551
	₱29,189	₱27,606
Basic/Diluted Earnings Per Common Share		
Attributable to Owners of the Parent Company (Note 25)	₱17.72	₱16.41

See accompanying Notes to Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
(Amounts in Millions)

	Three-Month Periods Ended	
	March 31	
	2026	2025
NET INCOME	₱29,189	₱27,606
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will be reclassified to profit or loss in subsequent periods		
Cumulative translation adjustment	1,795	(189)
Fair value changes on cash flow hedges	375	(701)
	2,170	(890)
Items not to be reclassified to profit or loss in subsequent periods		
Remeasurement gain (loss) on defined benefit obligation	99	(6)
Net unrealized gain (loss) on financial assets at FVOCI	266	(95)
Income tax relating to items not to be reclassified to profit or loss in subsequent periods	(8)	(11)
	357	(112)
Share in other comprehensive income (loss) of associate companies and joint ventures - net (Note 10)	(6,716)	1,209
TOTAL COMPREHENSIVE INCOME	₱25,000	₱27,813
Attributable to		
Owners of the Parent Company	₱16,798	₱20,704
Non-controlling interests	8,202	7,109
	₱25,000	₱27,813

See accompanying Notes to Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Amounts in Millions)

	Equity Attributable to Owners of the Parent Company							
	Capital Stock	Additional Paid-in Capital	Treasury Stock	Equity Adjustments from Common Control Transactions	Cost of Parent Company Shares Held by Subsidiaries	Cumulative Translation Adjustment	Fair Value Changes on Cash Flow Hedges and Others	Unrealized Gain (Loss) on Financial Assets at FVOCI
As at December 31, 2025 (Audited)	₱12,331	₱76,667	(₱5,175)	(₱6,949)	(₱6,225)	₱2,962	₱183	₱7,130
Net income	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	929	707	156
Total comprehensive income	-	-	-	-	-	929	707	156
Purchase of treasury shares (Note 18)	-	-	(2,107)	-	-	-	-	-
Transactions with non-controlling interests	-	(1,065)	-	-	-	-	-	-
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-	-	-
As at March 31, 2026	₱12,331	₱75,602	(₱7,282)	(₱6,949)	(₱6,225)	₱3,891	₱890	₱7,286
As at December 31, 2024 (Audited)	₱12,261	₱71,752	(₱41)	(₱6,949)	(₱25)	₱1,821	₱557	₱9,899
Net income	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	(98)	(352)	(65)
Total comprehensive income	-	-	-	-	-	(98)	(352)	(65)
Issuance of common shares (Note 18)	70	6,130	-	-	(6,200)	-	-	-
Purchase of treasury shares (Note 18)	-	-	(212)	-	-	-	-	-
Transactions with non-controlling interests	-	(20)	-	-	-	-	-	-
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-	-	-
As at March 31, 2025	₱12,331	₱77,862	(₱253)	(₱6,949)	(₱6,225)	₱1,723	₱205	₱9,834

Equity Attributable to Owners of the Parent Company

	Remeasurement Gain (Loss) on Defined Benefit Asset/ Obligation	Share in Other Comprehensive Income (Loss) of Associates – Net	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total	Non-controlling Interests	Total Equity
As at December 31, 2025 (Audited)	(₱1,789)	(₱11,107)	₱30,000	₱597,230	₱695,258	₱260,377	₱955,635
Net income	–	–	–	21,513	21,513	7,676	29,189
Other comprehensive income (loss)	57	(6,564)	–	–	(4,715)	526	(4,189)
Total comprehensive income	57	(6,564)	–	21,513	16,798	8,202	25,000
Purchase of treasury shares (Note 18)	–	–	–	–	(2,107)	–	(2,107)
Transactions with non-controlling interests	–	–	–	–	(1,065)	(671)	(1,736)
Cash dividends paid to non-controlling interests	–	–	–	–	–	(3,525)	(3,525)
Net change in non-controlling interests	–	–	–	–	–	5	5
As at March 31, 2026	(₱1,732)	(₱17,671)	₱30,000	₱618,743	₱708,884	₱264,388	₱973,272
As at December 31, 2024 (Audited)	(₱2,100)	(₱11,772)	₱30,000	₱521,901	₱627,304	₱239,121	₱866,425
Net income	–	–	–	20,055	20,055	7,551	27,606
Other comprehensive income (loss)	(2)	1,166	–	–	649	(442)	207
Total comprehensive income	(2)	1,166	–	20,055	20,704	7,109	27,813
Issuance of common shares (Note 18)	–	–	–	–	–	–	–
Purchase of treasury shares (Note 18)	–	–	–	–	(212)	–	(212)
Transactions with non-controlling interests	–	–	–	–	(20)	(20)	(40)
Cash dividends paid to non-controlling interests	–	–	–	–	–	(2,824)	(2,824)
Net change in non-controlling interests	–	–	–	–	–	(3)	(3)
As at March 31, 2025	(₱2,102)	(₱10,606)	₱30,000	₱541,956	₱647,776	₱243,383	₱891,159

See accompanying Notes to Condensed Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Millions)

	Three-Month Periods Ended	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱33,306	₱31,551
Adjustments for:		
Equity in net earnings of associate companies and joint ventures	(12,795)	(12,080)
Depreciation and amortization (Notes 11, 12, 13 and 22)	7,091	6,647
Interest expense	5,268	5,709
Loss from fair value changes on derivatives - net	797	73
Interest income	(639)	(1,159)
Dividend income (Note 19)	(276)	(178)
Unrealized foreign exchange gain and others - net	(72)	(26)
Income before working capital changes	32,680	30,537
Decrease (increase) in:		
Receivables and contract assets	5,829	(1,668)
Inventories	(7,785)	(5,863)
Other current assets	(2,445)	4,545
Increase (decrease) in:		
Accounts payable and other current liabilities	(15,537)	(15,139)
Tenants' deposits and others	477	1,243
Net cash generated from operations	13,219	13,655
Income tax paid	(2,669)	(3,867)
Net cash provided by operating activities	10,550	9,788
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Investment properties	53	3
Property and equipment	6	25
Additions to:		
Investment properties (Note 12)	(12,986)	(16,604)
Property and equipment (Note 11)	(2,856)	(2,143)
Financial assets at FVOCI	(1,745)	(13)
Investments in associate companies and joint ventures (Note 10)	-	(21)
Decrease (increase) in:		
Time deposits	5,327	120
Other noncurrent assets	(1,698)	(1,204)
Dividends received	3,774	4,080
Interest received	674	1,126
Net cash used in investing activities	(9,451)	(14,631)

(Forward)

	Three-Month Periods Ended	
	March 31	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of:		
Bank loans	₱52,849	₱24,045
Long-term debt	24,019	57,140
Payments of:		
Long-term debt	(61,359)	(56,206)
Bank loans	(15,610)	(23,194)
Interest	(4,903)	(4,914)
Lease liabilities (Note 22)	(1,389)	(1,379)
Dividends	(91)	(165)
Proceeds from matured derivatives - net	3,797	160
Purchase of treasury shares (Note 18)	(2,108)	(212)
Net cash used in financing activities	(4,795)	(4,725)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,696)	(9,568)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	28	(10)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 5)	101,847	112,528
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	₱98,179	₱102,950

See accompanying Notes to Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

1. Corporate Information

SM Investments Corporation (SMIC or Parent Company) was incorporated in the Philippines on January 15, 1960. On December 27, 2019, the Philippine Securities and Exchange Commission (SEC) approved the amendment of the Parent Company's articles of incorporation to change its corporate life to perpetual. Its registered office address is 10th Floor, OneE-Com Center, Harbor Drive, Mall of Asia Complex, CBP-1A, Pasay City 1300.

SMIC is a Philippine listed holding company with interests in retail, banking, property, integrated supply chains, renewable energy development and mining.

The accompanying consolidated financial statements were authorized for issue by the Board of Directors (BOD) on April 29, 2026, upon the recommendation of the Audit Committee.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The interim condensed consolidated financial statements of the Parent Company and its subsidiaries (the Group) are prepared on the historical cost basis, except for financial instruments measured at fair value (including all derivatives and financial assets classified as FVOCI or fair value through profit or loss (FVTPL)). The consolidated financial statements are presented in Philippine Pesos, which is the Parent Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS) Accounting Standards. Amounts are rounded to the nearest million pesos (₱ million), unless otherwise indicated.

Statement of Compliance

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. These do not include all the information required for annual consolidated financial statements and should be read together with the Group's audited consolidated financial statements as at December 31, 2025.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. As at March 31, 2026, there were no significant changes in the Parent Company's ownership interest in its subsidiaries.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires the use of judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

3. Summary of Material Accounting Policies, Changes and Improvements

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended PFRS Accounting Standards and related pronouncements effective or adopted in 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, the adoption of these new pronouncements did not have a material impact on the interim condensed consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
The amendments clarify the timing of derecognition of financial liabilities, including those settled through electronic payment systems. The amendments also clarify the classification of financial assets with Environmental, Social and Governance-linked, other contingent, non-recourse or contractually linked features and add related disclosure requirements.

- Annual Improvements to PFRS Accounting Standards -Volume 11

The amendments make limited wording clarifications and minor corrections to PFRS 1, PFRS 7, PFRS 9, PFRS 10 and PAS 7.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments clarify the hedge accounting references for first-time.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments update wording on unobservable inputs and related fair value references.

- Amendments to PFRS 9

- a. Lessee Derecognition of Lease Liabilities

The amendments clarify how a lessee recognizes gains or losses when a lease liability is extinguished.

- b. Transaction Price

The amendments replace the reference to “transaction price” with “the amount determined by applying PFRS 15.

- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments clarify that paragraph B74 provides only one example of a de facto agency relationship.

- Amendments to PAS 7, *Cost Method*

The amendments replace the term ‘cost method’ with ‘at cost’.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments apply only to contracts and financial instruments that reference nature-dependent electricity and cannot be applied by analogy to other contracts or transactions. The amendments clarify the application of the ‘own-use’ requirements for in-scope contracts, permit

hedge accounting when in-scope contracts are used as hedging instruments, and include new disclosure requirements.

Others adopted in 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 36 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards to guide disclosures about climate-related and other uncertainties in the financial statements. The examples do not change recognition or measurement requirements.

Future Changes in Accounting Policies and Disclosures

New pronouncements issued but not yet effective are discussed below. Unless otherwise indicated, the Group does not expect the adoption of these pronouncements to materially affect its consolidated financial statements. The Group will adopt these pronouncements when these become effective.

Effective for annual periods beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 replaces PAS 1, *Presentation of Financial Statements*, and introduces new requirements on presentation and disclosure in the financial statements, including new categories and defined subtotals in the consolidated statements of income, enhanced disclosure of management-defined performance measures, and guidance on aggregation and disaggregation. Early adoption is permitted. The Group is assessing the impact of PFRS 18 on the presentation and disclosures in its consolidated financial statements.

- PFRS 17, *Insurance Contracts*

PFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The Group does not issue insurance contracts. Accordingly, the adoption of PFRS 17 is not expected to have a material impact on the consolidated financial statements.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments prescribe how financial statements are translated from a functional currency of a non-hyperinflationary economy to a presentation currency of a hyperinflationary economy. Early adoption is permitted.

- PFRS 19, *Subsidiaries without Public Accountability*

PFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements of other PFRS Accounting Standards. It is not expected to affect the Group's consolidated financial statements but may apply to eligible subsidiaries' separate financial statements. Early adoption is permitted.

Deferred effectivity

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

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associates or joint ventures.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 until the International Accounting Standards Board completes its broader review of the equity method of accounting.

4. Segment Information

The Group has identified four reportable operating segments: property, retail, banking, and portfolio investments.

The property segment includes the operation of malls, hotels, and convention centers; leasing of commercial spaces; and the development of integrated communities comprising residential, lifestyle, retail, commercial, and leisure properties.

The retail segment is engaged in the retail and wholesale trading of merchandise, including dry goods, wearing apparel, food, and other consumer products.

The banking segment represents the Group's equity interest in BDO Unibank, Inc. (BDO) and China Banking Corporation (Chinabank).

The portfolio investments segment comprises investments in 2GO Group, Inc. (2GO), Philippine Geothermal Production Company, Inc., Neo subsidiaries and associates, Atlas Consolidated Mining and Development Corporation, Belle Corporation, Goldilocks Bakeshop, Inc. and other subsidiaries and associates.

The BOD monitors the operating results by reportable segment, including the major business units comprising each segment. Segment performance is assessed based on operating profit or loss, which is determined using the same accounting policies applied in preparing the consolidated financial statements.

Operating Results by Segment

Three-Month Period Ended March 31, 2026 (Unaudited)							
	Property	Retail	Banking	Portfolio Investments	Others	Eliminations	Consolidated
<i>(In Millions)</i>							
Revenues:							
External customers	₱30,987	₱105,577	₱10,906	₱11,240	₱695	₱-	₱159,405
Revenues from contracts							
with customers	7,757	102,632	-	-	-	-	110,389
Merchandise sales	-	102,632	-	-	-	-	102,632
Real estate sales	7,757	-	-	-	-	-	7,757
Rent	17,965	436	-	648	1	-	19,050
Equity in net earnings of associate companies and joint ventures	780	553	10,906	587	(31)	-	12,795
Others	4,485	1,956	-	10,005	725	-	17,171
Inter-segment	4,039	173	-	209	1,164	(5,585)	-
	₱35,026	₱105,750	₱10,906	₱11,449	₱1,859	(₱5,585)	₱159,405
Segment results:							
Income before income tax	₱14,401	₱5,810	₱10,906	₱2,151	₱38	₱-	₱33,306
Provision for income tax	2,515	1,375	-	185	42	-	4,117
Net income after tax	₱11,886	₱4,435	₱10,906	₱1,966	(₱4)	₱-	₱29,189
Net income attributable to:							
Owners of the Parent Company	₱5,894	₱3,228	₱10,613	₱1,781	(₱3)	₱-	₱21,513
Non-controlling interests	5,992	1,207	293	185	(1)	-	7,676

Three-Month Period Ended March 31, 2025 (Unaudited)							
	Property	Retail	Banking	Portfolio Investments	Others	Eliminations	Consolidated
<i>(In Millions)</i>							
Revenues:							
External customers	₱30,647	₱99,994	₱10,665	₱10,005	₱703	₱-	₱152,014
Revenues from contracts							
with customers	9,217	97,099	-	-	-	-	106,316
Merchandise sales	-	97,099	-	-	-	-	97,099
Real estate sales	9,217	-	-	-	-	-	9,217
Rent	16,518	400	-	701	1	-	17,620
Equity in net earnings of associate companies and joint ventures	650	552	10,665	210	3	-	12,080
Others	4,262	1,943	-	9,094	699	-	15,998
Inter-segment	3,897	157	-	191	1,090	(5,335)	-
	₱34,544	₱100,151	₱10,665	₱10,196	₱1,793	(₱5,335)	₱152,014
Segment results:							
Income before income tax	₱14,430	₱5,124	₱10,665	₱1,417	(₱85)	₱-	₱31,551
Provision for income tax	2,518	1,206	-	180	41	-	3,945
Net income after tax	₱11,912	₱3,918	₱10,665	₱1,237	(₱126)	₱-	₱27,606
Net income attributable to:							
Owners of the Parent Company	₱5,892	₱2,781	₱10,377	₱1,124	(₱119)	₱-	₱20,055
Non-controlling interests	6,020	1,137	288	113	(7)	-	7,551

Revenue disaggregation is presented in the interim condensed consolidated statements of income and in the segment information above.

5. Cash and Cash Equivalents

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Cash on hand and in banks (Note 20)	₱26,386	₱33,154
Temporary investments (Note 20)	71,793	68,693
	₱98,179	₱101,847

Cash in banks and temporary investments earn interest at prevailing market rates. The maturities of temporary investments vary based on the Group's short-term liquidity requirements.

6. Receivables and Contract Assets

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Trade:		
Sales of real estate*	₱163,986	₱163,713
Rent from third-party tenants	10,550	11,155
Shipping and logistics**	3,714	4,367
Rent from related party tenants (Note 20)	542	620
Others	4,549	9,621
Royalty and service fees (Note 20)	2,393	1,799
Dividends (Note 20)	935	442
	186,669	191,717
Less allowance for expected credit loss (ECL)	3,293	3,316
	183,376	188,401
Less noncurrent portion of receivables from sales of real estate (Note 13)	91,358	94,302
Current portion	₱92,018	₱94,099

* Includes unbilled revenue from sales of real estate of ₱142.2 billion and ₱137.8 billion as at March 31, 2026 and December 31, 2025, respectively.

** Includes contract assets representing shipping and logistics services delivered but not yet invoiced of ₱0.9 billion and ₱1.1 billion as at March 31, 2026 and December 31, 2025, respectively.

An allowance for ECL is recognized for receivables from real estate sales, tenants, shipping and logistics, and other receivables identified as impaired based on individual and collective assessments.

As at March 31, 2026 and December 31, 2025, receivables from sales of real estate assigned to local banks on a without-recourse basis amounted to ₱2.1 billion and ₱13.2 billion, respectively (Note 20).

7. Inventories

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Real estate inventories	₱75,763	₱74,524
Merchandise inventories	50,362	43,737
Processed food and others	871	906
	₱126,996	₱119,167

Inventories are stated at cost as at March 31, 2026 and December 31, 2025.

Real Estate Inventories

The movements in this account follow:

	Land and Development	Condominium, Residential Units and Subdivision Lots for Sale	Total
	<i>(In Millions)</i>		
Balance as at January 1, 2025	₱55,783	₱21,150	₱76,933
Development cost incurred	14,049	–	14,049
Cost of real estate sold	(10,734)	(6,885)	(17,619)
Transfers	(2,043)	2,043	–
Reclassifications from investment properties (Note 12)	714	–	714
Translation adjustment and others	239	208	447
Balance as at December 31, 2025 (Audited)	58,008	16,516	74,524
Development cost incurred	5,013	–	5,013
Cost of real estate sold	(2,086)	(1,731)	(3,817)
Transfers	(1,039)	1,039	–
Translation adjustment and others	–	43	43
Balance as at March 31, 2026 (Unaudited)	₱59,896	₱15,867	₱75,763

Contract fulfillment assets included in land and development represent the unamortized portion of land cost of ₱2.4 billion as at March 31, 2026 and December 31, 2025.

Real estate sales amounted to ₱7.8 billion and ₱9.2 billion for the three-month periods ended March 31, 2026 and 2025, respectively, of which ₱4.7 billion and ₱2.7 billion pertain to the sale of completed projects.

Income from forfeitures, except accounts covered by Maceda Law, amounted to ₱0.3 billion and ₱0.4 billion for the three-month periods ended March 31, 2026 and 2025, respectively, and are presented under “Revenues - Others” in the consolidated statements of income.

The details of cost of sales and services follow:

	Three-Month Periods Ended	
	March 31	
	2026	2025
	(Unaudited)	(Unaudited)
	<i>(In Millions)</i>	
Cost of sales:		
Merchandise	₱73,916	₱70,913
Real estate	3,817	3,913
Processed food and others	2,969	2,740
Cost of shipping, logistics and other services	4,014	3,885
	₱84,716	₱81,451

8. Other Current Assets

This account consists of:

	March 31,	December 31,
	2026	2025
	(Unaudited)	(Audited)
	<i>(In Millions)</i>	
Bonds and deposits	₱13,504	₱12,805
Prepaid taxes and other prepayments	12,645	11,307
Nontrade receivables	6,462	7,160
Input tax	4,659	4,254
Uniform and supplies inventory	2,853	1,985
Derivative assets (Note 24)	831	3,372
Financial assets at FVOCI (Note 9)	695	717
Accrued interest receivable (Note 20)	278	312
Time deposits	104	3,217
Others	1,063	1,160
	₱43,094	₱46,289

9. Financial Assets at FVOCI

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Shares of stock		
Listed	₱21,050	₱20,741
Unlisted	5,481	3,622
Club shares	29	30
	26,560	24,393
Less current portion (Note 8)	695	717
Noncurrent portion	₱25,865	₱23,676

10. Investments in Associate Companies and Joint Ventures

The movements in this account follow:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Balance at beginning of year	₱437,230	₱399,485
Equity in net earnings	12,795	53,973
Share in other comprehensive income (loss)		
of associate companies	(6,716)	678
Dividends received and others	(3,991)	(16,561)
Translation adjustment	13	20
Impairment provision	-	(365)
Balance at end of period	₱439,331	₱437,230

* Investment in associate companies amounted to ₱426.8 billion and ₱425.0 billion as at March 31, 2026 and December 31, 2025, respectively.

11. Property and Equipment

The movements in this account follow:

Cost	<i>(In Millions)</i>												Total
	Buildings and Land Improvements	Store Equipment and Improvements	Data Processing Equipment	Furniture, Fixtures and Office Equipment	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Vessels in Operation	Containers and Reefer Vans	Construction in Progress			
As at January 1, 2025	₱1,719	₱22,825	₱3,258	₱13,074	₱13,622	₱27,518	₱34,560	₱1,835	₱15,460	₱1,771	₱5,055	₱140,697	
Additions	83	627	298	1,162	1,058	1,321	2,321	124	487	27	3,111	10,619	
Reclassifications	354	784	56	74	(83)	1,522	217	(19)	2	-	(2,605)	302	
Disposals/retirements	(5)	(76)	(35)	(677)	(215)	(468)	(559)	(21)	(14)	(240)	-	(2,310)	
As at December 31, 2025 (Audited)	2,151	24,160	3,577	13,633	14,382	29,893	36,539	1,919	15,935	1,558	5,561	149,308	
Additions	-	209	47	187	341	360	502	25	219	-	966	2,856	
Reclassifications	-	(669)	16	(42)	(104)	761	987	(3)	-	-	(1,638)	(692)	
Disposals/retirements	-	-	(2)	(11)	(27)	(13)	(179)	(5)	-	-	-	(237)	
As at March 31, 2026 (Unaudited)	₱2,151	₱23,700	₱3,638	₱13,767	₱14,592	₱31,001	₱37,849	₱1,936	₱16,154	₱1,558	₱4,899	₱151,235	
Accumulated Depreciation and Amortization													
As at January 1, 2025	₱-	₱9,202	₱2,429	₱9,740	₱10,708	₱14,968	₱26,055	₱1,295	₱7,473	₱1,470	₱-	₱83,340	
Depreciation and amortization	-	1,191	247	1,253	909	1,898	1,966	89	809	58	-	8,420	
Reclassifications	-	11	23	22	(87)	49	36	(59)	6	-	-	1	
Disposals/retirements	-	(41)	(34)	(631)	(192)	(393)	(533)	(21)	(14)	(240)	-	(2,099)	
As at December 31, 2025 (Audited)	-	10,363	2,665	10,384	11,338	16,522	27,524	1,304	8,274	1,288	-	89,662	
Depreciation and amortization	-	291	65	272	231	526	499	26	172	14	-	2,096	
Reclassifications	-	(332)	1	2	(2)	1	270	(1)	-	-	-	(61)	
Disposals/retirements	-	-	(2)	(8)	(26)	(12)	(177)	(5)	-	-	-	(230)	
As at March 31, 2026 (Unaudited)	₱-	₱10,322	₱2,729	₱10,650	₱11,541	₱17,037	₱28,116	₱1,324	₱8,446	₱1,302	₱-	₱91,467	
Net Book Value													
As at March 31, 2026 (Unaudited)	₱2,151	₱13,378	₱909	₱3,117	₱3,051	₱13,964	₱9,733	₱612	₱7,708	₱256	₱4,889	₱59,768	
As at December 31, 2025 (Audited)	2,151	13,797	912	3,249	3,044	13,371	9,015	615	7,661	270	5,561	59,546	

To secure a ₱500.0 million term loan facility, ZGO used one of its passenger/cargo ships as collateral. The carrying amount of this ship in the Group's consolidated balance sheets is ₱2.1 billion and ₱2.2 billion as at March 31, 2026 and December 31, 2025, respectively (see Note 16).

Gains or losses on disposal of properties and equipment as of March 31, 2026 and 2025 are recognized in the consolidated statements of income under “Foreign exchange gain - net and others”.

12. Investment Properties

The movements in this account follow:

	Land Held for Future Development	Land and Improvements	Buildings and Leasehold Improvements	Building Equipment, Furniture and Others	Construction in Progress	Total
<i>(In Millions)</i>						
Cost						
As at January 1, 2025	₱92,910	₱103,391	₱358,304	₱66,524	₱122,018	₱743,147
Additions	1,374	4,303	2,531	3,010	65,238	76,456
Reclassifications (Note 7)	(145)	4,296	16,887	3,716	(25,140)	(386)
Translation adjustment	–	97	3,666	338	503	4,604
Disposals	–	(240)	(305)	(78)	–	(623)
As at December 31, 2025 (Audited)	94,139	111,847	381,083	73,510	162,619	823,198
Additions	242	374	408	872	11,163	13,059
Reclassifications	–	(190)	4,976	553	(4,328)	1,011
Translation adjustment	–	71	3,129	318	283	3,801
Disposals	–	(2)	(41)	(19)	–	(62)
As at March 31, 2026 (Unaudited)	₱94,381	₱112,100	₱389,555	₱75,234	₱169,737	₱841,007
Accumulated Depreciation, Amortization and Impairment Loss						
As at January 1, 2025	₱–	₱3,660	₱103,520	₱43,018	₱–	₱150,198
Depreciation and amortization	–	256	10,318	4,485	–	15,059
Provision for impairment loss	–	18	(14)	(4)	–	–
Translation adjustment	–	74	975	183	–	1,232
Disposals	–	(238)	(155)	(71)	–	(464)
As at December 31, 2025 (Audited)	–	3,770	114,644	47,611	–	166,025
Depreciation and amortization	–	66	2,727	1,124	–	3,917
Translation adjustment	–	49	784	141	–	974
Disposals	–	(2)	(13)	(18)	–	(33)
As at March 31, 2026 (Unaudited)	₱–	₱3,883	₱118,142	₱48,858	–	₱170,883
Net Book Value						
As at March 31, 2026 (Unaudited)	₱94,381	₱108,217	₱271,415	₱26,374	₱169,737	₱670,124
As at December 31, 2025 (Audited)	94,139	108,077	266,439	25,899	162,619	657,173

Rent income from investment properties, primarily attributable to SM Prime Holdings, Inc. (SM Prime), amounted to ₱18.6 billion and ₱17.2 billion for the three-month periods ended March 31, 2026 and 2025, respectively. Related direct operating expenses amounted to ₱8.4 billion and ₱8.1 billion, respectively.

Construction in progress includes construction costs incurred for new shopping malls, commercial buildings, hotels and convention centers and the redevelopment of existing malls amounting to ₱168.1 billion and ₱160.9 billion as at March 31, 2026 and December 31, 2025, respectively.

Portions of investment properties located in China amounting to ₱1.6 billion and ₱1.5 billion as at March 31, 2026 and December 31, 2025, respectively, are pledged as collateral for domestic borrowings (see Note 16).

Outstanding construction contracts with various contractors amounted to ₱36.9 billion and ₱39.1 billion as at March 31, 2026 and December 31, 2025, respectively, inclusive of overhead, labor, materials, and other costs necessary for project execution.

Interest capitalized to the construction of investment properties amounted to ₱2.7 billion and ₱10.2 billion as at March 31, 2026 and December 31, 2025, respectively. Capitalization rates range from 2.1% to 6.2% and 1.9% to 6.6% as at March 31, 2026 and December 31, 2025, respectively.

The Group has no restrictions on the realizability of its investment properties.

Gains or losses on disposal of investment properties as of March 31, 2026 and 2025 are recognized in the consolidated statements of income under “Foreign exchange gain - net and others”.

13. Intangibles and Other Noncurrent Assets

Intangible Assets

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Goodwill	₱34,340	₱34,340
Less accumulated impairment loss	81	81
Net book value	34,259	34,259
Trademarks and brand names	6,127	6,127
	₱40,386	₱40,386

Other Noncurrent Assets

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Receivables from sales of real estate (Note 6)*	₱91,358	₱94,302
Bonds and deposits	47,221	47,105
Creditable withholding tax	10,498	9,910
Input VAT	8,780	8,576
Deferred exploration costs	7,336	7,242
Deferred tax assets (Note 21)	5,507	5,413
Derivative assets (Note 24)	3,102	1,338
Time deposits	1,964	4,178
Escrow fund (Note 20)	1,104	1,035
Defined benefit asset	484	357
Others	1,787	1,130
	₱179,141	₱180,586

* Pertains to the noncurrent portion of unbilled revenue from sales of real estate (See Note 6).

14. Bank Loans

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In millions)</i>	
Subsidiaries:		
China yuan renminbi-denominated loans*	₱3,186	₱2,313
Peso-denominated loans	54,409	17,910
	₱57,595	₱20,223

*Secured by time deposits (see Notes 8 and 13)

Peso-denominated loans bear interest ranging from 4.3% to 5.5% and 5.2% to 6.6% for the three-month periods ended March 31, 2026 and 2025, respectively. Renminbi-denominated loans bear interest based on the China Loan Prime Rate (LPR).

These loans mature within one year.

15. Accounts Payable and Other Current Liabilities

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Trade	₱112,228	₱125,481
Accrued expenses	31,339	25,853
Nontrade (Note 20)	20,482	22,381
Tenants' and customers' deposits*	13,255	14,427
Payables to government agencies	5,958	7,218
Accrued interest (Note 20)	4,327	4,179
Dividends payable	3,911	476
Lease liabilities (Note 22)	3,226	3,377
Payable arising from acquisition of land	2,663	2,591
Subscriptions payable	1,967	1,967
Others	4,690	5,134
	₱204,046	₱213,084

* Includes unearned revenues from shipping and logistics of ₱281.3 million and ₱233.7 million as at March 31, 2026 and December 31, 2025, respectively, and unearned revenues from sales of real estate of ₱6.0 billion and ₱7.0 billion as at March 31, 2026 and December 31, 2025, respectively.

16. Long-term Debt

This account consists of:

	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)	
	Availment	Maturity	Interest Rate/Term	Amount	Amount
<i>(In Millions)</i>					
Parent Company					
U.S. dollar-denominated*	April 2025	April 2032	Fixed 4.9%; quarterly	₱3,502	₱3,389
GBP-denominated*	July 2023	July 2028	Fixed 5.3%; quarterly	3,341	3,304
Peso-denominated	March 2021 - February 2022	June 2026 - May 2031	Fixed 4.0%-4.8%; semi-annual and quarterly	28,186	28,236
Subsidiaries					
U.S. dollar-denominated*	June 2022 - January 2026	June 2027 - December 2030	Fixed 4.8%-5.4%; SOFR + spread; semi-annual and quarterly	81,927	115,518
China yuan renminbi-denominated**	May 2021 - March 2026	April 2026 - June 2037	Fixed 3.7%; LPR, SOFR; annually	13,099	10,834
Peso-denominated***	July 2016 - March 2026	April 2026 - November 2035	Fixed 3.8%-7.0%; BVAL + margin	329,476	332,091
				459,531	493,372
Less debt issue cost				2,130	2,136
				457,401	491,236
Less current portion				53,722	100,397
				₱403,679	₱390,839

BVAL – Bloomberg Valuation

SOFR – Secured Overnight Financing Rate

LPR – Loan Prime Rate

*Includes loans hedged against foreign exchange and interest rate risks using derivative instruments and loans unconditionally and irrevocably guaranteed by the Parent Company.

** Hedged against foreign exchange and interest rate risks using derivative instruments and secured by portions of investment properties located in China (see Note 12)

***Includes loans secured by portions of property and equipment (see Note 11)

Repayment Schedule

The repayment schedule of long-term debt as at March 31, 2026 follows:

	Gross Debt	Debt Issue Cost	Net
<i>(In Millions)</i>			
Within 1 year	₱54,282	₱560	₱53,722
Over 1 year to 5 years	308,372	1,414	306,958
Over 5 years	96,877	156	96,721
	₱459,531	₱2,130	₱457,401

Covenants

The Group's long-term debt is subject to certain covenants, including compliance with specified financial ratios and restrictions on material changes in ownership or control. As at March 31, 2026 and December 31, 2025, the Group is in compliance with all debt covenants.

17. Tenants' Deposits and Others

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Tenants' deposits	₱28,312	₱27,650
Deferred output VAT payable	17,807	18,182
Retention payable	11,691	10,350
Defined benefit liability	5,001	5,052
Customers' deposits	2,105	1,576
Derivative liabilities (Notes 24)	1,316	288
Asset retirement liability	427	421
Others	6,734	8,244
	₱73,393	₱71,763

18. Equity

Capital Stock

a. Common stock

	Number of Shares	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Authorized - ₱10 par value per share	2,790,000,000	2,790,000,000
Issued and subscribed	1,233,154,140	1,233,154,140

As at March 31, 2026 and December 31, 2025, the Parent Company is compliant with the minimum public float as required by the PSE.

In February 2025, the Parent Company issued 7.0 million new SMIC common shares to Intercontinental Development Corporation (ICDC) in exchange for land valued at ₱6.2 billion. This property-for-share swap transaction between the Parent Company and ICDC, a wholly-owned subsidiary, was approved by the BOD in August 2024. The valuation of subject properties was approved by the SEC in February 2025.

The total number of shareholders of the Parent Company is 1,259 and 1,253 as at March 31, 2026 and December 31, 2025, respectively.

b. Redeemable preferred shares

	Number of Shares	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Authorized - ₱10 par value per share	10,000,000	10,000,000

There are no issued and subscribed preferred shares as at March 31, 2026 and December 31, 2025.

Treasury Stock

In February 2025, the BOD approved a share buyback program of up to ₱60.0 billion for the repurchase of the Parent Company's common shares.

For the three-month period ended March 31, 2026, the Parent Company has purchased a total of 3.2 million common shares at an average price of ₱658.82, totaling ₱2.1 billion. As at March 31, 2026 and December 31, 2025, the Parent Company held 14.2 million and 11.0 million treasury shares, respectively.

Additional Paid-in Capital

Additional paid-in capital consists primarily of share premium arising from the issuance of shares in excess of par value and equity adjustments from transactions with non-controlling interests that do not result in loss of control. It also includes other equity reserves recognized directly in equity in accordance with PFRS.

Retained Earnings

- Appropriated

Retained earnings appropriated as at March 31, 2026 is intended for new investments for the years 2026 to 2027.

- Unappropriated

The Parent Company's cash dividend declarations in 2026 and 2025 follow:

Declaration Date	Record Date	Payment Date	Per Share	Total
				<i>(In Millions)</i>
<i>Regular</i>				
April 30, 2025	May 16, 2025	May 29, 2025	₱11.00	₱13,515
<i>Special</i>				
April 30, 2025	May 16, 2025	May 29, 2025	2.00	2,457

On April 29, 2026, the BOD of SMIC at its regular meeting, approved the declaration of cash dividends of ₱17.00 per share in favor of stockholders of record as of May 14, 2026. The cash dividends are payable on May 28, 2026.

Unappropriated retained earnings include the accumulated equity in net earnings of subsidiaries, associates and joint ventures amounting to ₱521.9 billion and ₱513.8 billion as at March 31, 2026 and December 31, 2025, respectively, that is not available for distribution until such time that the Parent Company receives the dividends from the respective subsidiaries, associates and joint ventures.

19. Other Revenues

This account consists of:

	Three-Month Periods Ended	
	March 31	
	2026	2025
	(Unaudited)	(Unaudited)
	<i>(In Millions)</i>	
Shipping, logistics and other services	₱4,902	₱4,740
Sales - processed food and others	4,470	4,131
Cinema and event ticket sales and others	2,367	2,168
Royalty and service fees	1,480	1,936
Food and beverage	800	706
Dividends	276	178
Others	2,876	2,139
	₱17,171	₱15,998

Others include membership revenues, sponsorship income and related items, commission income as well as miscellaneous income from the various business operations of the Group.

20. Related Party Disclosures

Parties are considered related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other in making financial and operating decisions, or if they are subject to common control. The Group has a policy requiring that related party transactions which exceed specified thresholds and/or are not conducted in the ordinary course of business be reviewed and approved by the Related Party Transactions Committee under the BOD.

The significant transactions with related parties follow:

- Rent

The Group has lease agreements for office and commercial spaces with related companies, including entities within the banking group and retail and other entities under common stockholders.

- Royalty and Service Fees

The Parent Company and SM Retail receive service fees from retail entities under common stockholders for management, consultancy, manpower, and other services. The Parent Company also receives royalty fees from certain related parties.

- Dividend Income

The Group earns dividend income from related parties under common stockholders.

- Cash Placements and Loans

The Group maintains bank accounts and cash placements, and has bank loans and other borrowings, with BDO and Chinabank. These accounts earn interest at prevailing market rates.

- Tenants' deposits

The Group holds lease security deposits from related parties for its investment properties. These deposits are refundable upon termination of the lease agreements.

- Others

In the normal course of business, the Group has outstanding receivables from and payables to related companies. These balances are unsecured and are generally settled in cash.

The related party transactions and outstanding balances follow:

	Transaction Amount		Outstanding Amount	
	Three-Month Periods Ended		March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	2026 (Unaudited)	March 31, 2025 (Unaudited)		
<i>(In Millions)</i>				
Banking Group				
Cash placement and investment in marketable securities ^{a, b}	₱–	₱–	₱91,320	₱94,786
Interest receivable	–	–	1	60
Interest income	530	1,005	–	–
Interest-bearing debt ^{a, b}	–	–	57,110	60,490
Interest payable	–	–	267	592
Interest expense	819	925	–	–
Rent receivable	–	–	196	169
Rent income	387	348	–	–
Receivable financed	2,092	–	–	–
Royalty and service fee receivable	–	–	48	10
Royalty and service fee income	49	25	–	–
Escrow fund ^a	–	–	1,101	1,033
Tenants' deposits	–	–	753	734
Retail and Other Entities				
Rent receivable	–	–	346	451
Rent income	816	682	–	–
Rent expense	3	–	–	–
Royalty and service fee receivable	–	–	2,369	1,781
Royalty and service fee income	746	708	–	–
Shipping, logistics and other service income	1	30	–	–
Service fee payable	–	–	1	5
Service fee expense	16	6	–	–
Trade receivable	–	–	–	19
Nontrade receivable	–	–	112	192
Trade payable	–	–	7	3
Nontrade payable	–	–	11	17
Dividends receivable	–	–	852	302
Bonds and deposits	–	–	3	3
Tenants' deposits	–	–	996	949

^a Interest-bearing

^b Partially secured

Terms and Conditions of Transactions with Related Parties

Outstanding balances at end of the period are generally settled in cash. The Group did not recognize any impairment loss on amounts due from related parties.

21. Income Tax

Deferred tax assets of ₱5.5 billion and ₱5.4 billion as at March 31, 2026 and December 31, 2025, respectively, consist of the tax effects of unrealized gain on intercompany sale of investment properties, unamortized past service cost and defined benefit liability, provision for doubtful accounts and others, accrued leases, minimum corporate income tax (MCIT), deferred rent expense and net operating loss carryover (NOLCO).

Deferred tax liabilities of ₱21.0 billion and ₱21.1 billion as at March 31, 2026 and December 31, 2025, respectively, consist of the tax effects of appraisal increment on investment property and property and equipment, trademarks and brand names, capitalized interest, unrealized gross profit on sales of real estate, accrued/deferred rent income and unamortized past service cost and defined benefit asset. The disproportionate relationship between income before income tax and the provision for income tax is due to various factors such as interest income already subjected to final tax, non-deductible interest expense, equity in net earnings of associates, and dividend income that are exempt from tax.

22. Lease Agreements

As Lessor. The Group's lease agreements with tenants generally have terms ranging from one to twenty-five years. Upon inception of the lease, tenants are required to pay security deposits. Tenants also pay a fixed monthly rent based on a specified rate per square meter of leased area. Certain tenants pay the higher of a fixed monthly rent or a percentage of gross sales.

As Lessee. The Group leases parcels of land on which certain malls are located, as well as retail store and office spaces, warehouses, containers, reefer vans, ISO tanks, cargo handling equipment, transportation equipment, and container yards. Lease terms range from one to fifty years and are generally renewable for the same period under similar terms and conditions. Rental payments are typically based on a fixed amount or a percentage of gross rental income, whichever is higher.

There are also non-cancellable operating lease commitments with terms ranging from two to thirty years, most of which include renewal options and provisions for additional rent based on a percentage of sub-lessees' sales.

The rollforward analysis of ROU assets follows:

March 31, 2026 (Unaudited)			
	Land Use Rights	Retail Stores, Office Spaces, Warehouses and Others	Total
	<i>(In Millions)</i>		
Cost			
As at beginning of year	₱33,243	₱36,455	₱69,698
Additions	–	626	626
Translation adjustment	901	–	901
Reclassifications	–	2,227	2,227
Retirements and terminations	–	(2,146)	(2,146)
As at end of year	34,144	37,162	71,306
Accumulated Depreciation and Amortization			
As at beginning of year	4,650	13,346	17,996
Depreciation and amortization	217	861	1,078
Translation adjustment	68	–	68
Reclassifications	–	2,170	2,170
Retirements and terminations	–	(1,893)	(1,893)
As at end of year	4,935	14,484	19,419
Net Book Value	₱29,209	₱22,678	₱51,887

December 31, 2025 (Audited)			
	Land Use Rights	Retail Stores, Office Spaces, Warehouses and Others	Total
	<i>(In Millions)</i>		
Cost			
As at beginning of year	₱32,552	₱34,717	₱67,269
Additions	3	6,452	6,455
Translation adjustment	1,152	–	1,152
Reclassifications	–	(735)	(735)
Retirements and terminations	(464)	(3,979)	(4,443)
As at end of year	33,243	36,455	69,698
Accumulated Depreciation and Amortization			
As at beginning of year	3,859	14,225	18,084
Depreciation and amortization	779	3,438	4,217
Translation adjustment	81	–	81
Reclassifications	–	(570)	(570)
Retirements and terminations	(69)	(3,747)	(3,816)
As at end of year	4,650	13,346	17,996
Net Book Value	₱28,593	₱23,109	₱51,702

The rollforward analysis of lease liabilities follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
As at beginning of year	₱38,549	₱36,388
Additions	626	6,455
Interest expense	558	2,199
Terminations	(361)	(913)
Payments	(1,389)	(5,466)
Reclassification and others	80	(114)
As at end of year	38,063	38,549
Less current portion (Note 15)	3,226	3,377
Noncurrent portion	₱34,837	₱35,172

The Group has lease contracts that include extension and termination options, negotiated to provide flexibility in managing its leased asset portfolio.

Management applies significant judgment in assessing whether these extension and termination options are reasonably certain to be exercised.

Lease deposits received from tenants, amounting to ₱30.4 billion and ₱29.2 billion as at March 31, 2026 and December 31, 2025, respectively, are presented under “Tenants’ deposits and others” in the consolidated balance sheets.

23. Financial Risk Management Objectives and Policies

The main risks arising from the Group’s financial instruments follow:

- *Interest rate risk.* Fixed-rate instruments are subject to fair value interest rate risk, while floating-rate instruments are subject to cash flow risk arising from changes in interest rates. Floating-rate instruments are typically repriced every three or six months.
- *Foreign currency risk.* The Group is exposed to foreign currency risk as the Parent Company and SM Prime have significant investments and debt that are denominated in U.S. dollars (USD) and Renminbi (RMB/CNY).
- *Liquidity risk.* The risk that the Group may encounter difficulties in raising funds to meet commitments arising from financial instruments.
- *Credit risk.* The risk of loss if a counterparty fails to meet its contractual obligations.
- *Equity price risk.* Exposure arises from investments in quoted equity shares classified as equity investments at FVOCI in the consolidated statements of financial position; values are affected by movements in equity indices and individual stock prices.

The Board is apprised of the Group’s risks as part of the Group Risk Management Strategy. Treasury and risk policies are set and implemented by management.

Interest Rate Risk

The Group's exposure to changes in interest rates relates primarily to its long-term borrowings (see Note 16). The Group follows a conservative funding strategy, preferring longer-tenor funding and aiming for a stable mix of fixed and variable rates aligned with its underlying cash flows. To achieve this, the Group uses interest rate and cross-currency swaps that exchange fixed and floating interest payments at set intervals. These derivatives are designated as cash flow hedges of the related borrowings. The Group also uses a rollover approach for certain currency forwards, replacing contracts that mature before the related exposure to maintain coverage.

As at March 31, 2026 and December 31, 2025, after considering the effect of the swaps, approximately 68.9% and 61.3%, respectively of the Group's borrowings, net of debt issue cost, is kept at fixed interest rates.

Foreign Currency Risk

The Group aims to reduce foreign currency risk through on-balance sheet hedges and the use of derivatives, including cross-currency swaps, foreign currency call options, and non-deliverable forwards. The Group's foreign currency-denominated financial assets and liabilities, and their Peso equivalents, are presented below.

As at March 31, 2026, the Group's foreign currency-denominated assets and liabilities amounted to ₱0.8 billion (\$13.5 million) and ₱0.2 billion (\$3.2 million), respectively.

As at December 31, 2025, the Group's foreign currency-denominated assets and liabilities amounted to ₱0.4 billion (\$6.0 million) and ₱0.1 billion (\$2.0 million), respectively.

As at March 31, 2026 and December 31, 2025, approximately 20.3% and 26.4%, respectively, of the Group's borrowings, net of debt issue cost, are denominated in foreign currency.

The following exchange rates were used in translating foreign currency-denominated assets and liabilities into Pesos.

	March 31, 2026	December 31, 2025
Philippine Peso to U.S. Dollar	₱60.748	₱58.790

Liquidity Risk

The Group manages its liquidity to ensure adequate funding for capital expenditures and debt service. Financing sources include internally generated funds, proceeds from debt and equity issuances, and, when necessary, the sale of assets.

The Group regularly evaluates projected and actual cash flows and assesses market conditions to identify funding opportunities, including bank loans, export credit agency-guaranteed facilities, bonds, and equity issuances.

Credit Risk

The Group trades only with recognized and creditworthy related parties and third parties. The Group's policy requires customers who wish to trade on credit terms to undergo credit verification. Receivable balances are monitored to keep exposure to bad debts to a minimum. Given the Group's diverse customer base, it is not exposed to significant concentrations of credit risk.

For other financial assets such as cash and cash equivalents, time deposits, and certain derivative instruments, credit risk arises from counterparty default, with a maximum exposure equal to their carrying amounts.

Receivables from sales of real estate have minimal credit risk and are effectively collateralized by the respective units sold since title to the properties is not transferred to buyers until full payment is made.

As at March 31, 2026 and December 31, 2025, financial assets, except certain receivables, are generally viewed by management as good and collectible considering counterparties' credit history. Past due or impaired financial assets are not significant in relation to the Group's total financial assets.

Equity Price Risk

Management closely monitors the equity investments in the Group's portfolio. Material positions are managed on an individual basis, and all buy and sell decisions are approved by management.

Capital Management

The primary objectives of the Group's capital management are to maintain a strong credit rating and healthy capital ratios, to support the business, and to maximize shareholder value.

The Group manages its capital structure and makes appropriate adjustments as economic conditions change; actions may include adjusting dividend payments to shareholders, securing new and/or repaying existing debts, returning capital to shareholders, or issuing new shares.

The Group monitors its capital gearing by maintaining its net interest-bearing debt at no higher than 50% of the sum of net debt and equity.

The Group's gearing ratios follow:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Gross	35%	35%
Net	30%	30%

24. Financial Instruments

The Group's financial assets and liabilities by category and by class, except for those with carrying amounts that are reasonable approximations of fair values, follow:

	March 31, 2026 (Unaudited)				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(In Millions)</i>					
Assets Measured at Fair Value					
Financial assets at FVOCI					
Listed shares of stock	P21,050	P21,050	P21,050	P-	P-
Unlisted shares of stock	5,481	5,481	-	-	5,481
Club shares	29	29	-	29	-
Derivative assets	3,933	3,933	-	3,933	-
	<u>30,493</u>	<u>30,493</u>	<u>21,050</u>	<u>3,962</u>	<u>5,481</u>
Assets for which Fair Values are Disclosed					
Time deposits - noncurrent portion	1,964	1,980	-	1,980	-
	<u>P32,457</u>	<u>P32,473</u>	<u>P21,050</u>	<u>P5,942</u>	<u>P5,481</u>

March 31, 2026 (Unaudited)					
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In Millions)					
Liabilities Measured at Fair Value					
Derivative liabilities	₱1,346	₱1,346	₱-	₱1,346	₱-
Liabilities for which Fair Values are Disclosed					
Long-term debt (noncurrent portion and net of unamortized debt issue cost)	403,679	392,516	-	-	392,516
Tenants' deposits and others*	40,004	38,696	-	-	38,696
	443,683	431,212	-	-	431,212
	₱445,029	₱432,558	₱-	₱1,346	₱431,212

*Excluding nonfinancial liabilities of ₱32.1 billion and noncurrent derivative liabilities of ₱1.3 billion.

December 31, 2025 (Audited)					
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In Millions)					
Assets Measured at Fair Value					
Financial assets at FVOCI					
Listed shares of stock	₱20,741	₱20,741	₱20,741	₱-	₱-
Unlisted shares of stock	3,622	3,622	-	-	3,622
Club shares	30	30	-	30	-
Derivative assets	4,710	4,710	-	4,710	-
	29,103	29,103	20,741	4,740	3,622
Assets for which Fair Values are Disclosed					
Time deposits - noncurrent portion	4,178	4,232	-	4,232	-
	₱33,281	₱33,335	₱20,741	₱8,972	₱3,622
Liabilities Measured at Fair Value					
Derivative liabilities	₱401	₱401	₱-	₱401	₱-
Liabilities for which Fair Values are Disclosed					
Long-term debt (noncurrent portion and net of unamortized debt issue cost)	390,839	387,236	-	-	387,236
Tenants' deposits and others*	38,000	37,744	-	-	37,744
	428,839	424,980	-	-	424,980
	₱429,240	₱425,381	₱-	₱401	₱424,980

*Excluding nonfinancial liabilities of ₱33.5 billion and noncurrent derivative liabilities of ₱288.3 million.

There were no transfers into and out of Levels 1, 2 and 3 fair value measurements as at March 31, 2026 and December 31, 2025.

Long-term Debt. The fair value of long-term debt is estimated based on the following assumptions:

Debt	Fair Value Assumptions
Fixed Rate	Estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Discount rates used is based on the prevailing market rate as at March 31, 2026 and December 31, 2025.
Variable Rate	For variable rate loans that re-price every three months, the carrying amount approximates the fair value because of recent and regular repricing based on current market rates. For variable rate loans that re-price every six months, the fair value is determined by discounting the principal amount plus the next interest payment amount using the prevailing market rate for the period up to the next repricing date. Discount rates used were 7.2% to 8.7% and 7.9% to 8.2% as at March 31, 2026 and December 31, 2025, respectively.

Derivative Instruments. The fair values are based on quotes obtained from counterparties. The rollforward analysis of the fair value changes of derivative instruments follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Millions)</i>	
Balance at beginning of year	₱4,309	₱5,222
Net changes in fair value*	1,105	(252)
Fair value on settled derivatives	(2,827)	(661)
	₱2,587	₱4,309

* Includes fair value changes in OCI.

25. EPS Computation

	Three-Month Periods Ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
	<i>(In Millions Except Per Share Data)</i>	
Net income attributable to owners of the Parent Company (a)	₱21,513	₱20,055
Weighted average number of common shares outstanding (b)	1,214	1,222
Basic/Diluted EPS (a/b)	₱17.72	₱16.41

PART I FINANCIAL INFORMATION

Item 2. Aging of Accounts Receivable - Trade

As of March 31, 2026 (Unaudited)

In Millions

Sales of real estate - current	₱	72,628
Rent from third-party tenants		10,550
Shipping and logistics		3,714
Rent from related party tenants		542
Others		4,549
Total	₱	<u>91,983</u>

Aging:

Neither past due nor impaired	₱	74,751
Less than 30 days		3,737
31-90 days		2,952
91-120 days		1,361
Over 120 days		5,889
Impaired		3,293
Total	₱	<u>91,983</u>

PART 1 FINANCIAL INFORMATION

Management's Discussion and Analysis or Plan of Operation

Results of Operation

For the Three Months Ended March 31, 2026 and 2025

(amounts in billion pesos)

	YTD March		
	2026 (Unaudited)	2025 (Unaudited)	% Change
Revenues	₱ 159.4	₱ 152.0	4.9%
Costs and Expenses	121.0	115.9	4.3%
Operating Income	38.4	36.1	6.5%
Other Charges	5.1	4.5	13.2%
Provision for Income Tax	4.1	3.9	4.4%
Net Income After Tax	29.2	27.7	5.7%
Non-controlling Interests	7.7	7.6	1.7%
Net Income Attributable to Owners of the Parent	₱ 21.5	₱ 20.1	7.3%

The Group reported ₱21.5 billion *Net Income Attributable to Owners of the Parent* on ₱159.4 billion *Revenues*.

Operating segment contributions to consolidated revenues and net income are as follows:

	Revenues		Net Income	
	YTD Mar-26	YTD Mar-25	YTD Mar-26	YTD Mar-25
Retail	66%	66%	15%	14%
Property	20%	20%	28%	29%
Banks	7%	7%	49%	51%
Portfolio	7%	7%	8%	6%

Retail

SM Retail reported *Net income* of ₱4.1 billion on *Revenues* of ₱106.0 billion, up 6% and 13%, respectively, from 2025. Margin expansion across formats resulted from improved management of store promotions and discounts, as well as cost efficiencies.

SM Stores reported *Sales* of ₱23.1 billion, 4% higher than 2025, mainly from kids and fashion categories. and supported by seasonal, including graduation-related spending.

Food Stores reported *Sales* of ₱64.5 billion, up 7% from 2025, supported by volume growth and higher basket sizes, partly reflecting advanced purchases in March ahead of anticipated price increases arising from geopolitical tensions in the Middle East. SM Markets sales grew 5% to ₱44.6 billion, and WalterMart and Alfamart each grew 10% to ₱10.1 billion and ₱9.7 billion, respectively.

Specialty Stores reported *Sales* of ₱21.2 billion, up 3% from 2025, mainly from health, beauty and fashion categories.

Property

SM Prime reported *Net income* of ₱11.7 billion on *Revenues* of ₱33.3 billion.

Malls reported *Net income* of ₱8.8 billion on *Revenues* of ₱20.4 billion, 12% and 8% higher than 2025, respectively, supported by high occupancy and sustained consumer interest in experiential offerings. Malls accounted for 61% of consolidated revenues.

Real estate sales declined 16% as revenue recognition from prior-year sales moderated and cancellations affected booked revenues. No new project was launched in 1Q-26. Residential accounted for 25% of consolidated revenues.

Banking

BDO reported *Net income* of ₱20.1 billion, 2% higher than 2025, supported by growth across its core businesses. *Net interest income* increased 11% to ₱53.0 billion on strong loan growth. Provisions rose to ₱6.2 billion from ₱3.0 billion in 2025. Asset quality remained stable with non-performing loan (NPL) ratio at 1.7% and NPL coverage at 132%.

Chinabank reported *Net income* of ₱6.8 billion, 4% higher than 2025. *Net interest income* increased 14% to ₱19.5 billion, driven by loan growth and net interest margin expansion. Provisions increased to ₱0.7 billion from ₱0.3 billion in 2025. Asset quality was stable with NPL ratio at 1.6% and NPL coverage at 110%.

Portfolio Investments

The Portfolio Investments Group's net income contribution increased by ₱0.7 billion this quarter with Atlas contributing ₱0.4 billion, on account of higher copper prices.

Profit & Loss Statement - Account Analysis

Merchandise Sales grew 5.7% to ₱102.6 billion, accounting for 64% of total revenues in 2026, driven mainly by the Food Group's 7% increase to ₱64.5 billion. SM Markets grew 5%, and WalterMart and Alfamart both grew 10%. A total of 64 new stores were opened in 1Q 2026, consisting of 2 SM Markets, 61 Alfamart stores and 1 Mindpro store.

Real Estate Sales decreased to ₱7.8 billion as revenue recognition from prior year sales moderated and cancellations affected booked results.

Rent Revenues, derived mainly from the mall operations of SM Prime, increased 8.1% to ₱19.0 billion on higher mall and office occupancy.

Equity in Net Earnings of Associate Companies and Joint Ventures increased 5.9% to ₱12.8 billion. The increase was driven mainly by Atlas' significant turnaround from losses in 1Q 2025, as well as the banks.

Cost of Sales grew 4.0%, below sales growth, resulting in improved gross margin, particularly on sales of retail merchandise.

Selling, General and Administrative Expenses increased 5.2%, mainly due to operating costs of newly opened malls and retail stores. Excluding expansion-related costs, operating expense growth was kept in check, reflecting effective cost management.

Operating Income increased 6.5% to ₱38.4 billion. *Operating Margin* and *Net Margin* is at 24.1% and 18.3%, respectively.

Other Charges (net) increased 13.2% to ₱5.1 billion. *Interest Income* decreased by ₱520 million to ₱639 million, while *Interest Expense* decreased by ₱441 million to ₱5.3 billion. *Foreign exchange loss – net and others* of ₱467 million includes ₱797 million in derivative losses at settlement due to unfavorable foreign exchange movements.

Financial Position
(amounts in billion pesos)

	03 / 31 / 2026 (Unaudited)	12 / 31 / 2025 (Audited)	% Change
Current Assets	₱ 360.3	₱ 361.4	-0.3%
Noncurrent Assets	1,466.5	1,450.4	1.1%
Total Assets	₱ 1,826.8	₱ 1,811.8	0.8%
Current Liabilities	₱ 320.6	₱ 337.3	-4.9%
Noncurrent Liabilities	532.9	518.9	2.7%
Total Liabilities	853.5	856.2	-0.3%
Total Equity	973.3	955.6	1.8%
Total Liabilities and Equity	₱ 1,826.8	₱ 1,811.8	0.8%

Total *Assets* increased 0.8% to ₱1,826.8 billion while Total *Liabilities* decreased 0.3% to ₱853.5 billion.

Assets

Cash and Cash Equivalents decreased 3.6% to ₱98.2 billion; ₱9.5 billion used for investing activities, and ₱4.8 billion used for financing activities, partly offset by ₱10.6 billion cash generated from operations.

Receivables and Contract Assets decreased 2.2% to ₱92.0 billion, mainly trade receivable from banks for credit card sales, partly offset by the receivable from sales of real estate that have become current.

Inventories increased 6.6% to ₱127.0 billion, mainly Merchandise inventory which increased by ₱6.6 billion to ₱50.4 billion.

Financial assets at FVOCI (current and noncurrent) increased 8.9% to ₱26.6 billion, due to improved market valuation of listed equity securities and the Group's new securities investments.

Investments in Associate Companies and Joint Ventures increased 0.5% to ₱439.3 billion, primarily due to the Group's ₱12.8 billion equity in net earnings of its associate companies, partly offset by dividends received and share in net comprehensive losses.

Time Deposits (current and noncurrent) decreased 72% to ₱2.1 billion. The decline is mainly attributable to matured placements, the proceeds of which were used to support the Group's liquidity and working capital requirements.

Investment Properties increased 2.0% to ₱670.1 billion due mainly to SM Prime's land banking and integrated property developments, new mall and commercial projects, and redevelopment and expansion of existing malls.

Liabilities

Interest-bearing Debt increased 0.7% to ₱515.0 billion, mainly a net debt availment of ₱3.5 billion by SM Prime.

Accounts Payable and Other Current Liabilities decreased 4.2% to ₱204.0 billion due mainly to settlement of trade liabilities.

Tenants' Deposits and Others increased 2.3% to ₱73.4 billion. This account includes the deferred output VAT related to sales of residential projects, deposits from residential buyers and tenants of new malls and office buildings, and derivative liabilities.

Equity

Total *Equity* increased 1.8% to ₱973.3 billion.

Equity Attributable to Owners of the Parent increased 2.0% to ₱708.9 billion due mainly to the ₱21.5 billion addition in Retained Earnings representing the net income for the period.

Non-controlling Interests increased 1.5% to ₱264.4 billion representing the increase in net assets of subsidiaries that are not wholly owned.

The Group has no known direct or contingent financial obligation that is material to the Group operations, including any default or acceleration of an obligation. The Group has no off-balance sheet transactions, arrangements, and obligations during the reporting year and as of the balance sheet date.

There are no known trends, events, material changes, seasonal aspects, or uncertainties that are expected to affect the Group's continuing operations.

Key Performance Indicators

The key financial ratios of the Group follow:

	03 / 31 / 2026 (Unaudited)	12 / 31 / 2025 (Audited)
Current Ratio	1.1	1.1
Acid Test Ratio	0.6	0.6
Solvency Ratio	18.0%	17.7%
Asset to Equity	1.9	1.9
Debt - Equity Ratios:		
On Gross Basis	35 : 65	35 : 65
On Net Basis	30 : 70	30 : 70
Return on Equity	13.5%	13.5%
Return on Assets	7.0%	7.1%

	Unaudited YTD March	
	2026	2025
Revenue Growth	4.9%	5.8%
Net Margin	18.3%	18.2%
Net Income Growth	7.3%	9.0%
EBITDA (<i>In Billions of Pesos</i>)	45.5B	42.7B
Interest Cover	8.6x	7.5x

The manner by which the Group calculates the foregoing indicators is as follows:

	<u>03/31/2026 (Unaudited)</u>		<u>12/31/2025 (Audited)</u>
	<i>(in million pesos)</i>		<i>(in million pesos)</i>
1. Current Ratio			
Current Assets	360,287	1.1 : 1	361,402
Current Liabilities	320,597		337,254
2. Acid Test Ratio			
Current Assets less Inventories and Other Current Assets	190,996	0.6 : 1	199,880
Current Liabilities	320,597		337,254
3. Solvency Ratio			
Net Income After Tax (Annualized) + Depreciation and Amortization (Annualized)	153,496	18.0%	151,469
Total Liabilities	853,517		856,166
4. Asset to Equity Ratio			
Total Assets	1,826,789	1.9	1,811,801
Total Equity	973,272		955,635
5. Debt - Equity Ratio			
a. Gross Basis			
Total Interest-Bearing Debt	514,996	35 : 65	511,459
Total Equity + Total Interest-Bearing Debt	1,488,268		1,467,094
b. Net Basis			
Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits	416,419	30 : 70	404,275
Total Equity + Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits,	1,389,691		1,359,910
6. Return on Equity			
Net Income Attributable to Owners of the Parent (Annualized)	91,940	13.5%	90,482
Average Equity Attributable to Owners of the Parent	683,136		667,859
7. Return on Assets			
Net Income After Tax (Annualized)	125,355	7.0%	123,772
Average Assets	1,781,609		1,753,835

YTD March 2026 Management's Discussion and Analysis or Plan of Operation

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	Unaudited YTD March 2026		Unaudited YTD March 2025	
	<i>(In million pesos)</i>		<i>(In million pesos)</i>	
8. Revenue Growth	Total Revenues (Current Period) -1	159,405	152,014	-1
	Total Revenues (Prior Period)	152,014	143,720	5.8%
9. Net Margin	Net Income After Tax	29,189	27,606	18.3%
	Total Revenues	159,405	152,014	18.2%
10. Net Income Growth	Net Income Attributable to Owners of the Parent (Current Period) -1	21,513	20,055	-1
	Net Income Attributable to Owners of the Parent (Prior Period)	20,055	18,394	9.0%
11. EBITDA	Income from Operations	38,402	36,054	
	Add Depreciation and Amortization	7,091	6,647	
		45,493	42,701	
12. Interest Cover	EBITDA	45,493	42,701	8.6x
	Interest Expense	5,268	5,709	7.5x

Expansion Plans / Prospects in 2026

Over the succeeding quarters of 2026, the Group will continue to pursue expansion initiatives across its core businesses, including retail, property, banking, and portfolio investments.

The retail segment plans to open additional stores across various formats and strengthen its omni-channel capabilities. The property segment intends to proceed with the development and expansion of selected malls and commercial properties, alongside the launch of residential and mixed-use projects in key growth areas. Ongoing asset enhancement initiatives, repairs and maintenance of existing properties, and sustainability-related improvements also remain part of the Group's capital program.

The banking segment is expected to continue expanding its lending portfolio, digital platforms, and branch network, while maintaining prudent risk management practices.

The Group evaluates investments in new business ventures and strategic opportunities as they arise, consistent with its long-term growth objectives and capital allocation framework.


Capital expenditures for 2026 are expected to be funded primarily through internally generated cash flows, supplemented, when appropriate, by borrowings and other capital market issuances.

The Group has no material capital commitments other than those disclosed in the notes to the consolidated financial statements.

PART II - SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **SM INVESTMENTS CORPORATION**

A black rectangular box with a white 'X' drawn across it, used to redact the signature of Franklin C. Gomez.

Franklin C. Gomez
Executive Vice President - Finance
Corporate Information Officer

Date: May 13, 2026

Results of Operation
For the Three Months Ended March 31, 2025 and 2024
(amounts in billion pesos)

	YTD March		
	2025 (Unaudited)	2024 (Unaudited)	% Change
Revenues	₱152.0	₱143.7	5.8%
Cost and Expenses	115.9	110.6	4.9%
Income from Operations	36.1	33.1	8.8%
Other Charges	4.5	4.3	3.7%
Provision for Income Tax	3.9	3.6	11.3%
Net Income After Tax	27.7	25.2	9.4%
Non-controlling Interests	7.6	6.8	10.3%
Net Income Attributable to Owners of the Parent	₱20.1	₱18.4	9.0%

SM Investments Corporation and Subsidiaries (the Group) reported ₱20.1 billion *Net Income Attributable to Owners of the Parent* on ₱152.0 billion *Revenues*.

Following is the contribution of each of the major business segments to the consolidated revenues and net income:

	Revenues		Net Income	
	YTD Mar-25	YTD Mar-24	YTD Mar-25	YTD Mar-24
Retail	66%	65%	14%	12%
Property	20%	21%	29%	29%
Banks	7%	7%	51%	52%
Portfolio	7%	7%	6%	7%

Retail

SM Retail reported ₱3.6 billion Net income on Revenues of P100.3 billion.

Sales grew by 6%. All business segments contributed to this sales growth.

- SM Stores with 6% growth
- Food Stores with 8% growth, mainly contributed by the SM Markets
- Specialty Stores with 7% growth, mainly contributed by Home and Kids categories

Net income increased by 18% with 7% growth in revenues, improved gross margin and controlled operating costs.

Property

SM Prime reported P11.7 billion *Net income* on *Revenues* of ₱32.8 billion, 11% and 7% higher than 2024, respectively.

- Malls reported ₱8.1 billion net income, 13% higher than 2024 and comprising 69% of consolidated net income.
- Residential reported ₱2.1 billion net income, up 4% from 2024.
- Offices and warehouse reported ₱1.2 billion net income, up 15% from 2024.
- Hotels reported ₱362 million net income, up 3% from 2024.

Banking

BDO reported ₱19.7 billion *Net income*, 7% higher than 2024. This is supported by double-digit growth in loans and a solid performance in fee income.

Chinabank reported ₱6.5 billion *Net income*, 10% higher than 2024. Chinabank sustained its momentum from strong core business growth.

Portfolio Investments

Portfolio Investments Group contributed ₱1.1 billion to YTD March 2025 consolidated net income, 38% from NEO, 36% from PGPC, and 11% from Belle.

Profit & Loss Statement - Account Analysis

Merchandise Sales, which increased 6.9% to ₱97.1 billion, accounted for 64% of total revenues in 2025. This is attributable to SM Markets with 6% growth to ₱42.4 billion from its 340 stores and Specialty Stores with 7% growth to ₱20.5 billion.

Real Estate Sales increased 4.9% to ₱9.2 billion from SMDC's various projects including *Calm Residences* in Laguna, *Joy Residences* in Bulacan, *Gold Towers* (residential and offices) in Paranaque, and *Glade Residences* in Iloilo.

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Rent Revenues, derived mainly from the mall operations of SM Prime, increased 8.9% to ₱17.6 billion.

Equity in Net Earnings of Associate Companies and Joint Ventures increased 5.6% to ₱12.1 billion. The increase is mainly with the banks.

Other Revenues decreased 3.2% to ₱16.0 billion, mainly with PGPC due to lower energy prices and GBI representing the sales of Dominos in YTD March 2024.

Cost and Expenses increased 4.9% to ₱116.0 billion. This increase includes the additional cost from newly opened malls and retail stores.

Income from Operations increased 8.8% to ₱36.0 billion. *Operating Margin* and *Net Margin* in 2024 is at 23.7% and 18.2%, respectively.

Other Charges (net) increased 3.7% to ₱4.5 billion, mainly *Interest Expense* which increased 2.9% to ₱5.7 billion, lower *Gain on Disposal of Investments and Properties - Net* of ₱14 million, and lower *Loss from fair value changes on derivatives - net* of ₱73 million.

Provision for Income Tax increased 11.3% to ₱3.9 billion due mainly to higher taxable income in 2025.

Non-controlling Interests increased 10.3% to ₱7.6 billion due mainly to the improved net income of partly-owned subsidiaries.

Financial Position
(amounts in billion pesos)

	03 / 31 / 2025 (Unaudited)	12 / 31 / 2024 (Audited)	% Change
Current Assets	₱372.7	₱383.8	-2.9%
Noncurrent Assets	1,343.0	1,315.3	2.1%
Total Assets	₱1,715.7	₱1,699.1	1.0%
Current Liabilities	₱336.2	₱343.2	-2.0%
Noncurrent Liabilities	488.3	489.5	-0.2%
Total Liabilities	824.5	832.7	-1.0%
Total Equity	891.2	866.4	2.9%
Total Liabilities and Equity	₱1,715.7	₱1,699.1	1.0%

Total *Assets* increased 1.0% to ₱1,715.7 billion while Total *Liabilities* decreased 1.0% to ₱824.5 billion.

Assets

Current Assets decreased 2.9% to ₱372.7 billion.

Cash and Cash Equivalents decreased 8.5% to ₱103.0 billion: ₱9.8 billion cash generated from operations, partly offset by ₱4.7 billion used for financing activities and ₱14.6 billion used for investments in property and equipment, investment properties and others.

Receivables and Contract Assets decreased 5.2% to ₱87.5 billion attributable mainly to receivables from real estate sales and rent receivables.

Inventories increased 4.9% to ₱125.5 billion attributable mainly to Retail's merchandise inventory which increased 8.7% to ₱45.7 billion and Real estate inventory which increased 2.9% to ₱79.2 billion.

Other Current Assets decreased 4.3% to ₱55.8 billion due mainly to collections of receivables from banks for retail sales on credit.

Noncurrent Assets increased 2.1% to ₱1,343.0 billion.

Investments in Associate Companies and Joint Ventures increased 2.6% to ₱409.8 billion. The increase mainly represents the Group's ₱12.1 billion equity in net earnings of its associate companies particularly the banks, partly offset by ₱3.0 billion dividends received.

Investment Properties increased 2.4% to ₱606.9 billion due mainly to SM Prime's land banking and integrated property developments, new mall and commercial projects, and redevelopment and expansion of existing malls.

Other Noncurrent Assets increased 2.1% to ₱149.5 billion representing mainly the increase in noncurrent receivables from real estate sales.

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Liabilities

Interest-bearing Debt was flat at ₱501.0 billion.

Accounts Payable and Other Current Liabilities decreased 5.2% to ₱199.5 billion due mainly to the payment of huge yearend 2024 trade payables of the Retail Group.

Tenants' Deposits and Others increased 1.8% to ₱66.1 billion. This account includes the deferred output VAT related to sales of residential projects, deposits from residential buyers and tenants in new malls and office buildings, and derivative liabilities.

Equity

Total *Equity* increased 2.9% to ₱891.2 billion.

Equity Attributable to Owners of the Parent increased 3.3% to ₱647.8 billion due mainly to the ₱20.1 billion addition in Retained Earnings representing the net income for YTD March 2025.

Non-controlling Interests increased 1.8% to ₱243.4 billion representing the increase in net assets of subsidiaries that are not wholly owned.

The Group has no known direct or contingent financial obligation that is material to the Group operations, including any default or acceleration of an obligation. The Group has no off-balance sheet transactions, arrangements, and obligations during the reporting year and as of the balance sheet date.

There are no known trends, events, material changes, seasonal aspects, or uncertainties that are expected to affect the Group's continuing operations.

Key Performance Indicators

The key financial ratios of the Group follow:

	03 / 31 / 2025 (Unaudited)	12 / 31 / 2024 (Audited)
Current Ratio	1.1	1.1
Acid Test Ratio	0.6	0.6
Solvency Ratio	17.5%	17.0%
Asset to Equity	1.9	2.0
Debt - Equity Ratios:		
On Gross Basis	36 : 64	37 : 63
On Net Basis	31 : 69	31 : 69
Return on Equity	13.6%	13.8%
Return on Assets	7.0%	7.0%

	Unaudited YTD March	
	2025	2024
Revenue Growth	5.8%	3.9%
Net Margin	18.2%	17.6%
Net Income Growth	9.0%	6.3%
EBITDA <i>(In Billions of Pesos)</i>	42.7B	39.4B
Interest Cover	7.5x	7.1x

Solvency Ratio improved to 17.5% due to the 1.9% increase in *Net Income After Tax* and depreciation vs. 1.0% decrease in *Total Liabilities*.

Gross Debt - Equity Ratio improved to 36:64 due to flat gross debt vs. 2.9% increase in equity.

The 2025 *Revenue Growth* of 5.8% is comprised of the 6.9% increase in *Merchandise Sales*, 4.9% in *Real estate Sales*, 8.9% increase in *Rent Revenues* and 5.6% increase in *Equity in Net Earnings of Associate Companies and Joint Ventures*.

Net Margin improved to 18.2% with the higher *Net income growth* of 9.0% vs 5.8% *Revenues growth*.

EBITDA increased 8.3% due to the 8.8% increase in income from operations and 5.6% increase in depreciation.

Interest Cover improved to 7.5x due to the 8.3% increase in EBITDA vs. 2.9% increase in interest expense.

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The manner by which the Group calculates the foregoing indicators is as follows:

1. Current Ratio $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2. Acid Test Ratio $\frac{\text{Current Assets less Inventories and Other Current Assets}}{\text{Current Liabilities}}$
3. Solvency Ratio $\frac{\text{Net Income After Tax (Annualized) + Depreciation and Amortization (Annualized)}}{\text{Total Liabilities}}$
4. Asset to Equity Ratio $\frac{\text{Total Assets}}{\text{Total Equity}}$
5. Debt – Equity Ratio
 - a. Gross Basis $\frac{\text{Total Interest-Bearing Debt}}{\text{Total Equity + Total Interest-Bearing Debt}}$
 - b. Net Basis $\frac{\text{Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits, Investment in Bonds}}{\text{Total Equity + Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits, Investments in Bonds}}$
6. Revenue Growth $\frac{\text{Total Revenues (Current Period)} - 1}{\text{Total Revenues (Prior Period)}}$
7. Net Margin $\frac{\text{Net Income After Tax}}{\text{Total Revenues}}$
8. Net Income Growth $\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)} - 1}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}}$
9. Return on Equity $\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to Owners of the Parent}}$
10. Return on Assets $\frac{\text{Net Income after Tax}}{\text{Total Assets}}$
11. EBITDA Income from Operations + Depreciation & Amortization
12. Interest Cover $\frac{\text{EBITDA}}{\text{Interest Expense}}$

Expansion Plans / Prospects in 2025

In 2025, SM Prime plans to invest ₱100 billion for the construction and/or expansion of malls, development of integrated communities including commercial properties, as well as repairs and maintenance of existing property and equipment and investment properties.

SM Retail would continue with the opening of new stores as well as store refresh and improvement.

Investments in new business ventures would be pursued as opportunities arise.

The above expenditures will be funded with cash generated from operations and other capital raising initiatives such as bond issuance and debt availments.

The Group has no material commitments for capital expenditures other than those disclosed in Note 13 for Investment Properties.