COVER SHEET
For

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

					1	4	7	2	1	2

COMPANY NAME

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

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

ICTSI ADMINISTRATION BUILDING, MANILA INTERNATIONAL CONTAINER TERMINAL SOUTH ACCESS ROAD, MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@ictsi.com	8245-4101	09285031362

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,335	04/15	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Arlyn L. McDonald	alacanienta@ictsi.com	8245-4101	09178454608

CONTACT PERSON's ADDRESS

3F ICTSI Administration Building, Manila International Container Terminal South Access Road, Manila

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.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **DECEMBER 31, 2025**

2. SEC Identification No: **147212**

3. BIR Tax Identification No.: **000-323-228**

4. Exact name of issuer as specified in its charter:
   INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.

5. Province, Country or other jurisdiction of incorporation: **Philippines**

6. Industry Classification Code: __________(SEC Use Only)

7. Address of principal office: **ICTSI Administration Building, MICT South Access Road, Manila**
   Postal Code**: 1012**

8. Issuer's telephone number, including area code: **(632) 8245-4101**

9. Former name, former address, and former fiscal year, if changed since last report: **Not applicable**

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the Revised Securities Act:

Title of Each Class	Number of Shares of Common Stock Outstanding as at March 3, 2026
Common Stock	**2,020,953,945**

Amount of consolidated debt outstanding as at December 31, 2025: US$3,151.4 million

11. Common Stocks are listed in the **Philippine Stock Exchange**.

12. Check whether the Issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder and Sections 25 and 177 of the Revised 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 [**x**] No [ ]

(b) has been subject to such filing for the past 90 days.

Yes [**x**] No [ ]

13. The aggregate market value as at March 3, 2026 of the voting stock held by non-affiliates is about ₱1.4 trillion (US$24.3 billion), based on average price of ICTSI common shares as at March 3, 2026.

International Container Terminal Services, Inc.

SEC FORM 17-A

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

1.1 Business Development

International Container Terminal Services, Inc. ("ICTSI" or, "the Company" or, "the Parent Company") was incorporated on December 24, 1987 in connection with the public bidding to operate, manage and develop the Manila International Container Terminal (MICT), which handles international container cargo at the Port of Manila.

In May 1988, the Philippine Ports Authority (PPA) awarded to ICTSI a concession to be the exclusive operator of MICT for a period of 25 years. ICTSI started operating MICT on June 12, 1988. On March 23, 1992, ICTSI's common shares were listed with the Philippine Stock Exchange following the initial public offering of its shares at an issue price of ₱6.70 per share.

ICTSI's concession contract for MICT (MICT Contract) was extended for another 25 years up to May 18, 2038, upon completion of agreed additional investments in port equipment and infrastructures, payment of upfront fees, and turnover and execution of Deed of Transfer of port facilities and equipment used at MICT and part of committed investment under the original concession agreement, among others.

Significant changes to the Group's business during the last three years are summarized below:

Melbourne, Australia. In February 2026, Victoria International Container Terminal (VICT), and Port of Melbourne Operations Pty Ltd. signed an extension of its contract to operate and manage the Webb Dock East terminal located in the Port of Melbourne for another twenty-six (26) years extending the contract expiry from 2040 to 2066. The effective date of this agreement is subject to usual conditions precedent applicable to this kind of transaction.

Port of Durban, South Africa. In December 2025, Transnet SOC Ltd. (Transnet), a South African Government State-owned Company, signed an agreement with ICTSI for a 25-year joint venture to operate and further develop Durban Container Terminal Pier 2 (DCT2) at the Port of Durban. The Group took over the operations of Durban Gateway Terminal (Pty) Ltd. (DGT), the company that will operate DCT2, on January 1, 2026.

Zambales, Philippines. On October 3, 2025, Subic Bay International Terminal Corp. and ICTSI Subic Inc., subsidiaries of ICTSI, have been granted an extension of their respective concessions by the Subic Bay Metropolitan Authority. These extensions will allow the continued operation and management of New Container Terminals 1 and 2 (NCT-1 and NCT-2) in Subic Bay Freeport Zone, Zambales until 2058.

Batu Ampar Container Terminal, Indonesia. On July 31, 2025, ICTSI, through its 75% owned subsidiary, PT Batu Ampar Container Terminal (BACT), signed an agreement with PT Batam Terminal Petikamas (BTP), a subsidiary of an Indonesian Government State-owned Entity (SOE), to operate and develop Batu Ampar Container Terminal (Batam Terminal) in Batam Island for 30 years. On September 1, 2025, BACT took over the operations of Batam Terminal.

Port of Kribi, Cameroon. In January 2025, the Port Authority of Kribi agreed to extend the concession agreement for the development, operation and maintenance activities of the multipurpose terminal at the Port of Kribi by Kribi Multipurpose Terminal (KMT) for another five (5) years. The amended agreement will expire in 2050.

Mindanao Container Terminal, Philippines. In December 2024, Mindanao International Container Terminal Services, Inc. (MICTSI) was granted by PHIVIDEC Industrial Authority an extension of its concession term to operate and manage the Mindanao Container Terminal for another 25 years, from 2033 to 2058.

Tanjung Pakis Lamongan Public Terminal, East Java, Indonesia. On December 17, 2024, PT East Java Development was granted by PT Lamongan Integrated Shorebase an extension of its concession term to operate the multi-purpose terminal in Lamongan Regency, East Java, Indonesia for additional seven years or until December 31, 2072.

Iloilo Commercial Port Complex (ICPC), Philippines. In January 2024, the PPA has awarded to ICTSI the 25-year contract to develop and operate the ICPC. In April 2024, the Group received from the PPA the notice to proceed and the 25-year ICPC port management contract was entered between ICTSI and PPA on the same date.

Jakarta, Indonesia. On January 22, 2024, ICTSI, through its wholly owned subsidiary, ICTSI Far East Pte. Ltd. (IFEL), signed a Conditional Share Sale and Purchase Agreement with PT Sarana Kelola Investa in connection with the sale of 80.19% shares of PT ICTSI Jasa Prima Tbk (IJP) for US$2.0 million, the Company's listed subsidiary in Indonesia which owns PT PBM Olah Jasa Andal (OJA), which in turn has an equipment supply cooperation agreement with PT Pelabuhan Indonesia II (Pelindo II) at the Port of Tanjung Priok in Jakarta, Indonesia. The sale of IJP shares closed on February 1, 2024 and resulted to a loss on sale of IJP and OJA amounting to US$1.6 million.

Armazéns Gerais Sul das Gerais S.A. (CLIA Pouso Alegre), Minas Gerais, Brazil. On September 5, 2023, ICTSI through its newly incorporated wholly-owned subsidiary in Brazil – Rio Logística e Participações Ltda, completed the acquisition of 60% ownership in CLIA Pouso Alegre, an Integrated Customs Logistics Center entity located in the state of Minas Gerais, Brazil.

CLIA Pouso Alegre operates as a bonded facility, providing various integrated logistics services such as storage and transportation of bonded cargo and pharmaceutical inputs.

IRB Logistica S.A., Rio de Janeiro and Barra Mansa, Brazil. In July 2023, as part of the iTracker Project – a new logistics and warehousing operation created by virtue of a definitive agreement with a local Brazilian logistic operator – Tracker Logistica, IRB Holding Ltda (IRB Holding) acquired 70% stake in iTracker Logistica Inteligente Ltda (iTracker) through offsetting of advances, for a consideration of US$2.7 million.

South Cotabato, Philippines. On February 20, 2006, the PPA granted South Cotabato Integrated Port Services, Inc. (SCIPSI) a ten-year contract for the exclusive management and operation of arrastre, stevedoring, and other cargo handling services, except porterage, at Makar Wharf, Port of General Santos, General Santos City in the Philippines that expired on February 19, 2016. Thereafter, the PPA granted SCIPSI a series of Hold-over-Authority (HOA) on a temporary basis over the cargo handling services at Makar Wharf, Port of General Santos. SCIPSI has been granted a new HOA that is valid for 12 months starting from January 1, 2024. The HOA may be pre-terminated upon the award of a new contract by the PPA or revoked for a reason by the PPA. As at March 4, 2026, SCIPSI continues to operate and has submitted the letter of intent including the requirements for the issuance of a new HOA.

Port of Karachi, Pakistan. In June 2023, ICTSI was informed by Karachi Port Trust (KPT) that Pakistan International Container Terminal Ltd. (PICT)'s container terminal concession in Karachi, Pakistan will revert to the port authority effective June 18, 2023, as a result of the expiration of the concession contract. Thereafter, PICT has fully transitioned the terminal operations to the new port operator.

Port of Sudan. Pursuant to the Concession Agreement for the operation, management and development of South Port Container Terminal (SPCT) at Port of Sudan, ICTSI paid an initial installment of upfront fee of EUR410.0 million (US$470.2 million) on January 13, 2019.

Due to the ongoing political instability in the Republic of the Sudan and the failure of the Sudanese government to turn over SPCT on or before April 7, 2019, the Ministry of Finance and Economic Planning of the Republic of the Sudan sent to ICTSI a total of EUR223.5 million (US$250.4 million) as partial repayment of the Upfront Fee under the terms of the Refund Bond.

ICTSI strived to reach out to the Sudanese Government but failed to have a productive discussion since the Sudan war broke out in April 2023.

Notwithstanding the prudence in the accounting impairment charge of US$154.7 million in 2023, representing full impairment of the remaining balance of the Upfront Fee and other noncurrent as at December 31, 2023, ICTSI will continue to pursue the Sudanese government on the remaining balance of the Upfront Fee under the terms of the Refund Bond and the UK High Court ruling in favor of ICTSI.

Port of Makassar, Indonesia. The extended term of the cooperation agreement between PT Makassar Terminal Services (MTS) and PT Pelabuhan Indonesia IV (Pelindo IV) for the procurement, installation and operation of container loading and unloading equipment at the Makassar Port Container Terminal, South Sulawesi, Indonesia expired on January 31, 2023. The parties mutually agreed not to renew the cooperation agreement. Immediately thereafter, MTS ceased its operations at the Makassar Port Container Terminal.

1.2 Business of Issuer

Overview

ICTSI is a leading developer, manager and operator of common user origin and destination container terminals serving the global container shipping industry. ICTSI operates in six continents and continues to pursue container terminal opportunities around the world. As at March 4, 2026, the Group is involved in 34 terminal operations, including concessions and port development projects in 20 countries worldwide. There are 10 terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), four (4) in Brazil (including an intermodal rail ramp terminal and a Customs-bonded facility), two (2) each in Papua New Guinea (PNG) and Indonesia; and one (1) each in China, Ecuador, Poland, Georgia, Madagascar, Croatia, Honduras, Mexico, Iraq, Argentina, Democratic Republic (DR) of the Congo, Colombia, Australia, Cameroon, Nigeria and South Africa. In 2023, 2024 and 2025, the Group handled consolidated throughput of 12,749,214 TEUs, 13,066,949 TEUs and 14,501,189 TEUs, respectively.

The Group provides different services in each of the ports operated based on the nature of business and industry of the country of operations and the general needs of customers including shipping lines, cargo owners and port users. The Group primarily handles international containerized cargoes, which include cargoes shipped in containers for international import or export. The Group's customer base mainly includes shipping lines and cargo owners. The Group also provides a number of ancillary services such as storage, container stripping and stuffing, inspection, weighing, and services for refrigerated containers or reefers, as well as roll-on/roll-off and anchorage services to non-containerized cargoes or general cargoes on a limited basis.

These services fall into three general categories:

On-vessel. This refers to all work performed on board a ship. This includes the loading and unloading of cargoes, rigging gears, opening and closing hatches, securing cargo stored on board, and shifting cargo to and from vessels;

Off-vessel. This refers to the services involved in moving containers from container yards to the gate. This includes the receiving, handling, checking and delivery of containers over piers, wharves, transit sheds, warehouses and open storage areas, and the transfer of containers from the consignee's transportation unit; and

Other Services. At some terminals, maintenance services to ships that are docked in the harbor for which the port operator receives berthing and harbor fees from shipping lines are provided. ICTSI also offers ancillary services relating to its core services, such as container and truck weighing, use of reefer outlets to provide power to refrigerated containers, and extended storage.

The fee structure for the Group's services varies across the terminals it operates based upon local regulations and practices. In some terminals, such as MICT, the Company charges shipping lines fees for on-vessel charges and charges cargo owners separately for off-vessel services. The PPA sets different tariffs for on-vessel and off-vessel services. In other jurisdictions, the Group charges only the shipping lines or the cargo owners who have separate arrangements among themselves. ICTSI mostly charges cargo owners on a cash-on-delivery basis. Containers are not allowed to leave the port facility until actual cash payment has been made and confirmed received. Shipping lines may be granted credit for a limited period, usually up to 30 days. Yet in some jurisdictions, the release order of cargoes should come from the local authority.

The percentage of gross revenues from port operations and net income attributable to equity holders of the parent contributed by foreign terminals or terminals operating outside the Republic of the Philippines for the years ended December 31, 2023, 2024 and 2025, are as follows:

	2023	2024	**2025**
Gross revenues	66.1%	68.8%	**68.5%**
Net income attributable to equity holders of the parent	76.1%	75.3%	**73.5%**

Competition

Some of the terminals in the Group's portfolio are faced with competition as a result of open capacity in the same port community or proximity or duplication in the same supply chain.

ICTSI's main customer base consists of the Shipping Lines and the Beneficial Cargo Owners (BCOs) including 'End Users'. Traditionally, the Shipping Lines have the main buying power in terms of terminal selection. At the same time, there is a growing trend with the BCOs increasing their influence in the supply chain selection of vendors, terminals, and associated land side services. Therefore, the Group is engaging selectively with both parties, with both short- and long-term commitments ensuring we optimize our portfolio and mitigate any dependence on a single or cluster of clients.

Asia

The Manila South Harbor (MSH), operated by Asian Terminals Inc. (ATI) is MICT's main competitor in the international marine container service market in Manila. The PPA's tariffs are applied uniformly to both MICT and MSH. In 2025, MICT has an estimated market share of 68% of the international container traffic in Manila. Other terminals under the ICTSI Group operations in the Philippines are dominant in their respective markets or operate without direct competition in their immediate market.

Victoria International Container Terminal (VICT) has established itself as a major player at the Port of Melbourne and competes with Dubai Ports World (DP World) and Patrick Terminals. The container market is spread rather equally among the three terminal operators in Melbourne. In 2025, VICT handled approximately 40% of the container volume in Melbourne, whereas DP World and Patrick Terminals handled 30% and 30% respectively.

After the Company's acquisition of 51% of Yantai International Container Terminals, Limited (YICT) and divestment of its holdings in Yantai Rising Dragon International Container Terminal, Ltd. (YRDICTL) in July 2014, higher yielding international container cargo in the Port of Yantai has been handled exclusively by YICT. YICT faces competition for international cargo with other ports in the region. Meanwhile, domestic cargo has been handled exclusively by YRDICTL. In November 2020, Yantai Port Holdings (YPH) moved all of its domestic trade services to YICT through an outsourcing agreement, making YICT as the sole terminal operator at the Zhifu Bay Port Area in Yantai, China.

Motukea International Terminal Limited (MITL) in Motukea and South Pacific International Container Terminal Limited (SPICTL) in Lae, are the two main container terminals in Papua New Guinea and operate exclusively within their respective markets in Motukea and Lae, respectively.

BACT has exclusivity for the container port operations in Batam Island. Starting December 15, 2025, BACT exercised its single operator license, taking over existing barge operations by several stevedoring agents.

From its acquisition in 2022, East Java Multipurpose Terminal (EJMT) handles cargoes from barges such as coal and limestone. In October 2024 with the completion of a new deep-water berth, EJMT started handling containerized, bulk and project cargoes. With barge cargo handling still being its primary business in 2025, it competes directly with Maspion Port and two other barge ports in East Java where EJMT captured 54% of the barge operations whereas Maspion Port and the two other ports have 32% and 14% market share, respectively.

Americas

The Group has eight operating terminals in the Americas: Tecon Suape, S.A. (TSSA); Contecon Guayaquil S.A. (CGSA); TecPlata, S.A. (TecPlata); Contecon Manzanillo S.A. (CMSA); Operadora Portuaria Centroamericana, S.A. (OPC); ICTSI Rio; IRB Logistica; and Sociedad Puerto Industrial Aguadulce, S.A. (SPIA; a joint venture).

Ever since the container handling services discontinued at the Port of Recife, TSSA in Suape enjoys limited competition. Other neighboring ports are at least 800 kilometers away. In 2025, TSSA captured 100% market share in the state of Pernambuco while having 38% market share in the Northeastern region of Brazil.

CGSA is located at the Port of Guayaquil, which serves as Ecuador's main international trading gateway. The port is connected to the main terrestrial highways of Ecuador and has good access to other principal cities in the country. CGSA's main competitor at the Port of Guayaquil is Terminal Portuario Guayaquil (TPG), operated by the Chilean company – SAAM, acquired by Hapag Lloyd in 2022. In December 2025, Guayaquil's third container terminal, Naportec, also known as Bananapuerto, was acquired by Terminal Investment Limited Holding S.A., a subsidiary of Mediterranean Shipping Company (MSC). In addition, DP World opened a greenfield container terminal at the Port of Posorja in October 2019, located approximately 120 kilometers from the City of Guayaquil. In 2025, CGSA has an estimated market share of 27% of the traffic at the port while TPG, DP World and Bananapuerto captured 26%, 31% and 16%, respectively.

Due to the rolling concession extensions of the legacy terminals in Buenos Aires, the market continues to enjoy significantly open capacity. It did not help that the political and economic environment of the country remained poor. Under these circumstances, the volume throughput in TecPlata continues to be miniscule.

CMSA's entry into the Manzanillo market was to address the congestion in the port and the competitor's inability to further expand their capacity to absorb the growing demand. In 2025, CMSA has an estimated 40% market share while SSA Mexico S.A. de C.V., Terminal Internacional de Manzanillo, S.A. de C.V. and Operadora de la Cuenca Del Pacifico S.A. de C.V. captured 42%, 9% and 9%, respectively.

Puerto Cortés is the primary gateway for trade in Honduras, with OPC serving as the exclusive operator for both container and general cargo. OPC enjoys a significant competitive advantage due to the limited capacity of its competitors. In 2025, OPC handled approximately 82% of all container traffic in Honduras, while the remaining 18% was distributed among its competitors – Port Castilla in the Atlantic and Port San Lorenzo in the Pacific with 15% and 3% market share, respectively.

ICTSI Rio is located in the port of Rio de Janeiro, Brazil. In 2025, ICTSI Rio captured an estimated market share of 29% whereas two main competitors, MultiRio and Sepetiba Tecon handled 50% and 21%, respectively. MultiRio handles mostly transshipment on behalf of its main shareholder MSC, a global shipping line.

The Port of Buenaventura in Colombia, where SPIA is located, handles approximately 47% of the country's foreign trade. In 2025, SPIA is estimated to have handled 36% of the volume whereas the other two competing terminals, Buenaventura Container Terminal (TCBUEN), operated by a major shipping line, and Buenaventura Regional Port Society (SPRBUN) captured 37% and 27%, respectively.

Europe, Middle East and Africa (EMEA)

The Group has eight operating terminals in the EMEA region: Baltic Container Terminal (BCT); Madagascar International Container Terminal Services, Ltd. (MICTSL); Batumi International Container Terminal LLC (BICTL); Adriatic Gateway Container Terminal (AGCT); ICTSI Iraq; ICTSI Democratic Republic of Congo (IDRC); KMT; and ICTSI Nigeria.

The main competition faced by BCT comes from the adjacent terminal – Gdynia Container Terminal (GCT) operated by another global port operator, Hutchison Port, and Baltic Hub Container Terminal in neighboring Gdansk operated by another global port operator – Port of Singapore (PSA), which commissioned Terminal 3 in April 2025. BCT's market share among the three terminals in 2025 is estimated to be at 15%, whereas BHCT and GCT handled 73% and 12%, respectively.

MICTSL does not have any major competitor in the Madagascar container market.

BICTL's main competition comes from the nearby located port of Poti in Georgia. In 2025, BICTL captured estimated 15% of the market, with Poti Sea Port, operated by a major shipping line, handling the balance.

AGCT is the third largest of the three main container terminals in the northern Adriatic Sea in the Mediterranean catering to the immediate local markets in the area as well as Central and Eastern Europe. In the third quarter of 2025, a new terminal – Rijeka Gateway Terminal (RGW), operated by AP Moller

Maersk Group, was commissioned. In 2025, AGCT captured 18% of the market, whereas Koper, Trieste, and RGW handled 54%, 25% and 3%, respectively.

Since the Group developed its presence in the market, ICTSI Iraq has established itself as Iraq's leading terminal operator in both container and general cargoes. The container terminal competition consists of Basra Multipurpose Terminal (BMT), Gulftainer, and CMA CGM. In 2025, ICTSI Iraq captured 43% of the market whereas BMT, Gulftainer and CMA CGM handled 30%, 17% and 10% of the containerized volume, respectively.

IDRC competes with Office National des Transports et des Ports (ONATRA), and Matadi Corridor Terminaux à Conteneurs (MCTC), a subsidiary of MSC Group which operates a part of ONATRA facilities by virtue of a concession agreement. In 2025, IDRC handled 84% of the container volume at the Port of Matadi in the Democratic Republic of Congo, while MCTC and ONATRA handled 12% and 4%, respectively.

KMT is a general cargo terminal and is facing competition mainly from the traditional ports in the region. In 2025, KMT captured approximately 15% of the non-containerized market, whereas the traditional terminals in Douala captured the rest of the volume.

A number of Gateway Terminals in the Gulf of Guinea cater to the Nigerian and neighboring markets, including some of the central Africa landlocked countries. These include the container terminals in the economic capital of Nigeria itself Lagos, as well as in Onne where ICTSI Nigeria is located in East Nigeria. Additionally, Port Harcourt and Warri both also located in Nigeria, and Cotonou in Benin. ICTSI Nigeria's direct competition in East Nigeria comes from neighboring terminal – West Africa Container Terminal (WACT), operated by APM Terminals. In 2025, OMT secured 46% of the market, whereas WACT handled 54%.

Key Competitive Strengths

The following favorable conditions have allowed ICTSI to remain a strong brand despite the competitive environment:

Global diverse footprint

As a global port operator, ICTSI owns and/or operates ports in 20 countries across three regions namely Asia, the Americas and EMEA (Europe, Middle East & Africa). In 2025, the contribution by region in terms of consolidated volume and gross revenue from port operations for Asia was 53.3% and 41.3%, respectively; 28.7% and 40.4%, respectively, for the Americas; and 18.0% and 18.3%, respectively, for EMEA.

Owing to further consolidation in the container shipping segment, the combined market share of the top 10 container shipping lines increased from 68% in 2014 to more than 86% in 2025. This was mainly a result of mergers and acquisitions within the shipping line industry. Yet, no single customer contributed to more than 10% of the Group's consolidated gross revenues in 2023, 2024 and 2025. The Group's business units are strategically located in mostly emerging markets and serve all the global, as well as most of the major regional container shipping companies. The Group believes that its diversified and global port network mitigates the effect of regional or area-specific economic downturns on its business and results of operations.

Leading market positions in key targeted markets

The Group's major terminals enjoy leading positions in their respective geographic markets. In addition, most of its major terminals are strategically located in emerging markets with strong growth and profit potentials, including Asia, EMEA and Americas. The Group's terminals mainly serve as end-destination ports for distinct markets and cargo catchment areas. The Company believes that its strong market position in the regions where it operates allows it to enhance operating efficiencies and maximize throughput, which increases profitability. The Group dominates in the Philippines, the Brazilian state of Pernambuco, Madagascar, Yantai in China, Honduras, Iraq, DR Congo and Papua New Guinea. At these terminals, there are limited opportunities for competition from other port operators, or ports or terminals within the same port community. This can be among other, due to high barriers to entry. Some of these barriers include the limited number of opportunities for suitable port or terminal sites to serve the same market, government controls and regulations, as well as the usually high terminal construction costs. This means that there are limitations on substitutes for the Group's services, which provides confidence in the Group's ability to price in a way that it can ensure strong margins. The Group's concessions are mostly a result from Government initiatives to privatize the port and terminals in order to enhance the efficiency to facilitate the trade of the respective countries. Many of these ports and terminals are located in emerging markets, which generally exhibit stronger growth than the more developed markets; thus, the Group believes that its leading position in these markets will allow it to directly capture organic growth in line with the economic growth of these markets. Furthermore, all of the Group's concession agreements are long-term agreements that ensure continued benefits from long-term GDP growth trends.

Experienced and dynamic management team

The Group's management team has extensive experience in the container terminal and container shipping sectors. Management structure is decentralized with extensive authority delegated to the regional operating units where management teams are closest to their customers and have the most comprehensive knowledge for the regulatory, labor and other key operating conditions prevailing in their respective jurisdictions. The decentralized structure also allows an agile, lean and flat management team, which reduces administrative burden. Meanwhile, senior management at the corporate level focuses on providing overall strategy, direction and oversight, as well as managing key global functions such as Commercial, Information Technology, Engineering, Treasury and Finance. The Group has strong financial controls over each operating entity through standardized monthly reporting, annual budget process, regular financial and operating audits, and control over external sourcing of funds and capital, insurance coverage and risk management.

Established track record of improving operational efficiency and performance

The Group has made substantial investments in terminal facilities and will continue to invest further to enhance handling capacity and operating efficiency, modernizing information technology systems, and expanding and rehabilitating civil works. The Group also provides its know-how through enhanced training and improved work processes to streamline labor practices and rationalize commercial strategies. The Group has received commendations and recognition for its success in improving cargo handling and assisting in the development of private sector. The Group has been cited by the World Bank for its success in public-private partnerships in South America, Africa and Europe.

Strong and stable cash flows and strong capital structure

The Group believes that terminals provide stable cash flows because of its globally diversified operations and long-term concession agreements, which have an average remaining term of approximately 22 years as at March 4, 2026. In addition, the Group's terminals focus on end-destination cargo, which accounts for substantially all of the Group's consolidated throughput volume. The Group believes that its focus on end-destination cargo limits concentration risk to individual container shipping lines in that if a shipping line that calls at one of its terminals ceases to operate, the cargo intended for that particular destination will simply transfer to another shipping line that is still calling in that terminal. An example of the Group's stable cash flow is that even at the height of the global pandemic, the Group's terminals continued to operate and revenue collections were unhampered as the terminals undertook measures to ensure that the customers are able to settle their invoices. Specifically, ICTSI was able to migrate to 100% online transactions to eliminate face-to-face interactions. As at December 31, 2025, the Group's total indebtedness was US$3,151.4 million and its total indebtedness to total equity ratio (interest-bearing debt over total equity, as shown in the consolidated balance sheet) was 1.27 times, providing head room for future financial leverage. The Group believes that its cash flows and debt structure will provide it with a solid platform to pursue investment opportunities, supported by its active balance sheet management strategies and liability management initiatives which have helped streamline its debt maturity profile and interest payment schedules significantly.

Demonstrated ability to control operating costs

Lastly, the Group has continuously demonstrated its ability to control operating costs effectively, which allows the Group to generate profitable margins in both weak and strong economic environments. Cost containment measures are continuously enforced all throughout the Group. These programs may include process automation, equipment upgrades, migration to online transactions, and projects to improve labor efficiencies. An example is the migration to online transactions for its customers eliminating the need to maintain on-site counters. The Group also moved internal activities online whenever possible which reduced the need for physical meetings and conferences resulting to lower travel-related costs. The Group also leverages on the knowledge and experience sharing across ports to reduce costs and improve processes.

Principal Suppliers

The Group is neither dependent on a single nor a few suppliers, of which the loss of any or more would have a material adverse effect on its operations, nor has existing major supply contracts.

Customers

Consistent with the past strategies, ICTSI's portfolio mainly caters to the gateway markets (both import and export).

Similarly, the Group's customer engagement remained robust, both locally, serving the local communities, as well as internationally ensuring our terminals continued facilitation of global containerized trade without interruption. This is supported by a more digital and efficient journey for the Group's customers, as the Group continues to invest in information technology infrastructure, contributing to a more digital and efficient customer journey and further enhancing the overall customer experience.

Furthermore, the Group maintains terminal service as well as service level agreements with several shipping lines specifying service and performance standards. The Group continues to maintain high-level relationships with its existing and potential customers, as it believes that this engagement is necessary to continually anticipate changes in a very dynamic shipping industry. This ensures alignment with the Group's strategies.

Related Parties

Related party transactions are discussed in Part IV, Item 12 of this report, and in Note 22, *Related Party Transactions*, to the 2025 Annual Audited Consolidated Financial Statements.

Intellectual Property, Licenses, Contracts and Agreements

The "ICTSI" name and logo are registered trademarks with the Intellectual Property Office in the Philippines, and several other jurisdictions through the Madrid Protocol. The Company also possesses copyrights for certain proprietary software systems. The Group sees to it that its rights for the design, source codes, and use of these software systems are secured at all times to ensure continued use and support from vendors.

The Company also entered into global agreements for third party software licenses or services, for the use of the Group. The Company charges royalty fees on an arm's-length basis to certain subsidiaries for the use of the Company's intellectual properties, such as brand and technical know-how, in the subsidiaries' port operations.

Government Regulations and Licenses

The Group's operations are subject to a variety of laws and regulations promulgated by the national and local government of each jurisdiction in which it operates. The Group believes that it is in compliance, in all material aspects, with applicable government regulations in each jurisdiction in which it operates. The Group is not aware of any governmental proceedings or investigations to which it might become a party and which may have a material adverse effect on the Group's properties and operations.

Various governmental and quasi-governmental agencies and regulatory bodies require the holding of certain licenses, concessions and permits with respect to port and port-related operations. For example, the PPA regulates all port operations in the Philippines, except for ports in Misamis Oriental and Subic, which are regulated by PHIVIDEC Industrial Authority and Subic Bay Metropolitan Authority (SBMA), respectively. Services and fees being offered to the port users may be controlled and approved by the respective regulatory agency. Overseas operations are conducted under valid licenses, concessions, permits or certificates granted by the applicable regulatory body in that jurisdiction.

The Group maintains regular dialogue with local government and regulatory authorities through its management teams or representatives in each jurisdiction, to ensure compliance with the requirements and conditions for obtaining and maintaining the aforementioned licenses, concessions, permits or certificates.

As at December 31, 2025, there are no pending requests for government approval for any of the Group's principal activities, except (1) those arising from new or ongoing bids to operate, manage or develop ports, which the Group's Business Development Offices undertake; and (2) application for HOA by SCIPSI with the PPA.

Development Activities Expenses

Amount spent during the last three years on business development activities pursuing future port acquisitions are as follows (amounts in millions):

	Amounts	% of Revenues
2023	US$6.0	0.25%
2024	7.5	0.27%
2025	10.4	0.32%

Insurance

The Group remains committed to a premier, comprehensive insurance framework designed to safeguard its physical assets, mitigate operational liabilities, and protect its global workforce. Central to this strategy is the Global Port All-Risk Property Policy, which provides robust coverage for terminal infrastructure and handling equipment against diverse physical damages and natural catastrophes, including seismic events, floods, severe windstorms, and volcanic activity. This is complemented by a global Terminal Operator's Liability (TOL) program that surpasses industry standards to address liabilities related to cargo damage, environmental pollution, and third-party claims. Furthermore, the Group maintains Political Violence (PV) insurance to insulate operations from terrorism, civil unrest, and war, as well as specialized protection for labor disturbances and civil commotion. This is managed alongside jurisdiction-specific Employee Benefits programs that ensure the health and welfare of its personnel in every country of operation. Supported by rigorous safety protocols and ongoing risk assessments, the Group maintains that its current insurance levels are more than adequate to address all standard business risks while remaining fully aligned with the highest global industry benchmarks.

Safety, Quality, Maintenance and Compliance with Environmental Laws

Equipment Inspection and Maintenance

To help ensure equipment reliability and support operational efficiency, the Group provides regular inspection and maintenance of its equipment and facilities. It has established formal procedures for periodic maintenance and inspection of equipment in line with international best practices (e.g., reliability-centered maintenance or RCM), manufacturers' recommendations, and ICTSI's Equipment Maintenance Philosophy. Formal corporate policies are issued to address maintenance of the critical components such as the structure, hoisting mechanisms, elevators, twist locks, safety devices interlocks, brakes, and load path crane components. On a regular basis, the Group commissions structural professional consultants to provide testing of equipment, such as crane structures. Purchase of wire ropes is always accompanied by load test certificates. Wire ropes and twist locks installed on different container handling equipment are monitored and tested for defects through visual and non-destructive test (NDT) inspections and discarded from usage based on established discard criteria. Periodical load test in cranes is also performed.

On a regular basis, Global Engineering audits the compliance of the corporate policies and best maintenance practices.

All these activities are recorded and maintained as part of the Group's Asset Management System.

The Group continually strives to develop and promote the best maintenance practices for the port industry. Standardization of computerized asset and inventory management systems are being implemented.

Quality, Health and Safety, Environmental Management Systems, and Compliance with Environmental Laws

ICTSI continues to place a high premium on responsible business practices, including the effective management of environmental, health and safety, and social risks across its global operations. These commitments are guided by the Group's Environmental, Social, and Governance (ESG) Policy, which establishes the overarching framework for sustainability, covering climate action, ecosystem protection, the safety, well-being, and welfare of its people, and responsible business conduct.

This framework is implemented through management systems deployed at the terminal level, supporting safe and efficient operations and compliance with applicable laws and regulations.

The amount invested by ICTSI to implement its various health, safety, and environment (HSE) programs and initiatives for the past three years are as follows: US$10.4 million in 2023, US$8.8 million in 2024 and US$12.1 million in 2025, out of which US$2.3 million, US$1.9 million and US$2.4 million in 2023, 2024 and 2025, respectively, represent costs of compliance with environmental laws.

Employees

The Group has a total of 10,745, 11,909 and 12,783 permanent employees as at December 31, 2023, 2024 and 2025, respectively. The Group generally does not hire contractual employees as the Group believes that it can achieve greater efficiency with a dedicated staff of employees who are familiar with the Group's internal systems. The following table shows the number of employees by activity and location:

	As at December 31		
	2023	2024	**2025**
Employees by Activity			
Operations	7,594	8,346	**8,756**
Engineering	1,389	1,478	**1,547**
Finance, administration and others	1,762	1,949	**2,480**
Total	10,745	11,773	**12,783**
Employees by Geographic Region			
Asia	5,846	6,400	**7,131**
Americas	3,260	3,745	**3,953**
EMEA	1,639	1,628	**1,699**
Total	10,745	11,773	**12,783**

The increase in the number of employees in 2024 was mainly due to the contribution of VCT operations in Iloilo, Philippines which started in April 2024, coupled with operations-driven increases at Brazil and Mexico partially tapered by sale of OJA in February 2024. Whereas the increase in the number of employees in 2025 was mainly due to the acquisition of BACT in Batam, Indonesia which started in September 2025, along with expansion-driven increases, including commissioning of additional port area and various equipment at Mexico and Philippines. The Group does not anticipate any major change or increase in its labor force in the ensuing 12 months from its existing operating terminals. There are no current or known threats from employees to engage in any work stoppage across all terminals.

A large portion of these employees are union members. As at December 31, 2023, 2024 and 2025, approximately 54.9%, 52.9% and 49.1%, respectively, of the labor force are unionized. The above percentages are based on total permanent employee headcount regardless of whether an employee is entitled and eligible to join a union or not. The Group has collective bargaining agreements (CBA) in many of the ports in which it operates.

Asia

MICT. On May 7, 2024, ICTSI and the Nagkakaisang Manggagawa sa Pantalan ng ICTSI - National Federation of Labor Unions (NMPI-NAFLU), the bargaining unit for MICT workers, renewed its CBA for another five years effective up to May 7, 2029.

A five-year CBA between ICTSI and Anchorage Labor Union-ICTSI-NAFLU (ALU-ICTSI-NAFLU), the bargaining unit for the MICT Anchorage Division, was also signed on March 19, 2024, effective until March 19, 2029.

Both CBAs contain provisions on employee benefits to union members such as: wage increases; rice and meal allowances; paid leaves; medical, dental, and hospitalization benefits; life insurance; incentives; retirements; uniforms; welfare, education and access to a calamity fund; and union leave with pay. The CBAs also provide a venue for settling grievances.

MNHPI. On April 27, 2023, MNHPI and Waterfront Workers' Union - North Harbor (WWU-NH) signed a renewal contract for the CBA effective February 1, 2023 to January 31, 2028 which covers all the regular rank-and-file direct port workers. The CBA contains provisions on employee benefits such as leaves (vacation and sick leaves, union leaves, work-connected illness/injury leaves, paternity and maternity leaves, bereavement leaves, indefinite leaves), wage increase, emergency loans, educational assistance, life and accident insurance, Christmas bonus and gift, rice, welfare fund, hospitalization benefit, and retirement pay.

On May 31, 2024 MNHPI and NorthPort Operators' Independent Union (NPOIU) signed a new CBA effective May 1, 2024 to April 30, 2029 which covers all the Yard Tractor Operators and Heavy Equipment Specialists. The CBA contains provisions on employee benefits such as leaves (vacation and sick leaves, paternity leaves, and bereavement leaves), wage increase, emergency loans, educational assistance, life and accident insurance, Christmas bonus and gift, rice, welfare fund, and hospitalization benefit.

MHCPSI. In January 2022, MHCPSI officially recognized Manila Harbor Center Port Services Inc. - National Federation of Labor Union (MHCPSI-NAFLU) as the sole and exclusive bargaining agent for all the rank-and-file employees, upon signing of a five year CBA effective from April 6, 2022 until April 5, 2027.

The CBA serves its purpose in establishing the terms and conditions of work such as: payment of wages, check-off of union dues, hours of work and other benefits, medical, dental and hospitalization benefits, life insurance, burial benefit, rotation system, union leave and other benefits; to foster good management-labor relations; to enforce discipline and exact efficiency in the performance of duties by employees, and to ensure peaceful adjustment and settlement of all grievances, disputes and differences which may arise.

MICTSI. In March 2025, the CBA between MICTSI and MICTSI Labor Union - Federation of Democratic Labor Organization (MICTSILU-FDLO) was renewed for another five years ending March 2030. The parties agree to renegotiate the economic provisions of the agreement, solely on the wage increase for the fourth and fifth year, before end of third year anniversary.

After a progressive series of negotiations, MICTSI and MICTSI Supervisor Union - Federation of Democratic Labor Organization (MICTSISU-FDLO) entered into a new five-year CBA on October 28, 2021, that is effective from September 1, 2021 to August 31, 2026. The parties went through renegotiation in 2024 and had a mutual agreement as to economic provisions of the existing CBA.

Other salient provisions of the CBA include wage increases, leave applications, hours of work, medical and hospitalization benefits, optional retirement program, education fund contribution, group life insurance, bereavement assistance, company uniform, rice subsidy, production incentive bonus, Christmas package, and signing bonus. Other matters relative to the unions are periodically discussed in the Labor Management Council, consisting of representatives from the management of MICTSI, MICTSILU-FDLO and MICTSISU-FDLO.

SCIPSI. On October 10, 2024, SCIPSI and PRO-LABOR Champ Movement in Makar (PCM-M) signed a renewal contract for the CBA valid for a period of five years from the date of expiration of initial CBA or until August 13, 2029. The CBA was ratified on October 18, 2024, and was registered with the Department of Labor and Employment (DOLE) on October 25, 2024.

YICT. The right to unionize is guaranteed for the employees of YICT. All employees are unionized by law.

VICT. On August 29, 2025, VICT entered into a new Enterprise Agreement (EA) with the Construction, Forestry, and Maritime Employees Union (Maritime Union of Australia division), Electrical Plumbing Union (Electrical Trades Division – the ETU), and Australian Maritime Officers Union (AMOU), and was endorsed by the Fair Work Commission on September 25, 2025, valid until March 31, 2029. The new EA primarily covers rates of pay, working hours, and leave entitlements for operational and engineering employees of VICT.

MITL and SPICTL. MITL and SPICTL renewed a modern and innovative agreement called the ICTSI South Pacific and the National Maritime and Workers Union Industrial Agreement of 2023 as witnessed by Employers Federation and the Department of Labour. The agreement was signed on November 10, 2023 and published by the Industrial Registrar, effective for a period of three years or until replaced by a new agreement.

The agreement regulates employment contracts, normal and overtime hours, remuneration conditions including timing and rates of increases, employment groups such as guaranteed wage earners, permanent and casual workers, vacation and shift schedules, health and safety requirements, retirement, and conditions for termination of employment contracts.

There are no labor unions in Subic Bay International Terminal Corporation (SBITC), ICTSI Subic, Inc. (ISI), Bauan International Port, Inc. (BIPI), Cavite Gateway Terminal (CGT), Laguna Gateway Inland Container Terminal, Inc. (LGICT), Visayas Container Terminal (VCT), East Java Multipurpose Terminal (EJMT) and BACT.

Americas

CGSA. CGSA has a unionized Works Council since October 2008 and a CBA was signed initially on July 16, 2009 with latest renewal signed on February 28, 2024. As at March 4, 2026, renewal of the CBA is currently under review.

Besides the benefits that any worker is entitled to by law, CBA secures for the employees some additional benefits such as in-out transportation, food service and uniform.

There have been no cases of strikes or walkouts since CGSA took over operations in 2007.

TSSA. The administrative and maintenance employees of TSSA are represented by the Sindicato dos Auxiliares de Administracao de Aramazens Gerais do Estado de Pernambuco (SINDAGE). The CBA with SINDAGE is renewed every two years and was last signed in June 2025.

There have been no major labor disturbances such as strikes, slowdown, boycott or mass absences in years. The employees receive benefits such as dental and health insurance, local restaurant priveleges, support for professional development, leaves and transportation services.

Occasional workers at the customs inspections area and all other operations personnel, both represented by occasional labor unions, have entered into a CBA with TSSA. The CBA relating to customs inspections area workers will expire in February 2027 while CBA relating to all other operations personnel will expire in June 2027.

CMSA. CMSA has a Collective Work Contract (CWC) signed in November 2010 with the Union de Estibadores y Jornaleros del Pacifico, which is part of the Confederacion Regional Obrero Mexicana (CROM). CROM has not had a strike since it was founded. The CWC is effective until year 2044 and extendible based on any extension on the concession agreement with the Administracion del Sistema Portuario Nacional Manzanillo S.A. de C.V. (ASIPONA) formerly Administration Portuaria Integral de Manzanillo, S.A. de C.V. (API).

Salaries are reviewed annually while a comprehensive review of salaries and benefits is done every two years. CMSA is committed to give benefits in addition to those required by the Mexican Labor Law, such as 5% savings fund, transportation, uniforms, scholarships, contributions in the case of death of workers, sports support and life insurance. There is an additional compensation of 16.23% of salary paid to the union to support the administration expenses and retirement fund of the workers.

OPC. In December 2025, OPC signed a new CBA with all employees effective January 2026 to December 2028. The collective agreement stipulates employees' benefits like pension, medical and life insurance, training, employee engagement, vacation bonus, meal subsidy, special leaves, and salary loans, among others.

TecPlata. There are two Framework CBA that are in force and are applicable to TecPlata. These are (1) CCT 431/05, that is applicable to each port that conforms to the Commercial Private Ports Chamber and Port Union Federation; and (2) the agreement between La Plata Port Chamber and La Plata Stevedores Union.

CCT 431/05 was signed on June 1, 2005 and will expire once both parties decide to subscribe to a new CBA that will replace or substitute the agreement. It contains provisions on employee benefits to union members such as working day conditions, salary conditions, productivity incentives, meal allowance, paid leaves and union leave with pay. Salary increase is negotiated and agreed annually between both parties.

The agreement between La Plata Port Chamber and La Plata Stevedores Union is renewed annually and it establishes the annual salary increase and wage conditions for on-call workers.

ICTSI Rio. In January 2024, CBA between ICTSI Rio and Longshoremen was renewed effective January 2024 to January 2026. As at March 4, 2026, CBA remains in place, pending formal renewal. The CBA contains provisions on benefits for loose dock workers of the longshoremen category, such as crew, rostering, overtime compensation, vacation allowance, medical and dental benefits, and other economic provisions.

In October 2025, signed a separate two-year CBA with Stevedoring valid until October 6, 2027. The CBA establishes the provisions for hiring stevedoring workers by demand, and following the similar benefits of CBA signed with Longshoremen.

In July 2024, the CBA between ICTSI Rio and the Block Union was renewed with effectivity until July 2026. The CBA contains provisions on benefits for loose port workers in the block category, shifts, medical benefits, and other economic provisions.

IRB Logistica. IRB Logistica's CBA was renewed on May 1, 2025 and is effective until April 30, 2027. The CBA regulates employment contracts, overtime, supplements, vacations, salary increases or reductions, other benefits, health requirements, and security and conditions of termination of employment contracts. There have been no cases of strikes or stoppages since IRB Logistica took over operations in July 2021.

CLIA Pouso Alegre. The CBA of CLIA Pouso Alegre was executed with SINTRAMGEP (Union of Workers in the Handling of Products and Goods in General of Pouso Alegre and Region/MG), with validity from September 1, 2025 to August 31, 2026.

The CBA applies to all employees and sets forth various provisions, including the category minimum wage, salary adjustments (collective bargaining), substitutions, overtime, hazardous duty allowance, transportation vouchers, termination notice, provision of temporary labor, maternity job stability, work shifts, holiday work, uniforms, personal protective equipment (PPE), use of mobile phones and watches, employee inspections, meals, attendance bonuses, and variable compensation.

There have been no recorded instances of strikes since acquisition in September 2023.

EMEA

BCT. In 2008, an agreement on salary regulations was signed between the Labor Union - Strike Committee and BCT Management Board.

Renegotiation on the CBA began in 2009 but was suspended at the insistence of the union. The Remuneration and Work Regulations addressed the outstanding issues of the CBA.

MICTSL. On March 19, 2025, MICTSL signed an amended CBA, as part of its commitment to sustainable development and social responsibility, marking a significant milestone in strengthening social protection and employee well-being.

The amendment introduced and reinforced several social benefits, including retirement allowances, death benefits, and other measures designed to enhance social security and provide stability for employees and their families. Additionally, certain provisions of the agreement were updated to align with the new Labor Code, ensuring compliance with regulatory requirements.

AGCT. On December 19, 2025, AGCT's CBA was signed with effectivity until end of 2026. The CBA regulates employment contracts, overtime, add-ons, vacations, salary increases or decreases, other benefits, health and safety requirements, and conditions for termination of employment contracts. There have been no cases of strikes or walkouts in 2025.

IDRC. In January 2026, IDRC signed a CBA with union representatives effective for a period of three years or until December 2028, subject for review after two years. The CBA defines general working conditions, rights and responsibilities of workers and employees, conditions for strikes, job classification according to labor law, benefits and termination of employment contract.

KMT. There is no labor union yet in KMT and there is no CBA signed with the limited number of employees of KMT. However, personnel representatives were voted pending installation as per the local law. The employee benefits are based on the minimum requirements of the collective agreement for maritime carriers, freight forwarders and transport auxiliaries as well as the national collective agreement for port handling. These collective agreements regulate employment and working conditions in the port industry and specify the manner of executing the employment contracts, as well as the minimum benefits pertaining to overtime, bonuses, salary grades, salary changes, other benefits, promotions, trainings, union membership, termination and retirement, among others.

ICTSI Nigeria. In January 2025, ICTSI Nigeria renewed the CBA with the two unions: (1) Maritime Workers' Union of Nigeria (MWUN); and (2) Senior Staff Association of Statutory Corporations and Government Owned Companies (SSASCGOC), for a period of three years or until December 2027.

ICTSI Iraq and BICTL. There are no labor unions in ICTSI Iraq and BICTL.

Risks Relating to the Group's Business

The outbreak, or threatened outbreak, of any severe communicable disease, such as the COVID-19 pandemic in 2020, could have a material adverse effect on the Group's business, financial condition and results of operations.

The outbreak of COVID-19, which was declared a global pandemic by organizations such as the World Health Organization in the first quarter of 2020, has severely affected the global economy. Several nations and territories, including areas where the Group operates, have imposed strict quarantine measures, social distancing rules, closure of work sites, restaurants, bars and non-essential services, and even complete lockdowns of certain populations or areas.

The Group's businesses experienced, as with other businesses particularly reliant on global trade, a general decline in the volume of containers due to disruptions in supply chains across the globe, as well as decreased demand due to the movement restrictions and slowdown of business activities. A similar global health crisis, which may necessitate the re-introduction of movement restrictions, may cause global trade volumes to decrease and have a material adverse effect on the Group's business and results of operations.

The Group's business is influenced by global and regional economic trends that affect the trades in which it operates.

Maritime transport remains the backbone of globalized trade and the manufacturing supply chain, as more than four fifths of world merchandise trade by volume is carried by sea and as such facilitated by the ports. In 2021, this fact has been even more palpable as disruption in maritime transport has also disrupted supply chains across the globe. Inevitably, the port sector as one of the main actors is not immune to significant global and regional economic developments. A large share of the globalized containerized trade continues to be consolidated across the major East-West trade arteries, namely Asia-Europe, the Trans-Pacific and Transatlantic. However, 60% of global containerized trade occurring on non-main lane trade routes (other routes), secondary routes involving emerging countries' trade are increasingly important. With a strong footprint in the emerging markets, the Group's risk exposure remains more isolated from global trade shift patterns such as the trade tensions because of overreliance on import demand from China.

Beyond trade flow patterns, container shipping lines benefited financially from logistics bottlenecks during the recent pandemic, as strong demand for container transportation contributed to improved earnings. This has resulted in renewed investments, with some major clients expanding their acquisition of landside infrastructure, including warehouses, trucking, airline and rail operations, as well as port concessions (container terminals), in support of broader logistics ambitions.

Many global shipping companies have historically operated container terminals as part of their business model. Accordingly, the Group does not anticipate a fundamental shift in the overall competitive landscape. However, competitive intensity with certain container line customers may persist or increase in selected markets.

The Group operates in a number of emerging markets that have experienced economic and political instability.

The Group operates mainly in emerging markets, many of which have experienced political and economic instability in the past and may be continuing up to the present. Many of the countries where the Group operates or may operate in the future continue to face significant budget deficits, limited foreign currency reserves, volatile exchange rates, and highly regulated and less sophisticated banking sectors. Common to many of these markets where ICTSI operates, including in the Philippines, continue to experience a high government turnovers, political scandals, terror attacks and civil strife. There is no assurance that the political environment in these countries will improve and become more stable, and that the future governments will be able to adopt economic policies to sustain economic growth.

The Group is dependent on concessions and other key contracts to conduct its business.

The conduct of the Group's business is restricted within the terms of the concession and other key contracts that put a limit to its operational and strategic options. ICTSI and subsidiaries usually only obtain the right, subject to certain conditions, to operate, manage and develop terminals for a set period of time. These contracts contain provisions that allow the relevant port authority to suspend, cancel or terminate the contract on specified grounds, including noncompliance with the terms of the contract and, in certain instances, the occurrence of a "change in control" of ICTSI without the consent of the relevant port authority or if the relevant port authority determines that the public interest may be better served by the cancellation of the contract in accordance with its regulations. Hence, there can be no assurance that further challenges in the Group's operations will not be raised or that its concessions will not be terminated for public policy reasons. Also, these concessions and key contracts may limit the ability of the Group to raise tariffs that it charges to customers.

The Group is limited in its ability to raise the tariffs billable to customers in most terminals.

The aforementioned contracts and agreements may prescribe maximum tariffs that the Group can charge or bill shipping lines and customers and either prohibit any changes in those tariffs without prior approval of the relevant port authority or subject the tariffs to an automatic adjustment mechanism. At certain terminals, tariff increases have recently been implemented in phases causing timing differences when the Group petitioned for an increase and the actual increase in tariff. In countries in which tariffs are not prescribed, such as Poland, Brazil, Australia and DR Congo, the Group is still limited in its ability to raise tariffs by market norms, competition and local demand.

The Group faces competition at its domestic and international terminals on factors such as location, facilities, supporting infrastructure, service and price.

Competition is heightened at domestic and international terminals on factors such as location, facilities, supporting infrastructure, service and price. The Group's competitors may offer lower tariffs than what its own terminal offers in a certain location; or have greater financial resources with which to develop the ports that they operate to provide better access and improved facilities, structure and services. One of the strategies that the Group employs is to acquire terminals in emerging markets, then improve operations and grow volume organically. If trading volume increases, competitors may begin to target these same markets. Increased competition from existing and future competitors may result in a reduction in the Group's market share in locations where it operates, a decrease in volume of containers it handles, or increased price competition which could result in possible declines in the Group's cash flows, operating margins and profitability.

The Group's failure to effectively manage its existing container terminal operations and growth as a result of rapid expansion and development may adversely impact the Group's business.

The Group's rapid expansion, especially overseas, limits its resources and could pose challenges for managing existing terminals and pursuing ambitious growth. It has presented, and will continue to present significant challenges for the Group's management, operational and administrative systems, and its ability to maintain effective systems of internal controls. The Group may not successfully integrate new acquisitions to meet its efficiency and performance standards, nor keep existing facilities up to those same standards. The Group needs to constantly develop and adjust management and administrative responsibilities to match market conditions, and its growth and expansion strategies. The Group's continued development into a global terminal operator requires it to identify new qualified personnel with widespread knowledge of its industry and the countries in which it operates. Failure to identify suitable personnel for these management and administrative positions may adversely affect the Group's ability to manage its growth and continue to pursue its growth strategy and eventually impact its business, results of operations and financial condition.

The Group's results of operations and financial condition may be adversely affected by exchange rate fluctuations.

Because of the geographic diversity of the Group's business, it receives revenue and incurs expenses in a variety of currencies. Its revenues are primarily in U.S. dollar, Philippine peso, Mexican peso, Australian dollar, Brazilian real and Euros while its expenses are generally in local currencies. The Group attempts to operationally hedge its foreign exchange exposure by matching its revenues and expenses whenever possible and, from time to time, engages in hedging activities to mitigate residual foreign exchange cash flow exposures. The Group is subject to translation risks whereby changes in exchange rates impact its reported revenues in U.S. dollar terms. Because the Group reports its financial statements in U.S. dollars, increases in the value of the U.S. dollar against the currencies in which it receives revenues in its international operations, such as Philippine peso, Mexican pesos, Australian dollar, Brazilian real and Euros, could restrict its revenue growth in U.S. dollar terms and vice versa. Continued fluctuations in the value of the U.S. dollar against its other subsidiaries' functional currencies could cause the Group's revenues to decrease in U.S. dollar terms and distort comparisons of its results of operations and financial condition across periods.

The Group's business has high dependence upon key personnel with special skills that are not readily available in the market.

In order for the Group to maintain its operating and performance standards, it highly leverages on the continued service of key personnel. The Group has a relatively small management team which makes it more dependent on senior personnel than some of its larger competitors. With the rapid growth of the container terminal industry, competition for skilled senior employees becomes intense and there are limited numbers of qualified candidates. The Group's business and results of operations may be adversely affected if any of the existing key personnel leaves their position and the Group fails to find a similarly competent replacement.

The Group is subject to the risk of system failures.

The Group's business is highly reliant on complex information technology and automated systems to handle its terminal operations for high productivity and efficient handling of containers. Any systems failure may result in delayed or hindered terminal operations. These events may adversely affect the achievement of the Group's planned business growth and results of operations.

The Group's facilities could be exposed to unforeseen catastrophic events over which it has little or no control and the impact of climate change risks

The Group's facilities could be exposed to effects of natural disasters and other potentially catastrophic events, such as major accidents, acts of God, terrorist attacks, armed conflicts and hostilities. To cite, the Philippines is vulnerable to typhoons, earthquakes and other major natural disasters, which could suspend MICT's operations temporarily or damage or destroy key equipment. Since operations at MICT have historically provided the majority of the Group's revenues from port operations, occurrence of a catastrophic event affecting the Philippines could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, the Group is facing a range of risks related to climate change that may impact the Group's operations, financial performance, and strategic objectives. Some of the key areas of concern are rising sea levels and extreme weather events, regulatory and legal risks, supply chain disruptions, and insurance and financial risks.

The Group is subject to regulations that govern operational, environmental and safety standards.

Lastly, the Group's terminal services are conducted under licenses, concessions, permits or certificates granted by applicable regulatory bodies in the countries in which it operates. Various environmental and safety standards may also be enforced by each jurisdiction in which the Group operates. Failure to comply with relevant laws and regulations may result in financial penalties or administrative or legal proceedings against the Group, including revocation or suspension of the Group's concessions or licenses, which may adversely impact results of operations and financial condition.

Henceforth, the Group has established an Enterprise Risk Management program to assess and ensure that the potential impact and likelihood of any of these risks are minimized and will not adversely impact the

Group's business as a whole through an established risk assessment, communication, mitigation and monitoring process. These business risks, however, might result to financial statement risks for which the Group identifies and includes as part of its financial risk management objectives and policies.

Item 2. Properties

2.1 Principal Facilities

Asia

Philippines – MICT. MICT provides a full range of container cargo handling services to shipping lines transporting international containerized cargo to and from the Port of Manila with an estimated handling capacity of 3,350,000 TEUs per year. MICT occupies a total land area of 105.2 hectares, of which 100.6 hectares have been developed, including seven berths with a total length of 1,850 meters that can accommodate six to seven ships, depending on the ships' sizes.

Adjacent to the MICT wharf is a container yard, with a total stacking capacity of 75,000 TEUs, 3,672 TEUs of which are refrigeration-ready with reefer plugs. MICT has two gates: both inbound and outbound have seven lanes. The terminal is fully equipped with security including a closed-circuit television surveillance system capable of facial and vehicle license plate recognition and intrusion detection.

Development of Berth 8 commenced in the last quarter of 2022. Phases 1 and 2 of the development will add 300 meters of berth and an additional 4.96 hectares of yard or yard capacity of about 200,000 TEUs, and are expected to be completed in the second quarter of 2026 and first quarter of 2027, respectively. The development of Berth 8 includes the addition of three super-post Panamax quay cranes (QCs).

As at December 31, 2025, MICT has a total of 18 QCs, consisting of 10 super-post Panamax, six post Panamax and two Panamax QCs, complemented by 60 rubber tired gantries (RTGs), of which 56 are hybrid, and fully-operational 13 empty container handlers (ECHs), three reach stackers (RSs), 23 forklifts, 110 terminal tractors and 142 terminal trailers.

Philippines – Manila North Harbor. MNHPI has a concession contract with the PPA for the development, management, operation and maintenance of Manila North Harbor. MNHPI commenced commercial operations on April 12, 2010. Committed to modernization, MNHPI aims to transform Manila North Harbor into a premier maritime hub. MNHPI provides cargo handling services for containerized and break-bulk cargoes to shipping lines and tramp vessel operators serving domestic routes. Overall, the port facility can accommodate up to 2,200,000 TEUs of containerized cargoes, 2,000,000 metric tons of break-bulk cargoes, and 1,460,000 passengers per year.

The 58.5-hectare area operated by MNHPI under the concession agreement is divided into two terminals namely, Container Terminal 1 and Multi-Purpose Terminal 2. These terminals work in synergy to optimize port operations. MNHPI manages a total quay length of 5,758 meters, equivalent to 36 berthing positions, with handling capacity of approximately 4,200 vessel calls per year.

MNHPI has completed Phase 1 of its Master Development Program, marking the first stage in delivering modern port facilities, which includes a state-of-the-art container terminal, Ro-Ro terminal, modern passenger terminal complex, and one-stop processing centers. These developments enable the efficient processing of transactions involving shipping lines, MNHPI, PPA, and other government agencies.

As at December 31, 2025, MNHPI operates and maintains a fleet of modern cargo-handling equipment, which include eight QCs, 27 RTGs, 18 RSs, nine ECHs and 15 heavy forklifts, among others. Ancillary facilities were also built such as six weighbridges, the power center equipped with two 2.5 MVA (2 MW) generator sets for back-up power, and a reefer facility with 264 plugs.

China – Port of Yantai. YICT's terminal covers an area of 76.7 hectares with four berthing positions of 14 to 17 meters in depth and occupying a total length of 1,300 meters. The estimated handling capacity of YICT is 1,300,000 TEUs per year. As at December 31, 2025, YICT has seven QCs that handle loading and unloading of cargoes with the support from one ECH, three RTGs, 19 forklifts, 20 rail mounted gantries (RMGs) and 25 chassis.

Australia – Port of Melbourne. On May 2, 2014, ICTSI, through its subsidiary in Australia, VICT, signed a contract with Port of Melbourne (POM) for the design, construction, commissioning, maintenance, operation and financing of Melbourne's Webb Dock new international container terminal and empty container park. Phase 1 of the terminal comprised of a berth of 330 meters fitted with three neo-Panamax ship-to-shore cranes, 23.8 hectares of yard with fully automated operations from gate to quayside. Phase 2 of the terminal comprised of a 330-meter berth fitted with additional two neo-Panamax ship-to-shore cranes and 11.5 hectares of yard.

On August 3, 2021, POM carried out berth extension works adding 71 meters to the existing quay together with a designated hard stand area behind the extended quay, adding 6,821.3 square meters to the original leased area. The POM expansion works commenced in March 2022 and were completed in December 2023.

On September 15, 2021, VICT received the approval from the POM for the commencement of the development of the first of two sub-phases of the Phase 3 expansion plan (Phase 3A). Phase 3A includes the addition of two super-post-Panamax ship-to-shore cranes with a 22-container outreach, six automated container carriers (ACCs), six automated stacking cranes (ASCs), and the construction of three-yard modules (with 325 ground slots). Phase 3A development was completed in December 2023. The Phase 3A expansion increased annual capacity up to an estimated 1,250,000 TEUs.

As at December 31, 2025, VICT operates with seven QCs, 26 ASCs, 17 ACCs, one RS and three prime movers.

Americas

Brazil – Suape Container Terminal. TSSA is the exclusive operator of the container terminal in the port in Suape, Brazil until the earlier of (a) throughput of 250,000 boxes (approximately 400,000 TEUs) for three consecutive years or (b) after the first 15 years of the concession. The terminal covers a developed area of 39.4 hectares and undeveloped area of 2.5 hectares. TSSA has a 660-meter long two-berth wharf, a 30-hectare container yard, 576 reefer plugs, a 4,900-square meter CFS and seven weighing scale. The estimated handling capacity of TSSA is 700,000 TEUs per year.

TSSA has completed the build-out of the infrastructure of the Suape Container Terminal, including the acquisition of equipment and the development of civil works, such as yard expansions. As at December 31, 2025, TSSA has four QCs, 12 RTGs, five RSs, four ECHs, 17 forklifts, 34 prime movers and 52 chassis that complement the servicing of all movements of containerized cargoes inside the terminal.

Ecuador – Guayaquil Container and Multipurpose Terminal. CGSA is the exclusive operator of a container and multipurpose terminal in the Port of Guayaquil, Ecuador. The total land area of the terminal is 133.52 hectares, of which 92.5 hectares is developed. The total berth length is 1,717.5 meters with 10 berthing positions including a tugboat berth with 10 meters of depth. The estimated handling capacity of CGSA is 1,400,000 TEUs per year with 3,700 reefer plugs to accommodate the demand for the containerization of bananas.

In 2019, two of the quay cranes have been extended (in terms of boom and height), Berths 1 to 1C have been reinforced and such same berths now have a depth of 13 mean low water spring that allow the terminal to receive 366 length overall (LOA) vessels. As at December 31, 2025, CGSA has six QCs and two MHCs that are supported by 23 RTGs, six RSs, five ECHs, 44 forklifts and a huge fleet of transportation equipment that handle the movement of containerized cargoes at the terminal.

Mexico – Port of Manzanillo. In June 2010, ICTSI signed a 34-year concession for the development and operation of the TEC-II at the Port of Manzanillo in Mexico. ICTSI established CMSA to operate the Port of Manzanillo. The port development project covers about 77 hectares with 1,080 meters of seafront. The development of the container terminal will be done in three phases. Phase 1 has a berth length of 720 meters with two berthing positions with a depth of 16 meters and yard capacity of 967,000 TEUs.

Phase 2 involved the construction of 180 meters of additional berth, and acquisition of two QCs and four RTGs with increased yard capacity of 1,571,000 TEUs.

Phase 3A development started in December 2022 which comprises the construction of 180 meters of additional berth, and acquisition of two QCs and five RTGs. Phase 3A become operational in May 2025 and increased yard capacity to 1,773,135 TEUs.

Phase 3B began in October 2024 which includes the construction of 227 meters of quay and the acquisition of two QCs and nine RTGs. Phase 3B is expected to be completed by September 2026 and will increase yard capacity to 2,000,000 TEUs.

As at December 31, 2025, the estimated handling capacity of CMSA is 1,800,000 TEUs with 12 QCs supported by 14 RSs, 14 ECHs, 43 RTGs, 30 forklifts, 96 prime movers and 110 chassis.

Honduras – Puerto Cortés. On February 1, 2013, ICTSI won and was awarded the contract for the Design, Financing, Construction, Maintenance, Operation and Exploitation of the Specialized Container and General Cargo Terminal of Puerto Cortés in the Republic of Honduras for a period of 30 years through a public hearing held in Tegucigalpa, Honduras. OPC started its commercial operations in December 2013. The terminal has a 826-meter pier with three berthing positions and depth from 12 meters to 14 meters, 19.9-hectare container yard, 1,744 reefer plugs, a 7,600-square meter CFS and has an estimated annual capacity of 1,000,000 TEUs. As at December 31, 2025, OPC has three QCs, four MHCs, three ECHs, 24 RSs, 28 forklifts, 57 prime movers and 46 chassis.

EMEA

Poland – Port of Gdynia. BCT has an existing lease contract to operate the Container Terminal in Gdynia, Poland. The terminal covers an area of 57 hectares and its facilities include a 790-meter long wharf with five berths (four of which are for container loading and unloading operations and one of which is equipped with a hydraulic ramp for roll-on roll-off operations), a container stacking yard, a cargo handling zone, two warehouses and a rail facility with three rail tracks. The estimated handling capacity of BCT is 1,200,000 TEUs per year. As at December 31, 2025, BCT has five QCs, two MHCs, two RMGs, 24 RTGs, six RSs, 23 forklifts, 43 chassis, 36 prime movers and two straddle carriers.

Iraq – Port of Umm Qasr. On April 10, 2014, ICTSI, through its wholly owned subsidiary, ICTSI (M.E.) DMCC [formerly ICTSI (M.E.) JLT (ICTSI Dubai)], and General Company for Ports of Iraq (GCPI) signed a contract for the Construction and Operation of Three New Quays, and Management and Operation of Quay No. 20 ("Contract") in the Port of Umm Qasr ("Port") in Iraq. The Contract grants

ICTSI the rights to: (a) manage and operate the existing container facility at Berth 20 of the Port for a period of 10 years, (b) build in three phases, under a build-operate-transfer (BOT) scheme, a new container and general cargo terminal in the Port for a concession period of 26 years, and (c) provide container and general cargo terminal services in both components. On March 1, 2016, an addendum to the Contract ("First Addendum") was signed by the parties granting ICTSI, through ICTSI Dubai, the right to manage and operate an additional existing Quay No. 19 for a total of 13 years, with the first three years for the completion of rehabilitation works. Also, the First Addendum extended the original term for the management and operation of Quay No. 20 from 10 to 13 years. On March 26, 2017, a second addendum to the Contract ("Second Addendum") was signed by the parties granting ICTSI, through ICTSI Dubai, the right to manage and operate Quay No. 21 co-terminus with the Contract and the First Addendum. The Second Addendum extended the term for the management and operation of Quay No. 19 and 20 from 13 to 21 years.

The Port covers an area of 78.2 hectares, 3.4 hectares of which is still undeveloped. The Port has six berths with length of 1,100 meters and depth of up to 14 meters. As at December 31, 2025, the estimated handling capacity of ICTSI Iraq is 1,200,000 TEUs with seven QCs, three MHCs, 11 ECHs, 10 RTGs, 25 forklifts, 14 RSs, 57 chassis and 50 prime movers.

2.2 Other Properties Owned by ICTSI and Subsidiaries

Location	Descriptions/Owner	Encumbrance
Cabuyao, Laguna, Philippines	20-hectare property that was original site of the inland container depot project/IWI Container Terminal Holdings, Inc. (IWI CTHI)[1]	None
Calamba, Laguna, Philippines	25-hectare property which is the site of LGICT's one-stop inland container terminal/ICTSI	None
Bauan, Batangas, Philippines	20-hectare (approximately) property in Batangas/BIPI[2]	None
Bauan, Batangas, Philippines	27-hectare property adjacent to BIPI property, intended for New South Luzon Container Terminal (SLCT) Project/ICTSI	None
Tanza, Cavite, Philippines	6-hectare[3] property located in Tanza, Cavite for use in the gateway terminal business of CGT/CGT	None
Tondo, Manila, Philippines	11.5-hectare lot used for port services within the 79-hectare Manila Harbour Centre complex/MHCPSI	None
Tondo, Manila, Philippines	3.2-hectare property located within Manila Harbor Centre complex used for port services, management and operations business/ICTSI	None
Gdynia, Poland	3.5-hectares of lot with a building owned by BCT. These properties are being leased to third parties.	None
Central Matadi, DR Congo	21.3-hectares of land owned by IDRC where the existing terminal is built, including the Phase 2 terminal expansion.	None
Tuxpan, Mexico	68.5-hectares of land owned by TMT[4] divided into: (a) Property "A" with 42.9-hectares, adjacent to maritime zone, including 0.81 hectares easement; and (b) Property "D" with 25.6 hectares, including 0.66 hectares easement.	None
Rio de Janeiro, Brasil	32.16-hectares of property adjacent to ICTSI Rio Brazil Terminal 1 S.A., owned by FII Inhaúma	None

[1] *100% owned by ICTSI*
[2] *100% owned by IWI CTHI*
[3] *1 of the 62 TCTs (1,113sqm of the total 63,513sqm area) is still in the process of being transferred from the seller*
[4] *100% owned by ICTSI Tuxpan B.V.*

2.3 Estimated Capital Expenditures and Sources of Financing

The Group's estimated capital expenditures for 2026 is approximately US$740.0 million which will be utilized mainly for the completion of phase 3B expansion at CMSA in Mexico; ongoing expansions at MICT, MNHPI, MCT, and SLCT in the Philippines, ICTSI Rio in Brazil, and MGT in DRC; various other equipment acquisitions and upgrades; and maintenance capital expenditures; plus four new expansion projects at OPC in Honduras, VICT in Australia, CGSA in Ecuador and phase 4 at CMSA in Mexico. The Group expects to fund these capital expenditures through a combination of available cash, internally-generated funds, third party loans and other fund raising activities, if necessary.

Item 3. Legal Proceedings

Due to the nature of the ICTSI Group's business, it is involved in various legal proceedings, both as plaintiff and defendant, from time to time. Most of the outstanding litigation involves subrogation claims under which insurance companies have brought claims against the operator, shipping lines and/or brokerage firms for reimbursement of their payment of insurance claims for damaged equipment, facilities and cargoes. Except as discussed below, ICTSI is not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated, and its Board has no knowledge of any proceedings pending or threatened against the ICTSI Group, or any facts likely to give rise to any litigation, claims or proceedings, which might materially affect its financial position or business. Management and its legal counsels believe that the ICTSI Group has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal actions and proceedings, if any, will not have material adverse impact on the ICTSI Group's consolidated financial position and results of operations.

<u>Arbitration against Republic of Honduras</u>
The arbitration requested by ICTSI and its subsidiary in Honduras, Operadora Portuaria Centroamericana, S.A. de C.V. (OPC), against the Republic of Honduras were both registered by the International Centre for Settlement of Investment Disputes (ICSID) in August 2024. This was due to the sovereign decision of Honduras to denounce the ICSID treaty on February 24, 2024. In the arbitration proceedings, ICTSI and OPC alleged that the Republic of Honduras has breached certain obligations. There is no impact to day-to-day operations. ICTSI and OPC are open to further discussions with the Government of Honduras to seek appropriate solutions.

ICTSI and OPC appointed their member arbitrators respectively on April 5, 2025, and on May 28, 2025. The parties will continue to conduct a process in selecting the presiding arbitrator.

Item 4. Submission of Matters to a Vote of Security Holders

None. There are no matters submitted during the year covered by the 17-A to a vote of security holders, through the solicitation of proxies or otherwise.

PART II – SECURITIES OF THE REGISTRANT

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

5.1 Market Information

Principal Market where Company's common equity is traded: Philippine Stock Exchange

As at the latest practicable trading date (March 3, 2026), the share prices of ICTSI were:

	In US Dollar	*In Philippine Peso*
Opening	US$11.67	₱682.00
High	12.13	709.00
Low	11.67	682.00
Closing	12.13	709.00

* *Amounts expressed in Philippine peso have been translated to USD using the closing exchange rate quoted from the Bankers Association of the Philippines as at the end of March 3, 2026.*

The high and low share prices for each quarter within the last two years are:

Calendar Period	**Price/Common Share***			
	High		**Low**	
	In US Dollar	*In Philippine Peso*	*In US Dollar*	*In Philippine Peso*
2024				
Quarter 1	US$5.761	₱324.00	US$4.196	₱236.00
Quarter 2	6.159	361.00	5.361	314.20
Quarter 3	7.471	418.60	6.211	348.00
Quarter 4	7.572	438.00	6.396	370.00
2025				
Quarter 1	US$7.177	₱410.60	US$5.803	₱332.00
Quarter 2	7.563	426.00	5.681	320.00
Quarter 3	8.746	509.00	7.097	413.00
Quarter 4	10.376	610.00	8.267	486.00

* *Amounts expressed in Philippine peso have been translated to USD using the closing exchange rates quoted from the Bankers Association of the Philippines as at end of each quarter in 2024 and 2025.*

5.2 Holder

The number of common stockholders of record as at the latest practicable date on December 31, 2025 was 1,335. Common shares issued and outstanding as at the same date were 2,045,177,671 shares (including 26,349,409 treasury shares). While Preferred A and B shares outstanding as at the same date were 3,800,000 shares and 700,000,000 shares, respectively.

As at December 31, 2025, the public ownership level of the Company is at 50.95% based only on outstanding common shares (excluding 26,349,409 treasury shares). The public ownership level of the Company is at 37.83% if both issued and outstanding common shares (including treasury shares) and Preferred B voting shares are considered.

The following are the Company's top 20 registered common stockholders as at December 31, 2025:

Name		No. of Shares Held	% of Total*
1.	PCD Nominee Corporation (Filipino)	866,778,466	42.38%
2.	PCD Nominee Corporation (Non-Filipino)	723,569,036	35.38%
3.	Bravo International Port Holdings, Inc.	279,675,000	13.67%
4.	Achillion Holdings, Inc.	80,000,000	3.91%
5.	Sureste Realty Corporation	23,016,176	1.13%
6.	A. Soriano Corporation	18,850,637	0.92%
7.	Enrique Razon	18,143,687	0.89%
8.	Enrique K. Razon Jr. As Voting Trustee	15,936,201	0.78%
9.	Razon Industries, Inc.	3,758,133	0.18%
10.	Stephen Paradies	3,087,473	0.15%
11.	Felicia S. Razon	868,725	0.04%
12.	Cosme Maria De Aboitiz	527,343	0.03%
13.	Ma. Consuelo R Medrano and/or Victorino S Medrano Jr	250,000	0.01%
14.	Jose Sy Ching	220,000	0.01%
15.	Silverio J. Tan	200,000	0.01%
16.	Ma. Socorro S. Gatmaitan	196,000	0.01%
17.	Alberto Mendoza and/or Lawrence Mendoza	192,457	0.01%
18.	Cbna Mla Obo Ac 6011800001	170,870	0.01%
19.	Ma. Henrietta R. Santos	155,053	0.01%
20.	Alberto Mendoza and/or Jeanie C. Mendoza	149,687	0.01%

**Percentage ownerships were computed based on the total number of issued and outstanding common shares of 2,045,177,671 (including 26,349,409 treasury shares.*

5.3 Dividends and Dividend Policy

The details of ICTSI's declaration of cash dividends are as follows:

	2023	2024	**2025**
Date of Board approval	March 6, 2023	March 1, 2024	**March 6, 2025**
Cash dividends (regular) per share	US$0.156 (₱8.56)	US$0.167 (₱9.35)	**US$0.247 (₱14.16)**
Cash dividends (special) per share	US$0.026 (₱1.44)	US$0.029 (₱1.65)	–
Record date	March 20, 2023	March 15, 2024	**March 20, 2025**
Payment date	March 28, 2023	March 25, 2024	**March 28, 2025**

Dividends may be declared only out of the unrestricted retained earnings. A board resolution is required for declaration of dividends. In addition, approval of stockholders representing at least two-thirds of the outstanding capital stock is required for the payment of stock dividends. Dividends are payable to all common stockholders, on the basis of outstanding shares held by them, each share being entitled to the same unit of dividend as any other share. Dividends are payable to stockholders whose names are recorded in the stock and transfer book as at the record date fixed by the Board. Preferred A shareholders are entitled to dividends at rates to be fixed by the Board. As at December 31, 2025, the Board has not set the dividend rate for Preferred A shares. On the other hand, Preferred B shareholders shall earn no dividends.

Moreover, retained earnings were reduced by distributions paid out by Royal Capital B.V. (RCBV), a subsidiary of ICTSI, to holders of Perpetual Capital Securities aggregating US$29.0 million in 2023, US$22.0 million in 2024 and US$14.9 million in 2025.

As at December 31, 2025, the unappropriated retained earnings of the Parent Company that is available for dividend declaration amounted to US$754.5 million.

5.4 Recent Sale of Unregistered Securities

There is no sale of unregistered securities in 2023, 2024 and 2025.

5.5 Description of Registrant's Securities

ICTSI's capital stock is comprised of common and preferred shares. Common shares are listed and traded in the Philippine Stock Exchange. Preferred shares comprising of Preferred A and B shares are not traded. Details and movement in the shares of stock of ICTSI are disclosed in Note 14, *Equity*, to the 2025 Audited Annual Consolidated Financial Statements.

The stockholders of ICTSI, in a special stockholders meeting held on August 11, 2010, approved the creation of a class of voting low par value preferred shares. The stockholders representing at least 2/3 of the outstanding capital stock of ICTSI approved the amendment of the articles of incorporation of ICTSI to reclassify the existing 1,000,000,000 authorized Preferred Shares with a par value of US$0.048 (₱1.00) per share into: (a) 993,000,000 Preferred A Shares with a par value of US$0.048 (₱1.00) per share, inclusive of the outstanding Preferred Shares, and (b) 7,000,000 Preferred shares which were further reclassified into 700,000,000 Preferred B Shares with a par value of US$0.0002 (₱0.01). The creation of a class of low par value voting preferred shares was authorized by the Board on June 18, 2010.

The Preferred A shares, which were subscribed to by International Container Terminal Holdings, Inc., are non-voting, entitled to dividend at rates to be fixed by the Board, non-cumulative, convertible to common shares under such terms to be provided by the Board, redeemable at such price and terms determined by the Board and have preference over common shares in the distribution of the assets of the Parent Company (see Note 14.1 to the 2025 Audited Annual Consolidated Financial Statements). The Board has not fixed the dividend rate and terms of conversion of Preferred A shares.

The Preferred B shares were issued to Achillion Holdings, Inc. (Achillion). Preferred B shares have the following features: voting; issued only to Philippine Nationals; not convertible into common shares; earn no dividend and redeemable at the option of the Board.

PART III – FINANCIAL INFORMATION

Item 6. Management's Discussion and Analysis or Plan of Operations

The following discussion and analysis relate to the consolidated financial position and results of operations of ICTSI and its subsidiaries (collectively known as "ICTSI Group") and should be read in conjunction with the accompanying audited consolidated financial statements and related notes as at and for the year ended December 31, 2025. References to "ICTSI", "the Company", and "Parent Company" pertain to ICTSI Parent Company, while references to "the Group" pertain to ICTSI and its subsidiaries.

6.1 Overview

ICTSI is a leading developer, manager and operator of common user origin and destination container terminals serving the global container shipping industry. ICTSI operates in six continents and continues to pursue container terminal opportunities around the world. It also handles general cargoes and provides a number of ancillary services such as storage, container packing and unpacking, inspection, weighing, and services for refrigerated containers or reefers. As at March 4, 2026, the Group is involved in 34 terminal operations, including concessions and port development projects in 20 countries worldwide. There are 10 terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), four (4) in Brazil (including an intermodal rail ramp terminal and a Customs-bonded facility), two (2) each in Papua New Guinea (PNG) and Indonesia; and one (1) each in China, Ecuador, Poland, Georgia, Madagascar, Croatia, Honduras, Mexico, Iraq, Argentina, Democratic Republic (DR) of the Congo, Colombia, Australia, Cameroon, Nigeria and South Africa.

ICTSI was established in 1987 in connection with the privatization of Manila International Container Terminal (MICT) in the Port of Manila, and has built upon the experience gained in rehabilitating, developing and operating MICT to establish an extensive international network of efficient and sustainable origin and destination gateway terminals in locations with supportive demographics, a favorable competitive environment and scope for operational improvements. International acquisitions throughout Asia, Europe, Middle East and Africa (EMEA), and Americas substantially contributed to the growth in the Group's volume, revenues, earnings before interest, taxes, depreciation and amortization (EBITDA), and net income. ICTSI's business strategy is to continue to develop its existing portfolio of terminals, proactively seek acquisition opportunities that meet its investment criteria while delivering returns to the shareholders.

The Group operates principally in one industry segment which is cargo handling and related services. ICTSI has organized its business into three (3) geographical segments:

- Asia
  - Manila - Manila International Container Terminal, Port of Manila, Philippines (MICT); Manila North Harbour Port, Inc., North Harbor, Manila, Philippines (MNHPI); and Manila Multipurpose Terminal, Manila, Philippines (MMT)
  - Zambales - Subic Bay International Terminal Corp., Subic Bay Freeport Zone, Olongapo City, Philippines (SBITC/ICTSI Subic)
  - Misamis Oriental - Mindanao Container Terminal, Phividec Industrial Estate, Tagaloan, Philippines (MCT)
  - Iloilo - Visayas Container Terminal, Iloilo Commercial Port Complex, Philippines (VCT; *commenced April 1, 2024*)
  - General Santos - South Cotabato Integrated Port Services, Inc., Port of General Santos, Philippines (SCIPSI)
  - Batangas - Bauan International Port, Inc., Bauan, Philippines (BIPI)

- Laguna - Laguna Gateway Inland Container Terminal, Calamba City, Laguna, Philippines (LGICT)
- Cavite - Cavite Gateway Terminal, Tanza, Cavite, Philippines (CGT)
- Australia - Victoria International Container Terminal Ltd., Webb Dock East, Port of Melbourne, Australia (VICT)
- Papua New Guinea - Motukea International Terminal Ltd., Port of Motukea, Papua New Guinea (MITL) and South Pacific International Container Terminal Ltd., Port of Lae, Papua New Guinea (SPICTL)
- China - Yantai International Container Terminals Ltd., Port of Yantai, Shandong Province, China (YICT)
- Indonesia - Batu Ampar Container Terminal (BACT), Batam *(commenced September 1, 2025)*; East Java Multipurpose Terminal, Tanjung Pakis Lamongan Public Terminal, East Java, Indonesia (EJMT); Olah Jasa Andal, Port of Tanjung Priok, Jakarta (OJA; *until February 1, 2024*); and Makassar Terminal Services, Makassar, South Sulawesi, Indonesia (MTS; *ceased commercial operations on January 31, 2023*)

- EMEA
  - South Africa - Durban Gateway Terminal, Durban Container Terminal Pier 2, Port of Durban, South Africa (DGT; *commenced January 1, 2026*)
  - DR Congo - ICTSI D.R. Congo S.A., Matadi Gateway Terminal, Mbengu, Matadi, Democratic Republic of Congo (MGT)
  - Iraq - Basra Gateway Terminal, Port of Umm Qasr, Iraq (BGT)
  - Madagascar - Madagascar International Container Terminal Services Ltd., Port of Toamasina, Toamasina, Madagascar (MICTSL)
  - Poland - Baltic Container Terminal Ltd., Gdynia, Poland (BCT)
  - Croatia - Adriatic Gate Container Terminal, Rijeka, Croatia (AGCT)
  - Nigeria - Onne Multipurpose Terminal, Port of Onne, Rivers State, Nigeria (OMT)
  - Georgia - Batumi International Container Terminal LLC, Port of Batumi, Batumi, Georgia (BICTL)
  - Cameroon - Kribi Multipurpose Terminal, Kribi, Cameroon (KMT)
  - Pakistan - Pakistan International Container Terminal, Port of Karachi, Karachi, Pakistan (PICT; *concession contract ended June 17, 2023*)

- Americas
  - Mexico - Contecon Manzanillo S.A. de C.V., Port of Manzanillo, Manzanillo, Mexico (CMSA)
  - Honduras - Operadora Portuaria Centroamericana, SA de CV, Puerto Cortés, Republic of Honduras (OPC)
  - Ecuador - Contecon Guayaquil S.A., Port of Guayaquil, Guayaquil, Ecuador (CGSA)
  - Brazil - Tecon Suape, S.A., Suape, Brazil, Terminal de Contêineres (TSSA); Rio Brasil Terminal, Port of Rio de Janeiro City, Brazil (ICTSI Rio); iTracker, Floriano Intermodal Terminal, Barra Mansa, Rio de Janeiro State, Brazil (IRB Logistica); and CLIA Pouso Alegre, Minas Gerais, Brazil
  - Argentina - TecPlata S.A., Port of La Plata, Buenos Aires Province, Argentina (TecPlata)
  - Colombia - Sociedad Puerto Industrial de Aguadulce S.A., Port of Buenaventura, Buenaventura, Colombia (SPIA; *a joint venture*)

6.2 Results of Operations and Key Performance Indicators

6.2.1 Results of Operations

The following table shows a summary of the results of operations for the year ended December 31, 2025 as compared with the same period in 2024 and 2023 as derived from the accompanying audited consolidated financial statements:

Table 6.1 Audited Consolidated Statements of Income

	For the Years Ended December 31				
In thousands, except % change data	2023	2024	**2025**	% Change *2023 vs 2024*	% Change *2024 vs 2025*
Gross revenues from port operations	US$2,388,326	US$2,739,524	**US$3,234,704**	14.7	18.1
Revenues from port operations, net of port authorities' share	2,168,318	2,506,676	**2,951,368**	15.6	17.7
Total income (net revenues, interest, and other income)	2,259,871	2,634,777	**3,053,419**	16.6	15.9
Total expenses (operating, financing, and other expenses)	1,512,329	1,428,956	**1,547,269**	(5.5)	8.3
EBITDA[1]	1,505,614	1,779,428	**2,144,292**	18.2	20.5
EBIT[2]	1,211,182	1,478,650	**1,816,537**	22.1	22.9
Net income attributable to equity holders of the parent	511,530	849,799	**1,048,140**	66.1	23.3
Earnings per share					
Basic	US$0.238	US$0.408	**US$0.511**	71.6	25.2
Diluted	0.237	0.407	**0.510**	71.9	25.2

[1] EBITDA is not a uniform or legally defined financial measure. It generally represents earnings before interest, taxes, depreciation and amortization. EBITDA is presented because the Group believes it is an important measure of its performance and liquidity. EBITDA is also frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry.

The Group's EBITDA figures are not, however, readily comparable with other companies' EBITDA figures as they are calculated differently and thus, must be read in conjunction with related additional explanations. EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under PFRS Accounting Standards. Some of the limitations concerning EBITDA are:

- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for working capital needs;
- EBITDA does not reflect fixed (and in-substance fixed) port fees and lease payments that are accounted as concession assets under Philippine Interpretation IFRIC 12, *Service Concession Arrangements* and right-of-use assets under PFRS 16, *Leases*;
- EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest and distributions on perpetual securities or principal debt payments and perpetual security redemptions;
- Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in the industry may calculate EBITDA differently, which may limit its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to the Group to invest in the growth of the business. The Group compensates for these limitations by relying primarily on the PFRS Accounting Standards results and uses EBITDA only as supplementary information.

[2] EBIT, or Earnings Before Interest and Taxes, is calculated by taking net revenues from port operations and deducting cash operating expenses, and depreciation and amortization.

The following table presents the computation of EBITDA as derived from the Group's consolidated net income attributable to equity holders of the parent for the year:

Table 6.2 EBITDA Computation

	For the Years Ended December 31				
In thousands, except % change data	2023	2024	**2025**	% Change *2023 vs 2024*	% Change *2024 vs 2025*
Net income attributable to equity holders of the parent	US$511,530	US$849,799	**US$1,048,140**	66.1	23.3
Non-controlling interests	69,596	85,979	**78,737**	23.5	(8.4)
Provision for income tax	166,416	270,043	**379,274**	62.3	40.4
Income before income tax	747,542	1,205,821	**1,506,151**	61.3	24.9
Add (deduct):					
Depreciation and amortization	294,432	300,778	**327,755**	2.2	9.0
Interest and other expenses	555,193	400,930	**412,437**	(27.8)	2.9
Interest and other income	(91,553)	(128,101)	**(102,051)**	39.9	(20.3)
EBITDA	US$1,505,614	US$1,779,428	**US$2,144,292**	18.2	20.5

6.2.2 Key Performance Indicators

Table 6.3 Key Performance Indicators

	2023	2024	**2025**
Gross moves per hour per crane	12.3 - 30.0	13.4 - 33.0	**15.8 - 27.3**
Crane availability	66.8% - 99.7%	78.0% - 98.0%	**80.6% - 98.4%**
Berth utilization	25.2% - 72.6%	23.3% - 83.4%	**31.2% - 87.2%**
TEU volume growth	4.4%	2.5%	**11.0%**
Gross revenue growth	6.5%	14.7%	**18.1%**

The gross moves per hour per crane is a measure of crane productivity while working on vessels during discharging or loading operations. The crane availability relates to the efficiency of the maintenance of the crane. Berth utilization is a measure of how long the berth is utilized for a given period and this indicator measures the efficiency of the operations and the productivity on the vessel.

6.3 Comparison of Operating Results for the Years Ended December 31, 2024 and 2025

6.3.1 TEU Volume

The below table presents the volume (in TEU) handled by the Group for the years ended December 31, 2024 and 2025:

Table 6.4 Volume

	For the Years Ended December 31		
	2024	**2025**	% Change
Asia	7,107,101	**7,729,812**	8.8
Americas	3,498,068	**4,158,288**	18.9
EMEA	2,461,780	**2,613,089**	6.1
	13,066,949	**14,501,189**	11.0

The Group's consolidated volume increased by 11.0 percent to 14,501,189 TEUs for the year ended December 31, 2025 from 13,066,949 TEUs handled for the same period in 2024 mainly due to the improvement in trade activities across all regions, particularly volume recovery at CGSA. Excluding impact of new (VCT and BACT) and discontinued (OJA) operations, consolidated volume would have increased by 9.6 percent for the year ended December 31, 2025.

Volume from the Asia segment, consisting of terminals in the Philippines, Australia, China, Papua New Guinea and Indonesia, increased by 8.8 percent to 7,729,812 TEUs for the year ended December 31, 2025 from 7,107,101 TEUs for the same period in 2024 mainly due to the improvement in trade activities across all Philippine terminals, VICT and PNG terminals, and contribution of BACT. Excluding the impact of new and discontinued operations, volume from the Asia segment would have increased by 6.1 percent for the year ended December 31, 2025. The Asia operations accounted for 54.4 percent and 53.3 percent of the consolidated volume for the years ended December 31, 2024 and 2025, respectively.

Volume from the Americas segment, consisting of terminals in Mexico, Ecuador, Brazil, Honduras and Argentina, increased by 18.9 percent to 4,158,288 TEUs for the year ended December 31, 2025 from 3,498,068 TEUs for the same period in 2024 mainly due to the volume recovery at CGSA; new services at CMSA; and improvement in trade activities across all other terminals in Americas. The Americas operations accounted for 26.8 percent and 28.7 percent of the consolidated volume for the years ended December 31, 2024 and 2025, respectively.

Volume from the EMEA segment, consisting of terminals in Iraq, DR Congo, Poland, Georgia, Croatia, Madagascar and Nigeria, increased by 6.1 percent to 2,613,089 TEUs for the year ended December 31, 2025 from 2,461,780 TEUs for the same period in 2024 mainly due to the improvement in trade activities in most of the terminals in EMEA. The EMEA operations accounted for 18.8 percent and 18.0 percent of the Group's consolidated volume for the years ended December 31, 2024 and 2025, respectively.

6.3.2 Total Income

Total income consists of: (1) Revenues from port operations, net of port authorities' share in gross revenues; (2) Interest income; (3) Foreign exchange gain; (4) Equity in net income of joint ventures; and (5) Other income.

The table below illustrates the consolidated total income for the years ended December 31, 2024 and 2025:

Table 6.5 Total Income

	For the Years Ended December 31		
(In thousands, except % change data)	2024	**2025**	% Change
Gross revenues from port operations	US$2,739,524	**US$3,234,704**	18.1
Port authorities' share in gross revenues	232,848	**283,336**	21.7
Net revenues	2,506,676	**2,951,368**	17.7
Interest income	71,547	**55,343**	(22.6)
Foreign exchange gain	19,599	**25,439**	29.8
Equity in net income of joint ventures	–	**3,359**	100.0
Other income	36,954	**17,910**	(51.5)
	US$2,634,776	**US$3,053,419**	15.9

For the year ended December 31, 2025, net revenues stood at 96.7 percent of the total consolidated income whereas interest income, foreign exchange gain, equity in net income of joint ventures, and other income accounted for 1.8 percent, 0.8 percent, 0.1 percent and 0.6 percent, respectively. For the same period in 2024, net revenues stood at 95.1 percent of the total consolidated income whereas interest income, foreign exchange gain, and other income accounted for 2.7 percent, 0.8 percent and 1.4 percent, respectively.

6.3.2.1 Gross Revenues from Port Operations

Gross revenues from port operations include fees received for cargo handling, wharfage, berthing, storage, and special services.

The table below illustrates the consolidated gross revenues for the years ended December 31, 2024 and 2025:

Table 6.6 Gross Revenues from Port Operations

	For the Years Ended December 31		
(In thousands, except % change data)	2024	**2025**	% Change
Asia	US$1,140,265	**US$1,336,712**	17.2
Americas	1,078,241	**1,307,445**	21.3
EMEA	521,018	**590,547**	13.3
	US$2,739,524	**US$3,234,704**	18.1

The Group's consolidated gross revenues from port operations increased by 18.1 percent to US$3,234.7 million for the year ended December 31, 2025 from US$2,739.5 million for the same period in 2024 mainly due to the volume growth with a more favorable container mix, tariff adjustments, and higher revenues from ancillary services at certain terminals; partially tapered by unfavorable translation impact mainly of the depreciation of Mexican Peso (MXN)-based revenues at CMSA, Brazilian Real (BRL)-based revenues at TSSA and ICTSI Rio, and Australian Dollar (AUD)-based revenues at VICT.

Excluding impact of new and discontinued operations, consolidated gross revenues would have increased by 17.8 percent for the year ended December 31, 2025.

Gross revenues from the Asia segment increased by 17.2 percent to US$1,336.7 million for the year ended December 31, 2025 from US$1,140.3 million for the same period in 2024 mainly due to the volume growth with a more favorable container mix, tariff adjustments, and higher revenues from ancillary services, with most of the Philippine terminals and all other terminals in Asia contributing to the revenue growth; partially tapered by unfavorable translation impact of foreign currency-denominated revenues against US dollar. Excluding the impact of new and discontinued operations, gross revenues of Asia segment would have increased by 16.5 percent for the year ended December 31, 2025. The Asia operations captured 41.6 percent and 41.3 percent of the consolidated gross revenues for the years ended December 31, 2024 and 2025, respectively.

Gross revenues from the Americas segment increased by 21.3 percent to US$1,307.4 million for the year ended December 31, 2025 from US$1,078.2 million for the same period in 2024 mainly due to the volume recovery at CGSA; higher revenues from ancillary services, volume growth with a more favorable container mix and tariff adjustments, with all terminals in Americas contributing to the revenue growth; partially tapered by unfavorable translation impact of foreign currency-denominated revenues against US dollar. The Americas operations accounted for 39.4 percent and 40.4 percent of the consolidated gross revenues for the years ended December 31, 2024 and 2025, respectively.

Gross revenues from the EMEA segment increased by 13.3 percent to US$590.5 million for the year ended December 31, 2025 from US$521.0 million for the same period in 2024 mainly due to the higher revenues from ancillary services, including growth in general cargo activities, and volume growth and tariff adjustments, with all terminals in EMEA contributing to the revenue growth; and favorable translation impact of foreign currency-denominated revenues against US dollar. The EMEA operations stood at 19.0 percent and 18.3 percent of the consolidated gross revenues for the years ended December 31, 2024 and 2025, respectively.

6.3.2.2 Port Authorities' Share in Gross Revenues

Port Authorities' share in gross revenues, which represents the variable fees paid to Port Authorities at certain terminals, other than minimum guaranteed variable fees that were capitalized as part of concession rights and right-of-use assets and are amortized on a straight-line basis over the term of the concession, increased by 21.7 percent to US$283.3 million for the year ended December 31, 2025 from US$232.8 million for the same period in 2024 as a result of higher revenues from these terminals. The Port Authorities' share in gross revenue grew faster than the revenue due to higher revenue growth at terminals with higher variable fees, mainly MICT and CGSA.

6.3.2.3 Interest Income, Foreign Exchange Gain, and Other Income

Interest income decreased by 22.6 percent to US$55.3 million for the year ended December 31, 2025 from US$71.5 million for the same period in 2024 mainly due to the lower average balance of short-term investments and bank deposits.

Foreign exchange gain increased by 29.8 percent to US$25.4 million for the year ended December 31, 2025 from US$19.6 million for the same period in 2024 mainly due to the favorable translation impact of certain currencies against US dollar.

Equity in net income of joint ventures amounted to US$3.4 million for the year ended December 31, 2025 mainly due to positive result of operations at SPIA.

Other income decreased by 51.5 percent to US$17.9 million for the year ended December 31, 2025 from US$37.0 million for the same period in 2024 mainly due to nonrecurring income from the settlement of legal claims in 2024.

6.3.3 Total Expense

The table below shows the breakdown of total expenses for the years ended December 31, 2024 and 2025:

Table 6.7 Total Expenses

	For the Years Ended December 31		
(In thousands, except % change data)	2024	**2025**	% Change
Manpower costs	US$365,862	**US$418,094**	14.3
Equipment and facilities-related expenses	187,400	**197,159**	5.2
Administrative and other operating expenses	173,986	**191,824**	10.3
Total cash operating expenses	727,248	**807,077**	11.0
Depreciation and amortization	300,778	**327,755**	9.0
Interest expense and financing charges on borrowings	159,280	**147,372**	(7.5)
Interest expense on concession rights payable	63,313	**63,865**	0.9
Interest expense on lease liabilities	138,035	**141,039**	2.2
Equity in net loss of joint ventures	5,457	**–**	(100.0)
Foreign exchange loss and other expenses	34,845	**60,161**	72.7
Total expenses	US$1,428,956	**US$1,547,269**	8.3

Total cash operating expenses of the Group increased by 11.0 percent to US$807.1 million for the year ended December 31, 2025 from US$727.2 million for the same period in 2024 mainly due to volume/revenue-driven increase in operating expenses, including increases related to the growth in revenue generating ancillary services at certain terminals; increase in government-mandated and contracted salary rate adjustments and benefits; partially tapered by favorable foreign exchange effect mainly of BRL-based expenses at ICTSI Rio and TSSA, and MXN- and AUD-based expenses at CMSA and VICT, respectively, and continuous cost optimization measures implemented. Excluding the impact of new and discontinued operations, consolidated cash operating expenses would have increased by 10.5 percent for the year ended December 31, 2025.

Expense accounts for the year ended December 31, 2025 with variances of plus or minus 5.0 percent against December 31, 2024 balances are discussed, as follows:

6.3.3.1 Manpower Costs

Manpower costs increased by 14.3 percent to US$418.1 million for year ended December 31, 2025 from US$365.9 million for the same period in 2024 primarily due to volume-driven increase in headcount and contracted services, and increase in government-mandated and contracted salary rate adjustments and benefits, at certain terminals; partially tapered by net favorable translation impact of foreign currency-denominated manpower costs against US dollar. Excluding the impact of new and discontinued operations, consolidated manpower costs would have increased by 14.0 percent for the year ended December 31, 2025.

Manpower costs accounted for 50.3 percent and 51.8 percent of consolidated cash operating expenses for the years ended December 31, 2024 and 2025, respectively.

6.3.3.2 Equipment and Facilities-related Expenses

Equipment and facilities-related expenses consist mainly of repairs and maintenance costs of port equipment and facilities, power and light, tools expenses, equipment rentals, and fuel, oil and lubricants.

Equipment and facilities-related expenses increased by 5.2 percent to US$197.2 million for the year ended December 31, 2025 from US$187.4 million for the same period in 2024 mainly due to volume/revenue-driven increase in repairs and maintenance, equipment rentals, and fuel and power consumption; partially tapered by continuous cost optimization measures implemented; lower cost of outsourced facilities and services; and net favorable translation impact of foreign currency-denominated equipment and facilities-related expenses against US dollar. Excluding the impact of new and discontinued operations, consolidated equipment and facilities-related expenses would have increased by 4.4 percent for the year ended December 31, 2025.

Equipment and facilities-related expenses represented 25.8 percent and 24.4 percent of consolidated cash operating expenses for the years ended December 31, 2024 and 2025, respectively.

6.3.3.3 Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 10.3 percent to US$191.8 million for the year ended December 31, 2025 from US$174.0 million for the same period in 2024 driven by increases in volume-driven IT costs and revenue-related taxes and licenses; partially tapered by the general impact of continuous cost optimization measures implemented. Excluding the impact of new and discontinued operations, consolidated administrative and other operating expenses would have increased by 9.8 percent for the year ended December 31, 2025.

Administrative and other operating expenses stood at 23.9 percent and 23.8 percent of consolidated cash operating expenses for the years ended December 31, 2024 and 2025, respectively.

6.3.3.4 Depreciation and amortization

Depreciation and amortization increased by 9.0 percent to US$327.8 million for the year ended December 31, 2025 from US$300.8 million for the same period in 2024 mainly due to the commissioning of various port equipment and facilities; and increase in right-of-use asset as a result of remeasurement of lease liabilities, including new leased areas, at certain terminals. Excluding the impact of new and discontinued operations, consolidated depreciation and amortization would have increased by 8.3 percent for the year ended December 31, 2025.

6.3.3.5 Interest and Financing Charges on Borrowings

Interest and financing charges on borrowings decreased by 7.5 percent to US$147.4 million for the year ended December 31, 2025 from US$159.3 million for the same period in 2024 primarily due to the substantial repayment of loan during the year and in the latter part of 2024, including capitalization of borrowing costs. Excluding the impact of new and discontinued operations, consolidated interest and financing charges on borrowings would have decreased by 8.8 percent for the year ended December 31, 2025.

6.3.3.6 Equity in Net Loss of Joint Ventures

Equity in net loss of joint ventures amounted to nil for the year ended December 31, 2025 from US$5.5 million for the same period in 2024 mainly due to positive result of operations at SPIA.

6.3.3.7 Foreign Exchange Loss and Other Expenses

Foreign exchange loss and other expenses increased by 72.7 percent to US$60.2 million for the year ended December 31, 2025 from US$34.8 million for the same period in 2024 mainly due to unfavorable translation impact of certain currencies against US dollar; partially tapered by nonrecurring loss on sale of OJA in 2024.

6.3.4 EBITDA and EBIT

Consolidated EBITDA increased by 20.5 percent to US$2,144.3 million for the year ended December 31, 2025 from US$1,779.4 million for the same period in 2024 mainly due to higher revenues partially tapered by the increase in cash operating expenses. EBITDA margin increased to 66.3 percent in 2025 from 65.0 percent in 2024. Excluding the impact of new and discontinued operations, EBITDA would have increased by 20.2 percent for the year ended December 31, 2025.

Meanwhile, consolidated EBIT increased by 22.9 percent to US$1,816.5 million for the year ended December 31, 2025 from US$1,478.7 million for the same period in 2024 mainly due to higher EBITDA, partially tapered by the increase in depreciation and amortization charges. EBIT margin increased to 56.2 percent in 2025 from 54.0 percent in 2024. Excluding the impact of new and discontinued operations, EBIT would have increased by 22.7 percent for the year ended December 31, 2025.

6.3.5 Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax increased by 24.9 percent to US$1,506.2 million for the year ended December 31, 2025 from US$1,205.8 million for the same period in 2024 primarily due to higher operating income; partially tapered by nonrecurring income from settlement of legal claims in 2024. Excluding impact of nonrecurring income and charges, and new and discontinued operations, consolidated income before income tax would have increased by 27.0 percent for the year ended December 31, 2025.

The ratio of consolidated income before income tax to consolidated gross revenues stood at 44.0 percent and 46.6 percent in 2024 and 2025, respectively.

Consolidated provision for income taxes increased by 40.4 percent to US$379.3 million for the year ended December 31, 2025 from US$270.0 million for the same period in 2024. Effective income tax rate in 2024 and 2025 stood at 22.4 percent and 25.2 percent, respectively. Increase in the provision for income tax and effective income tax rate from prior period is due to higher taxable income at certain terminals operating in jurisdictions with high tax rates.

6.3.6 Net Income

Consolidated net income increased by 20.4 percent to US$1,126.9 million for the year ended December 31, 2025 from US$935.8 million for the same period in 2024. The ratio of consolidated net income to gross revenues from port operations stood at 34.2 percent and 34.8 percent in 2024 and 2025, respectively. Excluding the impact of nonrecurring gains and losses, and new and discontinued operations, consolidated net income would have increased by 22.9 percent.

Consolidated net income attributable to equity holders of the Parent increased by 23.3 percent to US$1,048.1 million for the year ended December 31, 2025 from US$849.8 million for the same period in 2024. Excluding the impact of nonrecurring gains and losses, and new and discontinued operations, consolidated net income attributable to equity holders would have increased by 26.1 percent.

Basic earnings per share increased to US$0.511 in 2025 from US$0.408 in 2024. Diluted earnings per share increased to US$0.510 in 2025 from US$0.407 in 2024.

6.4 Comparison of Operating Results for the Years Ended December 31, 2023 and 2024

6.4.1 TEU Volume

The below table presents the volume (in TEU) handled by the Group for the years ended December 31, 2023 and 2024:

Table 6.8 Volume

	For the Years Ended December 31		
	2023	**2024**	% Change
Asia	6,570,833	**7,107,101**	8.2
Americas	3,653,516	**3,498,068**	(4.3)
EMEA	2,524,865	**2,461,780**	(2.5)
	12,749,214	**13,066,949**	2.5

The Group's consolidated volume increased by 2.5 percent to 13,066,949 TEUs for the year ended December 31, 2024 from 12,749,214 TEUs handled for the same period in 2023 mainly due to the new services and improvement in trade activities at certain terminals; and contribution of VCT; partially tapered by the decrease in volume of CGSA; and the impact of expiration of the concession contract at PICT, and sale of OJA. Excluding the impact of new (VCT) and discontinued (PICT, OJA and MTS) operations, consolidated volume would have increased by 5.1 percent for the year ended December 31, 2024.

Volume from the Asia segment, consisting of terminals in the Philippines, Australia, China, Papua New Guinea and Indonesia, increased by 8.2 percent to 7,107,101 TEUs for the year ended December 31, 2024 from 6,570,833 TEUs for the same period in 2023 mainly due to new services and improvement in trade activities largely at VICT and Philippine terminals, including contribution of VCT; partially tapered by the impact of sale of OJA. Excluding the impact of new and discontinued operations, volume from the Asia segment would have increased by 9.9 percent for the year ended December 31, 2024. The Asia operations accounted for 51.5 percent and 54.4 percent of the consolidated volume for the years ended December 31, 2023 and 2024, respectively.

Volume from the Americas segment, consisting of terminals in Mexico, Ecuador, Brazil, Honduras and Argentina, decreased by 4.3 percent to 3,498,068 TEUs for the year ended December 31, 2024 from 3,653,516 TEUs for the same period in 2023 mainly due to the decrease in volume of CGSA; partially tapered by the new services and improvement in trade activities largely at CMSA, TSSA and ICTSI Rio. The Americas operations accounted for 28.7 percent and 26.8 percent of the consolidated volume for the years ended December 31, 2023 and 2024, respectively.

Volume from the EMEA segment, consisting of terminals in Iraq, DR Congo, Poland, Pakistan, Georgia, Croatia, Madagascar and Nigeria, decreased by 2.5 percent to 2,461,780 TEUs for the year ended December 31, 2024 from 2,524,865 TEUs for the same period in 2023 mainly due to the impact of expiration of the concession contract at PICT; partially tapered by volume growth due to market recovery at BGT; and improvement in trade activities at BCT, IDRC and MICTSL. Excluding the impact of discontinued operations at PICT, volume from the EMEA segment would have increased by 6.5 percent for the year ended December 31, 2024. The EMEA operations accounted for 19.8 percent and 18.8 percent of the Group's consolidated volume for the years ended December 31, 2023 and 2024, respectively.

6.4.2 Total Income

Total income consists of: (1) Revenues from port operations, net of port authorities' share in gross revenues; (2) Interest income; (3) Foreign exchange gain and (4) Other income.

The table below illustrates the consolidated total income for the years ended December 31, 2023 and 2024:

Table 6.9 Total Income

	For the Years Ended December 31		
(In thousands, except % change data)	2023	**2024**	% Change
Gross revenues from port operations	US$2,388,326	**US$2,739,524**	14.7
Port authorities' share in gross revenues	220,008	**232,848**	5.8
Net revenues	2,168,318	**2,506,676**	15.6
Interest income	57,977	**71,547**	23.4
Foreign exchange gain	10,489	**19,599**	86.9
Other income	23,087	**36,954**	60.1
	US$2,259,871	**US$2,634,776**	16.6

For the year ended December 31, 2024, net revenues stood at 95.1 percent of the total consolidated income whereas interest income, foreign exchange gain, and other income accounted for 2.7 percent, 0.8 percent and 1.4 percent, respectively. For the same period in 2023, net revenues stood at 95.9 percent of the total consolidated income whereas interest income, foreign exchange gain, and other income accounted for 2.6 percent, 0.5 percent and 1.0 percent, respectively.

6.4.2.1 Gross Revenues from Port Operations

Gross revenues from port operations include fees received for cargo handling, wharfage, berthing, storage, and special services.

The below table illustrates the consolidated gross revenues for the years ended December 31, 2023 and 2024:

Table 6.10 Gross Revenues from Port Operations

	For the Years Ended December 31		
(In thousands, except % change data)	2023	**2024**	% Change
Asia	US$1,042,432	**US$1,140,265**	9.4
Americas	855,615	**1,078,241**	26.0
EMEA	490,279	**521,018**	6.3
	US$2,388,326	**US$2,739,524**	14.7

The Group's consolidated gross revenues from port operations increased by 14.7 percent to US$2,739.5 million for the year ended December 31, 2024 from US$2,388.3 million for the same period in 2023 mainly due to volume growth with favorable container mix, tariff adjustments, higher revenues from ancillary services, and growth in general cargo activities at certain terminals; partially tapered by volume-driven decrease in revenues at certain terminals; the impact of expiration of the concession contract at PICT, and sale of OJA; and unfavorable translation impact mainly of the depreciation of Brazilian Real (BRL)-based revenues at TSSA and ICTSI Rio, Nigerian Naira (NGN)-, Mexican Peso (MXN)- and Philippine Peso (PHP)-based revenues at OMT, CMSA and Philippine terminals, respectively. Excluding the impact of new (VCT and CLIA Pouso Alegre) and discontinued (PICT and OJA) operations, consolidated gross revenues would have increased by 15.3 percent for the year ended December 31, 2024.

Gross revenues from the Asia segment increased by 9.4 percent to US$1,140.3 million for the year ended December 31, 2024 from US$1,042.4 million for the same period in 2023 mainly due to volume-driven increase and tariff adjustments at VICT and certain Philippine terminals, including contribution of VCT; partially tapered by the impact of sale of OJA; and net unfavorable translation impact of certain currencies against US dollar. Excluding the impact of new and discontinued operations, gross revenues of Asia segment would have increased by 8.5 percent for the year ended December 31, 2024. The Asia operations captured 43.7 percent and 41.6 percent of the consolidated gross revenues for the years ended December 31, 2023 and 2024, respectively.

Gross revenues from the Americas segment increased by 26.0 percent to US$1,078.2 million for the year ended December 31, 2024 from US$855.6 million for the same period in 2023 mainly due to volume growth with favorable container mix, tariff adjustments and higher revenues from ancillary services largely at CMSA, ICTSI Rio, TSSA and OPC; partially tapered by volume-driven decrease in revenues at CGSA; and net unfavorable translation impact of foreign currency-denominated revenues against US dollar. Excluding the impact of new and discontinued operations, gross revenues of Americas segment would have increased by 25.5 percent for the year ended December 31, 2024. The Americas operations accounted for 35.8 percent and 39.4 percent of the consolidated gross revenues for the years ended December 31, 2023 and 2024, respectively.

Gross revenues from the EMEA segment increased by 6.3 percent to US$521.0 million for the year ended December 31, 2024 from US$490.3 million for the same period in 2023 due to volume-driven increase and higher revenues from ancillary services largely at IDRC, MICTSL, AGCT and ICTSI Iraq; partially tapered by the impact of expiration of the concession contract at PICT; and net unfavorable translation impact of foreign currency-denominated revenues against US dollar. Excluding the impact of discontinued operations at PICT, gross revenues of EMEA segment would have increased by 11.4 percent for the year ended December 31, 2024. The EMEA operations stood at 20.5 percent and 19.0 percent of the consolidated gross revenues for the years ended December 31, 2023 and 2024, respectively.

6.4.2.2 Port Authorities' Share in Gross Revenues

Port authorities' share in gross revenues, which represents the variable fees paid to Port Authorities by certain terminals, other than the minimum guaranteed variable fees or in-substance fixed fees that were capitalized as part of concession rights and right-of-use assets, and amortized on a straight-line basis over the term of the concession, increased by 5.8 percent to US$232.8 million for the year ended December 31, 2024 from US$220.0 million for the same period in 2023 as a result of higher revenues at some of these terminals.

6.4.2.3 Interest Income, Foreign Exchange Gain, and Other Income

Interest income increased by 23.4 percent to US$71.5 million for the year ended December 31, 2024 from US$58.0 million for the same period in 2023 mainly due to interest earned from short-term investments and deposits at certain terminals.

Foreign exchange gain increased by 86.9 percent to US$19.6 million for the year ended December 31, 2024 from US$10.5 million for the same period in 2023 mainly due to the favorable translation impact of certain currencies against US dollar.

Other income increased by 60.1 percent to US$37.0 million for the year ended December 31, 2024 from US$23.1 million for the same period in 2023 mainly due to nonrecurring income from the settlement of legal claims.

6.4.3 Total Expense

The table below shows the breakdown of total expenses for the years ended December 31, 2023 and 2024:

Table 6.11 Total Expenses

	For the Years Ended December 31		
(In thousands, except % change data)	2023	**2024**	% Change
Manpower costs	US$329,115	**US$365,862**	11.2
Equipment and facilities-related expenses	167,837	**187,400**	11.7
Administrative and other operating expenses	165,752	**173,986**	5.0
Total cash operating expenses	662,704	**727,248**	9.7
Depreciation and amortization	294,432	**300,778**	2.2
Interest expense and financing charges on borrowings	140,333	**159,280**	13.5
Interest expense on concession rights payable	64,519	**63,313**	(1.9)
Interest expense on lease liabilities	133,793	**138,035**	3.2
Equity in net loss of joint ventures	9,809	**5,457**	(44.4)
Foreign exchange loss and other expenses	206,739	**34,845**	(83.1)
Total expenses	US$1,512,329	**US$1,428,956**	(5.5)

Total cash operating expenses of the Group increased by 9.7 percent to US$727.2 million for the year ended December 31, 2024 from US$662.7 million for the same period in 2023 mainly driven by volume-driven increase in operating expenses, including increases related to the growth in revenue generating ancillary services and general cargo activities at certain terminals; and increase in government-mandated and contracted salary rate adjustments, including benefits; partially tapered by the impact of expiration of the concession contract at PICT; continuous cost optimization measures implemented; and favorable foreign exchange effect mainly of BRL-based expenses at TSSA and ICTSI Rio, NGN- and PHP-based expenses at OMT and Philippine terminals, respectively. Excluding the impact of new and discontinued operations, consolidated cash operating expenses would have increased by 10.5 percent for the year ended December 31, 2024.

Expense accounts for the year ended December 31, 2024 with variances of plus or minus 5.0 percent against December 31, 2023 balances are discussed, as follows:

6.4.3.1 Manpower Costs

Manpower costs increased by 11.2 percent to US$365.9 million for year ended December 31, 2024 from US$329.1 million for the same period in 2023 primarily due to government-mandated and contracted salary rate adjustments, including benefits, and volume-driven increase in headcount at certain terminals; partially tapered by the decrease in manpower costs at CGSA; the impact of expiration of the concession contract at PICT; continuous cost optimization measures implemented; and net favorable translation impact of foreign currency-denominated manpower costs against US dollar. Excluding the impact of new and discontinued operations, consolidated manpower costs would have increased by 11.7 percent for the year ended December 31, 2024.

Manpower costs accounted for 49.7 percent and 50.3 percent of consolidated cash operating expenses for the years ended December 31, 2023 and 2024, respectively.

6.4.3.2 Equipment and Facilities-related Expenses

Equipment and facilities-related expenses consist mainly of repairs and maintenance costs of port equipment and facilities, power and light, tools expenses, equipment rentals, and fuel, oil and lubricants.

Equipment and facilities-related expenses increased by 11.7 percent to US$187.4 million for the year ended December 31, 2024 from US$167.8 million for the same period in 2023 mainly due to volume/revenue-driven increase in equipment repairs and maintenance, and outsourced facilities and services; partially tapered by the decrease in power and fuel at CGSA; the impact of expiration of the concession contract at PICT; continuous cost optimization measures implemented; and net favorable translation impact of foreign currency-denominated equipment and facilities-related expenses against US dollar. Excluding the impact of new and discontinued operations, consolidated equipment and facilities-related expenses would have increased by 13.9 percent for the year ended December 31, 2024.

Equipment and facilities-related expenses represented 25.3 percent and 25.8 percent of consolidated cash operating expenses for the years ended December 31, 2023 and 2024, respectively.

6.4.3.3 Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 5.0 percent to US$174.0 million for the year ended December 31, 2024 from US$165.8 million for the same period in 2023 driven by increases in sponsorships, insurance, IT cost, and taxes linked to revenues; partially tapered by decreases in provision for claims and losses, transportation and travel, professional fees, and the general impact of continuous cost optimization measures implemented. Excluding the impact of new and discontinued operations, consolidated administrative and other operating expenses would have increased by 4.8 percent for the year ended December 31, 2024.

Administrative and other operating expenses stood at 25.0 percent and 23.9 percent of consolidated cash operating expenses for the years ended December 31, 2023 and 2024, respectively.

6.4.3.4 Interest and Financing Charges on Borrowings

Interest and financing charges on borrowings increased by 13.5 percent to US$159.3 million for the year ended December 31, 2024 from US$140.3 million for the same period in 2023 primarily due to higher average loan balance.

6.4.3.5 Equity in Net Loss of Joint Ventures

Equity in net loss of joint ventures decreased by 44.4 percent to US$5.5 million for the year ended December 31, 2024 from US$9.8 million for the same period in 2023 mainly from equity in lower net loss of SPIA.

6.4.3.6 Foreign Exchange Loss and Other Expenses

Foreign exchange loss and other expenses decreased by 83.1 percent to US$34.8 million for the year ended December 31, 2024 from US$206.7 million for the same period in 2023 mainly due to the nonrecurring impairment charge on non-financial assets in 2023, including goodwill attributed to PICT, amounting to $165.3 million; complemented with lower foreign exchange loss arising from the unfavorable translation impact of certain currencies against US dollar during the year; partially tapered by nonrecurring loss on sale of OJA in 2024.

6.4.4 EBITDA and EBIT

Consolidated EBITDA increased by 18.2 percent to US$1,779.4 million for the year ended December 31, 2024 from US$1,505.6 million for the same period in 2023 mainly due to higher revenues partially tapered by the increase in cash operating expenses. EBITDA margin increased to 65.0 percent in 2024 from 63.0 percent in 2023.

Excluding the impact of new and discontinued operations, EBITDA would have increased by 18.8 percent for the year ended December 31, 2024.

Meanwhile, consolidated EBIT increased by 22.1 percent to US$1,478.7 million for the year ended December 31, 2024 from US$1,211.2 million for the same period in 2023 mainly due to higher EBITDA, partially tapered by increase in depreciation and amortization charges. EBIT margin increased to 54.0 percent in 2024 from 50.7 percent in 2023. Excluding the impact of new and discontinued operations, EBIT would have increased by 22.5 percent for the year ended December 31, 2024.

6.4.5 Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax increased by 61.3 percent to US$1,205.8 million for the year ended December 31, 2024 from US$747.5 million for the same period in 2023 primarily due to the nonrecurring impairment charge on non-financial assets in 2023 amounting to $165.3 million; complemented with higher operating income during the year, including interest on short-term investments and deposits; decreases in equity in net loss of joint ventures, interest on concession rights payable; and net favorable translation impact of certain currencies against US dollar; partially tapered by increases in interests on loans and lease liabilities, and depreciation and amortization. Excluding the impact of nonrecurring gains and losses, consolidated income before income tax would have increased by 30.0 percent.

The ratio of consolidated income before income tax to consolidated gross revenues stood at 31.3 percent and 44.0 percent in 2023 and 2024, respectively.

Consolidated provision for income taxes increased by 62.3 percent to US$270.0 million for the year ended December 31, 2024 from US$166.4 million for the same period in 2023. Effective income tax rate in 2023 and 2024 stood at 22.3 percent and 22.4 percent, respectively. Increase in the provision for income taxes from prior period is mainly due to stronger results of operations of the Group.

6.4.6 Net Income

Consolidated net income increased by 61.0 percent to US$935.8 million for the year ended December 31, 2024 from US$581.1 million for the same period in 2023. The ratio of consolidated net income to gross revenues from port operations stood at 24.3 percent and 34.2 percent in 2023 and 2024, respectively. Excluding the impact of nonrecurring gains and losses, consolidated net income would have increased by 22.8 percent.

Consolidated net income attributable to equity holders of the Parent increased by 66.1 percent to US$849.8 million for the year ended December 31, 2024 from US$511.5 million for the same period in 2023. Excluding the impact of nonrecurring gains and losses, consolidated net income attributable to equity holders would have increased by 22.8 percent.

Basic earnings per share increased to US$0.408 in 2024 from US$0.238 in 2023. Diluted earnings per share increased to US$0.407 in 2024 from US$0.237 in 2023.

6.5 Comparison of Operating Results for the Years Ended December 31, 2022 and 2023

6.5.1 TEU Volume

The below table presents the volume (in TEU) handled by the Group for the years ended December 31, 2022 and 2023:

Table 6.12 Volume

	For the Years Ended December 31		
	2022	**2023**	% Change
Asia	6,129,900	**6,570,833**	7.2
Americas	3,429,002	**3,653,516**	6.5
EMEA	2,657,288	**2,524,865**	(5.0)
	12,216,190	**12,749,214**	4.4

The Group’s consolidated volume increased by 4.4 percent to 12,749,214 TEUs for the year ended December 31, 2023 from 12,216,190 TEUs handled for the same period in 2022 mainly due to the contribution of MNHPI that was consolidated starting September 2022; improvement in trade activities, and new and additional services at certain terminals; partially tapered by the impact of expiration of the concession contract at PICT; termination of cargo handling operations at MTS; and slowdown in trade activities at few terminals. Excluding MNHPI and discontinued operations (PICT, MTS and DIPSSCOR), consolidated volume would have increased by 1.6 percent for the year ended December 31, 2023.

Volume from the Asia segment, consisting of terminals in the Philippines, Australia, China, Papua New Guinea and Indonesia, increased by 7.2 percent to 6,570,833 TEUs for the year ended December 31, 2023 from 6,129,900 TEUs for the same period in 2022 mainly due to the contribution of MNHPI; partially tapered by lower trade volumes at VICT, certain Philippine terminals and OJA; and the termination of cargo handling operations at MTS. Excluding the contribution of MNHPI, and impact of discontinued operations at MTS and DIPSSCOR, volume from the Asia segment would have decreased by 5.1 percent for the year ended December 31, 2023. The Asia operations accounted for 50.2 percent and 51.5 percent of the consolidated volume for the years ended December 31, 2022 and 2023, respectively.

Volume from the Americas segment, consisting of terminals in Mexico, Ecuador, Brazil, Honduras and Argentina, increased by 6.5 percent to 3,653,516 TEUs for the year ended December 31, 2023 from 3,429,002 TEUs for the same period in 2022 mainly due to improvement in trade activities, and new and additional services at CGSA, CMSA and ICTSI Rio; partially tapered by lower trade volume at OPC. The Americas operations accounted for 28.1 percent and 28.7 percent of the consolidated volume for the years ended December 31, 2022 and 2023, respectively.

Volume from the EMEA segment, consisting of terminals in Iraq, DR Congo, Poland, Pakistan, Georgia, Croatia, Madagascar and Nigeria, decreased by 5.0 percent to 2,524,865 TEUs for the year ended December 31, 2023 from 2,657,288 TEUs for the same period in 2022 mainly due to expiration of the concession contract at PICT; partially tapered by volume growth due to market recovery at BGT. Excluding the contribution of PICT, volume from the EMEA segment would have increased by 11.2 percent for the year ended December 31, 2023. The EMEA operations accounted for 21.7 percent and 19.8 percent of the Group’s consolidated volume for the years ended December 31, 2022 and 2023, respectively.

6.5.2 Total Income

Total income consists of: (1) Revenues from port operations, net of port authorities' share in gross revenues; (2) Interest income; (3) Foreign exchange gain; (4) Equity in net profit of joint ventures; and (5) Other income.

The table below illustrates the consolidated total income for the years ended December 31, 2022 and 2023:

Table 6.13 Total Income

	For the Years Ended December 31		
(In thousands, except % change data)	2022	**2023**	% Change
Gross revenues from port operations	US$2,242,992	**US$2,388,326**	6.5
Port authorities' share in gross revenues	221,604	**220,008**	(0.7)
Net revenues	2,021,388	**2,168,318**	7.3
Interest income	39,052	**57,977**	48.5
Foreign exchange gain	14,471	**10,489**	(27.5)
Equity in net profit of joint ventures	1,987	–	(100.0)
Other income	18,996	**23,087**	21.5
	US$2,095,894	**US$2,259,871**	7.8

For the year ended December 31, 2023, net revenues stood at 95.9 percent of the total consolidated income while interest income, foreign exchange gain, and other income accounted for 2.6 percent, 0.5 percent and 1.0 percent, respectively. For the same period in 2022, net revenues stood at 96.4 percent of the total consolidated income while interest income, foreign exchange gain, equity in net profit of joint ventures, and other income accounted for 1.9 percent, 0.7 percent, 0.1 percent and 0.9 percent, respectively.

6.5.2.1 Gross Revenues from Port Operations

Gross revenues from port operations include fees received for cargo handling, wharfage, berthing, storage, and special services.

The below table illustrates the consolidated gross revenues for the years ended December 31, 2022 and 2023:

Table 6.14 Gross Revenues from Port Operations

	For the Years Ended December 31		
(In thousands, except % change data)	2022	**2023**	% Change
Asia	US$1,015,533	**US$1,042,432**	2.6
Americas	759,825	**855,615**	12.6
EMEA	467,634	**490,279**	4.8
	US$2,242,992	**US$2,388,326**	6.5

The Group's consolidated gross revenues from port operations increased by 6.5 percent to US$2,388.3 million for the year ended December 31, 2023 from US$2,243.0 million for the same period in 2022 mainly due to the contribution of MNHPI; tariff adjustments, volume growth and higher revenues from ancillary services and general cargo business at certain terminals; and favorable translation impact mainly of Mexican Peso (MXN)- and Iraqi Dinar (IQD)-based revenues at CMSA and ICTSI Iraq, respectively, and Brazilian Real (BRL)-based revenues at TSSA and ICTSI Rio; partially tapered by the expiration of the concession contract at PICT; slowdown in trade activities and lower revenue from ancillary services largely at VICT and MICT; and unfavorable translation impact mainly of Philippine Peso (PHP)-, Nigerian Naira (NGN)- and Australian Dollars (AUD)-based revenues at Philippine terminals, OMT and VICT, respectively. Excluding the contribution of MNHPI, and impact of new businesses [EJMT, SBI (acquired in December 2022), CM Logista (started operations in August 2022, CLI (started operations in July 2023) and CLIA Pouso Alegre] and discontinued businesses (PICT, MTS, DIPSSCOR and HIPS), consolidated gross revenues would have increased by 5.5 percent for the year ended December 31, 2023.

Gross revenues from the Asia segment increased by 2.6 percent to US$1,042.4 million for the year ended December 31, 2023 from US$1,015.5 million for the same period in 2022 mainly due to the contribution of MNHPI; higher revenues from ancillary services and general cargo business, and tariff adjustments at certain Philippine terminals; partially tapered by slowdown in trade activities lower revenue from ancillary services largely at VICT and MICT; and unfavorable translation impact mainly of PHP- and AUD-based revenues at Philippine terminals and VICT, respectively. Excluding the contribution of MNHPI, and impact of new (EJMT, SBI and CLI) and discontinued (DIPSSCOR, MTS and HIPS) businesses, gross revenues of Asia segment would have decreased by 3.5 percent for the year ended December 31, 2023. The Asia operations captured 45.3 percent and 43.7 percent of the consolidated gross revenues for the years ended December 31, 2022 and 2023, respectively.

Gross revenues from the Americas segment increased by 12.6 percent to US$855.6 million for the year ended December 31, 2023 from US$759.8 million for the same period in 2022 mainly due to volume growth, favorable cargo mix, tariff adjustments and higher revenue from ancillary services at certain terminals; contribution of iTracker business at IRB Logistica; and favorable translation impact of MXN-based revenues at CMSA, and BRL-based revenues at TSSA and ICTSI Rio. Excluding the contribution of new businesses (CLIA Pouso Alegre and CM Logista), gross revenues of Americas segment would have increased by 12.4 percent for the year ended December 31, 2023. The Americas operations accounted for 33.9 percent and 35.8 percent of the consolidated gross revenues for the years ended December 31, 2022 and 2023, respectively.

Gross revenues from the EMEA segment increased by 4.8 percent to US$490.3 million for the year ended December 31, 2023 from US$467.6 million for the same period in 2022 mainly due to volume growth driven by market recovery at ICTSI Iraq, including favorable translation impact of IQD-based revenues; tariff adjustments and increase in trade activities at MICTSL and IDRC; partially tapered by the expiration of the concession contract at PICT; and unfavorable translation impact mainly of NGN-based revenues at OMT. Excluding PICT, gross revenues of EMEA segment would have increased by 14.4 percent for the year ended December 31, 2023. The EMEA operations stood at 20.8 percent and 20.5 percent of the consolidated gross revenues for the years ended December 31, 2022 and 2023, respectively.

6.5.2.2 Port Authorities' Share in Gross Revenues

Port authorities' share in gross revenues, which represents the variable fees paid to Port Authorities by certain terminals, other than the minimum guaranteed variable fees or in-substance fixed fees that were capitalized as part of concession rights and right-of-use assets, and amortized on a straight-line basis over the term of the concession, marginally decreased by 0.7 percent to US$220.0 million for the year ended December 31, 2023 from US$221.6 million for the same period in 2022 as a result of lower volume and revenues at some of these terminals.

6.5.2.3 Interest Income, Foreign Exchange Gain, Equity in Net Profit of Joint Ventures and Other Income

Consolidated interest income increased by 48.5 percent to US$58.0 million for the year ended December 31, 2023 from US$39.1 million for the same period in 2022 mainly due to higher interest earned from short-term deposits and government-issued debt securities at certain terminals.

Foreign exchange gain decreased by 27.5 percent to US$10.5 million for the year ended December 31, 2023 from US$14.5 million for the same period in 2022 mainly due to the unfavorable translation impact of certain currencies against US dollar. Foreign exchange gain mainly arises from the settlement and translation or restatement adjustments of foreign currency-denominated monetary assets and liabilities.

Equity in net profit of joint ventures amounted to nil for the year ended December 31, 2023 from US$2.0 million for the same period in 2022 mainly due to the consolidation of MNHPI effective September 2022, that contributed positive equity in net earnings as a joint venture prior to its consolidation.

Other income increased by 21.5 percent to US$23.1 million for the year ended December 31, 2023 from US$19.0 million for the same period in 2022. Other income includes the Group's rental income, gain from disposals of assets and settlement of claims, and sundry income accounts.

6.5.3 Total Expenses

The table below shows the breakdown of total expenses for the years ended December 31, 2022 and 2023:

Table 6.15 Total Expenses

	For the Years Ended December 31		
(In thousands, except % change data)	2022	**2023**	% Change
Manpower costs	US$299,779	**US$329,115**	9.8
Equipment and facilities-related expenses	166,228	**167,837**	1.0
Administrative and other operating expenses	146,108	**165,752**	13.4
Total cash operating expenses	612,115	**662,704**	8.3
Depreciation and amortization	266,718	**294,432**	10.4
Interest expense and financing charges on borrowings	126,471	**140,333**	11.0
Interest expense on concession rights payable	62,699	**64,519**	2.9
Interest expense on lease liabilities	119,722	**133,793**	11.8
Equity in net loss of joint ventures	–	**9,809**	100.0
Foreign exchange loss and other expenses	78,045	**206,739**	164.9
Total expenses	US$1,265,770	**US$1,512,329**	19.5

Total cash operating expenses of the Group increased by 8.3 percent to US$662.7 million for the year ended December 31, 2023 from US$612.1 million for the same period in 2022 mainly due to the costs contribution of MNHPI, and of iTracker business at IRB Logistica; government-mandated and contracted salary rate adjustments, including benefits; volume-driven increase in contracted services, repairs and maintenance, professional fees, including business development-related costs, and transportation and travel; and unfavorable foreign exchange effect mainly of MXN-based expenses at CMSA; partially tapered by the expiration of the concession contract at PICT, and termination of cargo handling operations at DIPSSCOR and MTS; decrease in power costs mainly at MICT; continuous cost optimization measures implemented; and favorable foreign exchange effect mainly of NGN-, PHP- and AUD-based expenses at OMT, Philippine terminals and VICT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), consolidated cash operating expenses would have increased by 7.8 percent for the year ended December 31, 2023.

6.5.3.1 Manpower Costs

Manpower costs increased by 9.8 percent to US$329.1 million for year ended December 31, 2023 from US$299.8 million for the same period in 2022 primarily due to the costs contribution of MNHPI, and of iTracker business at IRB Logistica; government-mandated and contracted salary rate adjustments, including benefits, at certain terminals; volume-driven increase in contracted services; and unfavorable foreign exchange effect mainly of MXN-based manpower costs at CMSA; partially tapered by continuous cost optimization measures implemented; favorable foreign exchange effect mainly of NGN-, AUD- and PHP-based manpower costs at OMT, VICT and Philippine terminals, respectively; and expiration of concession contract at PICT, and termination of cargo handling operations at DIPSSCOR and MTS. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), consolidated manpower costs would have increased by 9.4 percent for the year ended December 31, 2023.

Manpower costs accounted for 49.0 percent and 49.7 percent of consolidated cash operating expenses for the years ended December 31, 2022 and 2023, respectively.

6.5.3.2 Equipment and Facilities-related Expenses

Equipment and facilities-related expenses consist mainly of repairs and maintenance costs of port equipment and facilities, power and light, tools expenses, equipment rentals, and fuel, oil and lubricants.

Equipment and facilities-related expenses increased by 1.0 percent to US$167.8 million for the year ended December 31, 2023 from US$166.2 million for the same period in 2022 mainly due to the costs contribution of MNHPI, and of iTracker business at IRB Logistica; increase in equipment repairs and maintenance at certain terminals; and unfavorable foreign exchange effect mainly of MXN-based equipment and facilities-related expenses at CMSA; partially tapered by the expiration of the concession contract at PICT, and termination of cargo handling operations at MTS and DIPSSCOR; decrease in power costs, fuel, and equipment rentals at certain terminals; and favorable foreign exchange effect mainly of NGN-based equipment and facilities-related expenses at OMT. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), consolidated equipment and facilities-related expenses would have marginally increased by 0.8 percent for the year ended December 31, 2023.

Equipment and facilities-related expenses represented 27.1 percent and 25.3 percent of consolidated cash operating expenses for the years ended December 31, 2022 and 2023, respectively.

6.5.3.3 Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 13.4 percent to US$165.8 million for the year ended December 31, 2023 from US$146.1 million for the same period in 2022 driven by increases in professional fees, including business development-related costs, transportation and travel, taxes linked to revenues, sponsorships, and security costs; and the costs contribution of MNHPI; partially tapered by the general impact of continuous cost optimization measures implemented. Excluding contribution of MNHPI, and new and discontinued businesses, consolidated administrative and other operating expenses would have increased by 12.1 percent for the year ended December 31, 2023.

Administrative and other operating expenses stood at 23.9 percent and 25.0 percent of consolidated cash operating expenses for the years ended December 31, 2022 and 2023, respectively.

6.5.3.4 Depreciation and Amortization

Depreciation and amortization expense increased by 10.4 percent to US$294.4 million for the year ended December 31, 2023 from US$266.7 million for the same period in 2022 mainly driven by the cost contribution of MNHPI; acquisition of additional fixed assets and expansion projects at number of terminals, mainly at MICT; unfavorable translation impact of MXN-based depreciation and amortization charges at CMSA; increase in right-of-use asset as a result of remeasurement of lease liabilities at certain terminals, and new leases of equipment at IRB Logistica; partially tapered by favorable translation impact of NGN- and AUD-based depreciation and amortization charges at OMT and VICT, respectively.

Excluding contribution of MNHPI, and new and discontinued businesses, depreciation and amortization expense would have increased by 4.7 percent for the year ended December 31, 2023.

6.5.3.5 Interest Expense and Financing Charges on Borrowings

Interest and financing charges on borrowings increased by 11.0 percent to US$140.3 million for the year ended December 31, 2023 from US$126.5 million for the same period in 2022 primarily due to short-term and long-term loans availed by the Group; higher floating interest rate on certain loans; partially tapered by redemption of medium-term notes in January 2023.

6.5.3.6 Interest Expense on Lease Liabilities

Interest expense on lease liabilities increased by 11.8 percent to US$133.8 million for the year ended December 31, 2023 from US$119.7 million for the same period in 2022 mainly due to the renewal of the concession contract at BCT; remeasurement of lease liabilities at certain terminals; contract extension at OMT; and unfavorable translation impact of MXN- and BRL-based interest expenses at CMSA and TSSA, respectively; partially tapered by favorable translation impact of AUD-based interest expense at VICT.

6.5.3.7 Equity in Net Loss of Joint Ventures

Equity in net loss of joint ventures amounted to US$9.8 million for the year ended December 31, 2023 mainly from equity in net losses of SPIA and FAMI.

6.5.3.8 Foreign Exchange Loss and Other Expenses

Foreign exchange loss and other expenses increased to US$206.7 million for the year ended December 31, 2023 from US$78.0 million for the same period in 2022 mainly due to the nonrecurring impairment charge on non-financial assets, including goodwill attributed to PICT, amounting to $165.3 million; and higher foreign exchange loss arising from the unfavorable translation impact of certain currencies against US dollar.

6.5.4 EBITDA and EBIT

Consolidated EBITDA increased by 6.8 percent to US$1,505.6 million for the year ended December 31, 2023 from US$1,409.3 million for the same period in 2022 mainly due to higher revenues, partially tapered by the increase in cash operating expenses. EBITDA margin increased to 63.0 percent in 2023 from 62.8 percent in 2022. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), EBITDA would have increased by 5.3 percent for the year ended December 31, 2023.

Meanwhile, consolidated EBIT increased by 6.0 percent to US$1,211.2 million for the year ended December 31, 2023 from US$1,142.6 million for the same period in 2022 mainly due to higher EBITDA, partially tapered by increase in depreciation and amortization charges. EBIT margin decreased to 50.7 percent in 2023 from 50.9 percent in 2022. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), EBIT would have increased by 5.4 percent for the year ended December 31, 2023.

6.5.5 Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax decreased by 9.9 percent to US$747.5 million for the year ended December 31, 2023 from US$830.1 million for the same period in 2022 primarily due to nonrecurring impairment charge on non-financial assets amounting to $165.3 million; and increases in depreciation and amortization, and interests on loans, lease liabilities and concession rights payable; partially tapered by higher operating income, and interest earned from short-term investments and deposits; and lower COVID-19-related costs. Excluding impact of nonrecurring impairment charge, contribution of MNHPI, and new and discontinued businesses, consolidated income before income tax would have increased by 8.3 percent.

The ratio of consolidated income before income tax to consolidated gross revenues stood at 37.0 percent and 31.3 percent in 2022 and 2023, respectively.

Consolidated provision for current and deferred income taxes increased by 9.0 percent to US$166.4 million for the year ended December 31, 2023 from US$152.7 million for the same period in 2022 mainly due to the higher taxable income at certain terminals, and contribution of MNHPI. Effective income tax rate in 2022 and 2023 stood at 18.4 percent and 22.3 percent, respectively. Excluding impact of nonrecurring impairment charge, effective income tax rate would have been 18.0 percent and 18.2 percent in 2022 and 2023, respectively.

6.5.6 Net Income

Consolidated net income decreased by 14.2 percent to US$581.1 million for the year ended December 31, 2023 from US$677.5 million for the same period in 2022 primarily due to nonrecurring impairment charge on non-financial assets amounting to $165.3 million. The ratio of consolidated net income to gross revenues from port operations stood at 30.2 percent and 24.3 percent in 2022 and 2023, respectively. Excluding impact of nonrecurring impairment charge, contribution of MNHPI, and new and discontinued businesses, consolidated net income would have increased by 8.6 percent.

Consolidated net income attributable to equity holders decreased by 17.3 percent to US$511.5 million for the year ended December 31, 2023 from US$618.5 million for the same period in 2022. Excluding impact of nonrecurring impairment charge, contribution of MNHPI, and new and discontinued businesses, consolidated net income attributable to equity holders would have increased by 8.4 percent.

Basic earnings per share decreased to US$0.238 in 2023 from US$0.287 in 2022. Diluted earnings per share decreased to US$0.237 in 2023 from US$0.287 in 2022.

6.6 Trends, Events or Uncertainties Affecting Recurring Revenues and Profits

The Group is exposed to a number of trends, events and uncertainties which can affect its recurring revenues and profits. These include levels of general economic activity and containerized trade volume in countries where it operates, as well as certain cost items, such as labor, fuel and power. In addition, the Group operates in a number of jurisdictions other than the Philippines and collects revenues in various currencies. Fluctuation of the US dollar relative to other major currencies may adversely affect the Group's reported levels of revenues and profits.

For further details please refer to Note 29 *Other Matters* to the Audited Consolidated Financial Statements.

6.7 Financial Position

Table 6.16 Consolidated Balance Sheets

(In thousands, except % change data)	As at December 31 2023	2024	**2025**	% Change *2023 vs 2024*	% Change *2024 vs 2025*
Total assets	US$7,244,859	US$7,649,352	**US$9,077,099**	5.6	18.7
Current assets	1,212,086	1,624,425	**1,532,454**	34.0	(5.7)
Total equity	1,905,168	1,904,127	**2,481,185**	(0.1)	30.3
Total equity attributable to equity holders of the parent	1,592,742	1,569,673	**2,122,275**	(1.4)	35.2
Total interest-bearing debt*	2,171,989	2,654,324	**3,151,389**	22.2	18.7
Current liabilities	715,617	1,169,018	**1,079,145**	63.4	(7.7)
Total liabilities	5,339,691	5,745,225	**6,595,914**	7.6	14.8
Current assets/total assets	16.7%	21.2%	**16.9%**		
Current ratio	1.69	1.39	**1.42**		

**Includes loans payable, current and non-current portion of long-term debt*

Total assets increased by 18.7 percent to US$9.1 billion as at December 31, 2025 from US$7.6 billion as at December 31, 2024 driven by the US$618.0 million deposit for the acquisition of DGT; increase in property and equipment, and intangibles primarily due to various concession-related civil works and purchase of port facilities and equipment, including acquisition of FII Inhaúma.

Current assets decreased by 5.7 percent to US$1.5 billion as at December 31, 2025 from US$1.6 billion as at December 31, 2024 mainly due to the decrease in cash and cash equivalents, including short-term deposits and investments driven by the payments of dividends, borrowings, capital expenditures, lease liabilities and concession rights payable, with interests; partially tapered by cash generated from operations.

Total equity increased by 30.3 percent to US$2.5 billion as at December 31, 2025 from US$1.9 billion as at December 31, 2024 primarily due to the net income generated for the period; partially tapered by the declaration of dividends.

Total liabilities increased by 14.8 percent to US$6.6 billion as at December 31, 2025 from US$5.7 billion as at December 31, 2024 mainly due to the net availment of loans; higher accounts payable, income tax payable, and other current liabilities, including recognition of put option liability related to the acquisition of FII Inhaúma; and increase in lease liabilities from the remeasurement of lease payments and new leased areas.

Current liabilities decreased by 7.7 percent to US$1.1 billion as at December 31, 2025 from US$1.2 billion as at December 31, 2024 mainly due to the settlement of certain loans; partially tapered by higher accounts payable, income tax payable, and other current liabilities, including recognition of put option liability related to the acquisition of FII Inhaúma.

6.7.1 Material Variances Affecting the Balance Sheet

Balance sheet accounts as at December 31, 2025 with variances of plus or minus 5.0 percent against December 31, 2024 balances are discussed, as follows:

Noncurrent Assets

1. Intangibles increased by 6.7 percent to US$2,552.8 million as at December 31, 2025 mainly due to various concession-related civil works, including acquisition of port facilities and equipment, payment of additional concession upfront fee, and remeasurement of concession rights payable.

2. Property and equipment increased by 33.0 percent to US$2,486.0 million as at December 31, 2025 mainly due to the marine property in Brazil as a result of acquisition of FII Inhaúma, impact of consolidation of BACT, and various expansion-related civil works and acquisitions of port equipment, with favorable impact on the translation of certain foreign operations' accounts; partially tapered by the depreciation charge for the period.
3. Investment properties increased by 7.9 percent to US$5.9 million due to the acquisition of a warehouse building held for leasing.
4. Investments in and advances to joint ventures and an associate increased by 7.6 percent to US$237.4 million as at December 31, 2025 mainly due to higher share in net earnings of SPIA and interest earned from loan extended to SPIA.
5. Other noncurrent assets increased to US$959.9 million as at December 31, 2025 primarily due to the deposit for the acquisition of DGT and higher advances to suppliers and contractors for capital expenditures.

Current Assets

6. Receivables increased by 17.2 percent to US$225.7 million as at December 31, 2025 primarily due to higher revenues from port operations.
7. Spare parts and supplies increased by 15.7 percent to US$68.8 million as at December 31, 2025 mainly due to acquisition of spare parts associated with operational requirements.
8. Current portion of derivative assets decreased by 73.4 percent to US$2.5 million as at December 31, 2025 due to market valuation of interest rate swaps.
9. Prepaid expenses and other current assets decreased by 46.2 percent to US$136.6 million mainly due to the maturity of short-term investments that were reclassified to cash and cash equivalents.

Equity

10. Treasury shares increased by 65.8 percent to US$130.9 million as at December 31, 2025 due to the acquisition of 10.3 million of the Company's own shares of common stock.
11. Excess of consideration over the carrying value of non-controlling interests acquired or disposed increased by 8.0 percent to US$183.6 million due to the acquisition of 26% non-controlling interest in FII Inhaúma and recognition of put option liability relating to the outstanding 27% non-controlling interest in FII Inhaúma.
12. Retained earnings increased by 43.5 percent to US$1,760.2 million as at December 31, 2025 mainly due to the net income generated during the year; partially tapered by the declaration of dividends.
13. Other comprehensive loss decreased by 27.9 percent to US$203.7 million as at December 31, 2025 mainly due to the net favorable exchange differences on translation of foreign operations' accounts.
14. Equity attributable to non-controlling interests increased by 7.3 percent to US$358.9 million as at December 31, 2025 mainly due to net income attributable to non-controlling interests partially tapered by dividends declared during the year.

Noncurrent Liabilities

15. Noncurrent portion of long-term debt increased by 39.4 percent to US$2,889.2 million as at December 31, 2025 due to the availment of new loans; partially tapered by the reclassification of loans maturing within the next 12 months, from noncurrent to current.
16. Noncurrent portion of lease liabilities increased by 5.3 percent to US$1,539.6 million resulting mainly from the remeasurement of lease liabilities, including new and additional leased area, at certain terminals; partially tapered by the derecognition of the certain lease liability at ICTSI Rio upon consolidation of FII Inhaúma.
17. Deferred tax liabilities increased by 10.2 percent to US$288.8 million mainly due to deferred tax on higher earnings of subsidiaries accumulated to date.

Current Liabilities

18. Loans payable amounted to nil as at December 31, 2025 due to the full settlement of short-term loans.
19. Accounts payable and other current liabilities increased by 38.7 percent to US$626.1 million as at December 31, 2025 mainly due to the increase in liabilities from capital expenditures and operating expenses; output and other taxes payable driven by higher revenues; and recognition of put option liability related to the acquisition of FII Inhaúma.
20. Current portion of long-term debt decreased by 36.8 percent to US$262.2 million as at December 31, 2025 mainly due to the repayment of certain loans; partially tapered by the reclassification of loans maturing within the next 12 months, from noncurrent to current.
21. Current portion of lease liabilities increased by 32.9 percent to US$56.8 million as at December 31, 2025 due to higher scheduled lease payments within the next 12 months.
22. Income tax payable increased by 86.9 percent to US$116.2 million as at December 31, 2025 mainly due to revenue-driven higher taxable income at certain terminals.
23. Current portion of derivative liabilities decreased by 82.4 percent to US$2.5 million as at December 31, 2025 due to settlement of certain cross-currency swaps in March 2025 partially tapered by market valuation of interest rate and cross-currency interest rate swaps.

Balance sheet accounts as at December 31, 2024 with variances of plus or minus 5.0 percent against December 31, 2023 balances are discussed, as follows:

Noncurrent Assets

1. Investments in and advances to joint ventures and an associate decreased by 18.7 percent to US$220.6 million as at December 31, 2024 mainly due to the partial collection of advances to SPIA amounting to US$55.9 million.
2. Deferred tax assets decreased by 15.9 percent to US$343.9 million as at December 31, 2024 mainly due to utilization of income tax benefits that reduces income tax payable.
3. Other noncurrent assets increased by 20.5 percent to US$236.1 million as at December 31, 2024 primarily due to higher advances to suppliers and contractors.

Current Assets

4. Cash and cash equivalents increased by 54.9 percent to US$1,109.1 million as at December 31, 2024 mainly due to cash generated from operations, and proceeds from the net availment of loans; partially tapered by payment of dividends; partial redemption of perpetual capital securities; deployment of cash to fund capital expenditures; and payment of interest on lease liabilities, concession rights payable and borrowings.
5. Receivables increased by 5.5 percent to US$192.5 million as at December 31, 2024 primarily due to higher revenues from port operations.
6. Spare parts and supplies increased by 6.5 percent to US$59.5 million as at December 31, 2024 mainly due to acquisition of spare parts associated with operational requirements.
7. Current portion of derivative assets decreased by 7.1 percent to US$9.5 million as at December 31, 2024 due to unfavorable impact on market valuation of certain interest rate swaps.

Equity

8. Treasury shares increased to US$78.9 million as at December 31, 2024 as a result of the purchase of ICTSI common shares.
9. Retained earnings increased by 53.4 percent to US$1,226.4 million as at December 31, 2024 mainly due to the net income attributable to equity holders of the parent generated during the year amounting to US$849.8 million; partially tapered by the dividends declared and paid during the period.
10. Perpetual capital securities decreased by 49.4 percent to US$295.1 million as at December 31, 2024 mainly due to partial redemption in May 2024.
11. Other comprehensive loss increased by 83.1 percent to US$282.6 million as at December 31, 2024 mainly due to net unfavorable exchange differences on translation of foreign operations' accounts.

12. Equity attributable to non-controlling interests increased by 7.1 percent to US$334.5 million as at December 31, 2024 mainly due to net income attributable to non-controlling interests partially tapered by minority share on dividends declared during the period.

Noncurrent Liabilities

13. Noncurrent portion of lease liabilities decreased by 6.9 percent to US$1,462.1 million as at December 31, 2024 mainly due to net favorable exchange differences on translation of foreign operations' accounts; partially tapered by additional leased area during the year, including remeasurement of lease liabilities at certain terminals.
14. Other noncurrent liabilities decreased by 27.5 percent to US$34.2 million as at December 31, 2024 mainly due to favorable impact on market valuation of certain interest rate swaps.

Current Liabilities

15. Loans payable increased by 20.0 percent to US$167.5 million as at December 31, 2024 due to the net availment of short-term loans by the Group.
16. Accounts payable and other current liabilities increased by 9.6 percent to US$451.5 million as at December 31, 2024 mainly due to growth in trade payables as a result of higher purchases linked to stronger revenues for the current year and capital expenditures.
17. Current portion of long-term debt increased to US$414.9 million as at December 31, 2024 due to reclassification of loans maturing within the next 12 months, from non-current to current.
18. Current portion of concession rights payable increased by 8.9 percent to US$16.0 million as at December 31, 2024 due to higher fixed concession fees scheduled for payment within the next 12 months.
19. Current portion of derivative liabilities increased to US$14.2 million as at December 31, 2024 due to cross-currency swap transactions entered during the year.

6.8 Liquidity and Capital Resources

This section discusses the Group's sources and uses of funds as well as its debt and equity capital profile.

6.8.1 Liquidity

The table below shows the Group's consolidated cash flows for the years ended December 31, 2023, 2024 and 2025:

Table 6.17 Consolidated Cash Flows

	For the Year Ended December 31				
(In thousands, except % change data)	2023	2024	**2025**	% Change *2023 vs 2024*	% Change *2024 vs 2025*
Net cash provided by operating activities	US$1,300,459	US$1,579,154	**US$1,810,044**	21.4	14.6
Net cash used in investing activities	(317,984)	(448,605)	**(1,250,431)**	41.1	178.7
Net cash used in financing activities	(1,120,212)	(688,718)	**(602,376)**	(38.5)	(12.5)
Effect of exchange rate changes on cash	14,901	(48,862)	**32,520**	(427.9)	(166.6)
Net increase (decrease) in cash and cash equivalents	(122,836)	392,969	**(10,243)**	(419.9)	(102.6)
Cash and cash equivalents, beginning	838,940	716,104	**1,109,073**	(14.6)	54.9
Cash and cash equivalents, end	US$716,104	US$1,109,073	**US$1,098,830**	54.9	(0.9)

Consolidated cash and cash equivalents was lower by 0.9 percent to US$1,098.8 million as at December 31, 2025 from US$1,109.1 million for the same period in 2024, mainly due to higher net cash used in investing and financing activities; partially tapered by cash generated from operations.

Net cash provided by operating activities increased by 14.6 percent to US$1,810.0 million for the year ended December 31, 2025 from US$1,579.2 million for the same period in 2024, primarily due to higher results of operations in 2025.

Net cash used in investing activities increased to US$1,250.4 million for the year ended December 31, 2025 from US$448.6 million for the same period in 2024, mainly due to the deposit for the acquisition of DGT; higher capital expenditures spent for ongoing expansions, from US$517.1 million in 2024 to US$654.8 million in 2025, including additional concession upfront fee; and the acquisition of FII Inhaúma and upfront payment for BACT; partially tapered by the maturity of short-term investments.

Net cash used in financing activities decreased by 12.5 percent to US$602.4 million for the year ended December 31, 2025 from US$688.7 million for the same period in 2024, mainly due to higher loan availment, and redemption of perpetual capital securities in 2024; partially tapered by higher dividend payment; and purchase of treasury stock and non-controlling interest in 2025.

6.8.2 Capital Resources

The table below illustrates the Group's capital sources as at December 31, 2023, 2024 and 2025:

Table 6.18 Capital Sources

	As at December 31				
(In thousands, except % change data)	2023	2024	**2025**	% Change *2023 vs 2024*	% Change *2024 vs 2025*
Loans payable	US$139,563	US$167,504	**US$–**	20.0	(100.0)
Current portion of long-term debt	42,389	414,944	**262,206**	878.9	(36.8)
Long-term debt, net of current portion	1,990,037	2,071,875	**2,889,182**	4.1	39.4
Total short and long-term debt	2,171,989	2,654,323	**3,151,388**	22.2	18.7
Equity	1,905,168	1,904,127	**2,481,185**	(0.1)	30.3
	US$4,077,157	US$4,558,450	**US$5,632,573**	11.8	23.6

2025 versus 2024

The Group's total debt and equity capital increased by 23.6 percent as at December 31, 2025 primarily due to net availment of loans by the Group; and the net income generated during the period; partially tapered by the dividends declared and paid during the period.

2024 versus 2023

The Group's total debt and equity capital increased by 11.8 percent as at December 31, 2024 primarily due to net availment of loans by the Group; and the net income generated during the period; partially tapered by the dividends declared and paid during the period, and redemption of perpetual capital securities.

6.8.2.1 Debt Financing

The table below is a summary of long-term debt maturities, gross of unamortized debt issuance cost, of the Group as at December 31, 2025:

Table 6.19 Outstanding Long-Term Debt Maturities

(In thousands)	Amount
2026	US$262,605
2027	309,677
2028	446,321
2029	698,911
2030 and onwards	1,458,840
Total	US$3,176,354

The average duration of the Group's long-term debt was extended by the availment of various long-term loans. As a result, 92% of the Group's long-term debt will mature in 2027 and beyond.

Discussion on outstanding loans is further disclosed in Note 15, *Long-term Debt* to the 2025 Annual Audited Consolidated Financial Statements.

6.8.2.2 Loan Covenants

The loans from local and foreign banks impose certain restrictions with respect to corporate reorganization, disposition of all or a substantial portion of ICTSI's and subsidiaries' assets, acquisitions of futures or stocks, and extending loans to others, except in the ordinary course of business. ICTSI is also required to comply with a specified financial ratio relating to their debt to EBITDA up to 4 times when incurring additional debt.

There was no material change in the covenants related to the Group's long-term debts. As at December 31, 2025, ICTSI and subsidiaries were in compliance with their loan covenants.

There were no other significant transactions pertaining to the Group's long-term debt as at December 31, 2025, except as discussed above.

6.8.2.3 Equity Financing

Perpetual Capital Securities

RCBV engaged in a series of financial transactions involving the issuance, redemption, and consolidation of Senior Guaranteed Perpetual Capital Securities ("Securities") with interest rates ranging from 4.875 percent to 5.875 percent. These Securities are unconditionally and irrevocably guaranteed by ICTSI and were used to refinance existing debts, fund capital expenditures, and support general corporate purposes.

As at December 31, 2025 the carrying value of the perpetual capital securities amounted to US$295.1 million.

6.9 Risks

ICTSI and its subsidiaries' geographically diverse operations expose the Group to various market risks, particularly foreign exchange risk, interest rate risk and liquidity risk, which movements may materially impact the financial results of the Group. With a view to managing these risks, the Group has incorporated a financial risk management function in its organization, particularly in the treasury operations.

Foreign Exchange Risk

The Group has geographically diverse operations and transacts in currencies other than its functional currency. Consequently, the Group is exposed to the risk of fluctuation of the exchange rates between the US dollar and other local currencies such as PHP, MXN, BRL, AUD and EUR that may adversely affect its results of operations and financial position. The Group attempts to match its revenues and expenses whenever possible and, from time to time, engages in hedging activities.

The Group's non-US dollar currency-linked revenues was 61.8 percent and 61.4 percent of gross revenues for the periods ended December 31, 2024 and 2025, respectively. ICTSI incurs expenses in foreign currency for the operating and start up requirements of its international subsidiaries. Concession fees payable to port authorities in certain countries are either denominated in or linked to the US dollar.

The below table provides the currency breakdown of the Group's revenue for the year ended December 31, 2025:

Table 6.20 Revenue Currency Profile

Business Unit	USD/EUR Composition	Local Currency
MICT	47% USD	53% PHP
MNHPI		100% PHP
SBITC/ICTSI Subic	46% USD	54% PHP
MCT	51% USD	49% PHP
VCT	29% USD	71% PHP
SCIPSI		100% PHP
MMT	37% USD	63% PHP
BIPI	32% USD	68% PHP
LGICT	20% USD	80% PHP
CGT		100% PHP
VICT		100% AUD
PNG		100% PGK
YICT		100% RMB
BACT		100% IDR
EJMT		100% IDR
CMSA	17% USD	83% MXN
OPC	100% USD	
CGSA	100% USD	
TSSA		100% BRL
ICTSI Rio	41% USD	59% BRL
IRB Logistica		100% BRL
CLIA Pouso Alegre	57% USD	43% BRL
Tecplata	100% USD	
MGT	100% USD	
BGT	52% USD	48% IQD
MICTSL	100% EUR	
BCT	74% USD/ 2% EUR	24% PLN
AGCT	100% EUR	
OMT	58% USD	42% NGN
BICTL	100% USD	
KMT	100% EUR	

6.9.2 Interest Rate Risk

The Group's exposure to market risk for changes in interest rates (cash flow interest rate risk) relates primarily to the Group's bank loans and is addressed by a periodic review of the Group's debt mix with the objective of reducing interest cost and maximizing available loan terms. The Group also enters into interest rate swap agreements in order to manage its exposure to interest rate fluctuations.

6.9.3 Liquidity Risk

The Group manages its liquidity profile to be able to finance its working capital and capital expenditure requirements through internally generated cash and proceeds from debt and/or equity. As part of the liquidity risk management, the Group maintains strict control of its cash and makes sure that excess cash held by subsidiaries are up streamed timely to the Parent Company. The Group also monitors the receivables and payables turnover to ensure that these are at optimal levels. In addition, it regularly evaluates its projected and actual cash flow information and continually assesses the conditions in the financial market to pursue fund raising initiatives. These initiatives may include accessing bank loans, project finance facilities and the debt capital markets.

ICTSI monitors and maintains a level of cash and cash equivalents and bank credit facilities deemed adequate to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows.

There are no other known trends, demands, commitments, events or uncertainties that will materially affect the Group's liquidity.

Item 7. Consolidated Financial Statements

The Group's 2025 consolidated financial statements and accompanying notes are incorporated herein by reference.

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

There were no changes or disagreements with ICTSI's external auditors, SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited), on accounting and financial statement disclosures.

8.1 Information on Independent Accountant

The principal external auditor is the SyCip Gorres Velayo & Co. (SGV & Co.), a member firm of Ernst & Young (EY) Global Limited. The Group has engaged Mr. Martin C. Guantes, partner of SGV & Co., for the audit of the Group's consolidated financial statements in 2025.

8.2 External Audit Fees and Services

Amounts received or due and receivable by the Group's external auditors relating to professional services rendered for the last three years are as follows (in thousands):

	2023	2024	2025
Audit Fees	US$1,511.9	US$1,434.0	**US$1,567.8**
Non-audit services Fees			
Other assurance services	46.1	9.6	**7.4**
Tax services	220.0	246.1	**161.3**
All other services	78.4	73.2	**165.7**

Audit fees include the audit of the Group's annual financial statements.

Other assurance services fees include the review of interim financial statements and certain agreed-upon procedures engagements.

Tax services fees paid to SGV & Co./EY are for tax compliance, tax advisory services and transfer-pricing studies.

All other services fees include due diligence services related to business development, sustainability reporting, studies and other various one-time engagements.

The Audit Committee makes recommendations to the Board concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit. The Audit Committee reviews the nature of the non-audit related services rendered by the external auditors and the appropriate fees paid for these services.

The reappointment of SGV & Co. as the Company’s external auditors was approved by the stockholders in a meeting held on April 24, 2025.

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Item 9. Directors and Executive Officers

The members of the Board of Directors and Executive Officers of ICTSI are:

Office	Name	Citizenship	Age
Chairman of the Board and President	Enrique K. Razon Jr.	[redacted]	[redacted]
Independent Director	Cesar A. Buenaventura[1]	[redacted]	[redacted]
Independent Director	Carlos C. Ejercito	[redacted]	[redacted]
Independent Director	Chief Justice Diosdado M. Peralta (ret.)	[redacted]	[redacted]
Director	Jose C. Ibazeta	[redacted]	[redacted]
Director	Stephen A. Paradies	[redacted]	[redacted]
Director	Andres Soriano III	[redacted]	[redacted]
Executive Vice President and Compliance Officer	Christian Martin R. Gonzalez	[redacted]	[redacted]
Senior Vice President, Global Corporate Planning and Financial Services	Caroline C. Causon	[redacted]	[redacted]
Senior Vice President, Chief Financial Officer and Chief Risk Officer	Emilio Manuel V. Pascua	[redacted]	[redacted]
Vice President, Logistics and Supply Chain	Antonio G. Coronel[2]	[redacted]	[redacted]
Vice President, Global Financial Controller	Arlyn L. McDonald	[redacted]	[redacted]
Vice President, Treasurer	Arnie D. Tablante	[redacted]	[redacted]
Vice President, Head of Global Corporate Legal Affairs	Lirene C. Mora	[redacted]	[redacted]
Vice President, Head of Global Public Relations	Narlene A. Soriano	[redacted]	[redacted]
Vice President, Head of Global Investor Relations	Arthur Quintin R. Tabuena[3]	[redacted]	[redacted]
Corporate Secretary	Silverio Benny J. Tan[4]	[redacted]	[redacted]
Assistant Corporate Secretary	Benjamin Edison M. Gorospe III	[redacted]	[redacted]

[1] *Effective January 1, 2026, Mr. Enrique M. Aboitiz was appointed as Independent Director to serve the unexpired term of the late Mr. Cesar Buenaventura, who passed away on December 10, 2025*
[2] *Retired effective April 24, 2025*
[3] *Appointed effective April 24, 2025*
[4] *Effective January 1, 2026, Atty. Amabelle Asuncion was appointed as the Corporate Secretary to serve the unexpired term of Atty. Silverio Benny J. Tan who has retired effective December 31, 2025*

The following are the Regional Heads and Global Corporate Officers for the ICTSI group of companies:

Office	Name	Citizenship	Age
Senior Vice President, Regional Head – Latin America	Anders Kjeldsen	[redacted]	[redacted]
Senior Vice President, Regional Head – Europe & Middle East and Africa	Hans-Ole Madsen	[redacted]	[redacted]
Senior Vice President, Head of Global Commercial	Humberto Godfried Wieske	[redacted]	[redacted]
Vice President, Head of Global Engineering – Infrastructure and Project Delivery	Nathan A. Clarke	[redacted]	[redacted]
Vice President, Head of Global Corporate Human Resources	Michael Robin Cruickshanks	[redacted]	[redacted]
Vice President, Global Chief Information Officer	Brian Hibbert	[redacted]	[redacted]
Vice President, Head of Global Procurement	Damien Samuel Huppert	[redacted]	[redacted]
Vice President, Head of Global Engineering – Equipment Maintenance	Johan Swart*	[redacted]	[redacted]
Vice President, Senior Administration Officer	Vivien F. Miñana	[redacted]	[redacted]
Vice President, Head of Global Multimodal Logistics Solutions	Rene Marcel Wernli	[redacted]	[redacted]

**Retired effective 31 December 2025*

The following are the business experiences of ICTSI's directors and officers for the past five (5) years:

Directors

Enrique K. Razon Jr., [redacted]

Concurrently, he is the President of ICTSI; Chairman and Chief Executive Officer of Bloomberry Resorts Corporation*, Razon & Co., Inc, Prime Strategic Holdings, Inc., IWI Container Terminal Holdings, Inc., Razon Industries, Inc., Sureste Realty Corporation, Quasar Holdings, Inc., Achillion Holdings, Inc., Collingwood Investment Company Ltd., Bravo International Port Holdings, Inc., Alpha International Port Holdings, Inc., Provident Management Group, Inc., and Trident Water Company Holdings Inc.; the Chairman of Manila Water Company, Inc.*, ICTSI Foundation, Inc., Prime Infrastructure Foundation, Inc., Prime Infrastructure Capital, Inc., WawaJVCo Inc., Sureste Properties, Inc., Monte Oro Resources and Energy, Inc., Bloomberry Resorts & Hotels, Inc., Pilipinas Golf Tournament, Inc., and ICTSI (Hongkong) Ltd.; a Director of Pentland International Holdings Ltd., CLSA Exchange Capital, and Xcell Property Ventures, Inc.

He is a member of the [redacted] and the [redacted] Mr. Razon was conferred a degree of [redacted], [redacted], and an [redacted].

**Publicly-listed Corporation*

Cesar A. Buenaventura, O.B.E., [redacted]

Mr. Buenaventura served as an Independent Director from February 15, 2019 until his untimely demise on December 10, 2025. He also held the position of Chairman of the Related Party Transactions Committee and was a member of the Audit Committee, Corporate Governance Committee, Environment, Social and Governance Sub-Committee, and the Board Risk Oversight Committee of ICTSI.

He also served as Independent Director of Manila Water Company, Inc.*, Petroenergy Resources Corp.*, and Concepcion Industrial Corp.*; a Director of Semirara Mining and Power Corp.*, DM Consunji Inc., and The Country Club; a Chairman of Mitsubishi Hitachi Power Systems Phils., Inc., and Buenaventura Echauz and Partners, Inc.; a Vice Chairman of DMCI Holdings, Inc.; a Founding Chairman of Pilipinas Shell Foundation, Inc.; an Independent Trustee of Bloomberry Cultural Foundation, ICTSI Foundation, Inc., and Manila Water Foundation.

Mr. Buenaventura served as Director of Philippine American Life Insurance Co., AG&P Co. of Manila, Ayala Corporation*, First Philippine Holdings Corp.*, Philippine Airlines*, Philippine National Bank*, Benguet Corporation*, iPeople, Inc.*, Asian Bank, Ma. Cristina Chemical Industries, Paysetter International Inc., Maibarara Geothermal Inc., Manila International Airport Authority, and Shell Group of Companies.

In 1991, Mr. Buenaventura was made [redacted]. Mr. Buenaventura received his [redacted], and his [redacted], as a [redacted].

**Publicly-listed Corporation*

Enrique M. Aboitiz, [redacted]

Mr. Aboitiz is an Independent Director since January 1, 2026. He also held the position of Chairman of the Related Party Transactions Committee and a member of the Audit Committee, Corporate Governance Committee, Environment, Social and Governance Sub-Committee, and the Board Risk Oversight Committee of ICTSI.

Concurrently, he is the Chairman of the Board of Aboitiz Equity Ventures, Inc. and serves on the Board of Aboitiz & Company, the privately held holding company of the Aboitiz Group.

He has previously served as Chairman of Aboitiz Power Corporation and Aboitiz Land, Inc., and has held numerous board and leadership positions across the Aboitiz Group. Beyond the Group, he has served on the Marina Board and the Board of the Philippine Stock Exchange, among other institutional roles.

Mr. Aboitiz currently sits on the boards of a diverse set of companies across multiple sectors, including Amanpulo Holding Company, Seven Seas, QEV Electro Mobility, BlueVoyant Cybersecurity, AWC Wine Distribution, and Nice Tech Holdings (Frozen Fruit), as well as several other boards spanning technology, infrastructure, consumer, and investment businesses.

Mr. Aboitiz completed his [redacted], after finishing the first two years of college at [redacted].

**Publicly-listed Corporation*

Carlos C. Ejercito, [redacted]

Mr. Ejercito serves as an Independent Director since April 15, 2021. He is also the Chairman of the Audit Committee; and a member of the Corporate Governance Committee, Remuneration Sub-Committee, Board Risk Oversight Committee, and Related Party Transactions Committee of ICTSI.

Concurrently, he is an Independent Director of Century Properties Group, Inc.*; and a Director of Mount Grace Hospitals, Inc. and its affiliates and subsidiaries.

Mr. Ejercito is a former Independent Director of Aboitiz Power Corporation*, and Monte Oro Resources and Energy Inc.; and a former Director of United Laboratories Inc. and several of its subsidiaries, National Grid Corporation of the Philippines, Ayala Greenfield Development Corporation, Fort Bonifacio Development Corporation, and Bonifacio Land Corporation.

He has a [redacted], and completed the coursework for the [redacted]. He also attended the [redacted].

**Publicly-listed Corporation*

Chief Justice Diosdado M. Peralta (ret.), [redacted]

Chief Justice Peralta is an Independent Director since August 6, 2021. He is also the Chairman of the Corporate Governance Committee, and the Environmental, Social and Governance Sub-Committee, and a member of the Board Risk Oversight Committee, and Related Party Transactions Committee of ICTSI.

Concurrently, he is an Independent Director of Bloomberry Resorts Corporation*, Philippine Business Bank*, Manila Water Company, Inc.*, and Manila Hotel Corporation; the Chairman and President of Heavenly Place Memorial Park; and a Trustee of University of the East, and U.E.R.M. Hospital.

Chief Justice Peralta (ret.) was the Chief Justice of the Supreme Court of the Philippines from October 23, 2019 until his retirement on March 27, 2021. As Chief Justice, he served as Chairman of the Judicial Bar Council and the Philippines Judicial Academy. He served as Associate Justice of the Supreme Court from 2009 to 2019; Presiding Judge of the Sandiganbayan from 2008 to 2009; Associate Justice of the Sandiganbayan from 2002 to 2008; and Judge in the Regional Trial Court – Branch 95 Quezon City from 1994 to 2000. He also served as a member and later, as Chairman of the House Electoral Tribunal, Senate Electoral Tribunal, and Presidential Electoral Tribunal.

Chief Justice Peralta completed his [redacted] and his [redacted]. He passed the [redacted]. On April 9, 2010 he received a [redacted], from [redacted] and in January 2021, [redacted].

**Publicly-listed Corporation*

Jose C. Ibazeta, [redacted]

Mr. Ibazeta is a Director since December 24, 1987.

Concurrently, he is a Director of Phelps Dodge Energy Products, Phil Stratbase Consultancy, Inc., Vicinetum Holdings, Inc., ICTSI Ltd., Consultant to the Chairman of A. Soriano Corporation and Radio Veritas Global Broadcasting System, Inc.

He is also a Trustee of Andres Soriano Foundation, Inc. and ICTSI Foundation, Inc.

Formerly, he was a Director of Prime Metro Holdings Corporation and Phil Stratbase Consultancy, Inc.; a Director, President and Chief Operating Officer of A Soriano Corporation; Chairman of Atlas Consolidated Mining and Development Corporation; Director of Ten Knots Development Corporation and AG&P International Holdings, Inc.; Chief Executive Officer and Representative for Administration and Operations of Philippine Airlines; Director of AB Capital and Investment Corporation; Vice-President of San Miguel Corporation; Chairman and President of Island Aviation. Inc.; Vice Chairman of Phil Stratbase Consultance, Inc.; President of A Soriano Air Corporation; Chairman and President of Pamalican Island Holdings, Inc; and Director and President of Seven Seas Resorts & Leisure, Inc.

He was also appointed as Acting Secretary of Department of Energy; President and Chief Executive Officer of Power Sector Assets and Liabilities Management Corporation; an Ambassador designate to Iraq and Special Envoy to Middle East Countries in-charge of Humanitarian and Reconstruction Efforts in Iraq.

He received his [redacted] and his [redacted]. He completed all academic requirements and passed the comprehensive exams for a [redacted].

**Publicly-listed Corporation*

Stephen A. Paradies, [redacted]

Mr. Paradies is a Director since December 24, 1987. He is also the Chairman of the Board Risk Oversight Committee; and a member of the Audit Committee, Remuneration Sub-Committee, and Environmental, Social and Governance Sub-Committee.

Concurrently, he serves as Chairman of Prime Electric Holdings, Inc., MORE Electric & Power Corp., Negros Electric & Power Corp., Bohol Light Company, and Prime Metro BMD Corp.; Chairman of PrimeCoreGen group**; Director of Prime Infrastructure Capital, Inc., The Country Club, Inc., Apex Mining Co. Inc.*, Sureste Properties, Inc., and Manila Water Company, Inc.*; and a Trustee of Bloomberry Cultural Foundation, Inc.

Mr. Paradies previously served as the Group Chief Financial Officer, Senior Vice President and Corporate Information Officer of Aboitiz Equity Ventures, Inc.; and was a Director of UnionBank of the Philippines, and Union Investments Corp.

He received his [redacted]

**Publicly-listed Corporation*
***The group consists of 19 gas and LNG companies.*

Andres Soriano III, [redacted]

Mr. Soriano is a Director since July 1992 and serves as Chairman of its Remuneration Sub-Committee.

Concurrently, he is the Chairman and Chief Executive Officer of A. Soriano Corporation*; the Chairman and President of Anscor Consolidated Corp.; Chairman of Seven Seas Resorts and Leisure, Inc., and Pamalican Resort, Inc.; a Director of Phelps Dodge International Philippines, Inc. and Phelps Dodge Philippines Energy Products Corporation; and a Trustee of The Andres Soriano Foundation, Inc.

Mr. Soriano formerly held directorship and top executive roles in various private companies, such as San Miguel Corporation, Coca-Cola (Philippines), Coca-Cola Amatil (Australia), and Nestle (Philippines).

He received his [redacted].

**Publicly-listed Corporation*

<u>Executive Officers</u>

Christian Martin R. Gonzalez, [redacted]

Mr. Gonzalez is the Executive Vice President, Chief Compliance Officer and Chief Sustainability Officer of ICTSI. He is the Global Corporate Head of ICTSI Group and also served as Vice President, Regional Head – Asia Pacific Region and MICT.

Within ICTSI Group, he is the Chairman and President of Sevilla Brokerage Incorporated, Catalyst Logistics, Incorporated, ICTSI Subic, Inc., Intermodal Terminal Holdings, Inc., IW Cargo Handlers, Inc., Manila Harbor Center Port Services, Inc., Subic Bay International Terminal Corporation, Subic Bay International Terminal Holdings, Inc., Visayas International Container Terminal, Inc., Cordilla Properties Holdings, Inc., Bauan International Port, Inc., and ICTSI Asia Pacific Business Services, Inc.; Chairman of ICTSI Georgia Corp., ICTSI Honduras Ltd., ICTSI Ltd. (and its Regional Headquarters and Regional Operating Headquarters in the Philippines), International Container Terminal Holdings, Inc., Mindanao International Container Terminal Services, Inc.; Vice Chairman and President of Manila North Harbour Port, Inc.; Director of Abbotsford Holdings, Inc., Durban Gateway Terminal (Pty.) Ltd., ICTSI (Hong Kong) Limited, ICTSI Africa Headquarters (PTY) Ltd., ICTSI DR Congo S.A., ICTSI Far East Pte. Ltd., ICTSI South Pacific Limited, Madagascar International Container Terminal Services Limited, Sociedad Portuario Industrial Aguadulce S.A., South Cotabato Integrated Port Services, Inc.; Director and

Chairman of Victoria International Container Terminal Ltd., and Yantai International Container Terminals Ltd.; and a Board of Commission of PT East Java Development.

He is also the President of ICTSI Foundation, Inc.

Outside ICTSI Group, Mr. Gonzalez is concurrently a Director of Bloomberry Resorts Corporation*, Sureste Properties, Inc., Prime Infrastructure Capital, Inc., and The Country Club; and Vice Chairman of Prime Metro BMD Corp.

Mr. Gonzalez is a graduate of [redacted], the graduate school of management of the [redacted], where he received his [redacted]nistration. He is also a graduate of [redacted].

**Publicly-listed Corporation*

Caroline C. Causon, [redacted]

Ms. Causon is the Senior Vice President, Global Corporate Planning and Financial Services of the ICTSI Group effective July 1, 2023. She was the Vice President, Head of Financial Management and Budget prior to her current role.

Concurrently, she is a Director of Aviation Concepts Technical Services, Inc., Batumi International Container Terminal LLC, Contecon Guayaquil SA, Contecon Manzanillo S.A. De C.V., Falconer Aircraft Management, Inc., ICTSI DR Congo S.A., IW Cargo Handlers, Inc., Manila North Harbour Port, Inc., Tecon Suape Sociedade Anonma, Cordilla Property Holdings, Inc., and IWI Container Terminal Holdings, Inc.; Director and President of ICTSI Ltd. (and its Regional Headquarters and Regional Operating Headquarters in the Philippines), International Container Terminal Holdings, Inc., and Operadora Portuaria Centroamericana S.A. DE C.V.; and the Chairman and President of Abbotsford Holdings, Inc.;

Prior to ICTSI, she handled various senior assurance and financial advisory roles at SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) and Manabat Sanagustin & Co. (a member firm of KPMG International).

Ms. Causon is a [redacted]. She graduated from the [redacted]. She also attended the [redacted].

Emilio Manuel V. Pascua, [redacted]

Mr. Pascua is the Chief Financial Officer, effective January 18, 2023, and Chief Risk Officer, effective July 1, 2023 of ICTSI. He joined the Company in 2013 as Director of Corporate Finance. He was appointed as Director of Global Mergers and Acquisitions in 2020 and was promoted to Vice President, Global Mergers and Acquisitions in 2021. Prior to joining ICTSI, Mr. Pascua held various positions in projects and business development in the container terminal industry as well as infrastructure project financing.

Concurrently, he is the Chairman and Director of ICTSI Honduras Ltd.; Director and Deputy Chairman of ICTSI Georgia Corp., ICTSI Ltd. *(and its Regional Headquarters and Regional Operating Headquarters in the Philippines),* International Container Terminal Holdings, Inc.; Director and President of South Cotabato Integrated Port Services, Inc.; Director and Treasurer of ICTSI Subic, Inc., IWI Container Terminal Holdings, Inc., Subic Bay International Holdings, Inc., and Subic Bay

International Terminal Corporation; Director and Secretary of Operadora Portuaria Centroamericana S.A. DE C.V.; Director of Aeolina Investment Limited, Aviation Concepts Technical Services, Inc., CGSA B.V., CMSA B.V. , ICTSI (Hong Kong) Limited, ICTSI Global FZCO, ICTSI Far East Pte. Ltd., ICTSI Mauritius Limited, ICTSI Americas FZCO, ICTSI Richard Bay DMCC, ICTSI South Pacific Limited, Manila North Harbour Port, Inc., Motukea International Terminal Ltd., Sociedad Puerto Industrial De Aguadulce S.A., South Pacific International Container Terminal Ltd., Victoria International Container Terminal Ltd., and Yantai International Container Terminal Ltd., Alternate Director of Tecplata S.A.; Director A of ICTSI (M.E.) FZCO, ICTSI Middle East FZCO, ICTSI Africa B.V., ICTSI Americas B.V., ICTSI Americas B.V. - Branch ICTSI EMEA B.V., ICTSI Global Holdings BV, ICTSI Oceania B.V., ICTSI Treasury B.V., ICTSI Tuxpan B.V. Royal Capital B.V., and SPIA Colombia B.V.

Mr. Pascua received a [redacted] and is a [redacted].

***Antonio G. Coronel**,* [redacted]

Mr. Coronel serves as the Vice President, Logistics and Supply Chain from April 21, 2022 until his retirement on April 24, 2025.

He joined ICTSI in 1988 as Purchasing Manager. He was a General Manager of ICTSI Asia Pacific Business Services, Inc. from 2015 to 2020, and was a Senior Director and Global Procurement Head from 2020 to April 2022. He also served as President of Catalyst Logistics Incorporated, and Sevilla Brokerage Incorporated.

He is currently a Director of APBSI.

He is a recipient of the 2008 Gawad Sinop Awardee, Philippine Institute for Supply Management/ Foundation of the Society of Fellows in Supply Management (PISM/SOFSM). Mr. Coronel is a Certified Purchasing Manager – Institute of Supply Management, a Certified Logistics and Supply Professional – Asia Pacific Logistics Federation; and a Diplomate in Supply Management, SOFSM. He is a Board Director of the Association of Construction Equipment Lessors, Inc.

Mr. Coronel is a graduate of [redacted].

Arlyn L. McDonald, *Filipino*, [redacted]

Ms. McDonald was appointed as the Vice President, Global Financial Controller on July 10, 2023.

She was the Chief Financial Officer of MICT, Global Financial Reporting Director and Regional Chief Financial Officer for Europe, Middle East and India.

Concurrently, she is a Director of Intermodal Terminal Holdings, Inc.; and Treasurer of Catalyst Logistics Incorporated, and Sevilla Brokerage Incorporated.

Prior to ICTSI she was Senior Director for Assurance and Professional Practice in SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) for 10 years, and was also seconded to New York for two years to work with SGV Affiliate, Ernst & Young.

Ms. McDonald has a [redacted]. She placed fourth in the [redacted]

Arnie D. Tablante, [redacted]

Mr. Tablante was appointed as the Treasurer of ICTSI on September 15, 2021. Prior to such role, he was the Risk and Capital Director of ICTSI.

Concurrently, he is a Director and the Treasurer of Abbotsford Holdings, Inc., Cavite Gateway Terminal, Inc., Falconer Aircraft Management, Inc., IW Cargo Handlers, Inc., South Cotabato Integrated Port Services, Inc., Visayas Container Terminal Inc., and Aviation Concepts Technical Services, Inc.; and Director of Aeolina Investments Limited, Cordilla Property Holdings, Inc., ICTSI Far East Pte. Ltd., Laguna Gateway Inland Container Terminal, Inc., Motukea International Terminal Ltd., Pakistan International Container Terminal Ltd., and South Pacific International Container Terminal Ltd.

Prior to joining ICTSI, he was already a seasoned banker, having been connected with UnionBank of the Philippines.

Mr. Tablante received his [redacted], and holds a [redacted]

Lirene C. Mora, [redacted]

Atty. Mora is ICTSI's Vice President and Head of Global Corporate Legal Affairs in April 18, 2024. She joined ICTSI in 2007 as Industrial Relations Officer and has since held several positions in the Legal Department, including Regional Counsel for Asia Pacific.

Atty. Mora is the Director and Chief Executive Officer of Pakistan International Container Terminal Ltd. Concurrently, she is a Director of Laguna Gateway Inland Container Terminal Inc., South Cotabato Integrated Port Services, Inc., Motukea International Terminal Ltd., South Pacific International Container Terminal Limited, and ICTSI Far East Pte. Ltd.; a Director and Corporate Secretary of ICTSI Asia Pacific Business Services, Inc., Bauan International Port, Inc., Container Terminal Systems Solutions Philippines, Inc., IW Cargo Handlers Inc., Visayas Container Terminal, Inc., Abbotsford Holdings, Inc., and Intermodal Terminal Holdings, Inc.; Corporate Secretary of Cavite Gateway Terminal, Inc., Catalyst Logistics Incorporated, IWI Container Terminal Holdings, Inc., Manila Harbor Center Port Services, Inc., Sevilla Brokerage Incorporated, and ICTSI Foundation, Inc.; and Assistant Corporate Secretary of Aviation Concepts Technical Services, Inc., Cordilla Properties Holdings, Inc., Falconer Aircraft Management, Inc., Mindanao International Container Terminal Services Inc., Manila North Harbour Port, Inc., Subic Bay International Terminal Corp., ICTSI Subic Inc., and Subic Bay International Terminal Holdings, Inc.; and a Trustee of Good Governance Advocates & Practitioners of the Philippines.

She graduated with a [redacted] Atty. Mora was recognized as the [redacted]. In 2023, she received recognition from The Legal 500 as she was selected to be part of the inaugural General Counsel Powerlist Philippines. Recently, the [redacted].

Narlene A. Soriano, [redacted]

Ms. Soriano was appointed as Vice President, Head of Global Public Relations on April 18, 2024.

She is concurrently the Vice President of the ICTSI Foundation. Since 2005, she has been the Program Head of ICTSI's sports advocacy in golf, managing amateur and professional programs where she is the Executive Director.

A [redacted] Ms. Soriano is a [redacted], the [redacted], and the [redacted]

Arthur Quintin R. Tabuena, [redacted]

Mr. Tabuena was appointed as the Vice President, Global Investor Relations in April 2025. He began his career in ICTSI back in 1998 as Finance Manager of ICTSI's international subsidiary – ICTSI International Holdings Company (IIHC). He later was appointed as Finance Manager of the Parent Company, ICTSI, in 2000 and moved on to head the Company's Global Investor Relations Group in 2007.

Concurrently, he is the President of ICTSI Honduras Ltd., CGSA Transportadora S.L., and SPIA Spain S.L.; and a Director of Mindanao International Container Terminal Services Inc., Tungsten RE Ltd., and Cordilla Properties Holdings, Inc.

Mr. Tabuena has a [redacted]. For his undergraduate studies, he graduated from [redacted] with a [redacted].

Silverio Benny J. Tan, [redacted]

Mr. Tan serves as Corporate Secretary from April 18, 2024 until his retirement on December 31, 2025. Prior to this, he served as an Assistant Corporate Secretary.

He is a Director and Corporate Secretary of Razon & Co. Inc., Prime Strategic Holdings, Inc., Bravo International Port Holdings Inc., Alpha International Port Holdings Inc., Eiffle House Inc., and Trident Water Company Holdings Inc. He is a Director of MORE Electric and Power Corporation, Negros Electric and Power Corporation, Bohol Light Company Inc., Primelectric Holdings Inc., Skywide Assets Ltd., and Dress Line Holdings Inc. and its subsidiaries. He is the Corporate Secretary of Apex Mining Company Inc.* and its subsidiaries, Itogon Suyoc Resources Inc., Monte Oro Resources and Energy Inc., Bloomberry Resorts Corporation* and its subsidiaries, Sureste Properties, Inc., Bloomberry Resorts and Hotels Inc., Solaire Resorts Corporation, Bloomberry Cruise Terminals Inc., Prime Infrastructure Capital Corporation, Manila Water Company, Inc.*, Lakeland Village Holdings Inc., Devoncourt Estates Inc., Bloomberry Cultural Foundation Inc., and several subsidiaries of Razon & Co. Inc. and Prime Strategic Holdings Inc. He is a Trustee of the University of the Philippines Visayas Foundation Inc.

Atty. Tan is a retired partner, former managing partner, and now Of Counsel of the law firm of Picazo Buyco Tan Fider & Santos.

Atty. Tan holds a [redacted]

**Publicly-listed Corporation*

[redacted]

[redacted]

Atty. Asuncion is the Corporate Secretary of ICTSI* since January 1, 2026.

Concurrently, she is the Corporate Secretary, Chief Compliance Officer, and Chief Legal Officer of Manila Water Company, Inc*, and the Corporate Secretary and Compliance Officer of Bloomberry Resorts Corporation*, Corporate Secretary and Chief Compliance Officer of Prime Infrastructure Capital, Inc. and corporate secretary of its various subsidiaries. She also serves as director of Negros Electric and Power Corporation.

She provided significant works and contributions both in the private and public sectors. Among others, she served as Director of Legal and Regulatory Affairs of Bloomberry Resorts and Hotels, Inc. and was a Commissioner of the Philippine Competition Commission.

Atty. Asuncion finished her [redacted]

**Publicly Listed Corporation*

Benjamin Edison M. Gorospe III, [redacted]

Atty. Gorospe has been the Assistant Corporate Secretary of ICTSI since September 17, 2013.

He is also the Head of Global Corporate Tax. Atty. Gorospe joined the Company in 2003 as a Tax Manager. Prior to this, he worked with the Tax Department of SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) for five years and with its Audit Department for one year.

Atty. Gorospe is a Director and the Corporate Secretary of Davao Integrated Port and Stevedoring Services Corp., Mindanao International Container Terminal Services, Inc., and Cordilla Properties Holdings, Inc.; the Assistant Secretary of International Container Terminal Holdings, Inc., Global Procurement Ltd., ICTSI Ltd., ICTSI Honduras Ltd., and ICTSI Georgia Corp.; the Corporate Secretary of Falconer Aircraft Management, Inc.; and a Director of ICTSI Far East Pte. Ltd., ICTSI South Asia Pte. Ltd., Tungsten RE Ltd., and Consultports S.A. de C.V.

Atty. Gorospe obtained his law degree from the [redacted]t. He graduated from [redacted]

<u>Regional Heads and Global Corporate Officers for the ICTSI Group of Companies</u>

Anders Kjeldsen, [redacted]

Mr. Kjeldsen is the Senior Vice President, Regional Head – Latin America of the ICTSI Group. Prior to joining ICTSI, he was Head of Latin America portfolio for APM Terminals until January 2017. Before moving to Latin America, he was portfolio Chief Operation Officer for Global Ports Investment PLC (GPI PLC) in Russia for three years.

Mr. Kjeldsen is a Director of Contecon Guayaquil, S.A., and Tecon Suape, S.A.; the President of TecPlata S.A., and ICTSI Rio; and the Chairman of Terminal Maritima de Tuxpan S.A. de C.V.

Prior to his role in GPI PLC, Mr. Kjeldsen was Chief Executive Officer of APM Terminals West Med where he was responsible for a total of five million TEU capacity, being the business units in Algeciras and Tangier. He joined the A.P. Moller-Maersk Group in 1991. He has been involved in the port business in most parts of the world, including Denmark, Germany, Netherlands, Spain, Russia and Latin America.

Mr. Kjeldsen was an officer of the [redacted]. He took several executive [redacted].

Hans-Ole Madsen, [redacted]

Mr. Madsen is the Senior Vice President, Regional Head – Europe, Middle East and Africa of the ICTSI Group.

Concurrently, he is a Director and the Chairman of Madagascar International Container Terminal Services Limited, ICTSI DR Congo S.A., International Container Terminal Services Nigeria Ltd. and Pakistan International Container Terminal Ltd.; a Director of Baltic Container Terminal Ltd., Batumi International Container Terminal LLC, and Durban Gateway Terminal (Pty.) Ltd.; a Director and Manager of ICTSI (M.E.) DMCC.; and a Director, Manager and Legal Representative of ICTSI Middle East DMCC.

Mr. Madsen has more than 30 years of international experience within the port, shipping and logistic industry.

Humberto Godfried Wieske, [redacted]

Mr. Wieske is the Senior Vice President and Head of Global Commercial of the ICTSI Group. He is a Director of Victoria International Container Terminal, and Yantai International Container Terminal Ltd.

Before joining ICTSI, he held senior positions within APM Terminals including Global Head of Key Client Management Asia Carriers of APM Terminals based in Hongkong, Chief Commercial Officer APM Terminals for the Asia Pacific Region as well as Africa Middle East India Sub-Continent region. He represented APM Terminals in various boards including, ACT Aqaba Container Terminal in Jordan, APMT Port of Bahrain, SAGT South Asia Gate Way Terminals in Colombo, Sri Lanka, SETV Abidjan Ivory Coast, DIT Douala Cameron, and MPS in Tema, Ghana.

Mr. Wieske started his career in shipping in the Netherlands before joining former Container Shipping Company Sea Land Service Inc. He earned his [redacted]

Nathan J. Clarke, [redacted]

Mr. Clarke is the Vice President, Global Engineering of the ICTSI Group effective January 1, 2026.

Mr. Clarke joined ICTSI's Global Engineering team as a project manager in 2011 and has since held several positions including Regional Infrastructure Manager (Asia-Pacific) and Director of Port Planning. He previously held the position of Vice President, Global Engineering - Infrastructure and Project Management, before the Global Engineering departments were consolidated into one group under his leadership. Prior to joining ICTSI, Mr. Clarke served with engineering consultancy firm AECOM Technologies, Inc. as a maritime engineer from 2004, working on numerous port projects around Australia and the Asia-Pacific region.

Mr. Clarke holds a [redacted].

Michael Robin Cruickshanks, [redacted]

Mr. Cruickshanks is the Vice President, Global Corporate Human Resources of the ICTSI Group.

Before he joined ICTSI, Mr. Cruickshanks was the HR advisor to National Commercial Bank in Jeddah, Saudi Arabia. He also worked for global Swiss-based logistics company, Panalpina World Transport, as Global Head of Compensation and Benefits. He was also Managing Director, Compensation and Benefits for the Dutch investment bank, Rabobank International. He was also Global Head of Compensation and Benefits for Santander Investment.

Mr. Cruickshanks holds a [redacted].

Brian Mark Hibbert, [redacted]

Mr. Hibbert was appointed as Global Chief Information Officer of the ICTSI Group on October 1, 2018 after heading operational technology within the Group for several months.

Concurrently, he is a Director for Sevilla Brokerage Incorporated, and Victoria International Container Terminal.

Prior to joining ICTSI, Mr. Hibbert served as Head of Operations Technology and Transformation Leader in a global capacity for APM Terminals, and as Vice President of Product Management for web-based logistics start-up International Asset Systems, Inc. in Oakland, California, USA. Brian also served in multiple leadership roles between 1995 to 2008 as a member of the original pioneering team that grew Navis LLC, a terminal systems provider, into the market leading position it maintains today.

Brian was educated in the [redacted]013.

Damien Samuel Huppert, [redacted]

Mr. Huppert is Vice President, Head of Global Procurement of ICTSI Group.

Prior to his current role, Mr. Huppert served as Purchasing Director at several companies such as Imerys, United Technologies, GE Vernova, BorgWarner and Eaton. His assignments spread across the United States, Europe and Asia.

Mr. Huppert holds a [redacted].

Johan Swart, [redacted]

Mr. Swart serves as Vice President, Head of Global Engineering – Equipment Maintenance of the ICTSI Group until his retirement on December 31, 2025.

Before joining ICTSI, he was Vice President for Maintenance at Global Container Terminals in Canada. He was also Head of Engineering at APM Terminals in Ghana and Nigeria. He spent 30 years with Transnet Port Terminals in Cape Town, as Container Crane Commissioning Electrician, Technical Assistant - Electrical Engineering Container Cranes, Senior Technical Supervisor - Electrical Engineering Container Lifting Equipment and Technical Manager - Electrical and Mechanical.

Mr. Swart holds a [redacted]

Vivien F. Miñana, [redacted]

Ms. Miñana is Vice President and Senior Administration Officer of the ICTSI Group and ICTSI Ltd. She was a Vice President and Controller of ICTSI and ICTSI Ltd. from 2000 to 2006.

A [redacted]ant, Ms. Miñana has a [redacted]

Rene Marcel Wernli, [redacted]

Mr. Wernli is the Vice President and Head of Global Multimodal Logistics Solutions at ICTSI Group, where he leverages more than three decades of international logistics and supply chain expertise across the Americas, Africa, Europe, the Middle East, and the Indian subcontinent.

He concurrently serves as Director of Laguna Gateway Inland Container Terminal, Inc., Catalyst Logistics Incorporated, and Sevilla Brokerage Incorporated.

Prior to joining ICTSI, Mr. Wernli held senior executive leadership roles with leading global organizations including Panalpina, Aramex, Kuehne + Nagel, DP World, and ECU Worldwide, where he was responsible for regional and global operations, strategic growth, and business transformation initiatives.

Mr. Wernli holds a degree in [redacted].

9.1 Significant Employees

No person who is not an executive officer of ICTSI is expected to make a significant contribution to ICTSI.

9.2 Family Relationships

Stephen A. Paradies is the brother-in-law and Christian Martin R. Gonzalez is the nephew of Chairman and President, Enrique K. Razon, Jr. There are no other family relationships among the directors and officers listed in this report.

9.3 Involvement in Certain Legal Proceedings

ICTSI is not aware of any of legal cases which occurred during the past five years that are material to an evaluation of the ability or integrity of any of its directors, executive officers or controlling person.

Item 10. Executive Compensation

Name and Principal Position	Year	Salary	Bonus and Others[1]	Total[2]
Enrique K. Razon, Jr. *Chairman of the Board and President* Christian R. Gonzalez *Executive Vice President & Compliance Officer* Caroline C. Causon *Senior Vice President, Global Corporate Planning and Financial Services* Emilio Manuel V. Pascua *Senior Vice President, Chief Financial Officer and Chief Risk Officer* Arnie D. Tablante *Vice President and Treasurer*				
Chairman of the Board and President and four (4) highest paid executive officers, as a group	2026 (Estimate)	US$0.5M	US$3.1M	US$3.6M
	2025 (Actual)	0.5M	2.7M	3.2M
	2024 (Actual)	0.5M	2.2M	2.7M
All officers and Directors, as a group, unnamed[3]	2026 (Estimate)	1.5M	25.6M	27.1M
	2025 (Actual)	1.4M	21.2M	22.6M
	2024 (Actual)	1.6M	18.1M	19.7M

[1]*Mainly includes non-cash compensation based on Stock Incentive Plan paid out of the allocated Treasury Shares of ICTSI*

[2]*Includes total compensation paid in the Philippines by the registrant and its subsidiaries*

[3]*Including four (4) highest paid executive officers*

The members of the Board of Directors receive directors' fees as compensation in accordance with the Company's By-Laws. There are no material terms of any other arrangements or contracts where any director of ICTSI was compensated or is to be compensated, directly or indirectly, in 2024, 2025 or in the coming year, for any service provided as a director.

There are no existing compensatory plans or arrangements, including payments to be received from ICTSI by any named executive officer from a change-in-control of the Company, except for the automatic vesting of awarded shares under the Stock Incentive Plan referred to below.

Certain officers were granted awards under the Stock Incentive Plan (SIP) in 2023, 2024 and 2025. Discussion on the SIP is further disclosed in Note 19, *Share-based Payment Plan*, to the 2025 Annual Audited Consolidated Financial Statements.

Item 11. Security Ownership of Certain Beneficial Owners and Management

11.1 Security Ownership of Certain Record and Beneficial Owners

The following are known to the registrant to be directly or indirectly the record or beneficial owner of more than five (5) percent of registrant's voting securities as at December 31, 2025:

Class of Share	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage*
Common	PCD Nominee Corporation (Non-Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	The Hongkong & Shanghai Banking Corp. Ltd. – Clients' Acct. – 5/F HSBC Centre 3058 Fifth Avenue, West Bonifacio Global City, Taguig, Metro Manila Represented by Kathy Dela Torre, Senior Vice President and Head, HSBC Securities Services and Bettina Tuazon, Vice President Client Services, only hold legal title as custodian in favor of various clients, and is not the beneficial owner of the lodged shares.	Foreign	340,098,720	12.51%
Common	PCD Nominee Corporation (Non-Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	Deutsche Bank Manila-Clients' Acct.- 19th Flour Four/NEO 31st St. cor. 4th Ave. E-Square Zone, Crescent Park West, Bonifacio Global City, Taguig City, Metro Manila Represented by Kris Serrano, Trust and Securities Services Head,, only holds a legal title as custodian in favor of various clients and is not the beneficial owner of the lodged shares.	Foreign	166,819,111	6.14%
Common	PCD Nominee Corporation (Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	AB Capital Securities, Inc., Units 1911-1912, 19/F, PSE Tower, 5th Avenue corner 28th St., Bonifacio Global City, Taguig, Metro Manila Represented by Corrine Hazel G. Tañedo, President, only hold legal title as custodian in favor of various clients and is not the beneficial owner of the lodged shares.	Filipino	506,675,461	18.64%
Common	Bravo International Port Holdings, Inc. 19th Floor, Liberty Center, 104 H.V. dela Costa St., Salcedo Village, Makati City	Enrique K. Razon Jr. President of Bravo International Port Holdings, Inc.	Filipino	279,675,000	10.29%
Preferred B	Achillion Holdings, Inc. 17th Floor, Liberty Center, 104 H.V. dela Costa St., Salcedo Village, Makati City	Enrique K. Razon Jr. President of Achillion Holdings, Inc.	Filipino	700,000,000	25.75%

** Percentage ownerships were computed using total number of issued and outstanding common shares, preferred B voting shares of 2,718,828,262 (which excludes treasury shares and preferred A non-voting shares as at December 31, 2025).*

11.2 Security Ownership of Management as at December 31, 2025

Class of Share	Name of Beneficial Owner	Citizenship	Amount and nature of beneficial ownership (D) Direct and (I) Indirect		Percentage[1]
Common & Preferred B	Enrique K. Razon Jr. [2]	[redacted]	1,682,230,747	D & I	61.87%[3]
Common	Carlos C. Ejercito	[redacted]	10	D	0.00%
Common	Diosdado M. Peralta	[redacted]	38,950	I	0.00%
Common	Jose C. Ibazeta	[redacted]	1,484,260	D & I	0.05%
Common	Stephen A. Paradies	[redacted]	4,296,603	D & I	0.16%
Common	Andres Soriano III	[redacted]	650,481	I	0.02%
Common	Christian R. Gonzalez	[redacted]	834,970	I	0.03%
Common	Caroline C. Causon	[redacted]	52,323	I	0.00%
Common	Emilio Manuel V. Pascua	[redacted]	124,886	I	0.00%
Common	Arlyn L. McDonald	[redacted]	136,183	I	0.01%
Common	Lirene C. Mora	[redacted]	83,057	I	0.00%
Common	Narlene A. Soriano	[redacted]	108,699	D & I	0.00%
Common	Arnie D. Tablante	[redacted]	138,236	I	0.01%
Common	Arthur Quintin R. Tabuena	[redacted]	80,040	I	0.00%
Common	Benjamin M. Gorospe III	[redacted]	37,694	I	0.00%

1 Percentage ownerships were computed using total number of issued and outstanding common and preferred B voting shares of 2,718,828,262 (which excludes treasury shares and preferred A non-voting shares) as at December 31, 2025.

2 Shares in the name of Enrique K. Razon, Jr. and Razon Group.

3 The percentage ownership of Enrique K. Razon, Jr. and the Razon Group is at 61.79% if based on the total number of issued and outstanding common shares, preferred B voting shares and preferred A non-voting shares of 2,722,628,262 (which excludes treasury shares) as at December 31, 2025.

11.3 Voting Trust Holders of 5% or More

None

11.4 Changes in Control

None

Item 12. Certain Relationships and Related Transactions

Transactions with Related Parties

The table below summarizes transactions with related parties for the last three years, as disclosed in the accompanying consolidated financial statements:

			2023		2024		**2025**	
Related Party	Relationship	Nature of Transaction	Transaction Amount (i)	Outstanding Receivable (Payable) Balance	Transaction Amount (i)	Outstanding Receivable (Payable) Balance	**Transaction Amount (i)**	**Outstanding Receivable (Payable) Balance**
					(In Millions)			
SPIA Spain S.L.								
SPIA	Joint venture	Interest-bearing loans (ii)	US$13.68	US$212.63	US$11.53	US$163.12	**US$11.10**	**US$173.11**
YICT								
YPH	Non-controlling shareholder	Trade transactions (iii)	0.90	(0.11)	3.27	(0.05)	**3.34**	**(0.09)**
YPHT	Common shareholder	Outsourced services (iv)	5.35	0.93	5.71	0.56	**5.98**	**0.62**
Yantai Port Group (YPG)	Common shareholder	Cargo handling charges (v)	3.43	0.83	3.20	0.46	**–**	**–**
		Trade transactions (iii)	2.10	–	0.12	–	**0.30**	**(0.01)**
SCIPSI								
Asian Terminals, Inc.	Non-controlling shareholder	Management fees	0.15	0.01	0.02	(0.01)	**0.16**	**(0.02)**
AGCT								
Luka Rijeka D.D. (Luka Rijeka)	Non-controlling shareholder	Provision of services (vi)	1.28	(0.11)	0.30	–	**0.05**	–
PICT								
Bilal Associates (Pvt) Limited	Common shareholder	Stevedoring and storage charges (vii)	0.28	–	–	–	–	–
		Container handling revenue (vii)	0.02	–	–	–	–	–
Bay West (Pvt) Ltd	Common shareholder	Container handling revenue (vii)	0.04	–	–	–	–	–
LGICT								
NCT Transnational Corp.	Non-controlling shareholder	Management fees	0.32	(0.07)	0.10	–	**–**	**–**
		Maintenance and repairs	0.09	(0.03)	0.06	(0.01)	**0.10**	**(0.02)**
IDRC								
Ledya SARL	Non-controlling shareholder	Management fees	3.60	(0.90)	3.60	–	**3.60**	**–**
		Loans (viii)	3.06	–	–	–	**–**	**–**
Parent Company								
Prime Metro BMD Corporation	Common shareholder	Purchase of services (ix)	9.23	(2.03)	18.67	(13.23)	**40.78**	**(6.19)**
		Sublease (x)	–	0.08	–	(0.07)	**–**	**(0.07)**

(Forward)

(i) Amount of transactions do not include payments, collections and foreign exchange movements.

(ii) On October 1, 2018, IEBV assigned to SPIA Spain S.L. all its outstanding interest-bearing loans, including interest converted into interest-bearing loan, and interest receivable from SPIA as of the same date, amounting to US$321.1 million and US$9.6 million, respectively. The funds were used by SPIA to finance the construction of its terminal and its start-up operations in Colombia.

(iii) Trade transactions include utilities, rental and other transactions paid by YICT to YPH and YPG.

(iv) YPHT outsources its domestic container terminal business to YICT.

(v) YICT is authorized under the Joint Venture Agreement to collect port charges levied on cargoes, port construction fees and facility security fees in accordance with government regulations. Port fees remitted by YICT for YPH /YPG are presented as part of "Port authorities' share in gross revenues" in the consolidated statement of income. Outstanding payable to YPH/YPG related to these port charges are presented under "Accounts payable and other current liabilities" account in the consolidated balance sheet.

(vi) AGCT has entered into agreements with Luka Rijeka, a non-controlling shareholder, for the latter's provision of services such as equipment maintenance, power and fuel and supply of manpower, among others. Total expenses incurred by AGCT in relation to these agreements were recognized and presented in the consolidated statement of income as part of Manpower costs, Equipment and facilities-related expenses and Administrative and other operating expenses.

(vii) PICT has entered into an agreement with Bilal Associates (Pvt) Limited and Bay West (Pvt) Ltd to render stevedoring and other services (i.e. storage and container handling service), which are settled on a monthly basis.

(viii) In April 2023, IDRC entered into a shareholder loan agreement with Ledya SARL. The loan was settled in June 2023.

(ix) ICTSI has entered into contracts with Prime Metro BMD Corporation for the construction, repairs and maintenance.

(x) ICTSI has entered into contracts with Prime Metro BMD Corporation, Prime Metro Power Holdings Corporation and Prime Metroline Infrastructure Holdings Corporation for the sublease of office space.

Related Party	Relationship	Nature of Transaction	2023 Transaction Amount [i]	2023 Outstanding Receivable (Payable) Balance	2024 Transaction Amount [i]	2024 Outstanding Receivable (Payable) Balance	**2025 Transaction Amount [i]**	**2025 Outstanding Receivable (Payable) Balance**
					(In Millions)			
Prime Metro Power Holdings Corporation	Common shareholder	Reimbursement of operating expenses and sublease [x]	US$0.01	US$0.06	US$–	US$0.06	**US$–**	**US$0.06**
Prime Metroline Infrastructure Holdings Corporation	Common shareholder	Reimbursement of operating expenses and sublease [x]	0.04	(0.03)	–	0.06	**–**	**–**
		Sale of asset [xi]	0.75	0.56	–	–	**–**	**–**
FAMI	Joint Venture	Reimbursement of operating expenses	0.01	0.45	–	0.07	**0.23**	**0.53**
		Management fees	1.79	(0.31)	2.18	(0.38)	**0.40**	**(0.48)**
ACTSI	Joint Venture	Lease of asset [xii]	–	–	15.54	(15.38)	**0.70**	**(14.09)**
ICTSI Ltd.								
FAMI	Joint Venture	Working capital advances	0.14	0.14	0.33	0.33	**0.16**	**0.54**
ACTSI	Joint Venture	Interest-bearing loans [xiii]	0.49	9.50	0.55	10.37	**0.33**	**10.84**
		Working capital advances	–	–	–	–	**1.88**	**1.88**
IW Cargo Handlers, Inc.								
ACTSI	Common shareholder	Sale of asset [xiv]	17.20	17.20	0.46	–	**–**	**–**

The outstanding balances arising from these related party transactions are current and payable without the need for demand.

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2023, 2024 and 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(xi) ICTSI and Prime Metroline Infrastructure Holdings Corporation entered into an agreement for the sale of certain leasehold improvements.
(xii) On November 29, 2024, ICTSI and ACTSI entered into an agreement for the lease of transportation equipment with a term of 10 years.
(xiii) These loans were obtained through a series of issuances with terms ranging from five to 12 years from their respective issuance dates, and bear fixed interest rates.
(xiv) On December 12, 2023, IW Cargo Handlers, Inc. and ACTSI entered into a deed of absolute sale for the sale of transportation equipment and related accessories. The receivable was settled in September 2024.

PART V – CORPORATE GOVERNANCE

Item 13. Corporate Governance

Corporate Objectives

ICTSI aims to make ports around the world catalysts for positive change and sustainable growth. Guided by this purpose, the Company is committed to developing and operating efficient, resilient, and sustainable port facilities that create long-term value. ICTSI strives to deliver the highest possible benefits to its stakeholders and the communities it serves by upholding operational excellence, responsible business practices, and a strong focus on sustainability.

For the detailed discussions on Company's corporate objectives, financial and non-financial information, and compliance adherence, please visit the Company's official website Sustainability-Governance section: https://ictsi.com/sustainability/governance.

Compliance with Leading Practices on Corporate Governance
The Company's corporate governance framework is set out in its Manual of Corporate Governance (CG Manual), first submitted to the Philippine Securities and Exchange Commission in 2011 and later revised and updated in 2014 and 2017. The CG Manual is designed to balance the interests of multiple stakeholders and to guide the achievement of strategic objectives through internal and external mechanisms, including the Board of Directors' structure, the Board's oversight of Management, and the adoption of sound policies and controls.
The Board of Directors has assigned to the Chief Compliance Officer the responsibility for evaluating ICTSI's compliance with the CG Manual and with applicable rules and regulations issued by regulatory agencies. ICTSI has had a Chief Compliance Officer since 2016. The current Chief Compliance Officer is Mr. Christian R. Gonzalez, who has served in that role since January 18, 2023, while also serving as ICTSI's Executive Vice President.

CG Manual Compliance Monitoring

In line with this, the Company's Chief Compliance Officer, measures the Company's compliance with the Manual of Corporate Governance, through, among others, the following:

a. Annual review by the Board of Directors of ICTSI's Purpose and Values;
b. Annual Board Self-Assessment;
c. Evaluation by the Board of Directors of the corporate governance performance of the Chairman of the Board, President, Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit; and
d. Evaluation by the Board and Senior Management of the compliance with the leading practices on corporate governance through the submission of the Integrated Annual Corporate Governance Report and accomplishment of the ASEAN Corporate Governance Scorecard.

Full Compliance
The Board ensures that the Company is properly managed and supervised, and it oversees the internal control system through several mechanisms.

To keep the Company's internal controls and risk management system adequate, the Board: (i) defines the duties and responsibilities of the President; (ii) selects or approves qualified individuals for the President role; (iii) reviews senior management appointments; (iv) ensures the selection and retention of competent management and officers for control functions; and (v) reviews ICTSI's personnel and human resource policies. This review covers conflict-of-interest situations, compensation plans, and management succession plans.

Management, in turn, proactively oversees day-to-day operations through organizational and procedural controls supported by effective reporting systems, and through an independent audit mechanism that monitors governance, operations, and information systems.

Overall, ICTSI's control environment consists of: (a) Board oversight of management and supervision; (b) Management's operational oversight; (c) organizational and procedural controls supported by reporting systems; and (d) an independent audit mechanism covering governance, operations, and information systems. The Company has not deviated from its CG Manual.To strengthen ICTSI's compliance with good corporate governance principles and practices, the Company implemented the following measures in 2025:

a. Board appointments (approved December 18, 2025): The Board appointed (i) Mr. Enrique M. Aboitiz as Independent Director, effective January 1, 2026, to serve the unexpired term of the late Mr. Cesar A. Buenaventura; and (ii) Atty. Amabelle C. Asuncion as Corporate Secretary, effective January 1, 2026, to serve the unexpired term of Atty. Silverio Benny J. Tan, who retired effective December 31, 2025.
b. External facilitator for the 2025 Annual Corporate Governance (ACG) Assessment: The Company engaged Good Governance Advocates and Practitioners of the Philippines to facilitate the 2025 ACG Assessment and to support the evaluation of: (i) the Annual Board Self-Assessment; and (ii) the corporate governance performance of the Chairman of the Board, President, Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit. The ACG Assessment used the following criteria:
   I. Board Self-Assessment
      - Board composition
      - Board efficiency
      - Board meetings and participation
   II. Individual Director's Self-Rating
      - Independence
      - Participation
      - Expertise
      - Character
      - Fiduciary Duty
      - Innovation
   III. Committee Member's Self-Assessment
      - Committee composition
      - Committee meetings and participation
      - Committee functions and processes
   IV. Chairman and President
      - Leadership
      - Integrity
      - Diligence
      - Corporate governance
      - Entrepreneurial Mindset
      - Stewardship
   V. Shareholder feedback (Investor Relations Office)
c. Annual governance training: The Board of Directors, Chief Compliance Officer, Chief Risk Officer, Corporate Secretary, Assistant Corporate Secretaries, Head of Internal Audit, and Senior Management participate annually in Advanced Corporate Governance Training conducted by SEC-accredited training providers.

d. Board meetings and attendance: The Board holds regular monthly meetings in accordance with the By-Laws. Special meetings are also called by the Chairman or the President, as necessary. In 2025, the Board held 14 regular and special meetings, with the following attendance:

Directors	Days present (out of 14 meetings)	Percentage of attendance
Enrique K. Razon Jr.	11	88%
Stephen A. Paradies	14	100%
Andres Soriano III	14	100%
Jose C. Ibazeta	14	100%
Carlos C. Ejercito	14	100%
Cesar A. Buenaventura*	12	93%
Chief Justice Diosdado M. Peralta (ret.)	14	100%

**Deceased on December 10, 2025.*

e. Board Committee meetings: The Corporate Governance Committee, Environmental, Social, Governance Committee, Audit Committee, and Board Risk Oversight Committee hold quarterly meetings. The Remuneration Committee and Related Party Transactions Committee meet as needed.

f. Updated annual subsidiary attestation: The annual attestation by each ICTSI subsidiary's Chief Executive Officer or Terminal Manager and Chief Financial Officer was updated to confirm that the subsidiary:
   i. abides by ICTSI's Purpose and Values;
   ii. implements the ICTSI Manual on Corporate Governance and Code of Business Conduct, including policies and procedures on anti-bribery compliance, fraud reporting, diversity and equal opportunities, conflict of interest, and a suitable whistleblowing framework;
   iii. complies with applicable IT-related standards, including data privacy and protection requirements;
   iv. has established corporate disclosure policies and procedures in coordination with ICTSI's Investor Relations Office;
   v. has a comprehensive treasury management policy;
   vi. implements and complies with labor-protection laws and laws promoting social legislation;
   vii. complies with all environmental laws;
   viii. maintains appropriate accounting policies and management actions for internal control over financial reporting (ICFR), using the Control Evaluation Template;
   ix. has identified major entity-level risks (ERM) and developed management actions to mitigate their impact on operations within the risk appetite set by management;
   x. treats all shareholders fairly and equitably, protects and facilitates the exercise of their rights, and encourages active shareholder participation;
   xi. respects the rights of its stakeholders;
   xii. takes measures to avoid dealing with entities subject to economic sanctions;
   xiii. implements policies, programs, and procedures that encourage employees to participate in achieving the Company's goals and in its governance;
   xiv. acts in a socially responsible manner in dealing with its communities and ensures that its interactions have a positive and progressive impact on the environment and stakeholders; and
   xv. follows and implements the directives of the ICTSI CG Manual.

PART VI – EXHIBITS AND SCHEDULES

Item 14. Reports on SEC Form 17-C

The following is a summary of submissions of SEC Form 17-C filed during the year 2025:

28-Jan-25	Share Buy-Back Transactions
31-Jan-25	Share Buy-Back Transactions
3-Feb-25	Share Buy-Back Transactions
12-Feb-25	Share Buy-Back Transactions
18-Feb-25	Share Buy-Back Transactions
19-Feb-25	Share Buy-Back Transactions
20-Feb-25	Share Buy-Back Transactions
21-Feb-25	Share Buy-Back Transactions
24-Feb-25	Share Buy-Back Transactions
25-Feb-25	FY 2024 Investors' Briefing Notice
25-Feb-25	Share Buy-Back Transactions
27-Feb-25	Share Buy-Back Transactions
3-Mar-25	Awarding of ICTSI Shares under SIP
3-Mar-25	Share Buy-Back Transactions
5-Mar-25	Notice of 2025 Annual Stockholders' Meeting
5-Mar-25	Share Buy-Back Transactions
6-Mar-25	FY 2024 Earnings Release
6-Mar-25	Declaration of Cash Dividends
6-Mar-25	Share Buy-Back Transactions
14-Mar-25	Postponement of Annual Stockholders' Meeting
14-Mar-25	[Amend-1] Notice of 2025 Annual Special Stockholders' Meeting
8-Apr-25	Share Buy-Back Transactions
11-Apr-25	1Q2025 Investors' Briefing Notice
14-Apr-25	Share Buy-Back Transactions
21-Apr-25	ICTSI Acquires Interest in a Marine Property in Brazil for Additional Capacity for its ICTSI RBT and Future Development of a Private Use Terminal (TUP)
22-Apr-25	Amended ICTSI Acquires Interest in a Marine Property in Brazil for Additional Capacity for its ICTSI RBT and Future Development of a Private Use Terminal (TUP)
24-Apr-25	Results of Organizational Meeting of Board of Directors (April 24, 2025)
24-Apr-25	Results of Annual Stockholders' Meeting (April 24, 2025)
24-Apr-25	Share Buy-Back Transactions
25-Apr-25	Amended 1Q2025 Investors' Briefing Notice
5-May-25	1Q 2025 Earnings Release
21-Jul-25	2Q2025 Investors' Briefing Notice
23-Jul-25	[Amend-2] ICTSI Acquires Interest in a Marine Property in Brazil for Additional Capacity for its ICTSI RBT and Future Development of a Private Use Terminal (TUP)
1-Aug-25	ICTSI Signs Agreement to be Strategic Partner for the Development and Operation of Batu Ampar Container Terminal
5-Aug-25	2Q 2025 Earnings Release

6-Oct-25	SBITC and ISI Concession Extension
13-Oct-25	South African High Court Dismisses APM Terminals' Bid Challenge
24-Oct-25	3Q 2025 Investors' Briefing Notice
6-Nov-25	3Q 2025 Earnings Release
2-Dec-25	Resignation of Corporate Secretary
11-Dec-25	ICTSI Signs Agreement to be Strategic Partner for the Operation and Development of DCT2 at the Port of Durban, South Africa
11-Dec-25	Cesar A. Buenaventura Passes On
18-Dec-25	Appointments of Atty. Asuncion as Corporate Secretary and Mr. Aboitiz as Independent Director of ICTSI
22-Dec-25	Share Buy-Back Transactions
23-Dec-25	Share Buy-Back Transactions

Note: Unless otherwise indicated, no financial statements were filed with the above reports.

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 177 of the Revised Corporation Code of the Philippines, this report is signed on behalf of the Issuer, thereunto duly authorized, in the ~~City of Manila~~ on March 4, 2026.

Parañaque City

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
Issuer

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capacities and on the dates indicated.

By:

[redacted]

Enrique K. Razon, Jr.
Chairman and President

Date: March 4, 2026

[redacted]

Emilio Manuel V. Pascua
Senior Vice President,
Chief Financial Officer,
and Chief Risk Officer

Date: March 4, 2026

[redacted]

Arlyn L. McDonald
Vice President,
Global Financial Controller

Date: March 4, 2026

[redacted]

Benjamin M. Gorospe III
Asst. Corporate Secretary

Date: March 4, 2026

SUBSCRIBED AND SWORN to before me this 4th day of March 2026 affiants personally appeared before me, exhibiting to me their respective government issued identification cards with photographs as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Enrique K. Razon, Jr.	[redacted]	19 August 2022	Manila
Emilio Manuel V. Pascua	[redacted]	19 November 2024	Manila
Arlyn L. McDonald	[redacted]	25 March 2022	Manila
Benjamin M. Gorospe III	[redacted]	6 July 2021	Manila

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MARIA MARGARITA M. VILLANUEVA
NOTARY PUBLIC
ROLL NO. 61398
PARAÑAQUE CITY, PHILIPPINES

MARIA MARGARITA M. VILLANUEVA
Commission No. 201-2025
Notary Public for Parañaque City
until December 31, 2026
1 Asean Avenue, Entertainment City
Brgy. Tambo, Parañaque City 1701
Roll No. 61398
IBP No. 579603 / 31 December 2025 / Manila IV Chapter
PTR No. 4018716 / 05 January 2026 / Parañaque City
MCLE Compliance No. VIII-0032582 / 14 April 2028

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

International Container Terminal Services, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of International Container Terminal Services, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as of and for the years ended December 31, 2023, 2024 and 2025, in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, have audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation u[redacted]on of such audit.

[redacted]

Enrique K. Razon, Jr.
Chairman and President

[redacted]

Emilio Manuel V. Pascua
Senior Vice President,
Chief Financial Officer,
and Chief Risk Officer

[redacted]

Arlyn L. McDonald
Vice President,
Global Financial Controller

Signed this 4th day of March 2026.

SUBSCRIBED AND SWORN to before me this 4th day of March 2026 affiants personally appeared before me, exhibiting to me their respective government issued identification cards with photographs as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Enrique K. Razon, Jr.	[redacted]	19 August 2022	Manila
Emilio Manuel V. Pascua		19 November 2024	Manila
Arlyn L. McDonald		25 March 2022	Manila

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MARIA MARGARITA M. VILLANUEVA
NOTARY PUBLIC
ROLL NO. 61398
PARAÑAQUE CITY, PHILIPPINES

MARIA MARGARITA M. VILLANUEVA
Commission No. 201-2025
Notary Public for Parañaque City
until December 31, 2026
1 Asean Avenue, Entertainment City
Brgy. Tambo, Parañaque City 1701
Roll No. 61398
IBP No. 579603 / 31 December 2025 / Manila IV Chapter
PTR No. 4018716 / 05 January 2026 / Parañaque City
MCLE Compliance No. VIII-0032582 / 14 April 2028

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building, Manila International
Container Terminal South Access Road, Manila

Opinion

We have audited the consolidated financial statements of International Container Terminal Services, Inc. (ICTSI) and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2023, 2024 and 2025, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the periods then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025, and its consolidated financial performance and its consolidated cash flows for each of the three years in the periods 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 (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of consolidated financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Accounting for the Acquisition of Inhaúma Fundo de Investimento Imobiliário - Responsabilidade Limitada ("FII Inhaúma" or "the Fund")

In April 2025, the Group acquired 47% ownership interest in the Fund for a total consideration of BRL459.8 million (US$79.2 million), with the remaining 53% ownership interest in the Fund being subject to a combination of put and call options. The Group intends to exercise the call option if the non-controlling interests fail to exercise the put option. With these, the Group determined that it has obtained control over the Fund, and accounted for the transaction as acquisition of a group of assets which is comprised virtually of the marine property.

Subsequently, in July 2025, the Group purchased an additional 26% ownership interest in the Fund for a consideration of BRL254.5 million (US$45.7 million) and brought its total ownership interest to 73%.

This matter is significant to our audit because the purchase consideration is material to the consolidated financial statements, and significant judgment was used in the determination as to whether the Group has obtained control over the Fund under PFRS 10, *Consolidated Financial Statements*, and whether the transaction is considered as an acquisition of a business in accordance with PFRS 3, *Business Combinations*. In addition, significant estimation was used in (a) the allocation of the purchase consideration to the identifiable assets and liabilities of the Fund, specifically on the determination of the fair value of the acquired group of assets, (b) the valuation of the put options at initial recognition and at the end of the reporting period which used assumptions such as future cash flows and discount rate, and (c) the valuation of call options at the same dates which used assumptions such as future cash flows, discount rate, volatility, dividend yield and fair value of the underlying property of the Fund.

The disclosures related to the acquisition are included in Note 1 to the consolidated financial statements.

Audit Response

We reviewed the Group's determination of control in accordance with PFRS 10 by reviewing the acquisition agreement and relevant documents regarding the acquisition. We also reviewed the assessment of management whether the group of assets and liabilities acquired meets the definition of a business in accordance with PFRS 3. We also reviewed the identification of the acquired assets and liabilities, and tested the allocation of the purchase price based on the relative fair values of the identified assets and liabilities. We also reviewed the valuation of the put and call options at acquisition date and at the end of the reporting period. We involved our internal specialists to assist us in evaluating the assumptions and methodologies used by the Group in determining the relative fair values of the identified assets and liabilities. We reviewed the bases and assumptions used in determining the value of the put and call options. We tested the parameters used in the determination of the discount rate against market and economic data. Further, we reviewed the Group's disclosures in the consolidated financial statements about the key terms and conditions of the transaction.

Recoverability of Goodwill

Under PFRS Accounting Standards, the Group is required to annually test the amounts of its goodwill for impairment. As of December 31, 2025, goodwill attributable to certain subsidiaries amounted to US$150.9 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the forecasted free cash flows, forecasted revenue growth, earnings before interest, tax, depreciation and amortization (EBITDA) margins at the cash-generating unit (CGU) level, capital expenditures and weighted average cost of capital.

The Group's disclosures about the impairment testing of goodwill are included in Notes 3 and 10 to the consolidated financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We involved our internal specialist in evaluating the assumptions and methodologies used. We compared the key assumptions used, such as estimates of free cash flows, particularly those relating to the forecasted revenue growth and EBITDA margins at the CGU level, by comparing these against historical performance of the CGU, or comparable country, regional or global market data or against the historical performance of other subsidiaries of the Group in the region. We tested the parameters used in the determination of the discount rate against market and economic data. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of the significant assumptions to evaluate the change in the fair value of the CGU. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

Accounting for Income Taxes

The Group has significant operations in countries that are governed by varying income tax laws and regulations with differences in tax and financial reporting currencies. In addition, significant judgment and estimation are used in the recognition and measurement of deferred income tax liabilities related to undistributed profits and assessing the recoverability of deferred income tax assets. Accordingly, management's recognition and measurement process for the Group's income tax expense, income tax payable, deferred income tax assets and liabilities are complex and uses assumptions that are sensitive to future market or economic conditions as well as the forecasted performance of the relevant subsidiaries.

The Group's disclosures about income taxes are included in Notes 3 and 21 to the consolidated financial statements.

Audit Response

We involved our tax specialists in our review of management's calculation of income taxes, income tax payable and deferred tax assets and liabilities in countries where the Group has significant operations and complex tax laws and regulations. To address the significant judgment and estimation on the recoverability of deferred tax assets, we, together with our tax specialists, reviewed the management's assessment on the availability of future taxable income in reference to financial forecasts and tax planning strategies by comparing revenue growth and EBITDA margins against historical performance and available comparable market data. We also reviewed the timing of the reversal of future taxable and deductible temporary differences. We also reviewed the bases for recognition of deferred tax liabilities on undistributed cumulative earnings of certain subsidiaries by reviewing the historical dividend declaration and future declarations to be made by those subsidiaries considering relevant circumstances.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

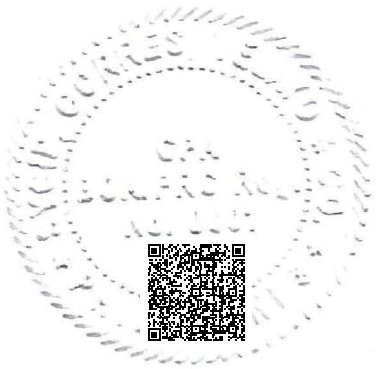
The engagement partner on the audit resulting in this independent auditor’s report is Martin C. Guantes.

SYCIP GORRES VELAYO & CO.

[redacted]

Martin C. Guantes
Partner
CPA Certificate No. [redacted]
Tax Identification No. 1[redacted]
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. [redacted]
SEC Firm Accreditation No. [redacted]
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. [redacted], October 23, 2023, valid until October 22, 2026
PTR No. [redacted], January 2, 2026, Makati City

March 4, 2026



INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	As at December 31		
	2023	2024	**2025**
ASSETS			
Noncurrent Assets			
Intangibles (Notes 1, 5 and 24)	US$2,389,063,462	US$2,392,206,722	**US$2,552,767,982**
Property and equipment (Notes 1, 6 and 15)	1,845,693,951	1,868,911,180	**2,486,014,100**
Right-of-use assets (Notes 1, 7 and 24)	916,366,357	957,760,276	**945,147,012**
Investment properties	5,633,749	5,434,675	**5,862,434**
Investments in and advances to joint ventures and associate (Notes 1, 8 and 22)	271,502,661	220,634,149	**237,448,655**
Deferred tax assets (Note 21)	408,653,279	343,875,531	**357,530,377**
Other noncurrent assets (Notes 1 and 9)	195,859,476	236,104,233	**959,874,417**
Total Noncurrent Assets	6,032,772,935	6,024,926,766	**7,544,644,977**
Current Assets			
Cash and cash equivalents (Notes 1, 11, 26 and 27)	716,104,043	1,109,073,233	**1,098,830,301**
Receivables (Notes 1, 12, 26 and 27)	182,507,225	192,489,983	**225,693,851**
Spare parts and supplies (Note 1)	55,822,377	59,464,720	**68,809,321**
Prepaid expenses and other current assets (Notes 1, 13, 26 and 27)	247,454,041	253,922,959	**136,602,012**
Derivative assets	10,198,303	9,474,263	**2,518,340**
Total Current Assets	1,212,085,989	1,624,425,158	**1,532,453,825**
	US$7,244,858,924	US$7,649,351,924	**US$9,077,098,802**
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Capital stock:			
Preferred stock (Note 14)	US$236,222	US$236,222	**US$236,222**
Common stock (Note 14)	67,330,188	67,330,188	**67,330,188**
Additional paid-in capital (Notes 14 and 19)	577,430,605	584,458,288	**590,096,367**
Preferred shares held by a subsidiary (Note 14)	(72,492,481)	(72,492,481)	**(72,492,481)**
Treasury shares (Notes 14 and 19)	(38,330,159)	(78,946,292)	**(130,917,089)**
Excess of consideration over the carrying value of non-controlling interests acquired or disposed (Note 1)	(169,922,520)	(169,922,520)	**(183,563,433)**
Retained earnings (Note 14)	799,685,565	1,226,425,279	**1,760,167,258**
Perpetual capital securities (Note 14)	583,162,965	295,141,911	**295,141,911**
Other comprehensive loss - net (Notes 8, 9, 14, 23 and 26)	(154,358,265)	(282,558,061)	**(203,724,066)**
Total equity attributable to equity holders of the parent	1,592,742,120	1,569,672,534	**2,122,274,877**
Equity Attributable to Non-controlling Interests (Note 1.4)	312,425,668	334,454,320	**358,909,801**
Total Equity	1,905,167,788	1,904,126,854	**2,481,184,678**
Noncurrent Liabilities			
Long-term debt - net of current portion (Notes 1, 6, 15, 26 and 27)	1,990,036,959	2,071,875,126	**2,889,182,436**
Concession rights payable - net of current portion (Notes 1, 24, 26 and 27)	742,334,740	745,863,663	**765,098,022**
Lease liabilities - net of current portion (Notes 1, 7, 24 and 27)	1,571,022,387	1,462,147,182	**1,539,585,396**
Deferred tax liabilities (Notes 1 and 21)	273,522,534	262,152,007	**288,832,512**
Other noncurrent liabilities (Notes 1, 16, 23, 26 and 27)	47,157,301	34,169,050	**34,071,051**
Total Noncurrent Liabilities	4,624,073,921	4,576,207,028	**5,516,769,417**
Current Liabilities			
Loans payable (Notes 17, 26 and 27)	139,562,649	167,504,595	**–**
Accounts payable and other current liabilities (Notes 1, 18, 22, 26 and 27)	412,135,523	451,507,446	**626,120,759**
Current portion of long-term debt (Notes 1, 6, 15, 26 and 27)	42,389,052	414,944,295	**262,206,397**
Current portion of concession rights payable (Notes 1, 24, 26 and 27)	14,682,499	15,989,952	**15,372,618**
Current portion of lease liabilities (Notes 1, 7, 24 and 27)	41,877,334	42,708,981	**56,770,666**
Income tax payable (Notes 1 and 21)	64,970,158	62,157,017	**116,170,070**
Derivative liabilities	–	14,205,756	**2,504,197**
Total Current Liabilities	715,617,215	1,169,018,042	**1,079,144,707**
Total Liabilities	5,339,691,136	5,745,225,070	**6,595,914,124**
	US$7,244,858,924	US$7,649,351,924	**US$9,077,098,802**

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2023	2024	**2025**
INCOME			
Gross revenues from port operations (Notes 4 and 24)	US$2,388,326,383	US$2,739,524,184	**US$3,234,704,222**
Interest income (Notes 11 and 22)	57,976,544	71,546,644	**55,343,274**
Foreign exchange gain (Note 27)	10,489,189	19,599,493	**25,438,893**
Equity in net income of joint ventures (Note 8)	–	–	**3,358,873**
Other income (Notes 1 and 20)	23,087,457	36,954,395	**17,910,204**
	2,479,879,573	2,867,624,716	**3,336,755,466**
EXPENSES			
Port authorities' share in gross revenues (Notes 1, 7, 20 and 22)	220,008,757	232,848,200	**283,335,667**
Manpower costs (Notes 19, 22 and 23)	329,115,205	365,862,467	**418,093,938**
Equipment and facilities-related expenses (Notes 7 and 22)	167,836,512	187,399,789	**197,159,260**
Administrative and other operating expenses (Notes 7 and 22)	165,752,389	173,985,603	**191,823,631**
Depreciation and amortization (Notes 5, 6, and 7)	294,431,515	300,777,664	**327,755,080**
Interest expense and financing charges on borrowings (Notes 15 and 17)	140,332,636	159,279,665	**147,371,916**
Interest expense on concession rights payable	64,518,959	63,313,327	**63,864,680**
Interest expense on lease liabilities (Note 7)	133,793,311	138,035,382	**141,039,234**
Equity in net loss of joint ventures (Note 8)	9,808,724	5,457,186	**–**
Foreign exchange loss (Note 27)	17,186,101	8,071,159	**28,019,806**
Impairment losses on goodwill and other nonfinancial assets (Notes 5, 9 and 10)	165,303,485	–	**–**
Other expenses (Notes 20 and 22)	24,249,937	26,773,510	**32,141,189**
	1,732,337,531	1,661,803,952	**1,830,604,401**
CONSTRUCTION REVENUE (EXPENSE) (Note 24)			
Construction revenue	65,270,968	166,545,199	**189,483,899**
Construction expense	(65,270,968)	(166,545,199)	**(189,483,899)**
	–	–	**–**
INCOME BEFORE INCOME TAX	747,542,042	1,205,820,764	**1,506,151,065**
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 21)			
Current	176,007,041	229,209,876	**346,775,666**
Deferred	(9,591,354)	40,833,269	**32,498,596**
	166,415,687	270,043,145	**379,274,262**
NET INCOME	US$581,126,355	US$935,777,619	**US$1,126,876,803**
Attributable To			
Equity holders of the parent	US$511,529,938	US$849,798,990	**US$1,048,139,715**
Non-controlling interests	69,596,417	85,978,629	**78,737,088**
	US$581,126,355	US$935,777,619	**US$1,126,876,803**
Earnings Per Share (Note 28)			
Basic	US$0.238	US$0.408	**US$0.511**
Diluted	0.237	0.407	**0.510**

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2024	**2025**
NET INCOME FOR THE YEAR	US$581,126,355	US$935,777,619	**US$1,126,876,803**
OTHER COMPREHENSIVE INCOME (LOSS)			
Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations' financial statements (Note 14)	51,159,475	(139,882,059)	**104,504,405**
Net change in unrealized mark-to-market values of derivatives	(12,109,652)	9,667,582	**(21,993,065)**
Share of other comprehensive income (loss) of joint ventures (Notes 8 and 14)	1,876,729	(280,609)	**(109,101)**
Income tax relating to components of other comprehensive loss	3,033,798	(2,385,785)	**5,527,324**
	43,960,350	(132,880,871)	**87,929,563**
Items not to be reclassified to profit or loss in subsequent periods			
Net unrealized mark-to-market gain on financial assets at FVOCI (Notes 9 and 14)	396,624	1,049,552	**2,503,686**
Share of other comprehensive income of joint ventures (Notes 8 and 14)	20,310	16,909	**4,156**
Remeasurement losses on defined benefit plans - net of tax (Notes 14 and 23)	(964,905)	(89,382)	**(544,842)**
	(547,971)	977,079	**1,963,000**
	43,412,379	(131,903,792)	**89,892,563**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	US$624,538,734	US$803,873,827	**US$1,216,769,366**
Attributable To			
Equity holders of the parent	US$555,582,359	US$721,599,194	**US$1,127,981,505**
Non-controlling interests	68,956,375	82,274,633	**88,787,861**
	US$624,538,734	US$803,873,827	**US$1,216,769,366**

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Attributable to Equity Holders of the Parent (Note 14)											
	Preferred Stock	Common Stock	Additional Paid-in Capital	Preferred Shares Held by a Subsidiary	Treasury Shares	Excess of Consideration over the Carrying Value of Non-controlling Interests acquired or disposed	Retained Earnings	Perpetual Capital Securities	Other Comprehensive Loss – net	Total	Attributable to Non-controlling Interests	Total Equity
Balance at December 31, 2022	US$236,222	US$67,330,188	US$573,980,749	(US$72,492,481)	(US$39,991,203)	(US$172,684,906)	US$687,449,513	US$583,162,965	(US$198,410,686)	US$1,428,580,361	US$298,091,602	US$1,726,671,963
Net income for the year	–	–	–	–	–	–	511,529,938	–	–	511,529,938	69,596,417	581,126,355
Other comprehensive income (Note 14)	–	–	–	–	–	–	–	–	44,052,421	44,052,421	(640,042)	43,412,379
Total comprehensive income for the year	–	–	–	–	–	–	511,529,938	–	44,052,421	555,582,359	68,956,375	624,538,734
Cash dividends (Note 14)	–	–	–	–	–	–	(370,267,208)	–	–	(370,267,208)	(59,387,555)	(429,654,763)
Share-based payments (Note 19)	–	–	6,175,103	–	–	–	–	–	–	6,175,103	–	6,175,103
Issuance of treasury shares for share-based payments (Notes 14 and 19)	–	–	(2,725,247)	–	2,725,247	–	–	–	–	–	–	–
Acquisition of treasury shares (Note 14.1)	–	–	–	–	(1,064,203)	–	–	–	–	(1,064,203)	–	(1,064,203)
Disposal of NCI	–	–	–	–	–	2,762,386	–	–	–	2,762,386	(1,397,386)	1,365,000
Acquisition of CLIA Pouso Alegre (Note 1.4)	–	–	–	–	–	–	–	–	–	–	6,162,632	6,162,632
Distributions on perpetual capital securities (Note 14)	–	–	–	–	–	–	(29,026,678)	–	–	(29,026,678)	–	(29,026,678)
Balance at December 31, 2023	US$236,222	US$67,330,188	US$577,430,605	(US$72,492,481)	(US$38,330,159)	(US$169,922,520)	US$799,685,565	US$583,162,965	(US$154,358,265)	US$1,592,742,120	US$312,425,668	US$1,905,167,788
Balance at December 31, 2023	US$236,222	US$67,330,188	US$577,430,605	(US$72,492,481)	(US$38,330,159)	(US$169,922,520)	US$799,685,565	US$583,162,965	(US$154,358,265)	US$1,592,742,120	US$312,425,668	US$1,905,167,788
Net income for the year	–	–	–	–	–	–	849,798,990	–	–	849,798,990	85,978,629	935,777,619
Other comprehensive income (Note 14)	–	–	–	–	–	–	–	–	(128,199,796)	(128,199,796)	(3,703,996)	(131,903,792)
Total comprehensive income for the year	–	–	–	–	–	–	849,798,990	–	(128,199,796)	721,599,194	82,274,633	803,873,827
Cash dividends (Note 14)	–	–	–	–	–	–	(399,338,991)	–	–	(399,338,991)	(62,873,476)	(462,212,467)
Share-based payments (Note 19)	–	–	9,577,387	–	–	–	–	–	–	9,577,387	–	9,577,387
Issuance of treasury shares for share-based payments (Notes 14 and 19)	–	–	(2,549,704)	–	2,549,704	–	–	–	–	–	–	–
Acquisition of treasury shares (Note 14.1)	–	–	–	–	(43,165,837)	–	–	–	–	(43,165,837)	–	(43,165,837)
Disposal of a subsidiary (Note 1.2)	–	–	–	–	–	–	–	–	–	–	2,627,495	2,627,495
Redemption of perpetual capital securities (Note 14)	–	–	–	–	–	–	(8,820,285)	(288,021,054)	–	(296,841,339)	–	(296,841,339)
Distributions on perpetual capital securities (Note 14)	–	–	–	–	–	–	(14,900,000)	–	–	(14,900,000)	–	(14,900,000)
Balance at December 31, 2024	US$236,222	US$67,330,188	US$584,458,288	(US$72,492,481)	(US$78,946,292)	(US$169,922,520)	US$1,226,425,279	US$295,141,911	(US$282,558,061)	US$1,569,672,534	US$334,454,320	US$1,904,126,854
Balance at December 31, 2024	**US$236,222**	**US$67,330,188**	**US$584,458,288**	**(US$72,492,481)**	**(US$78,946,292)**	**(US$169,922,520)**	**US$1,226,425,279**	**US$295,141,911**	**(US$282,558,061)**	**US$1,569,672,534**	**US$334,454,320**	**US$1,904,126,854**
Net income for the year	–	–	–	–	–	–	**1,048,139,715**	–	–	**1,048,139,715**	**78,737,088**	**1,126,876,803**
Other comprehensive income (Note 14)	–	–	–	–	–	–	–	–	**79,841,790**	**79,841,790**	**10,050,773**	**89,892,563**
Total comprehensive income for the year	–	–	–	–	–	–	**1,048,139,715**	–	**79,841,790**	**1,127,981,505**	**88,787,861**	**1,216,769,366**
Cash dividends (Note 14)	–	–	–	–	–	–	**(500,505,531)**	–	–	**(500,505,531)**	**(61,075,612)**	**(561,581,143)**
Share-based payments (Note 19)	–	–	**12,628,814**	–	–	–	–	–	–	**12,628,814**	–	**12,628,814**
Issuance of treasury shares for share-based payments (Notes 14 and 19)	–	–	**(6,990,735)**	–	**6,990,735**	–	–	–	–	–	–	–
Acquisition of treasury shares (Note 14.1)	–	–	–	–	**(58,961,532)**	–	–	–	–	**(58,961,532)**	–	**(58,961,532)**
Distributions on perpetual capital securities (Note 14)	–	–	–	–	–	–	**(14,900,000)**	–	–	**(14,900,000)**	–	**(14,900,000)**
Acquisition of FII Inhaúma (Note 1.4)	–	–	–	–	–	–	–	–	–	–	**92,773,747**	**92,773,747**
Recognition of put option liability (Note 1.4 and 18)	–	–	–	–	–	**(14,737,054)**	–	–	–	**(14,737,054)**	**(50,455,445)**	**(65,192,499)**
Acquisition of non-controlling interest (Note 1.4)	–	–	–	–	–	**1,096,141**	–	–	–	**1,096,141**	**(46,818,877)**	**(45,722,736)**
Capital contribution from non-controlling interest	–	–	–	–	–	–	–	–	–	–	**1,243,807**	**1,243,807**
Disposal of FVOCI equity investments (Note 9)	–	–	–	–	–	–	**1,007,795**	–	**(1,007,795)**	–	–	–
Balance at December 31, 2025	**US$236,222**	**US$67,330,188**	**US$590,096,367**	**(US$72,492,481)**	**(US$130,917,089)**	**(US$183,563,433)**	**US$1,760,167,258**	**US$295,141,911**	**(US$203,724,066)**	**US$2,122,274,877**	**US$358,909,801**	**US$2,481,184,678**

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2024	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	US$747,542,042	US$1,205,820,764	**US$1,506,151,065**
Adjustments for:			
Depreciation and amortization (Notes 5, 6, and 7)	294,431,515	300,777,664	**327,755,080**
Interest expense on:			
Borrowings (Notes 15 and 17)	140,332,636	159,279,665	**147,371,916**
Lease liabilities	133,793,311	138,035,382	**141,039,234**
Concession rights payable	64,518,959	63,313,327	**63,864,680**
Loss (gain) on:			
Sale of a subsidiary (Note 1.2)	–	1,639,535	**–**
Disposal of property and equipment and others	1,628,370	(2,502,671)	**(378,609)**
Interest income (Notes 11 and 22)	(57,976,544)	(71,546,644)	**(55,343,274)**
Impairment losses on goodwill and nonfinancial assets (Notes 5, 9 and 10)	165,303,485	–	**–**
Share-based payments (Notes 14 and 19)	6,268,329	8,806,204	**11,107,996**
Unrealized foreign exchange loss (gain)	6,606,006	(10,894,127)	**8,301,328**
Equity in net loss (income) of joint ventures (Note 8)	9,808,724	5,457,186	**(3,358,873)**
Dividend income	(4,534)	(1,143,870)	**(4,656)**
Operating income before changes in working capital	1,512,252,299	1,797,042,415	**2,146,505,887**
Increase in:			
Receivables	(22,026,495)	(14,907,361)	**(25,453,679)**
Spare parts and supplies	(3,244,021)	(7,231,047)	**(6,751,740)**
Prepaid expenses and other current assets	(6,117,697)	(21,325,911)	**(42,001,298)**
Increase (decrease) in:			
Accounts payable and other current liabilities	(7,217,157)	50,766,554	**26,932,361**
Retirement liabilities	(571,643)	72,606	**(124,723)**
Cash generated from operations	1,473,075,286	1,804,417,256	**2,099,106,808**
Income taxes paid	(172,615,991)	(225,262,970)	**(289,062,453)**
Net cash flows provided by operating activities	1,300,459,295	1,579,154,286	**1,810,044,355**
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposit for investment in Durban Gateway Terminal (Notes 9 and 30)	–	–	**(618,000,000)**
Acquisitions of:			
Property and equipment (Note 6)	(207,678,271)	(288,529,428)	**(385,927,958)**
Intangible assets, including upfront costs deposit (Notes 5 and 9)	(74,930,298)	(184,540,302)	**(190,540,522)**
Investment properties	–	–	**(594,745)**
Subsidiaries (Note 1)	(13,881,550)	–	**(79,184,299)**
Group of assets that constitute a business (Note 1.4)	–	(2,516,970)	**(909,819)**
Proceeds from disposal of:			
Property and equipment	891,516	5,565,826	**2,723,981**
A subsidiary (Note 1.2)	–	2,000,000	–
FVOCI equity investments	–	–	**1,007,795**
Interest received	44,050,082	62,444,948	**44,398,627**
Payments for concession rights	(21,334,293)	(22,113,678)	**(22,081,906)**
Dividends received	4,434	1,143,870	**4,656**
Cash receipt from government grant (Note 6)	–	–	**10,729,124**
Decrease (increase) in:			
Other noncurrent assets	(42,026,111)	(66,400,418)	**(162,398,145)**
Short-term investments and restricted cash	(3,475,332)	(10,443,568)	**152,609,237**
Investment in and advances to joint ventures (Note 8)	396,065	54,784,316	**(2,267,229)**
Net cash flows used in investing activities	(317,983,758)	(448,605,404)	**(1,250,431,203)**

(Forward)

	Years Ended December 31		
	2023	2024	**2025**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-term borrowings (Note 15)	US$432,839,358	US$593,883,375	**US$1,062,640,191**
Loans payable (Note 17)	464,843,618	279,482,992	**–**
Capital contribution from non-controlling interest	–	–	**1,243,807**
Payments of:			
Dividends (Note 14)	(428,241,674)	(454,276,765)	**(556,202,913)**
Redemption of perpetual capital securities (Note 14)	–	(296,841,339)	**–**
Interest on lease liabilities and concession rights payable	(198,130,404)	(199,353,930)	**(202,147,736)**
Short-term borrowings (Note 17)	(666,842,000)	(243,890,896)	**(174,353,254)**
Interest on borrowings	(119,269,603)	(148,405,100)	**(141,737,674)**
Long-term borrowings (Note 15)	(543,985,586)	(117,005,145)	**(422,903,491)**
Lease liabilities	(32,031,514)	(44,410,658)	**(49,330,245)**
Distributions on perpetual capital securities (Note 14)	(29,026,678)	(14,900,000)	**(14,900,000)**
Purchase of treasury shares (Note 14)	(1,064,203)	(43,165,837)	**(58,961,532)**
Acquisition of non-controlling interests (Note 1.4)	–	–	**(45,722,736)**
Decrease in other noncurrent liabilities	696,260	165,532	**–**
Net cash flows used in financing activities	(1,120,212,426)	(688,717,771)	**(602,375,583)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	14,901,262	(48,861,921)	**32,519,499**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(122,835,627)	392,969,190	**(10,242,932)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	838,939,670	716,104,043	**1,109,073,233**
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 11)	US$716,104,043	US$1,109,073,233	**US$1,098,830,301**

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

1.1 General

International Container Terminal Services, Inc. (ICTSI or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 24, 1987. The registered office address of the Parent Company is ICTSI Administration Building, Manila International Container Terminal (MICT) South Access Road, Manila. ICTSI's common shares are publicly traded in the Philippine Stock Exchange (PSE).

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors (the Board) on March 4, 2026.

1.2 Port Operations

ICTSI and its subsidiaries (collectively referred to as "the Group") entered into various concessions of port operations which include development, management, and operation of container terminals and related facilities around the world. As at March 4, 2026, the Group is involved in 34 terminal operations, including concessions and port development projects in 20 countries worldwide. There are 10 terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), four (4) in Brazil (including an intermodal rail ramp terminal and a Customs-bonded facility), two (2) in Papua New Guinea (PNG) and Indonesia, and one (1) each in China, Ecuador, Poland, Georgia, Madagascar, Croatia, Honduras, Mexico, Iraq, Argentina, Democratic Republic (DR) of Congo, Colombia, Australia, Cameroon, Nigeria and South Africa.

Concessions for port operations entered into, acquired, extended, disposed and expired during the last three years are summarized below:

Acquisition and Extension of Concessions

Melbourne, Australia. In February 2026, Victoria International Container Terminal (VICT), and Port of Melbourne Operations Pty Ltd. signed an extension of its contract to operate and manage the Webb Dock East terminal located in the Port of Melbourne for another twenty-six (26) years extending the contract expiry from 2040 to 2066. The effective date of this agreement is subject to usual conditions precedent applicable to this kind of transaction.

Port of Durban, South Africa. In December 2025, Transnet SOC Ltd. (Transnet), a South African Government State-owned Company, signed an agreement with ICTSI for a 25-year joint venture to operate and further develop Durban Container Terminal Pier 2 (DCT2) at the Port of Durban. The Group took over the operations of Durban Gateway Terminal (Pty) Ltd. (DGT), the company that will operate DCT2, on January 1, 2026 (see Notes 9 and 30).

Zambales, Philippines. On October 3, 2025, Subic Bay International Terminal Corp. (SBITC) and ICTSI Subic Inc. (ICTSI Subic), subsidiaries of ICTSI, have been granted an extension of their respective concessions by the Subic Bay Metropolitan Authority. These extensions will allow the continued operation and management of New Container Terminals 1 and 2 (NCT-1 and NCT-2) in Subic Bay Freeport Zone, Zambales until 2058.

Batu Ampar Container Terminal, Indonesia. On July 31, 2025, ICTSI, through its 75% owned subsidiary, PT Batu Ampar Container Terminal (BACT), signed an agreement with PT Batam Terminal Petikamas (BTP), a subsidiary of an Indonesian Government State-owned Entity (SOE), to operate and develop Batu Ampar Container Terminal (Batam Terminal) in Batam Island for 30 years. On September 1, 2025, BACT took over the operations of Batam Terminal.

Port of Kribi, Cameroon. In January 2025, the Port Authority of Kribi agreed to extend the concession agreement for the development, operation and maintenance activities of the multipurpose terminal at the Port of Kribi by Kribi Multipurpose Terminal (KMT) for another five (5) years. The amended agreement will expire in 2050.

Mindanao Container Terminal, Philippines. In December 2024, Mindanao International Container Terminal Services, Inc. (MICTSI) was granted by PHIVIDEC Industrial Authority an extension of its concession term to operate and manage the Mindanao Container Terminal for another 25 years, from 2033 to 2058.

Tanjung Pakis Lamongan Public Terminal, East Java, Indonesia. On December 17, 2024, PT East Java Development was granted by PT Lamongan Integrated Shorebase an extension of its concession term to operate the multi-purpose terminal in Lamongan Regency, East Java, Indonesia for additional seven (7) years or until December 31, 2072.

Iloilo Commercial Port Complex (ICPC), Philippines. In January 2024, the Philippine Ports Authority (PPA) has awarded to ICTSI the 25-year contract to develop and operate the ICPC. In April 2024, the Group received from the PPA the notice to proceed and the 25-year ICPC port management contract was entered between ICTSI and PPA on the same date.

South Cotabato, Philippines. On February 20, 2006, the PPA granted South Cotabato Integrated Port Services, Inc. (SCIPSI) a 10-year contract for the exclusive management and operation of arrastre, stevedoring, and other cargo handling services, except porterage, at Makar Wharf, Port of General Santos, General Santos City in the Philippines that expired on February 19, 2016. Thereafter, the PPA granted SCIPSI a series of Hold-over-Authority (HOA) on a temporary basis over the cargo handling services at Makar Wharf, Port of General Santos. The HOA may be pre-terminated upon the award of a new contract by the PPA or revoked for a reason by the PPA. As at March 4, 2026, SCIPSI continues to operate and has submitted the letter of intent including the requirements for the issuance of a new HOA.

Disposal and Expiration of Concessions

Jakarta, Indonesia. On January 22, 2024, ICTSI, through its wholly owned subsidiary, ICTSI Far East Pte. Ltd. (IFEL), signed a Conditional Share Sale and Purchase Agreement with PT Sarana Kelola Investa in connection with the sale of 80.19% shares of PT ICTSI Jasa Prima Tbk (IJP) for US$2.0 million, the Company's listed subsidiary in Indonesia which owns PT PBM Olah Jasa Andal (OJA), which in turn has an equipment supply cooperation agreement with PT Pelabuhan Indonesia II (Pelindo II) at the Port of Tanjung Priok in Jakarta, Indonesia. The sale of IJP shares closed on February 1, 2024 and resulted to a loss on sale of IJP and OJA amounting to US$1.6 million.

Port of Karachi, Pakistan. In June 2023, ICTSI was informed by Karachi Port Trust (KPT) that Pakistan International Container Terminal Ltd. (PICT)'s container terminal concession in Karachi, Pakistan will revert to the port authority effective June 18, 2023, as a result of the expiration of the concession contract. Thereafter, PICT has fully transitioned the terminal operations to the new port operator (see Note 5).

Port of Makassar, Indonesia. The extended term of the cooperation agreement between PT Makassar Terminal Services (MTS) and PT Pelabuhan Indonesia IV (Pelindo IV) for the procurement, installation and operation of container loading and unloading equipment at the Makassar Port Container Terminal, South Sulawesi, Indonesia expired on January 31, 2023. The parties mutually agreed not to renew the cooperation agreement. Immediately thereafter, MTS ceased its operations at the Makassar Port Container Terminal.

1.3 Subsidiaries, Joint Ventures and Associates

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2023 Direct	2023 Indirect	2024 Direct	2024 Indirect	**2025 Direct**	**2025 Indirect**
Subsidiaries:									
Asia									
Victoria International Container Terminal (VICT)	Australia	Port Management	Australian Dollar	–	100.00	–	100.00	**–**	**100.00**
Yantai International Container Terminal Ltd. (YICT)	China	Port Management	Renminbi	–	51.00	–	51.00	**–**	**51.00**
PT ICTSI Jasa Prima Tbk (IJP) and Subsidiaries [(a)]	Indonesia	Maritime infrastructure and logistics	US Dollar	–	80.19	–	–	**–**	**–**
PT PBM Olah Jasa Andal (OJA) [(a)]	Indonesia	Port Management	US Dollar	–	80.19	–	–	**–**	**–**
PT Makassar Terminal Services (MTS) [(b)]	Indonesia	Port Management	Indonesian Rupiah	–	95.00	–	95.00	**–**	**95.00**
PT East Java Development (EJD)	Indonesia	Port Management	Indonesian Rupiah	66.67	–	66.67	–	**66.67**	**–**
PT Batu Ampar Container Terminal (BACT) [(c)]	Indonesia	Port Management	Indonesian Rupiah	–	–	–	–	–	**75.00**
Motukea International Terminal Ltd. (MITL)	Papua New Guinea	Port Management	Papua New Guinean Kina	–	70.00	–	70.00	**–**	**70.00**
South Pacific International Container Terminal Ltd. (SPICTL)	Papua New Guinea	Port Management	Papua New Guinean Kina	–	70.00	–	70.00	**–**	**70.00**
Bauan International Port, Inc. (BIPI)	Philippines	Port Management	Philippine Peso	–	100.00	–	100.00	**–**	**100.00**
Cavite Gateway Terminal (CGT)	Philippines	Port Management	Philippine Peso	–	100.00	–	100.00	**–**	**100.00**
Davao Integrated Port and Stevedoring Services Corp. (DIPSSCOR) [(d)]	Philippines	Port Management	Philippine Peso	–	96.95	–	96.95	**–**	**–**
Laguna Gateway Inland Container Terminal, Inc. (LGICT)	Philippines	Port Management	Philippine Peso	–	60.00	–	60.00	**–**	**60.00**
Manila Harbor Center Port Services, Inc. (MHCPSI)	Philippines	Port Management	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
Manila North Harbour Port, Inc. (MNHPI)	Philippines	Port Management	Philippine Peso	50.00	–	50.00	–	**50.00**	**–**
Mindanao International Container Terminal Services, Inc. (MICTSI)	Philippines	Port Management	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
Subic Bay International Terminal Holdings, Inc. (SBITHI)	Philippines	Holding Company	US Dollar	90.50	–	90.50	–	**90.50**	**–**
ICTSI Subic, Inc. (ICTSI Subic)	Philippines	Port Management	US Dollar	–	90.50	–	90.50	**–**	**90.50**
Subic Bay International Terminal Corporation (SBITC)	Philippines	Port Management	US Dollar	–	90.50	–	90.50	**–**	**90.50**
South Cotabato Integrated Port Services, Inc. (SCIPSI)	Philippines	Port Management	Philippine Peso	35.82	14.41	35.82	14.41	**35.82**	**14.41**
Visayas Container Terminal (VCT) [(e)]	Philippines	Port Management	Philippine Peso	–	–	100.00	–	**100.00**	**–**
Catalyst Logistics Incorporated (CLI)	Philippines	Freight Forwarder	Philippine Peso	–	51.00	–	51.00	**–**	**51.00**
Sevilla Brokerage Incorporated (SBI)	Philippines	Customs Broker	Philippine Peso	–	80.00	–	80.00	**–**	**80.00**
IW Cargo Handlers, Inc.	Philippines	Port Equipment Rental	US Dollar	–	100.00	–	100.00	**–**	**100.00**
IWI Container Terminal Holdings, Inc. (IWI CTHI)	Philippines	Warehousing	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**

(a) Disposed effective February 1, 2024
(b) Ceased commercial operations effective January 31, 2023
(c) Established on July 31, 2025
(d) Corporate term expired on December 31, 2025
(e) Established in March 2024

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2023 Direct	2023 Indirect	2024 Direct	2024 Indirect	**2025 Direct**	**2025 Indirect**
Container Terminal Systems Solutions Philippines, Inc.	Philippines	Software Developer	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Asia Pacific Business Services, Inc. (APBS)	Philippines	Business Process Outsourcing	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Abbotsford Holdings, Inc. (AHI)	Philippines	Holding Company	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
Cordilla Properties Holdings, Inc.	Philippines	Holding Company	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
Intermodal Terminal Holdings, Inc. (ITH)	Philippines	Holding Company	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
ICTSI Ltd. Regional Operating Headquarters (ROHQ)	Philippines	Regional Operating Headquarters	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Ltd. Regional Headquarters	Philippines	Regional Headquarters	Philippine Peso	–	100.00	–	100.00	**–**	**100.00**
ICTSI Ltd.	Bermuda	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Tungsten RE Ltd.	Bermuda	Insurance Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Global Procurement Ltd. (f)	Bermuda	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Honduras Ltd.	Bermuda	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Aeolina Investments Limited (AIL)	British Virgin Islands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Crixus Limited (g)	British Virgin Islands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**–**
Pentland International Holdings, Ltd.	British Virgin Islands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
International Container Terminal Holdings, Inc. (ICTHI)	Cayman Islands	Holding Company	US Dollar	100.00	–	100.00	–	**100.00**	**–**
ICTSI Georgia Corp. (IGC)	Cayman Islands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Asiastar Consultants Limited (h)	Hong Kong	Management Services	US Dollar	–	100.00	–	–	**–**	**–**
ICTSI (Hong Kong) Limited (IHKL)	Hong Kong	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
PT Container Terminal System Solutions, Inc.	Indonesia	Software Developer	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Innovest Mauritius Ltd. *(formerly ICTSI Mauritius Ltd.)* (IML)	Mauritius	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Consultports S.A. de C.V.	Mexico	Business Development Office (BDO)	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
ICTSI Americas B.V. (Multinational Headquarters)	Panama	BDO	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI South Pacific, Ltd. (ISPL)	Papua New Guinea	Holding Company	Papua New Guinean Kina	–	100.00	–	100.00	**–**	**100.00**
ICTSI QFC LLC (i)	Qatar	Holding Company	US Dollar	–	100.00	–	–	**–**	**–**
ICTSI Far East Pte. Ltd. (IFEL)	Singapore	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Africa Headquarters (Pty) Ltd	South Africa	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Richards Bay (Pty.) Ltd. (j)	South Africa	Holding Company	US Dollar	–	–	–	–	**–**	**100.00**
SPIA Spain S.L.	Spain	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
CGSA Transportadora S.L.	Spain	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Americas B.V. (IABV)	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Africa B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI EMEA B.V. (IEBV)	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Treasury B.V. (ITBV)	The Netherlands	Holding Company	US Dollar	–	75.00	–	75.00	**–**	**75.00**
ICTSI Global Finance B.V. (IGFBV)	The Netherlands	Holding Company	US Dollar	–	75.00	–	75.00	**–**	**75.00**

(f) Dissolved effective January 23, 2026
(g) Dissolved effective November 12, 2025
(h) Dissolved effective April 5, 2024
(i) Deregistered from Qatar Financial Centre (QFC) on July 14, 2024
(j) Incorporated on January 12, 2024

	Place of Incorporation	Nature of Business	Functional Currency	2023 Direct	2023 Indirect	2024 Direct	2024 Indirect	**2025 Direct**	**2025 Indirect**
				Percentage of Ownership					
ICTSI Global Holdings B.V.	The Netherlands	Holding Company	US Dollar	100.00	–	100.00	–	**100.00**	**–**
ICTSI Oceania B.V. (IOBV)	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Tuxpan B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
CGSA B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
CMSA B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Royal Capital B.V. (RCBV)	The Netherlands	Holding Company	US Dollar	–	75.00	–	75.00	**–**	**75.00**
SPIA Colombia B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI (M.E.) FZCO (ICTSI Dubai)	United Arab Emirates	BDO	US Dollar	100.00	–	100.00	–	**100.00**	**–**
ICTSI Middle East FZCO	United Arab Emirates	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Global FZCO *(formerly ICTSI Santos DMCC)* [k]	United Arab Emirates	Holding Company	US Dollar	100.00	–	100.00	–	**100.00**	**–**
ICTSI EMEA FZCO *(formerly ICTSI Durban DMCC)* [k]	United Arab Emirates	Holding Company	US Dollar	100.00	–	100.00	–	**–**	**100.00**
ICTSI Americas FZCO [l]	United Arab Emirates	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Container Terminal de Venezuela Conterven CA (CTVCC)	Venezuela	Holding Company	US Dollar	–	95.00	–	95.00	**–**	**95.00**
Europe, Middle East and Africa (EMEA)									
Kribi Multipurpose Terminal (KMT)	Cameroon	Port Management	XAF	–	75.00	–	75.00	**–**	**75.00**
Adriatic Gate Container Terminal (AGCT)	Croatia	Port Management	Euro	–	51.00	–	51.00	**–**	**51.00**
ICTSI DR Congo S.A. (IDRC)	DR Congo	Port Management	US Dollar	–	58.00	–	58.00	**–**	**58.00**
Batumi International Container Terminal LLC (BICTL)	Georgia	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI (M.E.) FZCO Iraq Branch (ICTSI Iraq)	Iraq	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Madagascar International Container Terminal Services, Ltd. (MICTSL)	Madagascar	Port Management	Euro	–	100.00	–	100.00	**–**	**100.00**
International Container Terminal Services Nigeria Ltd. (ICTSI Nigeria)	Nigeria	Port Management	US Dollar	–	75.00	–	75.00	**–**	**75.00**
International Container Terminal Services (FZE)	Nigeria	Port Management	Nigerian Naira	–	75.00	–	75.00	**–**	**75.00**
Baltic Container Terminal Ltd. (BCT)	Poland	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Pakistan International Container Terminal Ltd. (PICT) [m]	Pakistan	Port Management	Pakistani Rupee	–	80.41	–	79.71	**–**	**79.71**
Africa Gateway Terminal (AGT) [n]	Sudan	Port Management	Euro	–	100.00	–	100.00	**–**	**100.00**
Tartous International Container Terminal, Inc. (TICT) [o]	Syria	Port Management	US Dollar	100.00	–	100.00	–	**100.00**	**–**
Americas									
Tecplata S.A. (Tecplata)	Argentina	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Nuevos Puertos S. A.	Argentina	Holding Company	US Dollar	4.00	96.00	4.00	96.00	**4.00**	**96.00**
Tecon Suape, S.A. (TSSA)	Brazil	Port Management	Brazilian Real	51.00	49.00	51.00	49.00	**51.00**	**49.00**
ICTSI Rio Brasil Terminal 1 S.A. (ICTSI Rio)	Brazil	Port Management	Brazilian Real	–	100.00	–	100.00	**–**	**100.00**
IRB Logistica S.A. (previously IRB Logistica Ltda) [p]	Brazil	Rail Ramp Terminal Management	Brazilian Real	–	70.00	–	70.00	**–**	**70.00**
DF3 Empreendimento S.A (DF3)	Brazil	Real Estate	Brazilian Real	–	70.00	–	70.00	**–**	**70.00**

(k) *Established in October 2023*
(l) *Established in November 2024*
(m) *Concession agreement ended on June 17, 2023. Sold 0.7% stake in December 2024.*
(n) *Established in February 2019 and has not started commercial operations to date.*
(o) *Ceased commercial operations effective January 27, 2013*
(p) *In July 2023, IRB Holding acquired 70% stake in iTracker Logistica Inteligente Ltda. (iTracker). Effective August 31, 2023, iTracker was merged with IRB Logistica, with IRB Logistica as the surviving entity. On the same date, IRB Logistica disposed 30% stake to noncontrolling interest. Consequently, as a result of IRB Logistica's disposal of 30% stake to noncontrolling interest, ICTSI's effective ownership stake in DF3 also decreased by 30%.*

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2023 Direct	2023 Indirect	2024 Direct	2024 Indirect	**2025 Direct**	**2025 Indirect**
IRB Holding Ltda	Brazil	Holding Company	Brazilian Real	–	100.00	–	100.00	**–**	**100.00**
Armazéns Gerais Sul das Gerais S.A. (CLIA Pouso Alegre) [q]	Brazil	Logistics Solutions Provider	Brazilian Real	–	60.00	–	60.00	**–**	**60.00**
Rio Logística Multimodal e Participações Ltda (RLMP) [r]	Brazil	Holding Company	Brazilian Real	–	100.00	–	100.00	**–**	**100.00**
Rio Logística e Participações Ltda [r]	Brazil	Holding Company	Brazilian Real	–	100.00	–	100.00	**–**	**100.00**
Inhaúma Fundo de Investimento Imobiliário - Responsabilidade Limitada (FII Inhaúma) [s]	Brazil	Real Estate	Brazilian Real	–	–	–	–	–	**72.99**
Centro Logístico Industrial Portuarío Ltda (CLIP) [t]	Brazil	Port Management	Brazilian Real	–	–	–	–	–	**100.00**
Contecon Guayaquil, S.A. (CGSA)	Ecuador	Port Management	US Dollar	51.00	49.00	51.00	49.00	**51.00**	**49.00**
Logipuerto S.A.	Ecuador	Logistics Solutions Provider	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Operadora Portuaria Centroamericana, S.A. (OPC)	Honduras	Port Management	US Dollar	30.00	70.00	30.00	70.00	**30.00**	**70.00**
Contecon Manzanillo S.A. (CMSA)	Mexico	Port Management	Mexican Peso	1.00	99.00	1.00	99.00	**1.00**	**99.00**
CMSA Servicios Portuarios SA De CV (CMSA SP)	Mexico	Manpower Services	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
CMSA Servicios Profesionales Y De Especialistas SA De CV (CMSA SP Especialistas	Mexico	Manpower Services	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
Contecon Manzanillo Logista SA de CV	Mexico	Logistics Solutions Provider	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
Terminal Maritima de Tuxpan S.A. de C.V. (TMT)	Mexico	Port Management	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
C. Ultramar, S.A.	Panama	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Future Water, S.A.	Panama	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Kinston Enterprise, Inc.	Panama	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
International Ports of South America and Logistics SA	Uruguay	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Oregon, Inc. [u]	U.S.A.	Port Management	US Dollar	–	100.00	–	100.00	**–**	**–**
Joint Ventures:									
Sociedad Puerto Industrial Aguadulce SA (SPIA)	Colombia	Port Management	US Dollar	–	49.79	–	49.79	**–**	**49.79**
Falconer Aircraft Management, Inc. (FAMI)	Philippines	Aircraft Management	Philippine Peso	–	49.98	–	49.98	**–**	**49.98**
Aviation Concepts Technical Services, Inc. (ACTSI)	Philippines	Aircraft Management	US Dollar	–	49.98	–	49.99	**–**	**49.99**
Associate:									
Asiaview Realty and Development Corporation (ARDC)	Philippines	Realty	Philippine Peso	–	49.00	–	49.00	**–**	**49.00**

(q) Acquired 60% shareholdings on September 5, 2023
(r) Established in September 2023
(s) Acquired in April 2025
(t) Incorporated on July 18, 2025
(u) Dissolved effective January 15, 2025

1.4 Acquisition of Subsidiaries and Businesses

FII Inhaúma ("the Fund"). In April 2025, ICTSI, through its wholly owned subsidiary, ICTSI Americas B.V. ("IABV"), acquired 47% ownership interest in the Fund for BRL459.8 million (US$79.2 million). The Fund owns a marine property in Brazil and leases it out to ICTSI Rio Brasil Terminal 1 S.A. ("ICTSI Rio Brazil"), another wholly owned subsidiary of ICTSI, for at least 30 years. The remaining 53% interest in the Fund is subject to a combination of put and call options. The Fund's non-controlling interests have been granted a put option to sell their 53% holdings in totality to ICTSI. The put is exercisable starting from 2026. On the other hand, IABV has been granted a call option to buy the remaining 53% ownership stake of the Fund in totality. The call is exercisable beginning 2036. IABV intends to exercise the call if the non-controlling interests fail to exercise the put. The call enables the Group to manage the return derived from the marine property by the time the aforementioned lease agreement ends (e.g., managing its re-leasing or sale). With this, the Group determined that it has obtained control of the Fund and consequently, accounted for the acquisition as acquisition of a group of assets. The Fund's assets and liabilities at the date of acquisition were as follows:

Assets	
Property and equipment	US$175,537,015
Cash and cash equivalents	17
Prepaid expenses and other current assets	2,919,394
	178,456,426
Liabilities	
Long-term debt	6,476,248
Other current liabilities	22,132
	6,498,380
Total identifiable net assets	171,958,046
Noncontrolling interests at 53% proportionate share	(92,773,747)
Purchase consideration satisfied in cash	79,184,299

Upon consolidation of the Fund:

- the Group derecognized the right-of-use asset and lease liability relating to the lease and recognized the marine property amounting to US$171.8 million as part of the Group's property and equipment (see Note 6);
- the Group eliminated 51% of the US$6.5 million long-term debt corresponding to the portion payable to IABV. Since then, the carrying value of the debt decreased to US$1.4 million as of December 31, 2025 (see Note 15) after recognition of interest and loan repayments.

In July 2025, IABV purchased additional 26% ownership interest in the Fund for BRL254.5 million (US$45.7 million). This brought the Group's total ownership stake in the Fund to 73%. The excess of the carrying value of the acquired 26% non-controlling interest over the said purchase price amounting to US$1.1 million has been taken to the Parent Company's equity.

The Group recognized a current liability measured based on the present value of the strike price of the put option over the remaining 27% ownership interest in the Fund amounting to US$65.2 million as at December 31, 2025. The value of the call option is not material.

IRB Logistica. In June 2024, IRB Logistica, a wholly-owned subsidiary of ICTSI domiciled in Brazil, acquired a group of assets consisting of various property and equipment and business contracts from a

Brazilian logistics company for BRL55.4 million (US$10.6 million). As the acquisition qualifies to be treated as a business combination, the Group recognized a provisional goodwill of BRL46.6 million (US$8.9 million) in 2024. Upon finalizing the purchase price allocation in 2025, the goodwill was reduced to BRL34.0 million (US$6.2 million) after identification of additional intangible assets amounting to BRL15.2 million (US$2.8 million) (see Note 5). The goodwill comprises the value of expected synergies from the acquisition. The purchase price is payable in three installments with first and second installments already paid in June 2024 and May 2025, respectively. The remaining gross amount payable to the seller amounted to BRL45.0 million (US$8.2 million).

CLIA Pouso Alegre. On September 5, 2023, ICTSI through its newly incorporated wholly-owned subsidiary in Brazil, Rio Logística e Participações Ltda, completed the acquisition of 60% ownership stake in CLIA Pouso Alegre, an Integrated Customs Logistics Center entity located in the state of Minas Gerais, Brazil.

The fair values of the identifiable assets and liabilities of CLIA Pouso Alegre at the date of acquisition were as follows:

Assets	
Intangible assets	US$21,588,414
Property and equipment	1,724,363
Other noncurrent assets	2,716
Cash and cash equivalents	600,600
Receivables	240,531
Spare parts and supplies	14,112
Prepaid expenses and other current assets	296,719
	US$24,467,455
Liabilities	
Deferred tax liabilities	US$7,437,143
Borrowings	869,267
Other noncurrent liabilities	191,598
Accounts payable and other current liabilities	414,358
Income tax payable	148,508
	US$9,060,874
Total identifiable net assets at fair value	US$15,406,581
Noncontrolling interests at 40% proportionate share	(6,162,632)
The Group's share in identifiable net assets	9,243,949
Goodwill arising on acquisition	4,809,151
Adjusted purchase consideration satisfied in cash	US$14,053,100
Cash paid at acquisition date	US$14,483,425
Less: Receivable from the seller*	430,325
Adjusted purchase consideration	US$14,053,100
Cash paid at acquisition date	US$14,483,425
Less: Cash and cash equivalents of CLIA Pouso Alegre	600,600
Net cash outflow	US$13,882,825

**Under the Share Purchase Agreement, the purchase consideration will be increased by the final cash and working capital balances exceeding minimum agreed amount and decreased by any loans existing as at the date of acquisition. Accordingly, the Group is entitled to receive BRL2.1 million (US$430 thousand) from the selling stockholder of CLIA Pouso Alegre.*

CLIA Pouso Alegre operates as a bonded facility, providing various integrated logistics services such as storage and transportation of bonded cargo and pharmaceutical inputs. The intangible assets acquired include a perpetual license to operate a bonded warehouse valued at BRL69.2 million (US$13.9 million) granted by the federal government of Brazil.

No adjustments were made to the provisional fair values of the identifiable assets and liabilities of CLIA Pouso Alegre as at the date of business combination.

From the date of business combination until December 31, 2023, CLIA Pouso Alegre contributed US$1.2 million (BRL5.8 million) of gross revenues and US$71.8 thousand (BRL358.7 thousand) net income attributable to equity holders of the Parent. Had the business combination took place on January 1, 2023, CLIA Pouso Alegre would have contributed US$2.8 million (BRL13.9 million) of gross revenues and US$325.5 thousand (BRL1.7 million) of net income attributable to equity holders of the Parent.

IRB Logistica (iTracker Logistica Inteligente Ltda (iTracker)). In July 2022, ICTSI, through its wholly-owned subsidiaries, IRB Logistica, ICTSI Rio, IABV and IRB Holding, entered into definitive agreements with a local Brazilian logistics operator, Tracker Logistica, to constitute a new logistics and warehousing operation, the "iTracker Project". As part of the Project, in July 2023, IRB Holding acquired a 70% stake in iTracker, through offsetting of advances, for a consideration of US$2.7 million.

The fair values of the identifiable assets and liabilities of iTracker at the date of acquisition were as follows:

Assets	
Property and equipment	US$122,191
Intangible assets	342
Cash and cash equivalents	1,275
	US$123,808
Liabilities	
Accounts payable and other current liabilities	US$173
Total identifiable net assets at fair value	US$123,635
Noncontrolling interests at 30% proportionate share	(37,090)
The Group's share in identifiable net assets	86,545
Goodwill arising on acquisition	2,644,474
Purchase consideration by way of offsetting	US$2,731,019

No adjustments were made to the provisional fair values of the identifiable assets and liabilities of iTracker as at the date of business combination.

On August 31, 2023, iTracker was merged with IRB Logistica, with IRB Logistica as the surviving entity. On the same date, IRB Logistica disposed its 30% stake to noncontrolling interest resulting to a recognition of a negative equity attributable to non-controlling interests amounting to US$0.6 million. Consequently, as a result of IRB Logistica's disposal of its 30% stake to noncontrolling interests, ICTSI's effective ownership stake in DF3 also decreased by 30% resulting to a recognition of a negative equity attributable to non-controlling interest of US$0.8 million. In September 2023, IRB Holding transferred all its ownership stake in IRB Logistica to RLMP.

2. Basis of Preparation and Consolidation and Statement of Compliance

2.1 Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments, which have been measured at fair value. The consolidated financial statements are presented in United States dollars (US dollar, USD or US$), the Parent Company's functional currency. All values are rounded to the nearest US dollar unit, except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements of the Group include the accounts of ICTSI and its subsidiaries where the Parent Company has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not wholly-owned by the Group (see Note 1.3). An acquisition, transfer or sale of a non-controlling interest is accounted for as an equity transaction (i.e. no gain or loss is recognized in consolidated statements of income).

Transactions Eliminated on Consolidation. All intragroup transactions and balances including income and expenses, and unrealized gains and losses are eliminated in full.

Accounting Policies of Subsidiaries. The financial statements of subsidiaries are prepared for the same reporting year using uniform accounting policies as those of the Parent Company.

Functional and Presentation Currency. The Group's consolidated financial statements are presented in US dollar, which is ICTSI's functional currency. Each entity in the Group determines its own functional currency, which is the currency that best reflects the economic substance of the underlying transactions, events and conditions relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency.

2.3 Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with PFRS Accounting Standards.

3. Summary of Material Accounting Policies, Significant Accounting Judgments, Estimates and Assumptions

3.1 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following amended standards as at January 1, 2025. The Group has not early adopted any other pronouncement that has been issued but is not yet effective. Unless otherwise indicated, the adoption of the amended standards does not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 21*, Lack of Exchangeability*

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

  The amendments had no impact on the consolidated financial statements because the Group has not encountered any situation where it could not exchange a currency into another currency.

3.2 Significant Accounting Judgments, Estimates and Assumptions

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, in addition to those involving estimations, that can have significant effects on the amounts recognized in the consolidated financial statements:

Determination of Control over an Investee Company. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On September 8, 2022, ICTSI and San Miguel Holdings Corporation (SMHC), co-shareholders in MNHPI, agreed that MNHPI shall be consolidated by ICTSI. This is because ICTSI has the ability to direct the relevant operational activities of MNHPI in view of its technical and port management expertise to affect increased returns to the shareholders.

Determination of Acquisition Date. Acquisition date is the date on which the acquirer obtains control of the acquiree. This is generally the closing date i.e., the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree. In December 2025, ICTSI, through its wholly-owned subsidiary, ICTSI EMEA FZCO, acquired controlling interest in DGT, subject to closing conditions (see Note 30). The closing conditions were satisfied on January 1, 2026, which is the same date that ICTSI took over formal management and operation of DGT, the company that will operate DCT2.

Determination of Acquisition of Group of Assets as a Business in Accordance with PFRS 3. Management uses judgment in assessing if the group of assets and liabilities acquired would constitute a business. In accordance with PFRS 3, business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.

In April 2025, ICTSI, through its wholly owned subsidiary, IABV, acquired 47% ownership interest in FII Inhaúma (the Fund). The Fund owns a marine property in Brazil and leases it out to ICTSI Rio Brazil for at least 30 years. The remaining 53% interest in the Fund is subject to a combination of put and call options (see Note 1.4). IABV intends to exercise the call if the non-controlling interests fail to exercise the put. The call enables the Group to manage the return derived from the marine property by the time the aforementioned lease agreement ends (e.g., managing its re-leasing or sale). With this, the Group determined that it has obtained control of the Fund and consequently, accounted for the acquisition as acquisition of a group of assets.

Functional Currency. Management uses judgment in assessing the functional currency of the Parent Company and its subsidiaries. Each entity in the Group determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity.

Determining the Incremental Borrowing Rate for Lease Liabilities. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Observable inputs such as market interest rates are used as applicable.

Deferred Tax Liabilities. Deferred tax liabilities are recognized for undistributed earnings of subsidiaries in retained earnings position from which the Parent Company projects to receive distributions in the foreseeable future and where these distributions are subject to tax. Deferred taxes were not provided for undistributed earnings of subsidiaries in retained earnings position that are not taxable upon distribution or where the Parent Company has control over the distribution of such earnings in the foreseeable future, as these may be earmarked for reinvestment in foreign port projects or for other reasons. As at December 31, 2023, 2024 and 2025, the Group recognized deferred tax liability relating to the undistributed earnings of subsidiaries amounting to US$15.0 million, US$26.5 million and US$44.1 million, respectively (see Note 21).

Determination of Uncertainties Over its Income Tax Treatments. The Group applied significant judgement in identifying any uncertainties over its income tax treatments especially that the Group operates in a complex multinational environment. The Group did not have any significant uncertainties over its income tax treatments.

Contingencies. The Group is currently a party in a number of legal cases and negotiations involving cargo, labor, tax, contracts and other issues. The Group's estimate of the probable costs for the resolution of these cases and negotiations has been developed in consultation with outside counsels handling the defense for these matters and is based upon an analysis of probable results. Management and its legal counsels believe that the Group has substantial legal and factual bases for its position and is of the opinion that losses arising from these actions, if any, will not have a material adverse impact on the Group's consolidated financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings. Provision for claims and losses amounted to US$21.3 million, US$15.7 million and US$19.8 million as at December 31, 2023, 2024 and 2025, respectively (see Notes 18 and 25).

Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recognition of Construction Revenue. The Group's revenue from construction services relating to IFRIC 12 service concession arrangement is recognized over time using an input method based on actual costs incurred to date relative to the total estimated costs to complete the construction. The estimated costs to complete the construction are mainly based on committed investments for each port development or project as provided in the concession agreement.

The carrying amount of contract assets arising from construction services and included as part of concession rights amounted to US$63.2 million, US$123.8 million and US$144.7 million as of December 31, 2023, 2024 and 2025, respectively.

Impairment of Nonfinancial Assets. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value-in-use calculation is based on a discounted cash flow (DCF) model and requires the Group to make an estimate of the expected future cash flows from the asset or cash-generating unit and also to choose a suitable discount rate to calculate the present value of those cash flows. The recoverable amount is sensitive to the discount rate used for the DCF model.

The carrying amounts of intangible assets (including goodwill), property and equipment, right-of-use assets, investments in joint ventures and associates, and other noncurrent assets are disclosed in Notes 5, 6, 7, 8 and 9 to the consolidated financial statements, respectively.

Estimating Useful Lives. Management determines the estimated useful lives and the related depreciation and amortization charges for its computer software, property and equipment, investment properties based on the period over which these assets are expected to provide economic benefits. Such estimations are based on collective assessment of industry practice, internal technical evaluation, and experience with similar assets. These estimations are reviewed periodically and could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets.

Management will increase the depreciation and amortization charges where useful lives are less than what have previously been estimated. A reduction in the estimated useful lives of these assets will increase recorded expenses and decrease noncurrent assets. The carrying values of computer software and property and equipment are disclosed in Notes 5 and 6 to the consolidated financial statements, respectively.

Defined Benefit Obligation. The determination of the present value of the defined benefit obligation is dependent on the selection of certain assumptions provided by the Group to its actuaries in calculating such amounts. Those assumptions include, discount rate and future salary increases.

Due to its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

The carrying values of defined benefit obligation are disclosed in Note 23 to the consolidated financial statements.

Deferred Tax Assets. Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, taking into consideration effect of significant events on the macroeconomic factors used in developing the assumptions.

Deferred tax assets are disclosed in Note 21 to the consolidated financial statements.

Measurement of Expected Credit Losses (ECL) for Trade Receivables. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of customers that have similar loss patterns (i.e., by customer type and geography).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrices to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The carrying values of receivables and the related allowance for ECL of the Group are disclosed in Note 12.

Estimating the value of Put and Call Options. Management estimated the value of options using certain assumptions such as future cash flows, discount rate, volatility, dividend yield and fair value of the underlying property of the Fund. The Group measured the put option liability based on the present value of the strike price of the put option over the remaining 27% non-controlling interest in FII Inhaúma. As at December 31, 2025, put option liability amounted to US$65.2 million while the value of the call option is not material (see Note 1.4).

3.3 Material Accounting Policies

Intangibles

Separately acquired intangible assets are initially recognized at cost.

The Group classifies concession right as an intangible asset when it entitles the Group to charge users in exchange for cargo handling services the Group provides. Such right arises from service concession arrangement within the scope of IFRIC 12, *Service Concession Arrangements*, whereby the grantor (a government entity), controls or regulates the services provided to the customers as well as the prices charged to them. The grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement. The cost of concession right comprises of upfront fees, present value of the fixed concession fees payable to the port authorities, construction cost of port infrastructure and purchase price of port equipment committed to be invested by the Group under the concession contract and borrowing costs, if the concession right takes a substantial time to get ready for its intended use, and adjusted for any subsequent remeasurement of concession rights payable.

Concession rights are subject to impairment assessment. Concession rights are amortized on a straight-line basis over the term of the concession arrangements ranging from 13 to 50 years.

Computer software is amortized on a straight-line basis over five years.

Intangible asset acquired in a business combination is measured at fair value on the acquisition date. Goodwill is measured as described in the accounting policy on *Business Combinations and Goodwill*.

Goodwill, intangible asset with indefinite useful life and intangible assets not yet brought into use are not amortized but are tested for impairment at least annually or more frequently should impairment indicators exist.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed and included as part of "Administrative and other operating expenses" account in the consolidated statements of income.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statements of income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previously held interest over the net identifiable assets acquired and liabilities assumed.

For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Property and Equipment

Land is measured at cost net of accumulated impairment losses, if any. All other property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes applicable borrowing cost if the asset takes a substantial time to get ready for its intended use.

Depreciation and amortization of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets, as follows:

	Number of Years
Land improvements	5-25 years
Leasehold rights and improvements	5-25 years or terms of the operating contract with port authorities, whichever is shorter
Port facilities and equipment, and port equipment spare parts	5-25 years or terms of the operating contract with port authorities, whichever is shorter
Transportation equipment	5-10 years
Office equipment, furniture and fixtures	2-5 years
Miscellaneous equipment	5-30 years

Construction in progress is not depreciated until such time the relevant asset is completed and available for operational use.

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

The Group as a Lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term ranging from 2 to 48 years. Right-of-use assets are subject to impairment assessment.

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

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

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

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

Investments in Joint Ventures and in an Associate
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in joint ventures and in an associate are accounted for using the equity method. Under the equity method, the investment is initially recognized at cost. The carrying amount of the investment is then adjusted to recognize changes in the Group's share in net assets of the investee since the acquisition date. The consolidated statements of income reflect the Group's share in the results of operations of the investee. Unrealized gains and losses resulting from transactions between the Group and the investee are eliminated to the extent of the interest in the investee.

Impairment of Non-financial Assets
The Group assesses, at each balance sheet date, whether there is an indication that an asset (e.g., property and equipment, investment properties, concession rights, computer software, right-of-use assets, investments in joint ventures, and certain other noncurrent assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments 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 considered. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on most recent budgets, which generally cover a period of five years. A long-term growth rate is applied to project future cash flows after the fifth year.

Goodwill, intangible asset with indefinite useful life and intangible assets not yet brought into use are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition and Measurement of Financial Assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of the Group's trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price, i.e., the amount of consideration the Group is entitled to collect from the customers in exchange for services rendered.

Subsequent Measurement of Financial Assets
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets measured at amortized cost (debt instruments)
- Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are reclassified to profit or loss (debt instruments)
- Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss
- Financial assets measured at fair value through profit or loss

The Group classifies debt financial asset as at amortized cost only if the asset gives rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding and that such asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Group does not have debt instruments at FVOCI.

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

The Group's financial assets at amortized cost include cash in banks, cash equivalents, trade receivables, advances and nontrade receivables, receivable from port authorities and short-term investments.

Equity Instruments at FVOCI. The Group has irrevocably elected to measure equity instruments not held for trading at FVOCI. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case, such gain is recognized in OCI. Equity investments at FVOCI are not subject to impairment assessment.

Financial Assets at Fair Value Through Profit or Loss (FVTPL). The Group's financial assets at FVTPL consist of derivative instruments not designated as hedging instruments.

Impairment of Financial Assets
The Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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

For debt instruments that meet the investment grade criteria, the Group applies the low credit risk simplification and measures the loss allowance based on a 12-month ECL. For debt instruments that ceases to meet the investment grade criteria, the Group measures the loss allowance based on lifetime ECL.

The Group considers a financial asset in default when contractual payments are 120 days past due. In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

Initial Recognition and Measurement of Financial Liabilities
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent Measurement of Financial Liabilities
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at amortized cost (loans and borrowings)
- Financial liabilities at fair value through profit or loss

Financial Liabilities at Amortized Cost. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The Group's financial liabilities at amortized cost include trade and other payables, long-term debt, loans payable, concession rights payable and lease liabilities.

Financial Liabilities at FVTPL. The Group's financial liabilities at FVTPL consist of derivative instruments not designated as hedging instruments.

Hedge Accounting
The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges. The change in the fair value of a hedging instrument is recognized in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in profit or loss.

Cash Flow Hedges. The effective portion of the gain or loss on the hedging instrument is recognized in OCI, whereas any ineffective portion is recognized immediately in profit or loss. The amount taken to OCI 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 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.

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.

Hedges of a Net Investment. Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI whereas any gains or losses relating to the ineffective portion are recognized in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

Concession Rights Payable
At the commencement date of the service concession arrangement within the scope of IFRIC 12, the Group recognizes as concession rights payable the present value of concession fee payments to be made over the term of the concession. The concession fee payments include fixed payments and variable payments that depend on an index or a rate. The variable concession payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of the concession fee payments, the Group estimates the discount rate that reflects time value of money and risk assumptions such as own credit risk. Observable inputs such as market interest rates are used as applicable.

The carrying amount of concession rights payable is remeasured if there is a change in future concession fee payments resulting from a change in an index or a rate used to determine those payments.

Accounts Payable and Other Current Liabilities
This account classification includes the following:

Trade Payable. Trade payable represents payable to port authorities other than concession rights pertaining to upfront fees payable in installments and fixed fees, such as accrual of variable portion of port fees and those payable to suppliers and vendors of goods and services.

Accrued Expenses. Accrued expenses are comprised of accruals relating to interest, salaries and benefits, and output and other taxes, among others.

Provisions for Claims and Losses. Provisions for claims and losses pertain to estimated probable losses on cargo, labor-related and other claims from third parties. Provision not settled at the balance sheet date is re-assessed and adjusted, if necessary.

Customers' Deposits. Customers' deposits represent advance payment of customers subject to refund or for future billing applications.

Spare Parts and Supplies
Spare parts and supplies inventories are valued at the lower of cost and net realizable value. Net realizable value is the current replacement cost.

Cost is determined by using the first-in, first-out method. If the cost of spare parts and supplies inventories exceeds its net realizable value, write-downs are made for the differences between the cost and the net realizable value.

Foreign Currencies
Transactions and Balances. Transactions in foreign currencies are initially recorded by each entity at its functional currency ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the entity's functional currency rate of exchange at the balance sheet date.

Foreign currency translation adjustments arising from monetary items are taken to consolidated statement of income and recognized in OCI if they are attributable to the Group's net investment in a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the Group's net investment in that foreign operation.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign Operations. At the reporting date, the assets and liabilities of subsidiaries whose functional currency is not the US dollar are translated into the presentation currency of ICTSI using the Bloomberg closing rate at balance sheet date and their statements of income are translated at the Bloomberg weighted average daily exchange rates for the year. The exchange differences arising from the translation are taken directly and deferred to the consolidated statement of comprehensive income under the "Exchange differences on translation of foreign operations' financial statements" account.

Upon disposal of a foreign operation, the deferred cumulative translation amount relating to the disposed foreign operation is reclassified from OCI to profit or loss.

Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments made to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing exchange rate at the balance sheet date.

Year-end Exchange Rates

The following rates of exchange have been adopted by the Group in translating foreign currency balance sheet and statement of income items as at and for the years ended December 31:

	2023		2024		**2025**	
	Closing	Average	Closing	Average	**Closing**	**Average**
Foreign currency to 1 unit of US dollar (USD or US$):						
Argentine peso (AR$)	808.475	294.709	1,030.985	916.750	**1,451.623**	**1,246.496**
Australian dollar (AUD)	1.468	1.505	1.616	1.516	**1.499**	**1.550**
Brazilian real (BRL or R$)	4.852	4.996	6.174	5.394	**5.496**	**5.585**
Central African franc (XAF)	594.229	606.628	633.565	606.429	**558.466**	**581.402**
Chinese renminbi (RMB)	7.100	7.086	7.299	7.200	**6.989**	**7.185**
Colombian peso (COP)	3,875.340	4,319.410	4,405.630	4,074.250	**3,774.720**	**4,049.040**
Euro (EUR or €)	0.906	0.925	0.966	0.924	**0.851**	**0.885**
Georgian lari (GEL)	2.688	2.624	2.818	2.721	**2.696**	**2.740**
Honduran lempira (HNL)	24.741	24.662	25.351	24.855	**26.304**	**25.968**
Hong Kong dollar (HKD)	7.812	7.829	7.769	7.803	**7.783**	**7.796**
Indonesian rupiah (IDR or Rp)	15,399.000	15,245.000	16,132.000	15,844.000	**16,680.000**	**16,479.000**
Iraqi dinar (IQD)	1,320.000	1,337.165	1,320.000	1,320.000	**1,310.000**	**1,310.000**
Japanese Yen (JPY)	141,040	140.540	157.200	151.480	**156.710**	**149.680**
Malagasy ariary (MGA)	4,585.100	4,451.860	4,717.020	4,528.130	**4,538.500**	**4,524.230**
Mexican peso (MXN)	16.972	17.744	20.827	18.328	**18.008**	**19.200**
Nigerian naira (NGN)	911.680	638.740	1,544.080	1,491.970	**1,444.470**	**1,521.210**
Papua New Guinean kina (PGK)	3.730	3.589	4.038	3.853	**4.265**	**4.102**
Philippine peso (PHP or ₱)	55.370	55.633	57.845	57.272	**58.790**	**57.509**
Polish zloty (PLN)	3.936	4.200	4.131	3.980	**3.589**	**3.757**
Singaporean dollar (SGD)	1.320	1.343	1.366	1.337	**1.285**	**1.307**
United Arab Emirates dirham (AED)	3.673	3.673	3.673	3.673	**3.673**	**3.673**

Starting 2018, Argentina's economy has been considered as hyperinflationary. Accordingly, companies in Argentina whose functional currency is AR$ are required to apply PAS 29, *Financial Reporting in Hyperinflationary Economies*. As at December 31, 2025, the functional currency of Tecplata remains to be US$.

Post-Employment Benefits

Defined Benefit Plans. The liability or asset recognized in the consolidated balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

The Group recognizes the following changes in the net defined benefit obligation under Manpower Costs in the consolidated statement of income:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income, which is calculated by applying the discount rate to the net defined benefit liability or asset

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in other comprehensive income in the period in which they arise. Such gains and losses are not reclassified to profit or loss in subsequent periods.

Defined Contribution Plans. Payments to defined contribution plans are recorded as expense in the consolidated statement of income when employees have rendered services entitling them to the contributions. The Group has no further obligations once the contributions have been paid.

Share-based Payments

Certain qualified officers and employees of the Parent Company and subsidiaries receive remuneration for their services in the form of equity shares of the Parent Company (equity-settled transactions).

The cost of equity-settled transactions with officers and employees is measured by reference to the fair value of the equity shares of the Parent Company at the date on which these are granted.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognized for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has transpired and the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services, which could be based on tariff rates published by port authorities in certain jurisdictions or contractually agreed rates with the customer. The measurement of revenue takes into account contractually defined terms of payment, excluding incentives and output taxes. The Group has concluded that it is the principal in its revenue arrangements because it is the primary obligor who is responsible for providing the services to the customers.

The following specific recognition criteria must also be met before revenue is recognized:

Gross Revenues from Port Operations. Revenue from port operations (stevedoring, arrastre and other cargo handling services) is recognized when the services are rendered. Payment is generally due once services are rendered.

Construction Revenue. Revenue from construction services relating to IFRIC 12 service concession arrangements is recognized over time using an input method based on actual costs incurred to date relative to the total estimated costs to complete the construction. The estimated costs to complete the construction are mainly based on committed investments for each port development or project as provided in the concession agreement. Such revenue is measured at the fair value of the construction services provided.

Expenses

Expenses are recognized as incurred. Expenses constitute the following:

Port Authorities' Share in Gross Revenues. Port authorities' share in gross revenues includes variable fees paid to port authorities as stipulated in the concession agreements.

Manpower Costs. Manpower costs include remunerations and benefits provided by the Group to its officers and employees such as salaries, wages, allowances, and bonuses, among others.

Equipment and Facilities-related Expenses. Equipment and facilities-related expenses include expenses incurred for general repairs and maintenance of the Group's port facilities and other equipment such as consumption of fuel, oil and lubricants, power, light and water, and technology and systems development expenses.

Administrative and Other Operating Expenses. Administrative and other operating expenses include costs of administering the business as incurred by administrative and corporate departments such as professional fees, transportation and travel, taxes and licenses, security and janitorial services, insurance and bonds, representation, utilities, claims and losses and general office expenses. This account also includes costs of business development offices in relation to the acquisition of new terminals or projects under exploratory stage.

Income Taxes

Provision for income tax represents the sum of tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting income nor taxable income or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses or net operating loss carry-over (NOLCO), to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date to the extent that such tax rates and tax laws are not based on the Pillar Two model rules published by the Organization for Economic Cooperation and Development.

Earnings Per Share

Basic earnings per common share is computed by dividing the adjusted net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during each year after considering the retroactive effect of any stock dividends declared during the year. The effect of cumulative distributions on subordinated perpetual capital securities classified as equity in accordance with PAS 32, *Financial Instruments: Presentation*, is deducted from net income attributable to equity holders of the Parent Company to arrive at the adjusted amount.

Diluted earnings per common share is computed in the same manner, adjusted for the effect of the shares issuable to qualified officers and employees under the Parent Company's stock incentive plan (SIP) which are assumed to be vested at the date of grant.

Where the effect of the vesting of stock under the SIP is anti-dilutive, basic and diluted earnings per share are stated at the same amount.

Geographical Segments

The Group operates principally in one industry segment which is cargo handling and related services. The Group's operating business is organized and managed separately according to location, namely Asia, Europe, the Middle East and Africa (EMEA), and Americas. Financial information on geographical segments is presented in Note 4 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies
Contingent assets and liabilities are not recognized in the consolidated financial statements. Contingent assets are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable and recognized in the consolidated balance sheet and the related income in the consolidated statement of income when an inflow of economic benefits is virtually certain. On the other hand, contingent liabilities are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Events after the Balance Sheet Date
Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3.4 Future Changes in Accounting Policies

Pronouncements issued but not yet effective as at December 31, 2025 are listed below. The Group intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, adoption of these pronouncements is not expected to have a significant impact on the consolidated financial statements of the Group.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

  The amendments:

  - Introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
  - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
  - Clarify the treatment of non-recourse assets and contractually linked instruments
  - Update the disclosure requirements for equity instruments designated at fair value through other comprehensive income

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

  The amendments:

  - Clarify the application of the ‘own-use’ requirements
  - Permit hedge accounting if these contracts are used as hedging instruments
  - Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows

- Annual Improvements to PFRS Accounting Standards (Volume 11)

  Annual improvements are limited to changes that either clarify the wording in an accounting standard or correct relatively minor unintended consequences, oversights, or conflicts between the requirements in the accounting standards. The 2024 amendments are to the following standards:

  - Amendments to PFRS 7, *Financial Instruments: Disclosures*, and its accompanying Guidance on implementing PFRS 7
  - Amendments to PFRS 9, *Financial Instruments*
  - Amendments to PFRS 10, *Consolidated Financial Statements*
  - Amendments to PAS 7, *Statement of Cash Flows*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

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

  PFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

  PFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

  PFRS 18 will apply retrospectively. The Group has conducted an impact assessment of PFRS 18 and made changes to the accounting system to be able to comply with PFRS 18 once the standard takes effect.

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

  These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:
  - its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
  - it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

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. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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4. **Segment Information**

A segment is a distinguishable component of the Group that is engaged either in providing types of services (business segment) or in providing the services within a particular economic environment (geographic segment).

The Group operates principally in one industry segment which is cargo handling and related services. ICTSI has organized its cargo handling and related business into three geographical segments:

- Asia - includes Manila International Container Terminal (MICT), BIPI, SCIPSI, SBITC, ICTSI Subic, Mindanao Container Terminal (MCT), LGICT, CGT, Manila Multipurpose Terminal (MMT), MNHPI, VCT, SBI, CLI, DIPSSCOR[a] and Hijo International Port Services, Inc. (HIPS[a]) in the Philippines; YICT in China; BACT, East Java Multipurpose Terminal (EJMT), OJA[a], IJP[a] and MTS[a] in Indonesia; VICT in Australia; MITL and SPICTL in PNG; and the holding companies;
- EMEA - includes BCT in Poland, BICTL in Georgia, AGCT in Croatia, MICTSL in Madagascar, KMT in Cameroon, Onne Multipurpose Terminal (OMT) in Nigeria, Matadi Gateway Terminal (MGT) in DR Congo, Basra Gateway Terminal (BGT) in Iraq, AGT [b] in Sudan and PICT[a] in Pakistan; and
- Americas - includes TSSA, ICTSI Rio, IRB Logistica and CLIA Pouso Alegre in Brazil, CGSA in Ecuador, SPIA in Colombia, Tecplata in Argentina, OPC in Honduras, CMSA and TMT [b] in Mexico, and ICTSI Oregon [a] in Oregon, U.S.A.

(a) *Disposed or has ceased commercial operations.*

(b) *Has not started commercial operations.*

Management monitors the operating results of each operating unit separately for making decisions about resource allocation and performance assessment. The Group evaluates segment performance based on contributions to gross revenues, which is measured consistently with gross revenues from port operations in the consolidated statement of income.

Financing is managed on a group basis and centralized at the Parent Company level or at the entities created solely for the purpose of obtaining funds for the Group. Funding requirements that are secured through debt are recognized as liabilities of the Parent Company or of the entity issuing the debt instrument, classified under the geographical region of Asia and are not allocated to other geographical segments where funds are eventually transferred and used.

The tables below present financial information on geographical segments as at and for the years ended December 31:

	2023			
	Asia	EMEA	Americas	Consolidated
Volume [(a)]	6,570,833	2,524,865	3,653,516	12,749,214
Gross revenues	US$1,042,431,959	US$490,279,582	US$855,614,842	US$2,388,326,383
Capital expenditures [(b)]	145,793,115	74,157,814	116,369,620	336,320,549
Other information:				
Segment assets [(c)]	3,781,442,003	907,754,784	2,147,008,858	6,836,205,645
Segment liabilities [(d)]	3,504,606,968	317,853,875	1,178,737,601	5,001,198,444

	2024			
	Asia	EMEA	Americas	Consolidated
Volume [(a)]	7,107,101	2,461,780	3,498,068	13,066,949
Gross revenues	US$1,140,265,129	US$521,018,257	US$1,078,240,798	US$2,739,524,184
Capital expenditures [(b)]	244,733,486	97,599,097	174,807,907	517,140,490
Other information:				
Segment assets [(c)]	4,237,597,796	978,286,496	2,089,592,101	7,305,476,393
Segment liabilities [(d)]	3,995,227,712	313,993,233	1,111,695,101	5,420,916,046

	2025			
	Asia	**EMEA**	**Americas**	**Consolidated**
Volume [(a)]	**7,729,812**	**2,613,089**	**4,158,288**	**14,501,189**
Gross revenues	**US$1,336,711,643**	**US$590,547,641**	**US$1,307,444,938**	**US$3,234,704,222**
Capital expenditures [(b)]	**317,108,145**	**145,218,937**	**192,449,571**	**654,776,653**
Other information:				
Segment assets [(c)]	**5,103,368,667**	**1,120,987,981**	**2,495,211,777**	**8,719,568,425**
Segment liabilities [(d)]	**4,629,396,037**	**328,228,369**	**1,233,287,136**	**6,190,911,542**

[(a)] *Measured in TEUs.*

[(b)] *Capital expenditures consist of amount disbursed for the acquisition of port facilities and equipment classified as intangible assets under IFRIC 12 amounting to US$74.9 million, US$184.5 million, and US$190.5 million in 2023, 2024, and 2025, respectively, property and equipment (including those acquired under business combination) amounting to US$207.7 million, US$288.5 million, and US$385.9 million in 2023, 2024, and 2025, respectively, investment properties amounting to nil in 2023 and 2024, US$0.6 million in 2025, as shown in the consolidated statements of cash flows, and noncurrent advances to suppliers and contractors amounting to US$53.7 million, US$42.9 million, and US$88.4 million in 2023, 2024, and 2025, respectively. These amounts have been reduced by cash receipts from government grants amounting to nil in 2023 and 2024 and US$10.7 million in 2025.*

[(c)] *Segment assets do not include deferred tax assets as shown in the consolidated balance sheets.*

[(d)] *Segment liabilities do not include income tax payable and deferred tax liabilities as shown in the consolidated balance sheets.*

Moreover, management monitors the Group's earnings before interest, taxes, depreciation and amortization (EBITDA) on a consolidated basis for decision-making purposes. The following table shows the computation of EBITDA as derived from the consolidated net income attributable to equity holders of the parent for the years ended December 31:

	2023	2024	**2025**
Net income attributable to equity holders of the parent	US$511,529,938	US$849,798,990	**US$1,048,139,715**
Non-controlling interests	69,596,417	85,978,629	**78,737,088**
Provision for income tax	166,415,687	270,043,145	**379,274,262**
Income before income tax	747,542,042	1,205,820,764	**1,506,151,065**
Add (deduct):			
Depreciation and amortization	294,431,515	300,777,664	**327,755,080**
Interest and other expenses [(a)]	555,193,153	400,930,229	**412,436,825**
Interest and other income [(b)]	(91,553,190)	(128,100,532)	**(102,051,244)**
EBITDA [(c)]	US$1,505,613,520	US$1,779,428,125	**US$2,144,291,726**

[(a)] *Interest and other expenses include the following as shown in the consolidated statement of income: foreign exchange loss; interest expense on concession rights payable and lease liabilities; interest expense and financing charges on borrowings; impairment losses on goodwill and nonfinancial assets; equity in net loss of joint ventures; and other expenses.*

[(b)] *Interest and other income include the following as shown in the consolidated statement of income: foreign exchange gain; interest income; equity in net income of joint ventures and other income.*

[(c)] *EBITDA is not a uniform or legally defined financial measure. EBITDA is presented because the Group believes it is an important measure of its performance and liquidity. EBITDA is also frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry.*

The Group EBITDA figures are not, however, readily comparable with other companies' EBITDA figures as they are calculated differently and thus must be read in conjunction with related additional explanations. EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under PFRS Accounting Standards. Some of the limitations concerning EBITDA are:

- *EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;*
- *EBITDA does not reflect changes in, or cash requirements for working capital needs;*
- *EBITDA does not reflect fixed port fees and leases that are capitalized as concession assets under IFRIC 12 and right-of-use assets under PFRS 16;*
- *EBITDA does not reflect the interest expense, or cash requirements necessary to service interest or principal debt payments;*
- *Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and*
- *Other companies in the industry may calculate EBITDA differently, which may limit its usefulness as a comparative measure.*

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to the Group to invest in the growth of the business. The Group compensates for these limitations by relying primarily on PFRS Accounting Standards results and uses EBITDA only as supplementary information.

All segment revenues are from external customers. Gross revenues from port operations of ICTSI and other Philippine-based subsidiaries comprised 33.9 percent, 31.2 percent and 31.5 percent of the consolidated gross revenues from port operations for the years ended December 31, 2023, 2024 and 2025, respectively. Gross revenues from port operations outside the Philippines comprised 66.1 percent, 68.8 percent and 68.5 percent of the consolidated gross revenues from port operations for the years ended December 31, 2023, 2024 and 2025, respectively.

5. Intangibles

This account consists of:

	2023						
	Concession Rights (Note 24)				Computer		
			Port		Software		
	Upfront Fees	Fixed Fees	Infrastructure	Subtotal	and Others	Goodwill	Total
Cost							
Balance at beginning of year	US$540,476,032	US$933,409,242	US$2,271,647,432	US$3,745,532,706	US$92,190,720	US$229,213,103	US$4,066,936,529
Additions	–	–	67,602,689	67,602,689	2,135,640	–	69,738,329
Remeasurement	–	16,029,069	–	16,029,069	–	–	16,029,069
Disposals	–	–	–	–	(784,532)	–	(784,532)
Transfers from other accounts (Notes 6 and 9)	–	–	820,340	820,340	545,948	–	1,366,288
Effect of business combination (Note 1.4)	–	–	–	–	21,613,713	7,453,625	29,067,338
Translation adjustments	(1,133,773)	3,979,435	4,065,909	6,911,571	2,258,274	2,848,334	12,018,179
Balance at end of year	539,342,259	953,417,746	2,344,136,370	3,836,896,375	117,959,763	239,515,062	4,194,371,200
Accumulated Amortization and Impairment Losses							
Balance at beginning of year	184,231,167	309,365,321	1,023,429,338	1,517,025,826	72,114,254	70,452,494	1,659,592,574
Amortization for the year	22,702,594	35,084,150	72,814,716	130,601,460	6,625,888	–	137,227,348
Disposals	–	–	–	–	(782,402)	–	(782,402)
Impairment loss for the year	–	–	–	–	–	10,614,546	10,614,546
Effect of business combination (Note 1.4)	–	–	–	–	24,957	–	24,957
Translation adjustments	(1,804,731)	(29,933)	(1,473,007)	(3,307,671)	1,900,379	38,007	(1,369,285)
Balance at end of year	205,129,030	344,419,538	1,094,771,047	1,644,319,615	79,883,076	81,105,047	1,805,307,738
Net Book Value	US$334,213,229	US$608,998,208	US$1,249,365,323	US$2,192,576,760	US$38,076,687	US$158,410,015	US$2,389,063,462

	2024						
	Concession Rights (Note 24)				Computer		
			Port		Software		
	Upfront Fees	Fixed Fees	Infrastructure	Subtotal	and Others	Goodwill	Total
Cost							
Balance at beginning of year	US$539,342,259	US$953,417,746	US$2,344,136,370	US$3,836,896,375	US$117,959,763	US$239,515,062	US$4,194,371,200
Additions	2,781,214	35,721,033	170,617,075	209,119,322	484,032	–	209,603,354
Remeasurement	–	12,578,279	–	12,578,279	–	–	12,578,279
Disposals	–	–	–	–	(72,100)	–	(72,100)
Disposal of a subsidiary (Note 1.2)	–	–	–	–	(48,105)	(26,561,125)	(26,609,230)
Transfers from other accounts (Notes 6, 7 and 9)	–	8,368,810	19,619,038	27,987,848	116,546	–	28,104,394
Effect of business combination (Note 1.4)	–	–	–	–	–	8,889,140	8,889,140
Translation adjustments	(15,688,137)	(49,957,920)	(63,243,625)	(128,889,682)	(9,565,067)	(18,634,137)	(157,088,886)
Balance at end of year	526,435,336	960,127,948	2,471,128,858	3,957,692,142	108,875,069	203,208,940	4,269,776,151
Accumulated Amortization and Impairment Losses							
Balance at beginning of year	205,129,030	344,419,538	1,094,771,047	1,644,319,615	79,883,076	81,105,047	1,805,307,738
Amortization for the year	21,186,084	35,307,232	76,309,247	132,802,563	5,890,802	–	138,693,365
Disposals	–	–	–	–	(72,100)	–	(72,100)
Disposal of a subsidiary (Note 1.2)	–	–	–	–	(48,105)	(26,561,125)	(26,609,230)
Translation adjustments	(5,112,804)	(16,361,669)	(13,528,501)	(35,002,974)	(4,511,862)	(235,508)	(39,750,344)
Balance at end of year	221,202,310	363,365,101	1,157,551,793	1,742,119,204	81,141,811	54,308,414	1,877,569,429
Net Book Value	US$305,233,026	US$596,762,847	US$1,313,577,065	US$2,215,572,938	US$27,733,258	US$148,900,526	US$2,392,206,722

	2025						
	Concession Rights (Note 24)				**Computer**		
			Port		**Software**		
	Upfront Fees	**Fixed Fees**	**Infrastructure**	**Subtotal**	**and Others**	**Goodwill**	**Total**
Cost							
Balance at beginning of year	**US$526,435,336**	**US$960,127,948**	**US$2,471,128,858**	**US$3,957,692,142**	**US$108,875,069**	**US$203,208,940**	**US$4,269,776,151**
Additions	**28,206,151**	**–**	**162,533,965**	**190,740,116**	**818,477**	**–**	**191,558,593**
Remeasurement	**–**	**23,296,412**	**–**	**23,296,412**	**–**	**–**	**23,296,412**
Transfers from other accounts (Notes 6 and 9)	**–**	**–**	**54,915,830**	**54,915,830**	**3,919,660**	**–**	**58,835,490**
Effect of business combination (Note 1.4)	**–**	**–**	**–**	**–**	**2,757,032**	**(2,757,032)**	**–**
Translation adjustments	**1,401,835**	**14,337,157**	**7,789,795**	**23,528,787**	**6,566,354**	**8,300,751**	**38,395,892**
Balance at end of year	**556,043,322**	**997,761,517**	**2,696,368,448**	**4,250,173,287**	**122,936,592**	**208,752,659**	**4,581,862,538**
Accumulated Amortization and Impairment Losses							
Balance at beginning of year	**221,202,310**	**363,365,101**	**1,157,551,793**	**1,742,119,204**	**81,141,811**	**54,308,414**	**1,877,569,429**
Amortization for the year	**21,212,966**	**35,190,379**	**83,797,963**	**140,201,308**	**6,153,446**	**–**	**146,354,754**
Translation adjustments	**4,007,537**	**(1,246,469)**	**2,611,582**	**5,372,650**	**(117,577)**	**(84,700)**	**5,170,373**
Balance at end of year	**246,422,813**	**397,309,011**	**1,243,961,338**	**1,887,693,162**	**87,177,680**	**54,223,714**	**2,029,094,556**
Net Book Value	**US$309,620,509**	**US$600,452,506**	**US$1,452,407,110**	**US$2,362,480,125**	**US$35,758,912**	**US$154,528,945**	**US$2,552,767,982**

Concession Rights

Additions to concession rights in 2023 mainly pertain to construction of various civil works and acquisitions of port facilities and equipment in MICT, SPICTL, OPC and CGSA. In 2024, additions to concession rights mainly pertain to construction of various civil works and acquisitions of port facilities and equipment in MICT and certain Philippine terminals, EJMT, CGSA and OPC; and the present value of fixed fee considerations under the new concession contract for ICPC in Iloilo and the amended concession contract for MCT in Misamis Oriental. In 2025, additions to concession rights mainly pertain to construction of various civil works and acquisitions of port facilities and equipment in MICT and certain Philippine terminals and OPC; and additional upfront fees paid upon the turnover of additional area as agreed in the concession contract for KMT.

Concession rights have remaining amortization periods ranging from 9 to 47 years as of December 31, 2025.

Capitalized borrowing costs amounted to nil in 2023, US$1.2 million in 2024, and US$0.7 million in 2025.

Goodwill

Goodwill arises from the excess of acquisition costs over the share in fair values of net assets at acquisition dates of the following subsidiaries:

	2023	2024	**2025**
ICTSI Rio	US$59,201,950	US$54,093,371	**US$58,461,419**
MHCPSI	46,613,128	44,618,811	**43,901,559**
MNHPI	23,347,120	22,348,226	**21,988,976**
Others	29,247,817	27,840,118	**30,176,991**
	US$158,410,015	US$148,900,526	**US$154,528,945**

In 2023, the goodwill attributed to PICT's business amounting to US$10.6 million (PKR3.0 billion) was fully impaired and charged to profit or loss as a result of the expiry of PICT's concession effective June 17, 2023 (see Note 1).

6. **Property and Equipment**

This account consists of:

	2023								
	Land and Land Improvements	Leasehold Rights and Improvements	Port Facilities and Equipment	Transportation Equipment	Office Equipment, Furniture and Fixtures	Miscellaneous Equipment	Port Equipment Spare Parts	Construction in Progress	Total
Cost									
Balance at beginning of year	US$421,649,646	US$740,693,783	US$969,502,495	US$68,298,788	US$67,207,289	US$47,884,481	US$3,917,631	US$110,440,453	US$2,429,594,566
Additions	58,734	14,701,797	54,588,297	6,108,870	5,544,582	3,490,443	–	161,244,832	245,737,555
Effect of business combinations (Note 1.4)	–	116,380	1,846,561	140,555	106,535	–	–	–	2,210,031
Disposals	–	(6,893,245)	(22,032,250)	(1,419,457)	(2,066,794)	(72,437)	(44,329)	(82,965)	(32,611,477)
Translation adjustments	8,353,907	9,751,163	37,359,086	192,687	666,540	363,140	12,132	4,632,454	61,331,109
Transfers from (to) other accounts (Notes 5 and 9)	–	4,951,098	7,070,531	–	–	–	–	(13,226,934)	(1,205,305)
Balance at end of year	430,062,287	763,320,976	1,048,334,720	73,321,443	71,458,152	51,665,627	3,885,434	263,007,840	2,705,056,479
Accumulated Depreciation and Amortization									
Balance at beginning of year	15,229,433	250,122,592	373,865,876	45,202,638	62,137,647	25,390,375	1,948,423	–	773,896,984
Depreciation and amortization for the year	4,063,276	33,793,252	49,505,384	6,585,513	4,189,066	2,970,181	–	–	101,106,672
Effect of business combinations (Note 1.4)	–	22,312	259,318	66,297	15,550	–	–	–	363,477
Disposals	–	(6,893,245)	(19,987,243)	(1,111,392)	(2,036,864)	(62,847)	–	–	(30,091,591)
Translation adjustments	81,369	3,266,111	9,616,673	102,689	1,004,381	34,274	(18,511)	–	14,086,986
Balance at end of year	19,374,078	280,311,022	413,260,008	50,845,745	65,309,780	28,331,983	1,929,912	–	859,362,528
Net Book Value	US$410,688,209	US$483,009,954	US$635,074,712	US$22,475,698	US$6,148,372	US$23,333,644	US$1,955,522	US$263,007,840	US$1,845,693,951

	2024								
	Land and Land Improvements	Leasehold Rights and Improvements	Port Facilities and Equipment	Transportation Equipment	Office Equipment, Furniture and Fixtures	Miscellaneous Equipment	Port Equipment Spare Parts	Construction in Progress	Total
Cost									
Balance at beginning of year	US$430,062,287	US$763,320,976	US$1,048,334,720	US$73,321,443	US$71,458,152	US$51,665,627	US$3,885,434	US$263,007,840	US$2,705,056,479
Additions	76,304,514	15,359,525	40,312,239	6,774,417	3,100,906	4,468,383	103,506	144,100,725	290,524,215
Effect of business combination (Note 1.4)	–	–	1,181,725	–	–	–	–	–	1,181,725
Disposals	–	(104,833)	(6,603,783)	(14,746,465)	(1,736,860)	(917,737)	(37,584)	–	(24,147,262)
Disposal of a subsidiary (Note 1.2)	–	(7,064,282)	(38,503,051)	(177,522)	(261,080)	–	–	–	(46,005,935)
Translation adjustments	(20,979,374)	(48,068,963)	(95,222,769)	(1,699,396)	(1,762,402)	(1,638,182)	(202,032)	(18,337,268)	(187,910,386)
Transfers from (to) other accounts (Notes 5 and 9)	–	44,046,063	19,549,041	–	–	–	–	(83,330,688)	(19,735,584)
Balance at end of year	485,387,427	767,488,486	969,048,122	63,472,477	70,798,716	53,578,091	3,749,324	305,440,609	2,718,963,252
Accumulated Depreciation and Amortization									
Balance at beginning of year	19,374,078	280,311,022	413,260,008	50,845,745	65,309,780	28,331,983	1,929,912	–	859,362,528
Depreciation and amortization for the year	3,843,511	34,945,665	48,488,006	5,705,164	4,067,578	4,281,529	7,559	–	101,339,012
Disposals	–	(55,655)	(3,650,618)	(14,746,464)	(1,736,860)	(894,510)	–	–	(21,084,107)
Disposal of a subsidiary (Note 1.2)	–	(5,905,136)	(30,642,362)	(177,010)	(251,788)	–	–	–	(36,976,296)
Translation adjustments	(574,031)	(16,912,550)	(27,777,008)	(2,758,920)	(3,639,016)	(904,586)	(22,954)	–	(52,589,065)
Balance at end of year	22,643,558	292,383,346	399,678,026	38,868,515	63,749,694	30,814,416	1,914,517	–	850,052,072
Net Book Value	US$462,743,869	US$475,105,140	US$569,370,096	US$24,603,962	US$7,049,022	US$22,763,675	US$1,834,807	US$305,440,609	US$1,868,911,180

	2025								
	Land and Land Improvements	**Leasehold Rights and Improvements**	**Port Facilities and Equipment**	**Transportation Equipment**	**Office Equipment, Furniture and Fixtures**	**Miscellaneous Equipment**	**Port Equipment Spare Parts**	**Construction in Progress**	**Total**
Cost									
Balance at beginning of year	**US$485,387,427**	**US$767,488,486**	**US$969,048,122**	**US$63,472,477**	**US$70,798,716**	**US$53,578,091**	**US$3,749,324**	**US$305,440,609**	**US$2,718,963,252**
Additions	**29,157,547**	**30,022,446**	**117,316,974**	**6,684,456**	**5,650,318**	**1,934,115**	**653,815**	**232,981,796**	**424,401,467**
Acquisition of FII Inhaúma (Note 1.4)	**171,825,537**	**–**	**13,651,681**	**–**	**–**	**–**	**–**	**–**	**185,477,218**
Disposals	**–**	**(269,381)**	**(7,880,840)**	**(2,919,972)**	**(1,263,520)**	**(127,561)**	**(35,526)**	**–**	**(12,496,800)**
Transfers from (to) other accounts (Notes 5 and 9)	**34,431,534**	**10,583,695**	**177,618,300**	**–**	**–**	**–**	**–**	**(240,302,594)**	**(17,669,065)**
Translation adjustments	**3,507,614**	**52,747,226**	**93,994,541**	**664,707**	**6,557,842**	**1,929,362**	**37,408**	**33,181,667**	**192,620,367**
Balance at end of year	**724,309,659**	**860,572,472**	**1,363,748,778**	**67,901,668**	**81,743,356**	**57,314,007**	**4,405,021**	**331,301,478**	**3,491,296,439**
Accumulated Depreciation and Amortization									
Balance at beginning of year	**22,643,558**	**292,383,346**	**399,678,026**	**38,868,515**	**63,749,694**	**30,814,416**	**1,914,517**	**–**	**850,052,072**
Depreciation and amortization for the year	**4,834,514**	**35,595,108**	**57,742,528**	**5,881,598**	**4,310,566**	**3,871,491**	**129,972**	**–**	**112,365,777**
Disposals	**–**	**(268,017)**	**(5,888,646)**	**(2,750,659)**	**(1,240,877)**	**(118,006)**	**–**	**–**	**(10,266,205)**
Translation adjustments	**(316,329)**	**15,753,390**	**35,028,839**	**340,448**	**2,198,960**	**140,832**	**(15,445)**	**–**	**53,130,695**
Balance at end of year	**27,161,743**	**343,463,827**	**486,560,747**	**42,339,902**	**69,018,343**	**34,708,733**	**2,029,044**	**–**	**1,005,282,339**
Net Book Value	**US$697,147,916**	**US$517,108,645**	**US$877,188,031**	**US$25,561,766**	**US$12,725,013**	**US$22,605,274**	**US$2,375,977**	**US$331,301,478**	**US$2,486,014,100**

Capitalized borrowing costs amounted to US$4.5 million in 2023, US$3.5 million in 2024 and US$5.9 million in 2025.

Additions to port facilities and equipment in 2023 mainly pertain to expansion works and/or acquisition of terminal equipment at VICT and MGT. Additions to land and land improvements in 2024 pertain to acquisition of property to be utilized for the Group's expansion plans. Additions to port facilities and equipment in 2024 mainly pertain to the construction of various civil works and acquisitions of terminal equipment in various ports, mainly in OMT, and certain Philippine terminals. Additions to land and land improvements in 2025 mainly pertain to the acquisition of marine property at FII Inhaúma (see Note 1.4) while additions to port facilities and equipment mainly pertain to the impact of consolidation of BACT, and acquisitions of port equipment in AGCT and BGT. The Group received government grant amounting to US$10.7 million during 2025 for purchasing certain port equipment.

Construction in progress is mainly composed of ongoing port development and expansion projects in MGT, VICT and CMSA as at December 31, 2023; CMSA, MGT and ICTSI Rio as at December 31, 2024; and CMSA and MGT as at December 31, 2025.

Certain property and equipment of VICT with total carrying value of AUD428.6 million (US$292.0 million), AUD749.9 million (US$464.0 million) and AUD806.1 million (US$537.9 million) as at December 31, 2023, 2024 and 2025, respectively, were pledged as securities for its Senior Secured Notes.

7. Right-of-use Assets

The concession agreements of CMSA, TSSA, VICT, BCT, BICTL, MICTSI (until December 16, 2024), OMT, BACT, lease of terminal facilities in IRB Logistica, and lease of land for use in the operations of Tecplata, OMT, BICTL, and ICTSI Rio, were accounted for by the Group in accordance with PFRS 16, *Leases.* Related right-of-use assets have remaining amortization periods ranging from 1 to 30 years as of December 31, 2025.

Amounts Recognized in the Consolidated Balance Sheets

Set-out below are the reconciliation of the Group's right-of-use assets during the years ended December 31:

	2023	2024	**2025**
Balance at beginning of year	US$723,831,838	US$916,366,357	**US$957,760,276**
Additions	164,218,518	134,816,271	**35,826,135**
Remeasurement	28,658,474	50,806,270	**38,408,633**
Amortization	(56,056,912)	(60,704,868)	**(68,936,128)**
Derecognition of ROU assets due to acquisition of FII Inhaúma (Note 1.4)	–	–	**(96,215,238)**
Transfer to other account (Note 5)	–	(8,368,810)	**–**
Termination	–	(2,641,598)	**(1,563,451)**
Cumulative translation adjustments	55,714,439	(72,513,346)	**79,866,785**
Balance at end of year	US$916,366,357	US$957,760,276	**US$945,147,012**

Additions to right-of-use assets during 2023 mainly pertain to renewal of concession contract at BCT and lease of additional berth space at VICT. Additions to right-of-use assets in 2024 mainly pertain to lease of new area at ICTSI Rio and OMT, and equipment leases at IRB Logistica and MICT. Additions to right-of-use assets in 2025 mainly pertain to the recognition of the sub-concession contract of BACT, and leases of new area and equipment at CLIA Pouso Alegre and IRB Logistica.

Summarized below are the amounts recognized in the consolidated profit or loss relating to lease expense not capitalized as right-of-use assets:

	2023	2024	**2025**
Lease expense not included in the measurement of lease liabilities (under Port Authorities' share in gross revenues)	US$27,752,083	US$35,768,341	**US$41,971,393**
Lease expense on short-term leases exempted from PFRS 16 classified under:			
Equipment and facilities-related expenses	3,121,398	3,974,280	**5,087,306**
Administrative and other operating expenses	136,902	101,688	**111,016**
Lease expense on low value assets exempted from PFRS 16 classified under:			
Equipment and facilities-related expenses	15,874	20,001	**99,916**
Administrative and other operating expenses	7,459	15,391	**8,748**

8. Investments in and Advances to Joint Ventures and an Associate

This account consists of:

	2023	2024	**2025**
Investments in and advances to joint ventures:			
SPIA	US$242,974,846	US$191,129,963	**US$206,455,371**
Others	28,527,815	29,504,186	**30,993,284**
Investment in an associate:			
ARDC	7,474,994	7,474,994	**7,474,994**
Less: allowance for probable losses	7,474,994	7,474,994	**7,474,994**
	US$271,502,661	US$220,634,149	**US$237,448,655**

The movements and details of investments in and advances to joint ventures account are as follows:

	2023	2024	**2025**
Investments in joint ventures:			
Balance at beginning of year	US$29,548,523	US$30,798,834	**US$44,884,186**
Share in other comprehensive income (loss)	1,897,039	(263,700)	**(104,945)**
Additions during the year	9,161,996	19,806,238	**1,260,500**
Equity in net gains (losses) during the year	(9,808,724)	(5,457,186)	**3,358,873**
Balance at end of year	30,798,834	44,884,186	**49,398,614**
Advances to joint ventures (Note 22.1)	240,703,827	175,749,963	**188,050,041**
	US$271,502,661	US$220,634,149	**US$237,448,655**

In April 2024, the Group received US$55.9 million as partial repayment of the advances previously extended to its joint venture, SPIA.

The summarized financial information of SPIA as at and for the years ended December 31 follows:

	2023	2024	**2025**
Current assets [(a)]	US$55,117,226	US$56,347,373	**US$77,954,053**
Noncurrent assets	463,865,946	466,751,031	**504,187,307**
Current liabilities	236,141,871	191,487,993	**227,842,390**
Noncurrent liabilities [(b)]	232,573,280	286,027,465	**297,917,198**

(a) *Current assets include cash and cash equivalents amounting to US$30.4 million, US$28.6 million and US$43.0 million as at December 31, 2023, 2024 and 2025, respectively.*

(b) *Noncurrent liabilities include deferred tax liabilities amounting to US$4.9 million, US$4.5 million and US$4.2 million as at December 31, 2023, 2024 and 2025, respectively.*

	2023	2024	**2025**
Gross revenues from port operations	US$81,386,226	US$104,575,108	**US$131,839,849**
Operating expenses	(35,975,475)	(36,924,111)	**(43,352,462)**
Depreciation and amortization	(31,835,816)	(32,683,504)	**(33,476,421)**
Other income	8,850,524	8,373,012	**10,470,323**
Other expenses [(c)]	(34,133,463)	(42,566,222)	**(47,236,570)**
Provision for income tax	(1,462,115)	(5,459,359)	**(7,445,893)**
Net income (loss)	(US$13,170,119)	(US$4,685,076)	**US$10,798,826**

(c) *Other expenses include interest expense on concession rights payable amounting to US$1.2 million in 2023, US$1.1 million in 2024, and US$1.1 million in 2025, and interest expense on advances from SPIA Spain S.L. and PSA International Pte Ltd. (PSA) amounting to US$12.3 million in 2023, US$10.4 million in 2024 and US$9.6 million in 2025.*

9. Other Noncurrent Assets

This account consists of:

	2023	2024	**2025**
Deposit for investment in DGT (Note 1.2)	US$–	US$–	**US$618,000,000**
Advances to suppliers, contractors and others	125,611,366	158,770,118	**245,081,152**
Input tax	4,705,820	2,387,985	**6,786,091**
Derivative assets	4,186,513	4,934,850	**1,822,812**
Financial assets at FVOCI	3,999,892	5,026,642	**6,516,246**
Prepayments and others	57,355,885	64,984,638	**81,668,116**
	US$195,859,476	US$236,104,233	**US$959,874,417**

Deposit for investment in DGT

On December 30, 2025, ICTSI paid US$618.0 million to Transnet as a deposit for acquisition of shares in DGT, subject to closing conditions. The closing conditions were satisfied on January 1, 2026, which is the same date that ICTSI took over formal management and operation of DGT, the company that will operate DCT2 (see Note 30).

Advances to Suppliers, Contractors and Others

Advances to suppliers, contractors and others mainly pertain to advance payments for the acquisition of port equipment and construction of port facilities, advance payments for future rentals and deposits for acquisitions of investments.

This account also includes the remaining balance of the upfront fee that ICTSI was required to pay pursuant to the Concession Agreement signed with the Sea Ports Corporation of Sudan to operate, manage and develop the South Port Container Terminal at Port of Sudan, Republic of the Sudan which did not push through due to fortuitous event. The remaining balance of the upfront fee amounted to US$154.7 million as at December 31, 2023, which was fully provided with an impairment provision.

ICTSI strived to reach out to the Sudanese Government but failed to have a productive discussion since the Sudan war broke out in April 2023.

Notwithstanding the prudence in the accounting impairment charge, ICTSI will continue to pursue the Sudanese government on the remaining balance of the Upfront Fee under the terms of the Refund Bond and the UK High Court ruling in favor of ICTSI.

Input Tax
This account includes prepaid input tax and is expected to be applied against output tax after 12 months from the balance sheet date.

Financial Assets at FVOCI
The net movement in unrealized mark-to-market gain on financial assets at FVOCI is as follows:

	2023	2024	**2025**
Balance at beginning of year	US$1,781,384	US$2,178,008	**US$3,227,560**
Change in fair value of financial assets at FVOCI	396,624	1,049,552	**2,503,686**
Disposal of financial assets	–	–	**(1,007,795)**
Balance at end of year (Note 14.5)	US$2,178,008	US$3,227,560	**US$4,723,451**

Prepayments and Others
This account includes deposits in relation to the concession agreement of MICTSL and will be appropriately reclassified as part of intangibles once certain requirements within the concession agreement are met.

10. **Impairment Testing on Nonfinancial Assets**

The Group reviews all assets annually or more frequently to look for any indication that an asset may be impaired. These assets include property and equipment, intangible assets, right-of-use assets, investment properties, investments in joint ventures, intangible assets not yet available for use and goodwill, and certain other noncurrent assets. If any such indication exists, or when the annual impairment testing for an asset is required, the Group calculates the asset's recoverable amount. Irrespective of whether there is any indication of impairment, intangible assets not yet available for use and goodwill acquired in a business combination are tested for impairment annually. The Group used a discounted cash flow analysis to determine value-in-use.

Value-in-use reflects an estimate of the future cash flows that the Group expects to derive from the cash-generating unit, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors such as illiquidity that market participants would reflect in pricing such future cash flows. The calculation of the value-in-use is based on reasonable and supportable assumptions, the most recent budgets and forecasts and extrapolation for periods beyond budgeted projections. These represent management's best estimate of the economic conditions that would exist over the remaining useful life of the asset.

The recoverable amount of nonfinancial assets of the Group subject to impairment testing has been determined based on value-in-use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period or the remaining concession period, taking into consideration the effect of significant events on the macroeconomic factors used in developing the assumptions. Projections beyond five years were used for the newly established terminals and/or greenfield projects.

Key assumptions used to determine the value-in-use are discount rates including cost of debt and cost of capital, growth rates, EBITDA margins, working capital and capital expenditure.

Discount Rates
The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group used discount rates based on the industry's weighted average cost of capital. The rates used to discount the future cash flows are based on risk-free interest rates in the relevant markets where the subsidiaries are domiciled taking into consideration the debt premium, market risk premium, gearing ratio, corporate tax rate and asset betas of these subsidiaries. Management assumed discount rates of 7.04 percent to 17.00 percent in 2023, 7.03 percent to 13.60 percent in 2024 and 6.29 percent to 13.64 percent in 2025.

Growth Rates
Average growth rates in revenues are based on ICTSI's expectation of market developments and the changes in the environment in which it operates. ICTSI uses revenue growth rates ranging from 0.14 percent to 5.88 percent in 2023, -3.49 percent to 6.11 percent in 2024, and 1.81 percent to 5.73 percent in 2025, based on historical performance as well as expectations on the results of its strategies. On the other hand, the perpetual growth rate used to compute for the terminal value is based on the forecasted long-term growth of real gross domestic product (GDP) of the economy in which the business operates.

EBITDA Margin
The EBITDA margin represents the operating margin before depreciation and amortization and is estimated based on the margin achieved in the period immediately before the budget period and on estimated future development and growth in the market. Committed operational efficiency programs are taken into consideration. Changes in the outcome of these initiatives may affect future estimated EBITDA margin.

Capital Expenditure
In computing the value-in-use, estimates of future cash flows include future cash outflows necessary to maintain the level of economic benefits expected to arise from the asset in its current condition. Capital expenditures that improve or enhance the asset's performance therefore are not included. However, for the newly established terminals and/or greenfield projects, management takes into consideration the capital expenditures necessary to meet the expected growth in volume and revenues. These expansionary capital expenditures of which the Group has incurred cash outflows, for the newly established terminals are deducted from the future cash flows.

Impairment of Nonfinancial Assets
Losses in respect of the impairment in value of the Group's nonfinancial assets amounting to US$165.3 million, nil and nil, were recognized in 2023, 2024 and 2025, respectively (see Notes 5 and 9). The impairment charge was a result of lower projected cash inflows arising from the current unfavorable economic conditions.

11. **Cash and Cash Equivalents**

This account consists of:

	2023	2024	**2025**
Cash on hand and in banks	US$422,117,997	US$515,423,343	**US$531,770,920**
Cash equivalents	293,986,046	593,649,890	**567,059,381**
	US$716,104,043	US$1,109,073,233	**US$1,098,830,301**

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term investments, which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

Interest income derived from interest-earning bank deposits, short-term investments and restricted cash amounted to US$44.3 million, US$60.0 million and US$44.2 million for the years ended December 31, 2023, 2024, and 2025, respectively.

12. **Receivables**

This account consists of:

	2023	2024	**2025**
Trade	US$155,420,425	US$158,694,847	**US$195,434,727**
Advances and nontrade	38,203,929	43,884,576	**40,069,420**
	193,624,354	202,579,423	**235,504,147**
Less allowance for ECL	11,117,129	10,089,440	**9,810,296**
	US$182,507,225	US$192,489,983	**US$225,693,851**

Trade receivables are noninterest-bearing and are generally on 30-60 days credit terms.

Advances and nontrade receivables mainly include noninterest-bearing advances to suppliers and vendors that may be applied against payable or collectible within 12 months.

Movements in the allowance for ECL are summarized below:

	2023		
	Trade	Advances and Nontrade	Total
Balance at beginning of year	US$6,000,700	US$5,441,527	US$11,442,227
Provision during the year	578,980	638,250	1,217,230
Write-off	(250,399)	(1,301,726)	(1,552,125)
Translation adjustments	235,655	(225,858)	9,797
Balance at end of year	US$6,564,936	US$4,552,193	US$11,117,129

	2024		
	Trade	Advances and Nontrade	Total
Balance at beginning of year	US$6,564,936	US$4,552,193	US$11,117,129
Provision during the year	839,025	–	839,025
Write-off	–	(537,047)	(537,047)
Disposal of subsidiary (Note 1.2)	(53,425)	–	(53,425)
Translation adjustments	(745,371)	(530,871)	(1,276,242)
Balance at end of year	US$6,605,165	US$3,484,275	US$10,089,440

	2025		
	Trade	Advances and Nontrade	Total
Balance at beginning of year	**US$6,605,165**	**US$3,484,275**	**US$10,089,440**
Provision during the year	**985,827**	**28,802**	**1,014,629**
Write-off	**(12,384)**	**–**	**(12,384)**
Translation adjustments	**(14,905)**	**(1,266,484)**	**(1,281,389)**
Balance at end of year	**US$7,563,703**	**US$2,246,593**	**US$9,810,296**

13. Prepaid Expenses and Other Current Assets

This account consists of:

	2023	2024	2025
Prepaid taxes	US$29,801,278	US$25,814,139	**US$40,110,192**
Prepaid port fees, insurance, bonds and other expenses and deposits	21,341,848	30,961,227	**37,167,727**
Input tax	21,744,192	39,221,307	**35,266,962**
Restricted cash (Note 15)	13,406,894	6,875,197	**16,273,688**
Receivable from port authorities	2,322,489	4,520,506	**956,151**
Short-term investments (Note 17)	155,639,325	141,069,913	**382,172**
Others	3,198,015	5,460,670	**6,445,120**
	US$247,454,041	US$253,922,959	**US$136,602,012**

Prepaid Taxes
This account consists of credits granted by the tax authorities, business taxes, and creditable tax withheld which can be applied against tax liabilities in the future.

Input Tax
This account includes input tax recognized mainly from the acquisition of terminal equipment and payments of civil works in relation to the construction activities. Such input tax is expected to be applied against output tax within 12 months from the balance sheet date.

Restricted Cash
Restricted cash include deposits placed as required by special purpose debt service reserves of VICT.

Receivable from Port Authorities
This account represents the Group's share in fees collected by the port authorities.

Short-term Investments
The maturity dates of short-term investments range from more than three months to 12 months.

14. Equity

14.1 Capital Stock and Treasury Shares

The Parent Company offered its common shares at a price of P6.70 per share in its initial public offering and became listed and traded at the PSE starting on March 23, 1992.

As of December 31, 2023, 2024 and 2025, the Parent Company had 1,388, 1,340 and 1,335 stockholders on record, respectively.

The details and movements of ICTSI's capital stock and treasury shares as at and for the years ended December 31 were as follows:

	Number of Shares					
	Authorized			Issued and Subscribed		
	2023	2024	**2025**	2023	2024	**2025**
Preferred A Shares - nonvoting, non-cumulative, ₱1.00 (US$0.048) par value	993,000,000	993,000,000	**993,000,000**	3,800,000	3,800,000	**3,800,000**
Preferred B Shares - voting, non-cumulative, ₱0.01 (US$0.0002) par value	700,000,000	700,000,000	**700,000,000**	700,000,000	700,000,000	**700,000,000**
Common Stock - ₱1.00 (US$0.048) par value	4,227,397,381	4,227,397,381	**4,227,397,381**	2,045,177,671	2,045,177,671	**2,045,177,671**

	Number of Shares		
	2023	2024	**2025**
Treasury Shares			
Balance at beginning of year	(14,836,722)	(13,189,068)	**(17,962,468)**
Acquisitions during the year	(306,230)	(6,596,820)	**(10,280,040)**
Issuances for share-based payments (Note 19)	1,953,884	1,823,420	**1,893,099**
Balance at end of year	(13,189,068)	(17,962,468)	**(26,349,409)**

	Amounts Issued and Subscribed		
	2023	2024	**2025**
Preferred Stock	US$236,222	US$236,222	**US$236,222**
Common Stock	US$67,781,529	US$67,781,529	**US$67,781,529**
Subscription Receivable	(451,341)	(451,341)	**(451,341)**
	US$67,330,188	US$67,330,188	**US$67,330,188**

Preferred Shares

The Preferred A shares, which were subscribed by ICTHI, are nonvoting, entitled to dividend at rates to be fixed by the Board, non-cumulative, convertible to common shares under such terms to be provided by the Board, redeemable at such price and terms determined by the Board and have preference over common shares in the distribution of the assets of the Parent Company. As at year-end, the Board has not fixed the dividend rate and terms of conversion of Preferred A shares.

The Preferred B shares were issued to Achillion Holdings, Inc. (Achillion). Preferred B shares have the following features: voting; issued only to Philippine Nationals; not convertible into common shares; earn no dividend and redeemable at the option of the Board.

Achillion is a Philippine corporation owned and controlled by ICTSI's Chairman and President and controlling stockholder, Mr. Enrique K. Razon, Jr. The ICTSI contract with PPA on the operation, management and development of the MICT requires the Razon Group to retain control of ICTSI.

14.2 Preferred Shares Held by a Subsidiary

Cost of preferred shares held by a subsidiary pertains to 3,800,000 preference A shares held by ICTHI.

14.3 Retained Earnings

The details of ICTSI's declaration of cash dividends are as follows:

	2023	2024	**2025**
Date of Board approval	March 6, 2023	March 1, 2024	**March 6, 2025**
Cash dividends (regular) per share	US$0.156 (₱8.56)	US$0.167 (₱9.35)	**US$0.247 (₱14.16)**
Cash dividends (special) per share	US$0.026 (₱1.44)	US$0.029 (₱1.65)	–
Record date	March 20, 2023	March 15, 2024	**March 20, 2025**
Payment date	March 28, 2023	March 25, 2024	**March 28, 2025**

As at December 31, 2025, the unappropriated retained earnings of the Parent Company that is available for dividend declaration amounted to US$754.5 million.

14.4 Perpetual Capital Securities

RCBV engaged in a series of financial transactions involving the issuance, redemption, and consolidation of Senior Guaranteed Perpetual Capital Securities ("Securities") with interest rates ranging from 4.875 percent to 5.875 percent. These Securities are unconditionally and irrevocably guaranteed by ICTSI and were used to refinance existing debts, fund capital expenditures, and support general corporate purposes. Differences between the redemption prices and the carrying values of the Securities were charged to retained earnings.

The Securities are treated as a liability in the financial statements of the Issuer or RCBV since it has the obligation to pay the accumulated distributions should the Guarantor declare dividends to its common stockholders. On the other hand, the Securities are treated as part of equity attributable to equity holders of the parent in the consolidated financial statements of the Group since nothing in the terms and conditions of the Securities gives rise to an obligation of the Group to deliver cash or another financial asset in the future as defined by PAS 32. However, should the Issuer decide to exercise its option to redeem the Securities, the Securities shall be treated as a financial liability from the date the redemption option is exercised. Should the Issuer also opt to not defer payment of distributions on a Distribution Payment Date, all distributions in arrears as at that date will be recognized as a financial liability until payment is made. For purposes of computing earnings per share, the cumulative distributions to holders of Perpetual Capital Securities are deducted from net income attributable to equity holders of the parent (see Note 28).

The Securities were not registered with the Philippine SEC. The Securities were offered in offshore transactions outside the United States in accordance with Regulation S under the U.S. Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States. The Securities are listed and traded in the Singapore Stock Exchange.

On May 6, 2024, RCBV (the "Issuer") and ICTSI (the "Guarantor") redeemed the US$289.8 million 4.875 percent Senior Guaranteed Perpetual Capital Securities ("Securities"). The US$8.8 million difference between the redemption amount of US$296.8 million and the Securities' carrying amount of US$288.0 million represents accrued distributions and was treated as a direct reduction in retained earnings.

14.5 Other Comprehensive Loss - net

The details of other comprehensive net loss, net of applicable tax, as at December 31 are as follows:

	2023	2024	**2025**
Cumulative translation adjustments*	(US$157,940,760)	(US$294,118,823)	**(US$199,665,191)**
Unrealized mark-to-market gain (loss) on derivatives (Note 26)	2,955,806	10,237,603	**(6,228,138)**
Unrealized mark-to-market gain on financial assets at FVOCI (Note 9)	2,178,008	3,227,560	**4,723,451**
Business combination revaluation reserve	609,969	609,969	**609,969**
Share of other comprehensive gain of joint ventures (Note 8)	1,567,100	1,303,400	**1,198,455**
Remeasurement loss on defined benefit plans (Note 23)	(3,728,388)	(3,817,770)	**(4,362,612)**
	(US$154,358,265)	(US$282,558,061)	**(US$203,724,066)**

**Cumulative translation adjustments arise from the change in functional currency of the Parent Company and some of its subsidiaries' translation of foreign operations.*

15. Long-term Debt

15.1 Outstanding Balances and Maturities

	Company	Maturity	2023	2024	**2025**
Medium-term Note (MTN) Programme (Note 15.2.1)					
Secured fixed interest USD bond	ITBV	2025	US$390,038,269	US$395,701,376	**US$–**
Senior Notes (Note 15.2.2)					
Unsecured fixed interest USD bond	ICTSI	2030	394,208,958	394,962,234	**395,763,036**
Secured fixed interest USD bond	ITBV	2031	291,894,478	292,792,063	**293,725,010**
Fixed Interest US Dollar and Foreign Currency-denominated Term Loans and Securities (Note 15.2.3)					
Unsecured USD term loan	ICTSI	2027-2032	297,850,744	745,651,308	**1,401,836,973**
Secured AUD bond	VICT	2039	270,261,192	245,640,198	**265,108,621**
Secured USD term loan	IGFBV	2026	257,212,034	248,516,767	**239,821,499**
Secured HKD term loan	IGFBV	2027	–	–	**101,351,017**
Secured USD term loans	CGSA	2027	5,480,520	4,110,390	**2,740,260**
Secured USD term loans	IDRC	2025	18,000,000	6,000,000	–
Secured BRL term loans	CLIA Pouso Alegre	2026	738,425	168,100	–
Other BRL term loan	FII Inhaúma	2027	–	–	**1,394,878**
Floating Interest US Dollar and Foreign Currency-denominated Term Loans and Securities (Note 15.2.4)					
Unsecured USD term loan	ICTSI	2028-2032	–	99,247,854	**297,766,532**
Secured IDR term loan	BACT	2030	–	–	**76,324,104**
Secured IDR term loan	EJD	2029	–	47,310,037	**51,769,077**
Secured PGK term loan	SPICTL	2026-2030	9,916,243	4,127,597	**17,195,517**
Secured PGK term loan	MITL	2026-2030	4,503,001	1,238,329	**5,440,135**
Secured NGN term loan	ICTSI Nigeria	2028	2,717,284	1,353,168	**1,152,174**
Secured PHP term loan	MHCPSI	2029	89,604,863	–	–
Total			2,032,426,011	2,486,819,421	**3,151,388,833**
Less current portion			42,389,052	414,944,295	**262,206,397**
Long-term debt, net of current portion			US$1,990,036,959	US$2,071,875,126	**US$2,889,182,436**

15.2 Details and Description

15.2.1 *MTN Programme*

ITBV. The MTN Programme is unconditionally and irrevocably guaranteed by ICTSI ("secured") and is listed in the Singapore Stock Exchange. The MTNs were fully repaid on September 17, 2025.

15.2.2 *Senior Notes*

ICTSI. The Senior Notes bear interest of 4.75 percent per annum, payable semi-annually in arrears, maturing on June 17, 2030. These Notes were offered in offshore transactions outside the United States of America in reliance on Regulation S under the United States Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. They are traded and listed in the Singapore Stock Exchange.

ITBV. The 10-year Senior guaranteed fixed rate notes were issued on November 16, 2021 with an aggregate principal amount of US$300.0 million, maturing on November 16, 2031, at a fixed interest rate of 3.50 percent per annum, payable semi-annually in arrears. The notes are unconditionally and irrevocably guaranteed by ICTSI ("secured").

15.2.3 *Fixed Interest US Dollar and Foreign Currency-denominated Term Loans and Securities*

ICTSI. The loans bear interest based on three-month and six-month term Secured Overnight Financing Rate (SOFR) plus an agreed margin. ICTSI entered into interest rate swaps to hedge the interest rate exposure of these loans.

VICT. On December 13, 2021, VICT signed a Note Purchase Agreement with various purchasers for the issuance and sale of Senior Secured Notes with an aggregate principal amount of US$290.5 million (AUD400.0 million), maturing on March 31, 2039, at a fixed interest rate of 4.27 percent per annum, payable semiannually in arrears. The proceeds were used to fund the prepayment of VICT's project finance facilities. The Senior Secured Notes is secured by certain assets of VICT (see Notes 6 and 13) and guaranteed by IOBV ("secured").

IGFBV. The USD term loan was availed in 2019 under the seven-year term loan facility, with interest based on three-month LIBOR plus an agreed margin. Effective January 29, 2023, interest is based on three-month cumulative compounded SOFR plus an agreed margin. IGFBV entered into interest rate swap to hedge the interest rate exposure of this loan. The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured").

The HKD term loan bears interest based on one-month HIBOR plus an agreed margin. ICTSI entered into a cross currency-interest rate swap to hedge the interest rate and foreign exchange exposure of this loan. The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured").

CGSA. The loans are unconditionally and irrevocably guaranteed by ICTSI ("secured").

IDRC. The loan is fully repaid on June 22, 2025.

CLIA Pouso Alegre. The loans are fully paid on April 25, 2025.

15.2.4 *Floating Interest US Dollar and Foreign Currency-denominated Term Loans and Securities*

ICTSI. The loans bear interest based on six-month term Secured Overnight Financing Rate (SOFR) plus an agreed margin.

BACT. The loan bears interest based on three-month JIBOR plus an agreed margin. Effective January 1, 2026, JIBOR has discontinued and was replaced with IndONIA. The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured").

EJD. The loan bears interest based on three-month JIBOR plus an agreed margin. Effective January 1, 2026, JIBOR has discontinued and was replaced with IndONIA. The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured").

SPICTL and MITL. The loans bear interest based on the bank's published Indicator Lending Rate minus an agreed margin. The loans are unconditionally and irrevocably guaranteed by ICTSI ("secured").

ICTSI Nigeria. The loan was availed from the five-year term loan facility, with interest based on prevailing market rate. The proceeds were used to finance the development and expansion of the berth including purchase of equipment. The loan is unconditionally and irrevocably guaranteed by IEBV ("secured").

MHCPSI. The loan was prepaid in full on December 14, 2024.

15.3 Loan Covenants and Capitalized Borrowing Costs

The loans from local and foreign banks impose certain restrictions with respect to corporate reorganization, disposition of all or a substantial portion of ICTSI's and subsidiaries' assets, acquisitions of futures or stocks, and extending loans to others, except in the ordinary course of business. ICTSI is also required to comply with a specified financial ratio relating to their debt to EBITDA up to 4 times when incurring additional debt.

There was no material change in the covenants related to the Group's long-term debt. As at December 31, 2025, ICTSI and subsidiaries were in compliance with their loan covenants.

Interest expense for long-term debt, net of amount capitalized as intangible assets and property and equipment, presented as part of "Interest expense and financing charges on borrowings" account in the consolidated statements of income, amounted to US$117.6 million in 2023, US$154.2 million in 2024 and US$146.5 million in 2025 (see Notes 5 and 6). These amounts include amortization of debt issuance costs, discount and premium of US$8.8 million in 2023, US$9.9 million in 2024 and US$8.2 million in 2025.

16. Other Noncurrent Liabilities

This account consists of:

	2023	2024	**2025**
Retirement liabilities (Note 23)	US$19,046,193	US$18,640,759	**US$18,785,297**
Derivative liabilities	10,316,934	–	**10,094,557**
Accrued taxes and others (Note 18)	10,939,692	3,643,451	**2,562,095**
Others	6,854,482	11,884,840	**2,629,102**
	US$47,157,301	US$34,169,050	**US$34,071,051**

Accrued taxes and others include CGSA's customs duties payable in relation to the importation of port equipment amounting to US$8.5 million, US$1.7 million, and US$2.6 million as at December 31, 2023, 2024 and 2025, respectively.

17. Loans Payable

A summary of outstanding balance of loans payable as at December 31 is presented below:

	Company	2023	2024	**2025**
Secured fixed interest JPY loan [(a)]	ICTSI	US$–	US$155,597,965	**US$–**
Unsecured floating interest PGK loan [(b)]	SPICTL	2,681,325	4,953,315	–
Unsecured floating interest PGK loan [(b)]	MITL	2,681,324	4,953,315	–
Secured fixed interest USD loan [(c)]	CGSA	–	2,000,000	–
Secured fixed interest USD loan [(d)]	ICTSI Ltd.	134,200,000	–	–
		US$139,562,649	US$167,504,595	**US$–**

[(a)] ICTSI availed of short-term loans amounting to JPY24.5 billion with a tenor of one year. ICTSI entered into cross-currency swaps to hedge the foreign exchange exposure of these loans. The facility is secured by short-term investments held by CMSA amounting to MXN2.9 billion (US$140.7 million) as of December 31, 2024.

[(b)] The PGK-denominated short-term loans bear interest based on the lending bank's published Indicator Lending Rate minus an agreed margin.

[(c)] The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured"). The loan was repaid in February 2025.

[(d)] The facility is secured by short-term investments held by CMSA amounting to MXN2.6 billion (US$155.2 million) as of December 31, 2023. On January 17, 2024, ICTSI Ltd. availed of a short-term loan amounting to US$104.5 million at a fixed interest rate. The loan was repaid in March 2024. ICTSI Ltd. paid off US$134.2 million short-term loans in 2024.

All short-term loans have been fully paid in 2025. Interest expense incurred related to the loans payable amounted to US$22.8 million in 2023, US$5.1 million in 2024 and US$0.9 million in 2025.

18. Accounts Payable and Other Current Liabilities

This account consists of:

	2023	2024	**2025**
Trade (Note 22)	US$206,633,780	US$247,854,103	**US$272,037,160**
Accrued expenses:			
Salaries and benefits	46,459,838	43,932,935	**74,187,880**
Output and other taxes	40,889,610	42,135,068	**65,334,311**
Interest (Notes 15 and 17)	23,893,273	26,048,694	**23,718,309**
Operating expenses and others	26,150,349	22,627,659	**39,332,995**
Put option liability (Note 1.4)	–	–	**65,192,499**
Customers' deposits	24,226,792	28,663,146	**28,896,382**
Provisions for claims and losses (Note 25)	21,319,416	15,660,806	**19,784,854**
Dividends payable	5,391,163	8,850,093	**12,481,245**
Others	17,171,302	15,734,942	**25,155,124**
	US$412,135,523	US$451,507,446	**US$626,120,759**

Trade payables are noninterest-bearing and are generally settled on 30 to 60-day terms.

Provisions for claims and losses pertain to estimated probable losses in connection with legal cases and negotiations involving cargo, labor, contracts and other issues. The movements in this account follow:

	2023	2024	**2025**
Balance at beginning of year	US$19,673,523	US$21,319,416	**US$15,660,806**
Provision during the year	8,002,164	4,590,645	**9,827,284**
Settlement and reversal during the year	(7,110,345)	(9,011,949)	**(4,129,445)**
Translation adjustment	754,074	(1,237,306)	**(1,573,791)**
Balance at end of year	US$21,319,416	US$15,660,806	**US$19,784,854**

19. Share-based Payment Plan

Certain officers and employees of the Group receive remuneration through share-based payment transactions, whereby officers and employees are given awards, in the form of ICTSI common shares as equity-settled transactions, in lieu of cash incentives and bonuses under the Stock Incentive Plan (SIP). The SIP was approved by the stockholders of ICTSI on March 7, 2007, effective for a period of 10 years unless extended by the Board. On March 7, 2016, the Board approved for the extension of the SIP for a further 10 years until March 2027 and the amendment of vesting period of the SIP. The vesting period of the SIP was amended from two years where 50% is to vest on the first anniversary date of the award and the other 50% to vest on the second anniversary date of the award, to three years where 25% is to vest on the first anniversary date of the award, 25% to vest on the second anniversary date of the award, and 50% to vest on the third anniversary date of the award. Unless the Stock Incentive Committee determines otherwise, when dividends are declared by the Parent Company, the number of shares subject to an award shall be increased by the number equal in value to the dividends the awardee would have received in respect of an award had the shares awarded to the awardee vested at the time of the dividend declaration. This is designated as the Dividend Re-investment Plan (DRIP).

The shares covered by the SIP are held under treasury until they are awarded and issued to the officers and employees as determined by the Stock Incentive Committee. A portion of ICTSI common shares held under treasury are allotted for the SIP.

The grant of shares under the SIP does not require an exercise price to be paid by the awardee. Awardees who resign or are terminated will lose any right to unvested shares. In the event of retirement of an awardee, the unvested shares shall automatically vest in full. In the event of death or total disability of an awardee, the outstanding unvested shares shall vest in full and the shares will be released to the designated heirs of the awardee. A change in control in ICTSI will trigger the automatic vesting of unvested awarded shares. There are no cash settlement alternatives.

The SIP covers permanent and regular employees of ICTSI with at least one-year tenure; officers and directors of ICTSI, its subsidiaries or affiliates; or other persons who have contributed to the success and profitability of ICTSI or its subsidiaries or affiliates.

Stock awards, including DRIP shares, granted by the Stock Incentive Committee to officers and employees of the Group for the past three years are shown below:

Grant Date	Number of Shares Granted	Fair Value per Share at Grant Date
March 1, 2023	2,238,750	US$3.62 (₱198.98)
March 28, 2023	197,522	US$3.80 (₱207.00)
March 1, 2024	1,978,205	US$5.06 (₱283.20)
March 25, 2024	153,920	US$5.62 (₱317.19)
March 3, 2025	1,957,959	US$5.87 (₱340.00)
March 28, 2025	179,196	US$6.41 (₱368.00)

Fair value per share was determined based on the quoted market price of stock at the date of grant.

Movements in the stock awards (number of shares) in 2023, 2024 and 2025 follow:

	2023	2024	**2025**
Balance at beginning of year	4,176,507	4,285,683	**4,594,388**
Stock awards granted	2,436,272	2,132,125	**2,137,155**
Stock awards vested, issued and cancelled	(2,327,096)	(1,823,420)	**(1,893,099)**
Balance at end of year	4,285,683	4,594,388	**4,838,444**

Share-based payment expense presented as part of "Manpower costs" in the consolidated statements of income amounted to US$6.3 million in 2023, US$8.8 million in 2024 and US$11.1 million in 2025.

20. Income and Expenses

20.1 Other Income

This account consists of:

	2023	2024	**2025**
Rental income	US$3,419,237	US$3,707,638	**US$5,728,642**
Reversal of accrued taxes and other accruals	760,453	3,318,254	**3,212,366**
Gain on disposal of property and equipment	210,597	2,945,038	**370,059**
Gain on settlement of insurance and other claims	1,819,405	21,780,130	**218,737**
Dividend income	4,534	1,143,870	**4,656**
Income from amortization of government grant	1,116,469	–	**–**
Miscellaneous income	15,756,762	4,059,465	**8,375,744**
	US$23,087,457	US$36,954,395	**US$17,910,204**

Gain on Settlement of Insurance and Other Claims

Due to labor disruptions caused by International Longshore and Warehouse Union and ILWU Local 8 (collectively "ILWU") in Portland, Oregon from June 2012 and continuing over several years, ICTSI Oregon filed a claim in federal court for damages caused by the ILWU's unlawful secondary activity under the National Labor Relations Act. The claim went to trial, and a jury verdict awarded damages to ICTSI. On February 2, 2024, ILWU and ICTSI Oregon jointly announced that a settlement of all legal claims had been reached. The settlement resolves all of ICTSI Oregon's claims in the case on which ICTSI Oregon received payment of US$20.5 million in March 2024. The Group recorded the receipt of the US$20.5 million proceeds described above as part of "Other income" account in the consolidated statement of income.

20.2 Port Authorities' Share in Gross Revenues

This account represents variable port fees of the Group in accordance with the agreements with the port authorities where the Group operates, excluding variable port fees considered as "in-substance fixed payments" that formed part of concession rights and right-of-use assets that are amortized on a straight-line basis over the term of the concession (see Note 24).

20.3 Other Expenses

	2023	2024	**2025**
Management fees (Note 22.1)	US$5,051,010	US$4,819,316	**US$4,468,043**
Other financing charges	2,377,620	2,348,586	**3,259,776**
Restructuring and separation costs	894,150	2,869,300	**1,205,925**
Loss on disposal of property and equipment	1,838,967	442,367	**311,918**
Loss on disposal of a subsidiary (Note 1.2)	–	1,639,535	–
Unutilized taxes and other expenses	14,088,190	14,654,406	**22,895,527**
	US$24,249,937	US$26,773,510	**US$32,141,189**

Restructuring and Separation Costs
Restructuring and separation costs pertain to costs incurred with respect to cost optimization and rationalization in response to market developments in certain terminals.

Unutilized Taxes and Other Expenses
This includes tax assets that cannot be utilized by certain terminals.

21. Income Tax

The components of recognized deferred tax assets and liabilities are as follows:

	2023	2024	**2025**
Deferred tax assets on:			
Right-of-use asset and lease liability under PFRS 16	US$178,854,736	US$132,970,104	**US$156,320,807**
Unrealized foreign exchange losses	85,578,716	98,315,964	**81,719,001**
Intangible assets and concession rights payable under IFRIC 12	48,088,431	47,456,861	**50,963,319**
NOLCO	57,193,730	37,193,276	**25,131,281**
Accrued retirement cost and other expenses	6,885,336	8,032,283	**9,955,876**
Unrealized mark-to-market loss on derivatives	14,804,555	666,844	**7,073,854**
Allowance for doubtful accounts and other provisions	1,871,132	1,887,130	**4,903,608**
Share-based payments	1,504,289	2,265,298	**3,353,730**
Allowance for obsolescence	768,338	753,746	**829,504**
Others	13,104,016	14,334,025	**17,279,397**
	US$408,653,279	US$343,875,531	**US$357,530,377**
Deferred tax liabilities on:			
Accelerated depreciation and translation difference between functional and local currency	US$87,266,969	US$77,571,905	**US$83,911,935**
Excess of fair value over book value of net assets of acquired subsidiaries	100,833,854	87,079,296	**83,723,784**
Undistributed earnings of subsidiaries	14,968,698	26,547,534	**44,091,279**
Difference in depreciation and amortization periods of port infrastructure classified as concession rights	37,687,623	40,033,903	**43,321,305**
Nonmonetary assets	7,588,451	10,445,716	**11,456,620**
Capitalized borrowing costs	8,429,825	6,622,734	**7,901,684**
Unrealized foreign exchange gains	3,199,094	2,761,976	**2,708,512**
Unrealized mark-to-market gain on derivatives	2,912,045	1,908,666	**514,323**
Others	10,635,975	9,180,277	**11,203,070**
	US$273,522,534	US$262,152,007	**US$288,832,512**

The Parent Company is subject to income tax based on its Philippine peso books even as its functional currency is US dollars. As a result, the Parent Company's US dollar-denominated net monetary liabilities were translated to Philippine peso giving rise to the recognition of deferred tax asset on net unrealized foreign exchange losses. The deferred tax asset on net unrealized foreign exchange losses amounting to US$82.4 million, US$95.6 million and US$79.0 million as at December 31, 2023, 2024 and 2025, respectively, mainly pertains to Parent Company.

Deferred tax assets on NOLCO of certain subsidiaries were not recognized as management believes that these subsidiaries may not have sufficient future taxable profits against which the deferred tax assets can be utilized. Deferred tax assets are recognized for subsidiaries when there is expectation of sufficient future taxable profits from which these deferred tax assets can be utilized.

Deferred taxes were not provided for undistributed earnings of subsidiaries in retained earnings position that are not taxable upon distribution or where the Parent Company has control over the distribution of such earnings in the foreseeable future, as these may be earmarked for reinvestment in foreign port projects or for other reasons.

The Group recognized deferred tax on remeasurement gains and losses on defined benefit plans in other comprehensive income amounting to US$0.3 million in 2023, US$0.1 million in 2024 and US$0.2 million in 2025.

A reconciliation of income tax expense on income before income tax at the statutory tax rates to provision for income tax for the years presented is as follows:

	2023	2024	**2025**
Income tax expense computed at statutory tax rates applicable to the Parent Company and each subsidiary	US$189,162,161	US$307,614,284	**US$418,891,264**
Add (deduct):			
Income tax incentives	(34,226,901)	(46,917,823)	**(58,906,513)**
Nondeductible expenses and tax losses of subsidiaries	4,896,073	12,540,266	**16,603,952**
Interest income already subjected to final tax	(1,295,584)	(4,572,611)	**(3,041,036)**
Others	7,879,938	1,379,029	**5,726,595**
Provision for income tax	US$166,415,687	US$270,043,145	**US$379,274,262**

Base Erosion and Profit Shifting (BEPS) Pillar Two

The Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR750 million per their consolidated financial statements.

The Pillar Two model rules introduce new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payments/Profits Rule (UTPR)

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning January 1, 2025.

The Group has determined that the impact of Pillar Two Model Rules is not material to the consolidated financial statements in 2025 and 2024 based on the Group's country-by-country reporting and the most recent information available regarding the financial performance of the constituent entities in the Group.

For the years ended December 31, 2024 and 2025, the Group has applied the amendment to PAS 12, *Income Taxes*, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

22. **Related Party Transactions**

22.1 Transactions with the Shareholders and Affiliates

			2023		2024		**2025**	
Related Party	Relationship	Nature of Transaction	Transaction Amount [i]	Outstanding Receivable (Payable) Balance	Transaction Amount [i]	Outstanding Receivable (Payable) Balance	**Transaction Amount [i]**	**Outstanding Receivable (Payable) Balance**
					(In Millions)			
SPIA Spain S.L.								
SPIA	Joint venture	Interest-bearing loans [ii]	US$13.68	US$212.63	US$11.53	US$163.12	**US$11.10**	**US$173.11**
YICT								
Yantai Port Holdings (YPH)	Non-controlling shareholder	Trade transactions [iii]	0.90	(0.11)	3.27	(0.05)	**3.34**	**(0.09)**
Yantai Port Container Terminal Ltd. (YPHT)	Common shareholder	Outsourced services [iv]	5.35	0.93	5.71	0.56	**5.98**	**0.62**
Yantai Port Group (YPG)	Common shareholder	Cargo handling charges [v]	3.43	0.83	3.20	0.46	–	–
		Trade transactions [iii]	2.10	–	0.12	–	**0.30**	**(0.01)**
SCIPSI								
Asian Terminals, Inc.	Non-controlling shareholder	Management fees	0.15	0.01	0.02	(0.01)	**0.16**	**(0.02)**
AGCT								
Luka Rijeka D.D. (Luka Rijeka)	Non-controlling shareholder	Provision of services [vi]	1.28	(0.11)	0.30	–	**0.05**	–
PICT								
Bilal Associates (Pvt) Limited	Common shareholder	Stevedoring and storage charges [vii]	0.28	–	–	–	**–**	**–**
		Container handling revenue [vii]	0.02	–	–	–	**–**	**–**
Bay West (Pvt) Ltd	Common shareholder	Container handling revenue [vii]	0.04	–	–	–	**–**	**–**
LGICT								
NCT Transnational Corp.	Non-controlling shareholder	Management fees	0.32	(0.07)	0.10	–	**–**	**–**
		Maintenance and repairs	0.09	(0.03)	0.06	(0.01)	**0.10**	**(0.02)**

(Forward)

(i) *Amount of transactions do not include payments, collections and foreign exchange movements.*
(ii) *On October 1, 2018, IEBV assigned to SPIA Spain S.L. all its outstanding interest-bearing loans, including interest converted into interest-bearing loan, and interest receivable from SPIA as of the same date, amounting to US$321.1 million and US$9.6 million, respectively. The funds were used by SPIA to finance the construction of its terminal and its start-up operations in Colombia.*
(iii) *Trade transactions include utilities, rental and other transactions paid by YICT to YPH and YPG.*
(iv) *YPHT outsources its domestic container terminal business to YICT.*
(v) *YICT is authorized under the Joint Venture Agreement to collect port charges levied on cargoes, port construction fees and facility security fees in accordance with government regulations. Port fees remitted by YICT for YPG are presented as part of "Port authorities' share in gross revenues" in the consolidated statement of income. Outstanding payable to YPG related to these port charges are presented under "Accounts payable and other current liabilities" account in the consolidated balance sheet.*
(vi) *AGCT has entered into agreements with Luka Rijeka, a non-controlling shareholder, for the latter's provision of services such as equipment maintenance, power and fuel and supply of manpower, among others. Total expenses incurred by AGCT in relation to these agreements were recognized and presented in the consolidated statement of income as part of Manpower costs, Equipment and facilities-related expenses and Administrative and other operating expenses.*
(vii) *PICT has entered into an agreement with Bilal Associates (Pvt) Limited and Bay West (Pvt) Ltd to render stevedoring and other services (i.e. storage and container handling service), which are settled on a monthly basis.*

Related Party	Relationship	Nature of Transaction	2023 Transaction Amount (i)	2023 Outstanding Receivable (Payable) Balance	2024 Transaction Amount (i)	2024 Outstanding Receivable (Payable) Balance	**2025 Transaction Amount (i)**	**2025 Outstanding Receivable (Payable) Balance**
					(In Millions)			
IDRC								
Ledya SARL	Non-controlling shareholder	Management fees	3.60	(0.90)	3.60	–	**3.60**	**–**
		Loans (viii)	3.06	–	–	–	**–**	**–**
Parent Company								
Prime Metro BMD Corporation	Common shareholder	Purchase of services (ix)	9.23	(2.03)	18.67	(13.23)	**40.78**	**(6.19)**
		Sublease (x)	–	0.08	–	(0.07)	**–**	**(0.07)**
Prime Metro Power Holdings Corporation	Common shareholder	Reimbursement of operating expenses and sublease (x)	0.01	0.06	–	0.06	**–**	**0.06**
Prime Metroline Infrastructure Holdings Corporation	Common shareholder	Reimbursement of operating expenses and sublease (x)	0.04	(0.03)	–	0.06	**–**	**–**
		Sale of asset (xi)	0.75	0.56	–	–	**–**	**–**
FAMI	Joint Venture	Reimbursement of operating expenses	0.01	0.45	–	0.07	**0.23**	**0.53**
		Management fees	1.79	(0.31)	2.18	(0.38)	**0.43**	**(0.48)**
ACTSI	Joint Venture	Lease of asset (xii)	–	–	15.54	(15.38)	**0.70**	**(14.09)**
ICTSI Ltd.								
FAMI	Joint Venture	Working capital advances	0.14	0.14	0.33	0.33	**0.16**	**0.54**
ACTSI	Joint Venture	Interest-bearing loans (xiii)	0.49	9.50	0.55	10.37	**0.33**	**10.84**
		Working capital advances	–	–	–	–	**1.88**	**1.88**
IW Cargo Handlers, Inc.								
ACTSI	Common shareholder	Sale of asset (xiv)	17.20	17.20	0.46	–	**–**	**–**

The outstanding balances arising from these related party transactions are current and payable without the need for demand.

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2023, 2024 and 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

22.2 Compensation of Key Management Personnel

Compensation of key management personnel consists of:

	2023	2024	**2025**
Short-term employee benefits	US$699,210	US$707,089	**US$742,964**
Post-employment employee benefits	34,248	31,151	**29,224**
Share-based payments	1,434,280	1,963,017	**2,434,329**
Total compensation to key management personnel	US$2,167,738	US$2,701,257	**US$3,206,517**

(viii) In April 2023, IDRC entered into a shareholder loan agreement with Ledya SARL. The loan was settled in June 2023.
(ix) ICTSI has entered into contracts with Prime Metro BMD Corporation for the construction, dredging works, and repairs and maintenance of port facilities.
(x) ICTSI has entered into contracts with Prime Metro BMD Corporation, Prime Metro Power Holdings Corporation and Prime Metroline Infrastructure Holdings Corporation for the sublease of office space.
(xi) ICTSI and Prime Metroline Infrastructure Holdings Corporation entered into an agreement for the sale of certain leasehold improvements.
(xii) On November 29, 2024, ICTSI and ACTSI entered into an agreement for the lease of transportation equipment with a term of 10 years.
(xiii) These loans were obtained through a series of issuances with terms ranging from five to 12 years from their respective issuance dates, and bear fixed interest rates.
(xiv) On December 12, 2023, IW Cargo Handlers, Inc. and ACTSI entered into a deed of absolute sale for the sale of transportation equipment and related accessories. The receivable was settled in September 2024.

23. **Retirement Plans**

Defined Benefit Plans

Some subsidiaries have separate, noncontributory, defined benefit retirement plans covering substantially all of its regular employees. The benefits are based on employees' salaries and length of service.

Defined benefit plans consist of:

	2023	2024	**2025**
Retirement benefit liabilities (presented as part of "Other noncurrent liabilities")			
Asia	US$8,098,191	US$7,608,942	**US$5,006,518**
EMEA	3,759,204	3,963,728	**4,714,842**
Americas	7,188,798	7,068,089	**9,063,937**
	US$19,046,193	US$18,640,759	**US$18,785,297**

Retirement Benefit Liabilities. The following tables summarize the components of the Group's retirement benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated balance sheets.

	2023	2024	**2025**
Retirement benefits expense:			
Current service cost	US$2,280,227	US$2,438,195	**US$2,819,106**
Net interest cost	629,291	624,159	**897,899**
Past service cost	30,524	326,310	**(122,176)**
Settlement loss	323,524	158,010	**–**
	US$3,263,566	US$3,546,674	**US$3,594,829**
Retirement benefit liabilities:			
Present value of defined benefit obligation	US$29,751,568	US$32,931,644	**US$36,766,102**
Fair value of plan assets	(10,705,375)	(14,290,885)	**(17,980,805)**
	US$19,046,193	US$18,640,759	**US$18,785,297**

	2023	2024	**2025**
Changes in the present value of the defined benefit obligation:			
Balance at beginning of year	US$27,211,148	US$29,751,568	**US$32,931,644**
Current service cost	2,280,227	2,438,195	**2,819,106**
Interest cost	1,107,270	1,182,657	**1,628,042**
Actuarial loss	929,486	1,574,940	**1,746,947**
Past service cost (credit)	30,524	326,310	**(122,176)**
Benefits paid	(3,078,528)	(2,539,046)	**(2,873,821)**
Settlement loss	323,524	158,010	**–**
Translation adjustment	1,015,906	197,264	**615,337**
Net acquired (released) liability due to employee transfers	(67,989)	(158,254)	**21,023**
Balance at end of year	US$29,751,568	US$32,931,644	**US$36,766,102**

	2023	2024	**2025**
Changes in fair value of plan assets:			
Balance at beginning of year	US$9,601,176	US$10,705,375	**US$14,290,885**
Interest income	477,979	558,498	**730,143**
Actuarial gain	520,469	1,466,220	**1,199,649**
Benefits paid	(2,067,856)	(1,487,435)	**(2,023,371)**
Actual contributions	2,699,696	2,720,883	**4,013,213**
Translation adjustment	(526,089)	327,344	**(229,714)**
Balance at end of year	US$10,705,375	US$14,290,885	**US$17,980,805**

The Group expects to contribute US$2.4 million to the retirement plans of the Parent Company and its subsidiaries next year.

The principal assumptions used in determining the Group's defined benefits obligation are shown below (in percentage):

	2023	2024	**2025**
Discount rate			
Asia	6.06% - 6.15%	6.04% -6.17%	**6.07% -6.56%**
EMEA	3.40% - 10.28%	3.40% - 11.54%	**5.00% - 11.80%**
Americas	5.83% - 9.45%	5.27% - 10.39%	**5.11% - 9.55%**
Future salary increases			
Asia	3.00% - 6.00%	3.00% - 9.00%	**2.00% - 9.69%**
EMEA	3.00% - 5.00%	3.00% - 5.00%	**3.00% - 5.00%**
Americas	1.40% - 5.50%	1.41% - 6.00%	**1.30% - 5.50%**

A quantitative sensitivity analysis for significant assumptions as at December 31, 2025 is shown below (amounts in millions):

	Discount rate		Future salary increases	
Sensitivity level	-1%	+1%	-1%	+1%
Impact on the net defined benefit obligation	US$1.7	(US$1.5)	(US$1.6)	US$1.8

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected to be made in the future out of the defined benefit plan obligations:

	2023	2024	**2025**
Within the next 12 months	US$4,762,567	US$5,440,912	**US$6,088,499**
Between 1 and 5 years	5,849,960	6,695,284	**7,794,731**
Between 5 and 10 years	8,741,179	10,323,910	**13,057,965**
Beyond 10 years	40,021,074	59,177,814	**50,156,709**
Total expected payments	US$59,374,780	US$81,637,920	**US$77,097,904**

The average duration of the defined benefit plan obligations as at December 31, 2025 is 15 years.

Certain benefit retirement plans are funded and administered by various trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan.

The following table presents the carrying amounts and fair values of the combined assets of the plans less liabilities:

	2023	2024	**2025**
Cash and cash equivalents	US$577,966	US$511,766	**US$519,559**
Investments in debt securities	2,505,089	2,605,417	**2,462,263**
Investments in government securities	5,323,204	7,249,178	**9,454,854**
Investments in equity securities	2,225,159	3,764,524	**5,151,232**
Others	79,877	167,017	**401,609**
	10,711,295	14,297,902	**17,989,517**
Liabilities	(5,920)	(7,017)	**(8,712)**
	US$10,705,375	US$14,290,885	**US$17,980,805**

The plan assets' carrying amounts approximate their fair values since these are either short-term in nature or have been stated at fair values.

The plan assets consist of the following:

- Cash and cash equivalents, which includes regular savings and time deposits;
- Investments in corporate debt instruments, consisting of both short-term and long-term corporate loans, notes and bonds;
- Investments in government securities, consisting of retail treasury bonds;
- Investments in equity securities include investment in shares of stock of ICTSI amounting to US$1.8 million, US$2.6 million and US$3.8 million as at December 31, 2023, 2024 and 2025, respectively. For the years ended December 31, 2023, 2024 and 2025, mark-to-market gain arising from investment in ICTSI shares amounted to US$1.4 million, US$1.0 million and US$1.2 million, respectively. The voting rights over the equity securities are exercised by the authorized officers of the Parent Company;
- Other financial assets held by these plans are primarily accrued interest income on cash deposits and debt securities held by the plan; and
- Liabilities of the plan pertain to trust fee payable and retirement benefits payable.

Defined Contribution Plans

For the years ended December 31, 2023, 2024 and 2025, contributions to defined contribution plans by certain subsidiaries recognized as expense under manpower costs amounted to US$3.6 million, US$4.5 million and US$4.8 million, respectively.

24. Significant Contracts and Agreements

24.1 Concession Contracts

The Group has entered into a number of concession contracts for the operation, development and management of ports (containerized, general cargo or multipurpose terminals), subject to conditions such as payment of upfront fees, fixed fees and variables fees based on TEU volume or revenue from port operations. Certain concession agreements provide for periodic repricing of the fees payable to the port authorities based on an index or a rate, such as inflation rate. Some contracts require the Group to invest on port infrastructures and facilities and to acquire various port equipment. The Group may account for the concession arrangement under IFRIC 12, PFRS 16 or other applicable standards depending on the terms and conditions of the concession agreement. Refer to the Group's material accounting policies disclosed in Note 3 to the consolidated financial statements. Future cash outflows relating to concession arrangements are presented as cash outflows relating to concession rights payable and lease liabilities disclosed in Note 27 to the consolidated financial statements.

Concession arrangements for MICT, MCT (starting December 2024), MICTSL, CGSA, Tecplata, SBITC, ICTSI Subic, AGCT, OPC, BGT, MITL, SPICTL, MNHPI, ICTSI Rio, KMT, EJMT and PICT (ended June 2023) have been accounted for under IFRIC 12. Concession arrangements that have been accounted for under PFRS 16 are disclosed in Note 7 to the consolidated financial statements.

24.2 Joint Venture Contract on YICT

On July 1, 2014, the Group, through its subsidiary IHKL, acquired 51% of the total equity interest of YICT, forming a joint venture with Yantai Port Holdings (YPH) and DP World having 36.5% and 12.5% ownership interest, respectively. Pursuant to the said joint venture agreement, the Board of YICT shall be comprised of six members, three of which the Group has the right to elect. The Chairman of the Board shall be appointed by the Group and the said Chairman shall be entitled to a casting vote in the event of equality of votes. The Group is also entitled to appoint the General Manager and Financial Controller. The land operated by YICT was contributed by YPH and is valid until August 28, 2043.

YICT is authorized by YPH to collect, on its behalf, the port charges (including port charges levied on cargoes and facilities security fees) in accordance with the state regulations and shall, after retaining 50% of the port charges levied on cargoes (as the fees for maintaining the facilities within the port owned by YICT) and 80% of the facilities security fees (as the fees for maintaining and improving the security facilities within the terminal owned by YICT) collected, pay to YPH the remaining parts no later than the fifteenth (15^{th}) day of the following month.

25. Contingencies

Due to the nature of the Group's business, it is involved in various legal proceedings, both as plaintiff and defendant, from time to time. The majority of outstanding litigation involves subrogation claims under which insurance companies have brought claims against the operator, shipping lines and/or brokerage firms for reimbursement of their payment of insurance claims for damaged equipment, facilities and cargoes. Except as discussed below, ICTSI is not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated and its Board has no knowledge of any proceedings pending or threatened against the Group or any facts likely to give rise to any litigation, claims or proceedings which might materially affect its financial position or business. Management and its legal counsels believe that the Group has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal actions and proceedings, if any, will not have a material adverse impact on the Group's consolidated financial position and results of operations.

Arbitration against Republic of Honduras

The arbitration requested by ICTSI and its subsidiary in Honduras, Operadora Portuaria Centroamericana, S.A. de C.V. (OPC), against the Republic of Honduras were both registered by the International Centre for Settlement of Investment Disputes (ICSID) in August 2024. This was due to the sovereign decision of Honduras to denounce the ICSID treaty on February 24, 2024. In the arbitration proceedings, ICTSI and OPC alleged that the Republic of Honduras has breached certain obligations. There is no impact to day-to-day operations. ICTSI and OPC are open to further discussions with the Government of Honduras to seek appropriate solutions.

ICTSI and OPC appointed their member arbitrators respectively on April 5, 2025, and on May 28, 2025. The parties will continue to conduct a process in selecting the presiding arbitrator.

26. **Financial Instruments**

26.1 Fair Values

Set out below is a comparison of carrying amounts and fair values of the Group's long-term debt and concession rights payable whose fair values are different from their carrying amounts as at December 31:

	2023		2024		**2025**	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	**Carrying Amount**	**Fair Value**
Financial Liabilities						
Long-term debt	US$2,032,426,011	US$2,007,223,661	US$2,486,819,421	US$2,432,686,843	**US$3,151,388,833**	**US$3,113,358,383**
Concession rights payable	757,017,239	841,774,839	761,853,615	710,843,946	**780,470,640**	**751,378,437**

Carrying values of cash and cash equivalents, receivables, accounts payable and other current liabilities and loans payable approximate their fair values due to their short-term maturities and demand feature.

For variable interest-bearing loans repriced monthly or quarterly, the carrying amount approximates the fair value due to the regular repricing of interest rates.

The fair values of the US dollar-denominated notes and US dollar-denominated medium-term notes are based on quoted prices.

The fair value of other liabilities were estimated at the present value of all future cash flows discounted using the applicable rates for similar types of liabilities ranging from 2.93 to 14.23 percent in 2023, 3.20 to 16.01 percent in 2024 and 3.66 to 14.73 percent in 2025.

The fair values of derivative assets and liabilities are calculated using valuation techniques with inputs and assumptions that are based on market observable data and conditions.

26.2 Fair Value Hierarchy

The following tables below present the fair value hierarchy of the Group's financial instruments as at December 31:

	2023			
	Amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative assets	US$14,384,816	US$–	US$14,384,816	US$–
Financial assets at FVOCI	3,326,557	3,326,557	–	–
Liabilities measured at fair value:				
Derivative liabilities	10,316,934	–	10,316,934	–
Liabilities for which fair values are disclosed:				
Long-term debt	2,007,223,661	1,052,637,000	–	954,586,661
Concession rights payable	841,774,839	–	–	841,774,839

	2024			
	Amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative assets	US$14,409,113	US$−	US$14,409,113	US$−
Financial assets at FVOCI	4,368,112	4,368,112	−	−
Liabilities measured at fair value:				
Derivative liabilities	14,205,756	−	14,205,756	−
Liabilities for which fair values are disclosed:				
Long-term debt	2,432,686,843	1,062,855,000	−	1,369,831,843
Concession rights payable	710,843,946	−	−	710,843,946

	2025			
	Amount	**Quoted prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value:				
Derivative assets	**US$4,341,152**	**US$−**	**US$4,341,152**	**US$−**
Financial assets at FVOCI	**5,863,041**	**5,863,041**	**−**	**−**
Liabilities measured at fair value:				
Derivative liabilities	**12,598,754**	**−**	**12,598,754**	**−**
Liabilities for which fair values are disclosed:				
Long-term debt	**3,113,358,383**	**688,216,000**	**−**	**2,425,142,383**
Concession rights payable	**751,378,437**	**−**	**−**	**751,378,437**

In 2023, 2024 and 2025, there were no transfers between *Level 1* and *Level 2* fair value measurements and no transfers into and out of *Level 3* fair value measurements.

26.3 Derivative Financial Instruments

The Group enters into derivative transactions to eliminate risk exposures arising from changes in foreign exchange rates and interest rates. These derivatives are either designated as effective hedging instruments when criteria for hedge accounting have been met or accounted as freestanding derivatives. There are no material derivative instruments outstanding as at year-end.

26.4 Translation Hedging

To manage foreign exchange risk exposure, the Group uses non-derivative foreign currency denominated financial instruments as hedging instruments against forecasted transactions such as foreign currency denominated revenue from port operations (translation hedging). These instruments have the same critical terms as those of the hedged item, such as notional amount and payment dates. Economic relationship between the hedging instrument and the hedged item is established because all the critical terms matched. As such, these financial instruments have been designated as cash flow hedges of the hedged items. Details of the outstanding significant hedges used in translation hedging are as follows:

On April 1, 2023, ICTSI Nigeria, whose functional currency is NGN, designated its USD-denominated payable amounting to US$24.0 million, to hedge the currency risk on its forecasted USD-denominated revenues. Effective portion of the hedge is deferred in equity whereas any ineffective portion is recognized directly in earnings. Foreign currency translation gains or losses deferred in equity will be recycled to profit or loss upon occurrence of the forecasted revenue. As at December 31, 2024 and 2025, foreign currency translation loss on the USD-denominated payable aggregating to US$16.8 million and US$15.0 million was taken to other comprehensive loss under equity, respectively.

On June 1, 2023, BCT, whose functional currency is USD, designated its PLN-denominated lease liability related to the new 30-year lease agreement with the Port Authority of Gdynia S.A. (PAGSA) amounting to PLN605.3 million (US$142.9 million), to hedge the currency risk on its forecasted PLN-denominated revenues. Effective portion of the hedge is deferred in equity while any ineffective portion is recognized directly in earnings. Foreign currency translation gains or losses deferred in equity will be recycled to profit or loss upon occurrence of the forecasted revenue. As at December 31, 2024 and 2025, foreign currency translation loss on the PLN-denominated lease liability designated as cash flow hedge aggregating to US$2.9 million and US$27.2 million, respectively, were taken to other comprehensive loss under equity. No ineffectiveness was recognized in the consolidated statement of income for the years ended December 31, 2024 and 2025.

27. **Financial Risk Management Objectives and Policies**

The principal financial instruments of the Group comprise mainly of bank loans and cash and cash equivalents. The main purpose of these financial instruments is to raise working capital and major capital investment financing for the Group’s port operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

ICTSI has port operations and development projects in various countries. Short-term treasury activities are carried out at the subsidiary level, however, overall policy decisions concerning the Group’s financial risks are centralized at the Parent Company in Manila. The Board reviews and approves the Group’s policies for managing each of these risks, as summarized below, as well as authority limits. Treasury operations are reviewed annually by Internal Audit to ensure compliance with the Group’s policies.

ICTSI finances its business activities through a mix of cash flows from operations, long-term loans from banks and the capital markets. It is the Group’s policy to minimize the use of short-term loans. The Group’s borrowings are in US Dollar, Australian Dollar, Indonesian Rupiah, Papua New Guinean Kina, Philippine Peso, Nigerian Naira, Brazilian Real and Hongkong Dollar at fixed and floating rates of interest. The Group minimizes its currency exposure by matching its currency of borrowing to the currency of operations and functional currency at the relevant business unit whenever possible. It is, and has been throughout the year under review, the Group’s policy that no trading in financial instruments shall be undertaken.

In the context of PFRS 7, the main risks arising from the normal course of the Group’s business are interest rate risk, liquidity risk, foreign currency risk and credit risk.

<u>Working Capital Management</u>
The Parent Company has minimal working capital requirements due to the short cash collection cycle of its business. Working capital requirements are well within the credit facilities established which are adequate and available to the Parent Company to meet day-to-day liquidity and working capital requirements. The credit facilities are regularly reviewed by the Treasury Group to ensure that they meet the objectives of the Group. Most of the foreign operating subsidiaries currently do not access short-term credit facilities as their respective cash flows are sufficient to meet working capital needs.

Interest Rate Risk
The Group's exposure to market risk for changes in interest rates relates primarily to the Group's floating interest bank loans disclosed in Note 15 and is addressed by a periodic review of the Group's debt mix with the objective of reducing interest cost and maximizing available loan terms.

The sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's income before income tax, at December 31 are as follows (amounts in millions unless otherwise indicated):

		Effect on Income Before Income Tax		
	Increase/Decrease in Interest Rates (%)	2023	2024	**2025**
Loans	+1.0	(US$1.1)	(US$1.6)	**(US$4.5)**
	-1.0	1.1	1.6	**4.5**

Liquidity Risk
The Group monitors and maintains a certain level of cash and cash equivalents and bank credit facilities deemed adequate by management to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows. The Group's policy is that not more than 25 percent of borrowings should mature in any 12-month period. 8 percent, 22 percent and 8 percent of the Group's total borrowings, gross of debt issuance costs as at December 31, 2023, 2024 and 2025 respectively, will mature in the ensuing 12 months. The Group is re-assessing its policy in mitigating liquidity risk in line with the current developments and demands of its rapidly growing business.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31 based on contractual undiscounted payments (amounts in millions unless otherwise indicated).

	2023					
	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	Total
Long-term debt	US$9.2	US$11.7	US$21.8	US$843.8	US$1,174.3	US$2,060.8
Accounts payable and other current liabilities*	252.9	24.5	48.3	–	–	325.7
Other noncurrent liabilities*	–	–	–	6.9	–	6.9
Loans payable	49.2	90.4	–	–	–	139.6
Derivative liabilities	–	–	–	9.8	1.9	11.7
Concession rights payable	21.0	21.5	41.1	338.6	1,170.0	1,592.2
Lease liabilities	45.0	45.9	91.3	750.8	2,403.8	3,336.8
Total	US$377.3	US$194.0	US$202.5	US$1,949.9	US$4,750.0	US$7,473.7

Excludes statutory liabilities and provisions for claims and losses.

	2024					
	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	Total
Long-term debt	US$4.9	US$8.1	US$406.8	US$1,106.1	US$985.4	US$2,511.3
Accounts payable and other current liabilities*	289.6	30.2	45.2	–	–	365.0
Other noncurrent liabilities*	–	–	–	11.9	–	11.9
Loans payable	155.6	6.9	5.0	–	–	167.5
Derivative liabilities	14.2	–	–	–	–	14.2
Concession rights payable	20.5	21.3	40.9	427.9	1,072.3	1,582.9
Lease liabilities	44.0	44.9	88.5	912.0	2,370.1	3,459.5
Total	US$528.8	US$111.4	US$586.4	US$2,457.9	US$4,427.8	US$8,112.3

Excludes statutory liabilities and provisions for claims and losses.

	2025					
	Less than 3 Months	**3 to 6 Months**	**>6 to 12 Months**	**>1 to 5 Years**	**More than 5 Years**	**Total**
Long-term debt	**US$8.8**	**US$241.5**	**US$12.3**	**US$1,978.1**	**US$935.7**	**US$3,176.4**
Accounts payable and other current liabilities*	**373.3**	**24.4**	**49.2**	–	–	**446.9**
Other noncurrent liabilities*	–	–	–	**2.6**	–	**2.6**
Derivative liabilities	**2.5**	–	–	**10.1**	–	**12.6**
Concession rights payable	**20.5**	**20.5**	**41.8**	**344.4**	**1,092.5**	**1,519.7**
Lease liabilities	**46.7**	**47.1**	**94.5**	**770.6**	**2,098.6**	**3,057.5**
Put option liability**	**–**	**–**	**74.9**	**–**	**–**	**74.9**
Total	**US$451.8**	**US$333.5**	**US$272.7**	**US$3,105.8**	**US$4,126.8**	**US$8,290.6**

**Excludes statutory liabilities and provisions for claims and losses.*

***The put option is exercisable from 2026. For purposes of preparing the maturity profile, management assumed that the option will be exercised at the earliest possible date.*

The financial liabilities in the above tables are gross undiscounted cash flows. However, those amounts may be settled using cash on hand and in banks, aggregating US$422.1 million, US$515.4 million and US$531.8 million as at December 31, 2023, 2024 and 2025, respectively. Furthermore, cash equivalents, amounting to US$294.0 million, US$593.6 million and US$567.1 million as at December 31, 2023, 2024 and 2025, respectively, may also be used to manage liquidity.

Changes in Liabilities Arising from Financing Activities

	December 31, 2022	Cash flows	Foreign exchange movement	Translation Adjustment	Changes in fair values	Others*	December 31, 2023
Long-term debt	US$2,133,847,418	(US$111,146,228)	US$–	US$55,920	US$–	US$9,668,901	US$2,032,426,011
Lease liabilities	1,353,698,156	(165,642,959)	10,801,677	86,287,068	–	327,755,779	1,612,899,721
Concession rights payable	754,416,745	(85,853,252)	237,839	7,667,880	–	80,548,027	757,017,239
Accrued interest	24,082,009	(119,269,603)	–	1,180	–	119,079,687	23,893,273
Loans payable	337,020,000	(201,998,382)	4,095,000	446,031	–	–	139,562,649
Dividends payable	4,691,812	(428,241,674)	2,482	(716,219)	–	429,654,763	5,391,164
Total liabilities from financing activities	US$4,607,756,140	(US$1,112,152,098)	US$15,136,998	US$93,741,860	US$–	US$966,707,157	US$4,571,190,057

** Others include capitalization of fixed fees under IFRIC 12, remeasurement of present value of fixed fees under PFRS 16 and IFRIC 12, effect of business combination, reclassifications, accrual of dividends, amortization of debt issuance costs, accrual of interest from interest-bearing loans and accretion of interest on lease and concession rights payable.*

	December 31, 2023	Cash flows	Foreign exchange movement	Translation Adjustment	Changes in fair values	Others*	December 31, 2024
Long-term debt	US$2,032,426,011	US$476,878,230	US$–	(US$32,551,079)	US$–	US$10,066,259	US$2,486,819,421
Lease liabilities	1,612,899,721	(181,663,756)	(7,917,514)	(225,290,863)	–	306,828,575	1,504,856,163
Concession rights payable	757,017,239	(84,214,510)	(676,605)	27,626,659	–	62,100,832	761,853,615
Accrued interest	23,893,273	(148,405,100)	–	(284,225)	–	150,844,746	26,048,694
Loans payable	139,562,649	35,592,096	25,950	(7,676,100)	–	–	167,504,595
Dividends payable	5,391,164	(454,276,765)	(212,966)	(799,594)	–	458,748,254	8,850,093
Total liabilities from financing activities	US$4,571,190,057	(US$356,089,805)	(US$8,781,135)	(US$238,975,202)	US$–	US$988,588,666	US$4,955,932,581

** Others include capitalization of fixed fees under IFRIC 12, remeasurement of present value of fixed fees under PFRS 16 and IFRIC 12, effect of business combination, reclassifications, accrual of dividends, amortization of debt issuance costs, accrual of interest from interest-bearing loans and accretion of interest on lease and concession rights payable.*

	December 31, 2024	**Cash flows**	**Foreign exchange movement**	**Translation Adjustment**	**Changes in fair values**	**Others***	**December 31, 2025**
Long-term debt	**US$2,486,819,421**	**US$639,736,700**	**US$–**	**US$15,901,723**	**US$–**	**US$8,930,989**	**US$3,151,388,833**
Lease liabilities	**1,504,856,163**	**(189,784,085)**	**24,530,759**	**139,855,369**	**–**	**116,897,856**	**1,596,356,062**
Concession rights payable	**761,853,615**	**(83,775,802)**	**(353,310)**	**12,863,216**	**–**	**89,882,921**	**780,470,640**
Accrued interest	**26,048,694**	**(141,737,674)**	**–**	**184,355**	**–**	**139,222,934**	**23,718,309**
Loans payable	**167,504,595**	**(174,353,254)**	**(814,086)**	**7,662,745**	**–**	**–**	**–**
Dividends payable	**8,850,093**	**(556,202,913)**	**(413,001)**	**275,463**	**–**	**559,971,603**	**12,481,245**
Put option liability	**–**	**–**	**–**	**–**	**–**	**65,192,499**	**65,192,499**
Total liabilities from financing activities	**US$4,955,932,581**	**(US$506,117,028)**	**US$22,950,362**	**US$176,742,871**	**(US$)**	**US$980,098,802**	**US$5,629,607,588**

** Others include derecognition of lease liability as a result of acquisition of FII Inhaúma amounting to US$96.5 million (see Note 1.4), capitalization of fixed fees under IFRIC 12, remeasurement of present value of fixed fees under PFRS 16 and IFRIC 12, effect of business combination, reclassifications, accrual of dividends, amortization of debt issuance costs, accrual of interest from interest-bearing loans and accretion of interest on lease and concession rights payable.*

Foreign Currency Risk
In respect of financial assets and liabilities held in currencies other than the functional currencies of the Parent Company and the operating subsidiaries, the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot/forward rates where necessary to address short-term imbalances.

The following table shows the Group's significant foreign currency-denominated financial assets and liabilities and their US Dollar equivalents at December 31:

	2023		2024		**2025**	
	Foreign Currency	US Dollar	Foreign Currency	US Dollar	**Foreign Currency**	**US Dollar**
Current Financial Assets						
Cash and cash equivalents:						
Philippine peso	7,604,767,512	US$137,344,546	4,101,372,350	US$70,902,798	**9,572,398,856**	**US$162,823,590**
HNL	41,301,314	1,669,374	208,781,800	8,235,741	**231,023,030**	**8,782,910**
MGA	10,802,666,138	2,356,037	33,944,555,208	7,196,186	**37,018,107,326**	**8,156,463**
PLN	1,543,098	392,047	5,196,440	1,258,035	**16,149,843**	**4,499,817**
BRL	–	–	–	–	**20,632,428**	**3,754,354**
IQD	8,891,076,914	6,735,664	6,551,608,801	4,963,340	**2,408,309,240**	**1,838,404**
EUR	2,581,005	2,849,171	3,131,834	3,242,701	**1,200,216**	**1,409,774**
GEL	1,227,419	456,714	2,459,528	872,668	**3,450,830**	**1,280,029**
Receivables:						
MGA	8,580,214,935	US$1,871,326	19,019,368,982	US$4,032,073	**14,044,483,559**	**US$3,094,521**
Philippine peso	297,638,943	5,375,455	1,472,116,262	25,449,326	**168,937,886**	**2,873,582**
IQD	163,322,557	123,729	2,266,104,588	1,716,746	**2,535,731,630**	**1,935,673**
PLN	8,438,042	2,143,811	8,119,605	1,965,720	**5,949,672**	**1,657,752**
EUR	32,380	35,744	200,180	207,266	**1,057,127**	**1,241,701**
		161,353,618		130,042,600		**203,348,570**
Current Financial Liabilities						
Accounts payable and other current liabilities:						
Philippine peso	7,076,424,148	127,802,495	6,801,980,998	117,589,783	**7,477,389,986**	**127,188,127**
EUR	7,788,864	8,598,127	13,930,833	14,423,984	**6,613,222**	**7,767,891**
HNL	132,745,096	5,365,476	81,297,134	3,206,899	**171,016,241**	**6,501,604**
MGA	20,984,352,064	4,576,640	25,586,993,854	5,424,398	**28,254,831,138**	**6,225,588**
IQD	5,535,817,320	4,193,801	7,886,407,320	5,974,551	**7,834,215,270**	**5,980,317**
PLN	18,213,013	4,627,290	19,079,109	4,618,968	**20,725,983**	**5,774,863**
ARS	1,042,231,802	1,289,133	3,166,056,991	3,070,905	**5,773,168,403**	**3,977,045**
GEL	934,100	347,572	3,991,015	1,416,057	**2,941,556**	**1,091,122**
Noncurrent Financial Liabilities						
Long-term debt:						
HKD	–	–	–	–	**788,794,695**	**101,351,017**
Concession rights payable:						
Philippine peso	579,838,239	10,472,065	1,884,824,719	32,584,056	**1,959,560,002**	**33,331,519**
Lease liabilities:						
PLN	602,643,633	153,110,679	664,950,477	160,981,571	**780,460,034**	**188,945,924**
Other noncurrent liability:						
USD	23,204,085	23,204,085	23,204,085	23,204,085	**23,204,085**	**23,204,085**
		343,587,363		372,495,257		**511,339,102**
Net foreign currency-denominated financial liabilities		(US$182,233,745)		(US$242,452,657)		**(US$307,990,532)**

In translating the foreign currency-denominated monetary assets and liabilities into US dollar amounts, the Group used the exchange rates as shown in the table of exchange rates (see Note 3.3).

The following tables demonstrate the sensitivity to reasonably possible changes in US dollar exchange rate to other foreign currency exchange rates, with all other variables held constant as at December 31 (amounts in millions unless otherwise indicated). The sensitivity of the Group's income before income tax is arises from unhedged foreign currency-denominated financial assets and liabilities whereas on the sensitivity of the Group's equity before income tax arises from hedged foreign currency denominated financial liabilities (see Note 26).

	2023	
	Effect on Income Before Income Tax	Effect on Equity Before Income Tax
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	(US$1.4)	US$6.1
5% depreciation	1.5	(6.9)

	2024	
	Effect on Income Before Income Tax	Effect on Equity Before Income Tax
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	US$1.6	US$7.6
5% depreciation	(1.8)	(8.5)

	2025	
	Effect on Income Before Income Tax	**Effect on Equity Before Income Tax**
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	**(US$1.4)**	**US$13.9**
5% depreciation	**1.5**	**(15.5)**

Credit Risk

The Group trades only with recognized, creditworthy third parties and the exposure to credit risk is monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Since the Group trades only with recognized third parties, collateral is not required in respect of financial assets. Moreover, counterparty credit limits are reviewed by management on an annual basis. The limits are set to minimize the concentration of risks and mitigate financial losses through potential counterparty failure.

With respect to credit risk arising from the other financial assets of the Group, which comprise of cash and cash equivalents and short-term investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

As at December 31, 2023, 2024 and 2025, about 69 percent, 53 percent and 51 percent, respectively, of cash and cash equivalents of the Group is with Philippine local banks. Investments of funds are made only with counterparties approved by the Board. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheets.

Information about credit risk exposure on the Company's financial assets at year-end is as follows:

Cash in banks, cash equivalents and short-term investments - all considered investment grade, no allowance for ECL is recognized as at December 31, 2023, 2024 and 2025.

Receivables – see tables below:

December 31, 2023

In millions	Current	Days past due 1-30 days	31-60 days	61-120 days	More than 120 days	Total
ECL rate	0.5%	1.6%	3.5%	2.4%	35.1%	
Trade receivables	US$106.3	US$23.5	US$4.1	US$6.3	US$15.2	US$155.4
Allowance for ECL	0.5	0.4	0.1	0.2	5.3	6.5

In millions	Current	Days past due 1-30 days	31-60 days	61-120 days	More than 120 days	Total
ECL rate	12.9%	–	–	–	11.0%	
Nontrade receivables	US$28.2	US$0.8	US$0.2	US$0.8	US$8.2	US$38.2
Allowance for ECL	3.7	–	–	–	0.9	4.6

December 31, 2024

In millions	Current	Days past due 1-30 days	31-60 days	61-120 days	More than 120 days	Total
ECL rate	0.4%	2.5%	2.2%	2.0%	36.8%	
Trade receivables	US$116.1	US$17.9	US$5.2	US$4.6	US$14.9	US$158.7
Allowance for ECL	0.5	0.4	0.1	0.1	5.5	6.6

In millions	Current	Days past due 1-30 days	31-60 days	61-120 days	More than 120 days	Total
ECL rate	–	–	–	–	24.5%	
Nontrade receivables	US$8.3	US$5.7	US$0.5	US$15.2	US$14.2	US$43.9
Allowance for ECL	–	–	–	–	3.5	3.5

December 31, 2025

In millions	**Current**	**Days past due 1-30 days**	**31-60 days**	**61-120 days**	**More than 120 days**	**Total**
ECL rate	0.2%	0.7%	1.7%	2.9%	54.6%	
Trade receivables	US$148.9	US$25.1	US$5.6	US$3.3	US$12.5	US$195.4
Allowance for ECL	0.4	0.2	0.1	0.1	6.8	7.6

In millions	**Current**	**Days past due 1-30 days**	**31-60 days**	**61-120 days**	**More than 120 days**	**Total**
ECL rate	–	–	–	–	8.9%	
Nontrade receivables	US$7.1	US$4.3	US$1.8	US$1.7	US$25.2	US$40.1
Allowance for ECL	–	–	–	–	2.2	2.2

Capital Management

The primary objective of the Group's management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group considers total equity and debt as its capital. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and raise additional debt through either the bond or loan markets or prepay existing debt. No changes were made in the objectives, policies or processes during the years ended December 31, 2023, 2024 and 2025.

The Group monitors capital using gearing ratio. Gearing ratio is total debt over net worth (total equity) where total debt includes long-term debt and loans payable.

The Group's policy is to keep the gearing ratio within two times.

	2023	2024	**2025**
Long-term debt	US$2,032,426,011	US$2,486,819,421	**US$3,151,388,833**
Loans payable	139,562,649	167,504,595	–
Total debt (a)	US$2,171,988,660	US$2,654,324,016	**US$3,151,388,833**
Net worth or total equity (b)	US$1,905,167,788	US$1,904,126,854	**US$2,481,184,678**
Gearing ratio (a÷b)	1.14 times	1.39 times	**1.27 times**

28. Earnings Per Share Computation

The following table presents information necessary to calculate earnings per share:

	2023	2024	**2025**
Net income attributable to equity holders of the parent	US$511,529,938	US$849,798,990	**US$1,048,139,715**
Adjustment for the effect of cumulative distribution on subordinated perpetual capital securities (Note 14.4)	(29,026,678)	(19,805,096)	**(14,900,000)**
Net income attributable to equity holders of the parent, as adjusted (a)	US$482,503,260	US$829,993,894	**US$1,033,239,715**
Common shares outstanding at beginning of year	2,045,177,671	2,045,177,671	**2,045,177,671**
Weighted treasury shares	(13,596,351)	(12,371,238)	**(23,992,132)**
Weighted average shares outstanding (b)	2,031,581,320	2,032,806,433	**2,021,185,539**
Effect of dilutive stock grants	4,285,683	4,594,388	**4,838,444**
Weighted average shares outstanding adjusted for potential common shares (c)	2,035,867,003	2,037,400,821	**2,026,023,983**
Basic earnings per share (a÷b)	US$0.238	US$0.408	**US$0.511**
Diluted earnings per share (a÷c)	US$0.237	US$0.407	**US$0.510**

29. Other Matters

Impacts of the Macroeconomic, Regulatory and Geopolitical Environment
The Group's financials could be influenced by the effects of the broader macroeconomic, regulatory and geopolitical environment. Fluctuation of US dollar relative to other currencies and rising inflation may affect the Group's reported levels of revenues and profits. The imposition of new tariffs and changes to existing tariffs, along with the possibility of reciprocal tariffs, may impact businesses across industries. Geopolitical conflicts can have major economic impact on the affected regions.

Whilst these developments had no material impact on the Group's business, their scale andduration remain uncertain to date. It is not possible to estimate the impact of the near-term and longer effects of such events. The Group will continue to closely monitor the progress of these situations.

30. Events After the Balance Sheet Date

Acquisition of Durban Gateway Terminal (Pty) Ltd.
In December 2025, ICTSI, through its wholly-owned subsidiary, ICTSI EMEA FZCO, acquired 50% less one share of ownership in DGT for US$618.0 million, subject to closing conditions. The closing conditions were satisfied on January 1, 2026, which is the same date that ICTSI took over formal management and operation of DGT, the company that will operate DCT2. Concurrently, ICTSI was given the right to appoint three of the five members of the Board of Directors of DGT. In addition, Transnet recognized that ICTSI has the right to direct relevant operational and financial activities of DGT to affect performance, governance and returns to the shareholders.

DGT holds a sub-lease agreement with Transnet Port Terminals, a division of Transnet, which provides the former with an exclusive right to operate DCT2 from January 1, 2026 to December 31, 2050.

With ICTSI acquiring control over DGT through majority representation in the Board of Directors, the transaction is accounted for using the acquisition method under PFRS 3, *Business Combinations*.

The provisional fair values of the identifiable assets and liabilities of DGT on January 1, 2026, the date of acquisition, were as follows:

Assets	
Intangible assets	US$743,447,054
Right-of-use assets	244,947,939
Property and equipment	178,702,495
Other noncurrent assets	3,401,549
Spare parts and supplies	11,919,458
	US$1,182,418,495
Liabilities	
Lease liabilities	US$241,786,755
Deferred tax liabilities	200,730,705
	US$442,517,460
Total identifiable net assets at fair value	US$739,901,035
Noncontrolling interests	(369,957,917)
The Group's share in identifiable net assets	369,943,118
Goodwill arising on acquisition	248,056,882
Purchase consideration satisfied in cash*	US$618,000,000

** Paid in advance on December 30, 2025*

The net assets were based on a provisional assessment of their fair values while the Group has sought an independent valuation for the fixed assets and identifiable intangible assets. Adjustments to these provisional fair values shall be made within 12 months from the acquisition date, as allowed under PFRS 3.

The provisional goodwill recognized is primarily attributable to expected synergies arising from the acquisition. The intangible assets, except goodwill, are to be amortized over 25 years, the term of the sub-lease agreement.

VICT Extension of Concession Contract
On February 6, 2026, VICT and Port of Melbourne Operations Pty Ltd. signed an extension of its contract to operate and manage the Webb Dock East terminal located in the Port of Melbourne for another twenty-six (26) years extending the contract expiry from 2040 to 2066. The effective date of this agreement is subject to usual conditions precedent applicable to this kind of transaction.

Purchase of Treasury Shares
ICTSI acquired 125,000 treasury shares for US$1.2 million since January 2026.

SyCip Gorres Velayo & Co.
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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building, Manila International
Container Terminal South Access Road, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of International Container Terminal Services, Inc. and its subsidiaries (the Group) as at December 31, 2023, 2024 and 2025, and for each of the three years in the periods then ended, and have issued our report thereon dated March 4, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]
Martin C. Guantes
Partner
CPA Certificate No. [redacted]
[redacted]884-272
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. [redacted] (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. [redacted] (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. [redacted] October 23, 2023, valid until October 22, 2026
PTR No. [redacted], January 2, 2026, Makati City

March 4, 2026

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Building a better working world

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

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building,
MICT South Access Road, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of International Container Terminal Services, Inc. and Subsidiaries (the Group) as at December 31, 2023, 2024 and 2025, and for each of the three years in the periods then ended, and have issued our report thereon dated March 4, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Group'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 consolidated financial statements. This has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]

Martin C. Guantes
Partner
CPA Certificate No. [redacted]
Tax Identification No. [redacted]
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. [redacted] (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. [redacted] (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. [redacted] October 23, 2023, valid until October 22, 2026
PTR No. [redacted], January 2, 2026, Makati City

March 4, 2026

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building, Manila International
Container Terminal South Access Road, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of International Container Terminal Services, Inc. and its subsidiaries (the Group) as at December 31, 2023, 2024 and 2025, and for each of the three years in the periods then ended and have issued our report thereon dated March 4, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2023, 2024 and 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

[redacted]

Martin C. Guantes
Partner
CPA Certificate No. [redacted]
[redacted]884-272
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. [redacted] (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. [redacted] (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. [redacted], October 23, 2023, valid until October 22, 2026
PTR No. [redacted], January 2, 2026, Makati City

March 4, 2026

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule A. Financial Assets
December 31, 2025

Financial Assets	Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Valued Based on Market Quotation at End of Reporting Period	Income Received and Accrued
Financial Assets at FVTPL					
Freestanding Derivatives	N/A	N/A	US$4,341,152	N/A	US$–
Amortized Cost					
Cash and Cash Equivalents	N/A	N/A	1,098,830,301	N/A	37,854,877
Receivables	N/A	N/A	225,693,851	N/A	–
Restricted Cash	N/A	N/A	23,638,511	N/A	215,498
Short-term Investments	N/A	N/A	382,172	N/A	3,554,910
Financial Assets at FVOCI					
Quoted Equity Shares	N/A	N/A	5,863,041	US$5,863,041	–
Unquoted Equity Shares	N/A	N/A	653,205	N/A	–
			US$1,359,402,233	US$5,863,041	US$41,625,285

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2025

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Not Current	Balance at End of Period
			Amounts Collected	Amounts Written Off			

NOT APPLICABLE

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2025

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Current	Not current	Balance at End of Period
			Amounts collected	Amounts Written Off	Others			
Abbotsford Holdings, Inc.	US$1,219,239	US$–	(US$569,825)	US$–	US$2,838	US$–	US$652,252	US$652,252
Adriatic Gateway Container Terminal	119,410	260,404	(376,090)	–	(229)	–	3,495	3,495
Africa Gateway Terminal Co. Ltd.	683	–	–	–	–	–	683	683
Baltic Container Terminal Ltd.	38,379	658,037	(356,636)	–		–	339,780	339,780
Basra Gateway Terminal (BGT)	67,660	674,190	(705,027)	–	(7)	–	36,816	36,816
Batumi International Container Terminal LLC	54,207	490,873	(477,571)	–	60	–	67,569	67,569
Bauan International Port, Inc.	69,423	–	(947,339)	–	1,017,982	–	140,066	140,066
Catalyst Logistics Incorporated	1,480,280	488,462	(196,231)	–	(28,093)	–	1,744,418	1,744,418
Cavite Gateway Terminal, Inc.	699,078	15,258	(664,145)	–	5,914	–	56,105	56,105
CGSA B.V.	3,727	4,065	(7,114)	–	–	–	678	678
Contecon Guayaquil, S.A.	14,074,149	14,590,364	(28,657,735)	–	32	–	6,810	6,810
Contecon Manzanillo S.A.	4,614,938	29,210,257	(24,125,178)	–	910	–	9,700,927	9,700,927
CMSA BV	1,016	2,032	(2,710)	–	–	–	338	338
East Java Multipurpose Terminal	321,245	678,354	(391,256)	–	187	–	608,530	608,530
ICTSI Africa B.V.	678	4,065	(4,065)	–	–	–	678	678
ICTSI Americas B.V.	5,202	–	(5,202)	–	–	–	–	–
ICTSI Asia Pacific Business Services, Inc.	311,395	22	–	–	(12,219)	–	299,198	299,198
ICTSI EMEA B.V.	18,666	–	(2,710)	–	(15,395)	–	561	561
ICTSI Global Holdings B.V.	200,001,263	179,002,239	(410,002,710)	–	30,999,990	–	782	782
IWI Container Terminal Holdings, Inc.	1,127,561	1,918,281	(1,633,059)	–	(21,537)	–	1,391,246	1,391,246

(Forward)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Current	Not current	Balance at End of Period
			Amounts collected	Amounts Written Off	Others			
ICTSI DR Congo S.A.	US$484,923	US$2,061,486	(US$861,025)	US$–	(US$1,032)	US$–	US$1,684,352	US$1,684,352
ICTSI Africa (Pty) Ltd.	23,123	–	–	–	(23,123)	–	–	–
ICTSI Africa Headquarters (PTY) Ltd.	11,284	3,166	–	–	1,867	–	16,317	16,317
ICTSI Far East Pte. Ltd.	36	–	–	–	(1)	–	35	35
ICTSI (Hong Kong) Ltd.	88	32	–	–	(3)	–	117	117
Innovest Mauritius Ltd.	84,664	2	(84,666)	–	–	–	–	–
ICTSI Middle East FZCO	872,357	85,906,748	(84,260,065)	–	1,293,432	–	3,812,472	3,812,472
ICTSI Ltd. Regional Headquarters	313,520	–	–	–	(5,077)	–	308,443	308,443
ICTSI Oceania B.V.	1,016	2,033	(2,711)	–	–	–	338	338
ICTSI Rio Brasil Terminal 1 S.A.	1,409,220	6,714,905	(6,580,579)	–	–	–	1,543,546	1,543,546
ICTSI Sudan B.V.	118,211	–	–	–	(274)	–	117,937	117,937
Intermodal Terminal Holdings, Inc.	5,798	1,085	367	–	(152)	–	7,098	7,098
International Container Terminal Holdings, Inc.	–	–	–	–	4,000	–	4,000	4,000
IRB Logistica S.A.	23,020	–	(23,020)	–	–	–	–	–
Kribi Multipurpose Terminal	521,753	78,756	–	–	1,632	–	602,141	602,141
Laguna Gateway Inland Container Terminal, Inc.	89,914	618,639	(456,987)	–	(1,058)	–	250,508	250,508
Logipuerto S.A.	–	451	–	–	(445)	–	6	6
Madagascar International Container Terminal Services, Ltd.	422,930	4,212,416	(4,261,854)	–	5,804	–	379,296	379,296
Manila North Harbour Port, Inc.	421,703	12,117,444	(12,294,551)	–	102,586	–	347,182	347,182
Mindanao International Container Terminal Services, Inc.	548,309	2,077,314	(1,995,085)	–	(2,862)	–	627,676	627,676
Motukea International Terminal Limited	484,076	1,147,100	(1,530,073)	–	372	–	101,475	101,475
International Container Terminal Services Nigeria Ltd.	44,773	316,373	(325,001)	–	(89)	–	36,056	36,056

(Forward)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Current	Not current	Balance at End of Period
			Amounts collected	Amounts Written Off	Others			
Operadora Portuaria Centroamericana, S.A.	US$394,311	US$27,539,659	(US$27,530,172)	US$–	(US$179)	US$–	US$403,619	US$403,619
Pakistan International Container Terminal	1,247,683	–	–	–	(1,247,683)	–	–	–
Prime Staffers and Selection Bureau, Inc.	522	–	–	–	(9)	–	513	513
Sevilla Brokerage Incorporated	2,715,565	–	(527,290)	–	274,951	–	2,463,226	2,463,226
SPIA Colombia B.V.	1,694	4,065	(5,081)	–	–	–	678	678
SPIA Spain S.L.	143	–	–	–	(2)	–	141	141
Sociedad Puerto Industrial Aguadulce SA	–	–	–	–	33,884	–	33,884	33,884
South Cotabato Integrated Port Services, Inc.	18,675	655,253	(648,257)	–	(151)	–	25,520	25,520
South Pacific International Container Terminal Limited	263,694	2,089,064	(2,298,375)	–	1,386	–	55,769	55,769
Subic Bay International Terminal Holdings, Inc.	4,072,509	14,462,244	(18,534,755)	–	2	–	–	–
Tecplata S.A.	940,515	138,400		–	(1,415)	–	1,077,500	1,077,500
Tecon Suape, S.A.	503,109	29,169,762	(19,740,753)	–	735	–	9,932,853	9,932,853
Victoria International Container Terminal Ltd.	579,613	7,413,030	(7,294,384)	–	6,461	–	704,720	704,720
Yantai International Container Terminal Ltd.	35,964	26,002	(14,552)	–	187	–	47,601	47,601
Total	US$240,882,914	US$424,752,332	(US$658,393,472)	US$–	US$32,394,177	US$–	US$39,635,951	US$39,635,951

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule D. Long-term Debt
December 31, 2025

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Balance Sheet	Amount Shown Under Caption "Noncurrent Portion of Long-term Debt" in Related Balance Sheet	Remarks
ICTSI - US Dollar Term Loan		US$–	US$1,699,603,505	
ICTSI - US Dollar Bond		–	395,763,036	
ITBV - US Dollar Bond		–	293,725,010	
VICT - AUD Bond		11,889,566	253,219,055	
IGFBV - US Dollar Term Loan		239,821,499	–	
IGFBV - HK Dollar Term Loan		–	101,351,017	See Note 15 to the Audited Consolidated Financial Statements
BACT - IDR Term Loan		–	76,324,104	
EJMT - IDR Term Loan		–	51,769,077	
SPICTL - PGK Term Loan		5,861,902	11,333,615	
MITL - PGK Term Loan		1,664,869	3,775,266	
CGSA - US Dollar Term Loan		1,370,130	1,370,130	
FII Inhaúma - BRL Term Loan		1,183,911	210,967	
ICTSI Nigeria - NGN Term Loan		414,520	737,654	
		US$262,206,397	US$2,889,182,436	

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Companies)
December 31, 2025

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
	NONE	

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2025

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which this Statement is Filed	Nature of Guarantee
		NONE		

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule G. Capital Stock
December 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding As Shown Under Related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion, and Other Rights	Number of Shares Held By: Subsidiaries	Number of Shares Held By: Directors, Officers and Employees	Number of Shares Held By: Others
Preferred Shares						
Preferred A Shares	993,000,000	3,800,000	–	3,800,000	–	–
Preferred B Shares	700,000,000	700,000,000	–	–	700,000,000	–
Common Shares	4,227,397,381	2,018,828,262	26,349,409	–	990,297,139	1,028,531,123

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule H. Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2025

Name and Designation of Creditor	Balance at Beginning of Period	Additions	Deductions		Current	Not current	Balance at End of Period
			Amounts paid	Others			
Armazéns Gerais Sul das Gerais S.A. (CLIA Pouso Alegre)	US$–	US$–	US$–	US$25,143	US$–	US$25,143	US$25,143
CGSA Transportadora S.L.	–	–	–	29,698	–	29,698	29,698
Container Terminal Systems Solutions Philippines, Inc.	55	–	–	(55)	–	–	–
Cordilla Properties Holdings, Inc.	32,506	362,306	(362,306)	16,743	–	49,249	49,249
Davao Integrated Port and Stevedoring Services Corporation	1,447,951	1,402	(58,997)	(21,074)	–	1,369,282	1,369,282
ICTSI Americas B.V.	–	12,447	(13,916)	2,938	–	1,469	1,469
ICTSI Global Finance B.V.	146,369,692	107,510,797	–	(4,687,024)	1,068,845	248,124,620	249,193,465
ICTSI Ltd.	23,270,031	750,746	–	34,990	–	24,055,767	24,055,767
ICTSI Ltd. Regional Operating Headquarters	14,733,337	9,521,549	–	(1,262,295)	–	22,992,591	22,992,591
ICTSI Subic, Inc.	2,279,080	1,607,826	(1,651,612)	112	–	2,235,406	2,235,406
ICTSI South Pacific, Ltd.	23,773	165,463	(126,207)	(11)	–	63,018	63,018
ICTSI Treasury B.V.	803,460,250	33,842,682	–	(439,794,751)	1,980,351	395,527,830	397,508,181
International Container Terminal Holdings, Inc.	32,688	–	–	(32,688)	–	–	–
IRB Logistica S.A.	–	55,183	(77,777)	47,897	–	25,303	25,303
IW Cargo Handlers, Inc.	203,548	127,440	–	9,925	–	340,913	340,913
Logipuerto S.A.	349	–	–	(349)	–	–	–
Manila Harbor Center Port Services, Inc.	292,358	10,367,416	–	(10,493,790)	–	165,984	165,984
Royal Capital B.V.	311,618,771	16,642,411	–	(16,088,132)	2,963,079	309,209,971	312,173,050
Subic Bay International Terminal Corporation	2,274,386	2,762,662	(2,566,912)	(816)	–	2,469,320	2,469,320
Visayas Container Terminal, Inc.	3,067,720	3,105,611	–	(1,092,402)	–	5,080,929	5,080,929
Total	US$1,309,106,495	US$186,835,941	(US$4,857,727)	(US$473,305,941)	US$6,012,275	US$1,011,766,493	US$1,017,778,768

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule I. Parent Company Retained Earnings Available for Dividend Declaration
December 31, 2025

			Amount
Unappropriated parent company retained earnings, beginning of reporting period			US$597,636,453
Add/Less:			
Category A.	Item directly credited to unappropriated retained earnings due to disposal of FVOCI equity investments		1,007,795
Category B.	Dividend declaration during the reporting period		(500,505,531)
Unappropriated parent company retained earnings, as adjusted			98,138,717
Add:	Parent company net income for the current year	689,185,006	
Add/Less:			
Category C.1	Unrealized mark-to-market gain on derivatives	(3,754,586)	
Category C.2	Unrealized foreign exchange gain recognized in the profit or loss in prior reporting periods but realized in the current reporting period	2,562,971	
Category C.3	Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period	–	
Adjusted parent company net income			687,993,391
Add/Less:			
Category D.	Non-actual losses recognized in profit or loss during the reporting period		–
Category E.	Adjustments related to relief granted by the SEC and BSP		–
Category F.	Movement in deferred tax assets		18,363,712
	Movement in treasury shares		(50,009,634)
Unappropriated parent company retained earnings, end of reporting period available for dividend			US$754,486,186

ICTSI Group – Map of Subsidiaries

As of December 31, 2025

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule K. Schedule of Financial Soundness Indicators

	As at and for the Years Ended December 31	
	2024	**2025**
Liquidity ratios		
Current ratio[(a)]	1.39	**1.42**
Interest rate coverage ratio[(b)]	11.17	**14.55**
Solvency ratios		
Debt to equity ratio[(c)]	1.39	**1.27**
Asset to equity ratio[(d)]	4.02	**3.66**
Profitability ratio		
EBITDA margin[(e)]	65.0%	**66.3%**

[(a)] *Current assets over current liabilities*

[(b)] *EBITDA over interest expense and financing charges on borrowings*

[(c)] *Interest-bearing debt over total equity*

[(d)] *Total assets over total equity*

[(e)] *EBITDA over gross revenues from port operations*

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule L. External Auditor Fee-related Information

Audit and non-audit fees of the Company and its subsidiaries

	For the Years Ended December 31	
Amounts in thousands	2024	**2025**
Total audit fees	US$1,434.0	**US$1,567.8**
Non-audit services fees:		
Other assurance services	9.6	**7.4**
Tax services	246.1	**161.3**
All other services	73.2	**165.7**
Total non-audit fees	328.9	**334.4**
Total audit and non-audit fees	US$1,762.9	**US$1,902.2**

Audit and non-audit fees of other related entities

	For the Years Ended December 31	
Amounts in thousands	2024	**2025**
Audit fees	US$–	**US$–**
Non-audit services fees:		
Other assurance services	–	**–**
Tax services	–	**–**
All other services	–	**–**
Total audit and non-audit fees of other related entities	US$–	**US$–**

All information relating to ICTSI's sustainability disclosures and performance is available in the 2025 Sustainability Report, which can be accessed through the company's website at www.ictsi.com/sustainability

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	
Location of Headquarters	
Location of Operations	
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	
Business Model, including Primary Activities, Brands, Products, and Services	
Reporting Period	
Highest Ranking Person responsible for this report	

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]

[1] See GRI 102-46 (2016) for more guidance.

All information relating to ICTSI's sustainability disclosures and performance is available in the 2025 Sustainability Report, which can be accessed through the company's website at www.ictsi.com/sustainability)

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)		PhP
Direct economic value distributed:		
a. Operating costs		PhP
b. Employee wages and benefits		PhP
c. Payments to suppliers, other operating costs		Php
d. Dividends given to stockholders and interest payments to loan providers		PhP
e. Taxes given to government		PhP
f. Investments to community (e.g. donations, CSR)		PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the		

organization		

Climate-related risks and opportunities[2]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	Disclose the actual and potential impacts[3] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

[2] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.
[3] For this disclosure, impact refers to the impact of climate-related issues on the company.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
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Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to		%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to		%
Percentage of directors and management that have received anti-corruption training		%
Percentage of employees that have received anti-corruption		%

training		

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What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
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What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
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Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption		#
Number of incidents in which employees were dismissed or disciplined for corruption		#
Number of incidents when contracts with business partners were terminated due to incidents of corruption		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business	*(e.g. employees, community, suppliers,*	*What policies, commitments, goals and targets, responsibilities, resources,*

operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*government, vulnerable groups)*	*grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
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ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)		GJ
Energy consumption (gasoline)		GJ
Energy consumption (LPG)		GJ
Energy consumption (diesel)		GJ
Energy consumption (electricity)		kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)		GJ
Energy reduction (LPG)		GJ
Energy reduction (diesel)		GJ
Energy reduction (electricity)		kWh
Energy reduction (gasoline)		GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal		Cubic meters
Water consumption		Cubic meters
Water recycled and reused		Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
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What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
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Materials used by the organization

Disclosure	Quantity	Units

Materials used by weight or volume		
• renewable		kg/liters
• non-renewable		kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services		%

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What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
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Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	**Quantity**	**Units**
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	(identify all sites)	
Habitats protected or restored		ha
IUCN[4] Red List species and national conservation list species with habitats in areas affected by operations	(list)	

[4] International Union for Conservation of Nature

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
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Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions		Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions		Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)		Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	*(e.g. employees, community, suppliers, government, vulnerable*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects,*

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*groups)*	*programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
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Air pollutants

Disclosure	Quantity	Units
NO_x		kg
SO_x		kg
Persistent organic pollutants (POPs)		kg
Volatile organic compounds (VOCs)		kg
Hazardous air pollutants (HAPs)		kg
Particulate matter (PM)		kg

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What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
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Solid and Hazardous Wastes

Solid Waste

Disclosure	**Quantity**	**Units**
Total solid waste generated		kg
Reusable		kg
Recyclable		kg
Composted		kg
Incinerated		kg
Residuals/Landfilled		kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
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Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated		kg
Total weight of hazardous waste transported		kg

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Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Effluents

Disclosure	Quantity	Units
Total volume of water discharges		Cubic meters
Percent of wastewater recycled		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business	*(e.g. employees, community, suppliers,*	*What policies, commitments, goals and targets, responsibilities, resources,*

operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*government, vulnerable groups)*	*grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations		PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations		#
No. of cases resolved through dispute resolution mechanism		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
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SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[5]		
a. Number of female employees		#
b. Number of male employees		#
Attrition rate[6]		rate
Ratio of lowest paid employee against minimum wage		ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS			
PhilHealth			
Pag-ibig			
Parental leaves			
Vacation leaves			
Sick leaves			
Medical benefits (aside from PhilHealth))			
Housing assistance (aside from Pag-ibig)			
Retirement fund (aside from SSS)			
Further education support			
Company stock options			
Telecommuting			
Flexible-working Hours			
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary	*What policies, commitments, goals and targets,*

[5] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[6] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees		hours
b. Male employees		hours
Average training hours provided to employees		
a. Female employees		hours/employee
b. Male employees		hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements		%
Number of consultations conducted with employees concerning employee-related policies		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce		%
% of male workers in the workforce		%
Number of employees from indigenous communities and/or vulnerable sector*		#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

What are the Risk/s Identified?	Management Approach
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What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours		Man-hours
No. of work-related injuries		#
No. of work-related fatalities		#
No. of work related ill-health		#
No. of safety drills		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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What are the Opportunity/ies Identified?	**Management Approach**
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Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor		#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor		
Child labor		
Human Rights		

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Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

____

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance		
Forced labor		
Child labor		
Human rights		
Bribery and corruption		

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**

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Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: ______________

Certificates	Quantity	Units

FPIC process is still undergoing		#
CP secured		#

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
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Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		

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What are the Opportunity/ies Identified?	**Management Approach**
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Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Marketing and labelling

Disclosure	**Quantity**	**Units**
No. of substantiated complaints on marketing and labelling*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	

What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*		#
No. of complaints addressed		#
No. of customers, users and account holders whose information is used for secondary purposes		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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What are the Opportunity/ies Identified?	**Management Approach**
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Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms,*

business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
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All information relating to ICTSI's sustainability disclosures and performance is available in the 2025 Sustainability Report, which can be accessed through the company's website at www.ictsi.com/sustainability

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

All information relating to ICTSI's sustainability disclosures and performance is available in the 2025 Sustainability Report, which can be accessed through the company's website at www.ictsi.com/sustainability

Outlook

Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
Date Wed 3/4/2026 2:57 PM
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Cc Firmalino, Alvina <AFIRMALINO@ICTSI.COM>

Hi INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.,

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Transaction Code: **AFS-0-6K695B5G034ZRVXTMNYR23QWZ02YTT322R**
Submission Date/Time: **Mar 04, 2026 02:57 PM**
Company TIN: **000-323-228**

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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;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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International Container Terminal Services, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR PARENT COMPANY FINANCIAL STATEMENTS

The management of International Container Terminal Services, Inc. (the Company) is responsible for the preparation and fair presentation of the parent company financial statements as of and for the years ended December 31, 2025 and 2024, in accordance with PFRS Accounting Standards, 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 and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, have audited the parent company financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

[redacted]

Enrique K. Razon, Jr. Chairman and President	[redacted]**m** [redacted] **anuel V. Pas**[redacted]**a** Senior Vice President, Chief Financial Officer, and Chief Risk Officer	[redacted]**ld** Vice President, Global Financial Controller

Signed this 4th day of March 2026.

SUBSCRIBED AND SWORN to before me this 4th day of March 2026 affiants personally appeared before me, exhibiting to me their respective government issued identification cards with photographs as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Enrique K. Razon, Jr.	[redacted]	19 August 2022	Manila
Emilio Manuel V. Pascua	[redacted]	19 November 2024	Manila
Arlyn L. McDonald	[redacted]	25 March 2022	Manila

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Book No. I
Series of 2026.

MARIA MARGARITA M. VILLANUEVA NOTARY PUBLIC ROLL NO. 61398 PARAÑAQUE CITY, PHILIPPINES

MARIA MARGARITA M. VILLANUEVA
Commission No. 201-2025
Notary Public for Parañaque City
until December 31, 2026
1 Asean Avenue, Entertainment City
Brgy. Tambo, Parañaque City 1701
Roll No. 61398
IBP No. 579603 / 31 December 2025 / Manila IV Chapter
PTR No. 4018716 / 05 January 2026 / Parañaque City
MCLE Compliance No. VIII-0032582 / 14 April 2028

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building, Manila International
Container Terminal, South Access Road, Manila

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of International Container Terminal Services, Inc. (the Company), which comprise the parent company balance sheets as at December 31, 2025 and 2024, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including a summary of 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 our audits of the financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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.

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.

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

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 30 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 International Container Terminal Services, 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.

The engagement partner on the audit resulting in this independent auditor's report is Martin C. Guantes.

S[redacted]

[redacted]
Martin C. Guantes
Partner
CPA Certificate No. [redacted]
[redacted]-272
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. [redacted] (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. [redacted] (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. [redacted] October 23, 2023, valid until October 22, 2026
PTR No. [redacted] January 2, 2026, Makati City

March 4, 2026

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
PARENT COMPANY BALANCE SHEETS

	December 31	
	2025	2024
ASSETS		
Noncurrent Assets		
Investments in and advances to subsidiaries (Notes 4, 16 and 21)	**US$2,697,092,921**	US$2,752,186,417
Intangible assets (Notes 5 and 23)	**812,876,880**	739,312,090
Property and equipment (Note 6)	**75,948,970**	70,098,735
Investment properties (Note 7)	**86,962,945**	86,962,945
Deferred tax assets - net (Note 20)	**54,704,088**	65,538,014
Other noncurrent assets (Note 8)	**701,963,630**	67,680,386
Total Noncurrent Assets	**4,429,549,434**	3,781,778,587
Current Assets		
Cash and cash equivalents (Note 9)	**317,763,506**	376,302,679
Receivables (Note 10)	**32,950,392**	32,628,424
Spare parts and supplies	**11,256,549**	9,643,405
Prepaid expenses and other current assets (Note 11)	**32,864,038**	30,731,655
Derivative assets (Note 25)	**19,344,133**	19,288,909
Total Current Assets	**414,178,618**	468,595,072
	US$4,843,728,052	US$4,250,373,659
EQUITY AND LIABILITIES		
Equity		
Capital stock (Note 12):		
Preferred stock	**US$236,222**	US$236,222
Common stock	**67,330,188**	67,330,188
Additional paid-in capital (Note 16)	**384,842,965**	381,166,049
Treasury shares (Note 12)	**(130,917,089)**	(80,907,455)
Retained earnings (Note 12)	**960,506,659**	770,819,389
Other comprehensive loss - net (Notes 8, 12 and 22)	**(64,766,226)**	(52,151,255)
Total Equity	**1,217,232,719**	1,086,493,138
Noncurrent Liabilities		
Long-term debt (Note 13)	**2,095,366,541**	1,238,599,187
Concession rights payable - net of current portion (Notes 5 and 23)	**233,042,008**	244,622,931
Lease liability - net of current portion (Note 8)	**12,794,684**	14,094,370
Due to related parties (Note 21)	**1,037,317,587**	1,304,301,991
Retirement liability (Note 22)	**852,100**	2,735,822
Derivative liabilities (Note 25)	**10,094,557**	–
Total Noncurrent Liabilities	**3,389,467,477**	2,804,354,301
Current Liabilities		
Loans payable (Note 14)	**–**	155,597,964
Current portion of concession rights payable (Notes 5 and 23)	**13,147,084**	12,457,772
Accounts payable and other current liabilities (Note 15)	**194,498,938**	148,670,692
Lease liability - current portion (Note 8)	**1,299,686**	1,239,295
Due to related parties (Note 21)	**6,012,275**	14,106,886
Derivative liabilities (Note 25)	**2,504,197**	14,205,755
Income tax payable (Note 20)	**19,565,676**	13,247,856
Total Current Liabilities	**237,027,856**	359,526,220
Total Liabilities	**3,626,495,333**	3,163,880,521
	US$4,843,728,052	US$4,250,373,659

See accompanying Notes to Parent Company Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
PARENT COMPANY STATEMENTS OF INCOME

	Years Ended December 31	
	2025	2024
INCOME		
Gross revenues from port operations (Notes 1 and 23)	**US$741,126,973**	US$610,712,152
Dividend income (Note 21)	**463,130,490**	359,556,123
Foreign exchange gain	**89,437**	68,416,782
Interest income (Note 9)	**9,882,176**	17,113,283
Other income (Notes 7, 17 and 21)	**96,518,928**	101,863,287
	1,310,748,004	1,157,661,627
EXPENSES		
Philippine Ports Authority's share in gross revenues (Notes 17 and 23)	**157,533,739**	128,775,796
Manpower costs (Notes 16, 21 and 22)	**54,463,967**	46,720,655
Equipment and facilities-related expenses (Note 18)	**23,677,815**	22,732,765
Administrative and other operating expenses (Notes 19 and 21)	**94,835,416**	86,382,250
Depreciation and amortization (Notes 5, 6, 7 and 8)	**59,097,781**	52,793,502
Interest expense and financing charges on borrowings (Notes 13, 14, 21 and 25)	**145,719,502**	153,886,700
Interest expense on concession rights payable	**14,313,580**	14,380,096
Interest expense on lease liability	**704,175**	61,318
Foreign exchange loss	**267,915**	66,190,315
Other expenses	**7,501,980**	3,989,024
	558,115,870	575,912,421
CONSTRUCTION REVENUE (EXPENSE) (Note 5)		
Construction revenue	**125,231,577**	81,899,558
Construction expense	**(125,231,577)**	(81,899,558)
	–	–
INCOME BEFORE INCOME TAX	**752,632,134**	581,749,206
PROVISION FOR INCOME TAX (Note 20)		
Current	**45,083,416**	33,788,888
Deferred	**18,363,712**	5,049,905
	63,447,128	38,838,793
NET INCOME	**US$689,185,006**	US$542,910,413
EARNINGS PER SHARE (Note 27)		
Basic	**US$0.341**	US$0.267
Diluted	**0.340**	0.266

See accompanying Notes to Parent Company Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	2024
NET INCOME	**US$689,185,006**	US$542,910,413
OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax		
Items to be reclassified to profit or loss in subsequent periods		
Net unrealized mark-to-market gain (loss) on derivatives (Note 25)	**(12,381,502)**	10,167,394
Foreign currency translation gain (loss) on concession rights payable (Note 25)	**311,855**	(217,378)
Items not to be reclassified to profit or loss in subsequent periods		
Net unrealized mark-to-market gain on financial assets at fair value through other comprehensive income (Note 8)	**770,000**	1,041,864
Remeasurement loss on defined benefit plan (Note 22)	**(307,529)**	(734,873)
	(11,607,176)	10,257,007
TOTAL COMPREHENSIVE INCOME	**US$677,577,830**	US$553,167,420

See accompanying Notes to Parent Company Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.

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

	Preferred Stock (Note 12)	**Common Stock** (Note 12)	**Additional Paid-in Capital** (Note 16)	**Treasury Shares** (Note 12)	**Retained Earnings** (Note 12)	**Other Comprehensive Loss - Net** (Notes 8, 12 and 22)	**Total**
Balance at December 31, 2024	**US$236,222**	**US$67,330,188**	**US$381,166,049**	**(US$80,907,455)**	**US$770,819,389**	**(US$52,151,255)**	**US$1,086,493,138**
Net income	–	–	–	–	**689,185,006**	–	**689,185,006**
Other comprehensive loss	–	–	–	–	–	**(11,607,176)**	**(11,607,176)**
Total comprehensive income (loss)	–	–	–	–	**689,185,006**	**(11,607,176)**	**677,577,830**
Cash dividends (Note 12)	–	–	–	–	**(500,505,531)**	–	**(500,505,531)**
Issuance of treasury shares for share-based payments (Note 16)	–	–	**(8,951,898)**	**8,951,898**	–	–	–
Purchase of treasury shares (Note 12)	–	–	–	**(58,961,532)**	–	–	**(58,961,532)**
Share-based payments (Note 16)	–	–	**12,628,814**	–	–	–	**12,628,814**
Disposal of FVOCI equity investments (Note 8)	–	–	–	–	**1,007,795**	**(1,007,795)**	–
Balance at December 31, 2025	**US$236,222**	**US$67,330,188**	**US$384,842,965**	**(US$130,917,089)**	**US$960,506,659**	**(US$64,766,226)**	**US$1,217,232,719**
Balance at December 31, 2023	US$236,222	US$67,330,188	US$378,185,362	(US$43,796,649)	US$627,247,967	(US$62,408,262)	US$966,794,828
Net income	–	–	–	–	542,910,413	–	542,910,413
Other comprehensive income	–	–	–	–	–	10,257,007	10,257,007
Total comprehensive income	–	–	–	–	542,910,413	10,257,007	553,167,420
Cash dividends (Note 12)	–	–	–	–	(399,338,991)	–	(399,338,991)
Issuance of treasury shares for share-based payments (Note 16)	–	–	(6,055,031)	6,055,031	–	–	–
Purchase of treasury shares (Note 12)	–	–	–	(43,165,837)	–	–	(43,165,837)
Share-based payments (Note 16)	–	–	9,035,718	–	–	–	9,035,718
Balance at December 31, 2024	US$236,222	US$67,330,188	US$381,166,049	(US$80,907,455)	US$770,819,389	(US$52,151,255)	US$1,086,493,138

See accompanying Notes to Parent Company Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**US$752,632,134**	US$581,749,206
Adjustments for:		
Interest expense and financing charges on:		
Borrowings (Notes 13, 14, 21 and 25)	**145,719,502**	153,886,700
Concession rights payable	**14,313,580**	14,380,096
Lease liability	**704,175**	61,318
Unrealized mark-to-market gain on derivatives (Notes 17 and 25)	**(3,754,585)**	(15,045,380)
Depreciation and amortization (Notes 5, 6, 7 and 8)	**59,097,781**	52,793,502
Dividend income (Note 21)	**(463,130,490)**	(359,556,123)
Unrealized foreign exchange loss (gain) – net	**945,577**	(27,359,374)
Share-based payments (Note 16)	**4,400,921**	3,525,057
Interest income (Note 9)	**(9,882,176)**	(17,113,283)
Gain on sale of property and equipment (Note 17)	**(1,542)**	(2,503,055)
Operating income before changes in working capital	**501,044,877**	384,818,664
Increase in:		
Receivables	**(292,648)**	(5,195,950)
Spare parts and supplies	**(1,613,144)**	(919,161)
Prepaid expenses and other current assets	**(13,534,547)**	(18,309,895)
Increase (decrease) in:		
Accounts payable and other current liabilities	**31,831,665**	35,618,335
Retirement liability	**(2,289,286)**	(2,437,243)
Cash generated from operations	**515,146,917**	393,574,750
Income taxes paid	**(27,471,066)**	(24,119,559)
Net cash flows provided by operating activities	**487,675,851**	369,455,191
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit for investment in Durban Gateway Terminal (Pty) Ltd. (Note 8)	**(618,000,000)**	–
Decrease (increase) in:		
Investments in and advances to subsidiaries	**64,096,047**	(275,800,318)
Other noncurrent assets	**(18,393,412)**	(11,851,217)
Acquisition of:		
Intangible assets (Note 5)	**(126,715,328)**	(81,899,558)
Property and equipment (Note 6)	**(9,214,615)**	(48,251,312)
Dividends received	**463,125,834**	358,436,093
Payments for concession rights	**(10,835,431)**	(10,777,620)
Interest received	**9,882,176**	17,113,283
Proceeds from disposal of:		
Property and equipment	**419,153**	2,596,239
FVOCI equity instruments	**1,007,795**	–
Net cash flows used in investing activities	**(244,627,781)**	(50,434,410)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in amount due to related parties	**(283,149,798)**	(196,883,007)
Proceeds from:		
Short-term borrowings (Note 14)	**–**	162,601,200
Long-term borrowings (Note 13)	**860,000,000**	547,297,031
Payments of:		
Dividends (Note 12)	**(494,013,581)**	(394,285,045)
Interest on borrowings and concession rights payable	**(161,284,599)**	(170,825,484)
Interest on lease liability	**(704,175)**	(61,318)
Lease liability	**(1,654,630)**	(100,638)
Short-term borrowings (Note 14)	**(162,601,200)**	–
Purchase of treasury shares (Note 12)	**(58,961,532)**	(43,165,837)
Net cash flows used in financing activities	**(302,369,515)**	(95,423,098)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**782,272**	257,157
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(58,539,173)**	223,854,840
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**376,302,679**	152,447,839
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 9)	**US$317,763,506**	US$376,302,679

See accompanying Notes to Parent Company Financial Statements.

1. **Corporate Information**

1.1 General

International Container Terminal Services, Inc. (ICTSI or the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 24, 1987. The registered office address of the Company is ICTSI Administration Building, Manila International Container Terminal (MICT) South Access Road, Manila. ICTSI's common shares are publicly traded in the Philippine Stock Exchange (PSE).

The Company is mainly engaged in development, management and operation of container terminals.

The parent company financial statements were authorized for issue in accordance with a resolution of the Board of Directors (the Board) on March 4, 2026.

1.2 Management, Operation and Development of the MICT and Iloilo Commercial Port Complex (ICPC)

The Company has a contract with the Philippine Ports Authority (PPA) for the exclusive management, operation and development of the MICT for a period of 25 years starting May 18, 1988, that was extended for another 25 years until May 18, 2038.

In January 2024, the PPA awarded to ICTSI a 25-year contract to develop and operate the ICPC. In April 2024, the Company received from the PPA the notice to proceed and the 25-year contract for the exclusive management, operation and development of the ICPC was entered between ICTSI and PPA on the same date. ICTSI established a branch office in Iloilo to operate the ICPC. The registered address of the branch office is Baseport, Iloilo Commercial Port Complex, Loboc-Lapuz, Iloilo City.

Details on volume and gross revenue by location for the years ended December 31 follows:

	2025			2024		
	Manila	**Iloilo**	**Total**	Manila	Iloilo	Total
Volume						
in TEUs	**3,070,149**	**87,356**	**3,157,505**	2,938,618	79,282	3,017,900
in Metric Tonnes	**1,073,617**	**1,547,948**	**2,621,565**	1,094,064	1,480,082	2,574,146
Gross revenues						
Containerized	**US$718,464,201**	**US$6,455,802**	**US$724,920,003**	US$593,397,289	US$3,529,192	US$596,926,481
Non-containerized	**2,910,939**	**13,296,031**	**16,206,970**	2,663,301	11,122,370	13,785,671
	US$721,375,140	**US$19,751,833**	**US$741,126,973**	US$596,060,590	US$14,651,562	US$610,712,152

1.3 Subsidiaries, Joint Ventures and Associate

The subsidiaries, joint ventures and associate include:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2025 Direct	2025 Indirect	2024 Direct	2024 Indirect
Subsidiaries:							
Asia							
Victoria International Container Terminal (VICT)	Australia	Port Management	Australian Dollar	**–**	**100.00**	–	100.00
Yantai International Container Terminal Ltd. (YICT)	China	Port Management	Renminbi	**–**	**51.00**	–	51.00
PT ICTSI Jasa Prima Tbk (IJP) and Subsidiaries [a]	Indonesia	Maritime infrastructure and logistics	US Dollar	**–**	**–**	–	–
PT PBM Olah Jasa Andal (OJA) [a]	Indonesia	Port Management	US Dollar	**–**	**–**	–	–
PT Makassar Terminal Services (MTS) [b]	Indonesia	Port Management	Indonesian Rupiah	**–**	**95.00**	–	95.00
PT East Java Development (EJD)	Indonesia	Port Management	Indonesian Rupiah	**66.67**	**–**	66.67	–
PT Batu Ampar Container Terminal (BACT) [c]	Indonesia	Port Management	Indonesian Rupiah	–	**75.00**	–	–
Motukea International Terminal Ltd. (MITL)	Papua New Guinea	Port Management	Papua New Guinean Kina	**–**	**70.00**	–	70.00
South Pacific International Container Terminal Ltd. (SPICTL)	Papua New Guinea	Port Management	Papua New Guinean Kina	**–**	**70.00**	–	70.00
Bauan International Port, Inc. (BIPI)	Philippines	Port Management	Philippine Peso	**–**	**100.00**	–	100.00
Cavite Gateway Terminal (CGT)	Philippines	Port Management	Philippine Peso	**–**	**100.00**	–	100.00
Davao Integrated Port and Stevedoring Services Corp. (DIPSSCOR) [d]	Philippines	Port Management	Philippine Peso	**–**	**–**	–	96.95
Laguna Gateway Inland Container Terminal, Inc. (LGICT)	Philippines	Port Management	Philippine Peso	**–**	**60.00**	–	60.00
Manila Harbor Center Port Services, Inc. (MHCPSI)	Philippines	Port Management	Philippine Peso	**100.00**	**–**	100.00	–
Manila North Harbour Port, Inc. (MNHPI)	Philippines	Port Management	Philippine Peso	**50.00**	**–**	50.00	–
Mindanao International Container Terminal Services, Inc. (MICTSI)	Philippines	Port Management	Philippine Peso	**100.00**	**–**	100.00	–
Subic Bay International Terminal Holdings, Inc. (SBITHI)	Philippines	Holding Company	US Dollar	**90.50**	**–**	90.50	–
ICTSI Subic, Inc. (ICTSI Subic)	Philippines	Port Management	US Dollar	**–**	**90.50**	–	90.50
Subic Bay International Terminal Corporation (SBITC)	Philippines	Port Management	US Dollar	**–**	**90.50**	–	90.50
South Cotabato Integrated Port Services, Inc. (SCIPSI)	Philippines	Port Management	Philippine Peso	**35.82**	**14.41**	35.82	14.41
Visayas Container Terminal (VCT) [e]	Philippines	Port Management	Philippine Peso	**100.00**	**–**	100.00	–
Catalyst Logistics Incorporated (CLI)	Philippines	Freight Forwarder	Philippine Peso	**–**	**51.00**	–	51.00
Sevilla Brokerage Incorporated (SBI)	Philippines	Customs Broker	Philippine Peso	**–**	**80.00**	–	80.00
IW Cargo Handlers, Inc.	Philippines	Port Equipment Rental	US Dollar	**–**	**100.00**	–	100.00
IWI Container Terminal Holdings, Inc. (IWI CTHI)	Philippines	Warehousing	Philippine Peso	**100.00**	**–**	100.00	–
Container Terminal Systems Solutions Philippines, Inc.	Philippines	Software Developer	US Dollar	**–**	**100.00**	–	100.00
ICTSI Asia Pacific Business Services, Inc. (APBS)	Philippines	Business Process Outsourcing	US Dollar	**–**	**100.00**	–	100.00
Abbotsford Holdings, Inc. (AHI)	Philippines	Holding Company	Philippine Peso	**100.00**	**–**	100.00	–
Cordilla Properties Holdings, Inc.	Philippines	Holding Company	Philippine Peso	**100.00**	**–**	100.00	–
Intermodal Terminal Holdings, Inc. (ITH)	Philippines	Holding Company	Philippine Peso	**100.00**	**–**	100.00	–
ICTSI Ltd. Regional Operating Headquarters (ROHQ)	Philippines	Regional Operating Headquarters	US Dollar	**–**	**100.00**	–	100.00
ICTSI Ltd. Regional Headquarters	Philippines	Regional Headquarters	Philippine Peso	**–**	**100.00**	–	100.00
ICTSI Ltd.	Bermuda	Holding Company	US Dollar	**–**	**100.00**	–	100.00
Tungsten RE Ltd.	Bermuda	Insurance Company	US Dollar	**–**	**100.00**	–	100.00
Global Procurement Ltd. [f]	Bermuda	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI Honduras Ltd.	Bermuda	Holding Company	US Dollar	**–**	**100.00**	–	100.00
Aeolina Investments Limited	British Virgin Islands	Holding Company	US Dollar	**–**	**100.00**	–	100.00

(Forward)

(a) *Disposed effective February 1, 2024*
(b) *Ceased commercial operations effective January 31, 2023*
(c) *Established on July 31, 2025*
(d) *Corporate term expired on December 31, 2025*
(e) *Established in March 2024*
(f) *Dissolved effective January 23, 2026*

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2025 Direct	2025 Indirect	2024 Direct	2024 Indirect
Crixus Limited [(g)]	British Virgin Islands	Holding Company	US Dollar	**–**	**–**	–	100.00
Pentland International Holdings, Ltd.	British Virgin Islands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
International Container Terminal Holdings, Inc. (ICTHI)	Cayman Islands	Holding Company	US Dollar	**100.00**	**–**	100.00	–
ICTSI Georgia Corp. (IGC)	Cayman Islands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI (Hong Kong) Limited (IHKL)	Hong Kong	Holding Company	US Dollar	**–**	**100.00**	–	100.00
PT Container Terminal System Solutions, Inc.	Indonesia	Software Developer	US Dollar	**–**	**100.00**	–	100.00
Innovest Mauritius Ltd. *(formerly ICTSI Mauritius Ltd.)* (IML)	Mauritius	Holding Company	US Dollar	**–**	**100.00**	–	100.00
Consultports S.A. de C.V.	Mexico	Business Development Office (BDO)	Mexican Peso	**–**	**100.00**	–	100.00
ICTSI Americas B.V. (Multinational Headquarters)	Panama	BDO	US Dollar	**–**	**100.00**	–	100.00
International South Pacific, Ltd. (ISPL)	Papua New Guinea	Holding Company	Papua New Guinean Kina	**–**	**100.00**	–	100.00
ICTSI Far East Pte. Ltd. (IFEL)	Singapore	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI Africa Headquarters (Pty) Ltd	South Africa	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI Richards Bay (Pty.) Ltd. [(h)]	South Africa	Holding Company	US Dollar	**–**	**100.00**	–	–
SPIA Spain S.L.	Spain	Holding Company	US Dollar	**–**	**100.00**	–	100.00
CGSA Transportadora S.L.	Spain	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI Americas B.V. (IABV)	The Netherlands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI Africa B.V.	The Netherlands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI EMEA B.V. (IEBV)	The Netherlands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI Treasury B.V. (ITBV)	The Netherlands	Holding Company	US Dollar	**–**	**75.00**	–	75.00
ICTSI Global Finance B.V. (IGFBV)	The Netherlands	Holding Company	US Dollar	**–**	**75.00**	–	75.00
ICTSI Global Holdings B.V. (IGHBV)	The Netherlands	Holding Company	US Dollar	**100.00**	**–**	100.00	–
ICTSI Oceania B.V. (IOBV)	The Netherlands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI Tuxpan B.V.	The Netherlands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
CGSA B.V.	The Netherlands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
CMSA B.V.	The Netherlands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
Royal Capital B.V. (RCBV)	The Netherlands	Holding Company	US Dollar	**–**	**75.00**	–	75.00
SPIA Colombia B.V.	The Netherlands	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI (M.E.) FZCO (ICTSI Dubai)	United Arab Emirates	BDO	US Dollar	**100.00**	**–**	100.00	–
ICTSI Middle East FZCO	United Arab Emirates	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI EMEA FZCO *(formerly ICTSI Durban DMCC)* [(i)]	United Arab Emirates	Holding Company	US Dollar	**–**	**100.00**	100.00	–
ICTSI Global FZCO *(formerly ICTSI Santos DMCC)* [(i)]	United Arab Emirates	Holding Company	US Dollar	**100.00**	**–**	100.00	–
Container Terminal de Venezuela Conterven CA (CTVCC)	Venezuela	Holding Company	US Dollar	**–**	**95.00**	–	95.00
Europe, Middle East and Africa (EMEA)							
Kribi Multipurpose Terminal (KMT)	Cameroon	Port Management	XAF	**–**	**75.00**	–	75.00
Adriatic Gate Container Terminal (AGCT)	Croatia	Port Management	Euro	**–**	**51.00**	–	51.00
ICTSI DR Congo S.A. (IDRC)	DR Congo	Port Management	US Dollar	**–**	**58.00**	–	58.00
Batumi International Container Terminal LLC (BICTL)	Georgia	Port Management	US Dollar	**–**	**100.00**	–	100.00
ICTSI (M.E.) FZCO Iraq Branch (ICTSI Iraq)	Iraq	Port Management	US Dollar	**–**	**100.00**	–	100.00
Madagascar International Container Terminal Services, Ltd. (MICTSL)	Madagascar	Port Management	Euro	**–**	**100.00**	–	100.00
International Container Terminal Services Nigeria Ltd. (ICTSI Nigeria)	Nigeria	Port Management	US Dollar	**–**	**75.00**	–	75.00
International Container Terminal Services (FZE)	Nigeria	Port Management	Nigerian Naira	**–**	**75.00**	–	75.00
Baltic Container Terminal Ltd. (BCT)	Poland	Port Management	US Dollar	**–**	**100.00**	–	100.00
Pakistan International Container Terminal Ltd. (PICT) [(j)]	Pakistan	Port Management	Pakistani Rupee	**–**	**79.71**	–	79.71
Africa Gateway Terminal (AGT) [(k)]	Sudan	Port Management	Euro	**–**	**100.00**	–	100.00
Tartous International Container Terminal, Inc. (TICT) [(l)]	Syria	Port Management	US Dollar	**100.00**	**–**	100.00	–
Americas							
Tecplata S.A. (Tecplata)	Argentina	Port Management	US Dollar	**–**	**100.00**	–	100.00
Nuevos Puertos S. A.	Argentina	Holding Company	US Dollar	**4.00**	**96.00**	4.00	96.00

(Forward)

(g) Dissolved effective November 12, 2025
(h) Incorporated on January 12, 2024
(i) Established in October 2023
(j) Concession agreement ended on June 17, 2023. Sold 0.7% stake in December 2024.
(k) Established in February 2019 and has not started commercial operations to date
(l) Ceased commercial operations effective January 27, 2013

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2025 Direct	2025 Indirect	2024 Direct	2024 Indirect
Tecon Suape, S.A. (TSSA)	Brazil	Port Management	Brazilian Real	**51.00**	**49.00**	51.00	49.00
ICTSI Rio Brasil Terminal 1 S.A. (ICTSI Rio)	Brazil	Port Management	Brazilian Real	**–**	**100.00**	–	100.00
IRB Logistica S.A. (previously IRB Logistica Ltda)	Brazil	Rail Ramp Terminal Management	Brazilian Real	**–**	**70.00**	–	70.00
DF3 Empreendimento S.A (DF3)	Brazil	Real Estate	Brazilian Real	**–**	**70.00**	–	70.00
IRB Holding Ltda	Brazil	Holding Company	Brazilian Real	**–**	**100.00**	–	100.00
Armazéns Gerais Sul das Gerais S.A. (CLIA Pouso Alegre)	Brazil	Logistics Solutions Provider	Brazilian Real	**–**	**60.00**	–	60.00
Rio Logística Multimodal e Participações Ltda (RLMP)	Brazil	Holding Company	Brazilian Real	**–**	**100.00**	–	100.00
Rio Logística e Participações Ltda	Brazil	Holding Company	Brazilian Real	**–**	**100.00**	–	100.00
Inhaúma Fundo de Investimento Imobiliário - Responsabilidade Limitada (FII Inhaúma) (m)	Brazil	Real Estate	Brazilian Real	–	**72.99**	–	–
Centro Logístico Industrial Portuarío Ltda (CLIP) (n)	Brazil	Port Management	Brazilian Real	**–**	**100.00**	–	–
Contecon Guayaquil, S.A. (CGSA)	Ecuador	Port Management	US Dollar	**51.00**	**49.00**	51.00	49.00
Logipuerto S.A.	Ecuador	Logistics Solutions Provider	US Dollar	**–**	**100.00**	–	100.00
Operadora Portuaria Centroamericana, S.A. (OPC)	Honduras	Port Management	US Dollar	**30.00**	**70.00**	30.00	70.00
Contecon Manzanillo S.A. (CMSA)	Mexico	Port Management	Mexican Peso	**1.00**	**99.00**	1.00	99.00
CMSA Servicios Portuarios SA De CV (CMSA SP)	Mexico	Manpower Services	Mexican Peso	**–**	**100.00**	–	100.00
CMSA Servicios Profesionales Y De Especialistas SA De CV (CMSA SP Especialistas	Mexico	Manpower Services	Mexican Peso	**–**	**100.00**	–	100.00
Contecon Manzanillo Logista SA de CV	Mexico	Logistics Solutions Provider	Mexican Peso	**–**	**100.00**	–	100.00
Terminal Maritima de Tuxpan S.A. de C.V. (TMT)	Mexico	Port Management	Mexican Peso	**–**	**100.00**	–	100.00
C. Ultramar, S.A.	Panama	Holding Company	US Dollar	**–**	**100.00**	–	100.00
Future Water, S.A.	Panama	Holding Company	US Dollar	**–**	**100.00**	–	100.00
Kinston Enterprise, Inc.	Panama	Holding Company	US Dollar	**–**	**100.00**	–	100.00
International Ports of South America and Logistics SA	Uruguay	Holding Company	US Dollar	**–**	**100.00**	–	100.00
ICTSI Oregon, Inc.(o)	U.S.A.	Port Management	US Dollar	**–**	**–**	–	100.00
Joint Ventures:							
Sociedad Puerto Industrial Aguadulce SA (SPIA)	Colombia	Port Management	US Dollar	**–**	**49.79**	–	49.79
Falconer Aircraft Management, Inc. (FAMI)	Philippines	Aircraft Management	Philippine Peso	**–**	**49.98**	–	49.98
Aviation Concepts Technical Services, Inc. (ACTSI)	Philippines	Aircraft Management	US Dollar	**–**	**49.99**	–	49.99
Associate:							
Asiaview Realty and Development Corporation (ARDC)	Philippines	Realty	Philippine Peso	**–**	**49.00**	–	49.00

2. Basis of Preparation and Statement of Compliance

2.1 Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments which have been measured at fair value. The parent company financial statements are presented in United States dollars (US dollar, USD or US$), the Company's functional currency. All values are rounded to the nearest US dollar unit, except when otherwise indicated.

(m) Acquired in April 2025
(n) Incorporated on July 18, 2025
(o) Dissolved effective January 15, 2025

2.2 Statement of Compliance

The parent company financial statements, which are prepared for submission to the Philippine Bureau of Internal Revenue (BIR), have been prepared in compliance with PFRS Accounting Standards.

The Company issues consolidated financial statements for the same period as the parent company financial statements presented in accordance with PFRS Accounting Standards. These may be obtained from the PSE EDGE Portal or the Company's official website (www.ictsi.com).

3. Summary of Material Accounting Policies, Significant Accounting Judgments, Estimates and Assumptions

3.1.1 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except that the Company has adopted the following amended standards as at January 1, 2025. The Company has not early adopted any other pronouncement that has been issued but is not yet effective. Unless otherwise indicated, the adoption of the amended standards did not have an impact on the parent company financial statements.

- Amendments to PAS 21*, Lack of Exchangeability*

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

  The amendments had no impact on the parent company financial statements because the Company has not encountered any situation where it could not exchange a currency into another currency.

3.1.2 Significant Accounting Judgments, Estimates and Assumptions

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

Determination of Control over an Investee Company. Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Functional Currency. Management uses judgment in assessing the functional currency of the Company. Management has determined the Company's functional currency to be the US dollar, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company.

Determination of Uncertainties Over its Income Tax Treatments. The Company applied significant judgement in identifying any uncertainties over its income tax treatments. The Company did not have any significant uncertainties over its income tax treatments.

Contingencies. The Company is currently a party in a number of legal cases and negotiations involving cargo, labor, tax, contracts and other issues. The Company's estimate of the probable costs for the resolution of these cases and negotiations has been developed in consultation with outside counsels handling defense for these matters and is based upon an analysis of probable results. Management and its legal counsels believe that the Company has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal actions, if any, will not have a material adverse impact on the Company's financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings. Provision for claims and losses as at December 31, 2025 and 2024 amounted to US$5.3 million and US$4.8 million, respectively (see Notes 15 and 24).

Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Recognition of Construction Revenue. The Company's revenue from construction services relating to IFRIC 12 service concession arrangement is recognized over time using an input method based on actual costs incurred to date relative to the total estimated costs to complete the construction. The estimated costs to complete the construction are mainly based on committed investments provided in the concession contracts.

The carrying amount of contract assets arising from construction services and included as part of concession rights amounted to US$117.6 million and US$54.9 million as at December 31, 2025 and 2024, respectively.

Impairment of Nonfinancial Assets. Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value-in-use calculation is based on a discounted cash flow (DCF) model and requires the Company to make an estimate of the expected future cash flows from the asset or cash-generating unit and also to choose a suitable discount rate to calculate the present value of those cash flows. The recoverable amount is sensitive to the discount rate used for the DCF model.

The carrying amounts of investments in subsidiaries, intangible assets, property and equipment, and investment properties are disclosed in Notes 4, 5, 6 and 7 to the parent company financial statements, respectively.

Estimating Useful Lives. Management determines the estimated useful lives and the related depreciation charges for its property and equipment, and investment properties based on the period over which these assets are expected to provide economic benefits. Such estimations are based on collective assessment of industry practice, internal technical evaluation, and experience with similar assets. These estimations are reviewed periodically and could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets.

Management will increase the depreciation and amortization charges where useful lives are less than what have previously been estimated. A reduction in the estimated useful lives of these assets will increase recorded expenses and decrease noncurrent assets. The carrying values of property and equipment, and investment properties are disclosed in Notes 6 and 7 to the parent company financial statements, respectively.

Defined Benefit Obligation. The determination of the present value of the defined benefit obligation is dependent on the selection of certain assumptions provided by the Company to its actuary in calculating such amounts. Those assumptions include discount rate and future salary increases. Due to its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

The carrying value of the Company's defined benefit obligation is disclosed in Note 22 to the parent company financial statements.

Measurement of Expected Credit Losses (ECL) for Trade Receivables. The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrices to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The carrying values of receivables and the related allowance for ECL of the Company are disclosed in Note 10.

3.2 Material Accounting Policies

Investments in Subsidiaries
Investments in subsidiaries are carried at cost less accumulated probable losses, if any. Under the cost method, the Company recognizes income from the investment in subsidiaries when its right to receive dividend is established.

Intangible Assets
Separately acquired intangible assets are initially recognized at cost.

The Company classifies concession rights as intangible asset when it entitles the Company to charge users in exchange for cargo handling services the Company provides. Such right arises from service concession arrangement within the scope of IFRIC 12, *Service Concession Arrangements*, whereby the grantor (a government entity), controls or regulates the services provided to the customers as well as the prices charged to them. The grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement. The cost of concession rights comprises of upfront fees, present value of the fixed concession fees payable to the port authority, construction cost of port infrastructure and purchase price of port equipment committed to be invested by the Company under the concession contract and borrowing costs, if the concession right takes a substantial time to get ready for its intended use, and adjusted for any subsequent remeasurement of concession rights payable.

Concession rights are subject to impairment assessment. Concession rights are amortized on a straight-line basis over the term of the 25-year concession contracts.

Computer software is amortized on a straight-line basis over five years.

Property and Equipment
Land is measured at cost net of accumulated impairment losses, if any. All other property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes applicable borrowing cost if the asset takes a substantial time to get the asset ready for its intended use.

Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets, as follows:

	Number of Years
Port facilities and equipment and port equipment spare parts	5-25 years or the term of the concession contract, whichever is shorter
Transportation equipment	5-10 years
Office equipment, furniture and fixtures	2-5 years
Miscellaneous equipment	5 years

Construction in progress is not depreciated until such time the relevant asset is completed and available for operational use.

Investment Properties
Land is measured at cost net of accumulated impairment losses, if any. All other investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Investment properties (except land) are depreciated on a straight-line basis over the estimated useful life of 15 years.

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

The Company as a Lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets. The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term of 10 years. Right-of-use assets are subject to impairment assessment.

Lease Liabilities. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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

Impairment of Non-financial Assets
The Company assesses, at each balance sheet date, whether there is an indication that an asset (e.g., property and equipment, investment properties, concession rights, computer software, investments in subsidiaries) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments 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.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition and Measurement of Financial Assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of the Company's trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price, i.e., the amount of consideration the Company is entitled to collect from the customers in exchange for services rendered.

Subsequent Measurement of Financial Assets
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets measured at amortized cost (debt instruments)
- Financial assets measured at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss (debt instruments)
- Financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss
- Financial assets measured at fair value through profit or loss

The Company classifies debt instrument financial asset as at amortized cost only if the asset gives rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding and that such asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Company does not have debt instruments measured at FVOCI.

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

The Company's financial assets at amortized cost include cash in banks, cash equivalents, receivables, short-term investments, and due from related parties.

Equity Instruments at FVOCI. The Company has irrevocably elected to measure equity instruments not held for trading at FVOCI. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case, such recovery is recognized in OCI. Equity investments at FVOCI are not subject to impairment assessment.

Financial Assets at Fair Value Through Profit or Loss (FVTPL). The Company's financial assets at FVTPL consist of derivative instruments not designated as hedging instruments.

Impairment of Financial Assets
The Company recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

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

For debt instruments that meet the investment grade criteria, the Company applies the low credit risk simplification and measures the loss allowance based on a 12-month ECL. For debt instruments that ceases to meet the investment grade criteria, the Company measures the loss allowance based on lifetime ECL.

The Company considers a financial asset in default when contractual payments are 120 days past due. 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.

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

Initial Recognition and Measurement of Financial Liabilities
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent Measurement of Financial Liabilities
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at amortized cost
- Financial liabilities at fair value through profit or loss

Financial Liabilities at Amortized Cost. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The Company's financial liabilities at amortized cost include trade and other payables, long-term debt, loans payable, concession rights payable and lease liabilities.

Financial Liabilities at FVTPL. The Company's financial liabilities at FVTPL consist of derivative instruments not designated as hedging instruments.

Hedge Accounting
The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges. The change in the fair value of a hedging instrument is recognized in the profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the profit or loss.

Cash Flow Hedges. The effective portion of the gain or loss on the hedging instrument is recognized in OCI, whereas any ineffective portion is recognized immediately in the profit or loss. The amount taken to OCI 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 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. 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 includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

Spare Parts and Supplies
Spare parts and supplies inventories are valued at the lower of cost and net realizable value. Net realizable value is the current replacement cost.

Cost is determined using the first-in, first-out method. If the cost of spare parts and supplies inventories exceeds its net realizable value, write-downs are made for the difference between the cost and the net realizable value.

Concession Rights Payable
At the commencement date of the service concession arrangement within the scope of IFRIC 12, the Company recognizes as concession rights payable the present value of concession fee payments to be made over the term of the concession. The concession fee payments include fixed (including "in-substance" fixed) payments and variable payments that depend on an index or a rate. The variable concession payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of the concession fee payments, the Company estimates the discount rate that reflects time value of money and risk assumptions such as own credit risk. Observable inputs such as market interest rates are used as applicable.

The carrying amount of concession rights payable is remeasured if there is a change in future concession fee payments resulting from a change in an index or a rate used to determine those payments.

Accounts Payable and Other Current Liabilities
This account classification includes the following:

Trade Payable. Trade payable represents payable to port authorities other than concession rights pertaining to upfront fees payable in installments and fixed fees, such as accrual of variable portion of port fees and those payable to suppliers and vendors of goods and services.

Accrued Expenses. Accrued expenses are accruals for interest, salaries and benefits, and output and other taxes, among others.

Customers' Deposits. Customers' deposits represent advance payment of customers subject to refund or for future billing applications.

Provision for Claims and Losses. Provision for claims and losses pertains to estimated probable losses on cargo and labor-related and other claims from third parties. Provision for claims and losses not settled at the balance sheet date is reassessed and adjusted, as necessary.

Retention Payable. Retention payable represents the portion of contractor billings which will be paid by the Company upon satisfaction by the contractors of the conditions specified in the contract.

Share-based Payments

Certain qualified officers and employees of the Company and subsidiaries receive remuneration for their services in the form of equity shares of the Company (equity-settled transactions).

The cost of equity-settled transactions with officers and employees is measured by reference to the fair value of the equity shares of the Company at the date on which these are granted.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity (through "Additional Paid-in Capital" account), over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognized for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has transpired and the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

Post-Employment Benefits

Defined Benefit Plan. The liability or asset recognized in the parent company balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

The Company recognizes the following changes in the net defined benefit obligation under Manpower Costs in the parent company income statement:

- Service costs comprising current service costs, any past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income, which is calculated by applying the discount rate to the net defined benefit liability or asset

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise. Such gains and losses are not reclassified to profit or loss in subsequent periods.

Defined Contribution Plans. Payments to defined contribution plans are recorded as expense in the parent company statement of income when employees have rendered services entitling them to the contributions. The Company has no further obligations once the contributions have been paid.

Foreign Currencies
Transactions in foreign currencies are initially recorded at US dollars ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US dollars at period end using the closing exchange rate at balance sheet date with any foreign exchange gains or losses recorded in the parent company statement of income.

Nonmonetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Revenue Recognition
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, which is based on tariff rates published by the port authority. The measurement of revenue takes into account contractually defined terms of payment, excluding incentives and output taxes. The Company has concluded that it is the principal in its revenue arrangements because it is the primary obligor who is responsible for providing the services to the customers.

The following specific recognition criteria must also be met before revenue is recognized:

Gross Revenues from Port Operations. Revenue from port operations (stevedoring, arrastre and other cargo handling services) is recognized when the services are rendered. Payment is generally due once services are rendered.

Construction Revenue. Revenue from construction services relating to IFRIC 12 service concession arrangements is recognized over time using an input method based on actual costs incurred to date relative to the total estimated costs to complete the construction. The estimated costs to complete the construction are mainly based on committed investments as provided for in the concession contracts. Such revenue is measured at the fair value of the construction services provided.

Expenses
Expenses are recognized as incurred. Expenses constitute the following:

Philippine Ports Authority's Share in Gross Revenues. PPA's share in gross revenues includes variable fees paid to the port authority as stipulated in the concession contracts.

Manpower Costs. Manpower costs include remunerations and benefits provided by the Company to its officers and employees such as salaries, wages, allowances and bonuses, among others.

Equipment and Facilities-related Expenses. Equipment and facilities-related expenses include expenses incurred for operations and general repairs and maintenance of the Company's port facilities and other equipment including consumption of fuel, oil and lubricants, power, light and water and technology and systems development expenses.

Administrative and Other Operating Expenses and Losses. Administrative and other operating expenses include costs of administering the business as incurred by administrative and corporate departments such as professional fees, transportation and travel, taxes and licenses, security and janitorial services, insurance and bonds, representation, utilities, claims and losses and general office expenses.

Income Taxes
Provision for income tax represents the sum of taxes currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses or net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date to the extent that such tax rates and tax laws are not based on the Pillar Two model rules published by the Organization for Economic Cooperation and Development.

Earnings Per Share
Basic earnings per common share is computed by dividing the Company’s net income by the weighted average number of common shares outstanding during each year after considering the retroactive effect of any stock dividends declared during the year.

Diluted earnings per common share is computed in the same manner, adjusted for the effect of the shares issuable to qualified officers and employees under the Company’s stock incentive plan (SIP) which are assumed to be vested at the date of grant.

Where the effect of the vesting of stock under the stock incentive plan is anti-dilutive, basic and diluted earnings per share are stated at the same amount.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be

required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the parent company statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent assets and liabilities are not recognized in the parent company financial statements. Contingent assets are disclosed in the notes to parent company financial statements when an inflow of economic benefits is probable and recognized in the parent company balance sheet and the related income in the parent company statement of income when an inflow of economic benefits is virtually certain. On the other hand, contingent liabilities are disclosed in the notes to parent company financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Events after the Balance Sheet Date

Post year-end events that provide additional information about the Company's position at the balance sheet date (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.

3.3 Future Changes in Accounting Policies

Pronouncements issued but not yet effective as at December 31, 2025 are listed below. The Company intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, either the adoption of these pronouncements is not expected to have a significant impact on or upon effectivity of the pronouncement, is not applicable to the parent company financial statements of the Company.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

  The amendments:

  - Introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
  - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
  - Clarify the treatment of non-recourse assets and contractually linked instruments
  - Update the disclosure requirements for equity instruments designated at fair value through other comprehensive income

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

  The amendments:

  - Clarify the application of the 'own-use' requirements
  - Permit hedge accounting if these contracts are used as hedging instruments
  - Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

- Annual Improvements to PFRS Accounting Standards (Volume 11)

  Annual improvements are limited to changes that either clarify the wording in an accounting standard or correct relatively minor unintended consequences, oversights, or conflicts between the requirements in the accounting standards. The 2024 amendments are to the following standards:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures*, and its accompanying Guidance on implementing PFRS 7
  - Amendments to PFRS 9, *Financial Instruments*
  - Amendments to PFRS 10, *Consolidated Financial Statements*
  - Amendments to PAS 7, *Statement of Cash Flows*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

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

  PFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

  PFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

  PFRS 18 will apply retrospectively. The Company has conducted an impact assessment of PFRS 18 and made changes to the accounting system to be able to comply with PFRS 18 once the standard takes effect.

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

  These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:
  - its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
  - it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

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. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Investments in and Advances to Subsidiaries

	2025	2024
Investments in Subsidiaries		
Balance at beginning of year	**US$2,514,528,393**	US$2,457,115,296
Additions during the year	**127,243,853**	79,452,300
Share-based payments (Notes 16 and 21.1)	**6,728,627**	5,275,048
Return of equity (Note 21.1)	**(3,786,300)**	(27,314,251)
	2,644,714,573	2,514,528,393
Allowance for probable loss	**(14,017,350)**	(14,017,350)
Balance at end of year	**2,630,697,223**	2,500,511,043
Advances (net of allowance for probable loss of US$7 thousand as at December 31, 2025 and 2024) (see Note 21.1)	**66,395,698**	251,675,374
	US$2,697,092,921	US$2,752,186,417

Additions in 2025 pertains to additional investments made by the Company to IGHBV, MHCPSI, BIPI and VCT, whereas additions in 2024 pertains to additional investments made by the Company to EJD, MHCPSI and VCT (Note 21.1)

5. **Intangible Assets**

This account consists of:

	2025					
	Concession Rights					
	Port Infrastructure	**Fixed Fees**	**Upfront Fees**	**Subtotal**	**Computer Software**	**Total**
Cost						
Balance at beginning of year	**US$788,820,423**	**US$370,803,172**	**US$16,394,900**	**US$1,176,018,495**	**US$17,188,775**	**US$1,193,207,270**
Additions	**125,468,209**	**–**	**–**	**125,468,209**	**1,247,119**	**126,715,328**
Balance at end of year	**914,288,632**	**370,803,172**	**16,394,900**	**1,301,486,704**	**18,435,894**	**1,319,922,598**
Accumulated Amortization						
Balance at beginning of year	**267,368,304**	**162,630,786**	**7,618,164**	**437,617,254**	**16,277,926**	**453,895,180**
Amortization	**37,228,437**	**14,829,650**	**655,796**	**52,713,883**	**436,655**	**53,150,538**
Balance at end of year	**304,596,741**	**177,460,436**	**8,273,960**	**490,331,137**	**16,714,581**	**507,045,718**
Net Book Value	**US$609,691,891**	**US$193,342,736**	**US$8,120,940**	**US$811,155,567**	**US$1,721,313**	**US$812,876,880**

	2024					
	Concession Rights					
	Port Infrastructure	Fixed Fees	Upfront Fees	Subtotal	Computer Software	Total
Cost						
Balance at beginning of year	US$706,920,865	US$348,560,229	US$16,394,900	US$1,071,875,994	US$17,837,481	US$1,089,713,475
Additions	81,899,558	22,242,943	–	104,142,501	–	104,142,501
Write-off	–	–	–	–	(648,706)	(648,706)
Balance at end of year	788,820,423	370,803,172	16,394,900	1,176,018,495	17,188,775	1,193,207,270
Accumulated Amortization						
Balance at beginning of year	234,882,090	148,060,639	6,962,368	389,905,097	15,981,074	405,886,171
Amortization	32,486,214	14,570,147	655,796	47,712,157	296,852	48,009,009
Balance at end of year	267,368,304	162,630,786	7,618,164	437,617,254	16,277,926	453,895,180
Net Book Value	US$521,452,119	US$208,172,386	US$8,776,736	US$738,401,241	US$910,849	US$739,312,090

Additions to concession rights mainly pertain to construction of various civil works and acquisitions of port facilities and equipment relating to expansion in MICT and modernization of ICPC. In 2024, additions to concession rights also include the recognition of the present value of fixed fee considerations under the new concession contract for ICPC.

6. Property and Equipment

This account consists of:

2025

	Land	Port Facilities and Equipment	Transportation Equipment	Office Equipment, Furniture and Fixtures	Miscellaneous Equipment	Port Equipment Spare Parts	Construction in Progress	Total
Cost								
Balance at beginning of year	**US$43,361,956**	**US$1,164,841**	**US$25,280,381**	**US$36,914,809**	**US$4,984,653**	**US$1,115,846**	**US$9,995,230**	**US$122,817,716**
Additions	**–**	**–**	**1,715,185**	**1,263,814**	**384,039**	**18,486**	**7,274,906**	**10,656,430**
Disposals	**–**	**(353,610)**	**(920,689)**	**(2,041)**	**(2,441)**	**(34,879)**	**–**	**(1,313,660)**
Balance at end of year	**43,361,956**	**811,231**	**26,074,877**	**38,176,582**	**5,366,251**	**1,099,453**	**17,270,136**	**132,160,486**
Accumulated Depreciation								
Balance at beginning of year	**–**	**852,890**	**13,691,722**	**33,953,082**	**4,221,287**	**–**	**–**	**52,718,981**
Depreciation	**–**	**8,948**	**2,592,201**	**1,505,940**	**281,495**	**–**	**–**	**4,388,584**
Disposals	**–**	**(208,607)**	**(685,767)**	**(1,634)**	**(41)**	**–**	**–**	**(896,049)**
Balance at end of year	**–**	**653,231**	**15,598,156**	**35,457,388**	**4,502,741**	**–**	**–**	**56,211,516**
Net Book Value	**US$43,361,956**	**US$158,000**	**US$10,476,721**	**US$2,719,194**	**US$863,510**	**US$1,099,453**	**US$17,270,136**	**US$75,948,970**

2024

	Land	Port Facilities and Equipment	Transportation Equipment	Office Equipment, Furniture and Fixtures	Miscellaneous Equipment	Port Equipment Spare Parts	Construction in Progress	Total
Cost								
Balance at beginning of year	US$–	US$1,041,611	US$36,186,399	US$34,242,915	US$4,187,078	US$1,215,687	US$8,796,782	US$85,670,472
Additions	43,361,956	303,383	1,862,490	2,685,503	798,240	–	1,198,448	50,210,020
Disposals	–	(180,153)	(12,768,508)	(13,609)	(665)	(23,176)	–	(12,986,111)
Write-off	–	–	–	–	–	(76,665)	–	(76,665)
Balance at end of year	43,361,956	1,164,841	25,280,381	36,914,809	4,984,653	1,115,846	9,995,230	122,817,716
Accumulated Depreciation								
Balance at beginning of year	–	972,871	24,021,785	32,059,109	3,902,269	–	–	60,956,034
Depreciation	–	8,948	2,424,188	1,903,055	319,683	–	–	4,655,874
Disposals	–	(128,929)	(12,754,251)	(9,082)	(665)	–	–	(12,892,927)
Balance at end of year	–	852,890	13,691,722	33,953,082	4,221,287	–	–	52,718,981
Net Book Value	US$43,361,956	US$311,951	US$11,588,659	US$2,961,727	US$763,366	US$1,115,846	US$9,995,230	US$70,098,735

7. Investment Properties

This account consists of:

	2025		
	Land	**Building and Others**	**Total**
Cost	**US$86,962,945**	**US$7,442,242**	**US$94,405,187**
Accumulated Depreciation	**–**	**7,442,242**	**7,442,242**
Net Book Value	**US$86,962,945**	**US$–**	**US$86,962,945**

	2024		
	Land	Building and Others	Total
Cost			
Balance at beginning of year	US$86,962,945	US$7,846,261	US$94,809,206
Write-off	–	(404,019)	(404,019)
Balance at end of year	86,962,945	7,442,242	94,405,187
Accumulated Depreciation			
Balance at beginning and end of year	–	7,442,242	7,442,242
Net Book Value	US$86,962,945	US$–	US$86,962,945

Investment properties mainly include land held for capital appreciation, building and land improvements subject to lease, comprised of:

- Land and building acquired in 2022 amounting to US$82.6 million, for which management believes that the acquisition value approximates the fair value as at December 31, 2025 since there were no significant improvements made to the said investment properties during the intervening period and no impairment indicators existed as at December 31, 2025.

- The other investment properties with a net book value of US$4.8 million have a total fair value of US$21.9 million based on a valuation performed by a qualified independent appraiser whose report was dated December 13, 2024.

  Fair values of the investment properties were determined using the sales comparison method. This means that valuations performed by the qualified independent appraiser are based on sales of similar or substitute properties, significantly adjusted for differences in the nature, location or condition of the specific property. This is categorized as *Level 3* in the fair value hierarchy as at December 31, 2025 and 2024.

There were no restrictions on the realizability of the investment properties and no significant repairs and maintenance were made to maintain the Company's investment properties.

On May 28, 2022, the Company leased its investment property (land located in Manila) to MHCPSI for five years.

On March 1, 2015, the Company leases its investment property (land located in Calamba City, Laguna) to IWI CTHI for 25 years. The lease is subject to an annual escalation based on a pre-agreed rate.

Rental income derived from rental-earning investment properties, which is recognized as part of "Other income" account, amounted to US$2.6 million and US$2.5 million in 2025 and 2024, respectively (see Notes 17.1 and 21.1).

Future minimum rental receivables under the aforementioned leases as at December 31,are as follows:

	2025	2024
Within 1 year	**US$2,174,734**	US$2,228,562
Between 1 and 2 years	**1,170,630**	2,228,562
Between 2 and 3 years	**166,527**	1,199,605
Between 3 and 4 years	**166,527**	170,649
Between 4 and 5 years	**166,527**	170,649
More than 5 years	**1,373,847**	1,578,501
	US$5,218,792	US$7,576,528

8. Other Noncurrent Assets

This account consists of:

	2025	2024
Deposit for investment in Durban Gateway Terminal (Pty) Ltd.	**US$618,000,000**	US$–
Advances to suppliers, contractors and others (net of allowance for probable losses of US$0.7 million)	**59,340,106**	40,767,404
Financial assets at FVOCI	**4,145,844**	4,383,639
Derivative assets (Note 25)	**1,822,812**	2,789,654
Right-of-use asset	**14,162,359**	15,305,683
Deferred input VAT	**4,492,509**	4,434,006
	US$701,963,630	US$67,680,386

Deposit for investment in Durban Gateway Terminal (Pty) Ltd. (DGT)

On December 30, 2025, ICTSI through its wholly-owned subsidiary, ICTSI EMEA FZCO, paid US$618.0 million to Transnet SOC Ltd. as a deposit for acquisition of shares in DGT, subject to closing conditions. The closing conditions were satisfied on January 1, 2026, which is the same date that ICTSI took over formal management and operation of DGT, the company that will operate Durban Container Terminal Pier 2 at the Port of Durban.

Advances to Suppliers, Contractors and Others
These advances mainly pertain to advance payments for the purchase of port equipment and construction of port facilities, and advance payment for on-going projects.

Right-of-Use Asset
Set-out below is the reconciliation of the Company's right-of-use asset during the years ended December 31:

	2025	2024
Balance at beginning of year	**US$15,305,683**	US$–
Addition	**415,335**	15,434,302
Amortization	**(1,558,659)**	(128,619)
Balance at end of year	**US$14,162,359**	US$15,305,683

The Company entered into a lease agreement with ACTSI on December 1, 2024 for the lease of a transportation equipment for 10 years. The lease requires the Company to make an annual payment of US$1.9 million.

Financial Assets at FVOCI
The net movement in unrealized mark-to-market gain on financial assets at FVOCI is as follows:

	2025	2024
Balance at beginning of year	**US$3,534,995**	US$2,493,131
Disposal of financial assets	**(1,007,795)**	–
Change in fair value of financial assets at FVOCI	**770,000**	1,041,864
Balance at end of year (see Note 12.3)	**US$3,297,200**	US$3,534,995

No gain has been recognized in the income statement upon the disposal of certain financial assets at FVOCI. Instead, the cumulative fair value changes relating to such investments previously recognized in other comprehensive income have been transferred directly to retained earnings.

9. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	**US$35,457,116**	US$26,699,421
Cash equivalents	**282,306,390**	349,603,258
	US$317,763,506	US$376,302,679

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term investments, which are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term investment rates. The carrying value of cash and cash equivalents approximates their fair value as at the balance sheet date.

Interest income derived from interest-earning bank deposits and cash equivalents amounted to US$9.9 million and US$17.1 million for the years ended December 31, 2025 and 2024, respectively.

10. Receivables

This account consists of:

	2025	2024
Trade	**US$27,552,169**	US$29,030,936
Nontrade	**5,977,552**	4,180,467
	33,529,721	33,211,403
Less allowance for doubtful accounts	**579,329**	582,979
	US$32,950,392	US$32,628,424

Trade receivables are noninterest-bearing and are generally on a 30-day credit term.

Details of allowance for doubtful accounts as at December 31 are as follows:

	2025	2024
Trade	**US$221,725**	US$225,375
Nontrade	**357,604**	357,604
	US$579,329	US$582,979

11. Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
Tax credits	**US$16,968,160**	US$10,253,703
Prepaid insurance, bonds and other expenses	**7,779,068**	7,494,223
Input tax	**5,461,302**	5,853,760
Advances to officers and employees	**1,113,073**	1,012,301
Advances to contractors and others	**1,542,435**	6,117,668
	US$32,864,038	US$30,731,655

12. **Equity**

The Company offered its common shares at a price of P6.70 per share in its initial public offering and became listed and traded at the PSE starting on March 23, 1992. As at December 31, 2025 and 2024, the Company has 1,335 and 1,340 shareholders on record, respectively.

12.1 Capital Stock and Treasury Shares

The movements in ICTSI's capital stock and treasury shares in 2025 and 2024 are as follows:

	Number of Shares			
	Authorized		Issued and Subscribed	
	2025	2024	**2025**	2024
Preferred A Shares - nonvoting, non-cumulative, ₱1.00 (US$0.048) par value	**993,000,000**	993,000,000	**3,800,000**	3,800,000
Preferred B Shares - voting, non-cumulative, ₱0.01 (US$0.002) par value	**700,000,000**	700,000,000	**700,000,000**	700,000,000
Common Stock - ₱1.00 (US$0.048) par value	**4,227,397,381**	4,227,397,381	**2,045,177,671**	2,045,177,671

	Number of Shares	
	2025	2024
Treasury Shares		
Balance at beginning of year	**17,962,468**	13,189,068
Issuance of shares for share-based payments (see Note 16)	**(1,893,099)**	(1,823,420)
Purchase of shares	**10,280,040**	6,596,820
Balance at end of year	**26,349,409**	17,962,468

	Amounts Issued and Subscribed	
	2025	2024
Preferred Stock	**US$236,222**	US$236,222
Common Stock	**US$67,781,529**	US$67,781,529
Subscription Receivable	**(451,341)**	(451,341)
	US$67,330,188	US$67,330,188

Preferred Shares

The Preferred A shares, which were subscribed by ICTHI, are nonvoting, entitled to dividend at rates to be fixed by the Board, non-cumulative, convertible to common shares under such terms to be provided by the Board, redeemable at such price and terms determined by the Board and have preference over common shares in the distribution of the assets of the Company. The Board has not fixed the dividend rate and terms of conversion of Preferred A shares.

The Preferred B shares were issued to Achillion Holdings, Inc. (Achillion). Preferred B shares have the following features: voting; issued only to Philippine Nationals; not convertible into common shares; earn no dividend and redeemable at the option of the Board.

Achillion is a Philippine corporation owned and controlled by ICTSI's Chairman and President and controlling stockholder, Enrique K. Razon, Jr.

12.2 Retained Earnings

The details of ICTSI's declaration of cash dividends are as follows:

	2025	2024
Date of Board approval	**March 6, 2025**	March 1, 2024
Cash dividends (regular) per share	**US$0.247 (₱14.16)**	US$0.167 (₱9.35)
Cash dividends (special) per share	–	US$0.029 (₱1.65)
Record date	**March 20, 2025**	March 15, 2024
Payment date	**March 28, 2025**	March 25, 2024

12.3 Other Comprehensive Loss - Net

The details of other comprehensive net loss (net of tax) as at December 31 are as follows:

	2025	2024
Effect of change in functional currency	**(US$56,159,412)**	(US$56,159,412)
Net unrealized market valuation gain on Financial asset at FVOCI (see Note 8)	**3,297,200**	3,534,995
Unrealized mark-to-market gain (loss) on derivatives (see Note 25)	**(7,611,852)**	4,769,650
Foreign currency translation gain (loss) (see Note 25)	**94,477**	(217,378)
Actuarial loss on defined benefit plan (see Note 22)	**(4,386,639)**	(4,079,110)
	(US$64,766,226)	(US$52,151,255)

13. **Long-term Debt**

13.1 Outstanding Balances and Maturities

	Maturity	**2025**	2024
Unsecured fixed interest USD bond[(a)]	2030	**US$395,763,036**	US$394,962,234
Unsecured fixed interest USD term loans	2027-2032	**1,401,836,973**	744,389,099
Unsecured floating interest USD term loan	2028-2032	**297,766,532**	99,247,854
		US$2,095,366,541	US$1,238,599,187

[(a)] *The Senior Notes were offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Senior Notes are traded and listed in the Singapore Stock Exchange.*

13.2 Details and Description

Unsecured fixed interest USD bond. The Senior Notes bear interest of 4.75 percent per annum, payable semi-annually in arrears, maturing on June 17, 2030.

Unsecured fixed interest USD term loan. The loans bear interest based on three-month and six-month term Secured Overnight Financing Rate (SOFR) plus an agreed margin. ICTSI entered into interest rate swaps to hedge the interest rate exposure of these loans.

Unsecured floating interest USD term loan. The loans bear interest based on six-month term SOFR plus an agreed margin.

Interest expense on long-term debt amounted to US$81.3 million and US$72.7 million in 2025 and 2024, respectively. These amounts include amortization of debt issuance costs, discount and premium amounting to US$2.3 million in 2025 and US$2.1 million in 2024.

13.3 Loan Covenants

The loans are subject to certain restrictions with respect to corporate reorganization, disposition of all or substantial portion of the Company's and its subsidiaries' assets, extending loan to others, except in the course of ordinary business. As at December 31, 2025, the Company is in compliance with the debt covenants on its existing loans.

14. Loans Payable

In March and June 2024, ICTSI availed of short-term loans totaling JPY24.5 billion with a tenor of one year. ICTSI entered into cross-currency swaps to hedge the foreign exchange exposure of these loans. These loans were fully repaid in March 2025.

Interest expense incurred related to these loans payable amounted to US$0.7 million and US$1.9 million in 2025 and 2024, respectively.

15. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Trade	**US$85,458,382**	US$64,228,577
Accrued expenses:		
Interest (see Note 13)	**16,883,071**	13,157,951
Salaries and benefits	**1,211,835**	1,094,323
Operating expenses and others	**53,077,126**	40,522,962
Customers' deposits	**15,487,163**	14,882,287
Retention payable	**6,574,025**	3,545,978
Dividends payable	**6,491,950**	5,053,946
Provision for claims and losses	**5,261,225**	4,838,774
Withholding taxes	**2,966,463**	28,396
Others	**1,087,698**	1,317,498
	US$194,498,938	US$148,670,692

Trade payables are noninterest-bearing and are generally settled on 30-60 days' term.

Provision for claims and losses pertain mainly to estimated probable losses on cargo, labor-related, and other claims from third parties. The movements in this account are as follows:

	2025	2024
Balance at beginning of year	**US$4,838,774**	US$6,341,601
Provision during the year (Note 19)	**3,456,343**	1,147,254
Settlement during the year	**(3,033,892)**	(2,650,081)
Balance at end of year	**US$5,261,225**	US$4,838,774

16. **Share-based Payment Plan**

Certain officers and employees of the Company and its subsidiaries receive remuneration through share-based payment transactions, whereby officers and employees are given awards, in the form of ICTSI common shares, in lieu of cash incentives and bonuses under the Stock Incentive Plan (SIP). The SIP was approved by the stockholders of the Company on March 7, 2007, effective for a period of 10 years unless extended by the Board. On March 7, 2016, the Board approved the extension of the SIP for a further 10 years until March 2027 and the amendment of vesting period of the SIP. The vesting period of the SIP was amended from two years where 50% is to vest on the first anniversary date of the award and the other 50% to vest on the second anniversary date of the award, to three years where 25% is to vest on the first anniversary date of the award, 25% to vest on the second anniversary date of the award, and 50% to vest on the third anniversary date of the award. Unless the Stock Incentive Committee determines otherwise, when dividends are declared by the Company, the number of shares subject to an award shall be increased by the number equal in value to the dividends the awardee would have received in respect of an award had the shares awarded to the awardee vested at the time of the dividend declaration. This is designated as the Dividend Re-investment Plan (DRIP).

The shares covered by the SIP are held under treasury until they are awarded and issued to the officers and employees as determined by the Stock Incentive Committee. A portion of ICTSI common shares held under treasury is allotted for the SIP.

The grant of shares under the SIP does not require an exercise price to be paid by the awardee. Awardees who resign or are terminated will lose any right to unvested shares. In the event of retirement of an awardee, the unvested shares shall automatically vest in full. In the event of death or total disability of an awardee, the outstanding unvested shares shall vest in full and the shares will be released to the designated heirs of the awardee. A change in control in ICTSI will trigger the automatic vesting of unvested awarded shares. There are no cash settlement alternatives.

The SIP covers permanent and regular employees of ICTSI with at least one year tenure; officers and directors of ICTSI, its subsidiaries or affiliates; or other persons who have contributed to the success and profitability of ICTSI or its subsidiaries or affiliates.

Stock awards, including DRIP shares, granted by the Stock Incentive Committee to officers and employees of ICTSI and its subsidiaries for the past two years are shown below:

Grant Date	Number of Shares Granted	Fair value per Share at Grant Date
March 1, 2024	1,978,205	US$5.06 (₱283.20)
March 25, 2024	153,920	US$5.62 (₱317.19)
March 3, 2025	1,957,959	US$5.87 (₱340.00)
March 28, 2025	179,196	US$6.41 (₱368.00)

Fair value per share was determined based on the market price of the stock of the Company at the date of grant.

Movements in the stock awards (number of shares) were as follows:

	2025	2024
Balance at beginning of year	**4,594,388**	4,285,683
Stock awards granted	**2,137,155**	2,132,125
Stock awards vested, issued and cancelled	**(1,893,099)**	(1,823,420)
Balance at end of year	**4,838,444**	4,594,388

Share-based payment expense amounted to US$4.4 million and US$3.5 million in 2025 and 2024, respectively. ICTSI recognized additional investment in subsidiaries amounting to US$6.7 million in 2025 and US$5.3 million in 2024, for the value of the shares awarded to the officers and directors of the Company's subsidiaries (see Note 4).

17. **Income and Expenses**

17.1 Other Income

This account consists of:

	2025	2024
Royalty fees (Note 21.1)	**US$59,027,169**	US$51,956,603
Management fees (Note 21.1)	**14,547,763**	12,238,285
HQ-managed IT income (Note 21.1)	**10,385,457**	9,096,244
Professional fees (Note 21.1)	**4,165,925**	3,971,905
Unrealized mark-to-market gain on derivatives (Note 25)	**3,754,585**	15,045,380
Rental income (Notes 7 and 21.1)	**2,560,051**	2,536,842
Gain on sale of fixed assets	**1,542**	2,503,055
Others	**2,076,436**	4,514,973
	US$96,518,928	US$101,863,287

17.2 PPA's Share in Gross Revenues

This account consists of variable fees paid to the PPA as stipulated in the contracts with the PPA (see Note 23), excluding variable fees considered as "in-substance fixed payments" that formed part of the capitalized concession rights (see Note 5).

18. **Equipment and Facilities-related Expenses**

This account consists of:

	2025	2024
Repairs and maintenance	**US$7,941,973**	US$8,455,547
Fuel, oil and lubricants	**7,296,178**	6,822,252
Power, light and water	**7,042,226**	6,123,701
Rent	**616,500**	627,939
Others	**780,938**	703,326
	US$23,677,815	US$22,732,765

19. **Administrative and Other Operating Expenses**

This account consists of:

	2025	2024
Professional and other fees	**US$32,698,073**	US$27,586,202
Technology and systems development	**14,273,756**	13,015,407
Sponsorships, donations and contributions	**11,644,069**	10,872,291
Management fees (Note 21.1)	**11,019,017**	8,346,757
Taxes and licenses	**6,136,478**	9,836,864
Insurance and bonds	**4,344,079**	4,570,209
Claims and losses (Note 15)	**3,456,343**	1,147,254
Transportation and travel	**3,262,194**	3,138,235
Advertising, dues and subscriptions	**2,675,043**	3,271,291
Security and janitorial	**2,099,485**	1,870,812
General office	**1,782,616**	1,549,024
Representation and entertainment	**983,842**	770,131
Postage, telephone and telegraph	**361,658**	312,257
Office supplies and others	**98,763**	95,516
	US$94,835,416	US$86,382,250

20. **Income Tax**

The deferred tax assets and liabilities are presented in the parent company balance sheets as follows:

	2025	2024
Deferred tax assets:		
Unrealized foreign exchange loss	**US$79,008,431**	US$94,463,998
Concession rights payable related to fixed fees and storage fees	**14,553,674**	13,535,505
Provision for bonuses and compensated absences	**7,927,276**	6,109,185
Share-based payments	**3,017,520**	1,960,603
Accrued retirement cost	**1,606,892**	2,153,182
Provision for claims and losses	**594,913**	384,155
Inventory obsolescence	**477,629**	485,432
Allowance for doubtful accounts and probable losses	**263,186**	267,485
	107,449,521	119,359,545
Deferred tax liabilities:		
Difference in depreciable lives used on port infrastructure and equipment for tax and accounting	**34,542,856**	32,859,016
Capitalized borrowing costs	**1,821,663**	2,000,530
Derivatives	**1,494,995**	6,707,320
Retirement liability acquired from related party	**209,926**	291,814
Others	**14,675,993**	11,962,851
	52,745,433	53,821,531
Deferred tax assets - net	**US$54,704,088**	US$65,538,014

A reconciliation of income tax expense on income before income tax at statutory tax rate to income tax expense recognized in the parent company statements of income follows:

	2025	2024
Income tax expense computed at statutory tax rate	**US$188,158,032**	US$145,437,302
Add (deduct) tax effects of:		
Dividend income exempt from income tax	**(115,492,551)**	(89,413,620)
Difference in functional and tax reporting currency	**(7,889,785)**	(15,150,372)
Interest income already subjected to final tax	**(2,315,442)**	(4,217,461)
Unallowable interest expense	**563,856**	1,000,589
Nondeductible expenses	**1,880,812**	1,182,355
Effect of income tax holiday	**(1,457,794)**	–
	US$63,447,128	US$38,838,793

The Company was granted a tax refund of ₱291.8 million (US$5.3 million) in April 2023 and can be deducted from income tax due until April 2028. A total amount of ₱73.9 million (US$1.3 million) and ₱24.2 million (US$0.4 million) was deducted from income tax liability during the years 2024 and 2025, respectively.

On December 23, 2020, the Board of Investments (BOI) approved the registration of ICTSI's construction of Berth 8 of the MICT as "Expanding Operator of Seaport" on a Non-Pioneer status under the Omnibus Investment Code of 1987. Berth 8 is entitled to an income tax holiday of three years from July 2027 or actual start of commercial operations, whichever comes first. The construction of Berth 8 is being done in two phases: expansion of the yard (Phase 1) and construction of a new berth and yard (Phase 2). Development of Berth 8 commenced in the last quarter of 2022. Phases 1 and 2 of the development are expected to be completed in the second quarter of 2026 and first quarter of 2027, respectively.

On December 27, 2024, the BOI approved the registration of ICTSI as Domestic Market Enterprise engaged in Modernization of ICPC, pursuant to Title XIII of the National Internal Revenue Code of 1997, as amended by Republic Act. No. 11534, or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. ICPC officially commenced commercial operations on January 1, 2025. ICPC is entitled to an income tax holiday for three years starting January 1, 2025, enhanced deduction for five years starting January 1, 2028, and duty exemption for twelve years starting December 27, 2024.

Base Erosion and Profit Shifting (BEPS) Pillar Two
The Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR750 million per their consolidated financial statements.

The Pillar Two model rules introduce new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):
- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payments/Profits Rule (UTPR)

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

According to these rules, ICTSI and its subsidiaries (collectively referred to as "the Group") is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning January 1, 2025.

The Group has determined that the impact of Pillar Two Model Rules is not material to the consolidated financial statements in 2025 and 2024 based on the Group's country-by-country reporting and the most recent information available regarding the financial performance of the constituent entities in the Group.

For the years ended December 31, 2024 and 2025, the Company has applied the amendment to PAS 12, *Income Taxes*, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

21. Related Party Transactions

21.1 Transactions with Subsidiaries and Joint Venture

	2025			2024				
		Outstanding Receivable (Payable)[i]			Outstanding Receivable (Payable)[i]			
Entity	**Amount**	**Current**	**Noncurrent**	Amount	Current	Noncurrent	Terms	Conditions
Subsidiaries								
AHI								
Extension of advances	**US$–**	**US$–**	**US$652,252**	US$2,044	US$–	US$1,219,239	Non-interest bearing	Unsecured, no impairment
AGCT								
Extension of advances	**7,205**	**–**	**6,976**	3,959	–	361,979	Non-interest bearing	Unsecured, no impairment
Availment of advances	**1,038,995**	**–**	**–**	33,647	–	(376,023)	Non-interest bearing	Unsecured
HQ managed IT income	**292,168**	**–**	**50,169**	281,802	–	90,993	Non-interest bearing	Unsecured, no impairment
Professional fee expense	**94,699**	**–**	**(53,651)**	43,652	–	(44,650)	Non-interest bearing	Unsecured
Other income	**55,730**	**–**	**–**	87,109	–	87,109	Non-interest bearing	Unsecured, no impairment
AGT								
Extension of advances	**–**	**–**	**683**	–	–	683	Non-interest bearing	Unsecured, no impairment
APBS								
Rent income	**–**	**–**	**43,470**	–	–	43,470	Non-interest bearing	Unsecured, no impairment
Acquired obligation	**–**	**–**	**63,831**	–	–	63,831	Non-interest bearing	Unsecured, no impairment
Extension of advances	**2**	**–**	**193,200**	–	–	205,416	Non-interest bearing	Unsecured, no impairment
Availment of advances	**20**	**–**	**(1,304)**	–	–	(1,323)	Non-interest bearing	Unsecured
BCT								
Extension of advances	**–**	**–**	**–**	5,374	–	1,842	Non-interest bearing	Unsecured, no impairment
Availment of advances	–	–	–	–	–	(35,344)	Non-interest bearing	Unsecured
HQ managed IT income	**227,287**	**–**	**339,780**	144,561	–	71,882	Non-interest bearing	Unsecured, no impairment
Professional fees income	**12,480**	**–**	**–**	16,748	–	–	Non-interest bearing	Unsecured, no impairment
Other income	**418,271**	**–**	**–**	297,497	–	–	Non-interest bearing	Unsecured, no impairment
BGT								
Extension of advances	**17,359**	**–**	**353**	5,075	–	(6,285)	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**375,268**	**–**	**(21,887)**	330,947	–	1,212	Non-interest bearing	Unsecured, no impairment
Professional fees income	**174,216**	**–**	**15,830**	149,110	–	41,243	Non-interest bearing	Unsecured, no impairment
Other income	**107,347**	**–**	**42,521**	31,491	–	31,491	Non-interest bearing	Unsecured, no impairment
BICT								
Extension of advances	**1,054**	**–**	**–**	6,653	–	11,142	Non-interest bearing	Unsecured, no impairment
Availment of advances	**–**	**–**	**–**	–	–	397	Non-interest bearing	Unsecured
Royalty income	**432,471**	**–**	**59,303**	359,644	–	22,779	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**146,032**	**–**	**8,266**	132,059	–	19,891	Non-interest bearing	Unsecured, no impairment
Other expense	**10,306**	**–**	**–**	–	–	–	Non-interest bearing	Unsecured, no impairment

(Forward)

Entity	2025 Amount	2025 Outstanding Receivable (Payable)[i] Current	2025 Outstanding Receivable (Payable)[i] Noncurrent	2024 Amount	2024 Outstanding Receivable (Payable)[i] Current	2024 Outstanding Receivable (Payable)[i] Noncurrent	Terms	Conditions
BIPI								
Extension of advances	US$37,433	US$–	(US$87)	US$18,361	US$–	US$ 9,834	Non-interest bearing	Unsecured, no impairment
Management fees income	828,043	–	125,767	660,068	–	57,649	Non-interest bearing	Unsecured, no impairment
Professional fees income	153,286	–	29,502	116,630	–	12,390	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	27,538	–	(15,115)	20,625	–	(10,450)	Non-interest bearing	Unsecured, no impairment
Acquisition of investments	6,352,500	–	–	–	–	–	Non-interest bearing	Unsecured
CGSA								
Extension of advances	2,473	–	–	4,666	–	(665,609)	Non-interest bearing	Unsecured, no impairment
Availment of advances	–	–	–	–	–	(17,190)	Non-interest bearing	Unsecured
HQ managed IT income	972,621	–	10,350	489,995	–	613,640	Non-interest bearing	Unsecured, no impairment
Dividend income	15,356,156	–	–	–	–	1,805,810	Non-interest bearing	Unsecured, no impairment
Management fees income	–	–	–	–	–	12,497	Non-interest bearing	Unsecured, no impairment
Return of investment	–	–	–	12,325,000	–	12,325,000	Non-interest bearing	Unsecured, no impairment
Other income	83,425	–	(3,541)	–	–	–	Non-interest bearing	Unsecured, no impairment
CGSA B.V.								
Management fees income	4,065	–	678	4,065	–	3,727	Non-interest bearing	Unsecured, no impairment
CGSA Transportadora S.L								
Management fee expense	176,290	–	(29,698)	86,614	–	–	Non-interest bearing	Unsecured, no impairment
CGT								
Extension of advances	10,849	–	78,472	37,893	–	642,951	Non-interest bearing	Unsecured, no impairment
Professional fees income	–	–	–	–	–	61,574	Non-interest bearing	Unsecured, no impairment
Acquired obligation	–	–	826	–	–	826	Non-interest bearing	Unsecured, no impairment
Transferred obligation	–	–	(697)	–	–	(697)	Non-interest bearing	Unsecured
HQ managed IT income	2,166	–	(25,287)	632	–	(15,586)	Non-interest bearing	Unsecured, no impairment
Other income	166	–	2,792	2,855	–	10,010	Non-interest bearing	Unsecured, no impairment
CLI								
Extension of advances	4,802	–	827,572	1,934	–	857,515	Non-interest bearing	Unsecured, no impairment
Management fees income	175,353	–	489,354	498,847	–	462,272	Non-interest bearing	Unsecured, no impairment
Professional fees income	210,033	–	420,390	150,694	–	156,635	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	14,226	–	5,142	2,364	–	(545)	Non-interest bearing	Unsecured, no impairment
Rent income	3,743	–	1,959	3,427	–	4,402	Non-interest bearing	Unsecured, no impairment
CLIA Rio								
HQ Managed IT income	17,753	–	(25,143)	–	–	–	Non-interest bearing	Unsecured, no impairment
CMSA								
Extension of advances	129	–	4,546	53,059	–	82,091	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	1,188,680	–	232,495	1,273,884	–	1,789,561	Non-interest bearing	Unsecured, no impairment
Royalty income	33,199,884	–	9,438,071	27,995,011	–	2,700,878	Non-interest bearing	Unsecured, no impairment

(Forward)

Entity	2025 Amount	2025 Outstanding Receivable (Payable)[i] Current	2025 Noncurrent	2024 Amount	2024 Outstanding Receivable (Payable)[i] Current	2024 Noncurrent	Terms	Conditions
CMSA								
Dividend income	**US$16,999**	**US$–**	**US$–**	US$13,790	US$–	US$–	Non-interest bearing	Unsecured, no impairment
Other income	**16,593**	**–**	**25,814**	19,521	–	42,408	Non-interest bearing	Unsecured, no impairment
CMSA B.V.								
Management fees income	**2,033**	**–**	**339**	2,033	–	1,016	Non-interest bearing	Unsecured, no impairment
CPHI								
Dividend income	**362,293**	**–**	**222,446**	320,518	–	222,837	Non-interest bearing	Unsecured, no impairment
Extension of advances	**–**	**–**	**28,431**	501	–	27,513	Non-interest bearing	Unsecured, no impairment
Availment of advances	**–**	**–**	**(300,126)**	–	–	(282,856)	Non-interest bearing	Unsecured
CTSSPI								
Extension of advances	**–**	**–**	**(65)**	–	–	(53)	Non-interest bearing	Unsecured, no impairment
Other expense	**65**	**–**	**65**	–	–	–	Non-interest bearing	Unsecured, no impairment
DIPSSCOR								
Extension of advances	**58,997**	**–**	**(1,376,083)**	23,621	–	(1,454,753)	Non-interest bearing	Unsecured, no impairment
Management fees income	**–**	**–**	**1,128**	–	–	1,128	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**–**	**–**	**4,623**	–	–	4,623	Non-interest bearing	Unsecured, no impairment
Rent income	**–**	**–**	**1,050**	1,050	–	1,050	Non-interest bearing	Unsecured, no impairment
EJD								
Extension of advances	**19,244**	**–**	**19,841**	21,757	–	11,862	Non-interest bearing	Unsecured, no impairment
Royalty income	**720,000**	**–**	**428,377**	720,000	–	196,182	Non-interest bearing	Unsecured, no impairment
Acquisition of Investments	–	–	–	5,709,500	–	–	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**23,936**	**–**	**40,336**	17,051	–	16,401	Non-interest bearing	Unsecured, no impairment
Other income	**–**	**–**	**21,510**	21,510	–	21,510	Non-interest bearing	Unsecured, no impairment
Professional fees income	**23,175**	**–**	**98,465**	55,726	–	75,290	Non-interest bearing	Unsecured, no impairment
HIPS								
Purchase of equipment	**–**	**–**	**1**	–	–	1	Non-interest bearing	Unsecured, no impairment
IABV								
Extension of advances	**–**	**–**	**(14,539)**	–	–	(14,539)	Non-interest bearing	Unsecured, no impairment
Management fees income	**12,196**	**–**	**11,974**	12,196	–	19,993	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**251**	**–**	**1,473**	960	–	125	Non-interest bearing	Unsecured, no impairment
ICBV								
Extension of advances	**18,149**	**–**	**223**	18,210	–	17,650	Non-interest bearing	Unsecured, no impairment
Management fees income	**2,033**	**–**	**339**	2,033	–	1,016	Non-interest bearing	Unsecured, no impairment
ICTSI Cooperatief U.A.								
Extension of advances	**–**	**–**	**(169)**	–	–	(169)	Non-interest bearing	Unsecured, no impairment
Management fees income	**–**	**–**	**169**	–	–	169	Non-interest bearing	Unsecured, no impairment

(Forward)

Entity	2025 Amount	2025 Outstanding Receivable (Payable)(i) Current	2025 Noncurrent	2024 Amount	2024 Outstanding Receivable (Payable)(i) Current	2024 Noncurrent	Terms	Conditions
ICTHI								
Extension of advances	**US$–**	**US$–**	**US$4,000**	US$4,000	US$–	US$4,000	Non-interest bearing	Unsecured, no impairment
ICTSI Africa (Pty) Ltd.								
Extension of advances	**–**	**–**	**26,688**	–	–	23,123	Non-interest bearing	Unsecured, no impairment
Other expense	**26,688**	**–**	**(26,688)**	–	–	–	Non-interest bearing	Unsecured, no impairment
ICTSI Africa B.V.								
Management fees income	**4,065**	**–**	**678**	4,065	–	678	Non-interest bearing	Unsecured, no impairment
ICTSI Africa Headquarters (Pty) Ltd.								
Extension of advances	**3,166**	**–**	**16,317**	244	–	11,284	Non-interest bearing	Unsecured, no impairment
IDRC								
Extension of advances	**48,956**	**–**	**66,593**	18,994	–	33,266	Non-interest bearing	Unsecured, no impairment
Availment of advances	**183,349**	**–**	**(1,724,937)**	–	–	(1,541,588)	Non-interest bearing	Unsecured
HQ managed IT income	**308,907**	**–**	**634,429**	288,051	–	541,970	Non-interest bearing	Unsecured, no impairment
Royalty income	**2,400,000**	**–**	**2,719,855**	2,400,000	–	1,423,855	Non-interest bearing	Unsecured, no impairment
Other income	**26,338**	**–**	**–**	31,884	–	27,420	Non-interest bearing	Unsecured, no impairment
Professional fee expense	**11,589**	**–**	**(11,589)**	–	–	–	Non-interest bearing	Unsecured, no impairment
ICTSI Global Holdings B.V.								
Interest income	**–**	**–**	**5,000**	–	–	5,000	Non-interest bearing	Unsecured, no impairment
Extension of advances	**207**	**–**	**(4,387)**	248	–	(4,584)	Non-interest bearing	Unsecured, no impairment
Acquisition of Investments	**91,000,000**	**–**	**–**	–	–	–	Non-interest bearing	Unsecured, no impairment
Management fees income	**2,033**	**–**	**169**	2,033	–	847	Non-interest bearing	Unsecured, no impairment
Dividend income	**270,000,000**	**–**	**–**	200,000,000	–	200,000,000	Non-interest bearing	Unsecured, no impairment
ICTSI Hong Kong Ltd.								
Extension of advances	**32**	**–**	**116**	19	–	87	Non-interest bearing	Unsecured, no impairment
ICTSI MAURITIUS LTD								
Extension of advances	**2**	**–**	**–**	84,786	–	84,664	Non-interest bearing	Unsecured, no impairment
ICTSI Middle East DMCC								
Extension of advances	**846,052**	**–**	**787,284**	18,725	–	195,035	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**262**	**–**	**5,494**	1,533	–	7,550	Non-interest bearing	Unsecured, no impairment
Availment of advances	**157,222**	**–**	**(11,372)**	–	–	(11,372)	Non-interest bearing	Unsecured
Dividend income	**86,000,000**	**–**	**3,000,000**	80,000,000	–	1,000,000	Non-interest bearing	Unsecured, no impairment
Professional fees income	**–**	**–**	**65,670**	65,670	–	65,670	Non-interest bearing	Unsecured, no impairment
Management fee expense	**782,343**	**–**	**(34,604)**	569,365	–	(384,526)	Non-interest bearing	Unsecured
ISPL								
Extension of advances	**4,962**	**–**	**15,606**	14,318	–	10,633	Non-interest bearing	Unsecured, no impairment
Availment of advances	**4,526**	**–**	**(4,526)**	–	–	–	Non-interest bearing	Unsecured

(Forward)

Entity	2025 Amount	2025 Outstanding Receivable (Payable)(i) Current	2025 Outstanding Receivable (Payable)(i) Noncurrent	2024 Amount	2024 Outstanding Receivable (Payable)(i) Current	2024 Outstanding Receivable (Payable)(i) Noncurrent	Terms	Conditions
ISPL								
Professional fees income	**US$121,578**	**US$–**	**US$(44,754)**	US$110,894	US$–	US$(12,290)	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**4,192**	**–**	**(29,343)**	5,155	–	(22,116)	Non-interest bearing	Unsecured, no impairment
ICTSI Ltd.								
Extension of advances	**87,564**	**–**	**409,310**	2,072	–	409,310	Non-interest bearing	Unsecured, no impairment
Availment of advances	**58,312**	**–**	**9,348,670**	89,750	–	9,320,049	Non-interest bearing	Unsecured
Share-based payments	**6,728,627**	**–**	**–**	5,275,048	–	–	Non-interest bearing	Unsecured, no impairment
Acquisition of Investments	**–**	**–**	**(5,570,249)**	–	–	(5,570,249)	Non-interest bearing	Unsecured
Professional fee expense	**–**	**–**	**(4,487,377)**	344,500	–	(4,487,377)	Non-interest bearing	Unsecured
Assignment of Receivables	**–**	**–**	**141,611**	141,611	–	141,611	Non-interest bearing	Unsecured, no impairment
Derivatives	**–**	**–**	**(23,117,732)**	23,117,732	–	(23,117,732)	Non-interest bearing	Unsecured, no impairment
Management fees expense	**780,000**	**–**	**(780,000)**	–	–	–	Non-interest bearing	Unsecured, no impairment
ICTSI Ltd. Regional Headquarters								
Extension of advances	**–**	**–**	**308,361**	20	–	313,463	Non-interest bearing	Unsecured, no impairment
Availment of advances	**–**	**–**	**81**	–	–	56	Non-interest bearing	Unsecured
ICTSI Subic								
Extension of Advances	**686**	**–**	**230,753**	1,241	–	230,876	Non-interest bearing	Unsecured, no impairment
Availment of advances	**–**	**–**	**(2,709,703)**	–	–	(2,709,703)	Non-interest bearing	Unsecured
Professional fees income	**176,636**	**–**	**69,794**	187,547	–	76,485	Non-interest bearing	Unsecured, no impairment
Management fees income	**1,280,885**	**–**	**173,750**	996,358	–	123,262	Non-interest bearing	Unsecured, no impairment
Other income	**407,004**	**–**	**–**	–	–	–	Non-interest bearing	Unsecured, no impairment
ICTSI Sudan								
Extension of advances	**–**	**–**	**117,937**	–	–	118,211	Non-interest bearing	Unsecured, no impairment
IFEL								
Extension of advances	**–**	**–**	**35**	1,391	–	36	Non-interest bearing	Unsecured, no impairment
ITBV								
Availment of advances	**–**	**–**	**(754,152,358)**	–	–	(754,152,358)	Interest bearing	Unsecured
Interest expense	**39,608,282**	**(1,980,351)**	**358,630,238**	51,087,410	(10,078,295)	(39,224,272)	Non-interest bearing	Unsecured
Extension of advances	**–**	**–**	**(4,095)**	–	–	(4,095)	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**884**	**–**	**(3,564)**	87	–	(4,449)	Non-interest bearing	Unsecured, no impairment
Management fees income	**2,033**	**–**	**1,949**	2,033	–	3,218	Non-interest bearing	Unsecured, no impairment
IGFBV								
Interest expense	**5,537,489**	**(1,068,845)**	**(1,389,022)**	6,393,074	(1,065,512)	(1,376,287)	10 to 12 years, interest payable every March and September or January and July at 4.74% to 5.98%.	Unsecured

(Forward)

Entity	2025 Amount	2025 Outstanding Receivable (Payable)[i] Current	2025 Noncurrent	2024 Amount	2024 Outstanding Receivable (Payable)[i] Current	2024 Noncurrent	Terms	Conditions
IGFBV								
Availment of advances	**US$–**	**US$–**	**US$(143,934,330)**	US$–	US$–	US$(143,931,111)	Non-interest bearing	Unsecured
Management fees income	**2,033**	**–**	**2,710**	2,033	–	3,218	Non-interest bearing	Unsecured, no impairment
Loan availment	**102,803,979**	**–**	**(102,803,979)**	–	–	–	Non-interest bearing	Unsecured, no impairment
IOBV								
Management fees income	**2,033**	**–**	**339**	2,033	–	1,016	Non-interest bearing	Unsecured, no impairment
ICTSI Rio Brasil								
Extension of advances	**6,827**	**–**	**–**	–	–	–	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**724,648**	**–**	**(945,095)**	751,973	–	(506,967)	Non-interest bearing	Unsecured, no impairment
Management fees income	**–**	**–**	**98,347**	–	–	98,347	Non-interest bearing	Unsecured, no impairment
Royalty income	**7,151,460**	**–**	**2,386,556**	6,703,041	–	1,792,922	Non-interest bearing	Unsecured, no impairment
Other Income	**21,180**	**–**	**3,738**	24,918	–	24,918	Non-interest bearing	Unsecured, no impairment
ITH								
Extension of advances	**1,085**	**–**	**7,098**	2,416	–	5,798	Non-interest bearing	Unsecured, no impairment
IW Cargo								
Extension of advances	**16,460**	**–**	**941,217**	660	–	940,543	Non-interest bearing	Unsecured, no impairment
Availment of advances	**50**	**–**	**(858,271)**	118	–	(864,182)	Non-interest bearing	Unsecured
Rent expense	**144,812**	**–**	**(313,328)**	112,635	–	(168,517)	Non-interest bearing	Unsecured
Rent income	**759**	**–**	**(110,531)**	762	–	(111,392)	Non-interest bearing	Unsecured, no impairment
IWICTHI								
Dividend income	**750,830**	**–**	**259,350**	12,773,350	–	–	Non-interest bearing	Unsecured, no impairment
Rent income	**420,671**	**–**	**1,268,063**	396,794	–	1,043,781	Non-interest bearing	Unsecured, no impairment
Extension of advances	**703,127**	**–**	**(136,166)**	25,235	–	84,872	Non-interest bearing	Unsecured, no impairment
Rent expense	**–**	**–**	**–**	1,091	–	(1,091)	Non-interest bearing	Unsecured
Return of investment	**–**	**–**	**–**	14,856,047	–	–	Non-interest bearing	Unsecured, no impairment
IRB LOGÍSTICA LTDA								
HQ managed IT income	**64,921**	**–**	**(25,303)**	39,329	–	20,311	Non-interest bearing	Unsecured, no impairment
KMT								
Extension of advances	**4,098**	**–**	**113,572**	–	–	107,842	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**87,833**	**–**	**488,570**	95,936	–	413,912	Non-interest bearing	Unsecured, no impairment
LGICT								
Underguarantee service	**306,918**	**–**	**43,672**	221,883	–	30,713	Non-interest bearing	Unsecured, no impairment
Availment of advances	**–**	**–**	**(35,751)**	–	–	(35,751)	Non-interest bearing	Unsecured
Extension of advances	**3,864**	**–**	**(7,474)**	53	–	(6,804)	Non-interest bearing	Unsecured, no impairment
Cost of Services - Arrastre, Storage Expense	**–**	**–**	**1,425**	–	–	1,425	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**49,496**	**–**	**26,635**	43,256	–	31,922	Non-interest bearing	Unsecured, no impairment

(Forward)

	2025			2024				
		Outstanding Receivable (Payable)[i]			Outstanding Receivable (Payable)[i]			
Entity	Amount	Current	Noncurrent	Amount	Current	Noncurrent	Terms	Conditions
LGICT								
Professional fees income	US$122,300	US$–	US$88,385	US$51,697	US$–	US$65,994	Non-interest bearing	Unsecured, no impairment
Rent expense	–	–	336	336	–	336	Non-interest bearing	Unsecured, no impairment
Retirement expense	131,106	–	131,106	–	–	–	Non-interest bearing	Unsecured, no impairment
Other income	95	–	2,173	389	–	2,079	Non-interest bearing	Unsecured, no impairment
LOGIPUERTO								
HQ managed IT income	602	–	6	15	–	(349)	Non-interest bearing	Unsecured, no impairment
MHCPSI								
Availment of advances	57,724	–	(116,369)	8,703	–	(97,638)	Non-interest bearing	Unsecured
Extension of advances	36,645	–	(70,272)	73,357	–	(66,031)	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	157,626	–	113,887	153,222	–	8,430	Non-interest bearing	Unsecured, no impairment
Professional fees income	629,585	–	(27,411)	239,359	–	(161,336)	Non-interest bearing	Unsecured, no impairment
Dividend income	13,589,399	–	–	2,542,500	–	–	Non-interest bearing	Unsecured, no impairment
Deposit for future subscription	28,683,153	–	–	68,400,000	–	–	Non-interest bearing	Unsecured, no impairment
Rent income	2,074,074	–	(63,078)	2,081,315	–	22,732	Non-interest bearing	Unsecured, no impairment
Underguarantee service	–	–	1,486	–	–	1,486	Non-interest bearing	Unsecured, no impairment
Retirement expense	4,227	–	(4,227)	–	–	–	Non-interest bearing	Unsecured, no impairment
MICTSI								
Extension of advances	38,000	–	353,587	21,013	–	357,768	Non-interest bearing	Unsecured, no impairment
Availment of advances	429	–	(792)	–	–	–	Non-interest bearing	Unsecured
Management fees income	1,400,085	–	219,606	919,704	–	159,571	Non-interest bearing	Unsecured, no impairment
Professional fees income	324,279	–	127,724	291,928	–	123,219	Non-interest bearing	Unsecured, no impairment
Professional fee expense	382	–	(382)	–	–	–	Non-interest bearing	Unsecured, no impairment
Dividend income	–	–	–	5,754,750	–	–	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	336,358	–	(100,908)	253,238	–	(121,090)	Non-interest bearing	Unsecured, no impairment
Rent income	–	–	2,894	–	–	2,894	Non-interest bearing	Unsecured, no impairment
Other income	–	–	25,947	7,459	–	25,947	Non-interest bearing	Unsecured, no impairment
MICTSL								
Extension of advances	1,713	–	(540,731)	16,711	–	(527,430)	Non-interest bearing	Unsecured, no impairment
Management fees income	4,274,439	–	(266,779)	3,786,447	–	96,706	Non-interest bearing	Unsecured, no impairment
HQ managed IT & Other Income	401,734	–	1,186,806	360,136	–	853,654	Non-interest bearing	Unsecured, no impairment
Availment of advances	5,617	–	–	1,099	–	–	Non-interest bearing	Unsecured
MITL								
Extension of advances	322	–	(122,201)	1,231	–	41,072	Non-interest bearing	Unsecured, no impairment
Management fees income	927,783	–	44,615	834,456	–	69,078	Non-interest bearing	Unsecured, no impairment
Professional fees income	132,378	–	310,009	202,192	–	337,984	Non-interest bearing	Unsecured, no impairment

(Forward)

Entity	2025			2024			Terms	Conditions
		Outstanding Receivable (Payable)[i]			Outstanding Receivable (Payable)[i]			
	Amount	Current	Noncurrent	Amount	Current	Noncurrent		
MITL								
HQ managed IT income	US$190,460	US$–	US$(130,947)	US$141,563	US$–	US$35,940	Non-interest bearing	Unsecured, no impairment
Other income	53,880	–	–	3	–	3	Non-interest bearing	Unsecured, no impairment
MTS								
Extension of advances	–	–	–	99,654	–	–	Non-interest bearing	Unsecured, no impairment
OJA								
Extension of advances	–	–	123,461	–	–	123,461	Non-interest bearing	Unsecured, no impairment
Royalty income	–	–	(41,866)	18,373	–	(41,866)	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	–	–	87,662	11,338	–	87,662	Non-interest bearing	Unsecured, no impairment
Professional fees income	–	–	13,598	2,092	–	13,598	Non-interest bearing	Unsecured, no impairment
Assignment of receivables	–	–	(182,854)	182,854	–	(182,854)	Non-interest bearing	Unsecured, no impairment
OMT								
Extension of advances	19,401	–	2,119	47,021	–	26,291	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	272,855	–	29,447	230,842	–	(13,709)	Non-interest bearing	Unsecured, no impairment
Other income	26,592	–	–	14,914	–	34,651	Non-interest bearing	Unsecured, no impairment
Professional fees income	27,920	–	4,489	23,420	–	(2,461)	Non-interest bearing	Unsecured, no impairment
OPC								
Extension of advances	2,265	–	16,955	6,460	–	14,870	Non-interest bearing	Unsecured, no impairment
HQ managed IT & Other Income	600,856	–	600,470	602,602	–	593,248	Non-interest bearing	Unsecured, no impairment
Dividend income	30,000,000	–	–	15,000,000	–	–	Non-interest bearing	Unsecured, no impairment
Professional fee expense	–	–	(213,807)	1,788	–	(213,807)	Non-interest bearing	Unsecured, no impairment
PICT								
Extension of advances	1,263,880	–	–	–	–	543,024	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	–	–	–	–	–	704,660	Non-interest bearing	Unsecured, no impairment
IJP								
Extension of advances	–	–	–	25	–	358	Non-interest bearing	Unsecured, no impairment
Assignment of receivables	–	–	–	358	–	(358)	Non-interest bearing	Unsecured, no impairment
PSSBI								
Extension of advances	–	–	513	–	–	522	Non-interest bearing	Unsecured, no impairment
RCBV								
Interest expense	19,553,648	(2,963,079)	(24,175,917)	24,292,747	(2,963,079)	(23,621,471)	Payable in April and May of the following year 9 to 10 years, interest payable every April and October or May and November at 5.62% to 8.49%	Unsecured

(Forward)

Entity	2025 Amount	2025 Outstanding Receivable (Payable)(i) Current	2025 Outstanding Receivable (Payable)(i) Noncurrent	2024 Amount	2024 Outstanding Receivable (Payable)(i) Current	2024 Outstanding Receivable (Payable)(i) Noncurrent	Terms	Conditions
RCBV								
Availment of advances	**US$–**	**US$–**	**US$(284,684,499)**	US$–	US$–	US$(284,684,496)	Interest bearing	Unsecured
Management fees income	**2,033**	**–**	**2,033**	2,033	–	2,541	Non-interest bearing	Unsecured, no impairment
Extension of advances	**–**	**–**	**(352,266)**	–	–	(352,266)	Non-interest bearing	Unsecured, no impairment
ROHQ								
Extension of advances	**62,659**	**–**	**(284,612)**	53,420	–	(269,359)	Non-interest bearing	Unsecured, no impairment
Availment of advances	**16,929**	**–**	**(7,201,167)**	18,611	–	(7,208,710)	Non-interest bearing	Unsecured
Acquired obligation	**–**	**–**	**3,157,403**	–	–	3,157,403	Non-interest bearing	Unsecured, no impairment
Management fee expense	**9,280,384**	**–**	**(16,702,791)**	6,739,657	–	(9,022,543)	Non-interest bearing	Unsecured
Professional fees income	**16,800**	**–**	**16,296**	711,071	–	(1,598,582)	Non-interest bearing	Unsecured
Professional fee expense	**617,990**	**–**	**(2,198,213)**	711,071	–	(1,598,582)	Non-interest bearing	Unsecured
Rent income	**7,022**	**–**	**220,493**	7,029	–	208,456	Non-interest bearing	Unsecured, no impairment
SBI								
Extension of advances	**1,830**	**–**	**2,030,152**	2,730	–	2,063,533	Non-interest bearing	Unsecured, no impairment
Underguarantee service	**12,677**	**–**	**30,531**	51,216	–	43,968	Non-interest bearing	Unsecured, no impairment
Brokerage fees	**275,298**	**–**	**41,023**	500,384	–	9,311	Non-interest bearing	Unsecured, no impairment
Management fees income	**113,447**	**–**	**171,618**	300,356	–	420,967	Non-interest bearing	Unsecured, no impairment
Professional fees income	**197,410**	**–**	**215,317**	170,238	–	164,819	Non-interest bearing	Unsecured, no impairment
Availment of advances	**32,469**	**–**	**(25,640)**	30,803	–	7,195	Non-interest bearing	Unsecured
Rent income	**3,743**	**–**	**(519)**	3,427	–	2,708	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**3,719**	**–**	**746**	3,758	–	3,064	Non-interest bearing	Unsecured, no impairment
SBITC								
Extension of advances	**3,957**	**–**	**(2,623,936)**	10,797	–	(2,524,977)	Non-interest bearing	Unsecured, no impairment
Availment of advances	**790**	**–**	**47,633**	325	–	47,633	Non-interest bearing	Unsecured
Management fees income	**1,531,526**	**–**	**(317,192)**	1,120,616	–	(358,380)	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**377,744**	**–**	**685,706**	336,328	–	660,728	Non-interest bearing	Unsecured, no impairment
Professional fees income	**346,700**	**–**	**(242,009)**	352,315	–	(133,721)	Non-interest bearing	Unsecured, no impairment
Rent income	**9,975**	**–**	**12,751**	6,831	–	5,458	Non-interest bearing	Unsecured, no impairment
Other income	**149,099**	**–**	**(32,272)**	12,181	–	28,873	Non-interest bearing	Unsecured, no impairment
SBITHI								
Extension of advances	**11**	**–**	**–**	–	–	(1,098)	Non-interest bearing	Unsecured, no impairment
Availment of advances	**–**	**–**	**–**	–	–	(10,362,904)	Non-interest bearing	Unsecured
Dividend income	**15,385,000**	**–**	**–**	16,018,500	–	14,436,510	Non-interest bearing	Unsecured, no impairment
SCIPSI								
Dividend income	**901,477**	**–**	**–**	816,828	–	–	Non-interest bearing	Unsecured, no impairment
Extension of advances	**10**	**–**	**–**	25	–	(5,282)	Non-interest bearing	Unsecured, no impairment

(Forward)

Entity	2025 Amount	2025 Outstanding Receivable (Payable)[i] Current	2025 Outstanding Receivable (Payable)[i] Noncurrent	2024 Amount	2024 Outstanding Receivable (Payable)[i] Current	2024 Outstanding Receivable (Payable)[i] Noncurrent	Terms	Conditions
SCIPSI								
Management fees income	**US$217,685**	**US$–**	**US$23,994**	US$200,590	US$–	US$33,628	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**14,880**	**–**	**1,527**	10,670	–	(9,671)	Non-interest bearing	Unsecured, no impairment
SPIA Colombia B.V.,								
Management fees income	**4,065**	**–**	**678**	4,065	–	1,694	Non-interest bearing	Unsecured, no impairment
SPIA Spain SL USD								
Extension of advances	**–**	**–**	**141**	69	–	142	Non-interest bearing	Unsecured, no impairment
SPIA Spain SL							Non-interest bearing	Unsecured, no impairment
Extension of advances	**–**	**–**	**–**	–	–	2	Non-interest bearing	Unsecured, no impairment
SPICTL								
Extension of advances	**1,641**	**–**	**(459,318)**	5,205	–	46,618	Non-interest bearing	Unsecured, no impairment
Management fees income	**1,885,866**	**–**	**414,792**	1,750,021	–	177,744	Non-interest bearing	Unsecured, no impairment
Professional fees income	**150,288**	**–**	**13,000**	208,422	–	27,940	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**317,987**	**–**	**87,294**	244,420	–	11,391	Non-interest bearing	Unsecured, no impairment
Other income	**76**	**–**	**–**	–	–	–	Non-interest bearing	Unsecured, no impairment
Tecplata								
Extension of advances	**2,472**	**–**	**524,770**	12,933	–	523,713	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**126,297**	**–**	**549,650**	16,092	–	389,870	Non-interest bearing	Unsecured, no impairment
Professional fees income	**–**	**–**	**3,080**	–	–	3,080	Non-interest bearing	Unsecured, no impairment
Other Income	**9,631**	**–**	**–**	23,852	–	23,852	Non-interest bearing	Unsecured, no impairment
TSSA								
Availment of advances	**5,308**	**–**	**(713,431)**	–	–	(161,464)	Non-interest bearing	Unsecured
Extension of advances	**69**	**–**	**491,964**	560	–	(579,537)	Non-interest bearing	Unsecured, no impairment
HQ managed IT & Other Income	**1,080,077**	**–**	**(239,976)**	954,722	–	(138,204)	Non-interest bearing	Unsecured, no impairment
Dividend income	**22,071,680**	**–**	**9,141,426**	6,509,357	–	197,306	Non-interest bearing	Unsecured, no impairment
Royalty income	**7,250,696**	**–**	**1,252,869**	6,534,941	–	1,153,542	Non-interest bearing	Unsecured, no impairment
Interest on equity	**–**	**–**	**–**	–	–	31,466	Non-interest bearing	Unsecured, no impairment
VICT								
Extension of advances	**32,047**	**–**	**43,575**	14,091	–	46,444	Non-interest bearing	Unsecured, no impairment
Availment of advances	**6,470**	**–**	**–**	1,610	–	–	Non-interest bearing	Unsecured
HQ managed IT income	**884,310**	**–**	**559,507**	852,827	–	437,253	Non-interest bearing	Unsecured, no impairment
Purchase of equipment	**–**	**–**	**(232,140)**	–	–	(232,140)	Non-interest bearing	Unsecured
Professional fees income	**534,377**	**–**	**77,589**	627,818	–	26,690	Non-interest bearing	Unsecured, no impairment
Professional fee expense	**24,000**	**–**	**(24,000)**	–	–	–	Non-interest bearing	Unsecured, no impairment
Royalty income	**7,872,658**	**–**	**280,189**	7,225,593	–	301,367	Non-interest bearing	Unsecured, no impairment
Other income	**4,920**	**–**	**–**	4,920	–	–	Non-interest bearing	Unsecured, no impairment

(Forward)

Entity	2025 Amount	2025 Outstanding Receivable (Payable)[i] Current	2025 Noncurrent	2024 Amount	2024 Outstanding Receivable (Payable)[i] Current	2024 Noncurrent	Terms	Conditions
VCT								
Acquisition of investments	**US$1,208,200**	**US$–**	**US$–**	US$5,342,800	US$–	US$–	Non-interest bearing	Unsecured, no impairment
Extension of advances	**5,690,946**	**–**	**(6,723,815)**	225,750	–	224,161	Non-interest bearing	Unsecured, no impairment
Availment of advances	**1,304,141**	**–**	**(305,475)**	2,370,199	–	(2,369,295)	Non-interest bearing	Unsecured
Management fee expense	**–**	**–**	**(1,845,174)**	951,121	–	(922,587)	Non-interest bearing	Unsecured
Professional fees income	**7,459**	**–**	**7,235**	–	–	–	Non-interest bearing	Unsecured, no impairment
Return of Capital	**3,786,300**	**–**	**3,786,300**	–	–	–	Non-interest bearing	Unsecured, no impairment
YICT								
Extension of advances	**26,857**	**–**	**520**	10,039	–	13,456	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**59,489**	**–**	**47,081**	57,657	–	33,087	Non-interest bearing	Unsecured, no impairment
Other Expense	**680**	**–**	**–**	10,579	–	(10,579)	Non-interest bearing	Unsecured
Joint Venture								
ACTSI								
Extension of advances	**428,653**	**–**	**453,564**	702,038	–	704,211	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**33,423**	**–**	**56,732**	29,803	–	34,239	Non-interest bearing	Unsecured, no impairment
Professional fees income	**14,969**	**–**	**2,463**	16,322	–	14,736	Non-interest bearing	Unsecured, no impairment
Lease of asset	**–**	**–**	**(15,376,172)**	15,538,127	–	(15,376,172)	Non-interest bearing	Unsecured
SPIA								
Extension of advances	**5,374**	**–**	**–**	10,945	–	(438)	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**575,443**	**–**	**15,343**	463,051	–	94,515	Non-interest bearing	Unsecured, no impairment
Other Income	**104,208**	**–**	**18,541**	2,717	–	2,174	Non-interest bearing	Unsecured, no impairment
FAMI								
Extension of advances	**93,561**	**–**	**674,012**	87,382	–	615,606	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**28,140**	**–**	**21,862**	25,914	–	16,102	Non-interest bearing	Unsecured, no impairment
Professional fees income	**1,460**	**–**	**321**	26,317	–	8,933	Non-interest bearing	Unsecured, no impairment
MNHPI								
Dividend income	**8,692,000**	**–**	**–**	18,686,500	–	–	Non-interest bearing	Unsecured, no impairment
Management fees income	**1,874,031**	**–**	**149,550**	1,132,200	–	70,292	Non-interest bearing	Unsecured, no impairment
Rent expense	**79,168**	**–**	**(6,163)**	83,709	–	(12,309)	Non-interest bearing	Unsecured
Extension of advances	**33,216**	**–**	**38,697**	22,374	–	47,493	Non-interest bearing	Unsecured, no impairment
Cost of Services - Arrastre, Storage Expense	**–**	**–**	**6,962**	–	–	6,962	Non-interest bearing	Unsecured, no impairment
Underguarantee service	**–**	**–**	**193**	–	–	193	Non-interest bearing	Unsecured, no impairment
HQ managed IT income	**1,042,179**	**–**	**146,966**	943,632	–	140,435	Non-interest bearing	Unsecured, no impairment
Other income	**1,929**	**–**	**7,838**	4,555,237	–	25,407	Non-interest bearing	Unsecured, no impairment
Professional fees income	**554,933**	**–**	**1,538**	522,766	–	110,640	Non-interest bearing	Unsecured, no impairment
Rent income	**–**	**–**	**32,589**	32,589	–	32,589	Non-interest bearing	Unsecured, no impairment
Professional fee expense	**31,947**	**–**	**(30,988)**	–	–	–	Non-interest bearing	Unsecured, no impairment

(Forward)

Entity	2025 Amount	Outstanding Receivable (Payable)[i] Current	Noncurrent	2024 Amount	Outstanding Receivable (Payable)[i] Current	Noncurrent	Terms	Conditions
Common shareholder								
Prime Metro BMD Corporation								
Construction services [ii]	**US$35,424,569**	**US$ 4,521,134**	**US$ 54,768,490**	US$ 12,664,280	US$ 13,258,561	US$ 19,343,921	Non-interest bearing	Unsecured, no impairment
Dredging services [ii]	**5,358,723**	**–**	**12,125,359**	4,218,268	–	6,766,636	Non-interest bearing	Unsecured, no impairment

(i) *Outstanding receivable and payable are presented as part of "Investment in and advances to subsidiaries" and "Due to related parties" accounts in the parent company balance sheet. As at December 31, 2025 and 2024, US$66.4 million and US$251.7 million were presented as part of "Investment in and advances to subsidiaries" account (see Note 4) classified as noncurrent assets in the parent company balance sheets as at December 31, 2025 and 2024, respectively. On the other hand, outstanding payable amounting to US$1,037.3 million and US$1,304.3 million were presented as due to related parties classified as noncurrent liabilities in the parent company balance sheets as at December 31, 2025 and 2024 respectively, while outstanding payable amounting to US$6.0 million and US$14.1 million were presented as due to related parties classified as current liabilities in the parent company balance sheets as at December 31, 2025 and 2024.*

(ii) *ICTSI has entered into contracts with Prime Metro BMD Corporation for the construction of port facilities and dredging (see Note 6).*

21.2 Compensation of Key Management Personnel

Compensation of key management personnel consists of:

	2025	2024
Short-term employee benefits	**US$742,964**	US$707,089
Post-employment employee benefits (Note 22)	**29,224**	31,151
Share-based payments (Note 16)	**2,434,329**	1,963,017
Total compensation of key management personnel	**US$3,206,517**	US$2,701,257

22. Post-Employment Benefits

The Company has a separate, funded, noncontributory, defined benefit plan covering substantially all of its regular employees which is in compliance with Republic Act (R.A.) No. 7641, *Retirement Pay Law*. The benefits are based on employees' salaries and length of service.

The following tables summarize the components of the Company's retirement benefits expense recognized in the parent company statements of income and amounts recognized in the parent company balance sheets.

	2025	2024
Retirement benefits expense (included in "Manpower costs" account):		
Current service cost	**US$1,124,732**	US$1,011,490
Net interest cost	**111,243**	199,920
	US$1,235,975	US$1,211,410
Retirement liability:		
Present value of defined benefit obligation	**(US$16,378,938)**	(US$14,916,035)
Fair value of plan assets	**15,526,838**	12,180,213
	(US$852,100)	(US$2,735,822)
Changes in the present value of the defined benefit obligation:		
Balance at beginning of year	**US$14,916,035**	US$13,977,590
Current service cost	**1,124,732**	1,011,490
Interest cost	**707,353**	643,410
Actuarial loss (gain) on obligation:		
Experience adjustments	**1,730,321**	1,568,650
Changes in financial assumptions	**(192,510)**	(10,488)
Benefits paid	**(1,928,313)**	(1,426,117)
Transferred obligation	**147,905**	(222,167)
Effect of foreign exchange difference	**(126,585)**	(626,333)
Balance at end of year	**US$16,378,938**	US$14,916,035

	2025	2024
Changes in the fair value of plan assets:		
Balance at beginning of year	**US$12,180,213**	US$9,648,117
Benefits paid	**(1,928,313)**	(1,426,117)
Interest income	**596,110**	443,490
Actuarial gain on plan assets	**1,236,983**	1,460,011
Actual contributions	**3,637,632**	2,467,524
Effect of foreign exchange difference	**(195,787)**	(412,812)
Balance at end of year	**US$15,526,838**	US$12,180,213

The Company expects to contribute US$1.7 million to the plan assets next year.

The principal assumptions used in determining retirement benefits obligation of the Company are shown below:

	2025	2024
Discount rate	**6.32%**	6.11%
Future salary increase rate	**3.00%**	3.00%

A quantitative sensitivity analysis for significant assumptions as at December 31, 2025 is shown below (amounts in millions):

	Discount rate		Future salary increases	
Sensitivity level	1.0% increase	1.0% decrease	1.0% increase	1.0% decrease
Impact on the net defined benefit obligation	(US$0.84)	US$0.96	US$1.05	(US$0.94)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected to be made in the future years out of the defined benefit plan obligation:

	2025	2024
Within the next 12 months	**US$5,263,503**	US$4,764,323
Between 1 and 5 years	**5,535,202**	4,739,933
Between 5 and 10 years	**8,907,130**	6,093,702
Beyond 10 years	**34,388,900**	39,728,286
Total expected payments	**US$54,094,735**	US$55,326,244

The average duration of the defined benefit plan obligation as at December 31, 2025 and 2024 is 11.24 and 10.20 years, respectively.

The plan assets of the Company are being held by its trustee banks. The investing decisions of the plan are approved by the authorized officers of ICTSI.

The following table presents the carrying amounts and fair values of the combined assets of the plans less liabilities:

	2025	2024
Cash and cash equivalents	**US$1,577**	US$11,769
Investment in debt securities	**2,084,420**	2,218,817
Investment in government securities	**8,490,013**	6,575,824
Investment in equity securities	**4,574,471**	3,225,099
Others	**383,927**	154,721
	15,534,408	12,186,230
Liabilities - accrued trust fees and retirement benefits payable	**(7,570)**	(6,017)
	US$15,526,838	US$12,180,213

The plan assets' carrying amount approximates its fair value since these are either short-term in nature or marked-to-market.

The plan assets consist of the following:

- Cash and cash equivalents, which includes regular savings and time deposits;

- Investment in equity securities include investment in ICTSI common shares amounting to US$3.8 million and US$2.6 million as at December 31, 2025 and 2024, respectively. For the years ended December 31, 2025 and 2024, mark-to-market gain arising from investment in ICTSI common shares amounted to US$1.2 million and US$1.0 million, respectively. The voting rights over the equity securities are exercised by the authorized officers of the Company;

- Investments in government securities, consisting of retail treasury bonds; and

- Investments in corporate debt instruments, consisting of both short-term and long-term corporate loans, notes and bonds.

23. Significant Contracts with the PPA

The Company has two contracts with the PPA for the exclusive management, operation, and development of the MICT and ICPC for a period of 25 years until May 18, 2038 and April 15, 2049, respectively. Under both contracts, the Company agrees to pay the PPA fixed fees and variable fees based on the Company's gross revenues, and is required to invest on port infrastructures and facilities and to acquire various port equipment. The contracts with the PPA on the operation, management and development of the MICT and ICPC require the Razon Group to retain control of ICTSI.

In 1997, the Company signed a contract for leasehold rights over the storage facilities at the MICT. Under the contract, the Company is committed to pay the PPA annual fixed fees and a variable fee based on a percentage of revenues generated from the operation of the storage facilities. This contract was renewed on June 11, 2008 and has been made co-terminus with the MICT management, operation and development contract, or up to May 18, 2038.

In 1998, the Company acquired a contract to handle non-containerized cargoes and the anchorage operations for a period of ten years starting January 1998. Under the contract, the Company is required to pay a fixed fee and a variable fee based on the Company's gross revenues. This contract was renewed on June 11, 2008 and has been made co-terminus with the MICT management, operation and development contract, or up to May 18, 2038.

24. Contingencies

Legal Claim Contingencies

Due to the nature of the Company's business, it is involved in various legal proceedings, both as plaintiff and defendant, from time to time. The majority of outstanding litigation involves subrogation claims under which insurance companies have brought claims against the operator, shipping lines and/or brokerage firms for reimbursement of their payment of insurance claims for damaged equipment, facilities and cargoes. Except as discussed below, the Company is not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated and its Board has no knowledge of any proceedings pending or threatened against the Company or any facts likely to give rise to any litigation, claims or proceedings which might materially affect its financial position or business. Management and its legal counsels believe that the Company has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal actions and proceedings, if any, will not have a material adverse impact on the Company's financial position and results of operations.

Guarantees

As at December 31, 2025 and 2024, the following borrowings of ICTSI's subsidiaries were unconditionally and irrevocably guaranteed by the Company:

	Maturity	**2025**	2024
ITBV	2031	**US$300,000,000**	US$700,000,000
IGFBV	2026-2027	**342,790,769**	249,230,769
BACT	2030	**76,738,609**	–
EJD	2029	**51,978,417**	47,545,252
SPICTL	2026	**17,195,517**	4,127,597
MITL	2026	**5,440,135**	1,238,329
CGSA	2027	**2,740,260**	6,110,390
		US$796,883,707	US$1,008,252,337

25. Financial Instruments

25.1 Fair Values

Set out below is a comparison of carrying amounts and fair values of the Company's financial instruments by category whose fair values are different from their carrying amounts as at December 31:

	2025		2024	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Liabilities				
Long-term debt	**US$2,095,366,541**	**US$2,104,619,505**	US$1,238,599,187	US$1,236,875,162
Concession rights payable	**246,189,092**	**244,723,461**	257,080,703	246,258,540
Due to related parties	**1,043,329,862**	**1,173,525,249**	1,318,408,877	1,400,444,545

Carrying values of cash and cash equivalents, receivables, accounts payable and other current liabilities and loans payable approximate their fair values due to the short-term maturities of these instruments.

The fair value of fixed interest-bearing notes is based on quoted prices. For variable interest-bearing loans, the carrying amount approximates the fair value due to the regular repricing of interest rates. The fair value of fixed interest-bearing loan, concession rights payable and due to related parties were estimated as the present value of all future cash flows discounted using the applicable rates for similar types of liabilities ranging from 4.40 percent to 6.46 percent in 2025 and 6.34 percent to 7.02 percent in 2024.

The fair values of derivative assets and derivative liabilities, like forward contracts and interest rate swap, are calculated using valuation techniques with inputs and assumptions that are based on market observable data and conditions.

25.2 Fair Value Hierarchy

The following tables below present the fair value hierarchy of the Company's financial instruments as at December 31:

	2025			
	Amount	**Quoted prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets Measured at Fair Value:				
Financial assets at FVOCI	**US$4,145,844**	**US$4,145,844**	**US$–**	**US$–**
Derivative assets	**21,166,945**	**–**	**21,166,945**	**–**
Liabilities Measured at Fair Value:				
Derivative liabilities	**12,598,754**	**–**	**12,598,754**	**–**
Financial Liabilities for which Fair Values are Disclosed:				
Long-term debt	**2,104,619,505**	**405,016,000**	**–**	**1,699,603,505**
Concession rights payable	**244,723,461**	**–**	**–**	**244,723,461**
Due to related parties	**1,173,525,249**	**–**	**–**	**1,173,525,249**

	2024			
	Amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets Measured at Fair Value:				
Financial assets at FVOCI	US$4,383,639	US$4,383,639	US$–	US$–
Derivative assets	22,078,563	–	22,078,563	–
Liabilities Measured at Fair Value:				
Derivative liabilities	14,205,755	–	14,205,755	–
Financial Liabilities for which Fair Values are Disclosed:				
Long-term debt	1,236,875,162	391,976,000	–	844,899,162
Concession rights payable	246,258,540	–	–	246,258,540
Due to related parties	1,400,444,545	–	–	1,400,444,545

In 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

25.3 Derivative Financial Instruments

ICTSI enters into derivative transactions as economic hedges of certain underlying exposures such as foreign currency and interest rate exposures arising from its Philippine peso-denominated and floating rate loans. Such derivatives, which include interest rate swap and currency forwards, are accounted for either as cash flow hedges or transactions not designated as hedges. Derivative instruments designated as effective hedging instruments are not material at year-end.

25.3.1 Derivative Instruments Not Designated as Hedges

Foreign Currency Forwards. ICTSI has entered into various short-term forwards with ICTSI Ltd. and ICTHI to sell US Dollars and receive Philippine Pesos.

In September 2024, forwards with aggregate notional amounts of US$1.8 billion were pre-terminated. The settlement resulted in a loss of US$1.2 million recognized in the parent company statement of income.

As at December 31, 2024, the sole forward with a notional amount of US$450 million was outstanding and has been presented as a current asset amounting to US$15.0 million. Market valuation gain on the said forward amounting to US$15.0 million was recorded in the parent company statement of income for the year ended December 31, 2024.

As at December 31, 2025, forwards with aggregate notional amount of US$2,050 million were outstanding and have been presented as current assets amounting to US$18.8 million. Market valuation gain on the said forward amounting to US$3.8 million was recorded in the parent company statement of income for the year ended December 31, 2025.

26. Financial Risk Management Objectives and Policies

Financial risk management objectives and policies are generally carried at ICTSI Group level. The principal financial instruments of the Company comprised mainly of bank loans and cash and cash equivalents. The main purpose of these financial instruments is to raise working capital and major capital investment financing for the Company’s port operations. The Company has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations.

ICTSI has port operations and development projects in various countries. Short-term treasury activities are carried at the subsidiary level; however, overall policy decisions concerning the Company’s financial risks are centralized at the Company in Manila, Philippines. The Board reviews and approves the Company’s policies for managing each of these risks, as summarized below, as well as authority limits. Treasury operations are reviewed annually by Internal Audit to ensure compliance with the Company’s policies.

ICTSI finances its business activities through a mix of cash flows from operations and long-term loans from banks. It is the Company’s policy to minimize the use of short-term loans. The Company’s borrowings are in US dollars and Japanese Yen at fixed and floating rates of interest. It is, and has been throughout the year under review, the Company’s policy that no trading in financial instruments shall be undertaken.

In the context of PFRS 7, the main risks arising from the normal course of the Company’s business are liquidity risk, foreign currency risk and credit risk.

Working Capital Management
The Company has minimal working capital requirements due to the short cash collection cycle of its business. Working capital requirements are well within the credit facilities established which are adequate and available to the Company to meet day-to-day liquidity and working capital requirements. The credit facilities are regularly reviewed by the Treasury Group to ensure that they meet the objectives of the Company.

Interest Rate Risk
The Company's exposure to market risk for changes in interest rates relates primarily to the floating-interest USD term loan disclosed in Note 13.

The sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of ICTSI's income before income tax at December 31 follows (amounts in millions unless otherwise indicated):

	Impact on income before tax	
Increase/Decrease in Interest Rates (%)	**2025**	2024
+1.0	**(US$3.0)**	(US$1.0)
-1.0	**3.0**	1.0

Liquidity Risk
The Company monitors and maintains a level of cash and cash equivalents and bank credit facilities deemed adequate by management to finance the Company's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows. The Company's policy is that not more than 25 percent of borrowings should mature in any 12-month period. Nil percent and 11 percent of the Company's total borrowings, gross of debt issuance costs, as at December 31, 2025 and 2024, respectively, will mature in the ensuing 12 months. The Company is reassessing its policy in mitigating liquidity risk in line with the current developments and demands of its rapidly growing business.

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.

				2025			
	Due and Demandable	**Less than 3 Months**	**>3 to 6 Months**	**>6 to 12 Months**	**>1 to 5 Years**	**More than 5 Years**	**Total**
				(In Millions)			
Long-term debt	**US$–**	**US$–**	**US$–**	**US$–**	**US$1,610.0**	**US$500.0**	**US$2,110.0**
Lease liability	**–**	**0.5**	**0.5**	**1.0**	**7.6**	**7.7**	**17.3**
Accounts payable and other current liabilities*	**–**	**168.3**	**0.6**	**17.4**	**–**	**–**	**186.3**
Concession rights payable	**–**	**6.2**	**6.2**	**12.5**	**103.1**	**245.0**	**373.0**
	US$–	**US$175.0**	**US$7.3**	**US$30.9**	**US$1,720.7**	**US$752.7**	**US$2,686.6**

**Excluding statutory liabilities and provision for claims and losses*

				2024			
	Due and Demandable	Less than 3 Months	>3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	Total
				(In Millions)			
Long-term debt	US$–	US$–	US$–	US$–	US$1,150.0	US$100.0	US$1,250.0
Lease liability	–	0.5	0.5	1.0	9.7	7.6	19.3
Accounts payable and other current liabilities*	–	–	140.3	–	–	–	140.3
Loans payable	–	155.6	–	–	–	–	155.6
Concession rights payable	–	6.2	6.2	12.5	128.2	246.0	399.1
Due to related parties	7.2	36.9	1.4	6.0	134.5	1,132.4	1,318.4
	US$7.2	US$199.2	US$148.4	US$19.5	US$1,422.4	US$1,486.0	US$3,282.7

**Excluding statutory liabilities and provision for claims and losses*

The financial liabilities in the above tables are gross undiscounted cash flows. The Company may use its cash and cash equivalents to manage liquidity risk.

Changes in liabilities arising from financing activities

	December 31, 2024	**Cash flows**	**Foreign exchange movement**	**Others***	**December 31, 2025**
Due to related parties	**US$1,318,408,877**	**(US$283,149,798)**	**US$–**	**US$8,070,784**	**US$1,043,329,863**
Interest on borrowings and concession rights payable	**13,157,951**	**(161,284,599)**	**–**	**165,009,719**	**16,883,071**
Long-term debt	**1,238,599,187**	**860,000,000**	**–**	**(3,232,646)**	**2,095,366,541**
Loans payable	**155,597,964**	**(162,601,200)**	**7,003,236**	**–**	**–**
Lease liability	**15,333,665**	**(2,358,805)**	**–**	**1,119,510**	**14,094,370**
Dividends payable	**5,053,946**	**(494,013,581)**	**–**	**495,451,585**	**6,491,950**
Total liabilities from financing activities	**US$2,746,151,590**	**(US$243,407,983)**	**US$7,003,236**	**US$666,418,952**	**US$3,176,165,795**

** Others include declaration of dividends and accrual of interest on lease liability, borrowings and concession rights payable.*

	December 31, 2023	Cash flows	Foreign exchange movement	Others*	December 31, 2024
Due to related parties	US$1,527,993,546	(US$196,883,007)	US$–	(US$12,701,662)	US$1,318,408,877
Interest on borrowings and concession rights payable	7,304,629	(170,825,484)	–	176,678,806	13,157,951
Long-term debt	691,302,156	547,297,031	–	–	1,238,599,187
Loans payable	–	162,601,200	(7,003,236)	–	155,597,964
Lease liability	–	(161,956)	–	15,495,621	15,333,665
Dividends payable	4,192,013	(394,285,045)	–	395,146,978	5,053,946
Total liabilities from financing activities	US$2,230,792,344	(US$52,257,261)	(US$7,003,236)	US$574,619,743	US$2,746,151,590

** Others include declaration of dividends and accrual of interest on lease liability, borrowings and concession rights payable.*

Foreign Currency Risk

In respect of financial assets and liabilities held in currencies other than the Company's functional currency, the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot/forward rates where necessary to address short-term imbalances.

The following table shows the Company's significant financial assets and financial liabilities and their US dollar equivalents as at December 31:

	2025	
	Philippine Peso	**In US Dollars**
Financial Assets		
Cash and cash equivalents	**₱7,910,806,151**	**US$134,560,404**
Due from related parties	**555,795,081**	**9,453,905**
Receivables	**47,124,712**	**801,577**
	8,513,725,944	**144,815,886**
Financial Liabilities		
Accounts payable and other current liabilities	**7,284,642,974**	**123,909,559**
Concession rights payable	**1,959,560,002**	**33,331,519**
Due to related parties	**161,871,338**	**2,753,382**
	9,406,074,314	**159,994,460**
Net foreign currency denominated financial liabilities	**(₱892,348,370)**	**(US$15,178,574)**

	2025	
	Hongkong Dollar	**In US Dollars**
Financial Liabilities		
Due to related parties	**788,794,695**	**101,351,017**

	2024	
	Philippine Peso	In US Dollars
Financial Assets		
Cash and cash equivalents	₱3,710,277,635	US$64,136,173
Due from related parties	676,441,371	11,693,023
Receivables	398,021,959	6,880,241
	4,784,740,965	82,709,437
Financial Liabilities		
Accounts payable and other current liabilities	5,454,060,380	94,279,350
Concession rights payable	552,368,238	9,549,110
Due to related parties	152,635,935	2,638,478
	6,159,064,553	106,466,938
Net foreign currency denominated financial liabilities	(₱1,374,323,588)	(US$23,757,501)

The following tables present the impact on the Company's income before income tax (arises from unhedged foreign currency-denominated financial assets and liabilities) and equity before income tax (arises from hedged foreign currency-denominated financial liabilities) of changes in the exchange rate between the foreign currencies and the US dollar (holding all other variables constant) as at December 31 (amounts in millions of US dollar unless otherwise indicated):

	2025	
	Effect on Income Before Income Tax	**Effect on Equity Before Income Tax**
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	**(US$0.4)**	**US$6.1**
5% depreciation	**0.5**	**(6.7)**

	2024	
	Effect on Income Before Income Tax	Effect on Equity Before Income Tax
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	US$1.1	US$1.1
5% depreciation	(1.2)	(1.2)

Credit Risk

The Company trades only with recognized, creditworthy third parties and the exposure to credit risk is monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. Since the Company trades only with recognized third parties, collateral is not normally required in respect of financial assets. Moreover, counterparty credit limits are reviewed by management on an annual basis. The limits are set to minimize the concentration of risks and mitigate financial losses through potential counterparty failure.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, and available-for-sale financial assets, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

As at December 31, 2025 and 2024 about 77 percent and 79 percent, respectively, of the cash in bank and cash equivalents of the Company were with four local banks. Investments of funds are made only with counterparties approved by the Board.

Information about credit risk exposure on the Company's financial assets at year-end is as follows:

Cash in banks and cash equivalents - all considered investment grade, no allowance for ECL is recognized as at December 31, 2025 and 2024.

Receivables – see tables below:

December 31, 2025

		Days past due				
In millions	**Current**	**1-30 days**	**31-60 days**	**61-120 days**	**More than 120 days**	**Total**
ECL rate	–	–	–	–	21.0%	
Trade receivables	US$24.5	US$1.5	US$0.3	US$0.2	US$1.1	US$27.6
Allowance for ECL	–	–	–	–	0.2	0.2

		Days past due				
In millions	**Current**	**1-30 days**	**31-60 days**	**61-120 days**	**More than 120 days**	**Total**
ECL rate	–	–	–	–	8.2%	
Nontrade receivables	US$0.1	US$1.4	US$0.2	US$–	US$4.2	US$5.9
Allowance for ECL	–	–	–	–	0.4	0.4

December 31, 2024

		Days past due				
In millions	Current	1-30 days	31-60 days	61-120 days	More than 120 days	Total
ECL rate	–	–	–	–	39.4%	
Trade receivables	US$26.7	US$1.6	US$0.2	US$–	US$0.5	US$29.0
Allowance for ECL	–	–	–	–	0.2	0.2

		Days past due				
In millions	Current	1-30 days	31-60 days	61-120 days	More than 120 days	Total
ECL rate	–	–	–	–	100.0%	
Nontrade receivables	US$3.8	US$–	US$–	US$–	US$0.4	US$4.2
Allowance for ECL	–	–	–	–	0.4	0.4

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company considers the total equity as its capital. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the years ended December 31, 2025 and 2024.

The Company monitors capital using consolidated gearing ratio. Gearing ratio is total debt over net worth (total equity) where total debt includes long-term debt and loans payable based on its consolidated financial statements.

The Company's policy is to keep the gearing ratio within two times.

	2025	2024
Consolidated long-term debt	**US$3,151,388,833**	US$2,486,819,421
Consolidated loans payable	**–**	167,504,595
Total consolidated debt (a)	**US$3,151,388,833**	US$2,654,324,016
Consolidated net worth or total equity (b)	**US$2,481,184,678**	US$1,904,126,854
Gearing ratio (a/b)	**1.27 times**	1.39 times

27. **Earnings Per Share**

The following table presents information necessary to calculate earnings per share:

	2025	2024
Net income (a)	**US$689,185,006**	US$542,910,413
Common shares outstanding at beginning of year	**2,045,177,671**	2,045,177,671
Weighted average treasury shares	**(23,992,132)**	(12,371,238)
Weighted average shares outstanding (b)	**2,021,185,539**	2,032,806,433
Effect of dilutive stock grants	**4,838,444**	4,594,388
Weighted average shares outstanding adjusted for potential common shares (c)	**2,026,023,983**	2,037,400,821
Basic earnings per share (a÷b)	**US$0.341**	US$0.267
Diluted earnings per share (a÷c)	**US$0.340**	US$0.266

28. **Other Matters**

Impacts of the Macroeconomic, Regulatory and Geopolitical Environment
The Company's financials could be influenced by the effects of the broader macroeconomic, regulatory and geopolitical environment. Fluctuation of US dollar relative to other currencies and rising inflation may affect the Company's reported levels of revenues and profits. The imposition of new tariffs and changes to existing tariffs, along with the possibility of reciprocal tariffs, may impact businesses across industries. Geopolitical conflicts can have major economic impact on the affected regions.

Whilst these developments had no material impact on the Company's business, their scale and duration remain uncertain to date. It is not possible to estimate the impact of the near-term and longer effects of such events. The Company will continue to closely monitor the progress of these situations.

29. Events After the Balance Sheet Date

Purchase of Treasury Shares
ICTSI acquired 125,000 treasury shares for US$1.2 million since January 2026.

30. Supplementary Information Required Under Revenue Regulations 15-2010

The Company reported and paid the following types of taxes for the year ended December 31, 2025:

30.1 VAT

Details of the Company's gross receipts, output VAT and input VAT accounts are as follows:

30.1.1 Gross receipts and Output VAT declared in the Company's VAT returns filed for 2025

	Gross Receipts	Output VAT
Taxable sales:		
Sales of services[1]	₱19,028,517,792	₱2,283,422,135
Management fees	406,031,604	48,723,792
Rental income	144,130,869	17,295,704
HQ-managed IT income	100,130,279	12,015,633
Other income	15,834,519	1,900,142
Reimbursement	333,174	39,981
	19,694,978,237	2,363,397,387
Zero-rated sales:		
Sales of services[2]	22,469,594,311	–
Royalty fees	3,407,241,394	–
Management fees[2]	680,064,593	–
HQ-managed IT income	561,432,628	–
Rental Income	572,615	–
Other income	44,719,866	–
	27,163,625,406	–
	₱46,858,603,643	₱2,363,397,387

[1] Sales of services are reported under the following accounts:
a. Import cargoes
b. Export cargoes
c. Vessel charges
d. Anchorage services
e. Special services
f. Storage fees

These are adjusted for discounts which are recorded in discounts and allowances.

[2] Zero-rated sales arising from sales of services pertain to gross receipts from services rendered to persons engaged in international shipping operations and sales from royalty and management fees pertain to gross receipts from services rendered to non-resident foreign corporation are subject to VAT zero-rating pursuant to Section 108(B)(4) of the National Internal Revenue Code (NIRC) of 1997, as amended.

30.1.2 Input VAT

Balance at January 1, 2025	₱254,613,752
Current year's purchases/payments for:	
Services lodged under expenses	1,895,588,753
Capital goods subject to amortization	–
Capital goods not subject to amortization	14,381,744
Goods other than for resale or manufacture	392,205,719
Input VAT on Capital Goods subject to amortization deferred to the next period, net of input VAT applied against output VAT	20,405,677
Less: Applied against output VAT	2,258,915,030
Balance at December 31, 2025	₱318,280,615

30.2 Importations

Details of the Company's importations are shown below:

Total landed cost of imports	₱1,659,585,999
Customs duties	9,068,102
Import processing fees	4,795,306

30.3 Documentary Stamp Taxes

Documentary stamp taxes (DST) paid by the Company are shown below:

Transaction	Amount	DST
DST on bank loans	₱49,958,945,707	₱374,692,093
DST on intercompany loans	6,025,680,000	45,192,600
DST on issuance of shares by the investee	10,000,000	75,000
DST for advances from/to subsidiaries	257,132,195	1,928,491
DST on leases	24,562,448	49,133
DST on other documents (e.g., loose documentary stamps)	–	1,120
	₱56,276,320,350	₱421,938,437

The above paid documentary stamp taxes are lodged under the "Taxes and licenses" classified and presented as part of "Administrative and other operating expenses" account in the parent company statement of income, while the portion attributable to debt issuance is recognized as "Debt Issuance Cost" and presented as part of "Long Term Debt" in the parent company statement of financial position.

30.4 Other Taxes and Licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees lodged under the "Taxes and licenses" classified and presented as part of "Administrative and other operating expenses" account in the parent company statement of income as follows:

a. Local

Local business tax	₱232,728,700
Real property tax	108,622,612
Permits, vehicle registration and others	517,684
Other payment to government agencies	1,041,938
	₱342,910,934

b. National

Documentary stamp tax	₱2,053,744
Stock transaction tax	348,740
	₱2,402,484

30.5 Withholding Taxes

Details of withholding taxes paid/accrued for the year are as follows:

Final withholding tax	₱3,526,634,993
Withholding on compensation and benefits	535,580,561
Expanded withholding tax	459,871,049
Fringe benefits tax	61,949,799

30.6 Status of Tax Assessment and Court Cases

There were no deficiency tax assessments issued by the BIR to the Company during the calendar year ended December 31, 2025. There were also no pending tax cases nor litigation and/or prosecution in courts or bodies outside the BIR in 2025.