

COVER SHEET

SEC Registration Number

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COMPANY NAME

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B	S	I	D	I	A	R	I	E	S																				

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

7	/	F		M	O	A		S	q	u	a	r	e	,		S	e	a	s	h	e	l	l		L	a	n	e	
c	o	r	.		C	o	r	a	l		W	a	y	,		M	a	l	l		o	f		A	s	i	a		C
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Form Type

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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

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Company's Telephone Number

8831-1000

Mobile Number

--

No. of Stockholders

2,314

Annual Meeting
Month/Day

--

Fiscal Year
Month/Day

June 30

--

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. John Nai Peng C. Ong

Email Address

--

Telephone Number/s

8831-1000

Mobile Number

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CONTACT PERSON'S ADDRESS

7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10,
CBP 1-A, 1300 Pasay City, Metro Manila, Philippines

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

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

SEC No. AS094-000088
File No.

SM PRIME HOLDINGS, INC.
(Company's Full Name)

**7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex,
Brgy. 76 Zone 10, CBP 1-A, 1300 Pasay City, Metro Manila, Philippines**
(Company's Address)

8831-1000
(Telephone Numbers)

December 31
(Fiscal Year ending)
(Month and Day)

Form 17-Q for the 2nd Quarter of 2025
(Form Type)

N/A
Amendment Designation

June 30, 2025
Period Ended Date

N/A
(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

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

1. For the quarterly period ended **JUNE 30, 2025**
2. SEC Identification Number **AS094-000088**
3. BIR Tax Identification No. **003-058-789**
4. Exact name of registrant as specified in its charter **SM PRIME HOLDINGS, INC.**
5. **PHILIPPINES** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10,**
CBP 1-A, Pasay City, Metro Manila, Philippines **1300**
Address of principal office Postal Code
8. **(632) 8831-1000**
Registrant's telephone number, including area code
9. **NA**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common shares ₱1 Par Value	28,871,122,694
Debt Securities - Retail Bonds	₱141,458,500,000

11. Are any or all of these securities listed on a Stock Exchange.
Yes [☒] No [☐]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange Common Shares
12. Check whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [☒] No [☐]
 - (b) has been subject to such filing requirements for the past 90 days.
Yes [☒] No [☐]

SM Prime Holdings, Inc. and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
Balance Sheets as at June 30, 2025 (Unaudited) and
December 31, 2024 (Audited)
Statements of Income for the Six-Month Periods Ended
June 30, 2025 and 2024 (Unaudited)

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES**INTERIM CONSOLIDATED BALANCE SHEET****June 30, 2025****(With Comparative Audited Figures as at December 31, 2024)***(Amounts in Thousands)*

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 17, 20 and 21)	₱27,850,239	₱31,246,171
Receivables and contract assets (Notes 6, 12, 17, 20 and 21)	96,250,312	92,506,904
Real estate inventories (Note 7)	75,594,647	76,927,527
Equity instruments at fair value through other comprehensive income (FVOCI) (Notes 8, 20 and 21)	821,378	794,433
Derivative assets (Notes 20 and 21)	2,060,787	780,087
Prepaid expenses and other current assets (Note 9)	29,904,088	28,426,708
Total Current Assets	232,481,451	230,681,830
Noncurrent Assets		
Equity instruments at FVOCI - net of current portion (Notes 8, 17, 20 and 21)	21,235,521	20,392,800
Investment properties (Notes 10 and 21)	628,852,752	601,339,921
Investments in associates and joint ventures (Note 11)	34,528,761	33,108,359
Deferred tax assets - net	1,606,085	1,634,307
Derivative assets - net of current portion (Notes 20 and 21)	173,046	3,990,740
Other noncurrent assets (Notes 12, 17 and 21)	132,022,536	128,282,773
Total Noncurrent Assets	818,418,701	788,748,900
	₱1,050,900,152	₱1,019,430,730
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable (Notes 13, 17, 20 and 21)	₱22,137,842	₱17,312,356
Accounts payable and other current liabilities (Notes 14, 17, 20 and 21)	106,980,484	103,788,961
Current portion of long-term debt (Notes 15, 17, 20 and 21)	105,039,862	89,287,442
Derivative liabilities (Notes 20 and 21)	189,991	—
Income tax payable	1,376,741	1,606,324
Total Current Liabilities	235,724,920	211,995,083
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 15, 17, 20 and 21)	279,767,065	283,320,341
Tenants' and customers' deposits - net of current portion (Notes 14, 20 and 21)	29,454,560	30,528,879
Deferred tax liabilities - net	14,382,883	13,923,287
Derivative liabilities - net of current portion (Notes 20 and 21)	102,655	50,447
Other noncurrent liabilities (Notes 14 and 21)	45,473,457	43,372,203
Total Noncurrent Liabilities	369,180,620	371,195,157
Total Liabilities	604,905,540	583,190,240

(Forward)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock (Notes 16 and 23)	₱33,166,300	₱33,166,300
Additional paid-in capital - net	38,164,631	38,164,173
Cumulative translation adjustment	2,877,824	3,135,756
Net fair value changes of equity instruments at FVOCI (Note 8)	18,519,905	17,807,766
Net fair value changes on cash flow hedges	(482,773)	604,031
Remeasurement loss on defined benefit obligation	(792,229)	(792,229)
Retained earnings (Note 16):		
Appropriated	100,000,000	100,000,000
Unappropriated	254,598,490	243,991,970
Treasury stock (Notes 16 and 23)	(3,164,535)	(2,984,695)
Total Equity Attributable to Equity Holders of the Parent	442,887,613	433,093,072
Non-controlling Interests	3,106,999	3,147,418
Total Equity	445,994,612	436,240,490
	₱1,050,900,152	₱1,019,430,730

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Data)

	Three-Month Periods		Six-Month Periods	
	Ended June 30		Ended June 30	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
REVENUES				
Rent (Notes 10 and 17)	₱20,513,084	₱19,296,236	₱40,534,048	₱37,831,521
Real estate sales	10,799,500	10,797,006	20,016,127	19,585,497
Others (Notes 17 and 18)	3,957,456	3,875,531	7,493,360	7,271,227
	35,270,040	33,968,773	68,043,535	64,688,245
COSTS AND EXPENSES (Notes 17 and 19)	17,522,806	17,612,919	33,617,640	33,621,293
INCOME FROM OPERATIONS	17,747,234	16,355,854	34,425,895	31,066,952
OTHER INCOME (CHARGES)				
Interest expense (Notes 6, 13, 15 and 17)	(2,766,023)	(2,701,662)	(6,194,432)	(5,832,086)
Interest and dividend income (Notes 5, 6, 8, 12 and 17)	776,963	594,269	1,437,512	1,112,907
Others - net (Notes 10, 11, 14 and 15)	104,839	(20,333)	574,144	804,901
	(1,884,221)	(2,127,726)	(4,182,776)	(3,914,278)
INCOME BEFORE INCOME TAX	15,863,013	14,228,128	30,243,119	27,152,674
PROVISION FOR INCOME TAX (Note 22)	2,848,058	2,391,831	5,363,685	4,640,160
NET INCOME	₱13,014,955	₱11,836,297	₱24,879,434	₱22,512,514
Attributable to:				
Equity holders of the Parent (Note 23)	₱12,802,101	₱11,603,759	₱24,455,415	₱22,065,958
Non-controlling interests	212,854	232,538	424,019	446,556
	₱13,014,955	₱11,836,297	₱24,879,434	₱22,512,514
Basic/Diluted earnings per share (Note 23)	₱0.444	₱0.402	₱0.848	₱0.765
Dividend per share (Note 16)	₱0.480	₱0.346	₱0.480	₱0.346

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME***(Amounts in Thousands)*

	Three-Month Periods		Six-Month Periods	
	Ended June 30		Ended June 30	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
NET INCOME	₱13,014,955	₱11,836,297	₱24,879,434	₱22,512,514
OTHER COMPREHENSIVE INCOME				
(LOSS)				
Item that will not be reclassified to profit or loss in subsequent periods:				
Unrealized gain (loss) due to changes in fair value of financial assets at FVOCI (Note 8)	(193,228)	(3,259,152)	712,139	(972,511)
Items that may be reclassified to profit or loss in subsequent periods:				
Net fair value changes on cash flow hedges	(390,623)	(416,195)	(1,086,804)	(376,101)
Cumulative translation adjustment	(75,993)	1,135,784	(257,932)	1,093,353
	(659,844)	(2,539,563)	(632,597)	(255,259)
TOTAL COMPREHENSIVE INCOME	₱12,355,111	₱9,296,734	₱24,246,837	₱22,257,255
Attributable to:				
Equity holders of the Parent	₱12,142,257	₱9,064,196	₱23,822,818	₱21,810,699
Non-controlling interests	212,854	232,538	424,019	446,556
	₱12,355,111	₱9,296,734	₱24,246,837	₱22,257,255

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Notes 16 and 23)	Additional Paid-in Capital - Net	Cumulative Translation Adjustment	Net fair value changes of equity instruments at FVOCI (Note 8)	Net Fair Value Changes on Cash Flow Hedges	Remeasurement Loss on Defined Benefit Obligation	Retained Earnings (Note 16)		Treasury Stock (Notes 16 and 23)	Total	Non-controlling Interests	Total Equity
							Appropriated	Unappropriated				
At December 31, 2024 (Audited)	₱33,166,300	₱38,164,173	₱3,135,756	₱17,807,766	₱604,031	(₱792,229)	₱100,000,000	₱243,991,970	(₱2,984,695)	₱433,093,072	₱3,147,418	₱436,240,490
Net income for the period	—	—	—	—	—	—	—	24,455,415	—	24,455,415	424,019	24,879,434
Other comprehensive income (loss)	—	—	(257,932)	712,139	(1,086,804)	—	—	—	—	(632,597)	—	(632,597)
Total comprehensive income (loss) for the period	—	—	(257,932)	712,139	(1,086,804)	—	—	24,455,415	—	23,822,818	424,019	24,246,837
Cash dividends (Note 16)	—	—	—	—	—	—	—	(13,859,849)	—	(13,859,849)	—	(13,859,849)
Cash dividends received by a subsidiary (Note 16)	—	—	—	—	—	—	—	10,954	—	10,954	—	10,954
Cash dividends received by a non-controlling interest	—	—	—	—	—	—	—	—	—	—	(464,580)	(464,580)
Sale of non-controlling interest	—	458	—	—	—	—	—	—	—	458	142	600
Acquisition of treasury shares (Note 16)	—	—	—	—	—	—	—	—	(179,840)	(179,840)	—	(179,840)
At June 30, 2025 (Unaudited)	₱33,166,300	₱38,164,631	₱2,877,824	₱18,519,905	(₱482,773)	(₱792,229)	₱100,000,000	₱254,598,490	(₱3,164,535)	₱442,887,613	₱3,106,999	₱445,994,612
At December 31, 2023 (Audited)	₱33,166,300	₱38,159,900	₱2,556,139	₱16,938,503	₱1,079,094	(₱1,062,437)	₱42,200,000	₱266,143,815	(₱2,984,695)	₱396,196,619	₱2,690,417	₱398,887,036
Net income for the period	—	—	—	—	—	—	—	22,065,958	—	22,065,958	446,556	22,512,514
Other comprehensive income (loss)	—	—	1,093,353	(972,511)	(376,101)	—	—	—	—	(255,259)	—	(255,259)
Total comprehensive income (loss) for the period	—	—	1,093,353	(972,511)	(376,101)	—	—	22,065,958	—	21,810,699	446,556	22,257,255
Cash dividends (Note 16)	—	—	—	—	—	—	—	(9,992,214)	—	(9,992,214)	—	(9,992,214)
Cash dividends received by a subsidiary (Note 16)	—	—	—	—	—	—	—	7,896	—	7,896	—	7,896
Cash dividends received by a non-controlling interest	—	—	—	—	—	—	—	—	—	—	(388,500)	(388,500)
At June 30, 2024 (Unaudited)	₱33,166,300	₱38,159,900	₱3,649,492	₱15,965,992	₱702,993	(₱1,062,437)	₱42,200,000	₱278,225,455	(₱2,984,695)	₱408,023,000	₱2,748,473	₱410,771,473

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Six-Month Periods Ended June 30	
	2025	2024
	<i>(Unaudited)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱30,243,119	₱27,152,674
Adjustments for:		
Depreciation and amortization (Notes 10, 12 and 19)	7,610,386	7,318,594
Interest expense (Notes 6, 13, 15 and 17)	6,194,432	5,832,086
Equity in net earnings of associates and joint ventures (Note 11)	(1,449,890)	(1,244,400)
Interest and dividend income (Notes 5, 6, 8, 12 and 17)	(1,437,512)	(1,112,907)
Loss on unrealized foreign exchange and fair value changes on derivatives - net	110,109	141,603
Operating income before working capital changes	41,270,644	38,087,650
Decrease (increase) in:		
Receivables and contract assets	(6,240,116)	(5,865,400)
Real estate inventories	2,077,005	(1,675,508)
Prepaid expenses and other current assets	(1,486,860)	161,120
Increase (decrease) in:		
Accounts payable and other liabilities	4,286,189	6,282,395
Tenants' and customers' deposits	(1,058,201)	1,490,526
Cash generated from operations	38,848,661	38,480,783
Income tax paid	(5,106,425)	(4,297,613)
Net cash provided by operating activities	33,742,236	34,183,170
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,016,519	785,312
Dividends received	343,892	284,257
Net additions to investment properties (Note 10)	(35,030,138)	(29,904,551)
Increase in other noncurrent assets	(1,446,213)	(1,306,303)
Net cash used in investing activities	(35,115,940)	(30,141,285)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of interest-bearing debt (Notes 13 and 15)	111,791,595	90,390,152
Proceeds from matured derivatives	154,500	2,501,943
Payments of:		
Interest-bearing debt (Notes 13 and 15)	(92,985,241)	(78,530,237)
Dividends	(14,313,475)	(10,371,738)
Interest	(6,031,133)	(5,643,921)
Lease liabilities	(454,139)	(444,785)
Acquisition of treasury shares (Note 16)	(179,840)	—
Net cash used in financing activities	(2,017,733)	(2,098,586)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(4,495)	17,484
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,395,932)	1,960,783
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	31,246,171	31,816,802
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱27,850,239	₱33,777,585

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

SM Prime Holdings, Inc. (SMPH or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 6, 1994. SMPH and its subsidiaries (collectively known as “the Company”) are incorporated to acquire by purchase, exchange, assignment, gift or otherwise, and to own, use, improve, subdivide, operate, enjoy, sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in and hold for investment or otherwise, including but not limited to real estate and the right to receive, collect and dispose of, any and all rentals, dividends, interest and income derived therefrom; the right to vote on any proprietary or other interest on any shares of stock, and upon any bonds, debentures, or other securities; and the right to develop, conduct, operate and maintain modernized commercial shopping centers and all the businesses appurtenant thereto, such as but not limited to the conduct, operation and maintenance of shopping center spaces for rent, amusement centers, movie or cinema theatres within the compound or premises of the shopping centers, to construct, erect, manage and administer buildings such as condominium, apartments, hotels, restaurants, stores or other structures for mixed use purposes.

SMPH’s shares of stock are publicly traded in the Philippine Stock Exchange (PSE).

The Company’s ultimate parent company is SM Investments Corporation (SMIC). SMIC is a Philippine corporation whose common shares is listed with the PSE in 2005.

The registered office and principal place of business of the Parent Company is at 7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10, CBP-1A, 1300 Pasay City, Metro Manila, Philippines.

2. Basis of Preparation

The accompanying interim condensed 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 interim condensed consolidated financial statements are presented in Philippine peso, which is the Parent Company’s functional and presentation currency under Philippine Financial Reporting Standards (PFRS) Accounting Standards. All values are rounded to the nearest thousand peso, except when otherwise indicated.

The interim condensed consolidated financial statements have been prepared under the going concern assumption.

Statement of Compliance

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual audited consolidated financial statements as at December 31, 2024.

Basis of Consolidation

The interim condensed consolidated financial statements include the accounts of the Parent Company and all of its subsidiaries. As at June 30, 2025, there were no significant changes in the composition of the Company and in the Parent Company's ownership interests in its subsidiaries.

Material Accounting Judgments, Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these estimates and assumptions could result in outcomes that require an adjustment to the carrying amount of the affected asset or liability in the future period.

Except as otherwise disclosed, there were no significant changes in the significant accounting judgments, estimates and assumptions used by the Company for the six-month period ended June 30, 2025.

3. Summary of Material Accounting Policy Information

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024, except for the following amendments which the Company has adopted starting January 1, 2025. Adoption of these pronouncements did not have any material impact on the Company's interim condensed consolidated financial statements.

- Amendments to PAS 21, *Lack of exchangeability*

Future Changes in Accounting Policies and Disclosures

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

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9
 - Lessee Derecognition of Lease Liabilities
 - Transaction Price
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements* replaces PAS 1, *Presentation of Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred Effectivity

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

4. Segment Information

For management purposes, the Company is organized into business units based on their products and services, and has four reportable segments as follows: malls, residential, hotels and convention centers, and commercial and integrated commercial developments.

Malls segment develops, conducts, operates and maintains the business of modern commercial shopping centers and all businesses related thereto such as the conduct, operation and maintenance of shopping center spaces for rent, amusement centers, or cinema theaters within the compound of the shopping centers.

Residential and commercial and integrated commercial developments segments are involved in the development and transformation of major residential, commercial, entertainment and tourism districts through sustained capital investments in buildings and infrastructure.

Hotels and convention centers segment engages in and carry on the business of hotel and convention centers and operates and maintains any and all services and facilities incident thereto.

Management, through the Executive Committee, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with the operating profit or loss in the interim condensed consolidated financial statements.

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the interim condensed consolidated financial statements, which is in accordance with PFRS.

Inter-segment Transactions

Inter-segment transactions are eliminated in the interim condensed consolidated financial statements.

Business Segment Data

June 30, 2025 (Unaudited)						
	Malls	Residential	Hotels and Convention Centers	Commercial and Integrated Commercial Developments	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenues:						
External customers	₱40,416,595	₱20,919,470	₱4,110,047	₱2,597,423	₱–	₱68,043,535
Inter-segment	64,352	–	–	79,843	(144,195)	–
	₱40,480,947	₱20,919,470	₱4,110,047	₱2,677,266	(₱144,195)	₱68,043,535
Segment results:						
Income before income tax	₱21,079,074	₱6,348,228	₱793,838	₱2,021,979	₱–	₱30,243,119
Provision for income tax	(3,671,701)	(1,210,986)	(158,635)	(322,363)	–	(5,363,685)
Net income	₱17,407,373	₱5,137,242	₱635,203	₱1,699,616	₱–	₱24,879,434
Net income attributable to:						
Equity holders of the Parent	₱16,992,306	₱5,128,290	₱635,203	₱1,699,616	₱–	₱24,455,415
Non-controlling interests	415,067	8,952	–	–	–	424,019
Other information:						
Capital expenditures*	₱15,218,763	₱6,351,285	₱759,222	₱15,007,606	₱–	₱37,336,876
Depreciation and amortization	6,632,547	142,514	405,899	429,426	–	7,610,386
<i>*Excludes capitalized interest</i>						
June 30, 2024 (Unaudited)						
	Malls	Residential	Hotels and Convention Centers	Commercial and Integrated Commercial Developments	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenues:						
External customers	₱37,899,477	₱20,484,464	₱3,694,815	₱2,609,489	₱–	₱64,688,245
Inter-segment	68,169	2,500	–	61,806	(132,475)	–
	₱37,967,646	₱20,486,964	₱3,694,815	₱2,671,295	(₱132,475)	₱64,688,245
Segment results:						
Income before income tax	₱18,568,078	₱6,105,538	₱669,049	₱1,810,009	₱–	₱27,152,674
Provision for income tax	(3,186,849)	(1,055,173)	(141,793)	(256,345)	–	(4,640,160)
Net income	₱15,381,229	₱5,050,365	₱527,256	₱1,553,664	₱–	₱22,512,514
Net income attributable to:						
Equity holders of the Parent	₱14,942,068	₱5,042,970	₱527,256	₱1,553,664	₱–	₱22,065,958
Non-controlling interests	439,161	7,395	–	–	–	446,556
Other information:						
Capital expenditures*	₱15,117,318	₱11,414,946	₱971,398	₱8,818,425	₱–	₱36,322,087
Depreciation and amortization	6,283,132	126,037	390,498	518,927	–	7,318,594
<i>*Excludes capitalized interest</i>						
June 30, 2025 (Unaudited)						
	Malls	Residential	Hotels and Convention Centers	Commercial and Integrated Commercial Developments	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Segment assets	₱519,008,946	₱379,754,786	₱25,063,675	₱128,513,648	(₱1,440,903)	₱1,050,900,152
Segment liabilities	₱328,734,170	₱210,389,096	₱2,160,257	₱65,062,920	(₱1,440,903)	₱604,905,540
December 31, 2024 (Audited)						
Segment assets	₱486,804,040	₱372,848,649	₱24,482,894	₱137,249,879	(₱1,954,732)	₱1,019,430,730
Segment liabilities	₱322,128,497	₱207,977,024	₱1,982,532	₱53,056,919	(₱1,954,732)	₱583,190,240

For the six-month periods ended June 30, 2025 and 2024, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. The Company disaggregates its revenue information in the same manner as it reports its segment information.

Seasonality

There were no other trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations.

5. Cash and Cash Equivalents

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Cash on hand and in banks (see Note 17)	₱4,032,932	₱4,396,389
Temporary investments (see Note 17)	23,817,307	26,849,782
	₱27,850,239	₱31,246,171

Interest income earned from cash in banks and temporary investments amounted to ₱808 million and ₱664 million for the six-month periods ended June 30, 2025 and 2024, respectively.

6. Receivables and Contract Assets

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Trade:		
Sale of real estate (billed and unbilled)*	₱160,506,998	₱152,492,378
Rent (see Note 17)	12,711,331	14,450,453
Accrued interest (see Note 17)	368,747	370,865
Nontrade and others (see Note 17)	4,928,465	5,031,479
	178,515,541	172,345,175
Less allowance for expected credit loss (ECLs)	747,377	774,250
	177,768,164	171,570,925
Less noncurrent portion of receivables from sale of real estate (see Note 12)	81,517,852	79,064,021
	₱96,250,312	₱92,506,904

**Includes unbilled revenue from sale of real estate amounting to ₱145,955 million and ₱133,475 million as at June 30, 2025 and December 31, 2024, respectively.*

Interest income earned from receivables amounted to ₱152 million and ₱140 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The Company assigned billed and unbilled receivables from sale of real estate on a without recourse basis to local banks amounting to ₱3,111 million and ₱1,178 million for the six-month periods June 30, 2025 and 2024, respectively (see Note 17).

The total cost of related financing recorded under interest expense amounted to ₱151 million and ₱161 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The movements in the allowance for ECLs related to receivables are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(In Thousands)</i>		
At beginning of the period	₱774,250	₱777,378
Reversals - net of provision	(26,873)	(3,128)
At end of the period	₱747,377	₱774,250

Receivables are assessed by the Company's management as not impaired, good and collectible.

7. Real Estate Inventories

The movements in this account are as follows:

	Land and Development	Condominium, Residential Units and Subdivision Lots for Sale	Total
<i>(In Thousands)</i>			
Balance as at December 31, 2023 (Audited)	₱52,758,337	₱25,128,444	₱77,886,781
Development cost incurred	17,918,601	103,947	18,022,548
Cost of real estate sold	(11,962,498)	(7,178,027)	(19,140,525)
Transfers	(3,074,344)	3,074,344	—
Reclassifications from investment properties (see Note 10)	142,699	—	142,699
Translation adjustment and others	—	16,024	16,024
Balance as at December 31, 2024 (Audited)	55,782,795	21,144,732	76,927,527
Development cost incurred	6,733,266	8,293	6,741,559
Cost of real estate sold (see Note 19)	(5,274,399)	(3,215,612)	(8,490,011)
Transfers	(524,504)	524,504	—
Reclassifications from investment properties (see Note 10)	327,512	—	327,512
Translation adjustment and others	35,960	52,100	88,060
Balance as at June 30, 2025 (Unaudited)	₱57,080,630	₱18,514,017	₱75,594,647

Land and development pertains to the Company's on-going residential units and condominium projects.

Condominium and residential units for sale which pertain to the completed projects are stated at cost as at June 30, 2025 and December 31, 2024.

Contract fulfillment assets, included under land and development, mainly pertain to unamortized portion of land cost totaling ₱2,244 million and ₱2,031 million as at June 30, 2025 and December 31, 2024, respectively.

8. Equity Instruments at FVOCI

This account consists of investments in:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Shares of stock:		
Listed (see Note 17)	₱22,051,582	₱21,181,916
Unlisted	5,317	5,317
	22,056,899	21,187,233
Less noncurrent portion	21,235,521	20,392,800
	₱821,378	₱794,433

Dividend income from investments at FVOCI amounted to ₱423 million and ₱253 million for the six-month periods ended June 30, 2025 and 2024, respectively (see Note 17).

Unrealized gain of ₱712 million and unrealized loss of ₱973 million on changes in fair value for the six-month periods ended June 30, 2025 and 2024, respectively were included under other comprehensive income.

9. Prepaid Expenses and Other Current Assets

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Input and creditable withholding taxes	₱15,396,519	₱14,039,318
Advances and deposits	9,425,258	8,797,734
Prepaid taxes and other prepayments	4,379,364	4,565,703
Supplies, inventories and others	702,947	1,023,953
	₱29,904,088	₱28,426,708

10. Investment Properties

The movements in this account are as follows:

	Land, Building and Leasehold Improvements	Building Equipment, Furniture and Others	ROUA	Construction in Progress	Total
	<i>(In Thousands)</i>				
Cost					
Balance as at December 31, 2023 (Audited)	₱501,242,440	₱61,093,358	₱33,416,089	₱82,002,808	₱677,754,695
Additions	9,244,408	3,621,649	98,291	54,569,894	67,534,242
Reclassifications (see Notes 7 and 12)	16,286,673	2,788,243	—	(16,231,352)	2,843,564
Translation adjustment	917,995	77,636	295,751	124,704	1,416,086
Disposals	(690,721)	(222,151)	—	—	(912,872)
Balance as at December 31, 2024 (Audited)	527,000,795	67,358,735	33,810,131	120,466,054	748,635,715
Additions	5,692,881	1,698,299	2,926	28,553,624	35,947,730
Reclassifications (see Notes 7 and 12)	6,238,657	402,831	—	(6,956,394)	(314,906)
Translation adjustment	(467,631)	(42,253)	(143,230)	(62,488)	(715,602)
Disposals	(204,273)	(18,551)	—	—	(222,824)
Balance as at June 30, 2025 (Unaudited)	₱538,260,429	₱69,399,061	₱33,669,827	₱142,000,796	₱783,330,113
Accumulated Depreciation and Amortization					
Balance as at December 31, 2023 (Audited)	₱90,506,475	₱38,908,252	₱3,265,222	₱—	₱132,679,949
Depreciation and amortization	9,753,913	4,245,234	830,532	—	14,829,679
Translation adjustment	212,105	45,221	11,907	—	269,233
Disposals	(282,864)	(200,203)	—	—	(483,067)
Balance as at December 31, 2024 (Audited)	100,189,629	42,998,504	4,107,661	—	147,295,794
Depreciation and amortization (see Note 19)	4,911,635	2,185,255	405,359	—	7,502,249
Translation adjustment	(121,265)	(16,447)	(8,009)	—	(145,721)
Disposals	(156,892)	(18,069)	—	—	(174,961)
Balance as at June 30, 2025 (Unaudited)	₱104,823,107	₱45,149,243	₱4,505,011	₱—	₱154,477,361
Net Book Value					
As at December 31, 2024 (Audited)	₱426,811,166	₱24,360,231	₱29,702,470	₱120,466,054	₱601,339,921
As at June 30, 2025 (Unaudited)	₱433,437,322	₱24,249,818	₱29,164,816	₱142,000,796	₱628,852,752

The Company disposed certain investment properties in 2025 and 2024. The gain or loss on disposal is recognized in the consolidated statements of income under “Others - net” account.

Portions of investment properties located in China with total carrying value of ₱1,473 million and ₱1,539 million as at June 30, 2025 and December 31, 2024, respectively are mortgaged as collaterals to secure domestic borrowings (see Note 15).

Consolidated rent income from investment properties amounted to ₱40,534 million and ₱37,832 million for the six-month periods ended June 30, 2025 and 2024, respectively. Consolidated costs and expenses from investment properties amounted to ₱20,343 million and ₱20,054 million for the six-month periods ended June 30, 2025 and 2024, respectively.

Construction in progress includes integrated commercial development cost, construction of new malls and redevelopment of existing malls amounting to ₱142,001 million and ₱120,466 million as at June 30, 2025 and December 31, 2024, respectively.

The outstanding contracts with various contractors related to the construction of on-going projects are valued at ₱48,647 million and ₱63,362 million as at June 30, 2025 and December 31, 2024, respectively inclusive of overhead, cost of labor and materials and all other costs necessary for the proper execution of the works.

Additions include interest capitalized to the construction of investment properties amounting to ₱4,361 million and ₱7,446 million for the six-month period ended June 30, 2025 and for the year ended December 31, 2024, respectively. Capitalization rates used range from 2.19% to 6.32% and from 2.46% to 5.75% for the six-month period ended June 30, 2025 and for the year ended December 31, 2024, respectively.

The most recent fair value of investment properties is determined by an independent appraiser who holds a recognized and relevant professional qualification. The fair values of investment properties were based on market values using income approach and market value approach. The fair value represents the amount at which the assets can be exchanged between a knowledgeable, willing seller and a knowledgeable, willing buyer in an arm's length transaction at the date of valuation, in accordance with International Valuation Standards as set out by the International Valuation Standards Committee.

Other than those investment properties held as collateral, the Company has no restriction on the realizability of its investment properties.

11. Investments in Associates and Joint Ventures

The ownership interests in associates and joint ventures are accounted for under the equity method.

As at June 30, 2025, there were no changes in the Company's ownership interests in its investments in associates and joint ventures.

The movements in this account are as follows:

	Associates	Joint Ventures	Total
		(In Thousands)	
Balance as at December 31, 2023 (Audited)	₱21,983,446	₱10,447,749	₱32,431,195
Equity in net earnings	1,118,823	924,187	2,043,010
Dividends	(1,284,813)	(151,468)	(1,436,281)
Translation and others	22,104	48,331	70,435
Balance as at December 31, 2024 (Audited)	21,839,560	11,268,799	33,108,359
Equity in net earnings	963,032	486,858	1,449,890
Dividends	—	(47,940)	(47,940)
Translation and others	(2,261)	20,713	18,452
Balance as at June 30, 2025 (Unaudited)	₱22,800,331	₱11,728,430	₱34,528,761

The carrying value of investment in Ortigas Land Corporation (OLC) amounted to ₱22,507 million and ₱21,544 million as at June 30, 2025 and December 31, 2024, respectively which consists of its proportionate share in the net assets of OLC and fair value adjustments. The share in profit and total comprehensive income amounted to ₱963 million and ₱801 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The carrying value of investment in Feihua Real Estate (Chongqing) Company Ltd. amounted to ₱293 million and ₱295 million as at June 30, 2025 and December 31, 2024, respectively.

The carrying values of investments in Waltermart amounted to ₱9,001 million and ₱8,710 million as at June 30, 2025 and December 31, 2024, respectively. The aggregate share in profit and total comprehensive income, net of dividends received amounted to ₱291 million and ₱315 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The carrying value of investment in ST 6747 Resources Corporation amounted to ₱2,727 million and ₱2,559 million as at June 30, 2025 and December 31, 2024, respectively. The aggregate share in profit and total comprehensive income amounted to ₱168 million and ₱93 million for the six-month periods ended June 30, 2025 and 2024 respectively.

The Company has no outstanding contingent liabilities or capital commitments related to its investments in associates and joint ventures as at June 30, 2025 and December 31, 2024.

12. Other Noncurrent Assets

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	(In Thousands)	
Receivables from sale of real estate - net of current portion* (see Note 6)	₱81,517,852	₱79,064,021
Bonds and deposits	44,096,071	42,946,111
Escrow and time deposits (see Note 17)	3,960,249	3,803,029
Property and equipment - net of accumulated depreciation of ₱2,869 million and ₱2,762 million, respectively (see Note 19)	1,561,844	1,493,295
Deferred input tax	550,277	606,950
Others	336,243	369,367
	₱132,022,536	₱128,282,773

*Pertains to noncurrent portion of unbilled revenue from sale of real estate.

Bonds and deposits related to land acquisitions amounting to ₱13 million and ₱2,986 million were reclassified to investment properties as at June 30, 2025 and December 31, 2024, respectively.

Interest income earned from escrow and time deposits amounted to ₱55 million and ₱56 million for the six-month periods ended June 30, 2025 and 2024, respectively.

13. Loans Payable

This account consists of unsecured Philippine peso and China yuan renminbi denominated loans obtained from local and foreign banks amounting to ₱22,138 million and ₱17,312 million as at June 30, 2025 and December 31, 2024, respectively, with due dates of less than one year. These loans bear weighted average interest rates of 5.29% and 5.35% and China loan prime rate (LPR), as at June 30, 2025 and December 31, 2024, respectively.

Interest expense incurred from loans payable amounted to ₱457 million and ₱329 million for the six-month periods ended June 30, 2025 and 2024, respectively.

14. Accounts Payable and Other Current Liabilities

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Trade payable (see Note 17)	₱57,285,993	₱58,371,104
Tenants' and customers' deposits*	42,897,941	43,023,059
Accrued operating expenses	18,997,977	17,868,320
Deferred output VAT	18,323,965	17,410,460
Retention payable	13,308,790	11,084,821
Lease liabilities	13,041,227	13,150,290
Liability for purchased land	3,917,894	3,005,332
Accrued interest (see Note 17)	2,838,151	2,674,852
Payable to government agencies	980,647	1,049,077
Nontrade	1,116,301	432,467
Others	2,437,428	2,319,562
	175,226,018	170,389,344
Less noncurrent portion	68,245,534	66,600,383
	₱106,980,484	₱103,788,961

*Includes unearned revenue from sale of real estate amounting to ₱6,832 million and ₱9,023 million as at June 30, 2025 and December 31, 2024, respectively.

Lease liabilities included in "Other noncurrent liabilities" amounted to ₱12,910 million and ₱12,991 million as at June 30, 2025 and December 31, 2024, respectively. Interest on lease liabilities included under "Others - net" in the interim consolidated statements of income amounted to ₱145 million and ₱171 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The undiscounted payments of lease liabilities are scheduled as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Within 1 year	₱896,666	₱889,112
More than 1 year to 5 years	3,481,761	3,547,030
More than 5 years	26,475,127	26,976,527
	₱30,853,554	₱31,412,669

Accrued operating expenses consist of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Payable to contractors	₱11,146,483	₱11,406,989
Utilities	3,151,891	2,375,023
Marketing, advertising and others	4,699,603	4,086,308
	₱18,997,977	₱17,868,320

15. Long-term Debt

This account consists of:

	Availment Date	Maturity Date	Weighted Average Interest Rate	Outstanding Balance	
				June 30, 2025 (Unaudited) <i>(In Thousands)</i>	December 31, 2024 (Audited)
Philippine peso-denominated loans	November 25, 2015 - June 18, 2025	January 30, 2025 - February 25, 2035	Floating BVAL + margin; Fixed 5.73%	₱312,726,750	₱287,331,190
U.S. dollar-denominated loans*	January 29, 2021 - August 27, 2024	March 21, 2025 - August 10, 2029	SOFR + spread; quarterly	62,925,842	76,161,303
China yuan renminbi-denominated loans**	May 6, 2021 - June 23, 2025	April 20, 2026 - June 24, 2037	LPR; annually; Fixed - 3.65%	11,001,765	10,830,711
				386,654,357	374,323,204
Less debt issue cost				1,847,430	1,715,421
				384,806,927	372,607,783
Less current portion				105,039,862	89,287,442
				₱279,767,065	₱283,320,341

BVAL – Bloomberg Valuation Service

SOFR – Secured Overnight Financing Rate

*Hedged against foreign exchange and interest rate risks using derivative instruments.

**Secured by portions of investment properties located in China (see Note 10).

Debt Issue Cost

The movements in unamortized debt issue cost of the Company as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Balance at beginning of the year	₱1,715,421	₱1,885,738
Additions	543,762	655,334
Amortization	(411,753)	(825,651)
Balance at end of the year	₱1,847,430	₱1,715,421

Amortization of debt issue cost is recognized in the interim consolidated statements of income under “Others - net” account.

Repayment Schedule

The repayments of long-term debt are scheduled as follows:

	Gross Loan	Debt Issue Cost	Net
	<i>(In Thousands)</i>		
Within 1 year	₱105,664,118	(₱624,256)	₱105,039,862
More than 1 year to 5 years	210,917,848	(1,113,422)	209,804,426
More than 5 years	70,072,391	(109,752)	69,962,639
	₱386,654,357	(₱1,847,430)	₱384,806,927

The loan agreements of the Company provide certain restrictions and requirements principally with respect to maintenance of required financial ratios and material change in ownership or control. As at June 30, 2025 and December 31, 2024, the Company is in compliance with the terms of its loan covenants.

Interest expense incurred from long-term debt amounted to ₱5,586 million and ₱5,342 million for the six-month periods ended June 30, 2025 and 2024, respectively.

16. Equity

Capital Stock

As at June 30, 2025 and December 31, 2024, the Company has an authorized capital stock of 40,000 million with a par value of ₱1 a share, of which 33,166 million shares were issued (see Note 23).

As at June 30, 2025 and December 31, 2024, the Company has 28,848 million and 28,856 million outstanding shares, respectively.

Retained Earnings

On April 29, 2025, the Company’s Board of Directors (BOD) approved the declaration of cash dividend of ₱0.480 per share or ₱13,860 million to stockholders of record as of May 14, 2025, ₱11 million of which was received by SM Development Corporation (SMDC). This was paid on May 28, 2025.

On April 23, 2024, the BOD approved the declaration of cash dividend of ₱0.346 per share or ₱9,992 million to stockholders of record as of May 8, 2024, ₱8 million of which was received by SMDC. This was paid on May 22, 2024.

On December 9, 2024, the BOD approved the appropriation of retained earnings amounting to ₱100,000 million. On the same date, the BOD approved the reversal of appropriated retained earnings amounting to ₱42,200 million.

As at June 30, 2025 and December 31, 2024, the retained earnings appropriated amounted to ₱100,000 million for planned construction projects and land banking activities. This represents a continuing appropriation to cover the Company's capital expenditures. Approval of expansions and new projects is delegated by the BOD to the Executive Committee of the Company.

The unappropriated retained earnings account is restricted for the payment of dividends to the extent of the accumulated equity in net earnings of subsidiaries, associates and joint ventures and the balance of treasury stock until such time that the Parent Company receives the dividends from its subsidiaries, associates and joint ventures. The retained earnings available for dividend declaration amounted to ₱82,381 million and ₱77,131 million as at June 30, 2025 and December 31, 2024, respectively.

Treasury Stock

On December 9, 2024, the BOD approved a share buyback program ranging from ₱5 billion to ₱10 billion. For the six-month period ending June 30, 2025, the Company has purchased a total of 8 million shares at an average price of ₱22.18 for a total consideration of ₱180 million under its share buyback program.

As at June 30, 2025 and December 31, 2024, the Company has 4,318 million and 4,310 million shares of treasury stock, respectively. This includes reacquired capital stock and shares held by a subsidiary, stated at acquisition cost of ₱3,165 million and ₱2,985 million as at June 30, 2025 and December 31, 2024, respectively.

17. Related Party Transactions

The significant transactions entered into by the Company with its related parties and the amounts included in the accompanying interim condensed consolidated financial statements with respect to these transactions follow:

	Amount of Transactions		Outstanding Amount [Asset (Liability)]		Terms	Conditions
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)		
<i>(In Thousands)</i>						
Ultimate Parent						
Rent income	₱40,561	₱37,399	₱–	₱–		
Rent receivable	–	–	9,527	9,752	Non-interest bearing	Unsecured; not impaired
Other revenues	13,789	18,292	–	–		
Other receivable	–	–	6,903	3,832	Non-interest bearing	Unsecured; not impaired
Rent expense	34,159	34,433	–	–		
Trade payable	–	–	(48,030)	(72,330)	Non-interest bearing	Unsecured
Equity instruments at FVOCI	–	–	127,403	131,348		
Dividend income	1,899	1,315	–	–		

	Amount of Transactions		Outstanding Amount [Asset (Liability)]		Terms	Conditions
	June 30, 2025	June 30, 2024	June 30, 2025	December 31, 2024		
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)		
(In Thousands)						
Bank and Retail Group						
Cash and cash equivalents	₱111,466,865	₱86,430,414	₱25,063,659	₱28,105,695	Interest bearing based on prevailing rates	Unsecured; not impaired
Rent income	9,262,233	8,748,432	—	—		
Rent receivable	—	—	2,807,361	3,612,659	Non-interest bearing	Unsecured; not impaired
Other revenues	40,630	37,408	—	—		
Other receivable	—	—	7,723	41,002	Non-interest bearing	Unsecured; not impaired
Interest income	788,575	642,356	—	—		
Accrued interest receivable	—	—	172,424	204,768	Non-interest bearing	Unsecured; not impaired
Dividend income	385,483	189,051	—	—		
Equity instruments at FVOCI	—	—	16,658,831	15,556,215		
Escrow and time deposits	209,810	315,610	1,561,760	1,351,950	Interest bearing based on prevailing rates	Unsecured; not impaired
Receivable financed	3,111,036	1,177,783	—	—	Without recourse	Unsecured
Loans payable and long-term debt	26,096,353	5,000,000	(29,912,507)	(28,065,587)	Interest bearing based on prevailing rates	Unsecured
Interest expense	251,211	784,569	—	—		
Accrued interest payable	—	—	(411,065)	(211,032)	Non-interest bearing	Unsecured
Other expense	113,221	110,390	—	—		
Trade payable	—	—	(49,543)	(124,317)	Non-interest bearing	Unsecured
Other Related Parties						
Rent income	230,989	209,236	—	—		
Rent receivable	—	—	86,735	82,581	Non-interest bearing	Unsecured; not impaired
Other revenues	15,660	15,660	—	—		
Other receivable	—	—	7,234	13,613	Non-interest bearing	Unsecured; not impaired
Rent expense	248	223	—	—		
Trade payable	—	—	(6,661)	(23,742)	Non-interest bearing	Unsecured

Compensation of Key Management Personnel

The aggregate compensation and benefits related to key management personnel for the six-month periods ended June 30, 2025 and 2024 consist of short-term employee benefits amounting to ₱840 million and ₱735 million, respectively, and post-employment benefits (pension benefits) amounting to ₱115 million and ₱153 million, respectively.

18. Other Revenues

Details of other revenue follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<i>(In Thousands)</i>		
Cinema and event ticket sales	₱1,899,213	₱2,030,479
Merchandise sales	1,853,162	1,759,075
Food and beverages	1,382,098	1,232,297
Amusement income	691,894	685,790
Bowling and ice skating fees	233,317	234,174
Others (see Note 17)	1,433,676	1,329,412
	₱7,493,360	₱7,271,227

Others include advertising income, service fees, parking terminal, sponsorships, commissions and membership revenue.

19. Costs and Expenses

This account consists of:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	<i>(In Thousands)</i>	
Cost of real estate sold (see Note 7)	₱8,490,011	₱8,275,398
Administrative	8,276,278	8,539,156
Depreciation and amortization (see Notes 10 and 12)	7,610,386	7,318,594
Business taxes and licenses	3,121,512	3,073,146
Marketing and selling expenses	2,964,850	3,069,081
Film rentals	972,702	1,108,683
Rent (see Note 17)	744,282	700,611
Insurance	234,229	303,457
Others	1,203,390	1,233,167
	₱33,617,640	₱33,621,293

Administrative expenses include utilities, security, janitorial and other outsourced services. Rent expense pertains to variable payments for various lease agreements. Others include bank charges, donations, dues and subscriptions, service fees and transportation and travel.

20. Financial Risk Management Objectives and Policies

The Company's principal financial instruments, other than derivatives, comprise of cash and cash equivalents, accrued interest and other receivables, equity instruments at FVOCI and debt instruments. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Company also enters into derivative transactions to manage the interest rate and foreign currency risks arising from operations and its sources of finance (see Note 21).

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk. The Company's BOD and management review and agree on the policies for managing each of these risks.

Interest Rate Risk

The Company's policy is to manage its interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, it enters into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and floating rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to economically hedge underlying debt obligations. As at June 30, 2025 and December 31, 2024, after considering the effect of interest rate swaps, approximately 57% and 70% of its long-term borrowings, are at a fixed rate of interest.

Foreign Currency Risk

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

The Company's policy is to manage its foreign currency risk mainly from its debt issuances which are denominated in U.S. dollars by entering into derivative instruments aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flow.

The Company's foreign currency-denominated monetary net assets amounted to US\$13 million (P716 million) as at June 30, 2025 and US\$15 million (P849 million) and December 31, 2024.

In translating the foreign currency-denominated monetary assets to peso amounts, the exchange rates used were P56.33 to US\$1.00 and P57.85 to US\$1.00, the Philippine peso to US dollar exchange rates as at June 30, 2025 and December 31, 2024, respectively.

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstance.

The Company seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Company intends to use internally generated funds and proceeds from debt and equity issues.

As part of its liquidity risk management program, the Company regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives. These initiatives may include bank loans, debt capital and equity market issues.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instruments or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Equity Price Risk

Equity price risk arises from the changes in the levels of equity indices and the value of individual stocks traded in the stock exchange.

As a policy, management monitors its equity price risk pertaining to its investments in quoted equity securities which are classified as equity instruments at FVOCI in the interim consolidated balance sheets based on market expectations. Material equity investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by management.

Capital Management

Capital includes equity attributable to the owners of the Parent.

The primary objective of the Company's capital 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 Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

21. Financial Instruments

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities and nonfinancial assets, by category and by class, other than those whose carrying values are reasonable approximations of fair values:

	June 30, 2025 (Unaudited)				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	(In Thousands)				
Financial Assets					
Financial assets at FVTPL:					
Derivative assets	₱2,233,833	₱2,233,833	₱—	₱2,233,833	₱—
Financial assets at amortized cost:					
Escrow and time deposits (included under “Other noncurrent assets”)	3,960,249	4,055,547	—	4,055,547	—
Financial assets at FVOCI:					
Equity instruments	22,056,899	22,056,899	22,051,582	—	5,317
Nonfinancial Assets*	628,852,752	2,454,565,677	—	—	2,454,565,677
	₱657,103,733	₱2,482,911,956	₱22,051,582	₱6,289,380	₱2,454,570,994
Financial Liabilities					
Financial liabilities at FVPTL:					
Derivative liabilities	₱292,646	₱292,646	₱—	₱292,646	₱—
Loans and borrowings:					
Long-term debt - net of current portion	279,767,065	272,892,248	—	—	272,892,248
Tenants’ deposits - net of current portion**	27,366,225	27,310,207	—	—	27,310,207
Other noncurrent liabilities***	14,519,918	14,254,225	—	—	14,254,225
	₱321,945,854	₱314,749,326	₱—	₱292,646	₱314,456,680

*Consists of investment properties

**Excluding residential customers’ deposits amounting to ₱2,088 million

***Excluding lease liabilities and nonfinancial liabilities amounting to ₱30,954 million

	December 31, 2024 (Audited)				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	(In Thousands)				
Financial Assets					
Financial assets at FVTPL:					
Derivative assets	₱4,770,827	₱4,770,827	₱—	₱4,770,827	₱—
Financial assets at amortized cost:					
Escrow and time deposits (included under “Other noncurrent assets”)	3,803,029	3,886,915	—	3,886,915	—
Financial assets at FVOCI:					
Equity instruments	21,187,233	21,187,233	21,181,916	—	5,317
Nonfinancial Assets*	601,339,921	2,419,846,377	—	—	2,419,846,377
	₱631,101,010	₱2,449,691,352	₱21,181,916	₱8,657,742	₱2,419,851,694

	December 31, 2024 (Audited)				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	(In Thousands)				
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	P50,447	P50,447	P—	P50,447	P—
Loans and borrowings:					
Long-term debt - net of current portion	283,320,341	274,954,185	—	—	274,954,185
Tenants' deposits - net of current portion**	26,823,915	26,464,167	—	—	26,464,167
Other noncurrent liabilities***	13,138,778	13,064,037	—	—	13,064,037
	P323,333,481	P314,532,836	P—	P50,447	P314,482,389

*Consists of investment properties

**Excluding residential customers' deposits amounting to P3,705 million

***Excluding lease liabilities and nonfinancial liabilities amounting to P30,233 million

Fair Value Hierarchy

The Company uses the fair value hierarchy for determining and disclosing the fair value of financial instruments.

During the six-month period ended June 30, 2025 and the year ended December 31, 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.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Derivative Instruments. The fair values are based on quotes obtained from counterparties.

Escrow and Time Deposits. The fair values are based on the discounted value of future cash flows using the prevailing market rates.

Financial assets at FVOCI. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business.

Nonfinancial Assets. The significant assumptions used in the most recent valuation determined on December 31, 2024 are discount rates of 9.00% to 10.00% and average growth rate of 5.00%, respectively. Management believes that the carrying values of additions to investment properties subsequent to the most recent valuation date would approximate their fair values.

Long-term Debt. Fair value is based on the following:

Debt Type	Fair Value Assumptions
Fixed Rate Loans	Estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Discount rates used is based on the prevailing market rate as at June 30, 2025 and December 31, 2024.

Debt Type	Fair Value Assumptions
Variable Rate Loans	For variable rate loans that re-price every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates. For variable rate loans that re-price every six months, the fair value is determined by discounting the principal amount plus the next interest payment amount using the prevailing market rate as at June 30, 2025 and December 31, 2024 up to the next repricing date. Discount rates used is based on the prevailing market rate.

Tenants' Deposits and Other Noncurrent Liabilities. The estimated fair value is based on the discounted value of future cash flows using the applicable rates. The discount rates used range from 1.34% to 6.91% and 1.08% to 7.03% as at June 30, 2025 and December 31, 2024, respectively.

The Company assessed that the carrying values of cash and cash equivalents, receivables, loans payable and accounts payable and other current liabilities approximate their fair values due to the short-term nature and maturities of these financial instruments.

There were no financial instruments subject to an enforceable master netting arrangement that were not offset in the interim consolidated balance sheets.

Derivative Instruments Accounted for as Cash Flow Hedges

As at June 30, 2025 and December 31, 2024, the Company has outstanding arrangements to hedge both foreign currency and interest rate exposures on its foreign currency denominated debts.

As the terms of the swaps have been negotiated to match the terms of the hedged loans, the hedges were assessed to be effective.

The net movements in fair value of all derivative instruments are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Balance at beginning of period	₱4,720,380	₱5,251,608
Net changes in fair value during the period*	(1,999,106)	1,803,201
Fair value of settled derivatives	(780,087)	(2,334,429)
Balance at end of period	₱1,941,187	₱4,720,380

*Includes fair value changes in other comprehensive income

22. Provision for Income Tax

The details of the Company's provision for income tax are as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	<i>(In Thousands)</i>	
Provision for current tax	₱4,878,612	₱4,347,700
Provision for deferred tax	485,073	292,460
	₱5,363,685	₱4,640,160

23. EPS Computation

Basic/diluted EPS is computed as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	<i>(In Thousands, Except Per Share Data)</i>	
Net income attributable to equity holders of the Parent (a)	₱24,455,415	₱22,065,958
Common shares issued (see Note 16)	33,166,300	33,166,300
Less weighted average number of treasury stock	4,312,938	4,309,889
Weighted average number of common shares outstanding (b)	28,853,362	28,856,411
Earnings per share (a/b)	₱0.848	₱0.765

SM Prime Holdings, Inc. and Subsidiaries
Aging of Accounts Receivable and Contract Assets
As at June 30, 2025
(Amounts in Thousands)

Trade:	
Sale of real estate (billed and unbilled)	₱160,506,998
Rent	12,711,331
Accrued interest	368,747
Nontrade and others	4,928,465
	178,515,541
Less allowance for ECLs	747,377
	177,768,164
Less noncurrent portion of receivables from sale of real estate	81,517,852
	₱96,250,312

The aging analysis of receivables and unbilled revenue from sale of real estate are as follows:

Neither past due nor impaired	₱160,472,702
Past due but not impaired:	
Less than 30 days	2,558,578
31–90 days	3,124,244
91–120 days	3,255,925
Over 120 days	8,356,715
Impaired	747,377
	₱178,515,541

Receivables, except for those that are impaired, are assessed by the Company's management as not impaired, good and collectible.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
FINANCIAL RATIOS AND KEY PERFORMANCE INDICATORS
AS OF JUNE 30, 2025 and DECEMBER 31, 2024

Ratio	Formula	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(amounts in thousands, except ratios)</i>			
Current Ratio	Total Current Assets divided by Total Current Liabilities		
	Total current assets	₱232,481,451	₱230,681,830
	Current liabilities	235,724,920	211,995,083
	Less: Loans payable*	(22,137,842)	(17,312,356)
	Current portion of long-term debt*	(105,039,862)	(89,287,442)
	Divide by: Current liabilities excluding loans payable and current portion of long-term debt	108,547,216	105,395,285
	Current ratio	2.14	2.19
	<i>*due for refinancing</i>		
Acid Test Ratio	Quick Assets divided by Total Current Liabilities		
	Cash and cash equivalents	₱27,850,239	₱31,246,171
	Receivables and contract assets	96,250,312	92,506,904
	Equity instruments at fair value through other comprehensive income - current	821,378	794,433
	Quick assets	124,921,929	124,547,508
	Divide by: Current liabilities excluding loans payable and current portion of long-term debt	108,547,216	105,395,285
	Acid test ratio	1.15	1.18
Solvency Ratio	Total Assets divided by Total Liabilities		
	Total assets	₱1,050,900,152	₱1,019,430,730
	Divided by: Total liabilities	604,905,540	583,190,240
	Asset to liabilities ratio	1.74	1.75
Debt-to-Equity Ratio	Total Interest-Bearing Debt divided by Total Equity Attributable to the Equity Holders of the Parent and Total Interest-Bearing Debt		
	Loans payable	₱22,137,842	₱17,312,356
	Current portion of long-term debt	105,039,862	89,287,442
	Long-term debt - net of current portion	279,767,065	283,320,341
	Total interest-bearing debt (a)	406,944,769	389,920,139
	Add: Total equity attributable to equity holders of the parent (b)	442,887,613	433,093,072
	Total interest-bearing debt and equity attributable to equity holders of the parent (c)	849,832,382	823,013,211
	Debt to equity ratio (a/c):(b/c)	48:52	47:53

Ratio	Formula	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(amounts in thousands, except ratios)</i>			
Net Debt-to-Equity Ratio	Total Interest-Bearing Debt less Cash and Cash Equivalents divided by Total Equity Attributable to the Equity Holders of the Parent		
	Total interest-bearing debt	₱406,944,769	₱389,920,139
	Less: Cash and cash equivalents	(27,850,239)	(31,246,171)
	Total net interest-bearing debt (a)	379,094,530	358,673,968
	Add: Total equity attributable to equity holders of the parent (b)	442,887,613	433,093,072
	Total net interest-bearing debt and equity attributable to equity holders of the parent (c)	821,982,143	791,767,040
	Net debt-to-equity ratio (a/c):(b/c)	46:54	45:55
Return on Equity	Net Income divided by Average Total Equity Attributable to the Equity Holders of the Parent		
	Net income attributable to equity holders of the parent*	₱48,021,220	₱45,631,764
	Divide by: Average total equity attributable to equity holders of the parent	437,990,342	414,644,844
	Return on equity *rolling	11%	11%
Net Income Margin	Net Income divided by Total Revenue		
	Net income attributable to equity holders of the parent	₱24,455,415	₱45,631,764
	Divide by: Total revenue	68,043,535	140,390,872
	Net income margin	36%	33%
Asset to Equity Ratio	Total Assets divided by Total Equity Attributable to the Equity Holders of the Parent		
	Total assets	₱1,050,900,152	₱1,019,430,730
	Divide by: Total equity attributable to equity holders of the parent	442,887,613	433,093,072
	Asset to equity ratio	2.37	2.35
Interest Coverage Ratio	Earnings Before Interest, Taxes and Depreciation and Amortization (EBITDA) divided by Total Interest Expense		
	Income from operations	₱34,425,895	₱68,037,118
	Less: Net income attributable to non-controlling interest	(424,019)	(907,672)
	Add: Depreciation and amortization	7,610,386	15,037,788
	EBITDA	41,612,261	82,167,234
	Divide by: Interest expense	6,194,432	13,934,024
	Interest coverage ratio	6.72	5.90

Ratio	Formula	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
(amounts in thousands, except ratios)			
Debt to EBITDA	Total interest-bearing liabilities divided by EBITDA		
	Total interest-bearing liabilities	₱406,944,769	₱389,920,139
	Divide by: EBITDA*	85,840,505	82,167,234
	Debt to EBITDA	4.74	4.75
	*rolling		

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SM Prime 1H net income up by 11% to ₱24.5 Billion

Financial and Operational Highlights

(In Million Pesos, except for financial ratios and percentages)

	Six Months Ended June 30				
	2025	% to Revenues	2024	% to Revenues	% Change
Profit and Loss Data					
Revenues	68,044	100%	64,688	100%	5%
Costs and Expenses	33,618	49%	33,621	52%	0%
Operating Income	34,426	51%	31,067	48%	11%
Net Income	24,455	36%	22,066	34%	11%
EBITDA	41,612	61%	37,939	59%	10%

	Second Quarter Ended June 30				
	2025	% to Revenues	2024	% to Revenues	% Change
Profit and Loss Data					
Revenues	35,270	100%	33,969	100%	4%
Costs and Expenses	17,523	50%	17,613	52%	-1%
Operating Income	17,747	50%	16,356	48%	9%
Net Income	12,802	36%	11,604	34%	10%
EBITDA	21,379	61%	19,828	58%	8%

	Jun 30 2025	% to Total Assets	Dec 31 2024	% to Total Assets	% Change
Balance Sheet Data					
Total Assets	1,050,900	100%	1,019,431	100%	3%
Investment Properties	628,853	60%	601,340	59%	5%
Total Debt	406,945	39%	389,920	38%	4%
Net Debt	379,095	36%	358,674	35%	6%
Total Equity	442,888	42%	433,093	42%	2%

	Consolidated	
	Jun 30	Dec 31
Financial Ratios	2025	2024
Current Ratio*	2.14	2.19
Acid Test Ratio*	1.15	1.18
Solvency Ratio	1.74	1.75
Debt to Equity	48:52	47 : 53
Net Debt to Equity	46:54	45 : 55
Return on Equity	11%	11%
Net Income Margin	36%	33%
Asset to Equity	2.37	2.35
Interest Coverage Ratio	6.72	5.90
Debt to EBITDA	4.74	4.75

**excluding loans payable and current portion of long-term debt for refinancing*

Revenues

SM Prime recorded consolidated revenues of ₱68.04 billion in the first six months of 2025, an increase of 5% compared to ₱64.69 billion in the same period of 2024, primarily due to the following:

Rent

SM Prime recorded consolidated revenues from rent of ₱40.53 billion in the first six months of 2025, a 7% increase from ₱37.83 billion in the same period of 2024. 86% is contributed by the malls while 14% is from offices and hotels and convention centers.

Real Estate Sales

SM Prime's real estate sales is at ₱20.02 billion in the first six months of 2025 coming from sales take-up and construction accomplishment of ongoing projects, including Calm Residences in Laguna, Gold Towers Residential-Offices in Parañaque, Glade Residences in Iloilo and Joy Residences in Bulacan.

Other Revenues

SM Prime's other revenues is at ₱7.5 billion in the first six months of 2025. Other revenues include ice skating, bowling, amusement and recreation operations, sale of food and beverages in hotels, sponsorships and advertising revenues, and cinema and event ticket sales. Cinema movies shown during the first six months of 2025 includes Final Destination: Bloodlines, Lilo & Stitch, A Minecraft Movie, And the Bread Winner Is and How to Train Your Dragon.

Costs and Expenses

SM Prime recorded consolidated costs and expenses is at ₱33.62 billion in the first six months of 2025. Operating expenses includes depreciation and amortization, taxes and licenses, marketing and selling expenses, utilities and manpower costs. Gross profit margin on real estate is maintained at 58% in 2025.

Other Income (Charges)

Interest Expense

SM Prime's consolidated interest expense increased by 6% to ₱6.19 billion in 2025 compared to ₱5.83 billion in the same period in 2024 mainly due to the issuance of retail bonds in 2025 and 2024 to refinance existing debt and various capital expenditure requirements spent.

Interest, Dividend and Others - net

Interest, dividend and others - net increased to ₱2.01 billion in the first six months of 2025 compared to ₱1.92 billion in the same period of 2024. This consists of interest income from cash and cash equivalents, dividend income from equity instruments, equity in net earnings from associates and joint ventures and foreign exchange gains and losses.

Provision for income tax

SM Prime's consolidated provision for income tax is at ₱5.36 billion in the first six months of 2025 compared to ₱4.64 billion in the same period of 2024.

Net income attributable to Parent

SM Prime's net income attributable to Parent increased by 11% to ₱24.46 billion in the first six months of 2025 compared to ₱22.07 billion in the same period of 2024.

Balance Sheet Accounts

SM Prime's total assets amounted to ₱1,050.90 billion and ₱1,019.43 billion as of June 30, 2025 and December 31, 2024, respectively.

Cash and cash equivalents decreased to ₱27.85 billion from ₱31.25 billion as of June 30, 2025 and December 31, 2024, respectively, mainly due to various capital expenditures and payments of dividends and maturing debts, net of collections from operations.

Derivative assets - net decreased to ₱1.94 billion from ₱4.72 billion as of June 30, 2025 and December 31, 2024, respectively, mainly due to net fair value changes on interest rate and foreign exchange swap transactions and maturities during the period.

Prepaid expenses and other current assets increased by 5% to ₱29.90 billion from ₱28.43 billion as of June 30, 2025 and December 31, 2024, respectively, due to increase in input taxes and advances to contractors related to construction of residential projects.

Investment properties increased by 5% to ₱628.85 billion from ₱601.34 billion as of June 30, 2025 and December 31, 2024, respectively, primarily due to ongoing integrated commercial developments, construction of new mall projects and redevelopment of existing malls, net of depreciation expense for the period.

Income tax payable decreased to ₱1.38 billion from ₱1.61 billion as of June 30, 2025 and December 31, 2024, respectively, mainly due to payments, net of provisions for the year.

Other noncurrent liabilities increased to ₱45.47 billion from ₱43.37 billion as of June 30, 2025 and December 31, 2024, respectively, due to increase in retention payable and deferred output VAT related to sale of residential projects.

Cumulative translation adjustment decreased to ₱2.88 billion from ₱3.14 billion as of June 30, 2025 and December 31, 2024, respectively, as a result of foreign exchange movement between periods.

Treasury shares increased to ₱2.79 billion from ₱2.61 billion as of June 30, 2025 and December 31, 2024, respectively, mainly due to buy back of shares for the period.

The Company has no known direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There were no contingent liabilities or assets in the Company's balance sheet. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

SM Prime currently has sixty-seven residential projects, forty-seven of which are in Metro Manila and twenty are outside Metro Manila.

As of June 30, 2025, SM Prime has eighty-eight shopping malls in the Philippines with 9.5 million square meters of gross floor area (GFA) and eight shopping malls in China with 1.7 million square meters of GFA. In May 2025, the Company opened SM City Laoag in Ilocos Norte. The Company intends to launch SM City La Union for the second half of 2025, which will provide an additional GFA of 0.1 million square meters.

SM Prime has twenty-two office buildings with a combined GFA of almost 1.6 million square meters.

SM Prime's hotels and convention centers business unit currently has a portfolio of ten hotels with over 2,600 rooms, six convention centers and two trade halls.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SM Prime's Consolidated Net Income up by 13% in 1H2024 to ₱22.07 billion

Financial and Operational Highlights

(In Million Pesos, except for financial ratios and percentages)

	Six Months Ended June 30				
	2024	% to Revenues	2023	% to Revenues	% Change
Profit and Loss Data					
Revenues	64,688	100%	59,854	100%	8%
Costs and Expenses	33,621	52%	30,901	52%	9%
Operating Income	31,067	48%	28,952	48%	7%
Net Income	22,066	34%	19,445	32%	13%
EBITDA	37,939	59%	35,217	59%	8%

	Second Quarter Ended June 30				
	2024	% to Revenues	2023	% to Revenues	% Change
Profit and Loss Data					
Revenues	33,969	100%	31,222	100%	9%
Costs and Expenses	17,613	52%	16,098	52%	9%
Operating Income	16,356	48%	15,124	48%	8%
Net Income	11,604	34%	10,002	32%	16%
EBITDA	19,828	58%	18,275	59%	8%

	Second Quarter vs. First Quarter				
	2Q2024	% to Revenues	1Q2024	% to Revenues	% Change
Profit and Loss Data					
Revenues	33,969	100%	30,719	100%	11%
Costs and Expenses	17,613	52%	16,008	52%	10%
Operating Income	16,356	48%	14,711	48%	11%
Net Income	11,604	34%	10,462	34%	11%
EBITDA	19,828	58%	18,111	59%	9%

	Jun 30 2024	% to Total Assets	Dec 31 2023	% to Total Assets	% Change
Balance Sheet Data					
Total Assets	976,976	100%	943,328	100%	4%
Investment Properties	570,153	58%	545,075	58%	5%
Total Debt	383,324*	39%	366,658	39%	5%
Net Debt	349,547	36%	334,841	35%	4%
Total Equity	408,023	42%	396,197	42%	3%
<i>*The increase in total debt includes ₪5 billion foreign exchange translation.</i>					

	Consolidated	
	Jun 30 2024	Dec 31 2023
Financial Ratios		
Current Ratio*	2.10	2.17
Acid Test Ratio*	1.06	1.09
Solvency Ratio	1.73	1.73
Debt to Equity	48 : 52	48 : 52
Net Debt to Equity	46 : 54	46 : 54
Asset to Equity	2.39	2.38
Return on Equity	0.11	0.11
Net Income Margin	0.34	0.31
Interest Coverage Ratio	6.51	5.31
Debt to EBITDA	4.99	4.95
Return on Investment Properties	0.09	0.09
<i>*excluding loans payable and current portion of long-term debt due for refinancing</i>		

Revenues

SM Prime recorded consolidated revenues of ₱33.97 billion in the second quarter of 2024, an increase of 11% as compared to ₱30.72 billion in the first quarter of 2024. Consolidated revenues in the first six months of 2024 is ₱64.69 billion, an increase of 8% compared to ₱59.85 billion in the same period of 2023, primarily due to the following:

Rent

SM Prime recorded consolidated revenues from rent of ₱37.83 billion in the first six months of 2024, a 10% increase from ₱34.53 billion in the same period of 2023. 85% is contributed by the malls while 15% is from offices and hotels and convention centers.

Real Estate Sales

SM Prime recorded real estate sales of ₱10.80 billion in the second quarter of 2024, an increase of 23% as compared to ₱8.79 billion in the first quarter of 2024. Real estate sales increased by 6% to ₱19.59 billion in the first six months of 2024 from ₱18.49 billion in the same period of 2023 due to sales take-up and construction accomplishment of ongoing projects including Now Residences in Pampanga, Bloom Residences and Gold Residences in Parañaque, Vail Residences in Cagayan de Oro, and Glade Residences in Iloilo. Reservation sales is at ₱40.21 billion in the first six months of 2024.

Other Revenues

SM Prime's other revenues increased to ₱3.88 billion in the second quarter of 2024, a 14% increase compared to the first quarter of 2024, mainly due to blockbuster movies and SM Cinema's exclusive* movies shown during the period. These include Inside Out 2, How To Make Millions Before Grandma Dies*, Haikyuu!! The Dumpster Battle*, Godzilla x Kong: The New Empire and Kingdom of the Planet of the Apes. Other revenues increased by 6% to ₱7.27 billion in the first six months of 2024 from ₱6.84 billion in the same period in 2023. Other revenues include sponsorships and advertising revenues, ice skating, bowling, amusement and recreation operations and sale of food and beverages in hotels.

Costs and Expenses

SM Prime recorded consolidated costs and expenses of ₱33.62 billion in the first six months of 2024, an increase of 9% from ₱30.90 billion in the same period in 2023, mainly from operating expenses which include depreciation and amortization, taxes and licenses, marketing and selling expenses, utilities and manpower costs. Gross profit margin on real estate is 58% in 2024.

Other Income (Charges)

Interest Expense

SM Prime's consolidated interest expense increased to ₱5.83 billion in the first six months of 2024 compared to ₱5.23 billion in the same period in 2023, mainly due to new bank loans availed for working capital and capital expenditure requirements.

Interest, Dividend and Others - net

Interest, dividend and others - net increased to ₱1.92 billion in 2024 compared to ₱0.86 billion in the same period in 2023. This mainly consists of interest income from cash and cash equivalents, dividend income from equity instruments, equity in net earnings from associates and joint ventures and foreign exchange gains and losses.

Provision for income tax

SM Prime's consolidated provision for income tax is at ₱4.64 billion in 2024 compared to ₱4.71 billion in the same period in 2023.

Net income attributable to Parent

SM Prime's net income attributable to Parent increased to ₱11.60 billion in the second quarter of 2024, an 11% increase as compared to ₱10.46 billion in the first quarter of 2024. Consolidated net income attributable to Parent increased by 13% to ₱22.07 billion in the first six months of 2024 compared to ₱19.44 billion in the same period in 2023.

Balance Sheet Accounts

SM Prime's total assets amounted to ₱976.98 billion and ₱943.33 billion as of June 30, 2024 and December 31, 2023, respectively.

Cash and cash equivalents increased by 6% to ₱33.78 billion from ₱31.82 billion as of June 30, 2024 and December 31, 2023, respectively, mainly due to collections and money market placements availed for the period, net of payments for capital expenditures and maturing debts.

Equity instruments at fair value through other comprehensive income (FVOCI) decreased by 5% to ₱19.34 billion from ₱20.32 billion as of June 30, 2024 and December 31, 2023, respectively. There is equivalent decrease in the net fair value of equity instruments at FVOCI to ₱15.97 billion from ₱16.94 billion as of June 30, 2024 and December 31, 2023, respectively.

Derivative assets - net increased by 6% to ₱5.56 billion from ₱5.25 billion as of June 30, 2024 and December 31, 2023, respectively, mainly due to foreign exchange and net fair value changes on swap transactions and maturities during the period. Unrealized gain on net fair value changes on cash flow hedges decreased to ₱0.70 billion from ₱1.08 billion as of June 30, 2024 and December 31, 2023, respectively.

Investment properties increased by 5% to ₱570.15 billion from ₱545.07 billion as of June 30, 2024 and December 31, 2023, respectively, primarily due to ongoing coastal development, new mall projects and redevelopment of existing malls, and construction of commercial projects, net of depreciation expense for the period.

Other noncurrent assets include noncurrent portion of receivables from sale of real estate and deposit to suppliers and contractors. The account increased by 7% to ₱132.15 billion from ₱124.03 billion as of June 30, 2024 and December 31, 2023, respectively.

Interest-bearing debt increased by 5% to ₱383.32 billion from ₱366.66 billion as of June 30, 2024 and December 31, 2023, respectively, due to net availments for the period and foreign exchange translation. The relevant exchange rates used are ₱58.61 to US\$1.00 and ₱8.06 to RMB1.00 as at June 30, 2024 compared to ₱55.37 to US\$1.00 and ₱7.80 to RMB1.00 as at December 31, 2023.

Tenants' and customers' deposits increased by 6% to ₱26.86 billion from ₱25.30 billion as of June 30, 2024 and December 31, 2023, respectively, and is attributable to the new malls and office building tenants.

Cumulative translation adjustment increased to ₱3.65 billion from ₱2.56 billion as of June 30, 2024 and December 31, 2023, respectively, as a result of foreign exchange movement between periods.

The Company has no known direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There were no contingent liabilities or assets in the Company's balance sheet. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

As at June 30, 2024 and December 31, 2023, the amount of retained earnings appropriated for the continuous corporate and mall expansions amounted to ₱42.20 billion. This represents a continuing appropriation for land banking activities and planned construction projects. The appropriation is being fully utilized to cover part of the annual capital expenditure requirement of the Company.

For the year 2024, the Company maintains ₱100 billion for its capital expenditure program. This will be funded with internally generated funds and external borrowings.

SM Prime currently has sixty-seven residential projects, forty-seven of which are in Metro Manila and twenty are outside Metro Manila. The Company aims to launch 5,000 to 7,000 residential units in 2024.

As of June 30, 2024, SM Prime's malls business unit has eighty-six shopping malls in the Philippines with 9.3 million square meters of gross floor area (GFA) and eight shopping malls in China with 1.6 million square meters of GFA. In May 2024, the Company opened its 86th mall namely SM City Caloocan in Bagumbong, Caloocan City. The Company intends to launch two new malls for the rest of 2024, namely SM City J Mall in Cebu and SM City Laoag in Ilocos Norte. These new malls will provide an additional GFA of approximately 0.2 million square meters.

SM Prime's Commercial Properties Group has twenty-two office buildings with a combined GFA of almost 1.6 million square meters.

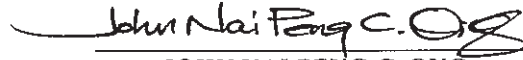
SM Prime's hotels and convention centers business unit currently has a portfolio of six convention centers, two trade halls and ten hotels with over 2,600 rooms.

SIGNATURE

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

SM PRIME HOLDINGS, INC.
Registrant

Date: August 6, 2025


JOHN NAI PENG C. ONG
Chief Finance Officer