

- As of the posting of this report, the company has yet to file its 2025 Annual Report. The PSE makes no representation on the accuracy and/or completeness of the information stated in this report and the same is being disseminated solely for information purposes. This does not preclude any regulatory action that the Exchange may take in connection with the company’s compliance with the Consolidated Listing and Disclosure Rules and other relevant laws, rules and regulations.

**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  
Mar 31, 2026
- 2. SEC Identification Number  
22401
- 3. BIR Tax Identification No.  
000-491-007
- 4. Exact name of issuer as specified in its charter  
PRIME MEDIA HOLDINGS, INC.
- 5. Province, country or other jurisdiction of incorporation or organization  
Metro Manila, Philippines
- 6. Industry Classification Code(SEC Use Only)
  
- 7. Address of principal office  
16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati  
City 1227  
Postal Code  
1227
  
- 8. Issuer's telephone number, including area code  
(632) 8831-4479
- 9. Former name or former address, and former fiscal year, if changed since last report  
N/A

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	940,403,854

11. Are any or all of registrant's securities listed on a Stock Exchange?

- Yes
- No

If yes, state the name of such stock exchange and the classes of securities listed therein:

## The Philippine Stock Exchange

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 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 twelve (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 ninety (90) days

Yes       No

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*

# Prime Media Holdings, Inc. PRIM

## PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2026
Currency (indicate units, if applicable)	PHP

### Balance Sheet

	Period Ended		Fiscal Year Ended (Audited)	
	Mar 31, 2026		Dec 31, 2025	
Current Assets	908,370,401		910,195,152	
Total Assets	948,349,721		950,206,668	
Current Liabilities	213,861,417		214,315,387	
Total Liabilities	462,111,416		462,565,386	
Retained Earnings/(Deficit)	-641,981,593		-640,578,616	
Stockholders' Equity	486,238,305		487,641,282	
Stockholders' Equity - Parent	-		-	
Book Value per Share	0.52		0.52	

**Income Statement**

	<b>Current Year (3 Months)</b>	<b>Previous Year (3 Months)</b>	<b>Current Year-To-Date</b>	<b>Previous Year-To-Date</b>
<b>Gross Revenue</b>	390	4,033	390	4,033
<b>Gross Expense</b>	1,403,367	1,231,078	1,403,367	1,231,078
<b>Non-Operating Income</b>	-	-	-	-
<b>Non-Operating Expense</b>	-	-	-	-
<b>Income/(Loss) Before Tax</b>	-1,402,977	-1,227,045	-1,402,977	-1,227,045
<b>Income Tax Expense</b>	-	-	-	-
<b>Net Income/(Loss) After Tax</b>	-1,402,977	-1,227,045	-1,402,977	-1,227,045
<b>Net Income Attributable to Parent Equity Holder</b>	-	-	-	-
<b>Earnings/(Loss) Per Share (Basic)</b>	-0	-0	-0	-0
<b>Earnings/(Loss) Per Share (Diluted)</b>	-0	-0	-0	-0

	<b>Current Year (Trailing 12 months)</b>	<b>Previous Year (Trailing 12 months)</b>
<b>Earnings/(Loss) Per Share (Basic)</b>	0.03	-0.03
<b>Earnings/(Loss) Per Share (Diluted)</b>	0.03	-0.03

**Other Relevant Information**

PLEASE SEE ATTACHED SEC FORM 17-Q.

**Filed on behalf by:**

<b>Name</b>	Jeanette Elaine Gesmundo
<b>Designation</b>	Legal Assistant



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

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

1. For the quarterly period ended: **March 31, 2026**
2. Commission identification number **22401**
3. BIR Tax Identification No. **000-491-007-000**
4. Exact name of registrant as specified in its charter: **PRIME MEDIA HOLDINGS, INC.**
5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code:  (SEC Use Only)
7. Address of registrant's principal office:  
  
**16<sup>th</sup> Floor BDO Towers Paseo (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City 1227**
8. Registrant's telephone number, including area code: **(632) 831-4479**
9. Former name, former address and former fiscal year, if changed since last report. **N/A**
10. Securities registered pursuant to Sections 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 Stock (P1.00 par value)	940,403,854 shares
Preferred Stock Series A (P0.04 par value)	6,549,960 shares

11. Are any or all of the securities listed on the Philippine Stock Exchange?  
**Yes. The common shares are listed on the Philippine Stock Exchange.**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 the registrant was required to file such reports)

Yes

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

Yes

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## PART I - FINANCIAL INFORMATION

### Item 1. - Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion is based on the unaudited interim financial statements for the 1st quarter period ended March 31, 2026, with comparative figures for the corresponding periods in 2025 and unaudited financial statements as of December 31, 2025, prepared in conformity with Philippine Accounting Standards 34, Interim Financial Reporting and included herein, and should be read in conjunction with those unaudited interim financial statements.

#### Financial Condition as of March 31, 2026 and December 31, 2025 and Results of Operation for the Three Months Ended March 31, 2026 and March 31, 2025

##### STATEMENT OF COMPREHENSIVE INCOME

#### Three months ended March 31, 2026 compared with three months ended March 31, 2025

##### Income

The Corporation's interest income during the period amounted to ₱390, which has decreased by ₱3,643 or 90.33% compared with the same period last year.

##### Expenses

The Corporation's expenses increased by ₱0.17 million or 13.99% compared with the same period last year. The increase was mainly accounted for by the following:

- **Professional Fees** increased by ₱0.21 million or 34.42%, mainly due to the payment of professional fees for the Corporation's activities during the period.
- **Directors' Fees** increased by ₱0.07 million, due to the board meeting on February 18, 2026.
- **Outside Services** increased by ₱0.03 million or 9.33%, mainly due to the lodgment fee of the Corporation's shares with PDTC.

##### STATEMENT OF FINANCIAL POSITION

##### Assets

The Corporation's assets decreased by ₱1.86 million or 0.20%, mainly due to the following:

- **Cash** decreased by ₱1.92 million or 64.74%, mainly due to the payments of outside services and professional fees for the Corporation's activities during the period.
- **Property and equipment** decreased by ₱0.03 million or 12.31%, due to depreciation recognized during the period.

The above decreases were partly offset by the following:

- **Receivables** increased by ₱0.02 million or 0.01%, due to unliquidated cash advances during the period.
- **Other current assets** increased by ₱0.08 million or 8.04%, mainly due to the additional input VAT recognized during the period.

### Liabilities

The Corporation's liabilities decreased by ₱0.45 million or 0.10%, mainly due to the payment of audit fee for the Corporation's 2025 financial statements.

### Equity

The Corporation's equity decreased by ₱1.40 million or 0.29%, due to net loss recognized during the period.

## **STATEMENT OF CASH FLOWS**

### **Three months ended March 31, 2026 compared with three months ended March 31, 2025**

Net cash used in operating activities increased by ₱4,139 or 0.22% compared with the same period last year, mainly due to outside services and professional fees for the Corporation's activities during the period.

Net cash used in investing activities during the period last year amounted to ₱10.53 million due to settlements of advances to related parties.

### **Item 2 - Financial Statements**

The unaudited Financial Statement of Prime Media Holdings, Inc. as of March 31, 2026, and for the three months ended March 31, 2026 with comparative unaudited figures as of December 31, 2025 is in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

## Horizontal and Vertical Analysis:

			Horizontal Analysis		Vertical Analysis	
	March 31, 2026 (Unaudited)	December 31, 2025 (Unaudited)	Change	% Change	2026	2025
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	₱ 1,044,870	₱ 2,963,162	₱ (1,918,292)	(64.74%)	0.11%	0.31%
Receivables	906,269,603	906,254,603	15,000	0.01%	95.56%	95.38%
Other current assets	1,055,928	977,387	78,541	8.04%	0.11%	0.10%
Total Current Assets	908,370,401	910,195,152	(1,824,751)	(0.20%)	95.78%	95.79%
<b>Non-current Assets</b>						
Loans receivable – net of current portion	39,750,000	39,750,000	-	-	4.20%	4.18%
Investment in and advances to a joint venture	-	-	-	-	-	-
Property and equipment	229,320	261,516	(32,196)	(12.31%)	0.02%	0.03%
Total Noncurrent Assets	39,979,320	40,011,516	(32,196)	(0.08%)	4.22%	4.21%
	₱ 948,349,721	₱ 950,206,668	₱ (1,856,947)	(0.20%)	100.00%	100.00%
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accrued expenses and other current liabilities	₱ 195,324,910	₱ 195,778,880	₱ (453,970)	(0.23%)	20.60%	20.60%
Due to related parties	15,824,213	15,824,213	-	-	1.66%	1.66%
Income tax payable	2,712,294	2,712,294	-	-	0.29%	0.29%
Total Current Liabilities	213,861,417	214,315,387	(453,970)	(0.21%)	22.55%	22.55%
<b>Noncurrent Liabilities</b>						
Deposit for future stock subscription	235,249,999	235,249,999	-	-	24.81%	24.76%
Loans payable	13,000,000	13,000,000	-	-	1.37%	1.37%
Total Noncurrent Liabilities	248,249,999	248,249,999	-	-	26.18%	26.13%
Total Liabilities	462,111,416	462,565,386	(453,970)	(0.10%)	48.73%	48.68%
<b>Equity</b>						
Capital stock	940,665,852	940,873,266	(207,414)	(0.02%)	99.18%	99.01%
Additional paid-in capital	187,554,046	187,761,460	(207,414)	(0.11%)	19.78%	19.76%
Deficit	(641,981,593)	(640,578,616)	(1,402,977)	(0.22%)	(67.69%)	(67.41%)
Treasury stock	-	(414,828)	414,828	100.00%	-	(0.04%)
Total Equity	486,238,305	487,641,282	(1,402,977)	(0.29%)	51.27%	51.32%
	₱ 948,349,721	₱ 950,206,668	₱ (1,856,947)	(0.20%)	100.00%	100.00%

<b>Three Months Ended March 31</b>					
	<b>2026</b>	<b>2025</b>	<b>Increase</b>	<b>% Change</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Decrease)</b>		
<b>INTEREST INCOME</b>	₱ 390	₱ 4,033	₱ (3,643)		(90.33%)
<b>EXPENSES</b>	<b>(1,403,367)</b>	(1,231,078)	172,289		13.99%
<b>LOSS BEFORE INCOME TAX</b>	<b>(1,402,977)</b>	(1,227,045)	175,932		14.34%
<b>PROVISION FOR INCOME TAX</b>	-	-	-		-
<b>NET LOSS</b>	<b>(1,402,977)</b>	(1,227,045)	175,932		14.34%
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-		-
<b>TOTAL COMPREHENSIVE LOSS</b>	₱ <b>(1,402,977)</b>	₱ (1,227,045)	₱ 175,932		14.34%

### Other Information

- a. There are no known trends or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.
- b. There are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.
- c. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period.
- d. Aside from the volatile USD exchange rate, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- e. The causes for the material changes from period to period in the financial accounts were explained in the Management's discussion and analysis of financial condition and results of operation.
- f. There are no significant elements of income or loss that did not arise from the registrant's continuing operations.
- g. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
- h. There are no new issuances, repurchases, and repayments of debt and equity securities.
- i. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- j. There are no changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
- k. There are no contingent liabilities or contingent assets since the last annual balance sheet date.

l. There are no material contingencies and other material events or transactions during the interim period.

m. There are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

### Key Performance Indicators (KPIs)

Management uses the following KPIs for the Corporation:

	March 31, 2026	December 31, 2025
Net Income (Loss)	<b>(₱1,402,977)</b>	₱24,125,887
Quick assets	<b>907,314,473</b>	909,217,765
Current assets	<b>908,370,401</b>	910,195,152
Total assets	<b>948,349,721</b>	950,206,668
Current liabilities	<b>213,861,417</b>	214,315,387
Total liabilities	<b>248,249,999</b>	248,249,999
Total Equity	<b>486,238,305</b>	487,641,282
Preferred stock	<b>261,998</b>	469,412
Number of common shares outstanding	<b>940,403,854</b>	940,403,854
Number of preferred shares outstanding	<b>6,549,960</b>	6,757,374

	March 31, 2026	December 31, 2025
Liquidity ratios:		
Current ratio <sup>(1)</sup>	<b>4.25:1</b>	4.25:1
Quick ratio <sup>(2)</sup>	<b>4.24:1</b>	4.24:1
Solvency Ratios:		
Debt ratio <sup>(3)</sup>	<b>0.26:1</b>	0.26:1
Debt to Equity ratio <sup>(4)</sup>	<b>0.51:1</b>	0.51:1
Profitability ratios:		
Income (Loss) per share <sup>(5)</sup>	<b>(0.002):1</b>	0.026:1
Book value per share <sup>(6)</sup>	<b>0.52:1</b>	0.52:1

Notes:

1. Current Assets / Current Liabilities
2. Quick Assets / Current Liabilities
3. Total Liabilities / Total Assets
4. Total Liabilities / Total Equity
5. Net Loss – Preferred Dividends / Common Shares Outstanding
6. Total Equity – Preferred Equity / Common Shares Outstanding

## PART II - OTHER INFORMATION

Any information not previously reported in a report on SEC Form 17-C

NONE

## PART III - FINANCIAL SOUNDNESS INDICATORS

### Liquidity Ratio

a. Current Ratio

Total Current Assets/ Total Current Liabilities = 4.25:1

b. Quick Ratio

Quick asset / Total Current Liabilities = 4.24:1

### Solvency Ratio

a. Debt Ratio

Total liabilities / Total assets = 0.26:1

b. Debt to Equity Ratio

Total liabilities / Equity = 0.51:1

### Profitability Ratio

a. Return on Equity Ratio

Net Loss / Average equity = (0.002):1

b. Return on Assets

Net Loss / Average Total assets = (0.002):1

c. Asset to Equity Ratio:

Total Assets / Equity = 1.95:1

d. Asset Turnover:

Revenue/Total Assets = 0.0000004

SIGNATURES

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

Issuer: PRIME MEDIA HOLDINGS, INC.



Signature and Title: DENNIS RHOUL P. MANALO  
President and Chairman

Date: May 20, 2026



Signature and Title: ROLANDO S. SANTOS  
Treasurer

Date: May 20, 2026

**PRIME MEDIA HOLDINGS, INC.**  
(A Subsidiary of RYM Business Management Corp.)

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**

	Note	March 31, 2026	December 31, 2025
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	₱1,044,870	₱2,963,162
Receivables	5	906,269,603	906,254,603
Other current assets	6	1,055,928	977,837
Total Current Assets		908,370,401	910,195,152
<b>Noncurrent Assets</b>			
Loans receivable – net of current portion	5	39,750,000	39,750,000
Investment in and advances to a joint venture	7	–	–
Property and equipment	8	229,320	261,516
Total Noncurrent Assets		39,979,320	40,011,516
		<b>₱948,349,721</b>	<b>₱950,206,668</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other current liabilities	9	₱195,324,910	₱195,778,880
Due to related parties	10	15,824,213	15,824,213
Income tax payable		2,712,294	2,712,294
Total Current Liabilities		213,861,417	214,315,387
<b>Noncurrent Liabilities</b>			
Deposit for future stock subscription	12	235,249,999	235,249,999
Long-term loan payable		13,000,000	13,000,000
Total Noncurrent Liabilities		248,249,999	248,249,999
Total Liabilities		462,111,416	462,565,386
<b>Equity</b>			
Capital stock	10	940,665,852	940,873,266
Additional paid-in capital	10	187,554,046	187,761,460
Deficit		(641,981,593)	(640,578,616)
Treasury stock		–	(414,828)
Total Equity		486,238,305	487,641,282
		<b>₱948,349,721</b>	<b>₱950,206,668</b>

*See accompanying Notes to Financial Statements.*

**PRIME MEDIA HOLDINGS, INC.**  
(A Subsidiary of RYM Business Management Corp.)

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**

		<b>Three Months Ended March 31</b>	
	Note	<b>2026</b>	2025
<b>INTEREST INCOME</b>	4	<b>₱390</b>	<b>₱4,033</b>
<b>EXPENSES</b>			
Professional fees		<b>831,868</b>	618,846
Outside services		<b>401,779</b>	367,506
Directors' fees		<b>70,000</b>	–
Depreciation	8	<b>32,196</b>	32,196
Membership and association dues		<b>21,867</b>	18,171
Rentals		<b>15,164</b>	–
Taxes and licenses		<b>9,397</b>	54,931
Penalties		<b>2,000</b>	659
Transportation and travel		<b>1,194</b>	102
Insurance		<b>946</b>	2,188
Others		<b>16,956</b>	136,479
		<b>1,403,367</b>	1,231,078
<b>LOSS BEFORE INCOME TAX</b>		<b>(1,402,977)</b>	(1,227,045)
<b>PROVISION FOR CURRENT INCOME TAX</b>	11	–	–
<b>NET LOSS</b>		<b>(1,402,977)</b>	(1,227,045)
<b>OTHER COMPREHENSIVE INCOME</b>		–	–
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(₱1,402,977)</b>	(₱1,227,045)
<b>Basic Loss Per Share</b>	14	<b>(₱0.002)</b>	(₱0.002)

*See accompanying Notes to Financial Statements.*

**PRIME MEDIA HOLDINGS, INC.**  
(A Subsidiary of RYM Business Management Corp.)

**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**

	Note	March 31, 2026	December 31, 2025
<b>CAPITAL STOCK</b>	10		
Preferred stock - ₱0.04 par value			
Balance at beginning of period		₱469,412	₱14,366,250
Issuances		–	(13,791,610)
Conversions		(207,414)	(105,238)
Balance at end of period		261,998	469,412
Common stock - ₱1 par value			
Issued and outstanding			
Balance at beginning of period		940,403,854	925,298,616
Issuances		–	15,000,000
Conversions		–	105,238
Balance at end of period		940,403,854	940,403,854
Subscribed			
Balance at beginning of period		–	15,000,000
Issuances		–	(15,000,000)
Balance at end of period		–	–
Issued and subscribed common stock		940,403,854	940,403,854
		940,665,852	940,873,266
<b>ADDITIONAL PAID-IN CAPITAL</b>	10		
Balance at beginning of period		187,761,460	408,373,750
Premiums from issuances of common shares		–	19,250,000
Decrease in par value		–	13,791,610
Stock issuance cost		–	(153,900)
Equity restructuring		(207,414)	(253,500,000)
Balance at end of period		187,554,046	187,761,460
<b>DEFICIT</b>			
Balance at beginning of period		(640,578,616)	(918,204,503)
Net income (loss)		(1,402,977)	24,125,887
Equity restructuring		–	253,500,000
Balance at end of period		(641,981,593)	(640,578,616)
<b>TREASURY STOCK</b>		(414,828)	(414,828)
		₱486,238,305	₱487,641,282

See accompanying Notes to Financial Statements.

**PRIME MEDIA HOLDINGS, INC.**  
(A Subsidiary of RYM Business Management Corp.)

**UNAUDITED STATEMENTS OF CASH FLOWS**

	Note	Three Months Ended March 31	
		2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		(₱1,402,977)	(₱1,227,045)
Adjustments for:			
Depreciation	8	32,196	32,196
Interest income	4	(390)	(4,033)
Operating loss before working capital changes		(1,371,171)	(1,198,882)
Increase in:			
Receivables		(15,000)	(25,001)
Other current assets		(78,541)	(65,573)
Decrease in accrued expenses and other current liabilities		(453,970)	(628,730)
Net cash used for operations		(1,918,682)	(1,918,186)
Interest received		390	4,033
Net cash used in operating activities		(1,918,292)	(1,914,153)
<b>CASH FLOW FROM AN INVESTING ACTIVITY</b>			
Payment of due from related parties	12	–	(10,532,155)
<b>NET DECREASE IN CASH</b>		(1,918,292)	(12,446,308)
<b>CASH AT BEGINNING OF PERIOD</b>		2,963,162	25,138,280
<b>CASH AT END OF PERIOD</b>	4	₱1,044,870	₱12,691,972

*See accompanying Notes to Financial Statements.*

**PRIME MEDIA HOLDINGS, INC.**

**(A Subsidiary of RYM Business Management Corp.)**

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**UNAUDITED NOTES TO FINANCIAL STATEMENTS  
AS AT MARCH 31, 2026 AND DECEMBER 31, 2025 AND  
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND MARCH 31, 2025**

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**1. Corporate Information**

Prime Media Holdings, Inc. (the Company) was originally incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 6, 1963 as Private Development Corporation of the Philippines. In October 2003, the SEC approved the amendment of the Company's Articles of incorporation, changing its primary purpose from a development bank to a holding company. On March 4, 2013, the SEC approved the extension of the Company's corporate life for another 50 years. However, in accordance with the Revised Corporation Code of the Philippines, effective February 23, 2019, the Company was automatically accorded perpetual existence.

On July 9, 1964, the Philippine Stock Exchange, Inc. (PSE) approved the public listing of the Company's shares of stock. As at March 31, 2025 and December 31, 2025, there are 813,713,458 common shares, that are publicly listed.

In 2002, the Company agreed to transfer its assets and liabilities arising from its development banking operations to Banco de Oro Unibank, Inc. (BDO) and Philippine Deposit Insurance Corporation (PDIC) under a Memorandum of Agreement (MOA). As at the date of the report, the Company is still in the process of transferring titles of real estate properties that are still in its possession (see Notes 9 and 13).

The Company is a subsidiary of RYM Business Management Corp. (RYM or the Parent Company), a holding company registered and domiciled in the Philippines.

The Company's registered office and principal place of business is on the 16th Floor, BDO Towers Valero, 8741 Paseo de Roxas, Makati City.

*Amendments in the Articles of Incorporation (AOI)*

On August 15, 2022 and on September 23, 2022, the Board of Directors (BOD) and the stockholders, respectively, approved, among others, the deletion of all provisions relating to the Company's preferred shares, the conversion of the preferred shares to common shares and the increase of the authorized capital stock to up to ₱7 billion, divided into 7,000,000,000 common shares at ₱1.00 par value a share.

Considering the lapse of time, the Company's objectives as well as the applicable laws, rules or regulations, the Company re-submitted the amendments of the AOI with further clarification and modification. On August 22, 2024 and August 30, 2024, the BOD and stockholders, respectively, approved, among others, reduction of par value of Series A non-voting convertible preferred shares from ₱1.00 par value a share to ₱0.4 par value a share without change in the number of shares, reclassification of Series A preferred shares to common shares, creation of Series C non-voting redeemable preferred shares, reclassification of foreign-owned common shares to Series C non-voting redeemable preferred shares, increase in authorized capital stock up to ₱6 billion, mandatory redemption of all Series C preferred shares, conversion of Series A preferred shares, creation of Additional Paid-in Capital (APIC) arising from conversion of preferred shares, and additional listing of shares after conversion.

**PRIME MEDIA HOLDINGS, INC.**  
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On January 15, 2025, the SEC approved the reduction in the Company's authorized preferred stock Series A from 1,000.0 million, divided into 1,000.0 million preferred stocks Series A at ₱1.0 par value a share, to ₱40.0 million, divided into 1,000.0 million common stocks at ₱0.04 par value a share.

As at April 4, 2025, the Company has pending application with the SEC for the amendment of the AOI for the conversion and reclassification of Series A non-voting and convertible preferred shares, creation of Series C non-voting and redeemable preferred shares and reclassification of foreign-owned common shares to Series C non-voting redeemable preferred shares.

On April 04, 2025, the Board resolved to retain the Series A Preferred Shares until the Corporation is able to obtain approval for a decrease in capital stock, which is necessary to eliminate the fractional shares that would result from the conversion of the remaining Series A Preferred Shares into Common Shares.

*Additional Capital Infusion*

In 2024, the Company issued 75,000,000 common shares to Angel Maple Properties, Inc. (now known as Valiant Consolidated Resources Inc.) ("Valiant") at ₱2.95 a share equivalent to ₱221.6 million, which was paid for in cash, resulting to additional paid-in capital amounting to ₱144.9 million, net of stock issuance cost of ₱1.4 million.

In the same year, 15,000,000 common shares were subscribed by Cymac Holdings Corporation ("Cymac") at ₱2.95 a share equivalent to ₱44.3 million, to be paid in cash. The shares shall be issued upon full payment. As at December 31, 2024, subscription received amounting to ₱25.0 million was recognized as subscribed capital at par value amounting to ₱15.0 million and the premiums amounting to ₱10.0 million additional paid-in capital on the amount received in excess of par. Cymac has unpaid subscription amounting to ₱19.3 million which is due on or before July 31, 2025, thus related subscribed shares are not yet issued.

In 2023, the Company, issued for 125,000,000 common shares to Valiant and 25,000,000 common shares to Cymac at ₱2.70 a share equivalent to ₱405.0 million paid for in cash, resulting to additional paid-in capital amounting to ₱253.5 million, net of stock issuance cost of ₱1.5 million.

Valiant and Cymac are separate and distinct entities not acting in concert in the subscriptions of the unissued common shares of the Company.

*Deposit for Future Stock Subscription*

In 2024, the Company executed another subscription agreements individually with Valiant and Cymac for 86,355,932 common shares and 3,644,068 common shares, respectively, at ₱2.95 a share equivalent to ₱254.7 million and ₱10.8 million, respectively. The subscribed shares are to be issued from the increase in authorized capital stock which will be applied after the share for share swap transaction with the shareholders of the Golden Peregrine Holdings, Inc. (GPHI) has been completed and after receipt of full payment.

On August 22, 2024 and August 30, 2024, the BOD and stockholders, respectively, approved, the amendments in its AOI including the increase in authorized capital stock up to ₱6 billion.

As the conditions provided in the subscription agreement have not been met, the amounts collected for this subscription amounted to ₱214.7 million as at March 31, 2025 is presented as deposit for future stock subscription and is presented under noncurrent liability section in the statements of financial position.

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*Equity Restructuring*

On August 22, 2024, the Company's BOD approved the equity restructuring plan of the Company by applying APIC of ₱253,500,000 to reduce its deficit, which was approved by the SEC on March 14, 2025.

*MOA with Golden Peregrine Holdings, Inc. (GPHI) Shareholders*

In 2021, the Company entered into a MOA, with the majority stockholders of a mass media entity, Philippine Collective Media Corporation ("PCMC Shareholders"), subscribing to 70% of the Company's outstanding capital stock in exchange for PCMC shares to obtain the business, assets and ownership of PCMC. With PCMC's national franchise, the Company may use this as a leverage to provide other content providers with an avenue to broadcast their contents, regionally and nationwide, for profit.

On August 15, 2022 and September 23, 2022, the BOD and stockholders, respectively, approved to amend the PCMC MOA to take into account the subsequent acquisition of PCMC by GPHI which is also owned 100% by the PCMC Shareholders. The BOD and stockholders also approved the subscription by certain GPHI shareholders to 1,679,966,400 common shares to be issued from the proposed increase in authorized capital stock of the Company in view of the amendment of the PCMC MOA.

On January 18, 2023, the BOD approved the Amendment of the MOA with GPHI to:

- (a) Change the Exchange Ratio to 4,700 PRIM shares for 1 Golden Peregrine share pursuant to the updated appraisal report.
- (b) Subscription by Atty. Hermogene H. Real and Ms. Michelle Ayangco to 1,645,000,000 PRIM Common Shares to be issued out of the proposed increase in authorized capital stock in consideration of the assignment of 100% of the Outstanding Capital Stock of Golden Peregrine pursuant to the updated appraisal report.
- (c) Other provisions which require updating and affected by the amendments aforementioned.

On August 30, 2024, the BOD approved further amendment of the MOA whereby a total of 980,000,000 PMHI common shares will be issued in exchange for and in consideration of the 100% issued and outstanding capital stock of GPHI held by the current stockholders pursuant to an updated valuation report as at December 31, 2023.

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## **2. Summary of Significant Accounting Policies**

### **Basis of Preparation**

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The accounting policies adopted are consistent with those of the previous financial year.

### **Measurement Bases**

The financial statements are presented in Philippine Peso (Peso), which is also the Company's functional currency. All amounts are rounded to the nearest Peso, unless otherwise stated.

**PRIME MEDIA HOLDINGS, INC.**  
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The financial statements have been prepared on a historical cost basis, except for investment in a club share which was classified and measured as financial asset at fair value through other comprehensive income (FVOCI). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company uses observable market data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair values is included in Notes 15.

**Adoption of Amendments to PFRS Accounts Standards**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS:

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

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- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

The adoption of the amended PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

**New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective**

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at March 31, 2026 and have not been applied in preparing the financial statements, are summarized below.

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

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
  - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term ‘cost method’ with ‘at cost’ following the deletion of the definition of ‘cost method’. Earlier application is permitted.

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

- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

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Under prevailing circumstances, the adoption of the foregoing amended PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

**Financial Assets and Liabilities**

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

*“Day 1” Difference.* Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost, and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company’s business model.

As at March 31, 2026 and December 31, 2025, the Company does not have financial assets and liabilities at FVPL.

*Financial Assets at Amortized Cost.* A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

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As at March 31, 2026 and December 31, 2025, the Company's cash, receivables (excluding advances to officers, employees and service providers), and loans receivable are classified under this category.

*Financial Assets at FVOCI.* Equity securities which are not held for trading may be irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in other comprehensive income (OCI) and are included under "Other comprehensive income" account in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative unrealized valuation gains will be reclassified to retained earnings.

As at March 31, 2026 and December 31, 2025, the Company has no financial asset at FVOCI.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

As at March 31, 2026 and December 31, 2025, the Company's accrued expenses and other current liabilities (excluding statutory payable) and amounts due to related parties are classified under this category.

**Reclassification of Financial Assets**

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

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For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the financial asset continues to be measured at fair value.

As at March 31, 2026 and December 31, 2025, there are no reclassifications.

**Impairment of Financial Assets at Amortized Cost**

The Company records an allowance for expected credit loss (ECL) 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. The difference is then discounted at an approximation to the asset's original effective interest rate.

**Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized by the Company when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risk and rewards of the assets but has transferred control over the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, if any, is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of the new liability, and the difference in the respective carrying amount is recognized in profit or loss.

**Offsetting Financial Assets and Liabilities**

Financial assets and liabilities are offset, and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

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**Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

**Other Current Assets**

This account mainly consists of creditable withholding taxes (CWT), input value-added tax (VAT) and prepayments.

*CWT.* CWT represents the amount withheld by the Company's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT are stated at estimated net realizable value.

*VAT.* Revenues, expenses and assets are generally recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" account in the statements of financial position.

**Investment in a Joint Venture**

Joint arrangements represent activities where the Parent Company has joint control established by a contractual agreement. Joint control requires unanimous consent for financial and operational decisions. A joint arrangement is either a joint operation, whereby the parties have rights to the assets and obligations for the liabilities, or a joint venture, whereby the parties have rights to the net assets.

Classification of a joint arrangement as either joint operation or joint venture requires judgment.

Management's considerations include, but are not limited to, determining if the arrangement is structured through a separate vehicle and whether the legal form and contractual arrangements give the entity direct rights to the assets and obligations for the liabilities within the normal course of business. Other facts and circumstances are also assessed by management, including the entity's rights to the economic benefits of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

The Company accounted for its interest in Media Serbisyo Production Corp (MSPC) as a joint venture (see Note 7).

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Investment in a joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recorded at cost and thereafter for the post-acquisition change in the Company's share in net assets of the joint venture. The statement of comprehensive income reflects the Company's share in the results of operations of the joint venture.

If the Company's share in losses of a joint venture equals or exceeds its interest in the associate or joint venture, the entity discontinues recognizing its share of further losses. The interest in a joint venture is the carrying amount of the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the entity's net investment in joint venture.

After the Company's interest is reduced to zero, additional losses gives rise to a liability to the extent that the Company has guaranteed obligations or is otherwise committed to provide further financial support for the joint venture. If the joint venture subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the joint venture are prepared for the same reporting period as the Company. Adjustments are made to bring the accounting policies in line with those of the Company.

The considerations made in determining significant influence on joint control are similar to those necessary to determine control over subsidiaries.

**Impairment of Nonfinancial Assets**

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, nonfinancial assets are written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instances, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

**Deposit for Future Stock Subscription**

Deposit for future stock subscription represent funds received by the Company from individual stockholders to be applied as payment for subscriptions of unissued shares or shares from an increase in authorized capital stock and is measured at face value of proceeds received.

Proceeds are recognized as equity when all of the requirements set forth by the SEC and the conditions provided in the subscription agreement have been met, otherwise, it is recognized as a liability.

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The Company shall classify deposits for future stock subscription as part of equity if and only if, all of the following elements are present as at end of the period.

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock;
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

**Equity**

*Common Stock.* Common stock is measured at par value for all shares issued and outstanding and subscribed. Unpaid subscriptions are recognized as a reduction of subscribed capital stock.

*Preferred Stock.* Preferred stock is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. It is measured at par value for all shares issued and subscribed. Unpaid subscriptions are recognized as a reduction of subscribed capital stock.

*Additional Paid-in Capital.* Additional paid-in capital includes any premium received in the issuances of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of tax.

*Deficit.* Deficit represents the cumulative balance of the Company's results of operations.

*Treasury Stock.* Treasury stock is previously issued stock that the Company has repurchased.

**Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied at a point in time or over time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized.

*Interest Income.* Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

**Expense Recognition**

Expenses constitute cost of administering the business. These costs are expensed upon receipt of goods, utilization of services, or when the expense is incurred.

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**Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward

benefits of unused excess MCIT over RCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it 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 profit nor taxable profit or loss.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that has been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Basic and Diluted Loss per Share**

The Company computes its basic loss per share by dividing net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period.

Diluted loss per share amounts are computed in the same manner, adjusted for the diluted effect of any potential common shares. There is no such information as of March 31, 2026 and December 31, 2025 because the Company has no dilutive potential common shares and is in a net loss position.

**Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. The Company has only one segment which is as a holding company.

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**Related Parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if these transactions amount to 10% or higher of the Company's total assets or if there are several transactions or a series of transactions over a twelve-month period with the same related party amounting to 10% or higher of the Company's total assets.

**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.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

**Contingencies**

Contingent liabilities are not recognized in financial statements. They are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

**Events after the Reporting Date**

Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting are disclosed in the notes to financial statements when material.

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**3. Significant Judgment, Accounting Estimates and Assumptions**

The preparation of financial statements in accordance with PFRS requires management to exercise judgment, make estimates and assumptions that affect the amounts reported in the financial statements. The judgment and estimates used in the financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements.

*Classifying the Financial Instruments.* The Company exercises judgment in classifying a financial instrument on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

*Assessing the Distinction Between Joint Operation and Joint Venture.* The Company determines whether a joint arrangement qualifies as a joint operation or a joint venture. In making its judgment, the Company assesses whether it has joint control and has rights to the assets, and obligations for the liabilities, relating to the arrangement or it has joint control and has rights to the net assets of the arrangement, in which case the arrangement shall be classified as a joint operation or a joint venture, respectively, as the case may be. The Company considers each arrangement separately in making its judgment.

The Company assessed that the joint arrangement qualifies as a joint venture and to be accounted using equity method in accordance with PAS 28, *Investments in Associates and Joint Ventures* (see Note 7).

*Determining the Interest in and Additional Liability to the Joint Venture.* The Company determines its interest in a joint venture using the equity method together with any long-term interests that, in substance, form part of the entity's net investment in joint venture. After the Company's interest is reduced to zero, the Company recognizes additional losses and a liability to the extent that the Company has guaranteed obligations or is otherwise committed to provide further financial support for the joint venture.

*Determining the Fair Value of Financial Instruments.* PFRS requires certain financial assets and liabilities to be carried at fair value, which requires extensive use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Company utilized different valuation methodologies. Any changes in the fair value of these financial assets would affect profit and loss and equity.

The fair value of the Company's financial assets and liabilities is disclosed in Note 15.

*Evaluating the Contingencies.* The Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Company's management and legal counsel believe that eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the Company's financial statements.

**Estimates and Assumptions**

The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

*Estimating the Liabilities related to Previous Development Bank Operations.* The estimated liabilities related to previous development bank operations of the Company is based on the management's best estimate of the amount expected to be incurred to settle the obligation based on the terms of the MOA.

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Liabilities arising from the MOA as at March 31, 2026 and December 31, 2025 are disclosed in Note 9.

*Determining Fair Value of Financial Instruments at Date of Initial Recognition.* The Company determines the fair value of financial instruments based on transaction price. As at date of recognition of loans receivable in 2026 and 2025, the Company assessed that the fair value approximates its transaction price (see Note 12).

*Assessing the ECL on Financial Assets at Amortized Cost.* The Company applies the simplified approach to its receivables and the general approach on all its other financial assets at amortized cost in measuring the ECL. The Company estimates the ECL on its receivables using 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.

The Company assessed that cash in banks is deposited with reputable counterparty banks that possess good credit ratings. For related party transactions and other receivables, the Company considered the available liquid assets of the related parties and a letter of guarantee from the stockholders.

The Company assesses that a financial asset is considered credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of the asset have occurred such as significant financial difficulty and cessation of operations of the debtor.

No impairment loss was recognized as of March 31, 2026 and December 31, 2025.

The aggregate carrying amount of cash in banks, receivables (excluding advances to officers, employees and service providers), and loans receivable as at March 31, 2026 and December 31, 2025 are disclosed in Notes 4, 5 and 13.

*Assessing the Impairment of Nonfinancial Assets.* The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;  
or
- significant negative industry or economic trends.

No impairment losses were recognized as of March 31, 2026 and December 31, 2025.

The carrying amounts of the Company's nonfinancial assets are as follows including advances to officers, employees and service providers, other current assets, investment in a joint venture and property and equipment are disclosed in Notes 5, 6, 8, and 9.

*Assessing the Realizability of Deferred Tax Assets.* The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount 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 assets to be utilized in the future. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred income tax assets can be utilized.

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The Company has deferred tax liability on loan transaction cost that will reverse in 2025. The Company recognized deferred tax assets on NOLCO that will expire in 2025 to the extent of the deferred tax liability that will reverse. Management believes that there will be no sufficient future taxable profits against which the remaining unrecognized deferred tax assets can be utilized. Details of recognized and unrecognized deferred tax assets are disclosed in Note 11.

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**4. Cash**

This account consists of:

	<b>March 31, 2026 (Unaudited)</b>	December 31, 2025 (Unaudited)
Cash on hand	<b>₱20,000</b>	₱20,000
Cash in banks	<b>1,024,870</b>	2,943,162
	<b>₱1,044,870</b>	₱2,963,162

Cash in banks earn interest at prevailing bank deposit rates.

Interest income amounted to ₱390 and ₱4,033 as at March 31, 2026 and March 31, 2025, respectively.

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**5. Receivables**

This account consists of:

	Note	<b>March 31, 2026 (Unaudited)</b>	December 31, 2025 (Unaudited)
Loans receivable from a related party	13	<b>₱834,278,250</b>	₱834,278,250
Loans receivable from previous banking operations		<b>62,277,740</b>	62,277,740
Interest receivable	13	<b>71,971,153</b>	71,971,153
Advances to officers, employees and service providers		<b>2,146,535</b>	2,131,535
Rent receivables		<b>237,932</b>	237,932
		<b>970,911,610</b>	970,896,610
Less allowance for impairment losses		<b>64,642,007</b>	64,642,007
		<b>₱906,269,603</b>	₱906,254,603
Less: current portion of receivables		<b>866,519,603</b>	866,504,603
Noncurrent portion of loans receivable		<b>₱39,750,000</b>	₱39,750,000

Loans receivable from third parties are related to the Company's previous bank operations and are fully provided with allowance for impairment loss.

Advances to officers, employees and service providers represent unliquidated, noninterest-bearing advances for processing the transfer of title of properties to BDO and PDIC. These are liquidated upon the accomplishment of the purposes for which the advances were granted.

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Breakdown of allowance for impairment losses as at March 31, 2026 and December 31, 2025 are as follows:

Loans receivable	<b>₱62,277,740</b>
Advances to officers, employees and service providers	<b>2,126,335</b>
Rent receivables	<b>237,932</b>
	<b>₱64,642,007</b>

## 6. Other Current Assets

This account consists of:

	<b>March 31, 2026 (Unaudited)</b>	December 31, 2025 (Unaudited)
Prepayments	<b>971,200</b>	977,387
Input VAT	<b>84,728</b>	–
	<b>₱1,055,928</b>	₱977,387

Prepayments mainly pertain to transaction cost paid in advance, mainly documentary stamp tax related to subscribed but unissued shares. This will be applied against APIC once upon issuance of shares.

## 7. Investment in and Advances to a Joint Venture

On June 30, 2023, the Company and ABS-CBN, collectively referred hereinafter as the “Venturers,” incorporated MSPC with a 51:49 ownership interest ratio in accordance with the Joint Venture Agreement (JVA) entered into by the Venturers on May 23, 2023. The Company has a 51% equity with initial subscription of 20,400,000 shares for a total value of ₱20.4 million. ABS-CBN on the other hand, has a 49% equity with initial subscription of 19,600,000 shares for a total value of ₱19.6 million. The JVA provided mainly for the establishment, operation and management of MSPC and other matters related to MSPC. MSPC was incorporated with a primary purpose of developing, producing, and financing content, programs, and shows for distribution by other broadcast networks, channels, or platforms, locally and internationally.

This account consists of:

	<b>March 31, 2026 (Unaudited)</b>	December 31, 2025 (Unaudited)
Investment in joint venture	<b>₱20,400,000</b>	₱20,400,000
Advances to the joint venture	<b>25,790,889</b>	25,790,889
Loans receivable from joint venture	<b>8,000,000</b>	8,000,000
Cumulative share in net loss	<b>(56,135,102)</b>	(56,135,102)
Liability to joint venture for additional share in net loss	<b>(1,944,213)</b>	(1,944,213)
Investment in and advances to the joint venture	–	–

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Movements in investment in and advances to a joint venture are as follows:

	Note	March 31, 2026 (Unaudited)	December 31, 2025 (Unaudited)
<b><i>Investment in joint venture</i></b>			
Balance at beginning of period		P20,400,000	P20,400,000
Additions		–	–
Balance at end period		20,400,000	20,400,000
<b><i>Cumulative share in net loss</i></b>			
Balance at beginning of the period		56,135,102	43,091,139
Share in net loss		–	13,043,963
Balance at end of period		56,135,102	56,135,102
<b><i>Advances to the joint venture</i></b>	13	25,790,889	25,790,889
<b><i>Loans receivable from joint venture</i></b>		8,000,000	8,000,000
<b><i>Liability to the joint venture for additional share in net loss</i></b>	13	(P1,944,213)	(P1,944,213)
<b>Investment in and advances to the joint venture</b>		P–	P–

## 8. Property and Equipment

Movements in this account are as follows:

	March 31, 2026 (Unaudited)		
	Computer Equipment	Transportation Equipment	Total
<b>Cost</b>			
Balance at beginning and end of perio	P729,720	P54,375	P784,095
<b>Accumulated Depreciation</b>			
Balance at beginning of period	468,204	54,375	522,579
Depreciation	32,196	–	32,196
Balance at end of period	500,400	54,375	554,775
<b>Carrying Amount</b>	P229,320	P–	P229,320
	December 31, 2025 (Unaudited)		
	Computer Equipment	Transportation Equipment	Total
<b>Cost</b>			
Balance at beginning and end of peric	P729,720	P54,375	P784,095
<b>Accumulated Depreciation</b>			
Balance at beginning of period	339,420	54,375	393,795
Depreciation	128,784	–	128,784
Balance at end of period	468,204	54,375	522,579
<b>Carrying Amount</b>	P261,516	P–	P261,516

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**9. Accrued Expenses and Other Current Liabilities**

This account consists of:

	<b>March 31, 2026</b> <b>(Unaudited)</b>	December 31, 2025 <b>(Unaudited)</b>
Liabilities arising from the MOA	<b>₱178,322,708</b>	₱178,322,708
Dividends payable	<b>10,985,443</b>	10,985,443
Accrued expenses	<b>1,648,096</b>	2,081,243
Statutory payables	<b>4,193,430</b>	4,214,253
Interest payable	<b>175,233</b>	175,233
	<b>₱195,324,910</b>	₱195,778,880

The Company has outstanding commitments and contingent liabilities in relation to its MOA with BDO and PDIC. As discussed in Note 1, under the MOA dated September 12, 2002 between the Company, BDO and PDIC, the Company agreed to transfer its assets and liabilities from its previous development bank operations to BDO and PDIC. Under the terms of the MOA, the Company holds BDO free from any contingent claims, labor and minority issues and concerns arising from related assets and liabilities until these are assumed by BDO.

Liabilities arising from the MOA pertain mainly to the estimated general cost which may include transfer, processing and legal fees among others as well as taxes in relation to the transfer of assets from the Company's previous development bank operations to BDO and PDIC. Said liabilities also include unremitted collection of assigned receivables and sale of foreclosed properties for the account of PDIC (see Note 1). Additions to the liabilities amounting to ₱21.4 million in 2023 pertain to proceeds from compromise settlements. The Company also paid legal fees of nil and ₱3.0 million as at March 31, 2026 and December 31, 2025, respectively, for legal consultations, litigation costs as well as consolidation and transfer of titles.

Dividends payable pertain to the Company's dividend for cumulative, nonparticipating, nonvoting, redeemable and convertible preferred stock that were declared prior to the Company's incurrence of deficit.

Accrued expenses pertain to accrual professional fees and association dues, among others. These are normally settled in the next financial year.

Statutory payable is normally settled within the following month.

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**10. Equity**

**Capital Stock**

Details of capital stock are as follows:

	March 31, 2026 (Unaudited)		December 31, 2025 (Unaudited)	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized:</b>				
Preferred stock Series A - ₱0.04 par value	1,000,000,000	₱40,000,000	1,000,000,000	₱40,000,000
Preferred stock Series C - ₱1 par value	–	–	340,664	340,664
Common stock - ₱1 par value	3,999,659,336	3,999,659,336	3,999,659,336	3,999,659,336
	<b>4,999,659,336</b>	<b>₱4,039,659,336</b>	<b>5,000,000,000</b>	<b>₱4,040,000,000</b>
<b>Issued and outstanding:</b>				
<b>Preferred stock Series A</b>				
Balance at beginning of period	6,549,960	₱261,998	14,366,260	₱14,366,260
Decrease in par value	–	–	–	(13,791,610)
Conversions	–	–	(7,816,300)	(312,652)
Balance at end of period	6,549,960	261,998	6,549,960	261,998
<b>Preferred stock Series C</b>				
Balance at beginning of period	207,414	207,414	–	–
Conversions	(207,414)	(207,414)	207,414	207,414
Balance at end of period	–	–	207,414	207,414
<b>Common stock</b>				
<b>Issued and outstanding</b>				
Beginning of period	940,403,854	940,403,854	925,298,616	925,298,616
Issuances	–	–	15,000,000	15,000,000
Conversions	–	–	105,238	105,238
Balance at end of period	940,403,854	940,403,854	940,403,854	940,403,854
<b>Subscribed</b>				
Beginning of period	–	–	15,000,000	15,000,000
Issuances	–	–	(15,000,000)	(15,000,000)
Balance at end of period	–	–	–	–
Issued and subscribed common stock	940,403,854	940,403,854	940,403,854	940,403,854
<b>Total capital stock</b>	<b>946,953,814</b>	<b>₱940,665,852</b>	<b>947,161,228</b>	<b>₱940,873,266</b>

The preferred stock Series A has the following salient features:

- a. Cumulative, nonparticipating, nonvoting, redeemable and convertible at the option of the Company.
- b. Cash dividend rate initially at 4.50% per annum based on par value, which shall be automatically adjusted to 11.00% per annum upon full payment of the subscription price.

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- c. The Company may, at any time at its option, wholly or partially redeem the outstanding preferred stock plus accrued dividends thereon. When such a call for redemption is made, the holders of the preferred stock may opt to convert the preferred stock to common stock.

As discussed in Note 1, in 2024, the BOD and shareholders approved the amendment of the AOI of the Company to reflect the reduction of par value of preferred shares, reclassification of preferred shares, conversion of preferred shares into common shares, deletion of all provisions relating to the preferred shares and increase in authorized capital, among others.

On January 15, 2025, the SEC approved the reduction in the Company's authorized preferred stock Series A from ₱1,000.0 million, divided into 1,000.0 million preferred stocks Series A at ₱1.0 par value a share, to ₱40.0 million, divided into 1,000.0 million common stocks at ₱0.04 par value a share.

As at April 4, 2025, the Company has pending application with the SEC for the amendment of the AOI for the conversion and reclassification of Series A non-voting and convertible preferred shares, creation of Series C non-voting and redeemable preferred shares and reclassification of foreign-owned common shares to Series C non-voting redeemable preferred shares.

On April 04, 2025, the Board resolved to retain the Series A Preferred Shares until the Corporation is able to obtain approval for a decrease in capital stock, which is necessary to eliminate the fractional shares that would result from the conversion of the remaining Series A Preferred Shares into Common Shares.

On March 25, 2026, the SEC approved the cancellation of the Company's authorized preferred stock Series C of ₱340,664, divided into 340,664 preferred stocks Series C at ₱1.0 par value per share.

Other planned amendments are also discussed in Note 1.

As at March 31, 2026 and December 31, 2025, there is no accrued and unpaid preferential dividend.

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**11. Income Tax**

There is no provision for current income tax in March 31, 2026 and 2025 due to the Company's gross and net taxable loss position.

Under the "Corporate Recovery and Tax Incentives for Enterprise" (CREATE) Act which took effect on July 1, 2020, the RCIT of domestic corporations is computed at 25% or 20% depending on the amount of total assets or total amount of taxable income. The minimum corporate income tax (MCIT) is computed at 1% of gross income for a period of three years until July 1, 2023 and reverted to 2% effective July 1, 2023.

The reconciliation of benefit from current income tax at the statutory income tax rate to the provision for current income tax shown in the statements of comprehensive income are as follows:

	2025
Income tax computed at statutory tax rate	₱7,447,176
Changes in unrecognized deferred tax assets	(5,276,074)
Tax effects of:	
Share in net loss of a joint venture	3,260,991
Nondeductible expenses	271,720
Stock issuance cost	(38,475)
Interest income already subjected to final tax	(2,523)
	₱5,662,815

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The components of the Company's unrecognized deferred tax assets and liabilities are as follows:

	2025
Deferred tax assets:	
Allowance for impairment losses on receivables	₱16,160,502
Deferred tax liability:	
Loan issuance cost	(69,563)
	₱16,090,939

The Management believes that it is not probable that sufficient taxable profit will be available against which the remaining unrecognized deferred tax assets as at March 31, 2026 and December 31, 2025 amounting to ₱16.1 million and ₱21.4 million, respectively, can be utilized.

As at March 31, 2026 unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Expiry Date
2024	₱3,495,790	₱–	(₱3,495,790)	₱–	2027
2023	13,423,553	–	(13,423,553)	–	2026
2022	5,252,413	–	(5,252,413)	–	2025
2020	781,334	–	(781,334)	–	2025
	₱22,953,090	₱–	(₱22,953,090)	₱–	

Under Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2021 and 2020 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss and NOLCO incurred for taxable year 2022 and beyond can be carried over for the next three consecutive years.

As at March 31, 2026, unused MCIT that can be claimed as deduction from future income tax payable are as follows:

Year Incurred	Beginning Balance	Incurred	Applied	Ending Balance	Expiry Date
2024	₱208,701	₱–	(₱208,701)	₱–	2027
2022	430	–	(430)	–	2025
	₱209,131	₱–	(₱209,131)	₱–	

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**12. Related Party Transactions**

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2026	2025	March 31, 2026 (Unaudited)	December 31, 2025 (Unaudited)
<b>Loans receivable</b>					
Entity under common key management	Loan	₱—	₱42,064,679	₱874,028,250	₱874,028,250
<b>Interest receivable</b>					
Entity under common key management	Accrued interest*	₱—	₱60,283,877	₱71,971,153	₱71,971,153
<b>Advances to joint vent</b>					
Joint venture	Advances	₱—	₱10,543,389	₱25,790,889	₱25,790,889
<b>Due to related parties</b>					
Joint venture	Additional share in net loss	₱—	₱1,944,213	₱1,944,213	₱1,944,213
Parent Company	Management fee	—	—	13,880,000	13,880,000
				₱15,824,213	₱15,824,213
<b>Deposit for future stock</b>					
Stockholders	Deposit for future stock subscrip	₱—	₱20,500,000	₱235,249,999	₱235,249,999

\*Including output VAT amounting to ₱6.5 million.

The Company has no other material and/or significant transactions with its related parties as at March 31, 2026 and December 31, 2025.

**Terms and Conditions of Transactions with Related Parties**

*Loans Receivable from Philippine Collective Media (PCMC)*

Movements in this account are as follows:

	Note	March 31, 2026 (Unaudited)	December 31, 2025 (Unaudited)
Balance at beginning of the period		₱874,028,250	₱831,963,571
Loans granted, including transaction cost		—	45,048,125
Amortization of loan transaction cost	4	—	(2,983,446)
		874,028,250	874,028,250
Less: current portion		834,278,250	834,278,250
Noncurrent portion		₱39,750,000	₱39,750,000

Loan transaction cost pertains to documentary stamp tax paid by the Company. Movements in the loan issuance cost in 2025 follows:

Balance at beginning of the period	₱2,963,571
Additions	298,125
Amortization	(2,983,446)
	₱278,250

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The loan transaction cost is presented as part of the loans receivable and will be amortized over the term of the loan.

In August 2023, the Company granted an unsecured loan to PCMC, a related party under common key management, to acquire key assets necessary to expand business operations nationwide. The loan has no interest on the first year and 7% interest on succeeding years. The loan is to be paid within five years and can be paid in whole or in part at any time without penalty. In December 2024, the Company amended the loan agreement to shorten the term from five year to 30 months with the Company considering to complete its share-for-share swap transaction with GPHI within 2025. Interest income recognized in 2024 amounted to ₱10.4 million (gross of loan issuance cost amortization of ₱0.5 million).

In October 2024, the Company granted another unsecured loan to PCMC amounting to ₱461.0 million for the same purpose. The loan bears interest of 7.5% and is to be paid until December 2025. Loan issuance cost amounted to ₱3.5 million.

Outstanding balances with related parties are unsecured, noninterest-bearing (unless otherwise stated in the loan agreement), collectible or payable in cash upon demand. The Company has no provision for impairment loss relating to the loans receivables, and advances to a joint venture as at March 31, 2026 and December 31, 2025. This assessment is undertaken at each reporting date by taking into consideration the financial position of the related parties and the market at which the related parties operates.

*Deposit for Future Stock Subscription*

As discussed in Note 1, in 2024, the Company executed another subscription agreements individually with Valiant and Cymac for 86,355,932 common shares and 3,644,068 common shares, respectively, for ₱2.95 a share equivalent to ₱254.7 million and ₱10.8 million, respectively. As the conditions provided in the subscription agreement have not been met, the amounts collected for this subscription amounting to ₱214.7 million as at March 31, 2026 is presented as deposit for future stock subscription and is presented under noncurrent liability section in the statements of financial position.

**Compensation of Key Management Personnel**

There is no compensation of key management personnel as at March 31, 2026 and December 31, 2025. The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

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**13. Commitments and Contingencies**

The Company has outstanding commitments and contingent liabilities in relation to its MOA with BDO and PDIC. As discussed in Note 1, under the MOA dated September 12, 2002 between the Company, BDO and PDIC, the Company agreed to transfer its assets and liabilities from its development bank operations to BDO and PDIC. Under the terms of the MOA, the Company holds BDO free from any contingent claims, labor and minority issues and concerns arising from related assets and liabilities still managed by the Company until these are assumed by BDO.

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The Company has accounted for separately, assets from its development bank operations pursuant to the MOA. It still has in its possession titles of real estate properties from its development bank operations with an original assigned value of ₱601.6 million per PDIC letter dated September 2016. Moreover, the Company has cash in its custody of ₱15.2 million as at March 31, 2026 and December 31, 2025 arising from the proceeds of the sale and compromise settlement of certain properties.

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**14. Basic Loss Per Share**

The basic loss per share is computed as follows:

	<b>March 31, 2026 (Unaudited)</b>	December 31, 2025 (Unaudited)
Net income (loss)	<b>(₱1,402,977)</b>	₱24,125,887
Less dividend rights of preferred stockholders for the period	<b>12,909</b>	51,635
Income (loss) attributable to common stockholders	<b>(1,415,886)</b>	24,074,252
Divided by weighted average number of common stock	<b>940,403,854</b>	932,851,235
Basic income (loss) per share	<b>(₱0.002)</b>	₱0.026

The convertible feature of the Company's preferred stock, the subscribed shares and deposit for future stock subscription have potential antidilutive effect. However, because of the net loss position of the Company, presentation of diluted earnings per share is not applicable

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**15. Financial Risk Management Objectives and Policies**

The Company's principal financial instruments comprise of cash, receivables (excluding advances to officers, employees and service providers), investment in a club share, accrued expenses and other current liabilities (excluding statutory payable) and due to a related party.

The main risks arising from the financial instruments of the Company are credit risk, liquidity risk and market risk. The BOD reviews and approves policies for managing the risks.

**Credit Risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks, receivables (excluding advances to officers, employees and service providers) and investment in a club share. The carrying amounts of the financial assets represent the Company's gross maximum exposure to credit risk in relation to financial assets.

The Company estimates the ECL on its receivables using 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.

The tables below present the Company's exposure to credit risk and show the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL.

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March 31, 2026 (Unaudited)				
	12-month ECL	Lifetime ECL -not credit impaired	Lifetime ECL - credit impaired	Total
<b>Financial assets at amortized cost:</b>				
Cash in banks	P1,024,870	P-	P-	P1,024,870
Receivables*	71,971,153	-	62,515,672	134,486,825
Loans receivable from a related party	-	874,028,250	-	874,028,250
	<b>P72,996,023</b>	<b>P874,028,250</b>	<b>P62,515,672</b>	<b>P1,009,539,945</b>

\*Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to P2.1 million and P874.0 million, respectively.

December 31, 2025 (Unaudited)				
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
<b>Financial assets at amortized cost:</b>				
Cash in banks	P2,943,162	P-	P-	P2,943,162
Receivables*	71,971,153	-	62,515,672	134,486,825
Loans receivable from a related party	-	874,028,250	-	874,028,250
	<b>P74,914,315</b>	<b>P874,028,250</b>	<b>P62,515,672</b>	<b>P1,011,458,237</b>

\*Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to P2.1 million and P874.0 million, respectively.

The table below shows the gross maximum exposure to credit risk for the components of the Company's statement of financial position, before taking into consideration collateral and other credit enhancements:

March 31, 2026 (Unaudited)					
	High Grade	Standard Grade	Past due but Not Impaired	Impaired	Total
<b>Financial Assets at Amortized Cost</b>					
Cash in banks	P1,024,870	P-	P-	P-	P1,024,870
Receivables*	71,971,153	-	-	62,515,672	134,486,825
Loans receivable	874,028,250	-	-	-	874,028,250
	<b>947,024,273</b>	<b>-</b>	<b>-</b>	<b>P62,515,672</b>	<b>P1,009,539,945</b>

\*Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to P2.1 million and P874.0 million, respectively.

December 31, 2025 (Unaudited)					
	High Grade	Standard Grade	Past due but Not Impaired	Impaired	Total
<b>Financial Assets at Amortized Cost</b>					
Cash in banks	P2,943,162	P-	P-	P-	P2,943,162
Receivables*	71,971,153	-	-	62,515,672	134,486,825
Loans receivable from a related party	874,028,250	-	-	-	874,028,250
	<b>P948,942,565</b>	<b>P-</b>	<b>P-</b>	<b>P62,515,672</b>	<b>P1,011,458,237</b>

\*Excluding advances to officers, employees and service providers and loans receivable from a related party amounting to P2.1 million and P874.0 million, respectively.

**Credit Quality of Financial Assets.** The credit quality of the Company's financial assets is being managed by using internal credit ratings such as high grade and standard grade.

High grade - pertains to a counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal.

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Standard grade - include financial assets that are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty.

The Company has assessed the credit quality of financial assets that are neither past due nor impaired as a high grade.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations when they fall due. The Company aims to maintain flexibility by maintaining sufficient cash to meet all foreseeable cash needs.

The Company also maintains a balance between continuity of funding and flexibility. The policy of the Company is to make the first exhaust lines available from affiliated companies before local bank lines are availed of. The Company seeks to manage its liquid funds through cash planning on a weekly basis. The Company uses historical figures and experiences and forecasts from its cash receipts and disbursements. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

As at March 31, 2026 and December 31, 2025, accrued expenses and other current liabilities, dividends payable (excluding statutory payable) and due to related parties are generally due and demandable.

**Market Risk**

*Interest Rate Risk*

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Company's loans receivable is subject to fixed interest rates and are exposed to fair value interest rate risk.

As at March 31, 2026 and December 31, 2025, the Company's loan receivable amounting ₱874.0 million has no repricing arrangement and is not exposed to fair value interest risk.

**Fair Values**

The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and the corresponding fair value hierarchy:

	March 31, 2026 (Unaudited)		December 31, 2025 (Unaudited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Cash	₱1,044,870	₱1,044,870	₱2,963,132	₱2,963,132
Receivables*	71,971,153	71,971,153	71,971,153	71,971,153
Loans receivable from a related party	874,028,250	874,028,250	874,028,250	874,028,250
	<b>₱947,044,273</b>	<b>₱947,044,273</b>	₱948,962,565	₱948,962,565
<b>Financial Liabilities</b>				
Accrued expenses and other current liabilities**	₱191,131,480	₱191,131,480	₱191,564,627	₱191,564,627
Due to a related party	15,824,213	15,824,213	15,824,213	15,824,213
	<b>₱206,955,693</b>	<b>₱206,955,693</b>	₱207,388,840	₱207,388,840

\*Excluding loan receivable from a related party amounting to ₱874.0 million as at March 31, 2026 and December 31, 2025.

\*\*Excluding statutory payables amounting to ₱4.2 million as at March 31, 2026 and December 31, 2025.

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*Current Financial Assets and Liabilities.* The carrying amounts of cash, receivables (excluding advances from officers, employees and service providers), and accrued expenses and other current liabilities (excluding statutory payable) and due to related parties approximate their fairvalues due to the short-term and demand nature and maturities of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (Significant unobservable inputs).

*Loans Receivable.* The fair value of loans receivables is based on the discounted value of future cash flows using the prevailing interest rates. Discount rate used is 7.38% as at March 31, 2026 and December 31, 2025.

There has been no transfer between levels of fair value hierarchy as at March 31, 2026 and December 31, 2025.

**Capital Management**

The primary objective of the Company's capital management is to safeguard the Company's ability to continue its operations as a going concern and to maximize shareholder value.

The Company considers its total equity as its capital as follows:

	<b>March 31, 2026</b> <b>(Unaudited)</b>	December 31, 2025 (Unaudited)
Capital stock	<b>₱940,665,852</b>	₱940,873,266
Additional paid-in capital	<b>187,554,046</b>	187,761,460
Deficit	<b>(641,981,593)</b>	(640,578,616)
Treasury stock	–	(414,828)
	<b>₱486,238,305</b>	<b>₱487,641,282</b>

The Company manages its capital structure and makes adjustments to it, when there are changes in the economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders, or issue new stock. No changes were made in the objectives, policies or processes as at March 31, 2026 and December 31, 2025. The Company is not subject to externally imposed capital requirements.

Deposit for future stock subscription amounted to ₱235.2 million as at March 31, 2026 and December 31, 2025. The Company's intention of settlement is through issuance of fixed number of shares upon meeting the conditions in the subscription agreement and approval of increase in authorized capital stock by the SEC unless the intention was changed as approved by the BOD and stockholders. The Company will classify the deposit of future stock subscription under equity section of the statements of financial position once application for increase to the SEC is made.