CR06281-2026

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
   Jun 30, 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
   Makati City, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   16th Floor BDO Towers Paseo (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City 1227
   Postal Code
   1227
8. Issuer's telephone number, including area code
   (632) 831-4479
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 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 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

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	Jun 30, 2026
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2026	Dec 31, 2025
Current Assets	908,012,086	910,195,152
Total Assets	947,959,210	950,206,668
Current Liabilities	218,053,881	216,326,113
Total Liabilities	466,303,880	464,576,112
Retained Earnings/(Deficit)	-646,564,568	-642,589,342
Stockholders' Equity	481,655,330	485,630,556
Stockholders' Equity - Parent	-	-
Book Value per Share	0.51	0.52

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	377	2,499	767	6,532

Gross Expense	2,572,626	1,099,911	3,975,993	2,330,989
Non-Operating Income	-	-	-	-
Non-Operating Expense	-	-	-	-
Income/(Loss) Before Tax	-2,572,249	-1,097,412	-3,975,226	-2,324,457
Income Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	-2,572,249	-1,097,412	-3,975,226	-2,324,457
Net Income Attributable to Parent Equity Holder	-	-	-	-
Earnings/(Loss) Per Share (Basic)	-0	-0	-0	-0
Earnings/(Loss) Per Share (Diluted)	-0	-0	-0	-0

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.02	-0.03
Earnings/(Loss) Per Share (Diluted)	0.02	-0.03

Other Relevant Information

The reason for the amendment is to correct a typographical error on page 12 of the SEC Form 17-Q.

Filed on behalf by:

Name	Jeanette Elaine Gesmundo
Designation	Legal Assistant

COVER SHEET

2	2	4	0	1					

SEC Registration Number

PRIME MEDIA HOLDINGS, INC. (FORMERLY FIRST E-BANK CORP.)

(Company's Full Name)

16TH FLOOR BDO TOWERS VALERO (FORMERLY CITIBANK TOWER) 8741 PASEO DE ROXAS MAKATI CITY

(Business Address: No. Street City/Town/Province)

Rolando S. Santos

(Contact Person)

(02) 8831-4479

(Company Telephone Number)

12 **31**

Month *Day*

(Calendar Year)

17-Q

(Form Type)

07 **15**

Month *Day*

(Annual Meeting)

N/A

Secondary License Type, If Applicable)

Finance Department

Dept. Requiring this Doc.

June 30, 2026

Period Ending Date

Total Amount of Borrowings

1,813

Total No. of Stockholders

37,834,939

Domestic

N/A

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the quarterly period ended: **June 30, 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:

   16th 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

Title of each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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

Table of Contents

Contents

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 2nd quarter period ended June 30, 2026, with comparative figures for the corresponding periods in 2025 and audited 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.

<u>Results of Operation for the Three Months and Six Months Period Ended June 30, 2026 and June 30, 2025 and Financial Condition as of June 30, 2026 and December 31, 2025</u>

STATEMENT OF COMPREHENSIVE INCOME

<u>Three months ended June 30, 2026 compared with three months ended June 30, 2025</u>

<u>Interest Income</u>
The Corporation's interest income decreased by ₱2,122 or 84.91% compared with the same period last year, due to lower bank balances.

<u>Expenses</u>
The Corporation's expenses increased by ₱1.47 million or 133.89% compared with the same period last year. The increase was mainly driven for by the following factor:

- Taxes and licenses increased by ₱0.13 million or 1,813.02% compared with the same period last year, due to real property tax payments for the Corporation's condominium unit.
- Rentals increased by ₱0.01 million or 77.32% compared with the same period last year, due to storage fees for the safekeeping of corporate documents.
- Professional fees increased by ₱0.05 million or 6.56% compared with the same period last year, primarily due to professional services retained for the Corporation's activities during this period.

<u>Six months ended June 30, 2026 compared with six months ended June 30, 2025</u>

<u>Interest Income</u>
The Corporation's interest income decreased by ₱0.01 million or 88.26% compared with the same period last year, due to lower bank balances.

<u>Expenses</u>
The Corporation's expenses increased by ₱1.65 million or 70.57% compared to the same period last year. This variance was primarily driven by the following:

- Taxes and licenses increased by ₱0.09 million or 137.62% compared with the same period last year, due to real property tax payments for the Corporation's condominium unit.
- Rentals increased by ₱0.03 million or 195.54% compared with the same period last year, due to storage fees for corporate documents.
- Professional fees increased by ₱0.26 million or 19.54% compared with the same period last year, mainly due to professional services retained for the Corporation's activities during this period.

STATEMENT OF FINANCIAL POSITION

Assets

The Corporation’s assets decreased by ₱2.25 million or 0.24%, primarily driven by:

- **Cash** decreased by ₱2.34 million or 78.86%, due to payments of 2025 income tax and VAT payables.
- **Property and equipment** decreased by ₱0.06 million or 24.62%, due to depreciation recognized during the period.

These decreases were partially offset by:

- **Receivables** increased by ₱0.01 million or 0.01%, due to unliquidated cash advances.
- **Other current assets** increased by ₱0.14 million or 14.70%, mainly due to the additional input VAT recognized during the period.

Liabilities

The Corporation’s liabilities increased by ₱1.73 million or 0.37%, primarily due to advances from related parties for additional funding.

Equity

The Corporation’s equity decreased by ₱3.98 million or 0.82%, mainly due to the net loss recognized during the period.

STATEMENT OF CASH FLOWS

Three months ended June 30, 2026 compared with three months ended June 30, 2025

Net cash used in operating activities increased by ₱5,814 or 362.60% compared with the same period last year, mainly due to the payment of 2025 income tax and VAT payables.

Net cash used in investing activities decreased by ₱4,669 or 100.00%, driven by the settlement of advances to related parties.

Net cash provided by financing activities increased by ₱7.00 million, resulting from advances from related parties for additional funding.

Six months ended June 30, 2026 compared with six months ended June 30, 2025

Net cash used in operating activities increased by ₱5.82 million or 165.42% compared with the same period last year, mainly due to the payment of 2025 income tax and VAT payables.

Net cash used in investing activities decreased by ₱10.53 million or 100.00%, driven by the settlement of advances to related parties.

Net cash provided by financing activities increased by ₱7.00 million, resulting from advances from related parties for additional funding.

Item 2 - Financial Statements

The unaudited Financial Statements of Prime Media Holdings, Inc. as of June 30, 2026, and for the three months and six months ended June 30, 2026 with comparative audited 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	
		Jun. 30, 2026 (Unaudited)		2025 (Audited)			Change	% Change	2026	2025
ASSETS										
Current Assets										
Cash	₱	**626,377**	₱	2,963,162	₱		(2,336,785)	(78.86%)	0.07%	0.31%
Receivables		**906,264,603**		906,254,603			10,000	0.00%	95.60%	95.37%
Other current assets		**1,121,106**		977,387			143,719	14.70%	0.12%	0.10%
Total Current Assets	₱	**908,012,086**	₱	910,195,152	₱		(2,183,066)	(0.24%)	95.79%	95.79%
Non-current Assets										
Loans receivable – net of current Portion	₱	**39,750,000**	₱	39,750,000	₱		–	0.00%	4.19%	4.18%
Property and equipment		**197,124**		261,516			(64,392)	(24.62%)	0.02%	0.03%
Total Noncurrent Assets	₱	**39,947,124**	₱	40,011,516	₱		(64,392)	(0.16%)	4.21%	4.21%
	₱	**947,959,210**	₱	950,206,668	₱		(2,247,458)	(0.24%)	100.00%	100.0%
LIABILITIES & EQUITY										
Current Liabilities										
Accrued expenses and other current liabilities	₱	**193,218,942**	₱	195,778,880	₱		(2,559,938)	(1.31%)	20.38%	20.60%
Due to related parties		**24,834,939**		17,834,939			7,000,000	28.19%	2.62%	1.88%
Income tax payable		**–**		2,712,294			(2,712,294)	0.00%	0.00%	0.29%
Total Current Liabilities	₱	**218,053,881**	₱	216,326,113	₱		1,727,768	147.1%	23.00%	22.77%
Non-current Liabilities										
Deposit for future stock subscription	₱	**235,249,999**	₱	235,249,999	₱		-	0.00%	24.82%	24.76%
Loans payable		**13,000,000**		13,000,000			-	0.00%	1.37%	1.37%
Total Noncurrent Liabilities	₱	**248,249,999**	₱	248,249,999	₱		-	0.00%	26.19%	26.13%
Total Liabilities	₱	**466,303,880**	₱	464,576,112	₱		1,727,768	0.37%	49.19%	48.89%
Equity										
Capital stock	₱	**940,665,852**	₱	940,873,266	₱		(207,414)	(0.02%)	99.23%	99.02%
Additional paid-in capital		**187,554,046**		187,761,460			(207,414)	(0.11%)	19.79%	19.76%
Deficit		**(646,564,568)**		(642,589,342)			(3,975,226)	0.62%	(68.21%)	-67.63%
Treasury stock		**–**		(414,828)			414,828	(100.00%)	0.00%	(0.04%)
Total Equity	₱	**481,655,330**	₱	485,630,556	₱		(3,975,226)	(0.82%)	50.81%	51.11%
	₱	**947,959,210**	₱	950,206,668	₱		(2,247,458)	(0.24%)	100.0%	100.0%

	Three Months Ended June 30			
	2026 (Unaudited)	2025 (Unaudited)	Increase (Decrease)	% Change
INTEREST INCOME	377	2,499	(2,122)	(84.91%)
EXPENSES	(2,572,626)	(1,099,911)	1,472,715	133.89%
LOSS BEFORE INCOME TAX	(2,572,249)	(1,097,412)	1,474,837	134.39%
PROVISION FOR INCOME TAX	–	–	–	–
NET LOSS	(2,572,249)	(1,097,412)	1,474,837	134.39%
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE LOSS	(2,572,249)	(1,097,412)	1,474,837	134.39%

	Six Months Ended June 30			
	2026 (Unaudited)	2025 (Unaudited)	Increase (Decrease)	% Change
INTEREST INCOME	767	6,532	(5,765)	(88.26%)
EXPENSES	(3,975,993)	(2,330,989)	1,645,004	70.57%
LOSS BEFORE INCOME TAX	(3,975,226)	(2,324,457)	1,650,769	71.02%
PROVISION FOR INCOME TAX	–	–	–	–
NET LOSS	(3,975,226)	(2,324,457)	1,650,769	71.02%
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE LOSS	(3,975,226)	(2,324,457)	1,650,769	71.02%

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:

	June 30, 2026	December 31, 2025
Net income (loss)	**(₱3,975,226)**	₱22,115,161
Quick assets	**906,890,980**	909,217,765
Current assets	**908,012,086**	910,195,152
Total assets	**947,959,210**	950,206,668
Current liabilities	**218,053,881**	216,326,113
Total liabilities	**466,303,880**	464,576,112
Total equity	**481,655,330**	485,630,556
Preferred stock	**261,998**	469,412
Number of common shares outstanding	**940,403,854**	940,403,854
Number of preferred shares outstanding	**6,549,960**	6,757,374

Liquidity ratios:	June 30, 2026	December 31, 2025
Current ratio (1)	**4.16:1**	4.21:1
Quick ratio (2)	**4.16:1**	4.20:1
Solvency ratios:		
Debt ratio (3)	**0.49:1**	0.49:1
Debt to equity ratio (4)	**0.97:1**	0.96:1
Profitability ratios:		
Income (Loss) per share (5)	**(0.004):1**	0.024:1
Book value per share (6)	**0.51:1**	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 = 4.16:1

b. Quick Ratio

   Quick Assets / Total Current Liabilities = 4.26:1

Solvency Ratio

a. Debt Ratio

   Total liabilities / Total assets = 0.49:1

b. Debt to Equity Ratio

   Total liabilities / Equity = 0.97:1

Profitability Ratio

a. Return on Equity Ratio

   Net Loss / Average Equity = (0.008):1

b. Return on Assets

   Net Loss / Average Total assets = (0.004):1

c. Asset to Equity Ratio:

   Total Assets / Total Equity = 1.97:1

d. Asset Turnover:

   Revenue/Total Assets = 0.0000008

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.

[redacted]

Signature and Title: DENNIS P. MANALO
President/Chairman

Date: August 14, 2026

[redacted]

Signature and Title: ROLANDO S. SANTOS
Treasurer

Date: August 14, 2026

PRIME MEDIA HOLDINGS, INC.

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Note	**June 30, 2026**	December 31, 2025
ASSETS			
Current Assets			
Cash	4	**₱626,377**	₱2,963,162
Receivables	5	**906,264,603**	906,254,603
Other current assets	6	**1,121,106**	977,837
Total Current Assets		**908,012,086**	910,195,152
Noncurrent Assets			
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	**197,124**	261,516
Total Noncurrent Assets		**39,947,124**	40,011,516
		₱947,959,210	₱950,206,668
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	9	**₱193,218,942**	₱195,778,880
Due to related parties	12	**24,834,939**	17,834,939
Income tax payable		**–**	2,712,294
Total Current Liabilities		**218,053,881**	216,326,113
Noncurrent Liabilities			
Deposit for future stock subscription	12	**235,249,999**	235,249,999
Long-term loan payable	12	**13,000,000**	13,000,000
Total Noncurrent Liabilities		**248,249,999**	248,249,999
Total Liabilities		**466,303,880**	464,576,112
Equity			
Capital stock	10	**940,665,852**	940,873,266
Additional paid-in capital	10	**187,554,046**	187,761,460
Deficit		**(646,564,568)**	(642,589,342)
Treasury stock		**–**	(414,828)
Total Equity		**481,655,330**	485,630,556
		₱947,959,210	₱950,206,668

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

		Three Months Ended June 30	
	Note	**2026**	2025
INTEREST INCOME	4	**₱377**	₱2,499
EXPENSES			
Penalties		**1,149,245**	–
Professional fees		**755,901**	709,360
Outside services		**159,059**	182,911
Taxes and licenses		**138,311**	7,230
Depreciation	8	**32,196**	32,196
Membership and association dues		**30,866**	21,087
Directors' fees		**20,000**	80,000
Rentals		**22,745**	12,827
Transportation and travel		**4,214**	1,562
Insurance		**945**	946
Others		**259,144**	51,792
		2,572,626	1,099,911
LOSS BEFORE INCOME TAX		**(2,572,249)**	(1,097,412)
PROVISION FOR CURRENT INCOME TAX	11	**–**	–
NET LOSS		**(2,572,249)**	(1,097,412)
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE LOSS		**(₱2,572,249)**	(₱1,097,412)
Basic/Diluted Loss Per Share	14	**(₱0.003)**	(₱0.002)

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

		Six Months Ended June 30	
	Note	**2026**	2025
INTEREST INCOME	4	**₱767**	₱6,532
EXPENSES			
Professional fees		**1,587,769**	1,328,206
Penalties		**1,151,245**	659
Outside services		**560,838**	550,417
Taxes and licenses		**147,708**	62,161
Directors’ fees		**90,000**	80,000
Depreciation	8	**64,392**	64,392
Membership and association dues		**52,733**	39,258
Rentals		**37,909**	12,827
Transportation and travel		**5,408**	1,664
Insurance		**1,891**	3,134
Others		**276,100**	188,271
		3,975,993	2,330,989
LOSS BEFORE INCOME TAX		**(3,975,226)**	(2,324,457)
PROVISION FOR CURRENT INCOME TAX	11	**–**	–
NET LOSS		**(3,975,226)**	(2,324,457)
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE LOSS		**(₱3,975,226)**	(₱2,324,457)
Basic/Diluted Loss Per Share	14	**(₱0.004)**	(₱0.003)

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Note	**June 30, 2026**	December 31, 2025
CAPITAL STOCK	10		
Preferred stock			
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			
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
ADDITIONAL PAID-IN CAPITAL	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
DEFICIT			
Balance at beginning of period		**(642,589,342)**	(918,204,503)
Net income (loss)		**(3,975,226)**	22,115,161
Equity restructuring		**–**	253,500,000
Balance at end of period		**(646,564,568)**	(642,589,342)
TREASURY STOCK			
Balance at beginning of period		**(414,828)**	(414,828)
Cancellation of treasury stock		**414,828**	–
Balance at end of period		**–**	(414,828)
		₱481,655,330	₱487,641,282

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Note	**June 30, 2026**	June 30, 2025
CAPITAL STOCK	10		
Preferred stock			
Balance at beginning of period		**₱469,412**	₱14,366,250
Issuances		**–**	–
Conversions		**(207,414)**	–
Balance at end of period		**261,998**	P14,366,250
Common stock			
Issued and outstanding			
Balance at beginning of period		**940,403,854**	940,298,616
Issuances		**–**	–
Conversions		**–**	–
Balance at end of period		**940,403,854**	940,298,616
Subscribed			
Balance at beginning of period		**–**	–
Issuances		**–**	–
Balance at end of period		**–**	–
Issued and subscribed common stock		**940,403,854**	940,298,616
		940,665,852	954,664,876
ADDITIONAL PAID-IN CAPITAL	10		
Balance at beginning of period		**187,761,460**	408,373,750
Premiums from issuances of common shares		**–**	–
Decrease in par value		**–**	–
Stock issuance cost		**–**	–
Equity restructuring		**(207,414)**	–
Balance at end of period		**187,554,046**	408,373,750
DEFICIT			
Balance at beginning of period		**(642,589,342)**	(918,204,503)
Net income (loss)		**(3,975,226)**	(2,324,457)
Equity restructuring		**–**	–
Balance at end of period		**(646,564,568)**	(920,528,960)
TREASURY STOCK			
Balance at beginning of period		**(414,828)**	–
Cancellation of treasury stock		**414,828**	–
Balance at end of period		**–**	–
		₱481,655,330	₱442,509,666

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.

UNAUDITED STATEMENTS OF CASH FLOWS

		Three Months Ended June 30	
	Note	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱2,572,249)**	(₱1,097,412)
Adjustments for:			
Depreciation	8	**32,196**	32,196
Interest income	4	**(377)**	(2,499)
Operating loss before working capital changes		**(2,540,430)**	(1,067,715)
Decrease (increase) in:			
Receivables		**5,000**	17,001
Other current assets		**(65,178)**	(38,925)
Decrease in accrued expenses and other current liabilities		**(2,105,968)**	(516,508)
Net cash used for operations		**(4,706,576)**	(1,606,147)
Income tax paid		**(2,712,294)**	–
Interest received		**377**	2,499
Net cash used in operating activities		**(7,418,493)**	(1,603,648)
CASH FLOW FROM AN INVESTING ACTIVITY			
Payment of due from related parties	12	**–**	(4,669)
CASH FLOW FROM A FINANCING ACTIVITY			
Proceeds from due to related parties	12	**7,000,000**	–
NET DECREASE IN CASH		**(418,493)**	(1,608,317)
CASH AT BEGINNING OF PERIOD		**1,044,870**	12,691,972
CASH AT END OF PERIOD	4	**₱626,377**	₱11,083,655

See accompanying Notes to Financial Statements.

PRIME MEDIA HOLDINGS, INC.

UNAUDITED STATEMENTS OF CASH FLOWS

		Six Months Ended June 30	
	Note	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱3,975,226)**	(₱2,324,457)
Adjustments for:			
Depreciation	8	**64,392**	64,392
Interest income	4	**(767)**	(6,532)
Operating loss before working capital changes		**(3,911,601)**	(2,266,597)
Increase in:			
Receivables		**(10,000)**	(8,000)
Other current assets		**(143,719)**	(104,498)
Decrease in accrued expenses and other current liabilities		**(2,559,938)**	(1,145,238)
Net cash used for operations		**(6,625,258)**	(3,524,333)
Income tax paid		**(2,712,294)**	–
Interest received		**767**	6,532
Net cash used in operating activities		**(9,336,785)**	(3,517,801)
CASH FLOW FROM AN INVESTING ACTIVITY			
Payment of due from related parties	12	**–**	(10,536,824)
CASH FLOW FROM A FINANCING ACTIVITY			
Proceeds from due to related parties	12	**7,000,000**	–
NET DECREASE IN CASH		**(2,336,785)**	(14,054,625)
CASH AT BEGINNING OF PERIOD		**2,963,162**	25,138,280
CASH AT END OF PERIOD	4	**₱626,377**	₱11,083,655

See accompanying Notes to Financial Statements.

UNAUDITED NOTES TO FINANCIAL STATEMENTS
AS AT JUNE 30, 2026 AND DECEMBER 31, 2025 AND
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND JUNE 30, 2025

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.

In October 2003, the SEC approved the amendment of the Company's Articles of Incorporation, changing its primary purpose from operating a development bank to being a holding company which can purchase, subscribe, acquire, among others, real and personal property of every kind and description. 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 June 30, 2026 and December 31, 2025, there are 903,713,458 and 888,713,458 common shares, respectively, 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 was a subsidiary of RYM Business Management Corp. (RYM or the Parent Company), a holding company registered and domiciled in the Philippines. In 2024, the Company accepted private placements which resulted to change in ownership interest of RYM from 53.34% in 2023 to 49.03% in 2024 and 38.66% in 2025.

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

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 GPHI Stockholders to 1,645,000,000 PRIM Common Shares to be issued from the proposed increase in authorized capital stock in consideration of the assignment of 100% of the outstanding capital stock of GPHI pursuant to the updated appraisal report; and

(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.

On July 31, 2025, the stockholders approved the authority to the BOD to execute the Deed of Exchange with GPHI shareholders and reconfirmed the issuance of 980,000,000 common shares for and in consideration of 100% of the issued and outstanding capital stock of GPHI.

The execution of the Deed of Exchange is subject to fulfillment of the conditions in the amended MOA which includes among others, the elimination of foreign shareholders and increase in authorized capital stock.

As at June 16, 2026, the increase in authorized capital stock of the Company is yet to be applied with the SEC.

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 material 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.

The financial statements have been prepared on a historical cost basis. 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. There were no amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2025 that materially affect the financial statements of the Company.

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 June 30, 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* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.

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

- PFRS 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, additional disclosures on management-defined performance measures, and new principles for grouping of information. Full retrospective application is required. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. For the adoption of PFRS 18, while it is not expected to have a material impact on the Company's financial position or financial performance, it will result in changes in the presentation, classification, and aggregation of items in the statements of comprehensive income and related disclosures as required by the standard.

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 June 30, 2026 and December 31, 2025, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

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.

As at June 30, 2026 and December 31, 2025, the Company's cash and receivables (excluding advances to employees) are classified under this category.

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 June 30, 2026 and December 31, 2025, the Company's accrued expenses and other liabilities (excluding statutory payables), amounts due to related parties and loan payable 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.

As at June 30, 2026 and December 31, 2025, there are no reclassifications of financial assets.

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.

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 prepayments, creditable withholding taxes (CWT) and input value-added tax (VAT).

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

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).

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. When the Company provides additional funding to the joint venture in the form of advances or loans that qualify as long-term interests, such funding increases the Company’s net investment. Accordingly, previously recognized additional losses may be absorbed by the additional funding, resulting in a reduction of the liability. Accordingly, such adjustments are recognized directly within the carrying amount of the net investment and the related liability, without affecting profit or loss.

The Company resumes recognizing its share in the joint venture’s profits only after its share of profits equals the share of losses not recognized in prior periods.

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.

At each reporting date, the Company assesses whether there is any objective evidence that the investment in a joint venture may be impaired. Indicators of impairment include, but are not limited to, significant financial difficulty of the joint venture, adverse changes in the economic or regulatory environment, or evidence of a sustained decline in the joint venture's performance.

If such indicators exist, the Company estimates the recoverable amount of the investment, determined as the higher of its value in use and fair value less costs of disposal. When the carrying amount of the investment exceeds its recoverable amount, an impairment loss is recognized in profit or loss. Impairment losses recognized on investments in joint ventures are not reversed in subsequent periods.

Impairment of Property and Equipment

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 theamount 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 arediscounted to present value using a pretax discount rate that reflects current market assessments ofthe 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 Subscriptions

Deposit for future stock subscriptions 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 for application to and approval by the SEC. This is measured at the amount 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.

The Company shall classify deposits for future stock subscriptions for the increase in authorized capital stock 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. For subscriptions that are subject to conditions before issuance of shares, the proceeds received are presented under "Deposits for future stock subscriptions" account in the statements of financial position.

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 from the issuances and subscriptions 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. Where the Company purchases its own shares (treasury shares), the consideration paid including any directly attributable incremental costs is deducted from equity attributable to the Company's equity until the shares are cancelled, reissued or retired. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's stockholders.

Under Section 8 of the Revised Corporation Code, redeemable shares may be purchased by the corporation from the holders thereof, regardless of the existence of unrestricted retained earnings. However, Section 5 (5) of the 1982 Rule states that while redeemable shares may be redeemed despite the absence of unrestricted retained earnings, the corporation must still have, after such redemption, sufficient assets in the books to cover its debts and liabilities inclusive of capital stock.

Cumulative Fair Value Changes on Investment in a Club Share. This account comprises of unrealized fair value changes of the investment that is not recognized in profit or loss for the year in accordance with PFRS Accounting Standards.

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.

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 Earnings (Loss) per Share

The Company computes its basic earnings (loss) per share by dividing net income (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 earnings (loss) per share amounts are computed in the same manner, adjusted for the diluted effect ofany potential common shares. In 2024 and 2023, because the Company is in a loss position, presentation of diluted earnings per share is not applicable.

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.

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. Details of transactions entered into by the Company with related parties are reviewed and approved by the BOD or shareholders in accordance with the Company's related party transactions policy.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are reviewed ate the end of each reporting period and adjusted to reflect the current best estimate.

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 benefitsis 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

Events after the reporting date that provide additional information about the Company's financial position as the end of reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to financial statements when material.

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.

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.

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.

The Company determined that advances made and loans made to MSPC aggregating to ₱18.5 million and ₱15.2 million in 2025 and 2024, respectively, forms part of its long-term interest as at June 30, 2026 and December 31, 2025. Consequently, the Company recognized a liability for additional share in net loss to the joint venture amounting to ₱7.4 million in 2024 after its share in net loss exceeded its interest in MSPC, as the JVA explicitly included a provision that the joint venture should determine from time to time, required additional financing from the joint venturers. In 2025, with the additional advances made and loans granted to MSPC, the previously recognized additional losses in 2024 were absorbed, resulting to a reduction of liability by ₱3.5 million (see Note 7).

Determining the Fair Value of Financial Instruments. PFRS Accounting Standards require the disclosure fair value of certain financial assets and liabilities, 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.

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

Assessing Provision and Contingent Liability. The Company exercised significant judgment in determining the appropriate accounting treatment for the BSP claim as disclosed in Note 13. This assessment requires management to evaluate whether the claim results to a present or possible obligation, the probability of an outflow of economic resources, and whether a reliable estimate of the obligation can be made in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets.*

After being directed by the BOD on its meeting on December 15, 2025, the Management and legal counsels conducted a review of the circumstances, including the sequence of events leading to the claim, evaluate veracity of the claim and available defenses. Based on available information and documents, the Management and legal counsels have assessed that BSP's demand should not be treated as presently enforceable liability (see Note 13)

<u>Estimates and Assumptions</u>

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.

Determining Fair Value of Financial Instruments at Date of Initial Recognition. The Company initially measures its financial instruments at fair value including transaction costs that are directly attributable to the acquisition or issuance of the financial instruments. As at date of recognition of loans receivable and loans payable in 2025 and 2024, the Company assessed that the fair value approximates its transaction amount (see Note 12).

Assessing the ECL on Financial Assets at Amortized Cost. The Company applies the simplified approach in measuring ECL for loans receivable and general approach for other financial assets measured at amortized cost.

Cash in banks are maintained with reputable financial institutions with high credit standing; accordingly, the associated credit risk is assessed as low.

For loans and interest receivables from related parties, management in assessing ECL considers:

- The financial condition and operating performance of the related parties, including their stage of business development;
- The nature of the underlying investments and assets of the related parties;
- The absence of default events or indicators of credit impairment, such as cessation of operations or inability to meet obligations;
- The strategic relationship and common key management, which influence the timing and manner of settlement; and

- Forward-looking information, particularly the highly probable completion of the planned business combination involving the related party, which is expected to result in the settlement or conversion of the outstanding exposures.

While certain related parties exhibit recurring losses, negative equity, and working capital deficits, management assessed that these conditions are primarily attributable to an ongoing investment and expansion phase rather than a deterioration in credit quality. This assessment is supported by significant revenue growth, as well as continued access to funding.

Accordingly, the Company determined that credit risk has not significantly increased since initial recognition, and these financial assets remain in Stage 1. The resulting ECL reflects only residual risks associated with execution and is therefore assessed as minimal.

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, including significant financial difficulty of the debtor, default, or cessation of operations. As of the reporting date, no such indicators were identified for the Company's loans to related parties.

Accordingly, no impairment loss was recognized in 2025 and 2024.

The aggregate carrying amount of cash, receivables (excluding advances to employees) and loans receivable as at June 30, 2026 and December 31, 2025 are disclosed in Notes 4, 5 and 12.

Assessing the Impairment of Property and Equipment. The Company assesses impairment on property and equipment 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.

There were no impairment indicators on property and equipment. As such, no impairment losses were recognized in 2025, 2024 and 2023. The carrying amounts of the Company's property and equipment is disclosed in Note 8.

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.

Liabilities arising from the MOA as at June 30, 2026 and December 31, 2025 are disclosed in Note 10.

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.

The Company recognized deferred tax assets to the extent of the deferred tax liability on loan transaction cost that is expected to reverse upon amortization. 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.

4. Cash

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	**₱20,000**	₱20,000
Cash in banks	**606,377**	2,943,162
	₱626,377	₱2,963,162

Cash in banks earn interest at prevailing bank deposit rates.

Interest income arises from:

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Loans receivable	12	**₱–**	₱53,824,890
Amortization of loan transaction cost	12	**–**	(2,983,446)
Cash in banks		**767**	10,090
		₱767	₱50,851,534

5. Receivables

This account consists of:

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Loans receivable from a related party	12	**₱874,028,250**	₱874,028,250
Interest receivable	12	**71,971,153**	71,971,153
		945,999,403	945,999,403
Advances to employees		**2,141,535**	2,131,535
Less allowance for impairment losses		**2,126,335**	2,126,335
		15,200	5,200
Loans receivable from previous banking operations		**62,277,740**	62,277,740
Rent receivables		**237,932**	237,932
		62,515,672	62,515,672
Less allowance for impairment losses		**62,515,672**	62,515,672

	–	–
Net receivables	**₱946,014,603**	₱946,004,603
Less: current portion of receivables	**906,264,603**	906,254,603
Noncurrent portion of loans receivable	**₱39,750,000**	₱39,750,000

Loans receivable from a related party pertain to loans granted to PCMC that has various terms and maturity dates (see Note 12).

Loans receivable from previous bank operations are receivables from third parties, which are fully provided with allowance for impairment loss.

Advances to employees represent unliquidated, noninterest-bearing advances.

6. Other Current Assets

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Prepayments	**965,012**	977,387
Input VAT	**156,094**	–
	₱1,121,106	₱977,387

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. MSPC was incorporated with the primary purpose of developing, producing, and financing content, programs, and shows for distribution by other broadcast networks, channels, or platforms, locally and internationally.

Details of this account follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost of investment	**₱20,400,000**	₱20,400,000
Accumulated share in net loss	**(58,145,828)**	(58,145,828)
Long-term interest to the joint venture:		
Advances	**25,790,889**	25,790,889
Loans	**8,000,000**	8,000,000
Liability to joint venture for additional share in net loss	**(3,954,939)**	(3,954,939)
Investment in and advances to the joint venture	**–**	–

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

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost of Investment			
Balance at beginning and end of period		**₱20,400,000**	₱20,400,000
Accumulated share in net loss			
Balance at beginning of period		**58,145,828**	43,091,139
Share in net loss		**–**	15,054,689
Balance at end of period		**58,145,828**	58,145,828
Advances and loan	12		
Balance at beginning of period		**33,790,889**	15,247,500
Advances made during the period		**–**	10,543,389
Loan granted		**–**	8,000,000
Balance at end of period		**33,790,889**	33,790,889
Liability to the joint venture for additional share in net loss absorbed	12		
Balance at beginning of period		**(3,954,939)**	(7,443,639)
Additional share in net loss		**–**	–
Liability absorbed by additional advances and loan		**–**	3,488,700
Balance at end of period		**(3,954,939)**	(3,954,939)
Investment in and advances to the joint venture		**₱–**	₱–

Share in net loss in 2024 amounted to ₱25.9 million which is more than the Company's total investment in and advances to MSPC. The JVA has a provision that the joint venture should determine from time to time, required additional financing. The venturers, if so required, will provide additional financing. There are already discussions by management and the BOD of the joint venture of the intention to have a capital call to address the financing requirements. Consequently, the Company recognized a liability for its additional share in the net loss of the joint venture amounting to ₱7.4 million in 2024 (see Note 12).

In 2025, the Company provided additional funding through advances and loans aggregating ₱18.5 million. The loan granted to the joint venture of ₱8.0 million in October 2025 is unsecured and bears interest of 6% per annum until fully paid. Consequently, the liability for the additional share in net loss amounting to ₱3.5 million was absorbed by the Company's additional advances and loans reducing the liability to ₱4.0 million as at June 30, 2026.

Interest income on loan to the joint venture in 2025 amounted to ₱0.1 million (see Note 12). While the loan to the joint venture forms part of the Company's long-term interest in the joint venture, the interest receivable as at June 30, 2026 is presented as part of receivables in the statements of financial position.

8. Property and Equipment

Movements in this account are as follows:

	June 30, 2026 (Unaudited)		
	Computer Equipment	**Transportation Equipment**	**Total**
Cost			
Balance at beginning and end of perio	**₱729,720**	**₱54,375**	**₱784,095**
Accumulated Depreciation			
Balance at beginning of period	**468,204**	**54,375**	**522,579**
Depreciation	**64,392**	**–**	**64,392**
Balance at end of period	**532,596**	**54,375**	**586,971**
Carrying Amount	**₱197,124**	**₱–**	**₱197,124**

	December 31, 2025 (Audited)		
	Computer Equipment	Transportation Equipment	Total
Cost			
Balance at beginning and end of peric	₱729,720	₱54,375	₱784,095
Accumulated Depreciation			
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
Carrying Amount	₱261,516	₱–	₱261,516

9. Accrued Expenses and Other Liabilities

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Liabilities arising from the MOA	**₱180,417,863**	₱178,322,708
Dividends payable	**10,985,443**	10,985,443
Accrued expenses	**1,795,780**	2,256,476
Statutory payables	**19,856**	4,214,253
	₱193,218,942	₱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 to the extent of assets covered by the MOA (see Note 13). The Company also paid legal fees of ₱2.8 million and ₱3.0 million in 2025 and 2024, 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 of professional fees and association dues, among others. These are normally settled in the next financial year. Further, accrued expenses include interest on loans payable to a stockholder amounting to ₱0.2 million as at June 30, 2026 (see Note 12).

Statutory payable is normally settled within the following month.

10. Equity

Capital Stock

Details and movements of capital stock are as follows:

	June 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized:				
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
	4,999,659,336	**₱4,039,659,336**	5,000,000,000	₱4,040,000,000
Issued:				
Preferred stock Series A				
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
Preferred stock Series C				
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

Common stock				
Issued and outstanding				
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
Subscribed:				
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
Total capital stock	**946,953,814**	**₱940,665,852**	947,161,228	₱940,873,266

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.

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 thepreferred stock may opt to convert the preferred stock to common stock.

The preferred stock Series C is nonvoting and redeemable at the option of the Company.

As at June 30, 2026 and December 31, 2025, there is no accrued and unpaid preferential dividend.

Subscriptions

In 2024, the Company issued 75,000,000 common shares at ₱2.95 a share equivalent to ₱221.3 million, paid for in cash, resulting to additional paid-in capital amounting to ₱146.3 million.

Further, in 2024, 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, the Company received payment for the said subscription amounting to ₱25.0 million and the corresponding subscribed capital of ₱15.0 million at par value and the related premiums amounting to P10.0 million was recognized.

Total stock issuance cost in 2024 deducted from APIC amounted to ₱1.4 million.

On August 19, 2025, Cymac fully paid the remaining premiums on its subscription which is presented as additional paid-in capital amounting to ₱19.3 million, gross of stock issuance cost of ₱0.2 million. Consequently, the shares were duly issued on August 22, 2025.

In 2023, the Company, issued additional 150,000,000 common shares at ₱2.70 a share equivalent to

₱405.0 million and paid for in cash, resulting to additional paid-in capital amounting to ₱255.0 million, gross of stock issuance cost of ₱1.5 million.

Amendments to the Articles of Incorporation (AOI)

On August 15, 2022 and 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 ₱7.0 billion, divided into 7,000,000,000 common shares at ₱1.00 par value a share.

Following these earlier approvals, and taking into account the passage of time, the Company's updated objectives, and applicable laws and 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 nonvoting 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 ₱6.0 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.

In 2024 and 2025, the Company applied to the SEC for the following amendments in its AOI in consideration to the Company's capital structure which were approved by the SEC in 2025:

<u>Decrease in Par Value of Preferred Shares Series A</u>
On January 8, 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 shares at ₱1.0 par value a share, to ₱40.0 million, divided into 1,000.0 million shares at ₱0.04 par value a share. The decrease in par value resulted to additional paid-in capital amounting to ₱13.8 million.

<u>Partial Conversion of Series A Preferred Shares</u>
On July 3, 2025, the SEC approved the Company's amendment of the AOI for the partial conversion of Series A non-voting and convertible preferred shares to common shares.

On September 10, 2025, the Company issued a total of 312,652 common shares arising from the partial conversion of 7,816,300 Series A non-voting and convertible preferred shares at a conversion rate of 25 Series A non-voting and convertible preferred shares with a par value of ₱0.04 per share to one (1) common share with a par value of ₱1.00 per share or aggregate value of ₱312,652.

<u>Reclassification and Declassification of Series B Preferred Shares</u>
On July 3, 2025, the SEC approved the Company's amendment of the AOI for the reclassification and declassification of Series B preferred shares into common shares.

<u>Creation of Series C Preferred Shares and Reclassification of all Foreign-Owned Common Shares</u>
On July 3, 2025, the SEC approved the Company's amendment of the AOI for the creation of Series C non-voting and redeemable preferred shares and reclassification of all foreign-owned common shares to Series C non-voting and redeemable preferred shares. On July 28, 2025 and July 31, 2025, the BOD

and stockholders, respectively, approved the mandatory redemption and retirement of Series C nonvoting and redeemable preferred shares.

On October 17, 2025, the Company issued 207,414 Series C non-voting and redeemable preferred shares to replace the common shares held by foreign shareholders. Series C non-voting and redeemable preferred shares were immediately redeemed upon issuance at ₱2.00 per share. The redeemed shares of 207,414 were recognized as treasury shares with a cost of ₱414,828. The shares will be retired upon approval of the SEC of the decrease in authorized capital stock.

Such decrease in authorized capital stock was approved by the BOD and stockholders, respectively, on July 28, 2025 and July 31, 2025.

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.

Decrease in Authorized Capital Stock and Retirement of Preferred Shares Series C

In October 2025, the Company submitted its application to the SEC for the decrease in its authorized capital stock from ₱4,040,000,000, divided into 3,999,659,336 common shares with a par value of ₱1.0 per share, 1,000,000,000 preferred shares series A with par value of ₱0.04 per share and 340,664 preferred shares series C with par value of ₱1.0 per share, to ₱4,039,659,336, divided into 3,999,659,336 common shares with a par value of ₱1.0 per share, 1,000,000,000 preferred shares series A with par value of ₱0.04 per share resulting from the mandatory redemption and retirement of 340,664 Series C non-voting and redeemable preferred shares with a par value of ₱1.00 at a redemption price of ₱2.00 per share payable in cash.

On March 25, 2026, the application for the decrease in authorized capital stock has been approved by the SEC. This will result in the retirement of the treasury shares.

Other amendments in the AOI Pending Application to SEC

On July 28, 2025 and July 31, 2025, the BOD and stockholders, respectively, approved the increase in the Company's authorized capital stock to ₱6.0 billion; decrease in the authorized capital stock resulting from the retirement of Series A; and amendment to delete all other provisions/ paragraphs in the Seventh Article relating to Preferred Shares to have one (1) class of common shares.

As at December 31, 2025, the Company has not yet applied these amendments with the SEC.

11. Income Tax

The Company's provision for current income tax in 2025 represents RCIT.

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. 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 income tax rate used in preparing the financial statements is 25% RCIT and 2% for MCIT in 2025.

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

	2025
Income tax computed at statutory tax rate	₱6,944,494
Changes in unrecognized deferred tax assets	(5,276,074)
Tax effects of:	
Share in net loss of a joint venture	3,763,672
Nondeductible expenses	271,721
Stock issuance cost	(38,475)
Interest income already subjected to final tax	(2,523)
	₱5,662,815

Details of the Company's recognized net deferred tax liability are as follows:

	2025
Deferred tax assets – Allowance for impairment losses on receivables	₱69,563
Deferred tax liability – Loan issuance cost	(69,563)
	₱–

The Company's unrecognized deferred tax asset – allowance for impairment losses on receivables amounted to ₱16,090,939 as at June 30, 2026.

As at June 30, 2026 and December 31, 2025 , the Company recognized deferred tax assets to the extent of the deferred tax liability on loan transaction cost expected to reverse throughout the term of the loan. Management believes that it is not probable that sufficient taxable profit will be available against which the remaining unrecognized deferred tax assets as at December 31, 2025 and 2024 can be utilized.

As at June 30, 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
	₱P22,953,090	₱–	(₱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 June 30, 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)	₱–	

12. Related Party Transactions

Outstanding balances and transactions with related parties are as follows:

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2026	2025	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Loans receivable					
Entity under common key management	Loan	**₱–**	₱42,064,679	**₱874,028,250**	₱874,028,250
Interest receivable*					
Entity under common key management	Accrued interest	**₱–**	₱60,163,101	**₱71,850,377**	₱71,850,377
Joint venture	Accrued interest	**–**	120,776	**120,776**	120,776
				₱71,971,153	₱71,971,153
Advances to joint vent					
Joint venture	Advances	**₱–**	₱10,543,389	**₱25,790,889**	₱25,790,889
Loan to the joint ventu					
Joint venture	Loan	**₱–**	₱8,000,000	**₱8,000,000**	₱8,000,000
Due to related parties					
Joint venture	Additional share in net loss	**₱–**	(₱3,488,700)	**₱3,954,939**	₱3,954,939
Entity under common key management	Advances	**7,000,000**	–	**7,000,000**	–
Parent Company	Management fee	**–**	–	**13,880,000**	13,880,000
				₱24,834,939	₱17,834,939
Long-term loan					
Stockholder	Loan	**₱–**	₱13,000,000	**₱13,000,000**	₱13,000,000
Interest payable					
Stockholder	Accrued interest	**₱–**	₱175,233	**₱175,233**	₱175,233
Deposit for future stoc					
Stockholders	Deposit for future stock subscription	**₱–**	₱20,500,000	**₱235,249,999**	₱235,249,999

**Including output VAT amounting to nil and ₱6.5 million as at June 30, 2026 and December 31, 2025, respectively.*

The Company has no other material and/or significant transactions with its related parties as at June 30, 2026 and in 2025.

Terms and Conditions of Transactions with Related Parties

Loans Receivable from Philippine Collective Media (PCMC)

Movements in this account are as follows:

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Balance at beginning of 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 costs pertain to documentary stamp tax paid by the Company. Movements in the loan issuance cost follows:

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Balance at beginning of period		**₱278,250**	₱2,963,571
Additions		**–**	298,125
Amortization	4	**–**	(2,983,446)
Balance at end of period		**₱278,250**	₱278,250

The loan transaction cost of ₱0.3 million in 2025 is presented as part of the loans granted and will be amortized over the term of the loan.

Loan 1. In August 2023, the Company granted an unsecured loan to PCMC, a related party under common key management, amounting to ₱373.0 million to acquire key assets necessary to expand business operations nationwide. The loan has no interest on the first year and is subject to 7.5% 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 2024, the Company collected ₱5.0 million, applied to the principal amount.

In December 2024, the Company amended the loan agreement with PCMC to shorten the term from five year to 30 months or until February 2026 with due consideration of the planned share-for-share swap transaction between PMHI with GPHI shareholders as discussed in Note 1.

As at June 16, 2026, pending execution of the share-for-share swap with GPHI shareholders, the loan that matured in February 2026 was extended to December 31, 2026.

Loan 2. 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% commencing on April 1, 2025. The loan and interest is to be paid until December 2025. Loan issuance cost amounted to ₱3.5 million.

On December 15, 2025, the BOD approved the extension of the loan agreement with PCMC until December 31, 2026 under the same terms and conditions.

Loan 3. In August 2025, the Company granted another unsecured loan to PCMC amounting to ₱39.8 million for its business operations. The loan has no interest on the first year and is subject to 7.5% interest on the succeeding years. The loan is payable over a period of five years.

Loan 4. In October 2025, the Company granted another unsecured loan to PCMC amounting to ₱5.0 million with no fixed repayment terms. The loans bear interest of 6% per annum until fully paid. Interest income recognized in 2025 amounted to ₱53.7 million (gross of loan issuance cost amortization of ₱3.0 million).

Planned Acquisition of PCMC through GPHI

As discussed in Note 1, the Company has a MOA with GPHI Stockholders whereby GPHI Stockholders will subscribe PRIM Common Shares from the proposed increase in authorized capital stock in consideration of the assignment of 100% of the outstanding capital stock of GPHI to the Company. The MOA takes into account the acquisition of PCMC by GPHI which is also 100% owned by the previous PCMC Shareholders.

The Company's plan for a share for share swap with the stockholders of GPHI is subject to completion of conditions precedent which includes, among others, the changes in the Company's capital structure including the elimination of foreign ownership and approval by the SEC of the share for share swap transaction. As discussed in Note 10, the following applications were approved by the SEC in 2025:

- Reduction of par value of Series A Non-Voting and Convertible Preferred Shares;
- Partial Conversion of outstanding Series "A" Non-Voting and Convertible Preferred Shares to Common Shares;
- Reclassification and Declassification of Series "B" Preferred Shares to Common Shares;
- Creation of Series "C" Non-Voting and Redeemable Preferred Shares and Reclassification of all Foreign-Owned Common Shares into Series "C" Non-Voting and Redeemable Preferred Shares.

Furthermore, as discussed in Note 10, on October 17, 2025, the Series C non-voting and redeemable preferred shares issued were immediately redeemed at ₱2.00 per share, with a total redemption value of ₱414,828, recorded as treasury shares.

As at June 30, 2026, the increase in authorized capital stock is yet to be applied with the SEC as the company has to have this matter re-approve by the shareholders and the Board considering the 6-month period requirement of the Securities and Exchange Commission. Upon the approval of the increase in authorized capital stock, the Company shall proceed with the filing of necessary regulatory requirements for the share-for-share swap with GPHI in accordance with the MOA.
Upon execution of the share-for-share swap, PMHI through PCMC will eventually hold a national franchise, and therefore, the Company can engage in an active business of mass media and further leverage on PCMC's franchise and network for use by existing content providers in need of broadcasting rights.

The Company has no provision for impairment loss relating to the loans receivables from PCMC and advances to and loan to a joint venture as at December 31, 2025 and 2024. This assessment is undertaken at each reporting date by taking into consideration the financial position and operating performance of the related parties, the market at which the related parties operate, the absence of default events or indicators of credit impairment, among others, as discussed in Note 3.

Loan Payable

In October 2025, the Company entered into a loan agreement with Valiant, a stockholder, for ₱13.0 million. The loan is payable over a period of five years with 6% interest rate per annum until fully paid.

Interest expense recognized in 2025 amounted to ₱0.2 million (see Note 9).

Due to Related Parties

Outstanding balance of amounts due to related parties are unsecured, and collectible or payable in cash upon demand.

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 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 ₱6.0 billion.

As the conditions provided in the subscription agreement have not been met, the amounts collected for this subscription amounting to ₱235.2 million as at June 30, 2026 and December 31, 2025 is presented as deposits for future stock subscriptions and is presented under noncurrent liability section in the statements of financial position.

Transaction cost paid in advance amounting to ₱0.9 million as at June 30, 2026 and December 31, 2025 is presented as part of "Prepayments" line item under "Other current assets" account in the statements of financial position.

Movements in deposits for future stock subscriptions follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**₱235,249,999**	₱214,749,999
Proceeds	**–**	20,500,000
Balance at end of period	**₱235,249,999**	₱235,249,999

Compensation of Key Management Personnel

There is no compensation of key management personnel as at June 30, 2026 and in 2025. The Company's accounting and administrative functions are provided by a related party at no cost to the Company.

13. Commitments and Contingencies

MOA from Previous Banking Operations

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 andPDIC, 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.

The Company has accounted for separately, assets from its development bank operations pursuantto 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 June 30, 2026 and December 31, 2025 arising from the proceeds of the sale and compromise settlement of certain properties (see Note 9).

Bangko Sentral ng Pilipinas (BSP) Claim

On October 10, 2025, the BSP issued a formal demand letter to the Company to pay ₱669.4 million (BSP claim) arising from a Memorandum of Agreement (MOA) dated January 14, 1997 entered into by BSP and PDCP Development Bank (PDCP or the Company's former name) with conformity of First Producers Holding Corporation (First Producers).

The MOA includes an assignment of the 30-year deferred repayment program (Repayment Program) of the ₱1,366.7 million for overdrafts and reserve deficiency penalties of First Producers. The Repayment Program required First Producers to establish a BSP-administered Special Escrow Fund (Fund) to invest and reinvest to qualified government securities until the Fund reaches ₱1,366.7 million that will be applied against the original amount. Any excess on the Fund at any time would be remitted to PDCP, while any shortfall at the end of the 30-year term would be shouldered by PDCP. The Repayment Program period ended on January 6, 2025.

The matter is subject to the review of the BSP Monetary Board at the request of the Company and is currently under evaluation as at June 16, 2026.

After being directed by the BOD on its meeting on December 15, 2025, the Management and legal counsels conducted a review of the circumstances, including the sequence of events leading to the claim, evaluate veracity of the claim and available defenses. Based on available information and documents, the Management and legal counsels have assessed that the BSP's demand should not be treated as a presently enforceable liability.

14. Basic/Diluted Earnings (Loss) Per Share

The basic and diluted earnings (loss) per share is computed as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Net income (loss)	**(₱3,975,226)**	₱22,115,161
Less dividend rights of preferred stockholders for the period	**25,818**	51,635
Income (loss) attributable to common stockholders	**(4,001,044)**	22,063,526
Divided by weighted average number of common stock	**940,403,854**	930,342,210
Basic earnings (loss) per share	**(₱0.004)**	₱0.024
Diluted earnings per share	**₱–**	₱0.022

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 as at June 30, 2026, presentation of diluted earnings per share is not applicable.

Diluted earnings per share is computed by dividing net income for the year attributable to common equity holders of the Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares.

15. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash, receivables (excluding advances to employees), loans receivable, accrued expenses and other liabilities (excluding statutory payables), due to related parties and loan payable.

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 employees) and loans receivable. 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.

	June 30, 2026 (Unaudited)			
	12-month ECL	**Lifetime ECL -not credit impaired**	**Lifetime ECL - credit impaired**	**Total**
Financial assets at amortized cost:				
Cash in banks	**₱606,377**	**₱–**	**₱–**	**₱606,377**
Receivables*	**71,971,153**	**–**	**62,515,672**	**134,486,825**
Loans receivable from a related party	**–**	**874,028,250**	**–**	**874,028,250**
	₱72,577,530	**₱874,028,250**	**₱62,515,672**	**₱1,009,121,452**

**Excluding advances to employees and loans receivable from a related party amounting to ₱2.1 million and ₱874.0 million, respectively.*

	December 31, 2025 (Audited)			
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
Financial assets at amortized cost:				
Cash in banks	₱2,943,162	₱–	₱–	₱2,943,162
Receivables*	71,971,153	–	62,515,672	134,486,825
Loans receivable from a related party	–	874,028,250	–	874,028,250
	₱74,914,315	₱874,028,250	₱62,515,672	₱1,011,458,237

**Excluding advances to employees and loans receivable from a related party amounting to ₱2.1 million and ₱874.0 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:

	June 30, 2026 (Unaudited)				
	High Grade	**Standard Grade**	**Past due but Not Impaired**	**Impaired**	**Total**
Financial Assets at Amortized Cost					
Cash in banks	**₱606,377**	**₱–**	**₱–**	**₱–**	**₱606,377**
Receivables*	**71,971,153**	**–**	**–**	**62,515,672**	**134,486,825**
Loans receivable from a related party	**874,028,250**	**–**	**–**	**–**	**874,028,250**
	₱946,605,780	**–**	**–**	**₱62,515,672**	**₱1,009,121,452**

**Excluding advances to employees and loans receivable from a related party amounting to ₱2.1 million and ₱874.0 million, respectively.*

	December 31, 2025 (Audited)				
	High Grade	Standard Grade	Past due but Not Impaired	Impaired	Total
Financial Assets at Amortized Cost					
Cash in banks	₱2,943,162	₱–	₱–	₱–	₱2,943,162
Receivables*	71,971,153	–	–	62,515,672	134,486,825
Loans receivable from a related party	874,028,250	–	–	–	874,028,250
	₱948,942,565	₱–	₱–	₱62,515,672	₱1,011,458,237

**Excluding advances to employees and loans receivable from a related party amounting to ₱2.1 million and ₱874.0 million, respectively.*

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

High grade pertains to counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal. For loans and interest receivables from related parties, the Company considers the following in assessing the credit risk:

- The financial condition and operating performance of the related parties, including their stage of business development;
- The nature of the underlying investments and assets of the related parties;
- The absence of default events or indicators of credit impairment, such as cessation of operations or inability to meet obligations;
- The strategic relationship and common key management, which influence the timing and manner of settlement; and
- Forward-looking information, particularly the highly probable completion of the planned business combination involving the borrower, which is expected to result in the settlement or conversion of the outstanding exposures.

While certain related parties exhibit recurring losses, negative equity, and working capital deficits, management assessed that these conditions are primarily attributable to an ongoing investment and expansion phase rather than a deterioration in credit quality. This assessment is supported by significant revenue growth, as well as continued access to funding.

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 availedof. 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.

	June 30, 2026 (Unaudited)				
	On Demand	Less than 3 Months	More than 3 Months but Less than 1 Year	1 to 5 Years	Total
Accrued expenses and other liabilities*	**₱12,781,223**	**₱–**	**₱–**	**₱–**	**₱12,781,223**
Due to related parties	**24,834,939**	**–**	**–**	**–**	**24,834,939**
Loans payable**	**–**	**–**	**–**	**16,900,000**	**16,900,000**
	₱37,616,162	**–**	**–**	**₱16,900,000**	**₱54,516,162**

**Excluding liabilities arising from the MOA and statutory payables amounting to ₱180.4 million and ₱19,856, respectively.*
***Including future interest payments amounting to ₱3.9 million.*

	December 31, 2025 (Audited)				
	On Demand	Less than 3 Months	More than 3 Months but Less than 1 Year	1 to 5 Years	Total
Accrued expenses and other liabilities*	₱13,241,919	₱–	₱–	₱–	₱13,241,919
Due to related parties	17,834,939	–	–	–	17,834,939
Loans payable**	–	–	–	16,900,000	16,900,000
	₱31,076,858	₱–	₱–	₱16,900,000	₱47,976,858

**Excluding liabilities arising from the MOA and statutory payables amounting to ₱178.3 million and ₱4.2 million, respectively.*
***Including future interest payments amounting to ₱3.9 million.*

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 receivables and payables are subject to fixed interest rates and has no repricing arrangement. Consequently, the Company is not exposed to fair value interest rate 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:

	June 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱626,377**	**₱626,377**	₱2,963,132	₱2,963,132
Receivables*	**71,971,153**	**71,971,153**	71,971,153	71,971,153
Loans receivable from a related part	**874,028,250**	**874,194,711**	874,028,250	874,194,711
	₱946,625,780	**₱946,792,241**	₱948,962,565	₱949,129,026
Financial Liabilities				
Accrued expenses and other liabilities**	**₱12,781,223**	**₱12,781,223**	₱13,241,919	₱13,241,919
Due to a related party	**24,834,939**	**24,834,939**	17,834,939	17,834,939
Loan payable	**13,000,000**	**12,293,916**	13,000,000	12,293,916
	₱50,616,162	**₱49,910,078**	₱44,076,858	₱43,370,774

**Excluding loan receivable from a related party amounting to ₱874.0 million as at June 30, 2026 and December 31, 2025.*
***Excluding liabilities arising from the MOA and statutory payables amounting to ₱180.4 million and ₱19,856, respectively as at June 30, 2026 and ₱178.3 million and ₱4.2 million, respectively, as at December 31, 2025.*

Current Financial Assets and Liabilities. The carrying amounts of cash, receivables (excluding advances to employees), and accrued expenses and other liabilities (excluding statutory payables) and due to related parties approximate their fair values due to the short-term and due on 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 and Loan Payable. The fair value of loans receivable and loan payable were determined based on Level 3 in which the input is based on the discounted value of future cash flows using the prevailing interest rates. Discount rate used is 7.40% as at June 30, 2026 and in 2025.

There has been no transfer between levels of fair value hierarchy as at June 30, 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:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Capital stock	**₱940,665,852**	₱940,873,266
Additional paid-in capital	**187,554,046**	187,761,460
Deficit	**(646,564,568)**	(642,589,342)
Treasury stock	**–**	(414,828)
	₱481,655,330	₱485,630,556

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 for the periods ended June 30, 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 June 30, 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 in authorized capital stock to the SEC is made.