SBS PHILIPPINES CORPORATION

APPENDIX 1

FINANCIAL & OTHER INFORMATION

9. **INTERIM CONDENSED CONSOLITED FINANCIAL STATEMENTS (UNAUDITED) AS OF MARCH 31, 2026 AND 2025 AND NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

10. **SUPPLEMENTAL SCHEDULES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2026, (ANNEX 68-E, SRC RULE 68)**

COVER SHEET

A200110402

(Company's Full Name)

SBS PHILIPPINES CORPORATION
(FORMERLY SYTENGCO PHILIPPINES
CORPORATION)

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

NO. 10 RESTHAVEN STREET SAN
FRANCISCO DEL MONTE QUEZON
CITY

FORM TYPE	Department Requiring the Report	Secondary License Type, If Applicable
17-Q	MSRD	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Numbers	Mobile Number
ir@sbsph.com	8371-1111	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
17	Last Friday of June	12-31

CONATCT PERSON INFORMATION

The designated contact person MUST be an Ofiicer of the Corporation

Name of Contact Person	Email Address	Telephone Number's
GERRY D. TAN	g.tan@sbsph.com	(02) 8371-1111

Contact Person's Address

10 Resthaven Street, San Francisco del Monte, Quezon City

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 **31 March 2026**

2. Commission identification number **A200110402**

3. BIR Tax Identification No **213-054-503-000**

4. Exact name of issuer as specified in its charter **SBS PHILIPPINES CORPORATION**

5. **Philippines**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. **No. 10 Resthaven Street,**
   San Francisco Del Monte, Quezon City — **1105**
   Address of issuer's principal office — Postal Code

8. **(632) 8371-1111**
   Issuer's telephone number, including area code

9. **N/A**
   Former Name/Address/Fiscal year, if changed since last report

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

Title of each Class	Number of shares of stock as of 31 March 2026
Common Shares	**1,890,999,999**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [✓] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    PHILIPPINE STOCK EXCHANGE — **COMMON SHARES**

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 twelve (12) months (or for such shorter period 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 [ ]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements of SBS Philippines Corporations ("SBS") and its subsidiary as of and for the period ended March 31, 2026 (with comparative figures as of December 31, 2025 and for the period ended March 31, 2025) and Selected Notes to the Financial Statements are hereto attached as **Annex "A"**.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required by Part III, Paragraph (A)(2)(b) of 'Annex C, as amended' is attached hereto as **Annex "B"**.

PART II- OTHER INFORMATION

Outlook On Economic Position

The Group assesses the second quarter of 2026 with a cautious outlook, as growth momentum remains vulnerable to persistent inflationary pressures, a weakening Philippine peso, and continued uncertainty in the global economic environment. The Bangko Sentral ng Pilipinas hiked its policy interest rate by a quarter-point last week to combat heightened inflation arising from geopolitical conflicts in the Middle East, which may prompt households to rein in spending and result in a slowdown in domestic economic activity. Our customers are expected to remain prudent in their expansion plans amid market volatility, currency fluctuations, and geopolitical risks.

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 in Quezon City on 27 April 2026.

GERRY D. TAN
President & Chief Executive Officer

AILEEN LOU G. CODAMON
Chief Finance Officer

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2026 AND DECEMBER 31, 2025
(Amounts in Philippine Pesos)

	Notes	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	1	P 1,773,098,494	P 1,470,214,791
Trade and other receivables – net	3	154,337,679	97,037,350
Inventories – net	1	722,130,744	775,486,929
Prepayments and other current assets	5	43,878,277	36,114,445
Total Current Assets		2,693,445,194	2,378,853,515
NON-CURRENT ASSETS			
Investments in associates	4	3,133,055,381	3,142,665,546
Property and equipment – net	6	138,264,564	139,784,336
Right-of-use assets – net	7	74,832,579	85,810,730
Investment properties	8	625,700,346	625,700,346
Deferred tax assets – net		-	419,353
Other non-current assets	5	2,344,739,393	2,345,196,090
Total Non-current Assets		6,316,592,263	6,339,576,401
TOTAL ASSETS		P 9,010,037,457	P 8,718,429,916
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Loans payable	10	P 2,025,467,993	P 1,655,763,273
Trade and other payables	9	346,242,369	358,593,074
Lease liabilities	7	-	1,474,237
Income tax payable		-	131,846
Total Current Liabilities		2,371,710,362	2,015,962,430
NON-CURRENT LIABILITIES			
Loans payable	10	88,411,616	132,608,798
Post-employment defined benefit obligation		18,500,334	18,500,334
Deferred tax liabilities – net		10,108,705	-
Security deposit		2,547,148	2,547,148
Lease liabilities	7	-	42,213,124
Total Non-current Liabilities		119,567,803	195,869,404
Total Liabilities		2,491,278,165	2,211,831,834
EQUITY	14		
Equity attributable to the shareholders of Parent Company:			
Capital stock		1,890,999,999	1,890,999,999
Additional paid-in capital		2,242,794,207	2,242,794,207
Revaluation reserves		(6,838,491)	(6,838,491)
Stock dividends distributable		-	-
Retained earnings		1,692,035,787	1,680,077,586
		5,818,991,502	5,807,033,301
Non-controlling interest		699,767,790	699,564,781
Total Equity		6,518,759,292	6,506,598,082
TOTAL LIABILITIES AND EQUITY		P 9,010,037,457	P 8,718,429,916

See Selected Notes to Condensed Consolidated Financial Statements.

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)
(UNAUDITED)

	Notes	2026	2025
REVENUES			
Sale of goods		P 295,905,588	P 234,081,655
Consultancy income		12,150,000	-
		308,055,588	234,081,655
COST OF SALES AND SERVICES			
Cost of goods sold		194,313,352	143,593,788
Cost of services		201,997	-
		194,515,349	143,593,788
GROSS PROFIT		113,540,239	90,487,867
OTHER OPERATING INCOME (EXPENSES)			
Other operating expenses		(53,732,522)	(47,500,105)
Other operating income	11	6,821,712	5,571,535
		(46,910,810)	(41,928,570)
OPERATING PROFIT		66,629,429	48,559,297
EQUITY IN NET LOSSES OF ASSOCIATES	4	(9,610,165)	(9,129,672)
FINANCE COSTS - Net		(30,077,633)	(22,062,743)
PROFIT BEFORE TAX		26,941,631	17,366,882
TAX EXPENSE		14,780,421	7,131,181
NET PROFIT		P 12,161,210	P 10,235,701
Attributable to:			
Shareholders of the Parent Company		P 11,958,201	P 13,528,474
Non-controlling interest		203,009	(3,292,773)
		P 12,161,210	P 10,235,701
EARNINGS PER SHARE			
Basic and diluted earnings (loss) per share	14	P 0.006	P 0.009

See Selected Notes to Condensed Consolidated Financial Statements.

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	Attributable to Shareholders of the Parent Company							
	Capital Stock (see Note 14)	**Additional Paid-in Capital** (see Note 14)	**Revaluation Reserves**	**Stock Dividends Distributable**	**Retained Earnings** (see Note 14)	**Total**	**Non-controlling Interest**	**Total**
Balance at January 1, 2026 (audited)	P 1,890,999,999	P 2,242,794,207	(P 6,838,491)	-	P 1,680,077,586	P 5,807,033,301	P 699,564,781	P 6,506,598,082
Total comprehensive income (loss) for the period	-	-	-	-	P 11,958,201	P 11,958,201	203,009	12,161,210
Balance at March 31, 2026 (unaudited)	**P 1,890,999,999**	**P 2,242,794,207**	**(P 6,838,491)**	**-**	**P 1,692,035,787**	**P 5,818,991,502**	**P 699,767,790**	**P 6,518,759,292**
Balance at January 1, 2025 (audited)	P 1,549,999,999	P 2,242,794,207	(P 3,699,922)	P 341,000,000	P 1,759,987,257	P 5,890,081,541	P 714,301,987	P 6,604,383,528
Dividends distributed for the year	-	-	-	-	(100,750,000)	(100,750,000)	-	(100,750,000)
Total comprehensive income (loss) for the period	-	-	-	-	13,528,474	13,528,474	(3,292,773)	10,235,701
Balance at March 31, 2025 (unaudited)	P 1,549,999,999	P 2,242,794,207	(P 3,699,922)	P 341,000,000	P 1,672,765,731	P 5,802,860,015	P 711,009,214	P 6,513,869,229

See Selected Notes to Condensed Consolidated Financial Statements.

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)
(UNAUDITED)

	Notes	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**P 26,941,631**	P 17,366,882
Adjustments for:			
Finance cost	7, 9, 10	**40,687,153**	35,069,235
Depreciation and amortization	5, 6, 7	**14,950,863**	14,476,512
Equity in net losses of associates	4	**9,610,165**	9,129,672
Unrealized foreign currency loss (gains) - net		**223,606**	(3,245,596)
Interest income		**(10,609,475)**	(9,759,756)
Operating profit before working capital changes		**81,803,943**	63,036,949
Decrease (increase) in trade and other receivables		**(57,300,329)**	14,880,253
Decrease (increase) in inventories		**53,356,185**	(63,525)
Decrease (increase) in prepayments and other assets		**(7,763,832)**	(2,252,889)
Increase (decrease) in trade and other payables		**(16,166,327)**	11,616,476
Cash generated from operations		**53,929,640**	87,217,264
Cash paid for income taxes		**(2,385,552)**	(1,951,684)
Net Cash From Operating Activities		**51,544,088**	85,265,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**10,609,475**	9,758,418
Acquisition of property and equipment	6	**(1,996,242)**	(4,591,495)
Collection of refundable deposit		-	315,000,000
Advance payment for investment and asset acquisition	5	-	(250,000,000)
Acquisition of computer software	5	-	(236,000)
Net Cash From (Used) in Investing Activities		**8,613,233**	69,930,923
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of loans	10	**500,000,000**	465,000,000
Settlement of loans	10	**(174,444,444)**	(699,444,445)
Interest paid		**(37,558,964)**	(32,907,570)
Payment of lease liabilities	7	**(45,046,604)**	(470,250)
Dividends paid		-	(100,750,000)
Net Cash From (Used) Financing Activities		**242,949,988**	(368,572,265)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(223,606)**	3,245,596
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**302,883,703**	(210,130,166)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,470,214,791**	1,229,218,433
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**P 1,773,098,494**	P 1,019,088,267

See Selected Notes to Condensed Consolidated Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these condensed consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of Preparation of Condensed Consolidated Financial Statements

a) Presentation of Condensed Consolidated Financial Statements

The condensed consolidated interim financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. These condensed consolidated interim financial statements do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group as of and for the year ended December 31, 2025, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

b) Functional and Presentation Currency

These condensed consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the condensed consolidated financial statements of the Group are measured using its functional currency, the currency of the primary economic environment in which the Group operates.

1.2 Changes in Significant Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted by the Group in its recent annual consolidated financial statements for the year ended December 31, 2025.

The policies have been consistently applied to all periods presented, unless otherwise stated.

2. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's condensed consolidated interim financial statements in accordance with PAS 34 requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements. Actual results may vary from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the Group's recent annual consolidated financial statements as of and for the year ended December 31, 2025.

3. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	Notes	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
Trade receivable		**P 141,204,640**	P 89,879,708
Other receivables		**13,243,054**	7,267,657
		154,447,694	97,147,365
Allowance for impairment	16.2	**(110,015)**	(110,015)
		P 154,337,679	P 97,037,350

Trade receivables are usually due within 30 to 60 days and do not bear any interest.

All of the Group's trade and other receivables have been reviewed for indications of impairment. Certain trade receivables were assessed to have expected credit loss (ECL) using the provisional matrix as determined by management, hence, adequate amounts of allowance for impairment have been recognized (see Note 16.2). However, no additional allowance for credit losses was recognized for the period ended March 31, 2026 and 2025.

4. INVESTMENTS IN ASSOCIATES AND ACQUISITION OF ASSETS

4.1 Investments in Associates

The components of the carrying values of investments in associates accounted for under the equity method are shown as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Associates of both Parent Company and SBS Holdings:		
Goldchester Holdings Corporation (GHC)	**1,093,207,111**	1,093,443,244
Smyte Phils. Holdings Corporation (SPHC	**275,061,425**	275,456,478
Berny Philippines Holdings Corp (BPHC	**220,921,281**	220,965,740
	1,589,189,817	1,589,865,462
Associates of the Parent Company:		
Cleon Phils. Holding Corporation (CPHC)	**593,990,574**	599,497,027
Lakerfield Phils. Holding Corporation (LPHC)	**104,795,579**	104,967,507
Ayschester Holdings Corporation (AHC)	**52,333,866**	52,407,796
I-Bonding Holdings Corporation (IBHC)	**8,511,133**	8,518,206
	759,631,152	765,390,536
Associates of SBS Holdings:		
Mansfield Holdings Corp (MFHC)	**110,711,771**	110,772,759
Joine Holdings Corporation (JHC)	**92,297,313**	92,453,274
Joune Holding Limited (JoHL)	**89,405,660**	89,405,660
Orientalgems Holdings Corporation (OHC)	**83,617,406**	83,881,543
Apschester Holdings Corporation (APHC)	**68,433,389**	68,447,026
Couts Holdings Corporation (CHC)	**63,854,958**	64,206,927
Urman Holdings Corporation (UHC)	**52,920,369**	52,920,368
Aresa Holdings Corp. (ARHC)	**48,217,350**	50,790,788
Scott Holdings Corp. (SHC)	**45,317,513**	45,370,309
Aspar Holdings Corporation (ArHC)	**33,439,948**	33,445,567
Morechester Phils. Inc. (MPI)	**27,934,464**	27,976,259
Icare Holding Corporation (ICHC)	**28,671,724**	27,611,595
Namia Holdings Corporation (NHC)	**23,937,035**	23,945,674
Asida Holdings Corp. (ASHC)	**10,027,985**	10,132,568
Milia Holdings Corporation (MHC)	**4,723,603**	5,057,561
Ineda Holdings Corporation (IHC)	**723,924**	991,670
Justfields Holdings Corporation (JuHC)	**-**	-
	784,234,412	787,409,548
	3,133,055,381	3,142,665,546

The Group recognized its share in the net losses of the investee companies in the total amount of P9.6 million and P9.1 million in 2026 and 2025, respectively, which are presented as Equity in Net Losses of Associates in the condensed consolidated statements of comprehensive income.

A reconciliation of the carrying amounts of investments in associates at the beginning and end of March 31, 2026 and December 31, 2025 is reported as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**P3,142,665,546**	P3,166,014,737
Equity in net losses (gains)	**(9,610,165)**	(34,059,191)
Reclassification	**-**	10,710,000
	P3,133,055,381	P 3,142,665,546

The total amount of the assets, liabilities, revenues and net loss of these associates are reported below and on the succeeding page.

	Assets	Liabilities	Expense	Net Loss (Income)
March 31, 2026:				
CPHC	**3,038,364,135**	**1,257,212,443**	**14,782,513**	**14,782,424**
CHC	**1,631,073,841**	**1,401,486,323**	**2,052,330**	**1,539,215**
GHC	**1,595,367,984**	**13,957,241**	**938,714**	**704,004**
SPHC	**1,561,673,862**	**1,089,045,705**	**676,244**	**507,169**
SyHC	**1,209,327,531**	**1,331,275,399**	**2,493,716**	**1,870,233**
OHC	**1,076,189,712**	**944,437,754**	**910,842**	**683,109**
BPHC	**914,485,831**	**10,905**	**193,313**	**144,966**
JuHC	**875,204,053**	**1,006,232,002**	**-**	**-**
MHC	**652,408,591**	**650,775,222**	**1,151,611**	**863,683**
MFHC	**616,217,830**	**227,372**	**358,765**	**269,059**
JHC	**460,312,147**	**37,813,796**	**708,931**	**531,686**
APHC	**360,075,931**	**124,316,224**	**62,004**	**46,492**
ARHC	**346,512,900**	**54,530,689**	**15,137,972**	**11,353,433**
NHC	**338,195,484**	**240,238,000**	**39,282**	**29,449**
LPHC	**299,321,095**	**13,188,092**	**464,692**	**464,667**
SHC	**288,469,625**	**30,080,518**	**301,709**	**226,270**
AHC	**269,019,940**	**1,149,220**	**328,889**	**328,431**
UHC	**242,718,893**	**-**	**-**	**-**
ASHC	**175,863,771**	**135,182,047**	**615,221**	**461,398**
MPI	**160,400,872**	**6,300,950**	**245,877**	**184,391**
ICHC	**159,149,072**	**53,735,298**	**309,917**	**(3,180,399)**
ArHC	**154,797,568**	**2,246,000**	**25,553**	**19,154**
IBHC	**135,469,831**	**85,063,178**	**41,615**	**41,603**
IHC	**129,120,427**	**125,196,429**	**1,575,003**	**1,181,237**

	Assets	Liabilities	Expense	Net Loss (Income)
December 31, 2025:				
CPHC	2,849,360,719	1,057,125,309	69,256,369	69,254,051
JoHL	1,833,281,587	128,273	1,526,285	1,526,285
CHC	1,632,496,345	1,401,369,613	12,122,211	12,121,977
GHC	1,596,102,868	13,988,121	4,070,387	4,070,300
SPHC	1,561,770,001	1,088,634,675	2,651,390	2,651,295
SyHC	1,208,925,454	1,329,003,090	16,170,441	16,169,442
OHC	1,076,153,862	943,718,796	3,561,820	3,561,702
BPHC	914,697,588	77,695	685,865	685,654
JuHC	875,204,046	1,006,232,002	2,435,929	2,435,846
MHC	652,673,590	650,176,552	4,526,884	4,526,604
MFHC	616,399,535	140,019	1,410,507	1,410,433
JHC	459,285,463	36,255,426	2,643,889	2,643,803
APHC	359,872,423	124,066,224	1,076,241	1,076,188
NHC	338,164,934	240,178,000	167,015	166,956
ARHC	322,917,322	19,581,678	6,123,659	6,123,498
AHC	305,880,287	40,861,368	2,220,161	1,389,129
LPHC	297,044,884	12,299,290	1,737,462	1,737,368
SHC	288,515,377	29,900,000	1,110,247	1,110,191
UHC	242,718,886	-	14,001	13,852
ASHC	174,981,117	133,837,995	3,396,743	3,396,656
MPI	160,383,449	6,099,135	974,501	974,431
ArHC	154,756,722	2,186,000	157,754	157,701
ICHC	136,223,887	33,990,511	4,842,230	(12,388,281)
IBHC	135,357,613	85,075,611	346,532	346,498
IHC	25,292,736	20,187,500	13,982	13,929

5. PREPAYMENTS AND OTHER ASSETS

This account is composed of the following:

	Note	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
Current assets:			
Refundable deposits		**P 13,008,244**	P 11,954,148
Creditable withholding tax		**17,540,428**	15,296,546
Prepaid expenses		**13,213,108**	8,658,238
Input VAT		**116,497**	205,513
		P 43,878,277	P 36,114,445
Non-current assets:			
Investment subscriptions		**P 1,889,829,000**	P 1,889,829,000
Refundable deposits	12.2, 12.4	**453,750,000**	453,750,000
Computer software – net		**1,160,393**	1,617,090
		P 2,344,739,393	P 2,345,196,090

Refundable deposits include amounts paid to lessor of leased warehouses. These can be applied against unpaid rent or any damages against leased property. It also includes amounts deposited by the Group to certain related parties in relation to memorandums of agreement which may be refunded upon the happening of certain conditions (see Note 12.4).

Prepaid expenses pertain mainly to advance payments on real property taxes and insurance premiums. It also includes amounts paid to lessor of the leased warehouse. These can be applied against unpaid rent or any damages against leased property.

Investment subscription pertains to deposit for future subscription made by the Group in certain affiliate companies. However, such subscriptions are yet to be completed or executed as of March 31, 2026 and December 31, 2025.

Computer software pertains to the Enterprise Resource Planning system. The amortization of the computer software started only on July 2021, which is the date when computer software was deemed ready for intended use. Amortization of computer software is presented as part of Other Operating Expenses in the condensed consolidated statements of comprehensive income.

6. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of March 31, 2026 and December 31, 2025 are shown below.

(Amounts in PHP)	**Building**	**Leasehold Improvements**	**Transportation and other Equipment**	**Furniture and Fixtures**	**Total**
March 31, 2026					
Cost	97,889,328	18,465,117	113,726,228	6,675,512	236,756,185
Accumulated depreciation and amortization	(6,873,007)	(10,886,310)	(75,020,678)	(5,731,626)	(98,491,621)
Net carrying amount	**91,016,321**	**7,598,807**	**38,705,550**	**943,886**	**138,264,564**
December 31, 2025					
Cost	97,889,328	18,465,118	111,744,271	6,661,230	234,759,947
Accumulated depreciation and amortization	(5,894,114)	(10,473,193)	(72,954,293)	(5,654,011)	(94,975,611)
Net carrying amount	**91,995,214**	**7,991,925**	38,789,978	1,007,219	139,784,336
January 1, 2025					
Cost	97,508,590	16,631,596	105,511,769	5,916,379	225,568,334
Accumulated depreciation and amortization	(1,981,079)	(9,209,422)	(65,147,506)	(5,376,199)	(81,714,206)
Net carrying amount	**95,527,511**	**7,422,174**	**40,364,263**	**540,180**	**143,854,128**

A reconciliation of the carrying amounts of property and equipment at the beginning and end of the period is shown below:

(Amounts in PHP)	**Building**	**Leasehold Improvements**	**Transportation and other Equipment**	**Furniture and Fixtures**	**Total**
Balance at January 1, 2026, net of accumulated depreciation	91,995,214	7,991,925	38,789,978	1,007,219	139,784,336
Additions	-	-	1,981,957	14,285	1,996,242
Depreciation and amortization charges for the period	(978,893)	(393,118)	(2,066,385)	(77,618)	(3,516,014)
Balance at March 31, 2026, net of accumulated depreciation and amortization	**91,016,321**	**7,598,807**	**38,705,550**	**943,886**	**138,264,564**
Balance at January 1, 2025, net of accumulated depreciation and amortization	95,527,511	7,422,174	40,364,263	540,180	143,854,128
Additions	380,738	1,833,522	6,232,502	744,851	9,191,613
Depreciation and amortization charges for the year	(3,913,035)	(1,263,771)	(7,806,787)	(277,812)	(13,261,405)
Balance at December 31, 2025, net of accumulated depreciation and amortization	**91,995,214**	**7,991,925**	**38,789,978**	**1,007,219**	**139,784,336**

The amount of depreciation and amortization is presented under Other Operating Expenses in the condensed consolidated statements of comprehensive income.

As at March 31, 2026 and December 31, 2025, the gross carrying amount of the Group's fully depreciated property and equipment that are still in use is P56.7 million and P60.6 million, respectively.

7. LEASES

The Group is a lessee under non-cancellable operating leases covering its warehouses and office building. All the lease for warehouses and office building has a term ranging from two to five years. All leases have renewal options subject to mutual agreement of the parties. Generally, termination of lease contracts shall be communicated to the lessee by the lessor 30 days prior to the termination or expiration of the lease contract. Each lease is reflected in the condensed consolidated statements of financial position as a right-of-use asset and as lease liability. The Group's leases have no option to purchase. The Group classifies its right-of-use assets as a separate line item in the condensed consolidated statements of financial position.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over warehouses and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is to incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the condensed consolidated statements of financial position.

	Number of Right-of-use assets leased	Average Remaining lease term
Warehouses and related facilities	8	2 years
Office building	1	2 years

7.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at March 31, 2026 and December 31, 2025 and the movements during those periods are as follows:

	Warehouse and other related facilities	Office Building	Total
March 31, 2026			
Balance at beginning of period (audited)	P 79,061,425	P 6,749,305	P 85,810,730
Depreciation and amortization	(10,134,488)	(843,663)	(10,978,151)
Balance at end of period (unaudited)	**P 68,926,937**	**P 5,905,642**	**P 74,832,579**
December 31, 2025			
Balance at beginning of year (audited)	P 115,654,840	P 10,123,958	P 125,778,797
Additions	3,815,829	-	3,815,829
Depreciation and amortization	(40,409,243)	(3,374,653)	(43,783,896)
Balance at end of year (audited)	P 79,061,425	P 6,749,305	P 85,810,730

Depreciation and amortization of right-of-use assets is presented as part of Other Operating Expenses in the condensed consolidated statements of comprehensive income.

7.2 Lease Liabilities

Lease liabilities are presented int the condensed consolidated statements of financial position as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Current	**P -**	P 1,474,237
Non-current	**-**	42,213,124
	P -	P 43,687,361

8. INVESTMENT PROPERTIES

The Group's investment properties amounting to P625.7 million as of March 31, 2026 and December 31, 2025, represent parcels of land held primarily for capital appreciation but not for sale in the ordinary course of the business or use in the production or supply of goods or services or for administrative purposes.

The real property taxes on investment properties amounted to P0.5 million and P0.5 million as of March 31, 2026 and 2025, respectively, and were recognized and reported as part of Other Operating Expenses in the condensed consolidated statements of comprehensive income.

As determined by independent and SEC-accredited property appraisers, the total fair market values of these investment properties as of July 2024 amounted to P8.7 billion (see Note 19.3). The Group's management assessed that the latest appraisal made holds the same fair market values as of March 31, 2026 and December 31, 2025. It is the Group's policy to obtain an appraisal from an independent property appraiser every three years.

9. TRADE AND OTHER PAYABLES

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Trust receipts payable	**P 248,445,878**	P 291,436,874
Trade payables	**52,531,028**	33,108,737
Accrued expenses and others	**35,901,539**	33,566,859
Output VAT payable	**9,363,924**	480,604
	P 346,242,369	P 358,593,074

The Group avails of trust receipt facilities with local banks that were used to finance the Group's purchases of inventories. These short-term trust receipts, which are secured by the related inventories whose values equal the amount of outstanding trust receipts, bear interests based on prevailing market interest rates ranging from 5.5% to 5.75% in 2026 and 5.63% to 7.0% in 2025. Interest expense incurred on these transactions in the periods ended March 31, 2026 and 2025 amounted to P3.8 million and P3.2 million, respectively, and is presented as part of Interest expense under Finance Costs – Net in the condensed consolidated statements of comprehensive income.

Accrued expenses and other payables include the obligations relating to the accrual of professional fees, rentals, employee benefits and other liabilities that are expected to be settled within 12 months from the end of the reporting period.

10. LOANS PAYABLE

This account includes the following as at March 31, 2026 and December 31, 2025.

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Current	**P 2,025,467,993**	P 1,655,763,273
Non-current	**88,411,616**	132,608,798
	P 2,113,879,609	P 1,788,372,071

A reconciliation of the movements in the amount of loans payable at the beginning and end of March 31, 2026 and December 31, 2025 is shown below.

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash from financing activities:		
Balance at beginning of the period	P 1,788,372,071	P 1,825,054,603
Availments during the period	500,000,000	1,745,000,000
Settlements during the period	(174,444,444)	(1,782,777,778)
Additional debt issue cost	(3,170,139)	(10,257,535)
	2,110,757,490	1,777,019,290
Non-cash transaction from financing activities – Effect of debt issue cost	3,122,119	11,352,781
	P 2,113,879,609	P 1,788,372,071

Short-term loans are subject to interest rates ranging from 5.5% to 7.17% in 2026 and 6.00% to 7.75% in 2025 and are acquired for working capital requirements. On average, the short-term loans fall due every three to six months and are subject to roll over unless otherwise settled by the Group.

In 2022, the Group acquired a long-term loan that is subject to annual repricing, with the interest rate adjusted from 5.10% in 2022 to 7.17% in 2026. The loan is payable in 18 equal quarterly payments beginning May 2023 for the loan amount of P500 million and 12 equal quarterly payments beginning November 2025 for the loan amount of P200 million.

The details of the non-current loans payable are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Principal amount	P 700,000,000	P 700,000,000
Debt issue cost	(5,250,000)	(5,250,000)
Net amount	694,750,000	694,750,000
Reclassification to current portion	(177,777,778)	(177,777,778)
Settlements	(433,333,333)	(388,888,889)
Amortization of debt issue cost	3,818,182	3,559,419
Debt issue cost on current portion of loan	954,545	966,046
	P 88,411,616	P 132,608,798

Interest expense incurred on these loans in 2026 and 2025, amounted to P30.4 million and P28.7 million, respectively, and is presented as part of Interest expense under Finance Costs – Net in the condensed consolidated statements of comprehensive income.

The long-term loan is secured by a property owned by one of its associates (see Note 12.4). Other outstanding loans were availed using its credit line facility wherein no collateral is needed.

11. OTHER OPERATING INCOME

The Group earns rental income from the leasing of facilities to third party tenants. Income generated from the properties amounted to P3.5 million and P3.2 million for the period ended March 31, 2026 and 2025, respectively (see Note 15.1). A portion of the rental income is derived from non-obstruction agreements, under which the Group receives consideration in exchange for granting non-obstruction rights over certain properties.

The Parent Company also earned miscellaneous income from referral on trade sales amounting to P0.7 million and P0.6 million as of March 31, 2026 and 2025, respectively.

Other operating income also includes management fees from a service agreement with certain associates (see Note 12.3).

12. RELATED PARTY TRANSACTIONS

The Group's related parties include its Parent Company, related parties under common ownership and its key management personnel. The transactions with these related parties are discussed as follows.

Related Party Category	Note	Amount of Transactions **March 31, 2026**	 March 31, 2025	Receivables (Payables) **March 31, 2026**	 December 31, 2025
Stockholders					
Lease agreements	12.2				
Lease liabilities		**(3,211,830)**	87,852	**-**	**(3,211,830)**
Right-of-use assets		**(805,990)**	(805,990)	**5,641,929**	**6,447,919**
Security deposit		**-**	**-**	**885,937**	**885,937**
Related Parties Under Common Ownership					
Lease Agreements:	12.2				
Lease liabilities		**(17,583,010)**	(73,509)	**-**	(17,583,010)
Right-of-use assets		**(3,968,645)**	(3,925,745)	**26,826,576**	31,272,203
Security deposit		**393,397**	-	**4,681,410**	4,288,014
Prepaid Rent		**513,525**	-	**513,525**	**-**
Purchase of goods	12.1	**24,268**	31,500	**-**	-
Shared business and management services	12.3	**356,250**	356,250	**356,250**	-
Associates					
Lease Agreements:	12.2				
Lease liabilities		**(19,183,777)**	524,727	**-**	(19,183,777)
Right-of-use assets		**(5,198,431)**	(5,198,431)	**34,851,519**	40,049,950
Security deposit		**542,386**	-	**6,208,957**	5,666,571
Equity investment in associates	4	**(9,610,165)**	(9,129,672)	**3,133,055,381**	3,142,665,546
Refundable deposit	12.4	**-**	-	**453,750,000**	453,750,000
Key Management Personnel –					
Fees paid	12.5	**4,315,624**	4,242,602	**-**	-

The Company's outstanding receivables with related parties were subjected to impairment using the requirements of PFRS 9. These receivables have substantially the same risk characteristics as trade receivables. As such, the expected loss rates for trade receivables are a reasonable approximation of the loss rates for receivables from related parties. There were no impairment losses recognized for these receivables from related parties as of March 31, 2026 and December 31, 2025 [(see Note 16.2(b)].

12.1 Sale and Purchase of Goods

The Group purchased goods from certain related parties which are presented as part of Cost of Goods Sold in the condensed consolidated statements of comprehensive income. There are no outstanding payables as of March 31, 2026 and December 31, 2025.

12.2 Lease Agreements

The Group, as a lessee, entered into operating lease agreements with terms of two to five years, covering certain warehouses owned by certain related parties. The lease is renewable upon mutual agreement by both parties.

Related expenses from these transactions are recorded as part of Depreciation and amortization. There were no outstanding rentals as of March 31, 2026 and December 31, 2025. Deposits made on these lease agreements are presented as part of Refundable deposits under Prepayments and Other Current Assets in the condensed consolidated statements of financial position (see Note 5).

12.3 Shared Business and Management Services

The Group entered into a service agreement with its related parties under common ownership wherein the former shall provide certain operational, management and administrative services for a fee. Management fees charged by the Parent Company are recognized under the Other Operating Income in the condensed consolidated statement of comprehensive income (see Note 11).

12.4 Memorandum of Agreement

In 2018, the Group entered into a memorandum of agreement with SPHC, an associate of SBS Holdings, wherein the Parent Company will assist in gathering investors to cover SPHC's increase in capitalization. As part of the agreement, SPHC also used its property as mortgage substitution to continue securing one of the Parent Company's loans (see Note 10). The related performance deposit amounting to P500.0 million is presented as part of Other Non-current Assets in the condensed consolidated statements of financial position (see Note 5). The amount will be refunded once the Parent Company has already gathered the investors. However, in 2019, as agreed by both parties, the performance obligation has been extended for another 12 months. In 2019, a portion of the deposit amounting to P46.3 million was collected and used in acquiring shares in SPHC (see Note 5). As of March 31, 2026, the Parent Company is in discussions with potential investors to subscribe to the available shares of SPHC.

12.5 Key Management Personnel

Payments received by key management personnel pertain to service fees for the periods ended March 31, 2026 and 2025, which is presented under Other Operating Expenses and also as part of Cost of services under Cost of Sales and Services in the condensed consolidated statements of comprehensive income. There was no outstanding balance as of March 31, 2026 and December 31, 2025.

13. SEGMENT REPORTING

13.1 Business Segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided. In identifying its reportable operating segments, management generally follows the Group's two main revenue sources, which represent the products and services provided by the Group, namely Sale of Goods and Consultancy Income.

13.2 Analysis of Segment Information

The table below and the succeeding page presents revenue and profit information regarding business segments of the Group for the periods ended March 31, 2026 and 2025.

	Sale of Goods	Consultancy Income	Total
March 31, 2026			
Revenues	P 295,905,588	P 12,150,000	P 234,081,655
Cost	(194,313,352)	201,997	(194,515,349)
	101,592,236	11,948,003	113,540,239
Other operating expenses:			
Salaries and wages	14,371,167	-	14,371,167
Outside services	2,909,971	-	2,909,971
Transportation and travel	1,830,332	-	1,830,332
Insurance	1,324,450	-	1,324,450
Advertising and promotions	118,274	-	118,274
	20,554,194	-	20,554,194
Segment profit before depreciation and amortization	**P 81,038,042**	**P 11,948,003**	**P 92,986,045**
March 31, 2025			
Revenues	P 234,081,655	P -	P 234,081,655
Cost	(143,593,788)	-	(143,593,788)
	90,487,867	-	90,487,867
Other operating expenses:			
Salaries and wages	13,066,443	-	13,066,443
Outside services	2,577,685	-	2,577,685
Transportation and travel	1,803,245	-	1,803,245
Insurance	1,214,628	-	1,214,628
Advertising and promotions	82,674	-	82,674
	18,744,675	-	18,744,675
Segment profit before depreciation and amortization	P 71,743,192	P -	P 71,743,192

Presented below is the Group's reconciliation of the components of reportable segments to the condensed consolidated statements of comprehensive income.

	2026	2025
Revenues –		
Total revenue of reportable segments	**P 308,055,588**	P 234,081,655
Costs and expenses:		
Total costs and expenses of reportable segments	**215,069,543**	162,338,655
Other costs and expenses from non-reportable segments	**18,227,464**	14,278,914
Depreciation and amortization	**14,950,864**	14,476,516
	248,247,871	191,093,893
Other operating income	**6,821,712**	5,571,535
Finance costs – net	**(30,077,633)**	(22,062,743)
Equity in net losses of associates	**(9,610,165)**	(9,129,672)
Profit (loss) before tax	**P 26,941,631**	P 17,366,882

The results of operations from the segments are used by management to analyze the Group's operation and to allow them to control and study the costs and expenses. It is also a management indicator on how to improve the Group's operation. Expenses are allocated through direct association of costs and expenses to operating segments.

14. EQUITY

14.1 Capital Stock

Capital stock consists of common shares with details shown below.

	Shares		**Amount**	
	2026	2025	**2026**	2025
Authorized - P1 par value	**2,750,000,000**	2,750,000,000	**P 2,750,000,000**	P 2,750,000,000
Subscribed, issued, outstanding at the end of the period	**1,890,999,999**	1,890,999,999	**P 1,890,999,999**	P 1,890,999,999

The authorized capital stock of the Parent Company is P2,750,000,000 consisting of 2,750,000,000 Common Shares with a par value of P1.00 per share. A total of 1,890,999,999 common shares are subscribed and outstanding as of March 31, 2026 and as of December 31, 2025.

On August 10, 2015, a total of 1,200,000,000 common shares of the Parent Company with par value of P1.00 per share were listed under the Main Board of the PSE. In addition, by way of an initial public offering (IPO), the Parent Company sold 420,000,000 shares of its common stock at an offer price of P2.75 per share on the same day. The IPO resulted in a recognition of Additional Paid-in Capital amounting to P698.4 million, net of IPO-related expenses amounting to P36.6 million.

As of March 31, 2026, the total number of registered stockholders based on the records of the Group's Stock and Transfer Agent is seventeen (17). Such listed shares closed at P3.23 per share as of March 31, 2026.

14.2 Retained Earnings

As of March 31, 2026, the Parent Company has not declared any cash dividends during the period. For the previous year, on February 25, 2025, the Parent Company approved the declaration of cash dividends of P0.065 per share, totaling P100.75 million to all shareholders as of record date of March 12, 2025, and paid on March 25, 2025.

On March 20 and July 3, 2023, the Parent Company's BOD and stockholders, respectively, approved the declaration of 22% stock dividend of the outstanding capital stock, amounting to approximately 341,000,000 common shares with par value of P341,000,000, payable out of the unrestricted retained earnings as of December 31, 2022 which shall be sourced from the increase in authorized capital stock (see Note 20.1). The required increase in authorized capital stock was subsequently approved by the Securities and Exchange Commission, and the stock dividends were issued on November 5, 2025 to stockholders of record as of October 10, 2025. Accordingly, the stock dividend has been fully effected and is reflected as part of Capital Stock as of the reporting date.

14.3 Earnings per Share

Basic earnings per share are computed as follows:

	2026	2025
Net profit (loss) attributable to Parent Company	**P 11,958,201**	P 13,528,474
Divided by the weighted average number of outstanding common shares	**1,890,999,999**	1,549,999,999
Basic and diluted earnings per share	**P 0.006**	P 0.009

14.4 Material Non-controlling Interest

Non-controlling interest pertains to 55% ownership of minority stockholders in SBS Holdings. Despite loss of majority stockholding in SBS Holdings, the Parent Company determined that it has the ability to influence the majority of SBS Holdings' stockholdings as the next most significant stockholder of the subsidiary as of March 31, 2026 and December 31, 2025 is Anesy Holdings Corporation, the Ultimate Parent Company.

The financial information of SBS Holdings is presented below.

	Assets	Liabilities	Equity	Net Income (Loss)
March 31, 2026:				
SBS Holdings	**P 3,238,859,160**	**P 152,851,557**	**P 3,086,007,603**	**P 366,576**
December 31, 2025:				
SBS Holdings	P 3,242,053,488	156,412,461	3,085,641,027	(P 26,611,061)

SBS Holdings has original authorized capital stock 5,500,000,000 with a par value of P1. As at December 31, 2018, the Parent Company owns 2,000,311,897 common shares of SBS Holdings, representing 99% ownership of SBS Holdings' outstanding capital stock. In May 22, 2019, SBS Holdings' BOD and stockholders approved the increase in its authorized capital stock from 5,500,000,000 common shares with a par value of P1 per share to 17,290,000,000 with a par value of P1.0 per share. The increase in authorized capital stock was likewise approved by the SEC on November 18, 2019. As at March 31, 2026 and December 31, 2025, the Parent Company owns 2,255,000,000 of SBS Holdings' outstanding capital stock, representing 45% ownership. There were no dividend declarations made by SBS Holdings for the periods ended March 31, 2026 and December 31, 2025.

15. COMMITMENTS AND CONTINGENCIES

15.1 Operating Lease Commitments – Company as Lessor

Certain real properties held or managed by the Group are leased to third parties under operating lease agreements. Currently, the lease agreements have a remaining lease term of less than one year, with an option to renew under terms and conditions to be agreed upon by the parties. Revenues from these agreements are presented as part of Other Operating Income in the condensed consolidated statements of comprehensive income (see Note 11).

In relation to the lease agreements, the Group also received security deposits from the lessees, which is to be returned to the counterparties at the end of the lease term. The security deposits are presented under Non-current liabilities section in the condensed consolidated statements of financial position even when the current remaining lease term is for one year as management believes a renewal of the lease terms with the lessees is fairly certain.

15.2 Others

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations that are not reflected in the condensed consolidated financial statements. As at March 31, 2026 and December 31, 2025, management is of the opinion that losses, if any, from these items will not have a material effect on the Group's condensed consolidated financial statements.

16. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which resulted from both its operating, investing and financing activities. The Group's risk exposures are managed in close coordination with the BOD who focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns. The most significant financial risks to which the Group is exposed to are described in the succeeding page.

16.1 Interest Rate Risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2026 and December 31, 2025, the Group is exposed to changes in market interest rates through its loans payable (see Note 10) and cash in banks, which are subject to variable interest rates.

16.2 Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments arising from selling goods to customers, granting advances to related parties and by placing deposits with banks.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.
The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the condensed consolidated statements of financial position or the detailed analysis provided in the notes to condensed consolidated financial statements as shown in the succeeding page.

	Notes	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
Cash		**P 1,773,098,494**	P 1,470,214,791
Trade and other receivables	3	**154,337,679**	97,037,350
Refundable deposits	5	**466,758,244**	465,704,148
		P 2,394,194,417	P 2,032,956,289

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents as described below.

a) *Cash*

The credit risk for cash in banks is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

As part of the Group's policy, bank deposits are only maintained with reputable financial institutions. Cash in banks which is insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1.0 million per depositor per banking institution, as provided for under Republic Act No. 9576, *Amendment to Charter of Philippine Deposit Insurance Corporation*, is still subject to credit risk.

b) *Trade and Other Receivables and Refundable deposits*

The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. Advances to officers and employees have been assessed separately and individually wherein management determined that there is no required ECL to be recognized since collections are made on a monthly basis or through salary deductions within a period of one year or less.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Group also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of 36 months, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product and the inflation rate in the Philippines to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Accordingly, the Group recognized loss allowance equivalent to 0.1% of outstanding trade receivables as of March 31, 2026 and December 31, 2025. Management deems this estimate to be adequate and reflective of the Group's ability to collect from its customers based on a 36-month historical payment profile prior to the adoption of PFRS 9.

The Group's trade receivables are actively monitored to avoid significant concentrations of credit risk. In addition, the Group has adopted a no-business policy with customers lacking an appropriate credit history where credit records are available.

ECL allowance for refundable deposits and non-trade receivables, which are collectible from related parties were assessed based on general liquidity of the respective counterparties. No loss allowance was recognized on these financial assets as the collection is expected to be within the next 12 months based on the current standing of the counterparties and the current status of the related transactions.

16.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are deposited in banks. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at March 31, 2026 and December 31, 2025, the Group's financial liabilities (except for lease liabilities) have contractual maturities as follows:

	Within 6 Months	6 to 12 Months	More than 1 Year
March 31, 2026:			
Loans payable	P 1,947,721,056	P 94,563,946	P 91,294,043
Trade and other payables	336,878,445	-	-
	P 2,284,599,501	**P 94,563,946**	**P 91,294,043**
December 31, 2025:			
Loans payable	P 1,587,474,680	P 96,164,065	P 138,180,133
Trade and other payables	349,487,323	-	-
	P 1,936,962,003	P 96,164,065	P 138,180,133

The contractual maturities shown above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

17. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern in order to provide adequate returns in the future to its stockholders and benefits for other stakeholders.

The Group monitors capital on the basis of the carrying amount of equity as presented on the condensed consolidated statements of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The debt-to-equity ratio as of March 31, 2026 and December 31, 2025 is presented below.

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Liabilities	**P 2,491,278,165**	P 2,211,831,834
Equity	**6,518,759,292**	6,506,598,082
Debt-to-equity ratio	**0.38 : 1.00**	0.34 : 1.00

18. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

18.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the condensed consolidated statements of financial position are shown below.

(Amounts in PHP)		**March 31,2026 (Unaudited)**		**December 31, 2025 (Audited)**	
	Notes	**Carrying Values**	**Fair Values**	**Carrying Values**	**Fair Values**
Financial assets					
Financial assets at amortized cost					
Cash and cash equivalents		**1,773,098,494**	**1,773,098,494**	**1,470,214,791**	**1,470,214,791**
Trade and other receivables – net	3	**154,337,679**	**154,337,679**	**97,037,350**	**97,037,350**
Refundable deposits	5	**466,758,244**	**466,758,244**	**465,704,148**	**465,704,148**
		2,394,194,417	**2,394,194,417**	**2,032,956,289**	**2,032,956,289**
Financial liabilities					
Financial liabilities at amortized cost					
Loans payable	10	**2,113,879,609**	**2,113,879,609**	**1,788,372,071**	**1,765,801,222**
Trade and other payables	9	**336,878,445**	**336,878,445**	**349,487,323**	**349,487,323**
		2,450,758,054	**2,450,758,054**	**2,137,859,394**	**2,115,288,545**

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 16.

For financial instruments with maturity of more than one year, management consider their carrying values to be equal their fair values as management assesses that the effect of discounting on these instruments is not material.

The Group has no financial instruments carried at fair value. For the Group's financial assets and financial liabilities as of March 31, 2026 and December 31, 2025 that are carried at amortized cost, management determined that the carrying amounts approximate or equal their fair values.

18.2 Offsetting of Financial Assets and Financial Liabilities

The Group has not set off financial instruments as of March 31, 2026 and December 31, 2025 and does not have relevant offsetting arrangements as of the end of the reporting periods. Currently, financial assets and financial liabilities are settled on a gross basis; however, if applicable, each party to the financial instrument will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties.

19. FAIR VALUE MEASUREMENT AND DISCLOSURES

19.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and liabilities and non-financial asset which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

19.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below and succeeding page summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value as at March 31, 2026 and December 31, 2025 condensed consolidated statements of financial position but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
March 31, 2026 (Unaudited)				
Financial assets:				
Cash	P 1,773,098,494	P -	P -	P 1,773,098,494
Trade and other receivables	-	-	154,337,679	154,337,679
Refundable deposits	-	-	466,758,244	466,758,244
	P 1,773,098,494	**P -**	**P 621,095,923**	**2,394,194,417**
Financial liabilities:				
Loans payable	P -	P -	P2,113,879,609	P 2,113,879,609
Trade and other payables	-	-	336,878,445	336,878,445
	P -	**P -**	**P2,450,758,054**	**P 2,450,758,054**

	Level 1	Level 2	Level 3	Total
December 31, 2025 (Audited)				
Financial assets:				
Cash	P1,470,214,791	P -	P -	P 1,470,214,791
Trade and other receivables	-	-	97,037,350	97,037,350
Refundable deposits	-	-	465,704,148	465,704,148
	P 1,470,214,791	P -	P 562,741,498	P 2,032,956,289
Financial liabilities:				
Loans payable	P -	P -	P 1,765,801,222	P 1,765,801,222
Trade and other payables	-	-	349,487,323	349,487,323
	P -	P -	P 2,115,288,545	P2,115,288,545

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

As of March 31, 2026 and December 31, 2025, the fair value of investment securities at amortized cost were based on the last transaction price nearest to (either prior or subsequent to) report date. This valuation technique is set out in PFRS 13 as Level 2 inputs.

19.3 Fair Value Measurement for Non-financial Assets

As determined by independent and SEC-accredited property appraisers, the total fair market values of these investment properties as of July 3, 2024, which are primarily determined with reference to current and most recent prices for similar properties within the same location and condition, amounted to P8.7 billion. Management determined that the appraisal made in 2024 remains valid; thus, these investment properties continue to hold the same fair market value as of March 31, 2026 and December 31, 2025 (see Note 8). The fair market values of investment properties are classified under Level 2.

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
LIST OF SEC SUPPLEMENTARY SCHEDULES
COVERED BY INDEPENDENT AUDITORS' REPORT
March 31, 2026

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68

Schedule A - Financial Assets (Financial Assets at Amortized Cost)
March 31, 2026
(Amounts in Philippine Pesos)

Description	Number of shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Income received and accrued
Cash	-	P 1,773,098,494	P 10,609,475
Trade and other receivables	-	154,337,679	-
Refundable deposits	-	466,758,244	-
		P 2,394,194,417	**P 10,609,475**

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68

Schedule A - Financial Assets (Financial Assets at Fair Value Through Profit or Loss)
March 31, 2026
(Amounts in Philippine Pesos)

Name of issuing entity and association of each issue	Number of shares	Amount shown in the balance sheet	Valued based on market quotation at balance sheet date	Income received and accrued

NOT APPLICABLE

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68

Schedule A - Financial Assets (Fair Value Through Other Comprehensive Income)
March 31, 2026
(Amounts in Philippine Pesos)

Name of issuing entity and association of each issue	Number of shares	Amount shown in the balance sheet	Valued based on market quotation at balance sheet date	Income received and accrued

NOT APPLICABLE

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

			Deductions		Ending Balance		
Name and Designation of debtor	Balance at beginning of period	Additions	Amounts paid	Amounts reclassified	Current	Non-current	Balance at end of period

NOTHING TO REPORT

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68

Schedule C
Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
March 31, 2026

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current

NOTHING TO REPORT

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68

Schedule D - Long Term Debt
March 31, 2026
(Amounts in Philippine Pesos)

Title of Issue and type of obligation	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "long-term debt" in related balance sheet
Term Loan	P 176,823,232	P 88,411,616

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68

Schedule E - Indebtedness to Related Parties
March 31, 2026
(Amounts in Philippine Pesos)

Name and designation of debtor	Balance at beginning of period	Balance at end of period

NOTHING TO REPORT

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68

Schedule F - Guarantees of Securities of Other Issuers
March 31, 2026
(Amounts in Philippine Pesos)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

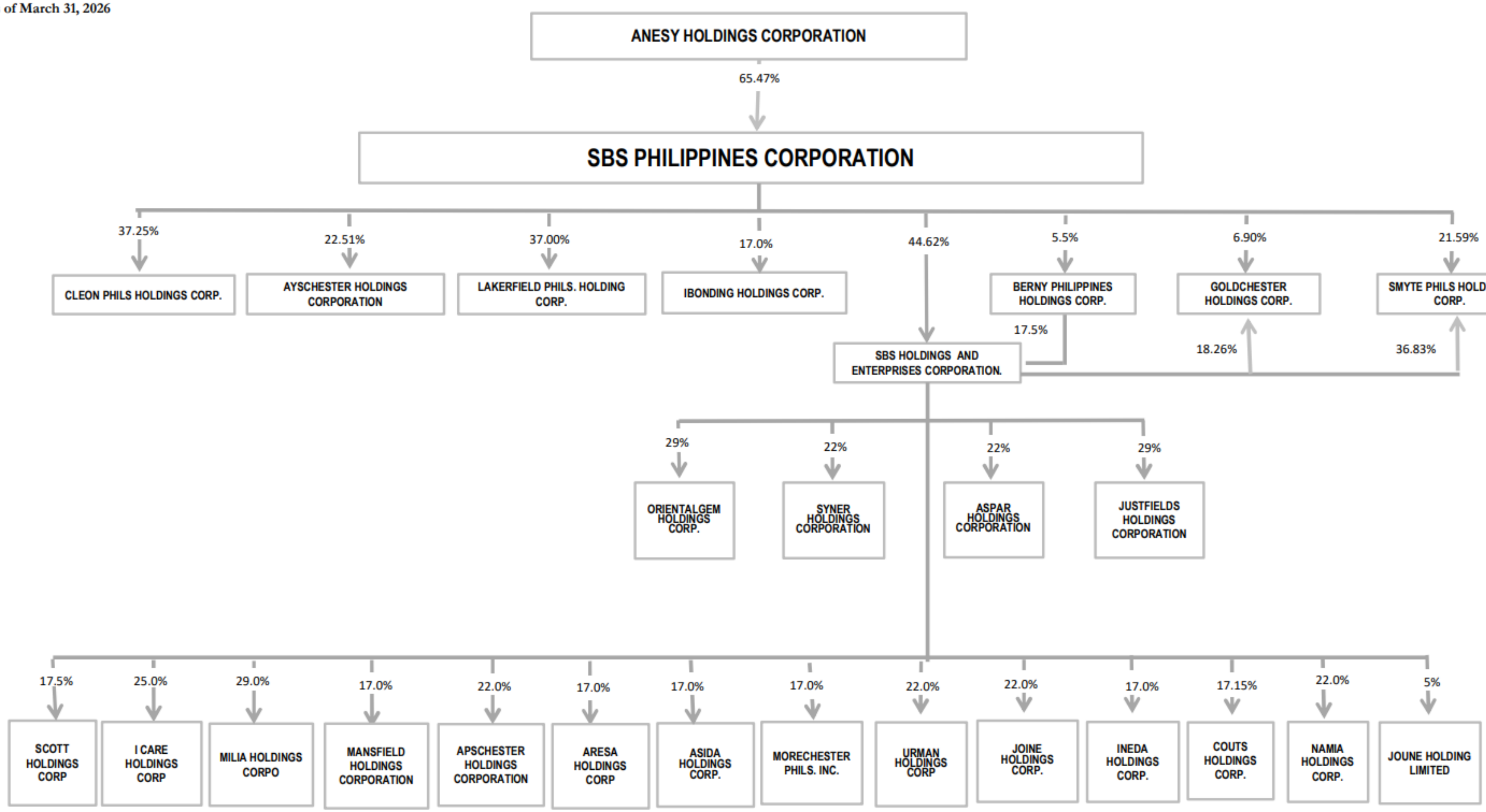
NOTHING TO REPORT

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
(A Subsidiary of Anesy Holdings Corporation)
SEC Released Amended SRC Rule 68
Schedule G - Capital Stock
March 31, 2026
(Amounts in Philippine Pesos)

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, converstion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares - P1 par value	2,750,000,000	1,890,999,999	-	1,249,560,930	190,826,918	450,612,151

SBS PHILIPPINES CORPORATION AND SUBSIDIARY
SHOWING THE RELATIONSHIPS BETWEEN AND AMONG COMPANIES IN THE GROUP

Ultimate Parent Company and Subsidiary
as of March 31, 2026



SBS PHILIPPINES CORPORATION AND SUBSIDIARY
Schedule of Financial Indicators for March 31, 2026 and 2025

	2026	2025
Liquidity Ratio [1]	**113.6%**	125.3%
Debt to Equity Ratio [2]	**38.2%**	30.7%
Asset to Equity Ratio [3]	**138.2%**	130.7%
Return on Assets [4]	**0.1%**	0.1%
Return on Equity [5]	**0.2%**	0.2%
Cost to Income Ratio [6]	**18.2%**	20.3%
Interest Cost Coverage Ratio [7]	**166.2%**	149.5%
Earnings per Share [8]	**PHP 0.01**	PHP 0.01

1/ Current Assets over Current Liabilities

2/ Total Liabilities over Equity

3/ Total Assets over Equity

4/ Net Income over Average Assets

5/ Net Income over Average Equity

6/ Cost and Expenses over Revenues

7/ EBIT over Interest Expense

8/ Net Income over Weighted Average Number of Common Outstanding Shares

PART II: **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

The following discussions should be read in conjunction with the Unaudited Consolidated Interim Financial Statements of the Company as of and for the period 31 March 2026 (with comparative figures as of 31 December 2025 and for the period ended 31 March 2025).

Results of Operations (1Q 2026 versus 1Q 2025)

SBS Philippines Corporation ("SBS" or the "Company") and its subsidiary generated consolidated revenues of P308.1 million for the first quarter of 2026, representing an increase of 32% from P234.1 million in the same period last year. The growth was primarily driven by higher sales volume across key segments, supported by the recognition of consultancy income during the period.

Revenue contribution remained broadly diversified, with Animal Health & Nutrition and Food Ingredients as the largest segments, each contributing approximately 30% of total sales, followed by Home and Personal Care (12%), Others (18%) and Industrial Chemicals (10%).

Cost of sales and services increased in line with higher revenues, rising by 35% year-on-year. As a result, gross profit grew by 25% to P113.5 million; however, gross margin slightly declined to 36.9% in the first quarter of 2026 compared to 38.7% from the same period of the prior year, reflecting changes in sales mix and input cost pressures.

Other operating expenses increased by 13% to P53.7 million, mainly attributable to higher manpower cost and business taxes during the quarter. Despite this, consolidated operating profit improved significantly by 37% from P48.6 million to P66.6 million, driven by stronger revenue growth.

Equity in net losses of associates increased slightly by 5% from P9.1 million in 2025 to P9.6 million in 2026. Meanwhile, net finance costs rose by 36% from P22.6 million in 2025 to P30.1 million in 2026 due to higher average borrowings during the period.

The Group posted a net profit P 12.2 million for the first quarter of 2026, representing an increase of 18.8% from P10.2 million in the same period last year, primarily driven by higher operating income despite increased financing costs.

Material Changes to the Statement of Comprehensive Income for the three months ended 31 March 2026 compared to the Statement of Comprehensive Income for the three months ended 31 March 2025.

Sales revenue for the period increased by P74.0 million or 31.6%, from P234.1 million in the first quarter of 2025 to P308.1 million in the same period of 2026, driven primarily by stronger sales performance across key segments, including Animal Health and Nutrition, Food Ingredients, and Home and Personal Care. Consultancy income of P12.2 million was also recognized in Q1 2026, compare to nil in Q1 2025.

Cost of goods sold for the first quarter of 2026 increased by P50.7 million or 35.3%, from P143.6 million in 2025 to P194.3 million, in line with the increase in sales volume.

Gross profit from operations increased by P23.1 million or 25.5%, from P90.5 million in the first quarter of 2025 to P113.5 million in the same period of 2026, consistent with the increase in sales revenue.

Other operating expenses increased by P6.2 million or 13.1%, from P47.5 million in the first quarter of 2025 to P53.7 million in 2026, mainly due to higher manpower costs and business taxes. Meanwhile, other operating income increased by P1.3 million or 22.4%, from P5.6 million to P6.8 million, driven by higher rental income and increased miscellaneous income from trade referral activities.

Equity in net losses of associates amounted to P9.6 million in 2026, increasing slightly by P0.5 million or 5.3% compared to the same period of 2025.

Net finance cost increased by P8.0 million or 35.6%, from P22.1 million in 2025 to P30.1 million in 2026, primarily due to higher interest expense arising from increased borrowings during the period.

The Group's tax expense increased by P7.7 million or 107.3%, from P7.1 million in 2025 to P14.8 million in 2026, mainly attributable to higher taxable income.

As a result of the foregoing, the Group recorded a net income of P12.2 million for the first quarter of 2026, an increase of P1.9 million or 18.8% from P10.2 million in the same period of 2025. Of this amount, P12.0 million is attributable to the shareholders of the Parent Company, while P0.2 million is attributable to non-controlling interest. In comparison, the first quarter of 2025 posted P13.5 million attributable to the shareholders of the Parent Company and a loss of P3.3 million attributable to non-controlling interest.

Material Changes to the Statement of Financial Position as at 31 March 2026 Compared to the Statement of Financial Position as at 31 December 2025

Assets

As at 31 March 2026, total assets on consolidated basis amounted to P9,010.0 million, consisting of P2,693.4 million in current assets and P6,316.6 million in non-current assets. As at 31 December 2025, total assets amounted to P8,718.4 million, consisting of P2,378.9 million in current assets and P6,339.6 million in non-current assets.

Cash in banks increased by 20.6% or P302.9 million from P1,470.2 million in 2025 to P 1,773.1 million in 2026. For the first three months ended 31 March 2026, a total collection of P562.2 million were received comprising of P51.5 million from operations, P500.0 million proceeds from short-term loans, and P10.6 million in interest income. Against this, a total of P259.3 million in disbursements were made consisting of the following: P174.4 million for settlement of loans, P45.0 million payment for lease liabilities, P37.6 million for interest payments, P2.0 million for acquisition of equipment and P0.2 million effects of foreign exchange rate changes on cash.

Trade and other receivables increased by P57.3 million or 59.0%, from P97.0 million to P154.3 million, mainly attributable to higher sales volume towards the end of the reporting period, resulting in increased outstanding receivables.

Inventories decreased by P53.4 million or 6.9%, from P775.5 million to P722.1 million, reflecting improved inventory turnover and fulfillment of customer demand.

Prepayments and other current assets increased by P7.8 million or 21.5%, from P36.1 million to P43.9 million, mainly due to higher advances and prepaid expenses during the period.

Investments in associates slightly decreased by P9.6 million or 0.3%, from P3,142.7 million to P3,133.1 million, primarily due to the recognition of equity in net losses of associates.

Property and equipment value decreased by P1.5 million or 1.1% to P138.3 million in 2026 from P139.8 million in 2025 as a result of acquisition of property and equipment in the amount of P2.0 million and partially offset by depreciation expense of P3.5 million during the period.

Right-of-use assets-net decreased by P11.0 million or 12.8% from P85.8 million in 2025 to P74.8 million in 2026 corresponding to the amortization recognized during the period.

Other non-current assets decreased marginally by P0.5 million in 2026 corresponding to the amortization of computer software.

Liabilities

The total liabilities as at 31 March 2026 amounted to P2,491.3 million, comprising of P2,371.7 million in current liabilities and P119.6 million in non-current liabilities. For 31 December 2025, the total liabilities amounted to P2,211.8 million comprised of P2,016.0 million in current liabilities and P195.9 million in non-current liabilities.

Current loans payable increased by P369.7 million or 22.3%, from P1,655.8 million in 2025 to P2,025.5 million as at March 31, 2026. The increase was primarily driven by new loan availments amounting to P500.0 million and the reclassification of P44.4 million from long-term to current maturities, partially offset by loan repayments of P174.4 million.

A 5-year term loan of P700 million availed in 2022 subject to annual repricing, with interest rate adjusted from 5.1% in 2022 to 7.2% in 2026, net of amortized debt issue cost has an outstanding balance of P265.2 million of which P176.8 million is reflected as part of the current liabilities and P88.4 million under non-current liabilities.

Trade and other payables decreased by P12.4 million or 3.4%, from P358.6 million to P346.2 million, reflecting timing of supplier payments and settlement of outstanding obligations.

The decrease in both current and non-current lease liabilities was primarily due to advance rental payments made during the period, which effectively resulted in the full settlement of the Company's lease obligations as at March 31, 2026.

Income tax payable were fully settled during the period, resulting in nil balance as at March 31, 2026.

Deferred tax liabilities – net amounted to P10.1 million as at March 31, 2026, compared to nil balance as at December 31, 2025, primarily arising from temporary differences related to right-of-use assets following the reversal of deferred tax assets on lease liabilities. As at December 31, 2025, the Company was in a net deferred tax asset position

Total equity

The total equity as at 31 March 2026 was P6,518.8 million, comprising of P1,891.0 million in capital stock, P2,242.8 million in additional paid in capital stock, P1,692.0 million in retained earnings, P6.8 million revaluation reserves and P699.8 million non-controlling interest in the subsidiaries. As of 31 December 2025, the total equity was P6,506.6 million, comprising of P1,891.0 million in capital stock, P2,242.8 million in additional paid in capital stock, P1,680.1 million in retained earnings, P6.8 million revaluation reserves and P699.6 million non-controlling interest in a subsidiary.

Retained earnings increased by P12.0 million from P1,680.1 million in 2025 to P1,692.0 million in 2026, reflecting the net income attributable to the Parent Company for the period. There were no dividend declarations during the quarter.

Liquidity and Capital Resources

Net cash flows from operating activities

As at March 31, 2026, the cash flows from operating activities resulted to a net inflow of P51.5 million. Cash receipts were mainly from operating profit and decrease in inventories and partially offset by increase in trade and other receivables, decrease in trade and other payables, increase in prepayments, and payments for income taxes.

Net cash flows from investing activities

The cash flow from investing activities resulted in a net inflow of P8.6 million coming from interest income and partially offset by acquisition of property and equipment.

Net cash flows from financing activities

The cash flow from financing activities resulted in a net inflow of P242.9 million mainly from proceeds from short-term loans, partially offset by settlement of bank loans, payment of lease liabilities and payment for interest expense.

Key Performance Indicators (31 March 2026 versus 31 March 2025)

	2026	2025
Liquidity Ratio [1]	**113.6%**	**125.3%**
Debt to Equity Ratio [2]	**38.2%**	**30.7%**
Asset to Equity Ratio [3]	**138.2%**	**130.7%**
Return on Assets [4]	**0.1%**	**0.1%**
Return on Equity [5]	**0.2%**	**0.2%**
Cost to Income Ratio [6]	**18.2%**	**20.3%**
Interest Cost Coverage Ratio[7]	**166.2%**	**149.5%**
Earnings per Share [8]	**PHP 0.01**	**PHP 0.01**

[1/] *Current Assets over Current Liabilities*

[2/] *Total Liabilities over Equity*

[3/] *Total Assets over Equity*

[4/] *Net Income over Average Assets*

[5/] *Net Income over Average Equity*

[6/] *Cost and Expenses over Revenues*

[7/] *EBIT over Interest Expense*

[8/] *Net Income over Weighted Average Number of Common Outstanding Shares*

Other qualitative and quantitative factors

(i) Any 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. The following conditions shall be indicated: whether or not the registrant is having or anticipates having within the next twelve (12) months any cash flow or liquidity problems; whether or not the registrant is in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; whether or not a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

Based on the Group's risk assessment and scenario analysis, current projections indicate that the Group maintains adequate liquidity to support its operations and meet its obligations under prevailing business conditions. The Group continues to monitor the volatility of the USD to PHP exchange rate and its working capital requirements, particularly in light of projected increase in inventory levels to support its sales growth. No material liquidity constraints are anticipated within the next twelve (12) months.

As of March 31, 2026, the Group is not in default of any financial obligations and remains compliant with all existing loan covenants and financing arrangements. There are likewise no significant trade payables beyond normal credit terms.

(ii) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:

None

(iii) Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period:

None

(iv) Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures

The Company has approved capital expenditures of up to P78 million for 2026 intended for business growth initiatives, optimize warehouse operations, improve energy efficiency, and enhance logistics infrastructure. These expenditures are expected to be funded through internally generated cash flows and/or available bank credit facilities.

(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/ income from continuing operations

The ongoing geopolitical tensions in the Middle East, including the conflict involving Iran, have contributed to volatility in global oil prices and supply disruptions. The Philippines, being highly dependent on imported fuel, has been significantly affected, with rising fuel and electricity costs and the declaration of a national energy emergency.

These developments have resulted in higher logistics, transportation, and operating costs, and may also affect demand from certain customer segments. While the full extent of the impact remains uncertain, the Company continues to monitor market conditions and implement measures to manage cost pressures and supply risks.

(vi) Any significant elements of income or loss that did not arise from continuing operations

None.

(vii) Seasonal aspects that had material effect on the financial condition or results of operations

For some end markets served by the Company, there is a pronounced cyclicality in the level of industrial production due to consumption and weather patterns affecting their processes and products. For the food and beverage business, the low requirement months in general are March-April and November-December while these drier months are generally the peak period for the requirements of the feeds and mining industries. This pronounced cyclicality creates some complexity in inventory management as the Company has to make purchases that would need to correspond to the expected demand for its products.

However, the Company's significant experience in the industry allows it to fairly estimate the supply requirements of its client base. The Company considers historical sales data, customer's rolling production forecasts, market information collected by the sales force and seasonal trends in anticipating future demand for its products. Further, given the Company's presence in a broad range of industries, there is substantially less exposure to the cyclicality of specific industries.