

COVER SHEET

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SEC Registration Number

D I G I P L U S I N T E R A C T I V E C O R P .

(Company's Full Name)

E C O P R I M E B U I L D I N G , 3 2 N D S T . C O R .

9 T H A V E . B O N I F A C I O G L O B A L C I T Y ,

T A G U I G C I T Y

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

Mr. Wilfredo Pielago (Contract Person)

8 634-5099 (Company Telephone Number)

1 2 3 1 Month Day (Fiscal Year)

1 7 - Q (Form Type)

0 7 2 6 Month Day (Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable Amended Articles Number/section

1,805 Total No. of Stockholders

Total Amount of Borrowings Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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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 **September 30, 2024**
2. Commission identification number **13174**
3. BIR tax identification number **321-000-108-278**
4. Exact name of issuer as specified in its charter
DIGIPLUS INTERACTIVE CORP.
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
ECOPRIME BUILDING, 32ND ST. COR. 9TH AVE., BONIFACIO GLOBAL CITY, TAGUIG CITY
8. Issuer's telephone number, including area code
8 637-5291
9. Former name, former address and former fiscal year, if changed since last report
N/A
10. Securities registered pursuant to Section 8 and 12 of the Code, 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	4,407,659,178/NA

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

Yes No

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 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 there under, 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

Please see attached interim condensed consolidated financial statements.

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

OVERVIEW

DigiPlus Interactive Corp. (the “Company” or “DigiPlus”) is functioning as a holding company with minimal operations. The Company is focusing its endeavor in supporting the productivity programs of its subsidiaries as grouped in the following segments: **RETAIL** (1) AB Leisure Exponent, Inc. (ABLE - 100% owned), (2) Total Gamezone Xtreme, Inc. (TGXI - 100% owned), (3) Gamemaster Integrated Inc. (Gamemaster - 100% owned) ; **CASINO** (4) Blue Chip Gaming and Leisure Corporation (BCGLC - 100% owned), (5) Gold Coast Leisure World Corp. (GCLWC - 100% owned); **NETWORK AND LICENSES** (6) First Cagayan Leisure and Resort Corporation (FCLRC - 87.27% owned), (7) First Cagayan Converge Data Center Inc. (FCCDCI - 68.36%); and **PROPERTY** (8) AB Leisure Global, Inc. (ABLGI - 100% owned), (9) LR Land Developers, Inc. (LRLDI - 100% owned), (10) G-L Real Estate JV Corporation (GREJC -100% owned).

Retail

ABLE

ABLE is the pioneer in professional bingo gaming in the Philippines. Philippine Amusement and Gaming Corporation (PAGCOR) granted ABLE and its subsidiaries the authority to operate bingo games pursuant to Presidential Decree (P.D.) 1869. Since then, bingo outlets of ABLE and its subsidiaries have become community and entertainment centers, a source of revenue for the government, and a sponsor for fund-raising activities relating to social and educational programs.

In 2022, ABLE launched the BingoPlus which offers traditional bingo and other electronic games thru online platform. This is the first traditional bingo on a technology platform licensed by the PAGCOR.

As of September 30, 2024, ABLE had 127 land-based sites, of which 119 were operational sites, while 8 sites remained temporary closed mainly due to LGU executive orders and operating losses.

TGXI

TGXI is engaged in operation of e-games stations under a license issued by PAGCOR.

ArenaPlus

In February 2023, the Group launched a new brand for its sports betting operations, ArenaPlus. As of September 30, 2024, TGXI had 22 sites, of which 16 were operational sites while 6 sites remained temporary closed mainly due to operating losses.

Gamemaster

Gamemaster is engaged in operation of online poker games under a license issued by PAGCOR.

Casino

BCGLC

BCGLC operates Slot Arcades at several PAGCOR VIP Clubs at: (1) the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga; (2) Pan Pacific, Malate Manila with Pacific Palm Corporation; (3) Paseo Premier Hotel, Sta. Rosa Laguna with Pacific Palm Corporation; and (4) Apo View Hotel, Davao City with Pacific Palm Corporation.

GCLWC

GCLWC operates Slot Arcades at VIP Club at Venezia at Subic Bay Freeport Zone under a license issued by PAGCOR.

Network and Licenses

FCLRC

The Cagayan Economic Zone Authority (CEZA), mandated by law to manage Cagayan Special Economic Zone and Free Port (CSEZFP), has authorized FCLRC to license, regulate and supervise the operations of registered gaming enterprise in CSEZFP. FCLRC, on behalf of CEZA, can issue two types of licenses: (1) E-casino licenses which will cover all types of gaming including casinos, lotteries, bingo and sportsbook; and (2) Sportsbetting licenses which limit the offerings to sports betting only. As the master licensor, FCLRC is entitled to half of the gaming levy imposed by CEZA on the gaming operators in the CSEZFP.

FCLRC owns 60% of the outstanding capital stock of FCCDCI.

FCCDCI

FCLRC, LRDCSI and IP Ventures, Inc. (IPVI) formed a joint venture corporation with the name First Cagayan Converge Data Center Inc. to engage in the business of information technology such as IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution, premium dial up access, voice over internet protocol, IP-wide area network services and other value-added services. Presently, FCCDCI provides a range of services to Internet Gaming Operators at the CSEZFP for a fee.

Property

ABLGI

ABLGI acquired a building in Manila as investment property and collect rental income.

GREJC

GREJC acquired 23 hectares of land property in Boracay for future project. In April 2023, ABLI entered into a ₱3.0 billion term-loan agreement with Asia United Bank which is secured by the land owned by GREJC. The loan was pre-terminated in 2024.

LRLDI

LRLDI entered into various lease agreements as lessor with lease terms ranging from monthly to five (5) years.

LRLDI is also committed in supporting the development of CSEZFP. In executing an agreement with Cagayan Premium Ventures Development Corporation (CPVDC) and Cagayan Land Property Development Corporation (CLPDC), LRLDI has established its support by investing funds into the Lal-Lo Airport Project, Cagayan Economic Zone and Freeport (CEZFP) International Airport Project, and other facilities within the CSEZFP. These projects aim to improve and further advance CSEZFP into a self-sustaining industrial zone.

LRLDI has significant land properties in Cagayan which are carried at fair value.

RESULTS OF OPERATIONS

CONSOLIDATED REVENUE AND OPERATING INCOME

Breakdown of consolidated revenues and costs and expenses are as follows:

<i>Amounts in Thousands</i>	For nine months ended		Inc/(Dec)	%
	September 30			
	2024	2023		Change
REVENUE				
Retail games	₱50,738,664	₱15,343,397	₱35,395,267	231%
Rental income - casino	377,505	302,925	74,580	25%
Service and hosting fees	301,296	255,190	46,106	18%
Revenue from leases	61,359	54,979	6,380	12%
Commission income	82,354	26,297	56,057	213%
	51,561,178	15,982,788	35,578,390	223%
COSTS AND EXPENSES				
Franchise fees and taxes	(23,413,048)	(7,774,774)	15,638,274	201%
Advertising and promotion	(9,179,989)	(2,178,553)	7,001,436	321%
Outside services	(6,291,035)	(1,757,549)	4,533,486	258%
Salaries and other employee benefits	(1,536,540)	(683,553)	852,987	125%
Rent	(616,975)	(532,471)	84,504	16%
Subscription and association fees	(475,002)	(70,619)	404,383	573%
Depreciation and amortization	(377,934)	(126,824)	251,110	198%
Communications and utilities	(272,031)	(244,019)	28,012	11%
Taxes and licenses	(108,411)	(133,791)	(25,380)	-19%
Others	(326,531)	(92,256)	234,275	254%
	(42,597,496)	(13,594,409)	29,003,087	213%
Operating Income	₱8,963,682	₱2,388,379	₱6,575,303	275%
	For three months ended		Inc/(Dec)	%
<i>Amounts in Thousands</i>	September 30			
	2024	2023		Change
REVENUE				
Retail games	₱18,715,661	₱6,792,873	₱11,922,788	176%
Rental income - casino	131,807	102,924	28,883	28%
Service and hosting fees	105,633	90,008	15,625	17%
Revenue from leases	20,611	17,395	3,216	18%
Commission income	29,258	6,999	22,259	318%
	19,002,970	7,010,199	11,992,771	171%
COSTS AND EXPENSES				
Franchise fees and taxes	(8,322,894)	(3,280,802)	5,042,092	154%
Advertising and promotion	(3,109,218)	(1,015,883)	2,093,335	206%
Outside services	(2,382,010)	(817,318)	1,564,692	191%
Salaries and other employee benefits	(686,126)	(240,161)	445,965	186%
Rent	(214,183)	(186,914)	27,269	15%
Subscription and association fees	(222,024)	(35,684)	186,340	522%
Depreciation and amortization	(187,609)	(43,022)	144,587	336%
Communications and utilities	(91,566)	(90,039)	1,527	2%
Taxes and licenses	(33,010)	(46,308)	(13,298)	-29%
Others	(113,619)	(46,916)	66,703	142%
	(15,362,259)	(5,803,047)	9,559,212	165%
Operating Income	₱3,640,711	₱1,207,152	₱2,433,559	202%

Consolidated Revenue

For the nine months ended September 30, 2024, consolidated revenue increased by 223% or ₱35,578.4 million from ₱15,982.8 million in 2023 to ₱51,561.2 million. The increase was mainly due to increase in revenue from bingo and electronic games from retail, casino, network and licensing, and property segments of the Group, and commission income.

Retail

ABLE and its subsidiaries, and TGXI recognized revenue amounting to ₱50,738.7 million in the first nine months of 2024, an increase of 231% or ₱35,395.3 million. This was mainly due to an increase in retail business operations and new licenses and games obtained from PAGCOR.

As of September 30, 2024, there were 135 sites in operation with full capacity.

Casino

BCGLC and GCLWC revenue increased by 25% or ₱74.6 million from ₱302.9 million in the first nine months of 2023 to ₱377.5 million in the first nine months of 2024. The increase was mainly due to increase in foot traffic and operating capacity.

Network and Licenses

There was an increase in network and licenses revenue from ₱255.2 million to ₱301.3 million in the first nine months of 2024 as compared to 2023. The increase amounted to ₱46.1 million or 18%. The growth was attributable to various renewals of CEZA licenses and higher revenues reported by existing licensees.

Property

Revenue from leases increased by 12% mainly due to escalation of rates in 2024. The revenue from property segment was generated from the lease of Binondo Suites and other properties in Cagayan Province.

Consolidated Costs and Expenses

Total costs and expenses increased by 213% or ₱29,003.1 million in the first nine months of 2024 as compared to 2023. This was mainly due to increase in franchise fees, advertising and promotions, outside services, salaries and other employee benefits, rent expense, subscription and association fees, depreciation and amortization, and communication and utilities.

CONSOLIDATED EBITDA AND NET INCOME

Details of EBITDA and net income are as follows:

<i>Amounts in thousands</i>	For nine months ended		Inc/(Dec)	% Change
	September 30			
	2024	2023		
Revenues	₱51,561,178	₱15,982,788	₱35,578,390	223%
Costs and expenses (excluding depreciation and amortization)	(42,219,562)	(13,467,585)	(28,751,977)	213%
EBITDA*	9,341,616	2,515,203	6,826,413	271%
Depreciation and amortization	(377,934)	(126,824)	251,110	198%
Finance expense and bank charges	(115,438)	(94,761)	20,677	22%
Provision for expected credit losses	(71,569)	(89,673)	(18,104)	-20%
Finance income	58,895	23,705	35,190	148%
Foreign exchange loss	(40,395)	(4,829)	35,566	736%
Equity in net loss of joint venture	(37,979)	(26,292)	11,687	44%
Provision for tax	(5,089)	(7,076)	(1,987)	-28%
Other expenses - net	(2,937)	(77,406)	(74,469)	-96%
Net income after tax	8,749,170	2,112,047	6,637,123	314%
Minority interest	8,274	29,388	(21,114)	-72%
Net income attributable to Parent Company	₱8,740,896	₱2,082,659	₱6,658,237	320%

<i>Amounts in thousands</i>	For three months ended		Inc/(Dec)	% Change
	September 30			
	2024	2023		
Revenues	₱19,002,970	₱7,010,199	₱11,992,771	171%
Costs and expenses (excluding depreciation and amortization)	(15,174,650)	(5,760,025)	(9,414,625)	163%
EBITDA*	3,828,320	1,250,174	2,578,146	206%
Depreciation and amortization	(187,609)	(43,022)	144,587	336%
Finance expense and bank charges	(74,975)	(53,177)	21,798	41%
Provision for expected credit losses	(71,569)	(89,673)	(18,104)	-20%
Finance income	27,359	12,436	14,923	120%
Foreign exchange gain (loss)	14,506	(4,373)	18,879	432%
Equity in net loss of joint venture	(8,895)	(9,262)	(367)	-4%
Provision for tax	(1,519)	(7,076)	(5,557)	-79%
Other expenses - net	(2,219)	(40,317)	(38,098)	-94%
Net income after tax	3,523,399	1,015,709	2,507,690	247%
Minority interest	3,778	8,474	(4,696)	-55%
Net income attributable to Parent Company	₱3,519,621	₱1,007,235	₱2,512,386	249%

*EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and non-recurring expense such as impairment loss. The Group evaluates performance based on contributions to EBITDA, which is not a measure of operating performance or liquidity defined by PFRSs and may not be comparable to similarly titled measures presented by other entities.

The Group's consolidated net income improved from ₱2,112.0 million in the first nine months of 2023 to ₱8,749.2 million in the first nine months of 2024 or 314% increase. EBITDA also improved from ₱2,515.2 million in the first nine months of 2023 to ₱9,341.6 million in the same period of 2024. This was mainly due to significant increase in revenue from retail segment, net of costs and expenses related to franchise and taxes, advertising, manpower and retail business for re-opening of sites.

Financial Position

On a consolidated basis, the financial position of DigiPlus and its subsidiaries continue to be on solid ground.

As at September 30, 2024, our total assets stood at ₱39.4 billion, an increase of ₱9.7 billion or 33% as compared to the total assets as of December 31, 2023 amounting to ₱29.7 billion. The increase was attributable to increase in cash and cash equivalents, prepaid expenses and other current assets, and property and equipment.

Cash and cash equivalents increased by ₱8,454.7 million or 198% mainly due to cash flows generated from operations, net of cash used in investing and financing activities.

Receivables and lease receivables decreased by ₱45.0 million or 1% mainly due to collection of outstanding receivables and additional provision for expected credit losses.

Prepaid expenses and other current assets increased by ₱66.6 million or 5% mainly due to increase in prepayments such as advertising, taxes and licenses, insurance and increase in advances to existing suppliers.

Investments and advances amounting to ₱2.7 billion, consisting of investments in associates and joint ventures, slightly decreased mainly due to share in net equity of HEPI.

Financial assets at fair value through other comprehensive income decreased by ₱7.0 million or 11% mainly due to decrease in fair value of its investment in DFNN shares.

Property and equipment increased by ₱2.0 billion or 57% mainly due to renovations of land-based sites and offices, capitalized costs for the development of software systems, and acquisition of office and IT equipment, net of straight-line depreciation and amortization during the period.

Investment properties amounting to ₱11.1 billion mainly consist of land properties located in Cagayan and Boracay, Aklan.

Goodwill amounting to ₱1.3 billion were from the business acquisition of the Group which includes share and land-based site acquisitions.

Other noncurrent assets include advances to suppliers, cash performance bonds, rental deposits and other assets. Other noncurrent assets decreased by 36% or ₱735.3 million mainly due to reclass from deferred project costs to property and equipment of costs related to the development of software systems.

The total liabilities as of September 30, 2024 and December 31, 2023 amounted to ₱12.5 billion and ₱10.8 billion, respectively. The increase was mainly due to increase in trade payables and other current liabilities, net of decrease in loans payable and dividends payable.

Trade payables and other current liabilities increased by ₱2.9 billion or 47% attributable to the growth in business volume during the period resulting in higher cost and expenses.

Dividends payable decreased by ₱15.3 million or 100% due to payment of outstanding balance during the period.

Loans payable decreased by ₱1.2 billion or 63% due to loan principal repayments during the period.

Other reserve increased by ₱16.7 million or 7% due to reserve for employee stock options amounting ₱137.7 million, net of acquisition of minority interest in Summit Bingo, Inc. and First Cagayan Leisure and Resort Corporation amounting ₱121.0 million.

Cash Flows

Cash balance as of September 30, 2024 and December 31, 2023 amounted to ₱12.7 billion and ₱4.3 billion, respectively. The increase was mainly due to cash flows provided by operating activities amounting to ₱12.3 billion, net of cash used in investing and financing activities amounting to ₱1.8 billion and ₱2.1 billion, respectively.

The Company and its subsidiaries:

- a) Have no known trends or any demands, commitments, events or uncertainties that will result in or that are likely to result in the liquidity increasing or decreasing in any material way;
- b) Have no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- c) Have no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period;
- d) Have not breached any loans, leases or other indebtedness or financing agreement; and
- e) Have no material commitment for capital expenditure, aside from those already discussed.

FUTURE PLANS

DigiPlus continues to execute on its strategic transformation agenda in line with its vision to be the number one digital entertainment group in the Philippines. Through new technologies, innovation, and strong knowledge of the local market, DigiPlus intends to unlock new forms of entertainment to Filipinos that can be accessed anytime and anywhere.

DigiPlus will continue to invest in new technologies and product development to offer unparalleled enjoyment for Filipinos with new digital offerings that cater to various demographics and lifestyle preferences such as specialty games, social games, and streaming in addition to its flagship platforms BingoPlus and ArenaPlus.

Moreover, it is integrating its digital platforms with its physical hubs with top-tier flagship stores, livestreaming hub, and cutting-edge gaming machines to deliver seamless, flexible, and fun experiences to customers wherever they are.

Finally, DigiPlus is utilizing big data technologies and embarking on aggressive marketing efforts to enhance customer engagement and retention.

PART II – OTHER INFORMATION

There is no significant information that needs to be reported under this section not previously reported in a report on SEC Form 17-C.

SIGNATURES

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

DIGIPLUS INTERACTIVE CORP.

By:



TSUI KIN MING
President

November 5, 2024



WILFREDO M. PIELAGO
Chief Financial Officer / Treasurer

November 5, 2024

DigiPlus Interactive Corp. and Subsidiaries

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at September 30, 2024

With Comparative Audited Figures as at December 31, 2023

(All amounts in thousands Philippine Peso)

	Notes	2024 (Unaudited)	2023 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		12,718,933	4,264,238
Receivables, net		2,470,851	2,523,382
Current portion of lease receivables		68,238	66,967
Due from related parties		161,868	156,823
Prepaid expenses and other current assets		1,516,853	1,450,288
Total current assets		16,936,743	8,461,698
Non-current assets			
Receivables, net of current portion		412,864	397,324
Lease receivables, net of current portion		117,184	126,513
Investments and advances, net		2,669,445	2,702,852
Financial assets at fair value through other comprehensive income (FVOCI)		60,142	67,578
Property and equipment, net	3	5,525,666	3,524,736
Investment properties	4	11,074,870	11,074,870
Goodwill		1,329,092	1,329,092
Other noncurrent assets		1,294,954	2,030,250
Total noncurrent assets		22,484,217	21,253,215
Total assets		39,420,960	29,714,913
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables and other current liabilities		9,050,379	6,147,850
Dividends payable	6	-	15,313
Short-term loans payable	5	-	1,000
Current portion of:			
Long-term loans payable	5	702,384	1,017,384
Lease liabilities		281,840	275,294
Income tax payable		1,801	1,114
Total current liabilities		10,036,404	7,457,955
Non-current liabilities			
Long-term loans payable, net of current portion	5	-	869,423
Lease liabilities, net of current portion		828,577	799,071
Retirement benefits liability		69,841	69,841
Customer deposits, net of current portion		81,323	80,267
Deferred tax liabilities		1,512,706	1,512,706
Total noncurrent liabilities		2,492,447	3,331,308
Total liabilities		12,528,851	10,789,263
Equity			
Capital stock		4,785,307	4,785,307
Additional paid-in capital		6,245,301	6,245,301
Treasury shares		(431,598)	(431,598)
Retirement benefits reserve		12,907	12,907
Fair value reserve		481,464	488,900
Foreign currency translation reserve		(2,100)	(2,100)
Other reserve		256,430	239,681
Retained earnings		15,352,265	7,404,748
Equity attributable to equity holders of the Parent Company		26,699,976	18,743,146
Non-controlling interests		192,133	182,504
Total equity	6	26,892,109	18,925,650
Total liabilities and equity		39,420,960	29,714,913

(The notes are integral part of these financial statements)

DigiPlus Interactive Corp. and Subsidiaries

Unaudited Interim Condensed Consolidated Statements of Total Comprehensive Income

For the nine months and three months ended September 30, 2024 and 2023

(All amounts in thousands Philippine Peso, except Earnings per Share Figures)

	Notes	Nine months ended September 30		Three months ended September 30	
		2024	2023	2024	2023
Revenues					
Retail games	7	50,738,664	15,343,397	18,715,661	6,792,873
Rental income - casino		377,505	302,925	131,807	102,924
Service and hosting fees		301,296	255,190	105,633	90,008
Revenue from leases		61,359	54,979	20,611	17,395
Commission income		82,354	26,297	29,258	6,999
		51,561,178	15,982,788	19,002,970	7,010,199
Cost and operating expenses	9	(42,597,496)	(13,594,409)	(15,362,259)	(5,803,047)
Operating profit		8,963,682	2,388,379	3,640,711	1,207,152
Other expenses and losses, net					
Finance expense and bank charges	5	(115,438)	(94,761)	(74,975)	(53,177)
Equity in net loss of joint venture		(37,979)	(26,292)	(8,895)	(9,262)
Foreign exchange loss, net		(40,395)	(4,829)	14,506	(4,373)
Finance income		58,895	23,705	27,359	12,436
Provision for expected credit losses		(71,569)	(89,673)	(71,569)	(89,673)
Other expenses, net		(2,937)	(77,406)	(2,219)	(40,318)
		(209,423)	(269,256)	(115,793)	(184,367)
Profit before income tax		8,754,259	2,119,123	3,524,918	1,022,785
Provision for income tax		(5,089)	(7,076)	(1,519)	(7,076)
Profit for the period		8,749,170	2,112,047	3,523,399	1,015,709
Other comprehensive loss					
Items that will not be reclassified to profit or loss					
Revaluation loss - FVOCI		(7,436)	(11,154)	(16,403)	(1,531)
Total comprehensive income for the period		8,741,734	2,100,893	3,506,996	1,014,178
Profit for the period attributable to:					
Equity holders of the Parent Company		8,740,896	2,082,659	3,519,621	1,007,235
Non-controlling interests		8,274	29,388	3,778	8,474
		8,749,170	2,112,047	3,523,399	1,015,709
Total comprehensive income attributable to:					
Equity holders of the Parent Company		8,733,460	2,071,505	3,503,218	1,005,704
Non-controlling interests		8,274	29,388	3,778	8,474
		8,741,734	2,100,893	3,506,996	1,014,178
Earnings per share	6				
Basic		1.9831	0.5536	0.7985	0.2615
Diluted		1.9346	0.5536	0.7790	0.2615

(The notes are integral part of these financial statements)

DigiPlus Interactive Corp. and Subsidiaries

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2024 and 2023

(All amounts in thousands Philippine Peso)

	Equity attributable to equity holders of the Parent Company											
	Capital stock		Additional paid in capital	Treasury shares	Retirement benefits reserve	Fair value reserve	Foreign currency translation reserve	Other reserve	Retained earnings	Total	Non- controlling interest	Total equity
	Common	Preferred										
Balances at December 31, 2022	4,094,107	-	5,090,997	(431,598)	20,502	499,835	(2,100)	(19,488)	3,327,014	12,579,269	427,455	13,006,724
Comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	2,082,659	2,082,659	29,388	2,112,047
Other comprehensive loss for the period	-	-	-	-	-	(11,154)	-	-	-	(11,154)	-	(11,154)
Total comprehensive income for the period	-	-	-	-	-	(11,154)	-	-	2,082,659	2,071,505	29,388	2,100,893
Issuance of shares	691,200	-	1,161,216	-	-	-	-	-	1,852,416	1,852,416	-	1,852,416
Share issuance costs	-	-	(6,912)	-	-	-	-	-	-	(6,912)	-	(6,912)
Stock option reserves during the period	-	-	-	-	-	-	-	62,637	-	62,637	-	62,637
Balances at September 30, 2023	4,785,307	-	6,245,301	(431,598)	20,502	488,681	(2,100)	43,149	5,409,673	16,558,915	456,843	17,015,758

	Equity attributable to equity holders of the Parent Company											
	Capital stock		Additional paid-in capital	Treasury shares	Retirement benefits reserve	Fair value reserve	Foreign currency translation reserve	Other reserve	Retained earnings	Total	Non- controlling interest	Total equity
	Common	Preferred										
Balances at December 31, 2023	4,785,307	-	6,245,301	(431,598)	12,907	488,900	(2,100)	239,681	7,404,748	18,743,146	182,504	18,925,650
Comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	8,740,896	8,740,896	8,274	8,749,170
Other comprehensive loss for the period	-	-	-	-	-	(7,436)	-	-	-	(7,436)	-	(7,436)
Total comprehensive income for the period	-	-	-	-	-	(7,436)	-	-	8,740,896	8,733,460	8,274	8,741,734
Transaction with owners												
Cash dividends	-	-	-	-	-	-	-	-	(793,379)	(793,379)	-	(793,379)
Stock option reserves during the period	-	-	-	-	-	-	-	137,773	-	137,773	-	137,773
Acquisition of minority interest	-	-	-	-	-	-	(121,024)	-	-	(121,024)	1,355	(119,669)
Balances at September 30, 2024	4,785,307	-	6,245,301	(431,598)	12,907	481,464	(2,100)	256,430	15,352,265	26,699,976	192,133	26,892,109

(The notes are integral part of these financial statements)

DigiPlus Interactive Corp. and Subsidiaries

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

(All amounts in thousands Philippine Peso)

	Notes	2024	2023
Cash flows from operating activities			
Income before income tax		8,754,259	2,112,047
Adjustments for:			
Depreciation and amortization		377,934	126,824
Finance expense		88,159	94,761
Equity in net loss of joint venture and associates		37,979	26,292
Unrealized foreign exchange loss		-	(94)
Provision for expected credit losses (ECL)		71,569	89,673
Reserve for employee stock options		137,773	62,637
Interest income		(58,895)	(23,705)
Operating income before working capital changes		9,408,779	2,488,436
Increase in:			
Receivables		(16,025)	(155,330)
Prepaid expenses and other current assets		(66,565)	(779,383)
Increase (decrease) in:			
Trade payables and other current liabilities		2,976,815	2,836,587
Customer deposits		1,056	(1,955)
Net cash generated from operations		12,304,059	4,388,355
Income tax paid		(3,541)	(5,057)
Interest received		43,355	23,705
Net cash provided by operating activities		12,343,873	4,407,002
Cash flows for investing activities			
Additions to:			
Property and equipment		(1,072,156)	(1,299,460)
Investment and advances		(124,241)	-
Increase in other noncurrent assets		(558,268)	(1,030,952)
Net cash used in investing activities		(1,754,665)	(2,330,412)
Cash flows for financing activities			
Proceeds from:			
Issuance of common shares		-	1,852,416
Loans payable	4	15,000	1,775,000
Payments for:			
Loans payable	4	(1,216,000)	(3,117,239)
Dividends		(808,692)	-
Interest		(124,821)	(94,761)
Share issuance costs		-	(6,912)
Net cash (used in) provided by financing activities		(2,134,512)	408,504
Net increase in cash and cash equivalents		8,454,695	2,485,095
Cash and cash equivalents at beginning of period		4,264,238	1,356,481
Cash and cash equivalents at end of period		12,718,933	3,841,576

(The notes are integral part of these financial statements)

DigiPlus Interactive Corp. and Subsidiaries

Notes to Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2024 and December 31, 2023

And for the nine months ended September 30, 2024 and 2023

(In the notes, all amounts are shown in thousands Philippine Peso unless otherwise stated)

Note 1 - Corporate information

DigiPlus Interactive Corp. (formerly Leisure & Resorts World Corporation) (the Parent Company or “DigiPlus”) was registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1957. The accompanying interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (collectively referred to as the “Group” and individually as “Group entities”) and the Group’s interest in joint venture and associates.

The Parent Company is a public company under Section 17.2 of the Securities Regulation Code (SRC) and its shares are listed on the Philippine Stock Exchange, Inc. (PSE).

The Parent Company’s primary purpose is to purchase, acquire, own, use, improve, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as, but not limited to resorts, golf courses, clubhouses and sport facilities, hotels and gaming facilities, including but not limited to bingo parlors with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith.

On February 28, 2023, the Securities and Exchange Commission approved the change of the corporate name of the Parent Company from “Leisure & Resorts World Corporation” to “DigiPlus Interactive Corp.” In view of the foregoing, in March 2023, the Company changed its Stock Symbol from “LR” to “PLUS”.

In addition, the SEC approved the Parent Company’s change of business address from Pasig City to Taguig City. The Group’s registered office address is Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

Note 2 - Summary of material accounting policies

2.1 Basis of preparation and presentation

The interim condensed consolidated financial statements have been prepared on a historical cost convention basis, except for:

- Certain financial assets carried at FVOCI;
- Investment properties carried at fair value

The interim condensed consolidated financial statements are presented in Philippine Peso, the Group’s functional and presentation currency. All values are rounded to the nearest thousands (000), except when otherwise indicated. The interim condensed consolidated financial statements have been prepared based on the accounting policies disclosed in the most recent audited annual consolidated financial statements.

Statement of compliance

The interim condensed consolidated financial statements for the nine months ended September 30, 2024 have been prepared in accordance with PAS 34, Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2023.

2.2 Changes of accounting policies and disclosures

New standards, amendments and interpretations adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended December 31, 2023 except for the new PFRS, amended PFRS, improvements to PFRS and interpretations which were adopted beginning January 1, 2024. Unless otherwise indicated, the Group does not expect the future adoption of the said pronouncements to have a significant impact on its interim condensed consolidated financial statements.

- Amendments to PAS 1, Presentation of Financial Statements, Classification of liabilities as current or non-current
- Amendments to PFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to PAS 7 and PFRS 7, Disclosures: Supplier Finance Arrangements

There are no other relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2024.

2.3 Basis of consolidation

Subsidiaries

The interim condensed consolidated financial statements include the financial statements of the Group as at September 30, 2024 with comparative audited figures as at December 31, 2023 and unaudited consolidated statements of total comprehensive income for the periods ended September 30, 2024 and 2023.

The Group controls an investee if and only if the Group has:

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of a subsidiary

When the Group ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Group surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

The interim condensed consolidated financial statements include the financial statements of the Group and the following subsidiaries as at September 30, 2024 and December 31, 2023:

Subsidiaries	Percentage of ownership		Country of incorporation
	September 30, 2024	December 31, 2023	
AB Leisure Exponent, Inc. (ABLE) and subsidiaries	100	100	Philippines
AB Leisure Global, Inc. (ABLGI)	100	100	Philippines
LR Land Developers, Inc. (LRLDI)	100	100	Philippines
Prime Investment Korea, Inc. (PIKI)*	100	100	Philippines
Total Gamezone Xtreme Incorporated (TGXI)	100	100	Philippines
Gamemaster Integrated Inc. (formerly G-Boracay Beta Holdings Inc. (GBBHI)**	100	-	Philippines
Diginvest Holdings Inc. (Diginvest)	100	-	Philippines
Blue Chip Gaming and Leisure Corporation (BCGLC)	100	100	Philippines
Gold Coast Leisure World Corporation (GCLWC)	100	100	Philippines
LR Data Center and Solutions Inc. (LRDCSI)*	80	80	Philippines
First Cagayan Leisure and Resort Corporation (FCLRC)	87.27	87.27	Philippines
First Cagayan Converge Data Center, Inc. (FCCDCI)	68.36	68.36	Philippines

*Non-operating subsidiary

**Indirect subsidiary of ABLGI as at December 31, 2023

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Group. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In 2024, DigiPlus acquired additional 10% minority interest in FCLRC. Cash consideration was paid to the non-controlling shareholder. As of date, the Company is awaiting the Certificate Authorizing Registration of transfer of the shares from the BIR.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from GBLHI to DigiPlus Interactive Corp.

On September 30, 2024, DigiPlus incorporated Diginvest as its wholly owned subsidiary. The primary purpose of the Company is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligations of any other corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized, and to pay therefore in money or by exchanging therefore stocks, bonds, property or other evidence of indebtedness or securities of this or any corporation, stocks, bonds, debentures, contracts or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property, and to possess and exercise in receipt thereof all the rights, powers and privileges of ownership, including all voting powers or any stock so owned; without acting as a broker/dealer in securities. The principal office of the corporation is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

Non-controlling interest (NCI)

NCI represent the portion of profit or loss and net assets or liabilities not held by the Group and are presented separately in the consolidated statements of total comprehensive income, consolidated statements of changes in equity, and within equity in the consolidated statements of financial position, separately from Group's equity attributable to equity holders of the Group. Losses applicable to the NCI in a subsidiary (including components of other comprehensive income) are allocated to the NCI even if doing so results in a deficit NCI balance.

ABLE

ABLE, a wholly owned subsidiary, was registered with the SEC on December 28, 1994. Its primary purpose is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games.

ABLE offers traditional and electronic bingo games on its bingo halls across the country. In January 2022, PAGCOR granted ABLE with an online traditional bingo license for its new application BingoPlus.

ABLE's registered office address is located at 5th Floor Units 536-544 Bldg. D SM Megamall, EDSA Brgy. Wack-wack, Mandaluyong City.

The interim condensed consolidated financial statements also include the following indirect subsidiaries owned through ABLE as at September 30, 2024 and December 31, 2023:

Subsidiaries	Percentage of Ownership		Country of incorporation
	September 30, 2024	December 31, 2023	
Alabang Numbers & Gaming Corporation	100	100	Philippines
Allpoint Leisure Corporation	100	100	Philippines
Alpha One Amusement and Recreation Corp.	100	100	Philippines
Big Time Gaming Corporation	100	100	Philippines
Bingo Extravaganza, Inc.	100	100	Philippines
Bingo Gallery, Inc.	100	100	Philippines
Bingo Heaven Inc.*	100	100	Philippines
Bingo Palace Corporation	100	100	Philippines
Cebu Entertainment Gallery, Inc.	100	100	Philippines
Fiesta Gaming and Entertainment Corporation*	100	100	Philippines
First Leisure & Game Co., Inc.	100	100	Philippines
Galleria Bingo Corporation	100	100	Philippines
Gamexperience Entertainment Corp.	100	100	Philippines
Grand Polaris Gaming Co., Inc.	100	100	Philippines
G-One Gaming & Technology, Inc.	100	100	Philippines
Highland Gaming Corporation	100	100	Philippines
Iloilo Bingo Corporation	100	100	Philippines
Metro Gaming Entertainment Gallery, Inc.	100	100	Philippines
Rizal Gaming Corporation	100	100	Philippines
SG Amusement and Recreation Corp.	100	100	Philippines
South Bingo Corporation	100	100	Philippines
South Entertainment Gallery Incorporated	100	100	Philippines
Topmost Gaming Corp.	100	100	Philippines
Topnotch Bingo Trend, Inc. (Topnotch)	100	100	Philippines
One Bingo Pavilion Inc.	100	100	Philippines
Worldwide Links Leisure and Gaming Corporation	100	100	Philippines
Bingo Dinero Corporation (Bingo Dinero)	100	100	Philippines
Manila Bingo Corporation	100	100	Philippines
Summit Bingo, Inc.**	100	60	Philippines
One Bingo Place, Incorporated***	99	95	Philippines
Bingo Zone, Inc.*	95	95	Philippines
Isarog Gaming Corporation	90	90	Philippines
Negrense Entertainment Gallery, Inc.	55	55	Philippines

*Non-operating subsidiaries

**In 2024, ABLE acquired the remaining 40% minority interest in Summit Bingo, Inc. increasing its ownership interest to 100%. Cash consideration was paid to the non-controlling shareholder.

***In 2024, ABLE subscribed to the entire increase in One Bingo Place, Incorporated's authorized capital stock, resulting in a dilution of the non-controlling interest (NCI). Consequently, ABLE's ownership interest increased from 95% to 99%.

The indirect subsidiaries' primary purpose is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games.

ABLGI

ABLGI, a wholly owned subsidiary, was registered with the SEC on October 20, 2009. Its primary purpose is to acquire, own, use, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises such as but not limited to resorts, golf courses, clubhouses and sports facilities, hotels and gaming facilities, with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith. ABLGI started its operations on January 1, 2013.

ABLGI's registered office address is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

The interim condensed consolidated financial statements also include the following indirect subsidiaries owned through ABLGI as at September 30, 2024 and December 31, 2023:

Subsidiaries	Percentage of Ownership		Country of incorporation
	September 30, 2024	December 31, 2023	
AB Leisure Asia Holdings Inc. (ABLAHI)	100	100	Philippines
AB Leisure Holdings Philippines Corp (ABLHPC)	100	100	Philippines
G-L Real Estate JV Corporation (GL-JV)	100	100	Philippines
G-Boracay Land Holdings Inc. (GBLHI)	100	100	Philippines
G-Boracay Alpha Holdings Inc. (GBAHI)	100	100	Philippines
Gamemaster Integrated Inc. (formerly G-Boracay Beta Holdings Inc. (GBBHI))*	-	100	Philippines
DigiLive Inc. (formerly G-Boracay Gamma Holdings Inc. (GBGHI)	100	100	Philippines
Leisure and Media Plus Corporation (LMPC)	100	-	Philippines
DigiPlus Brazil Holdings Ltda.	100	-	Philippines
DigiPlus Brazil Interactive Ltda.	100	-	Philippines

**Direct subsidiary of DigiPlus Interactive Corp. as at September 30, 2024*

The indirect subsidiaries' primary purpose is the same as ABLGI. These indirect subsidiaries were incorporated in 2017 for a future project. The land for such project was acquired in 2017 at a cost of P4,759,548,749.

On May 29, 2024, ABLGI incorporated LMPC as its wholly owned subsidiary. The primary purpose of the Company is to engage in the production, marketing and sales subscription and/or advertising-supported sports and entertainment content services through the curation and aggregation of local and international programming. The principal office of the corporation is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

On July 3, 2024, ABLGI incorporated DigiPlus Brazil Holding Ltda. as its wholly owned subsidiary. The Company's corporate purpose is holding equity stakes, as member, shareholder or quotaholder, in other companies and ventures in Brazil or abroad. The registered office address of the Company is in Sao Paulo, Brazil.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from GBLHI to DigiPlus Interactive Corp.

On July 24, 2024, DigiPlus Brazil Holding Ltda. incorporated DigiPlus Brazil Interactive Ltda. as its wholly owned subsidiary. The Company's corporate purposes are operation of fixed-odds betting and holding equity stakes, as member, shareholder or quotaholder, in other companies and ventures in Brazil or abroad. The registered office address of the Company is in Sao Paulo, Brazil. The Company has not started its operations.

On August 18, 2024, DigiPlus, through its wholly-owned subsidiary, DigiPlus Brazil Interactive Ltda., filed an application for Licença Para Loterias De Apostas De Quota Fixa, which is a federal license that allows the operations of land-based and online sports betting, electronic games, live game studios, and other fixed-odds betting activities in Brazil. The result of the license application is expected to be released on or before the end of November 2024.

LRLDI

On December 10, 2007, the Parent Group incorporated LRLDI as its wholly-owned subsidiary. It is engaged in realty development and lease of properties. LRLDI started its operations in 2010.

LRLDI's registered office address is located at Cyberpark Building, Brgy. Visitacion, Sta. Ana, Cagayan.

The community quarantines brought about by the pandemic significantly impacted the LRLDI's operations in 2021 and 2020. The Parent Company is providing the necessary operating and financial support to LRLDI to enable it to continue in the normal course of business.

PIKI

PIKI was registered with the SEC on November 9, 2012. Its primary purpose is to engage in the business of gaming, recreation, leisure and lease of property. On July 3, 2013, PIKI obtained a Grant of Authority from PAGCOR for the privilege and authority to bring in pre-registered non-Philippine junket players (with passports bearing Philippine arrival dates no later than five (5) days prior to the initial entry in the Gaming Rooms) to play the designated junket Gaming Rooms at PAGCOR's Casino Filipino - Midas, with a minimum gaming table mix to be determined by PAGCOR. On March 22, 2013, the Parent Group acquired 100% of PIKI's outstanding capital stock. PIKI started its operations on July 26, 2013.

PIKI was licensed by PAGCOR to operate a junket within PAGCOR's Casino Filipino-Midas. Junket operations have been suspended at the start of the ECQ. In November 2021, PIKI ceased its operations.

TGXI

TGXI was registered with the SEC on June 27, 2014 primarily to engage in general amusement, gaming operations and recreation enterprises. PAGCOR granted TGXI the privilege to establish, install, maintain, and operate PAGCOR eGames Station (PeGS). PeGS is a gaming facility that offers virtual casino games. TGXI started commercial operations on July 16, 2014. TGXI operates PeGS in several locations across the country.

TGXI's principal office is at 35/F, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

BCGLC

BCGLC was registered with the SEC on February 26, 2009. Its primary purpose is to provide investment, management counsel and to act as agent or representative for business enterprises engaged in gaming, recreation and leisure activities. On October 20, 2009, BCGLC (lessor), as the authorized representative of Munich Management Limited (a foreign corporation duly organized and registered in British Virgin Islands), entered into a contract of lease with PAGCOR (lessee), for the use of slot machines and gaming facilities.

On July 24, 2015, BCGLC incorporated Gold Coast Leisure World Corp. (GCLWC) as its wholly owned subsidiary. Its primary purpose is to purchase, acquire, own, lease (except financial leasing), sell and convey real properties such as lands, buildings, factories, and warehouses and machineries, equipment, and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, share of its capital stock, debentures and other evidences of indebtedness, or other securities as may be deemed expedient, for any business or property acquired by the corporation.

BCGLC operates several PAGCOR VIP clubs.

BCGLC's registered office address is at King's Royal Hotel and Leisure Park, Olongapo Gapan Road, Macabacle, Bacolor, Pampanga.

LRDCSI

LRDCSI was registered with SEC on May 20, 2016 and started its operation in October 2017. LRDCSI is a technology Group engaged in aggregating data and telecommunication services. LRDCSI's revenue model involves acquiring services from local and foreign technology and telecommunications companies at wholesale rates, bundling said services and then reselling the services at retail rates. The premium for such activity is warranted given the bespoke and higher level of customer engagement provided by the LRDCSI.

LRDCSI's registered office address is located at 26th Floor West Tower, PSE Center, Exchange Road, Ortigas Center, Brgy. San Antonio, Pasig City.

FCLRC

FCLRC was incorporated on April 26, 2000 and is a Cagayan Special Economic Zone and Freeport (CSEZFP) registered enterprise. FCLRC has an existing License Agreement with the Cagayan Economic Zone Authority (CEZA) to develop, operate and conduct internet and gaming enterprises and facilities in the CSEZFP. Pursuant to the License Agreement, CEZA issued the "CEZA Master Licensor Certificate" certifying that FCLRC is duly authorized to regulate and monitor, on behalf of CEZA, all activities pertaining to the licensing and operation of interactive games.

As Master Licensor in CEZA, FCLRC is authorized to collect a sub-license fee of two percent of the gross winnings from the internet casino, in accordance with an agreed formula. Since COVID-19 impacted the operations of the CEZA licensees, FCLRC's sub-license fee also decrease due to discontinuance of the operations of its locators/licensees.

FCLRC's registered office address is located at Guest House, CEZA Complex, Casambalangan, Sta. Ana, Cagayan.

FCCDCI

On March 1, 2007, FCLRC and IP Converge Data Center Corp. (IPCDCC) entered into a Shareholders Agreement (Joint Venture) to engage in the business of information technology such as, but not limited to IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution to the licensed locators of FCLRC, as well as the CEZA. The Joint Venture shall likewise invest in building, upgrading and maintaining the IP communications infrastructure that connects CEZA to the global internet. This includes fiber optic networks, wireless radio stations, telco-grade internet data center, network operations center, and network hubs/access points. This investment is made by FCLRC in relation to the Master Development Plan for Tourism Area in CSEZFP and the Development of Information Technology (IT) Facilities and Telecommunications (Master Development Plan) (Note 5).

FCCDCI was incorporated and registered with the SEC on November 14, 2007, and started commercial operations on January 1, 2008. FCLRC owns 60% of FCCDCI and the remaining 40% is owned by IPCDCC.

On May 15, 2012, IPCDCC entered into a Deed of Assignment of Subscription Rights with IP Ventures, Inc. ("IPVI" a third party Group) whereby IPCDCC assigned all the rights, interests and participation to IPVI. On January 1, 2017, IPVI entered into a Deed of Absolute Sale of Share of Stock with LRDCSI, whereby IPVI assigned its rights, interest and participation to its 5,000,000 shares of stock or 20% ownership in FCCDCI.

By virtue of the Deed of Absolute Sale of Share of Stock entered into by IPVI and LRDCSI, DigiPlus obtained a 57.81% effective interest and control in FCCDCI through its direct subsidiaries FCLRC and LRDCSI at 60% and 20% equity stake in FCCDCI, respectively. Thus, due to the effect of the 20% additional equity interest, FCCDCI is consolidated into the Group effective January 1, 2017.

FCCDCI provides advanced information technology infrastructure services for businesses such as colocation, internet services, connectivity, business continuity and disaster recovery, and managed professional services. Service agreements with the customers are renewable annually. Due to the COVID-19 pandemic, some of the

clients of FCCDCI terminated or have not renewed its contract. In addition, FCCDCI granted discounts to some of its customers in April and May 2020.

FCCDCI's registered office address is at Centro Municipality of Sta. Ana, Cagayan Economic Zone, Cagayan Province.

BBL

On March 15, 2010, the Parent Group incorporated BBL as its 60%-owned subsidiary. Its primary purpose is to engage in the business of gaming, recreation, leisure and lease of property. BBL was incorporated under the Companies Ordinance of Hong Kong and started its operations in March 2012. It is currently non-operational and in the process of liquidation.

Transactions eliminated on consolidation

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated. Unrealized gains from transactions with the equity accounted investees are eliminated against the investment to the extent of the Group's interest in investee. Unrealized losses are eliminated in the same way as unrealized gains, to the extent that there is no evidence of impairment.

Note 3 - Property and equipment, net

During the nine months ended September 30, 2024, the Group acquired assets totaling P2,381,730. This includes renovation of land-based sites and offices, and purchase of office and IT equipment.

Note 4 - Investment properties

Investment properties as at September 30, 2024 and December 31, 2023 consist of:

	2024	2023
Land	10,838,596	10,838,596
Land improvements	12,112	12,112
Building	224,162	224,162
	11,074,870	11,074,870

The Group's investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser. The Group's latest appraisal reports are dated December 31, 2023.

Note 5 - Loans payable

Short-term loans

Short term loans as at September 30, 2024 and December 31, 2023, are as follows:

	Ref	2024	2023
UnionBank of the Philippines (UB)	a	-	1,000
		-	1,000

Long-term loans

Long term loans as at September 30, 2024 and December 31, 2023, are as follows:

	Ref	2024		2023	
		Current portion	Non-current portion	Current portion	Non-current portion
Chip Leader	b	702,384	-	702,384	-
AUB	c	-	-	315,000	869,423
		702,384	-	1,017,384	869,423

- a. On October 3, 2023, ABLE entered into a short-term loan agreement with UB amounting to P1,000 with annual interest rate of 7.5% maturing on September 27, 2024. During the first half of 2024, the Company fully settled the loan.

On June 14, 2024, ABLE entered into a 180-day short-term loan agreement with UB amounting to P5,000 with annual interest rate of 7.75% maturing on December 11, 2024. In September 2024, the Company fully settled the loan.

- b. In February 2020, LRLDI entered into a loan agreement with Chip Leader Holdings Corporation (CLHC) to finance its operational and capital expenses. The loan amounting to US\$10,000,000 or P480,230 shall be payable in March 2023. The loan is secured by land owned by LRLDI located in Cagayan with fair value as at September 30, 2024 and December 31, 2023 amounting to P1,874,943.

In 2021, CLHC provided LRLDI an extension for the first principal payment for an additional twelve months from its original due date of March 1, 2021. On June 1, 2021, CLHC extended an additional loan to the Company amounting to US\$6,320,000 or P355,980 with maturity date same as the original loan. The additional loan is secured by the above-mentioned properties owned by the LRLDI. Annual interest rate is at 3.00% subject to change depending on the prevailing financial and monetary conditions.

In February 2023, LRLDI partially settled the loan amounting to P200,000. In March 2023, CLHC further granted LRLDI with a twelve-month extension for the outstanding balance of the loan.

- c. On June 21, 2024, ABLE entered into a 180-day short-term loan agreement with Philippine Business Bank amounting to P5,000 with annual interest rate of 8.00% maturing on December 17, 2024. In September 2024, the Company fully settled the loan.
- d. On June 24, 2024, DigiPlus entered into a 179-day short-term loan agreement with Sterling Bank of Asia amounting to P5,000 with annual interest rate of 8.00% maturing on December 20, 2024. In September 2024, the Company fully settled the loan.
- e. In April 2023, ABLE entered into a term-loan facility with AUB amounting to P3,000,000 available for multiple drawdowns to finance both capital and general corporate expenditures. The loan is payable in 9 consecutive quarterly installments on its respective repayment dates beginning at the end of the 4th quarter from the initial drawdown date. Total transaction costs incurred for the availment of the loan amounted to P38,180. The loan is subject to interest rate calculated as the higher of (i) sum of benchmark rate and 2.25% divided by 0.95, or (ii) floor rate of 7% divided by 0.95, payable on a quarterly basis and is subject to annual repricing.

The loan contains restrictive covenants which include, among others, maintenance of debt-to-equity ratio not exceeding 2.0x and a minimum debt service coverage ratio of 1.10x which shall be tested annually based on the audited consolidated financial statements of the Group.

The loan is secured by land owned by G-L Real Estate JV Corporation located in Boracay with fair value amounting to P8,835,614 as at September 30, 2024 and December 31, 2023. Initial drawdown was made in April 2023 amounting to P1,200,000. The loan is presented net of debt issue cost. In 2024, the Group pre-terminated its long-term loan facility with AUB which will mature in April 2026. The loan was fully paid as of September 30, 2024.

On the same date, ABLE entered into a loan line with AUB amounting to P250,000 to finance general working capital requirements. The loan is payable up to ninety days from date of drawdown. The group fully settled the short-term loan in 2023.

Interest expense related to the loans for the nine months ended September 30, 2024 and 2023 amounted to P88,159 and P94,761, respectively.

Note 6 - Equity

Equity as at September 30, 2024 and December 31, 2023 is as follows:

	September 30, 2024		December 31, 2023	
	Amount	Number of shares	Amount	Number of shares
Capital Stock				
Authorized:				
Common shares - P1 par value	7,000,000	7,000,000,000	7,000,000	7,000,000,000
Balance at beginning of period	4,785,307	4,785,306,666	4,094,107	4,094,106,666
Issuance of common shares	-	-	691,200	691,200,000
Balance at end of period	4,785,307	4,785,306,666	4,785,307	4,785,306,666

Capital Stock

Pursuant to the registration statement rendered effective by the SEC on February 6, 1958 and permit to sell issued by the SEC dated February 6, 1958 - 15,000 common shares of the Parent Company were registered and may be offered for sale at an offer price of P1.33 per common share.

On June 18, 2013, the SEC approved the increase in the Parent Company’s authorized capital stock from P1,600,000 to P5,000,000 divided into 2,500,000 common shares and 2,500,000 preferred shares with each class having a par value of P1 per share. The preferred shares may be issued in tranches or series and shall be non-voting, non-participating, entitled to preferential and cumulative dividends at the rate not exceeding 12% per annum, and shall have such other rights, preferences, restrictions and qualifications as may be fixed by the BOD at their issuance.

The preferred shares have a coupon rate of 8.5% per annum and are paid semi-annually. These preferred shares are cumulative, non-voting and non-participating. Twenty (20) preferred shares will entitle each investor to one warrant. Each warrant, if exercised at a price of P15 or the average weighted trading price for the three months prior (whichever is lower) will be converted to one common share. This option will be exercisable starting on the fifth year until the eighth year.

On January 11, 2019, the Parent Company’s BOD and stockholders approved the issuance of up to 1,300,147 common shares from the unissued capital stock through a private placement at a price based on a premium over the DigiPlus’ shares closing price on November 29, 2018.

In March and April 2019, 1,217,647 common shares were subscribed at P3.60 per share by virtue of the subscription agreements entered into by the Parent Company with its investors. Transactions costs related to the share issuance amounting to P16,604 are recognized as deduction to additional paid-in capital.

On June 15, 2021 and July 30, 2021, the BOD and stockholders of Parent Company, respectively, approved the reclassification of DigiPlus’ 1.5 million preferred shares into common shares.

On May 20, 2022, the SEC approved the amendment of the Articles of Incorporation reflecting this reclassification. On November 22, 2021 and January 7, 2022, the BOD and stockholders respectively approved the reclassification of the remaining 1.0 billion preferred shares into common shares.

Pursuant to the Subscription Agreements, the payment of the subscription price to DigiPlus shall be fully paid by the subscribers within 90 days from signing of their respective Subscription Agreements, which will fall on June 9, 2022. On May 10, 2022, the Board approved the extension of the deadline to pay up to August 9, 2022. On August 8, 2022, the Parent Company received the full payment of the subscription amount from all the private placement subscribers. The 1,272,352,512 subscribed shares were issued from the 1,650,000,000 treasury shares. Transaction costs related to share issuances amounting to P12,723 are recognized as deduction to additional paid-in capital. On June 21, 2024, PSE approved the listing of the 1.65 billion shares.

On September 15, 2022, the BOD of the Parent Company approved the increase of the Company's authorized capital stock from P5 billion to P7 billion. On November 24, 2022, the amendment was approved by the stockholders. On September 12, 2023, the SEC approved the increase in authorized capital stock and the issuance of 691.2 million shares at P2.68 per share to its subscribers. Transaction costs related to share issuances amounting to P6,912 are recognized as deduction to additional paid-in capital. On October 10, 2024, PSE approved the listing of the 691.2 million shares.

As of September 30, 2024 and December 31, 2023, the Parent Company has 1,805 and 1,823 common stockholders, respectively.

Declaration of Cash Dividends

On March 19, 2024, DigiPlus' Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.18 per outstanding common share. The cash dividends were paid on April 18, 2024 to stockholders of record as of April 4, 2024. There were no cash dividends declared by the BOD to common stockholders of the Parent Company in 2023.

As at September 30, 2024 and December 31, 2023, unpaid dividends, included under "Dividends payable" account in the interim condensed consolidated statements of financial position, amounted to nil and P15,313, respectively.

Treasury Shares

Details of treasury shares as at September 30, 2024 and December 31, 2023 are as follows:

<i>Number of shares</i>	<u>Parent Company Treasury Shares</u>		<u>Parent Company Shares held by ABLE</u>	
	2024	2023	2024	2023
Balance at beginning of period	377,647,488	377,647,488	21,567,000	21,567,000
Issuance of shares	-	-	-	-
Balance at end of period	377,647,488	377,647,488	21,567,000	21,567,000
<i>Amount</i>	2024	2023	2024	2023
Balance at beginning of period	377,647	377,647	53,951	53,951
Issuance of shares	-	-	-	-
Balance at end of period	377,647	377,647	53,951	53,951

Earnings per Share

Basic/diluted earnings per share for the nine months ended September 30 is computed as follows:

	2024	2023
Net income attributable to equity holders of the Parent Company (a)	8,740,896	2,082,659
Number of shares		
Weighted average number of shares outstanding for the purpose of basic earnings per share (b)	4,407,659	3,762,033
Effect of diluted share options	110,432	-
Weighted average number of shares outstanding for the purpose of diluted earnings per share (c)	4,518,091	3,762,033
Basic earnings per share (a/b)	1.9831	0.5536
Diluted earnings per share (a/c)	1.9346	0.5536

Stock Option Plan

On January 31, 2023, the BOD of the Parent Company approved the employee stock option plan (“the Plan”) of the Group. On March 27, 2023, the same was approved by the stockholders. The Plan authorizes the grant to qualified key employees, in accordance with the terms of the plan, of stock options covering up to a maximum of 528 million common shares at an exercise price which is the volume weighted average of share price for the 30-trading days immediately prior to the grant date.

On April 1, 2023, the Group granted 127,324,564 options to eligible officers and employees. Each option is convertible to one common share at an exercise price of P2.68 per share. The stock options will vest in accordance with the Group's vesting policy, and the fair value of each option has been estimated on the grant date using an appropriate valuation model.

On July 4, 2024, the SEC approved the Company's application for exemption from registration of the Plan. As at reporting date, application for the listing of the Plan is subject to the approval of the PSE.

Total compensation expense on the stock options recognized in the first nine months of 2024 as part of “Cost and operating expenses” account in the unaudited interim condensed consolidated statements of total comprehensive income amounted to P137,773.

Note 7 - Gaming licenses to operate bingo games

Revenue from retail games for the nine months ended September 30 are as follows:

	2024	2023
Bingo games	5,805,745	6,820,427
Electronic games	44,932,919	8,522,970
	50,738,664	15,343,397

a. Bingo games

Revenue from Bingo games is composed of revenue from the online traditional bingo, traditional bingo games, electronic bingo games and new rapid bingo system.

Bingo Plus

DigiPlus is granted the country's first Online Traditional Bingo (OTB) license by PAGCOR under its subsidiary, AB Leisure Exponent Inc. (ABLE) and launched its OTB game under the gaming brand “BingoPlus”. Bingo Plus was developed by a third-party service provider. This innovative game transforms the way traditional

bingo is played by combining the excitement of the old and the convenience of new technology via online platforms. BingoPlus can be accessed via website and mobile application.

ABLE remits to PAGCOR its share of 15% on Gross Gaming Revenue (GGR), where GGR is equal to Gross Bets less Total Payouts, or a monthly Minimum Guaranteed Fee (MGF) of P100 million, whichever is higher, including the 5% franchise tax on PAGCOR share. On August 15, 2023, PAGCOR issued a memorandum on the Regulatory Framework for the Fees and Rates on Gaming Site Operations. Effective August 2023 to March 2024, ABLE remits 20% PAGCOR share on GGR from OTB. Starting April 2024, PAGCOR share is calculated at 25% of GGR.

In addition, the cost for services of PAGCOR's third party audit provider equivalent to 10% of the PAGCOR share net of franchise tax is also remitted by the gaming operator to PAGCOR.

Operation of traditional bingo games

PAGCOR awarded ABLE and its subsidiaries the authority to operate and conduct traditional bingo games, as well as the betting aspect thereof, within the confines of the game sites. The Licenses for various periods ranging from September 2020 to September 2023 are subject to renewal after one (1) to two (2) years upon mutual agreement of both parties. In September 2023, the Licenses were renewed and are valid until September 2025.

ABLE and its subsidiaries pay PAGCOR 15% of its gross bingo card sales as franchise fee until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 20% of GGR. Starting April 2024, PAGCOR share is calculated at 25% of GGR.

Operation of electronic bingo games

PAGCOR awarded ABLE and its subsidiaries the authority to operate and conduct electronic bingo games, as well as the betting aspect thereof, within the confines of the game sites. The Licenses for various periods ranging from February 2017 to March 2024. In March 2024, the licenses were renewed and are valid until March 2026.

ABLE and its subsidiaries pay PAGCOR 50% of its revenue less payouts as franchise fee until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 42.5% of GGR. Starting April 2024, PAGCOR share is calculated at 35% of GGR.

Operation of New Rapid Bingo System (NRBS)

On September 27, 2005, PAGCOR granted ABLE the authority to operate and conduct rapid bingo games, subject to the approved terms and conditions of NRBS operations and the use of the prescribed NRBS card format. ABLE pays PAGCOR 15% of its gross sales (total amount wagered or bets) from the NRBS operations, which shall be remitted twice weekly, until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 20% of GGR. Starting April 2024, PAGCOR share is calculated at 25% of GGR.

Distribution and sale of pull-tabs or break-open cards

On August 3, 2005, PAGCOR granted ABLE the authority to distribute and sell pull-tabs or break-open cards in all of the branches of ABLE and its subsidiaries. In consideration of the Grant, ABLE shall pay PAGCOR 15% of gross card price which shall be remitted to PAGCOR by ABLE upon draw-down of cards from the supplier, regardless of quantity of cards sold. Effective August 2023 to March 2024, PAGCOR share is calculated at 20% of GGR. Starting April 2024, PAGCOR share is calculated at 25% of GGR.

b. Electronic games

PAGCOR awarded DigiPlus the authority to operate and conduct electronic games, as well as the sports betting aspect thereof. The Licenses for various periods ranging from December 2017 to August 2023 are

subject to renewal after one (1) to (2) two years upon mutual agreement of both parties. In August 2023, the Licenses were renewed and are valid until August 2025.

The Group pays PAGCOR 25%-47.5% of its revenue as franchise fee until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 22.5%-41.25% of GGR. Starting April 2024, PAGCOR share is calculated at 20%-35% of GGR.

Note 8 - License agreement

CEZA is authorized under Section 6f of Republic Act (R.A.) No. 7922, "An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan, Providing Funds Therefore, and for Other Purposes", to operate on its own, either directly or through a subsidiary entity, or license to others, tourism-related activities, including games, amusements, recreational and sport facilities, such as horse racing, gambling casinos, golf courses, and others, under priorities and standards set by CEZA in CSEZFP.

On February 2, 2001, FCLRC and CEZA entered into a license agreement authorizing FCLRC to set up a network operation/hub with its internet server including web sites, gaming software, application programs, administrative software, hardware, internet, as well as telecommunication connections, collection and payment system and toll-free telephone operations, all in connection with the development, operation and conduct of internet and gaming enterprises and facilities in CSEZFP. In line with this mandate, FCLRC was also authorized and licensed to conduct interactive games as defined in the license agreement.

Subsequent to the signing of the license agreement, FCLRC and CEZA signed a supplemental agreement which provides for the following:

1. Appointment of FCLRC as Master Licensor for internet gaming activities and shall be responsible for monitoring all activities pertaining to the licensing and operation of interactive games in CSEZFP;
2. FCLRC is authorized to assist CEZA in its functions as a regulator for interactive gaming activities on behalf of CEZA in accordance with Part 5 of CSEZFP Interactive Gaming Rules and Regulations;
3. The authorization of FCLRC as Master Licensor shall be exclusive for twenty-five years starting from November 7, 2006 or until 2031;
4. FCLRC is authorized to collect a sub-license fee of two percent of the gross winnings from the internet casino, in accordance with an agreed formula. Also, FCLRC is authorized to collect from sub-licenses an annual fixed amount for the first year of operations and thereafter, from sportsbook operators. The amount collected from sublicenses is recognized by FCLRC as unearned fees and recognize the revenue over time upon provision of the access to the hosting platform.
5. FCLRC must pay CEZA, on a monthly basis to commence upon the start of actual operations of FCLRC, an amount equivalent to one percent (1%) of the monthly gross winnings payable not later than the seventh (7th) day of the subsequent month. Starting on the sixth (6th) year after the start of FCLRC's operation, FCLRC shall pay a minimum guaranteed amount of \$250.

FCLRC is entitled to tax incentives under Section 4c of R.A. No. 7922 (CEZA law). No taxes, local, and national, shall be imposed on business establishments operating within the CSEZFP. In lieu of paying taxes, FCLRC shall pay and remit to the national government and local government units five percent (5%) of locators' gross income less allowable deductions.

FCLRC proposed a Master Development Plan in keeping its authority under the license agreement. The Master Development Plan proposed by FCLRC will accordingly create a self-sustaining industrial zone and mixed-use new township in the CSEZFP with tourism and leisure as the lead sector to be developed. The Master Development Plan envisaged by FCLRC shall comprise of the three (3) phases with time frame of completion as follows:

- Phase I supposedly completed in 2009 after authorization of the CEZA BOD which includes telecommunication connectivity via microwave radio; upgrading of the existing internet data center; conversion of the CEZA Complex into a gaming facility; upgrading of the San Vicente Naval Airport; and Construction of a new CEZA Administration Office. Phase 1 was completed in January 2011.

In August 2007, FCLRC and CEZA entered into an agreement with A.G. Pazon & Associates and CAMJ Construction Corporation, both third parties, to start the development of the Cagayan Business Park (CBP), part of Phase I of the Master Development Plan. The proposed CBP has a total lot area development of 90,005 square meters. The site development plan includes the construction of buildings with a total floor area of 2,400 square meters. The project also includes the construction of an administration building, commercial center, cable center, sub-station and parking spaces. It also includes the installation of an underground power/communication cabling system and an overhead water tank. The development of the CBP was completed in January 2011.

Another infrastructure required in Phase I of the Master Development Plan is the rehabilitation of the San Vicente Naval Airport (the Airport). On September 1, 2006, FCLRC entered into a contract for the airstrip rehabilitation with the same contractors for the CBP to undertake the expansion, paving and overlaying of the runway of the airport and the provision of basic airport amenities. The rehabilitation of the San Vicente Naval Airport was completed on December 8, 2006.

As an initial project to establish the internet and telecommunication infrastructure, FCLRC entered into an Agreement with IPCDCC on March 1, 2007, incorporating FCCDCI. The parties shall infuse the necessary capital to fund the required infrastructure requirements of the Master Development Plan.

- Phase II shall be completed after three (3) years of completion of Phase I and shall include the telecommunication connectivity via fiber optic; redundant telecommunication connectivity; and construction of a leisure and resort complex.
- Phase III shall be completed three (3) years after completion of Phase II and shall include the implementation of the Comprehensive Feasibility Study that will provide a complete telecommunication infrastructure for the whole of the CSEZFP; and development of a beach front property into a leisure and gaming facility.

On September 15, 2006, the parties have extended the term of the license agreement from two (2) years to twenty-five (25) years from the date of approval by the CEZA BOD of the Master Development Plan. The 25 years extension of the authority of FCLRC as Master Licensor commenced on November 7, 2006 and will end on November 7, 2031.

On December 11, 2008 the parties have agreed to extend the deadline of FCLRC's payment of CEZA's share on the sub-licensee fee from "7th day of the following month" to "27th day of the following month", and to reduce the interest rate for the delay in remittance of the said CEZA's share from 18% to 12% per annum.

On November 24, 2017, FCLRC and CEZA signed a supplemental agreement which provides for the following:

- CEZA retains the 25-year appointment of FCLRC as a non-exclusive Licensor for interactive gaming;
- CEZA shall also grant appointment of FCLRC for land-based gaming after it has complied with all requirements;
- To protect FCLRC's interest and investment as the pioneer Licensor, CEZA effectively restricted itself from directly issuing Gaming Licenses to FCLRC's current and previous licensees; and

- All applicants for gaming licenses from CEZA shall post the amount of USD100 million as an investment commitment. In consideration of the significant actual and future investments attributable to FCLRC, CEZA shall credit such investments towards the investment commitment compliance of applications for gaming licenses coursed through FCLRC.

FCCDCI and LRDCSI provide advanced information technology infrastructure services for businesses such as co-location, internet services, connectivity, business continuity and disaster recovery, and managed professional services. Service agreements with the customers are renewable annually, and require a security deposit equivalent to one to two months of current service or recurring fees. The security deposit is forfeited in favor of FCCDCI and LRDCSI in the event the customer pre-terminates the agreement without cause or when FCCDCI and LRDCSI exercise its right to terminate the agreement.

Note 9 - Costs and operating expenses

Cost and operating expenses for the nine months ended September 30 consist of:

	2024	2023
Franchise fees and taxes	23,413,048	7,774,774
Advertising and promotion	9,179,989	2,178,553
Outside services	6,291,035	1,757,549
Salaries and other benefits	1,536,540	683,553
Rent	616,975	532,471
Subscription and association fees	475,002	70,619
Depreciation and amortization	377,934	126,824
Communications and utilities	272,031	244,019
Taxes and licenses	108,411	133,791
Others	326,531	92,256
	42,597,496	13,594,409

Note 10 - Related party disclosures

The Company, in the normal course of business, has transactions with related parties which consist mainly of noninterest-bearing cash advances which are due and demandable anytime and are to be settled in cash.

Composition of amounts due from related parties follows:

	September 30, 2024	December 31, 2023
Cyberpoint Holdings and Management Corporation (CHMC)	156,823	156,823
Others	5,045	-
	161,868	156,823

There are no collaterals held or guarantees issued with respect to related party transactions and balances.

Note 11 - Segment information

For purposes of management reporting, the Group is organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit. Such business segments are the bases upon which the Group reports its primary segment information.

The Group operates in four (4) reportable business segments namely: the retail group, casino group, network and license group and property group, and only one (1) reportable geographical segment which is the Philippines. The description of the reportable segments are as follows:

Retail

The retail segment consists largely of venues providing amusements and recreation to the public in such forms as, but not limited to, traditional, electronic, rapid bingo games and online traditional bingo gaming.

Casino

The casino group is involved in arcade leasing.

Network and license

The network and license segment's primary activity are licensing of operators engaged in interactive gaming, as well as the establishment and setup of all the gaming infrastructures required in connection with the development, operation and conduct of internet server, telecommunication network, gaming enterprises, and other systems facilities.

Property

The property segment is engaged in leasing of parcels of land and building space to third parties.

Analysis of financial information by business segment as at and for the nine months ended September 30, 2024 is as follows:

	Retail Group	Casino Group	Network and License Group	Property Group	Corporate	Eliminations	Consolidated
Revenue	50,818,369	377,429	331,372	34,008	-	-	51,561,178
Cost and operating expenses	(41,043,081)	(279,719)	(250,064)	(61,699)	(584,999)	-	(42,219,562)
EBITDA	9,775,288	97,710	81,308	(27,691)	(584,999)	-	9,341,616
Depreciation and amortization	(184,315)	(147,072)	(42,996)	(1,062)	(2,489)	-	(377,934)
Finance expense	(102,418)	3,061	(208)	(15,538)	(335)	-	(115,438)
Equity in net losses of a joint venture	-	-	-	-	(37,979)	-	(37,979)
Finance income	38,160	77	157	15,558	4,943	-	58,895
Provision for expected credit losses	-	(71,569)	-	-	-	-	(71,569)
Foreign exchange gain (loss), net	(40,326)	1,972	(127)	(1,204)	(710)	-	(40,395)
Other expenses, net	(3,256)	1,064	1	-	(746)	-	(2,937)
Income tax	-	(3,855)	(1,234)	-	-	-	(5,089)
Profit (loss) for the period	9,483,133	(118,612)	36,901	(29,937)	(622,315)	-	8,749,170
Other information as at September 30, 2024							
Total assets	16,962,739	155,155	2,611,520	7,471,039	16,261,709	(4,041,202)	39,420,960
Total liabilities	9,103,060	644,792	1,231,702	2,849,758	271,113	(1,571,574)	12,528,851
Capital expenditures	1,661,702	48,484	661,046	883	9,615	-	2,381,730

Analysis of financial information by business segment as at December 31, 2023 and for the nine months ended September 30, 2023 is as follows:

	Retail Group	Casino Group	Network and License Group	Property Group	Corporate	Eliminations	Consolidated
Revenue	15,369,237	302,435	282,705	28,411	-	-	15,982,788
Cost and operating expenses	(12,717,140)	(217,539)	(183,313)	(54,339)	(295,254)	-	(13,467,585)
EBITDA	2,652,097	84,896	99,392	(25,928)	(295,254)	-	2,515,203
Depreciation and amortization	(39,668)	(73,014)	(11,500)	(815)	(1,827)	-	(126,824)
Finance expense	(60,725)	-	-	(34,036)	-	-	(94,761)
Equity in net losses of a joint venture	-	-	-	-	(26,292)	-	(26,292)
Finance income	7,054	33	24	16,522	72	-	23,705
Foreign exchange gain (loss), net	(4,889)	125	(65)	-	-	-	(4,829)
Provision for expected credit losses	-	(89,673)	-	-	-	-	(89,673)
Other expenses, net	(8,747)	(6,161)	(101)	(46)	(62,351)	-	(77,406)
Income tax	-	(1,822)	(5,254)	-	-	-	(7,076)
Profit for the period	2,545,123	(85,616)	82,496	(44,303)	(385,652)	-	2,112,047

Other information as at December 31, 2023

Total assets	4,526,431	434,040	2,651,877	8,697,011	17,456,406	(4,050,852)	29,714,913
Total liabilities	7,100,682	805,064	1,290,144	2,923,226	180,434	(1,510,287)	10,789,263
Capital expenditures	561,605	703,603	622,509	1,207	65,783	-	1,954,706

There were no intersegment sales recognized among reportable segments for the nine months ended September 30, 2024 and 2023. Unallocated corporate expenses consist of net operating expenses of the Parent Company. Assets of the individual segments mainly comprise investments and advances, due from related parties, property and equipment, and trade receivables. Liabilities of the individual segments include loans payable, trade and other payables, retirement benefits liability, and due to related parties. Capital expenditures on noncurrent assets represent additions to property and equipment and investment properties. Noncash expenses pertain to depreciation and amortization expense attributable to reportable segments.

EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and non-recurring expenses such as impairment loss. The Group evaluates performance based on contributions to EBITDA, which is not a measure of operating performance or liquidity defined by PFRSs and may not be comparable to similarly titled measures presented by other entities.

Note 12 - Contingencies

The Group currently has several tax assessments and legal cases. The Group's estimate of the probable costs for the resolution of these assessments has been developed in consultation with management as well as outside legal counsel handling these matters and is based on an analysis of potential results. The Group currently does not believe that these tax assessments and legal cases will have a material adverse effect on its consolidated statement of financial position and consolidated statement of financial performance. It is possible, however, that future financial performance could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings.

Note 13 - Financial risk and capital management objectives and policies

13.1 Financial risk management objectives and policies

The Group has exposure to the following risks from its use of financial instruments:

- *Credit risk*
- *Liquidity risk*
- *Market risk*

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital

The main purpose of the Group's dealings in financial instruments is to fund their respective operations and capital expenditures. The Group is not actively engaged in the trading of financial assets for speculative purposes nor does it write options.

The BOD of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The BOD has established the Executive Committee, which is responsible for developing and monitoring the Group's risk management policies. The Executive Committee identifies all issues affecting the operations of the Group and reports regularly to the BOD on its activities.

The BOD has a Risk Oversight Committee which is responsible for overseeing and managing the risks that the Group may encounter. The BOD develops proper strategies and measures to avoid or at least minimize such risk incorporating the Group's established risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and forecasted results.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Group's Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the Group's financial statements and financial reporting process and the Group's systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the Group's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance by the Group with legal and regulatory requirements, including the Group's disclosure control and procedures; e) evaluation of management's process to assess and manage the Group's enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD. The Audit Committee shall also prepare the reports required to be included in the Group's annual report. The results of procedures performed by Internal Audit are reported to the Audit Committee. On the other hand, the Audit Committee reports all the issues identified over the financial reporting of the Group to the BOD on a regular basis.

13.2 Credit risk

Credit risk represents the risk of loss the Group would incur if customers and counterparties fail to perform their contractual obligations. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk. Further, the Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Financial information on the Group's maximum exposure to credit risk as at September 30, 2024 and December 31, 2023, without considering the effects of collaterals and other risk mitigation techniques, is presented below:

	September 30, 2024	December 31, 2023
Cash and cash equivalents	12,635,673	4,162,046
Receivables, current portion, net	2,470,851	2,523,382
Receivables, non-current portion, net	412,864	397,324
Advances	1,291,603	1,211,220
Lease receivables	185,422	193,480
Rental deposits	524,206	478,605
Cash performance bonds	483,115	449,382
Performance cash deposits	33,200	33,700
Due from related parties	161,868	156,823
	18,198,802	9,605,962
FVOCI	60,142	67,578
	18,258,944	9,673,540

Cash and cash equivalents exclude cash on hand and pay out fund amounting to P83,260 and P102,192 as at September 30, 2024 and December 31, 2023, respectively.

Cash and cash equivalents

The management evaluates the financial condition of the banking industry and bank deposits/investments are maintained with reputable banks only.

Receivables and advances

Majority of the Group's credit risk on receivables is attributed to its internet gaming licensing activities influenced mainly by the individual characteristics of each customer and non-interest-bearing advances made to entities with similar operations. The demographics of the Group's customer base, including the default risk of the industry and regions in which customers operate, has an influence on credit risk.

The BOD has established a credit policy under which each new advanced amount requested by customer/counterparties within the same gaming industry is analyzed individually for creditworthiness before standard credit terms and conditions are granted. The Group's review includes the requirements of updated credit application documents, credit verifications through the use of no negative record requests and list of blacklisted accounts, and analyses of financial performance to ensure credit capacity. The status of each account is first checked before advances are approved.

Most of the Group's customers have been transacting with the Group for several years, and losses have occurred from time to time. Results of credit reviews are grouped and summarized according to credit characteristics, such as aging profiles and credit violations.

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

During the nine months ended September 30, 2024 and 2023, the Group recognized provision for expected credit losses (ECL) on receivables amounting to P71,569 and P89,673, respectively. As at September 30, 2024 and December 31, 2023, provision for ECL on receivables and advances amounted to P1,202,016 and P1,130,447, respectively.

As at reporting date, there were no significant concentrations of credit risk.

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of receivables not past due or past due by up to 60 days.

Rental deposits

The management prefers well known business establishments in the selection of location for bingo operations to ensure profitable operations and recovery of the rental and other deposits upon termination of the lease agreements.

Cash performance bonds/performance cash deposits and betting credit funds

The Group's exposure to credit risk is negligible as PAGCOR has sufficient funds to settle these upon the expiration of the respective license agreements.

Financial assets at FVOCI

The Group's exposure to credit risk is negligible as this pertains to the Group's investment in DFNN's shares that are listed on the PSE.

Due from related parties

The Group limits its exposure to credit risk by only financing the operations of related parties that have viable operations and likewise engaged in gaming amusement activities. The most significant amount of due from related parties of the Group are the advances to BLRI and HEPI, an associate and a joint venture, respectively, of the Parent Company.

Aging analysis

Set out below is the aging of financial assets as at September 30, 2024 and December 31, 2023:

September 30, 2024						
	Current	30 days	60 days	90 days and above	ECL	Total
Cash and cash equivalents	12,635,673	-	-	-	-	12,635,673
Receivables, current portion, net	3,229,805	-	-	-	(758,954)	2,470,851
Receivables, non-current portion, net	412,864	-	-	-	-	412,864
Advances	1,475,154	-	-	-	(183,551)	1,291,603
Lease receivables	185,422	-	-	-	-	185,422
Rental deposits	524,206	-	-	-	-	524,206
Cash performance bonds	483,115	-	-	-	-	483,115
Performance cash deposits	33,200	-	-	-	-	33,200
Due from related parties	161,868	-	-	-	-	161,868
Financial assets at FVOCI	60,142	-	-	-	-	60,142
	19,201,449	-	-	-	(942,505)	18,258,944

December 31, 2023						
	Current	30 days	60 days	90 days and above	ECL	Total
Cash and cash equivalents	4,162,046	-	-	-	-	4,162,046
Receivables, current portion, net	3,210,767	-	-	-	(687,385)	2,523,382
Receivables, non-current portion, net	397,324	-	-	-	-	397,324
Advances	1,394,771	-	-	-	(183,551)	1,211,220
Lease receivables	193,480	-	-	-	-	193,480
Rental deposits	478,605	-	-	-	-	478,605
Cash performance bonds	449,382	-	-	-	-	449,382
Performance cash deposits	33,700	-	-	-	-	33,700
Due from related parties	156,823	-	-	-	-	156,823
Financial assets at FVOCI	67,578	-	-	-	-	67,578
	10,544,476	-	-	-	(870,936)	9,673,540

Credit risk under general and simplified approach

September 30, 2024					
	General Approach			Simplified approach	Total
	Stage 1	Stage 2	Stage 3		
Cash and cash equivalents	12,635,673	-	-	-	12,635,673
Receivables, current portion, net	-	-	-	2,470,851	2,470,851
Receivables, non-current portion, net	-	-	-	412,864	412,864
Advances	1,291,603	-	-	-	1,291,603
Lease receivables	-	-	-	185,422	185,422
Rental deposits	524,206	-	-	-	524,206
Cash performance bonds	483,115	-	-	-	483,115
Performance cash deposits	33,200	-	-	-	33,200
Due from related parties	161,868	-	-	-	161,868
Financial assets at FVOCI	60,142	-	-	-	60,142
	15,189,807	-	-	3,069,137	18,258,944

December 31, 2023					
	General Approach			Simplified approach	Total
	Stage 1	Stage 2	Stage 3		
Cash and cash equivalents	4,162,046	-	-	-	4,162,046
Receivables, current portion, net	-	-	-	2,523,382	2,523,382
Receivables, non-current portion, net	-	-	-	397,324	397,324
Advances	1,211,220	-	-	-	1,211,220
Lease receivables	-	-	-	193,480	193,480
Rental deposits	478,605	-	-	-	478,605
Cash performance bonds	449,382	-	-	-	449,382
Performance cash deposits	33,700	-	-	-	33,700
Due from related parties	156,823	-	-	-	156,823
Financial assets at FVOCI	67,578	-	-	-	67,578
	6,559,354	-	-	3,114,186	9,673,540

Simplified approach

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix) as of September 30, 2024 and December 31, 2023:

	September 30, 2024					Total
	Days past due				Credit impaired	
	Current	<30 days	30-90 days	More than 90 days		
Expected credit loss rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	2,350,481	13,379	78,930	626,347	758,954	
Expected credit loss	-	-	-	-	(758,954)	
	2,350,481	13,379	78,930	626,347	-	

	December 31, 2023					Total
	Days past due				Credit impaired	
	Current	<30 days	30-90 days	More than 90 days		
Expected credit loss rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	2,526,763	21,080	41,077	525,266	687,385	
Expected credit loss	-	-	-	-	(687,385)	
	2,526,763	21,080	41,077	525,266	-	

13.3 Liquidity risk

Liquidity risk pertains to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury and cash management functions of the Group are centralized. Management has placed controls and procedures to closely monitor the Group's existing obligations. Additionally, the Group has also been negotiating with lenders to restructure and extend its term loans, renewing and obtaining additional credit lines, negotiating new payment terms with some suppliers and lessors, and implementation of its business continuity plan to ensure that sufficient cash is maintained to cover working capital requirements.

In addition, the Group has an omnibus line of credit with a number of Philippine banks consisting of commitments for short term loans, letters of credit and documents against acceptances/documents against payment (DA/DP) facilities trust receipts. As at September 30, 2024 and December 31, 2023, there are no commitments under the line of credit. As at September 30, 2024 and December 31, 2023, there were no amounts drawn against the line of credit. All facilities under the omnibus line bear interest at floating rates consisting of a margin over current Philippine treasury rates.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements of the Group:

	September 30, 2024				
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	More than 1 year
Trade and other payables	6,645,908	6,645,908	6,645,908	-	-
Short-term and long-term loans payable	702,384	702,384	702,384	-	-
Lease liabilities, including future interest payable	1,110,417	1,258,962	137,647	137,647	983,668
Deposits	81,323	81,323	-	-	81,323
	<u>8,540,032</u>	<u>8,688,577</u>	<u>7,485,939</u>	<u>137,647</u>	<u>1,064,991</u>
	December 31, 2023				
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	More than 1 year
Trade and other payables	4,121,271	4,121,271	4,121,271	-	-
Short-term and long-term loans payable	1,887,807	1,903,384	823,961	210,000	869,423
Lease liabilities, including future interest payable	1,074,365	1,396,609	137,647	137,647	1,121,315
Deposits	80,267	80,267	-	-	80,267
	<u>7,163,710</u>	<u>7,051,531</u>	<u>5,082,879</u>	<u>347,647</u>	<u>2,071,005</u>

Trade and other payables exclude payable to government agencies and contract liabilities as at September 30, 2024 amounting to P1,732,221 and P672,250, respectively, and as at December 31, 2023 amounting to P1,444,884 and P597,008, respectively.

The Group expects to meet its operating assets and liabilities, capital expenditure and investment requirements for the next 12 months primarily from its operations and through drawdowns from its loan facility.

The Group management has been addressing its existing obligations by negotiating with lenders to restructure and extend its term loans, renewing and obtaining additional credit lines, negotiating new payment terms with some suppliers and lessors, and implementation of its business continuity plan.

To further improve the results of operations and address the cashflow requirements, a new business line was launched in January 2022. On September 15, 2022, the BOD of the Parent Company approved the increase of the Company's authorized capital stock from P5 billion to P7 billion. On November 24, 2022, the amendment was approved by the stockholders. On September 12, 2023, the SEC approved the increase of the Company's capital stock and the issuance of 691,200 shares at P2.68 per share to its subscribers. Proceeds from the issuance of capital stock amounted to P1,845,504. Transaction costs related to share issuance amounting to P6,912 are recognized as deduction to additional paid-in capital.

13.4 Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is subject to various market risks, including risks from changes in prices, interest rates, currency exchange rates and equity price risk.

The Group minimizes its exposure to risks in changes in rental rates by entering into contracts with lessors with fixed rent commitment for the contract duration.

Foreign currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in currencies other than the Philippine peso, mostly in U.S. dollar (\$). In respect of monetary assets and liabilities held in currencies other than the Philippine peso, the Group ensures that its exposure is kept to an acceptable level, by buying foreign currencies at spot rates where necessary to address short-term imbalances.

Interest rate risk

The Group's exposure to changes in interest rates relate primarily to the Group's short-term and long-term debt obligations.

Management is tasked to minimize interest rate risk through having a mix of variable and fixed interest rates on its loans. Presently, the Group's short-term and long-term bank loans are market-determined, with the long-term loan interest rates based on PDST-R2 plus a certain mark-up. The Group has not entered into interest rate swaps and options during 2024 and 2023.

There is no other impact on the Group's equity other than those affecting the profit or loss.

Equity price risk

Equity price risk is such risk where the fair values of investments in quoted equity securities could decrease as a result of changes in the levels of equity indices and the value of individual stocks.

The management strictly monitors the movement of the share prices pertaining to its investments. The Group is exposed to equity securities price risk because of investments held by the Group, which are classified in the consolidated financial position as financial asset at FVOCI.

Fair values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash/Receivables/Due from Related Parties/Rental Deposits/Cash Performance Bonds/Performance Cash Deposits and Betting Credit Funds/Trade and Other Payables/Due to a Related Party/Deposits/Short-term Loans Payable

The carrying amounts of cash, receivables, due from related parties, trade and other payables, due to a related party and short-term loans payable approximate their fair values due to the relatively short-term nature of these financial instruments. The carrying amounts of rental deposits, cash performance bonds, performance cash deposits and betting credit funds and deposits approximate their fair values as management believes that the effect of discounting cash flows from these instruments is not significant.

Non-current receivable

The fair value is based on the discounted value of future cash flows using the applicable risk-free rates. The fair value is under Level 3 of the fair value hierarchy.

Long-term loans payable

Long-term loans are reported at their present values, which approximate the cash amounts that would fully satisfy the obligations as at reporting date. The carrying amount approximates fair value since the interest rates are repriced frequently. These are classified as current liabilities when they become payable within a year.

Financial assets at FVOCI

The fair value of the FVOCI is based on the quoted market price of the investment in equity as at September 30, 2024 and December 31, 2023. The fair value is under Level 1 of the fair value hierarchy.

As of September 30, 2024 and December 31, 2023, there were no transfers between levels of the fair value hierarchy.

13.5 Capital management

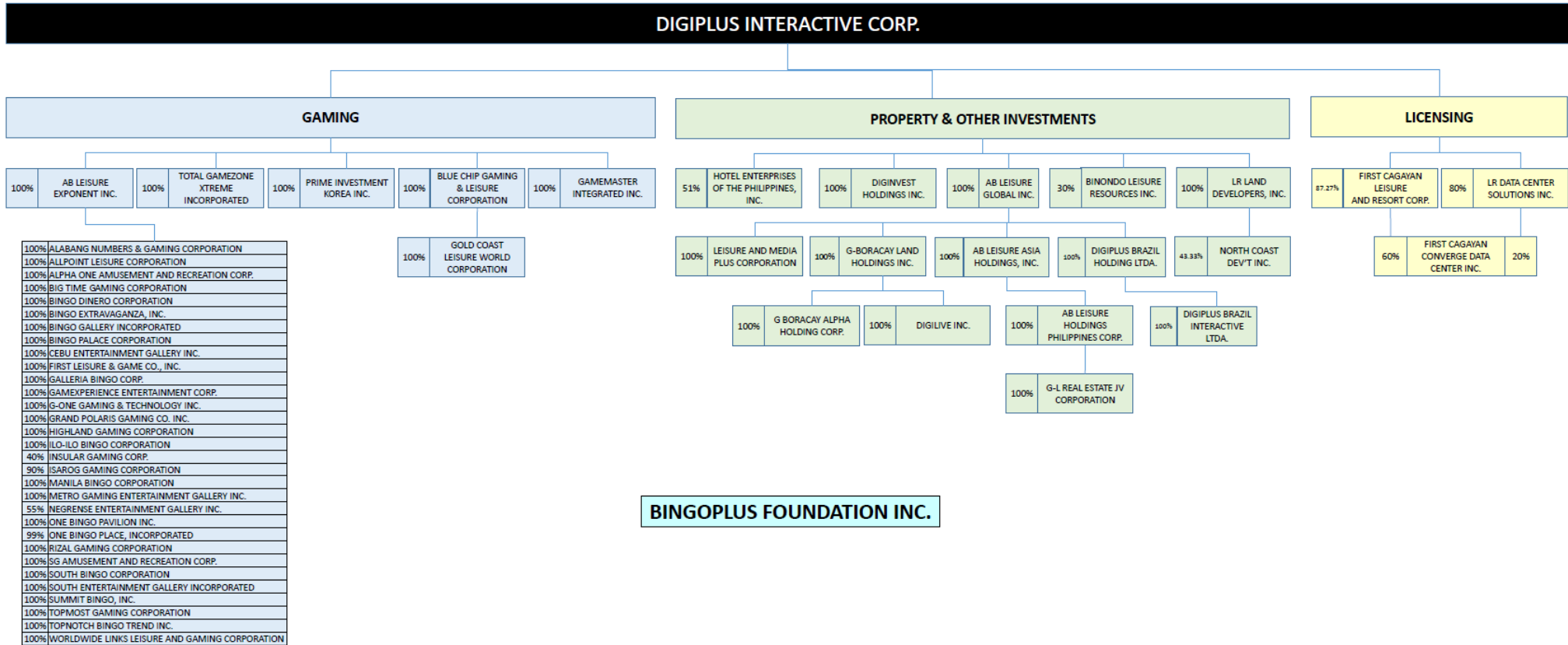
The Group's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Group sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD monitors the return on capital, which the Group defines as income before income tax divided by total average shareholders' equity.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group defines capital as equity, which includes capital stock, additional paid-in capital and retained earnings. There were no changes in the Group's approach to capital management as at September 30, 2024 and December 31, 2023.

**DigiPlus Interactive Corp. and Subsidiaries
(formerly Leisure & Resorts World Corporation)**

**Map of Conglomerate
As of September 30, 2024**



DigiPlus Interactive Corp. and Subsidiaries
(formerly Leisure & Resorts World Corporation)

Schedule of Financial Soundness Indicators
(As at September 30, 2024 and December 31, 2023 and
for the nine months ended September 30, 2024 and 2023)

(All amounts in Philippine Peso)

Key Performance Indicator	Formula	2024	2023
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.69	1.13
Acid Test Ratio	$\frac{\text{Cash and cash equivalents +Receivables, net +Due from related parties}}{\text{Current Liabilities}}$	1.54	0.94
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$	0.47	0.57
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Stockholders' Equity}}$	1.47	1.57
Return on Average Equity	$\frac{\text{Net Income}}{\text{Average Stockholders' Equity}}$	38.2%	14.1%
Return on Average Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	25.3%	8.9%
Solvency Ratio	$\frac{\text{Net Income + Depreciation}}{\text{Average Total Liabilities}}$	0.78	0.26
Interest Coverage Ratio	$\frac{\text{Income Before Interest, Tax& Depreciation}}{\text{Interest Expense}}$	80.92	25.4
Net Book Value Per Share	$\frac{\text{Stockholders' Equity}}{\text{Shares Outstanding}}$	6.06	4.25
Basic Earnings Per Share	$\frac{\text{Income Attributable toOrdinary Stockholders of theParent Company}}{\text{Weighted Average SharesOutstanding}}$	1.9831	0.5536
Net Profit Margin	$\frac{\text{Net income}}{\text{Revenue}}$	16.97%	13.21%