



SECURITIES AND EXCHANGE COMMISSION

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **DigiPlus Interactive Corp. & Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein and submits the same to the stockholders or members.

Isla Lipana & Co., the independent auditors appointed by the stockholders for the years ended December 31, 2025 and 2024, respectively, have audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

SUBSCRIBED AND SWORN
to before me this MAR 31 2026
Affiant exhibited to me his/her _____


EUSEBIO H. TANCO
Chairman of the Board

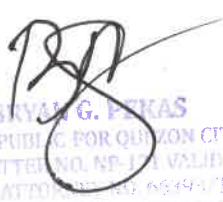

HU JIANGUO
Chief Executive Officer


WILFREDO M. PIELAGO
Treasurer and Chief Financial Officer

Signed this _____

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BOOK No. 17
SERIES OF huv




ATTY. BRYAN G. PEKAS
NOTARY PUBLIC FOR QUEZON CITY
ADM. MATTER NO. NP-11 VALID UNTIL DEC. 31, 2026
ROLL OF ATTORNEYS NO. 6349-UTIN 289-467-753
IBP NO. 57600-1 BECAME IN 30, 2025 QUEZON CITY
MCLE NO. VII 0014051 VALID UNTIL 14/APR/2028
PTR NO. 1043001-1-000495 5, 2026, MARIKINA CITY
603 EDSA DIAMOND FINANCE, CEBU, Q.C.



Independent Auditor's Report

To the Board of Directors and Shareholders of
DigiPlus Interactive Corp.
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

Our Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of DigiPlus Interactive Corp. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The Group's financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Refer to Notes 15 and 28.24 to the consolidated financial statements. Ascertaining completeness of the Group's retail games segment particularly on traditional bingo and electronic games, both online and onsite, requires significant audit attention primarily due to its material contribution to the Group's total consolidated revenue and the significant volume of traditional bingo and electronic gaming transactions that are processed either manually or through automated systems.</p> <p>These processes encompass, among others, controls on player registration, betting, reconciliation of player wallet balances, recording of gross gaming receipts, and payouts. For the year ended December 31, 2025, total consolidated revenue from retail games amounted to P83.1 billion.</p>	<p>We addressed the matter through the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition policies in accordance with PFRS 15, Revenue from Contracts with Customers, and the related business processes and information technology (IT) environment; • With the assistance of our IT specialists, we evaluated the design and tested the operating effectiveness of the IT general controls over the relevant IT systems and the related automated and manual controls surrounding revenue recognition; • Our procedures included the test of relevant controls surrounding completeness of revenue transactions including key reconciliation processes of both online and onsite games such as review of player bets and game tickets. • We tested the reliability of key system-generated reports and reconciliations of revenues recognized between systems used to transact revenue to the general ledger; • We performed substantive audit procedures including reconciliation between reports submitted to regulatory agencies and recorded revenues and independent recalculation of share of gross gaming receipts; and • We obtained sufficient coverage of confirmation replies from trade receivables to further ascertain completeness of gaming transactions.

Other information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement), which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the SEC Form 20-IS (Definitive Information Statement), if we conclude that there is a material misstatement therein, we are required to report the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information on the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report
To the Board of Directors and Shareholders of
DigiPlus Interactive Corp.
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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Pocholo C. Domondon.

Isla Lipana & Co.



Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 8, 2026 at Makati City

SEC A.N. (Individual) as general auditors 108839 - SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (Firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
March 31, 2026



Isla Lipana & Co.

Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
DigiPlus Interactive Corp.
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

We have audited the accompanying consolidated financial statements of Digiplus Interactive Corp. (the "Parent Company") and its subsidiaries as at and for the year ended December 31, 2025 on which we have rendered the attached report dated March 31, 2026.

In compliance with SRC Rule 68 and based on the certification received from the Parent Company's corporate secretary and the results of the work we performed, the Parent Company has one thousand, six hundred and sixty-nine (1,669) shareholders each owning one hundred (100) or more shares as at December 31, 2025.

Isla Lipana & Co.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 8, 2026 at Makati City

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Makati City
March 31, 2026

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Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
DigiPlus Interactive Corp.
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

We have audited the consolidated financial statements of DigiPlus Interactive Corp. (the “Parent Company”) and its subsidiaries (together, the “Group”) as at and for the year ended December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated March 31, 2026. The supplementary information shown in the Reconciliation of Parent Company’s Retained Earnings Available for Dividend Declaration, Map Showing the Relationships between and among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates, and Schedules A, B, C, D, E, F, and G, as required by the Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information and schedules are the responsibility of management and have been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements. In our opinion, the supplementary information and schedules have been prepared in accordance with Revised Rule 68 of the SRC.

Isla Lipana & Co.

Pocholo C. Domondon
Partner
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P.T.R. No. 0011401; issued on January 8, 2026 at Makati City
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Makati City
March 31, 2026

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Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
DigiPlus Interactive Corp.
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DigiPlus Interactive Corp. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 31, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

Isla Lipana & Co.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 8, 2026 at Makati City

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Makati City
March 31, 2026

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DigiPlus Interactive Corp. and Subsidiaries

Consolidated Statements of Financial Position

As at December 31, 2025 and 2024

(All amounts in thousands of Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	23,401,849	13,977,434
Receivables, net	3	2,805,049	4,589,278
Current portion of lease receivables	18	72,410	69,557
Due from related parties	21	158,516	156,335
Prepaid expenses and other current assets	4	1,832,265	1,488,321
Total current assets		28,270,089	20,280,925
Non-current assets			
Receivables, net of current portion	8	337,408	368,044
Lease receivables, net of current portion	18	85,658	107,512
Investments and advances, net	7	2,611,541	2,664,988
Financial assets at fair value through other comprehensive income (FVOCI)	9	17,496	62,329
Property and equipment, net	5	5,102,928	5,290,596
Investment properties	6	11,296,728	11,217,011
Intangible assets, net	10	3,948,947	2,506,331
Other non-current assets	11	1,414,837	1,647,151
Total non-current assets		24,815,543	23,863,962
Total assets		53,085,632	44,144,887
Liabilities and Equity			
Current liabilities			
Trade and other current liabilities	12	7,893,978	8,605,797
Current portion of:			
Long-term loans payable	13	745,768	733,781
Lease liabilities	18	522,409	476,217
Income tax payable		1,786	1,436
Total current liabilities		9,163,941	9,817,231
Non-current liabilities			
Lease liabilities, net of current portion	18	1,080,266	1,294,632
Retirement benefits liability	19	115,534	127,685
Customer deposits, net of current portion	12	60,016	82,296
Deferred tax liabilities	22	1,571,229	1,543,297
Total non-current liabilities		2,827,045	3,047,910
Total liabilities		11,990,986	12,865,141
Equity			
Capital stock	14	4,908,621	4,785,307
Additional paid-in capital	14	7,489,614	6,245,301
Treasury shares	14	(971,297)	(431,598)
Retirement benefits reserve	19	11,220	(31,242)
Fair value reserve	7,9	438,818	483,651
Foreign currency translation reserve		24,692	(47,935)
Other reserve		1,043,555	896,928
Retained earnings			
Unappropriated		20,660,775	11,889,253
Appropriated	14	7,300,000	7,300,000
Equity attributable to equity holders of the Parent Company		40,905,998	31,089,665
Non-controlling interests		188,648	190,081
Total equity		41,094,646	31,279,746
Total liabilities and equity		53,085,632	44,144,887

The notes on pages 1 to 76 are an integral part of these financial statements.

DigiPlus Interactive Corp. and Subsidiaries

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2025
(All amounts in thousands of Philippine Peso, except earnings per share data)

	Notes	2025	2024	2023
Revenues				
Retail games	15	83,050,158	74,106,611	26,368,576
Rental income	18	561,580	552,947	475,937
Service and hosting fees	16	277,253	407,044	340,592
Commission and other income		163,882	149,707	62,235
Revenue from leases	18	113,007	6,839	3,711
		84,165,880	75,223,148	27,251,051
Cost and operating expenses				
	17	(71,536,155)	(62,354,302)	(22,966,906)
Operating profit				
		12,629,725	12,868,846	4,284,145
Other expenses and losses, net				
Finance expense	20	(136,057)	(177,164)	(197,263)
Unrealized gain on changes in fair values of investment properties, net	6	79,717	142,141	131,817
Finance income	20	328,179	124,241	53,248
Impairment loss on:				
Financial assets	3	(15,123)	(71,569)	(96,745)
Non-financial assets	4, 7	-	(16,752)	(55,723)
Equity in net loss of joint venture	7	(57,963)	(46,374)	(30,670)
Foreign exchange loss, net	26.4	(193,934)	(155,107)	(3,336)
(Provision for) reversal of probable losses	12	(6,472)	6,639	(3,000)
Loss on disposal of property and equipment, net	5	(675)	(4)	-
Other (expense) income, net	20	(34,623)	(44,282)	96,765
		(36,951)	(238,231)	(104,907)
Profit before income tax				
		12,592,774	12,630,615	4,179,238
Income tax expense	22	(28,900)	(46,509)	(84,385)
Net income for the year				
		12,563,874	12,584,106	4,094,853
Other comprehensive loss, net				
Items that will not be reclassified to profit or loss				
Remeasurement gain (loss) on retirement benefits, net of tax	19	42,462	(44,149)	(7,595)
Revaluation loss - FVOCI	9	(44,833)	(5,249)	(10,935)
		(2,371)	(49,398)	(18,530)
Total comprehensive income for the year				
		12,561,503	12,534,708	4,076,323
Net income for the year attributable to:				
Equity holders of the Parent Company		12,565,307	12,577,884	4,077,734
Non-controlling interests		(1,433)	6,222	17,119
		12,563,874	12,584,106	4,094,853
Total comprehensive income attributable to:				
Equity holders of the Parent Company		12,562,936	12,528,486	4,059,204
Non-controlling interests		(1,433)	6,222	17,119
		12,561,503	12,534,708	4,076,323
Earnings per share				
	14			
Basic		2.8098	2.8536	1.0390
Diluted		2.7770	2.7386	1.0390

The notes on pages 1 to 76 are an integral part of these financial statements.

DigiPlus Interactive Corp. and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025
(All amounts in thousands of Philippine Peso)

	Capital stock (Note 14)	Additional paid in capital (Note 14)	Treasury shares (Note 14)	Retirement benefits reserve (Note 19)	Fair value reserves (Notes 7 and 9)	Foreign currency translation reserve	Other reserve (Note 14)	Retained earnings		Total equity attributable to Parent	Non-controlling interest	Total equity
								Unappropriated	Appropriated			
Balances at January 1, 2023	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 year												
Net income for the year	-	-	-	-	-	-	-	4,077,734	-	4,077,734	17,119	4,094,853
Other comprehensive loss for the year	-	-	-	(7,595)	(10,935)	-	-	-	-	(18,530)	-	(18,530)
Total comprehensive income for the year	-	-	-	(7,595)	(10,935)	-	-	4,077,734	-	4,059,204	17,119	4,076,323
Transactions with owners for the year												
Issuance of common shares	691,200	1,154,304	-	-	-	-	-	-	-	1,845,504	-	1,845,504
Acquisition of minority interest	-	-	-	-	-	-	259,169	-	-	259,169	(262,070)	(2,901)
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 year												
Net income for the year	-	-	-	-	-	-	-	12,577,884	-	12,577,884	6,222	12,584,106
Other comprehensive loss for the year	-	-	-	(44,149)	(5,249)	-	-	-	-	(49,398)	-	(49,398)
Total comprehensive income for the year	-	-	-	(44,149)	(5,249)	-	-	12,577,884	-	12,528,486	6,222	12,534,708
Transactions with owners for the year												
Cash dividends	-	-	-	-	-	-	-	(793,379)	-	(793,379)	-	(793,379)
Stock option reserves during the year	-	-	-	-	-	-	778,271	-	-	778,271	-	778,271
Translation adjustment	-	-	-	-	-	(45,835)	-	-	-	(45,835)	-	(45,835)
Appropriation of retained earnings	-	-	-	-	-	-	-	(7,300,000)	7,300,000	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	(121,024)	-	-	(121,024)	1,355	(119,669)
Balances at December 31, 2024	4,785,307	6,245,301	(431,598)	(31,242)	483,651	(47,935)	896,928	11,889,253	7,300,000	31,089,665	190,081	31,279,746
Comprehensive income for the year												
Net income for the year	-	-	-	-	-	-	-	12,565,307	-	12,565,307	(1,433)	12,563,874
Other comprehensive income (loss) for the year	-	-	-	42,462	(44,833)	-	-	-	-	(2,371)	-	(2,371)
Total comprehensive income for the year	-	-	-	42,462	(44,833)	-	-	12,565,307	-	12,562,936	(1,433)	12,561,503
Transactions with owners for the year												
Issuance of common shares	123,314	1,244,313	-	-	-	-	(612,170)	-	-	755,457	-	755,457
Stock option reserves during the year	-	-	-	-	-	-	758,797	-	-	758,797	-	758,797
Share repurchase during the year	-	-	(539,699)	-	-	-	-	-	-	(539,699)	-	(539,699)
Cash dividends	-	-	-	-	-	-	-	(3,793,785)	-	(3,793,785)	-	(3,793,785)
Translation adjustment	-	-	-	-	-	72,627	-	-	-	72,627	-	72,627
Balances at December 31, 2025	4,908,621	7,489,614	(971,297)	11,220	438,818	24,692	1,043,555	20,660,775	7,300,000	40,905,998	188,648	41,094,646

The notes on pages 1 to 76 are an integral part of these financial statements.

DigiPlus Interactive Corp. and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2025
(All amounts in thousands of Philippine Peso)

	Notes	2025	2024	2023
Cash flows from operating activities				
Profit before income tax		12,592,774	12,630,615	4,179,238
Adjustments for:				
Depreciation and amortization	5,10,11	1,605,521	1,069,601	493,432
Reserve for employee stock options	14	758,797	778,271	-
Finance expense	20	136,057	177,164	197,263
Unrealized gain on changes in fair values of investment properties	6	(79,717)	(142,141)	(131,817)
Finance income	20	(328,179)	(124,241)	(53,248)
Unrealized foreign exchange loss (gain), net	26.4	11,987	31,397	(8,611)
Impairment loss on financial asset	3	15,123	71,569	96,745
Equity in net loss of joint venture and associates	7	57,963	46,374	30,670
Impairment loss on nonfinancial assets	4,7	-	16,752	55,723
Retirement expense	19	30,691	14,087	9,169
Gain on reversal of liabilities	20	-	-	(118,894)
Provision for probable losses	12	6,472	-	3,000
Loss on disposal of property and equipment	5	675	4	-
Operating income before working capital changes		14,808,164	14,569,452	4,752,670
Decrease (increase) in:				
Receivables		1,700,939	(2,112,360)	(1,481,484)
Prepaid expenses and other current assets		(367,200)	(54,785)	(1,035,330)
Increase (decrease) in:				
Trade payables and other current liabilities		(632,115)	2,624,996	3,960,763
Customer deposits		(22,280)	2,029	(1,249)
Net cash generated from operations		15,487,508	15,029,332	6,195,370
Income taxes paid		(2,651)	(15,596)	(15,091)
Benefits paid	19	(380)	(392)	-
Interest received		393,802	119,061	22,672
Net cash provided by operating activities		15,878,279	15,132,405	6,202,951
Cash flows from investing activities				
Collection of receivable from TCAMI	8	50,000	-	-
Additions to:				
Property and equipment and intangible assets	5, 10	(1,585,169)	(1,614,697)	(2,111,161)
Other non-current assets		(647,471)	(875,073)	(956,028)
Investment properties	6	-	-	(500)
Decrease (increase) in investments and advances	7	(4,516)	(54,345)	7,174
Net cash used in investing activities		(2,187,156)	(2,544,115)	(3,060,515)
Cash flows from financing activities				
Proceeds from loans payable	13	10,000	15,000	1,760,423
Issuance of capital stock	14	755,457	-	1,845,504
Finance lease	18	-	26,254	20,684
Payments for:				
Share repurchase	14	(539,699)	-	-
Loans payable	13	(10,000)	(1,216,000)	(3,141,739)
Interest on loans payable	13	(217)	(234,386)	(117,401)
Lease liabilities	18	(526,243)	(427,774)	(383,416)
Interest on lease liabilities	18	(111,568)	(95,017)	(55,575)
Dividends	14	(3,775,765)	(801,850)	(160,074)
Acquisition of additional stake in a subsidiary	28.3	-	(119,669)	(2,900)
Net cash used in financing activities		(4,198,035)	(2,853,442)	(234,494)
Net increase in cash and cash equivalents		9,493,088	9,734,848	2,907,942
Effect of exchange rate changes on cash and cash equivalents		(68,673)	(21,652)	(185)
Cash and cash equivalents at beginning of the year		13,977,434	4,264,238	1,356,481
Cash and cash equivalents at end of the year	2	23,401,849	13,977,434	4,264,238

The notes on pages 1 to 76 are an integral part of these financial statements.

DigiPlus Interactive Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

As at December 31, 2025 and 2024, and for each of the three years

in the period ended December 31, 2025

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

1 General information

DigiPlus Interactive Corp. (the “Parent Company” or “DigiPlus”) was registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1957. The accompanying 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 Revised 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.

The Group’s registered office address is Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

The consolidated financial statements of the Group as at and for the year ended December 31, 2025, have been approved and authorized for issuance by the Parent Company’s Board of Directors (BOD) on March 31, 2026.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2025	2024
Cash in banks	12,317,998	7,277,551
Cash equivalents	10,967,975	6,286,418
Cash on hand and payout fund	115,876	413,465
	23,401,849	13,977,434

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents include digital wallets and short-term placements. Digital wallets represent balances held by the Group to enable immediate access to funds for player withdrawals. Short term placements are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term deposit rates.

Interest income earned from cash in banks and cash equivalents for the year ended December 31, 2025 amounted to P300,248 (2024 - P93,678; 2023 - P22,672) (Note 20).

Payout fund pertains to the cash held by the cashier which is intended to pay for the prizes of the winners of each traditional bingo game. This is replenished on a daily basis.

3 Receivables, net

Receivables, net as at December 31 consist of:

	Notes	2025	2024
Trade receivables		3,129,301	4,569,120
Less: Allowance for expected credit loss (ECL) on trade receivables		(590,986)	(581,182)
		2,538,315	3,987,938
Advances to third parties		97,500	97,500
Less: Allowance for ECL on advances to third parties		(97,500)	(97,500)
		-	-
Advances to a stockholder	21	53,106	53,106
Current portion of:			
Receivable from Total Consolidated Asset Management, Inc. (TCAMI)	8	50,000	50,000
Advances to Binondo Leisure Resources, Inc. (BLRI)	7	18,000	18,000
Marketing support fund		27,373	27,373
Others		203,846	533,133
		352,325	681,612
Less: Allowance for ECL on other receivables		(85,591)	(80,272)
		266,734	601,340
		2,805,049	4,589,278

Trade receivables

Trade receivables are unsecured, unguaranteed, noninterest-bearing and collectible within 30 days.

Advances to third parties

Advances to third parties consist mainly of advance payments for a future project reimbursable from the project partner. These advances are noninterest-bearing, unsecured, unguaranteed, and have been fully provisioned as at December 31, 2025 and 2024.

Advances to a stockholder

Advances to a stockholder are unsecured, unguaranteed, noninterest-bearing advances and collectible on demand.

Receivable from TCAMI

This is the current portion of the receivable from TCAMI related to the sale of the Group's 50% shares in TechZone Philippines, Inc. (Note 8).

Advance to BLRI

These are cash advance to BLRI for the purpose of renovation and fittings of the building that it leases from AB Leisure Global Inc. (ABLGI) (Note 7).

Marketing support fund

Marketing support fund pertains to the reimbursable advances made by the Group for the promotional activities relating to e-bingo machine and e-games platform provider.

Others

Other receivables also include cash advances made to companies which are engaged in similar gaming and amusement activities of the Group. Receivables from these companies represent noninterest-bearing, unsecured and unguaranteed advances for working capital purposes that are due within one year.

The movements in allowance for ECL for the years ended December 31 are as follows:

	Trade receivables	Advances to third parties	Other receivables	Total
As at January 1, 2024	509,613	97,500	80,272	687,385
Provision for impairment	71,569	-	-	71,569
As at December 31, 2024	581,182	97,500	80,272	758,954
Provision for impairment	9,804	-	5,319	15,123
As at December 31, 2025	590,986	97,500	85,591	774,077

For the year ended December 31, 2025, the Group recognized provision for impairment of receivables amounting to P15,123 (2024 - P71,569; 2023 - P96,745).

4 Prepaid expenses and other current assets

Prepaid expenses and other current assets as at December 31 consist of:

	2025	2024
Prepaid expenses	1,280,396	1,154,290
Advances to contractors and suppliers	386,416	233,576
Advances to officers and employees	81,234	42,464
Creditable withholding taxes (CWT)	23,161	14,343
Others	1,827	3,337
	1,773,034	1,448,010
Input VAT	73,943	55,076
Less: Allowance for impairment of input VAT	(14,712)	(14,765)
Input VAT, net	59,231	40,311
	1,832,265	1,488,321

Prepaid expenses consist of advance payments for taxes, rent, insurance, health care benefits of employees, consultancy and professional services.

Advances to contractors and suppliers are down payment to vendors that will be applied against future deliveries of goods and performance of services.

Advances to officers and employees are noninterest-bearing, unsecured and subject to liquidation within 12 months from the date granted or collectible in cash upon demand.

The movements in allowance for impairment of input VAT are as follows:

	2025	2024
Balance at beginning of the year	14,765	14,262
Provisions	5	503
Write-off	(58)	-
Balance at end of the year	14,712	14,765

For the year ended December 31, 2025, the Group had written-off input VAT amounting to P58 (2024 - nil; 2023 - P225,225).

5 Property and equipment, net

Property and equipment, net as at December 31 consist of:

	Land	Leasehold improvements	Transportation equipment	Gaming equipment	Office, furniture, fixtures and equipment	Network equipment	Building	Construction-in-progress	Right-of-use assets (Note 18)	Total
At December 31, 2023										
Cost	814	1,528,392	287,270	1,978,968	1,081,770	349,296	7,147	726,764	1,512,142	7,472,563
Accumulated depreciation and amortization	-	(1,378,164)	(242,896)	(674,510)	(799,836)	(290,373)	(6,715)	-	(560,733)	(3,953,227)
Net carrying value	814	150,228	44,374	1,304,458	281,934	58,923	432	726,764	951,409	3,519,336
For the year ended December 31, 2024										
Opening net carrying value	814	150,228	44,374	1,304,458	281,934	58,923	432	726,764	951,409	3,519,336
Additions	-	872,288	15,455	219,658	248,835	6,498	104,831	124,252	1,124,258	2,716,075
Disposals										
Cost	-	-	-	-	(177)	-	-	-	(376,053)	(376,230)
Accumulated depreciation and amortization	-	-	-	-	173	-	-	-	366,489	366,662
Depreciation and amortization	-	(158,745)	(12,974)	(215,441)	(75,280)	(17,975)	(2,456)	-	(452,376)	(935,247)
Closing net carrying value	814	863,771	46,855	1,308,675	455,485	47,446	102,807	851,016	1,613,727	5,290,596
At December 31, 2024										
Cost	814	2,400,680	302,725	2,198,626	1,330,428	355,794	111,978	851,016	2,260,347	9,812,408
Accumulated depreciation and amortization	-	(1,536,909)	(255,870)	(889,951)	(874,943)	(308,348)	(9,171)	-	(646,620)	(4,521,812)
Net carrying value	814	863,771	46,855	1,308,675	455,485	47,446	102,807	851,016	1,613,727	5,290,596
For the year ended December 31, 2025										
Opening net carrying value	814	863,771	46,855	1,308,675	455,485	47,446	102,807	851,016	1,613,727	5,290,596
Additions	-	250,249	18,427	36,537	178,226	378	-	174,783	381,325	1,039,925
Transfers	-	90,265	-	-	-	-	-	(90,265)	-	-
Disposals										
Cost	-	(28,241)	-	-	(14,422)	(390)	-	-	(201,321)	(244,374)
Accumulated depreciation and amortization	-	27,566	-	-	14,422	390	-	-	201,321	243,699
Depreciation and amortization	-	(233,018)	(16,115)	(219,570)	(148,585)	(18,241)	(4,211)	-	(587,178)	(1,226,918)
Closing net carrying value	814	970,592	49,167	1,125,642	485,126	29,583	98,596	935,534	1,407,874	5,102,928
At December 31, 2025										
Cost	814	2,712,953	321,152	2,235,163	1,494,232	355,782	111,978	935,534	2,440,351	10,607,959
Accumulated depreciation and amortization	-	(1,742,361)	(271,985)	(1,109,521)	(1,009,106)	(326,199)	(13,382)	-	(1,032,477)	(5,505,031)
Net carrying value	814	970,592	49,167	1,125,642	485,126	29,583	98,596	935,534	1,407,874	5,102,928

Disposals of right-of-use assets pertain to expired leases wherein the right-of-use asset has already been fully amortized and the related lease liability already fully paid as at and for the year ended December 31, 2025 and 2024.

For the year ended December 31, 2025, the Group disposed certain leasehold improvements and recognized a loss amounting to P675 (2024 - P4; 2023 - nil). This is presented as part of the loss on disposal of property and equipment in the consolidated statements of total comprehensive income.

As at December 31, 2025, unpaid property and equipment additions presented as part of trade payables and other current liabilities amounted to P14,865 (2024 - nil).

6 Investment properties

Investment properties as at December 31 consist of:

	Land	Land improvements	Building	Total
As at January 1, 2023	10,703,295	12,798	226,460	10,942,553
Additions	500	-	-	500
Unrealized gains (loss) on changes in fair values	134,801	(686)	(2,298)	131,817
As at January 1, 2024	10,838,596	12,112	224,162	11,074,870
Unrealized gains (loss) on changes in fair values	146,458	(632)	(3,685)	142,141
As at December 31, 2024	10,985,054	11,480	220,477	11,217,011
Unrealized gains (loss) on changes in fair values	79,025	(633)	1,325	79,717
As at December 31, 2025	11,064,079	10,847	221,802	11,296,728

The following table provides the fair value hierarchy of the Group's investment properties as at December 31:

	Fair value hierarchy	Amount	Valuation technique	Unobservable inputs	Cost per unobservable inputs*	Relationship of unobservable inputs to fair value
<i>As at December 31, 2025</i>						
Land						
Boracay	Level 3	9,154,872	Market comparison approach	Price per square meter	P40,500 to P47,025 per square meter	The higher the cost per square meter, the higher the fair value.
Cagayan	Level 3	1,909,207				
		11,064,079				
Building	Level 3	146,097	Income approach	Market rental data Discount rate	P1,137,875 rental rate per month 10.79%	The higher the market rental rate, the higher the fair value. The higher the rate, the lower the fair value.
Building	Level 3	75,705	Cost approach	Replacement cost Depreciation rate	P18,000 to P30,000 per square meter 23.00%	The higher the cost per square meter, the higher the fair value. The higher depreciation rate, the lower the fair value.
		221,802				
Land improvements	Level 3	10,847	Cost approach	Replacement cost Depreciation rate	P1,200 to P12,000 per square meter 43.00%	The higher the cost per square meter, the higher the fair value. The higher depreciation rate, the lower the fair value.
		11,296,728				
<i>As at December 31, 2024</i>						
Land						
Boracay	Level 3	9,048,420	Market comparison approach	Price per square meter	P41,836 to P42,750 per square meter	The higher the cost per square meter, the higher the fair value.
Cagayan	Level 3	1,936,558				
		10,984,978				
Building	Level 3	141,968	Income approach	Market rental data Discount rate	P1,131,657 rental rate per month 11.10%	The higher the market rental rate, the higher the fair value. The higher the rate, the lower the fair value.
Building	Level 3	78,684	Cost approach	Replacement cost Depreciation rate	P18,000 to P30,000 per square meter 20.00%	The higher the cost per square meter, the higher the fair value. The higher depreciation rate, the lower the fair value.
		220,652				
Land improvements	Level 3	11,381	Cost approach	Replacement cost Depreciation rate	P1,200 to 12,000 per square meter 40.00%	The higher the cost per square meter, the higher the fair value. The higher depreciation rate, the lower the fair value.
		11,217,011				

*The cost per unobservable inputs in the tables above are in absolute values and not in thousands of pesos.

The Group's investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent appraisers. The fair value of the Group's investment properties were based on the latest actuarial reports as at December 18 and 31, 2025.

Valuation techniques and significant unobservable inputs

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Land - The fair values of the investment properties were arrived at using the market approach for land in Cagayan and in Boracay.
- Land improvements and building - The fair value of the building in Sta. Cruz, Manila is valued using income approach. Cost approach was used for the rest of the land improvements and buildings.

Market comparison approach is an approach that considers the value of the land based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The appraiser's comparison was premised on the factors of location, size and shape of the lot, potential use, development and other factors.

Income approach is an approach that provides an indication of value by converting future cash flow to a single current value. Under this approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by asset.

Cost approach is an approach that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is an equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The appraiser particularly used the reproduction cost (new) less depreciation. In the context of the valuation, the depreciation refers to the adjustments made to the cost of reproducing or replacing the asset to reflect physical deterioration and functional, and economic obsolescence in order to estimate the value of the asset in a hypothetical exchange in the market when there is no direct sales evidence available.

Amounts recognized in the consolidated statements of total comprehensive income for investment properties for the years ended December 31 are as follows:

	2025	2024	2023
Rental income from operating leases	46,742	45,523	39,458
Direct operating expenses that generated rental income	25,122	31,656	23,773
Direct operating expenses that did not generate rental income	16,351	46,750	8,909
Fair value gain	79,717	142,141	131,817
Deferred tax expense	19,749	28,221	28,063

Rental income from investment properties is included under "Rent income" account in profit or loss. Direct costs attributable to rental income on investment properties arises from amortization, repairs and maintenance, real property taxes and rent expense.

7 Investments and advances, net

Investments and advances, net as at December 31 consist of:

	Ref	2025	2024
Investment in associates and a joint venture, net	a	1,387,295	1,445,258
Advances, net	b	1,224,246	1,219,730
		2,611,541	2,664,988

a. Investments in associates and a joint venture

Investments in associates and a joint venture as at December 31 consist of:

	2025	2024
Investment in a joint venture	1,387,295	1,445,258
Investment in associates	21,400	21,400
	1,408,895	1,466,858
Less: Allowance for impairment for investment in associates	(21,400)	(21,400)
	1,387,295	1,445,258

Investment in a joint venture

Hotel Enterprises of the Philippines, Inc. (HEPI)

HEPI is a 51%-owned joint venture between DigiPlus and Eco Leisure. HEPI is engaged in the hotel and recreation business. The management, supervision and control of the operations, property and affairs of HEPI are vested in its BOD which consists of three (3) directors each from DigiPlus and Eco Leisure, and one (1) independent director nominated by both parties. Any decision is subject for approval of DigiPlus and Eco Leisure, and each party cannot direct decision on their own.

On March 10, 2016, the Amended Articles of Incorporation of HEPI amending Article II Primary Purpose, Article IV extending the term of the corporate existence of HEPI to another fifty (50) years from July 30, 2012. HEPI's principal place of business is at 2702 Roxas Boulevard, Pasay City.

There are no commitments and contingent liabilities recognized or expected to be recognized as at and for the years ended December 31, 2025, and 2024. HEPI's shares of stock are not quoted in an active market.

Set out below is the unaudited summarized financial information of HEPI as at December 31.

Unaudited summarized statements of financial position

	2025	2024
Current assets	900,180	921,366
Includes:		
Cash	16,480	18,778
Non-current assets	4,053,733	4,137,895
Current liabilities	(1,510,756)	(1,463,683)
Includes:		
Financial liabilities	(1,497,031)	(1,446,336)
Non-current liabilities	(722,971)	(761,740)
Net assets	2,720,186	2,833,838

Unaudited summarized statements of total comprehensive income

	2025	2024
Revenues	377,398	390,334
Costs and expenses	(426,640)	(420,295)
Depreciation and amortization	(109,896)	(112,864)
Other income, net	4,099	4,383
Income tax benefit	41,387	47,512
Loss for the year	(113,652)	(90,930)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(113,652)	(90,930)

Reconciliation of unaudited summarized financial information

	2025	2024
Net assets		
As at January 1	2,833,838	2,924,768
Loss for the year	(113,652)	(90,930)
Other comprehensive income for the year	-	-
As at December 31	2,720,186	2,833,838
Group's share in %	51%	51%
Group share at January 1	1,445,258	1,491,632
Share in net loss for the year	(57,963)	(46,374)
Share in other comprehensive income for the year	-	-
Investment in a joint venture	1,387,295	1,445,258

There were no dividends received for the years ended December 31, 2025 and 2024.

In 2022, the Group changed its accounting policy for the subsequent measurement of the land presented as part of property and equipment in the statements of financial position from historical cost to fair value. As a result, in 2022, the Group recognized its share in other comprehensive income resulting from the changes in fair value of the land presented in HEPI's financial statements as part of property and equipment amounting to P527,450. HEPI did not recognize any other comprehensive income or loss in 2025 and 2024.

Investment in associates

BLRI

BLRI is a 30%-owned associate of the Parent Company. BLRI was incorporated in the Philippines and is engaged in the hotel and recreation business. It started commercial operations in August 2003. BLRI is a company engaged in the business of leasing its gaming facilities to Philippine Amusement and Gaming Corporation (PAGCOR) and its store and hotel facility to third parties.

The Group recognized its share in net loss of BLRI up to the extent of investment cost. Unrecognized accumulated equity in net loss of BLRI amounted to P7,785 as at December 31, 2025 (2024 - P12,272; 2023 - P16,652). Unrecognized share in net income for the year ended December 31, 2025 amounted to P4,487 (2024 - P4,380; 2023 - P4,079). The Group also recognized an allowance for the full amount of its investment in BLRI amounting to P21,200 as at December 31, 2025 and 2024.

Insular

Insular is a 40%-owned associate of ABLE. Insular was incorporated in the Philippines and is engaged in providing amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games.

In 2021, the Group recognized an allowance on the investment for the full amount of its investment in Insular amounting to P200.

b. Advances

Advances as at December 31 consist of:

	2025	2024
Advances to related parties		
HEPI	124,318	118,918
BLRI, net of current portion	27,842	40,067
Advances to third parties	1,255,637	1,244,296
	1,407,797	1,403,281
Less: Allowance for impairment	(183,551)	(183,551)
	1,224,246	1,219,730
Advances for projects	259,511	259,511
Less: Allowance for impairment	(259,511)	(259,511)
	-	-
	1,224,246	1,219,730

Advances to HEPI and BLRI

Advances to HEPI and BLRI pertain to cash advances made by the Group for working capital requirements.

In 2018, the Group, through its subsidiary, ABLE, and BLRI entered into a memorandum of agreement for the payment of latter's advances. The agreements provide for, among others, the commitment of BLRI to pay annually an amount of P18,000 from all rental payments received in a year, until the balance of the advances have been paid off.

Details and movements of the advances to BLRI for the years ended December 31 are as follows:

	Note	2025	2024
At January 1		58,067	76,159
Additional advances		-	9,908
Collections during the year		(12,225)	(28,000)
At December 31		45,842	58,067
Less: Current portion	3	(18,000)	(18,000)
Non-current portion		27,842	40,067

Advances to third parties

This account mainly pertains to the noninterest-bearing advances made by LR Land Developers, Inc. (LRLDI) to Cagayan Premium Ventures Development Corporation (CPVDC) and Cagayan Land Property Development Corporation (CLPDC) to finance the construction and development of the Cagayan Special Economic Zone and Freeport (CSEZFP) Airport in Cagayan. This also includes cash advances to a third party for the purpose of securing leased premises for the operation of a VIP Club by PAGCOR and advance payments for parcels of land the Group is in the process of acquiring. The advances are unsecured and noninterest-bearing.

For the year ended December 31, 2025, the Group has not recognized any additional provision for impairment of advances to third parties (2024 - nil; 2023 - P32,689).

c. Investment in convertible notes

On November 17, 2025, the Parent Company entered into a subscription agreement with International Entertainment Corporation (“IEC”), a company listed on the Stock Exchange of Hong Kong, for the subscription of convertible notes (the “Notes”) with an aggregate principal amount of HK\$1.6 billion (approximately P12 billion).

The Notes are structured in two tranches:

- First tranche - HK\$800 million
- Second tranche - HK\$800 million (to be issued within three months from first completion, subject to mutually agreed terms)

The Notes bear interest at 3% per annum and are redeemable at 108% of principal after five (5) years if not converted. The Parent Company has the option to convert the Notes into ordinary shares of IEC at an agreed conversion price of HK\$1.00 per share. Upon full conversion, the Group is expected to hold approximately 53.89% of IEC’s issued share capital.

IEC, through its subsidiaries, owns and operates New Coast Hotel Manila, an integrated hotel and casino complex licensed by the PAGCOR.

The transaction remains subject to regulatory approvals, including approval by IEC shareholders and relevant Hong Kong regulatory authorities, as well as clearance from the Philippine Competition Commission.

As at December 31, 2025, no subscription proceeds have been paid and no Notes have been issued.

Upon issuance, the Notes are expected to be accounted for as a financial asset.

Subsequent events

On February 26, 2026, IEC’s shareholders approved the subscription agreement during an Extraordinary General Meeting. In addition, the Hong Kong Securities and Futures Commission granted a whitewash waiver, which relieves the Parent Company from the obligation to make a mandatory general offer in the event of conversion of the Notes, subject to certain conditions.

On March 3, 2026, all conditions precedent for the first tranche were satisfied, and IEC issued convertible notes amounting to HK\$800 million to the Parent Company.

The second tranche of HK\$800 million is expected to be completed within three (3) months from the first completion, subject to mutually agreed terms. Management continues to monitor the progress of the transaction.

The above events are considered non-adjusting subsequent events as they relate to conditions that arose after the reporting date. Accordingly, no adjustments have been made to the consolidated financial statements as of December 31, 2025.

8 Receivables, net of current portion

Receivable from TCAMI

On November 4, 2019, LRLDI entered in a Deed of Absolute Sale with TCAMI for the sale of the LRLDI’s 50% share in TechZone Philippines, Inc. for a total consideration of P1,750,000 of which P1,000,000 was paid in cash while the remaining balance of P750,000 is payable in 10 years with no interest. This transaction resulted in the derecognition of the Group’s investment in TechZone and recognition of loss on sale of an investment amounting to P741,480 in the 2019 consolidated statement of total comprehensive income.

In 2019, the receivable from TCAMI of P700,000, net of current portion amounting P50,000 (Note 3), was discounted using risk free rate of 4.63%.

The receivable from TCAMI presented in the statements of financial position, including the future value of the receivable as at December 31 are as follows:

	Note	2025	2024
Current	3	50,000	50,000
Non-current		337,408	368,044
		387,408	418,044
Future interest accretion		62,592	81,956
		450,000	500,000

The movements of the receivable from TCAMI for the years ended December 31 are as follows:

	Note	2025	2024
At January 1		418,044	447,324
Interest accretion	20	19,364	20,720
Collections during the year		(50,000)	(50,000)
At December 31		387,408	418,044

9 Financial assets at FVOCI

In 2014, the Parent Company acquired 1,093,000 shares of DFNN, Inc. (DFNN) at a cost of P7,437.

On August 13, 2015, The Parent Company's advances to DFNN of P86,000 have been converted into 18,105,263 common shares of DFNN while the accumulated interest earned of P12,691, from date of Conversion Notice to the date of conversion, have been converted into 2,671,783 common shares of DFNN on October 30, 2015. The fair value of 18,105,000 and 2,671,783 common shares as at the date of conversion were P5.15 and P6.04 per share, respectively.

The conversion resulted in 8.76% equity ownership of the Parent Company over DFNN. As management does not intend to hold the investment for trading, the total converted amount of P17,496 as at December 31, 2025 (2024 - P62,329) has been classified as "Financial assets at FVOCI" account in the consolidated statements of financial position.

As at and for the year ended December 31, the carrying value of the Group's financial assets at FVOCI are as follows:

	2025	2024	2024
Balance at beginning of the year	62,329	67,578	78,513
Unrealized loss	(44,833)	(5,249)	(10,935)
Balance at end of the year	17,496	62,329	67,578

The market prices of DFNN common shares as at December 31, 2025 is P0.80 (2024 - P2.85).

The accumulated fair value loss for the financial assets at FVOCI as at December 31, 2025 amounts to P88,631 (2024 - P43,798).

10 Intangible assets, net

Intangible assets, net as at December 31 consist of:

	Ref	2025	2024
Goodwill	a	1,329,092	1,329,092
Software, licenses and other intangible assets, net	b	2,619,855	1,177,239
		3,948,947	2,506,331

a. Goodwill

Goodwill from the Group's business acquisitions are as follows:

	2025	2024
Cost:		
Retail Group	1,472,129	1,472,129
Network and License Group	29,940	29,940
	1,502,069	1,502,069
Accumulated impairment loss	(172,977)	(172,977)
Balance at end of the year	1,329,092	1,329,092

The Group reviews goodwill annually for impairment or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts of the operations are based on value-in-use (VIU) calculation using the cash flow projections approved by management. The cash flow projections cover five (5) years from the date of impairment review.

The recoverable amount of goodwill from the acquisitions of the bingo units (retail group) was determined based on VIU calculations using actual past results and observable market data such as growth rates, among others.

The following are the key assumptions used by management in the estimation of the recoverable amount:

Gross revenues

Gross revenues of the Group over the next five (5) years are projected to grow in line with the economy or with the nominal Gross Domestic Product. This assumes that the market share of the subsidiaries in their respective territories will be flat on the assumption that it will also grow at par with the economy. The revenue growth rate used in the cash flow projections for all cash generating units is 4.32% in 2025 (2024 - 4.31%).

Operating expenses

Operating expenses are projected to increase at a single-digit growth rate and at a slower pace than revenue.

Discount rate

Discount rates are derived from the Group's Weighted Average Cost of Capital (WACC) which is used by the management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates, regard has been given to various market information, including, but not limited to, five-year government bond yield, bank lending rates and market risk premium. The discount rate used in the cash flow projections for all cash generating units is 10.21% in 2025 (2024 - 9.25%).

Terminal growth rate

The long-term rate used to extrapolate the cash flow projections of the acquired investments beyond the period covered by the recent budget excludes expansions and possible acquisitions in the future. Management also recognizes the possibility of new entrants, which may have significant impact on existing growth rate assumptions. Management, however, believes that new entrants will not have a significant adverse impact on the forecast included in the cash flow projections. The terminal growth rate used in the cash flow projections for all cash generating units is 4.03% in 2025 (2024 - 4.15%).

Sensitivity analysis

The Group has determined that the recoverable amount calculations are most sensitive to changes in assumptions on cash flow projections, discount rate and verifiable industry growth rates. The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount of the CGU. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the CGU is based would not result in impairment loss due to the substantial headroom.

b. Software, licenses, and other intangible assets, net

Software, licenses and other intangible assets, net as at December 31 consist of:

	Software	Licenses	Other Intangible Assets	Total
At December 31, 2023				
Cost	148,316	-	1,130	149,446
Accumulated amortization	(144,018)	-	(28)	(144,046)
Net carrying value	4,298	-	1,102	5,400
For the year ended December 31, 2024				
Opening net carrying value	4,298	-	1,102	5,400
Additions	1,280,258	-	22,842	1,303,100
Amortization	(129,283)	-	(1,978)	(131,261)
Closing net carrying value	1,155,273	-	21,966	1,177,239
At December 31, 2024				
Cost	1,428,574	-	23,972	1,452,546
Accumulated amortization	(273,301)	-	(2,006)	(275,307)
Net carrying value	1,155,273	-	21,966	1,177,239
For the year ended December 31, 2025				
Opening net carrying value	1,155,273	-	21,966	1,177,239
Additions	1,467,257	333,728	17,141	1,818,126
Amortization	(312,910)	(55,235)	(7,365)	(375,510)
Closing net carrying value	2,309,620	278,493	31,742	2,619,855
At December 31, 2025				
Cost	2,895,831	333,728	41,113	3,270,672
Accumulated amortization	(586,211)	(55,235)	(9,371)	(650,817)
Net carrying value	2,309,620	278,493	31,742	2,619,855

Software mainly represents development costs directly attributable to the creation and enhancement of the Group's internally developed gaming platforms and applications.

In 2025, the Brazilian government granted DigiPlus Brazil Interactive Ltda. the Definitive Authority to operate sports betting and other online games in Brazil. In connection with this authorization, the Group paid a license fee to the Brazilian Federal Government, which grants the right to operate regulated online gaming activities in Brazil for a five-year period. The license fee was capitalized as an intangible asset under licenses and is amortized on a straight-line basis over five years.

11 Other non-current assets

Other non-current assets as at December 31 are as follows:

	Notes	2025	2024
Rental deposits	18	545,411	522,376
Cash performance bonds	15	533,615	487,915
Deferred project costs		145,003	453,170
Utility and construction bond		41,658	33,243
Premium on group pension plan		36,090	36,090
Performance cash deposits and betting credit funds		33,200	33,200
Input VAT		26,836	26,836
Advances to suppliers		18,219	18,800
Airstrip improvements, net		12,443	15,536
Others		22,362	19,985
		1,414,837	1,647,151

Deferred project costs

These are advances directly attributable to the development of software systems and costs to obtain licenses, which will be capitalized upon deployment of the software and the successful grant of the licenses, and will subsequently be classified as intangible assets. In 2025, the Group reclassified deferred project costs amounting to P876,692 (2024 - P1,270,656) to intangible assets as these softwares were made available for use and licenses were successfully granted.

Cash performance bonds

Cash performance bonds pertain to surety bonds deposited with PAGCOR which are refundable at the end of the period covered by the License (Note 15).

Premium on group pension plan

The premium on group pension plan pertains to the insurance plan the Group entered into for its employees with the Parent Company and its subsidiary, ABLE, as the beneficiaries.

Performance cash deposits and betting credit funds

PAGCOR granted Total Gamezone Xtreme Incorporated (TGXI) the privilege to establish, install, maintain, and operate PAGCOR eGames Station (PeGS). For each PeGS, TGXI has a performance cash deposits with PAGCOR amounting to P100 and maintains betting credit funds amounting to P100.

Airstrip improvements

Airstrip improvements pertain to the cost of improvements made by FCLRC for the airport constructed in Cagayan in coordination with LRLDI, CEZA, CPVDC and CLPDC (Note 7).

The movements in the airstrip improvements, for the year ended December 31 is as follows:

	2025	2024
Beginning of the year	15,536	18,629
Depreciation	(3,093)	(3,093)
Closing net carrying value	12,443	15,536
Cost	103,100	103,100
Accumulated depreciation	(90,657)	(87,564)
End of the year	12,443	15,536

12 Trade payables and other current liabilities

Trade payables and other current liabilities as at December 31 are as follows:

	Notes	2025	2024
Payable to:			
Suppliers		1,541,520	1,629,013
Government agencies		1,019,415	1,190,112
PAGCOR	15	277,961	231,271
CEZA		13,533	9,740
		2,852,429	3,060,136
Accrued expenses:			
Advertising and marketing fees		1,513,953	2,143,986
Machine fees		1,271,534	1,307,328
Outside services		803,628	495,721
Interest payable		136,986	112,714
Salaries, wages and benefits		126,754	100,772
Utilities		85,977	102,238
Professional fees		42,424	38,527
Others		310,906	219,549
		4,292,162	4,520,835
Contract liabilities		402,999	796,342
Rent payable		162,721	154,895
Jackpot liability		89,008	31,253
Finder's fee		30,103	30,103
Dividends payable	14	24,862	6,842
Customer deposits		30,461	3,486
Provision for probable losses		7,357	1,394
Output VAT		1,876	511
		7,893,978	8,605,797

Payable to PAGCOR includes franchise fees that are remitted on a weekly basis.

Payable to suppliers pertains to various supplies expense in relation to the Group's operations. These are normally settled within one year.

Payable to government agencies pertain to payments for final withholding taxes and other regulatory agencies that are expected to be settled with one year.

Accruals for machine fees pertain to the payable to machine owners for their share of the gross receipts from the e-bingo machines and platform and are payable on a 30-day credit term.

Contract liabilities relate to the player balances in the Group's online traditional bingo, electronic gaming system and live sports games.

Movements in contract liabilities for the years ended December 31 are as follows:

	2025	2024
As at January 1	796,342	597,008
Additions	79,503,052	70,820,696
Revenue recognized	(79,896,395)	(70,621,362)
As at December 31	402,999	796,342

Rent payable pertains to the liabilities for leases that are classified as operating lease.

Finder's fee pertains to the amounts payable to professionals hired by the Group to aid in selecting investment properties and companies where the Group will invest in the future.

Jackpot liability refers to the amount accrued for the jackpot price computed based on a certain percentage of total player deposits.

Provision for probable losses represents mainly estimated cost of future claims against the Group, which is presented as part of other expenses, net in the consolidated statements of total comprehensive income.

Movements in provision for probable losses for the years ended December 31 are as follows:

	2025	2024	2023
As at January 1	1,394	16,233	18,803
Additions	6,472	-	3,000
Settlements/reversals	(509)	(14,839)	(5,570)
As at December 31	7,357	1,394	16,233

Customer deposits are security deposits received from the customers of First Cagayan Converge Data Center Inc. (FCCDCI) and LR Data Center and Solutions Inc. (LRDCSI) to secure the service agreements as are refundable upon termination of the contracts. As at December 31, 2025, total customer deposits amounts to P90,477, of which P60,016 is non-current (2024 - P85,782; of which P82,296 is non-current).

13 Loans payable

Short-term loans

Movements of the short-term loans for the years ended December 31 are as follows:

	Ref	2025	2024	2023
Beginning balance		-	1,000	116,739
Additions	a, b, c	10,000	15,000	576,000
Payments	a, b, c	(10,000)	(16,000)	(691,739)
Ending balance		-	-	1,000

Interest expense related to short-term loans for the year ended December 31, 2025 amounted to P217 (2024 - P324).

Long-term loans

The movements in the current portion of the long term loans as at December 31 are as follows:

	Ref	2025	2024	2023
Beginning balance		733,781	1,886,807	3,160,901
Additions	d	-	-	1,200,000
Payments	d	-	(1,200,000)	(2,450,000)
Transaction on new draw downs	d	-	-	(21,724)
Amortization of transaction costs	d	-	15,577	6,147
Impact of foreign currency translation	c	11,987	31,397	(8,517)
Ending balance		745,768	733,781	1,886,807

As at December 31, the unamortized amount of transaction costs are as follows:

	Note	2025	2024	2023
Beginning balance		-	15,577	21,724
Amortization	20	-	(15,577)	(6,147)
Ending balance		-	-	15,577

Interest expense related to the long-term loans for the year ended December 31, 2025, amounted to P24,272 (2024 - P79,909; 2023 - P119,965).

- a. On October 3, 2023, AB Leisure Exponent, Inc. (ABLE) entered into a short-term loan agreement with Unionbank (UB) amounting to P1,000 with annual interest rate of 7.5% and maturity date of September 27, 2024. In 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.

On August 1, 2025, ABLE entered into a 30-day short-term loan agreement with UB commencing on September 1, 2025 amounting to P5,000 with annual interest rate of 7.5%. The loan was fully settled on upon its maturity on October 1, 2025.

- b. 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.
- c. On June 24, 2024, DigiPlus entered into a 179-day short-term loan agreement with Sterling Bank of Asia (SBA) 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.

On June 23, 2025, DigiPlus entered into a 179-day short-term loan agreement with SBA amounting to P5,000 with annual interest rate of 9.00% maturing on December 19, 2025. The loan was settled on October 1, 2025.

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 million or P480,230 shall be payable in March 2023. Annual interest rate is at 3% subject to change depending on the prevailing financial and monetary conditions. The loan was secured by land located in Cagayan, presented as investment property and owned by LRLDI with fair value as at December 31, 2023 amounting to P1,874,943 (2022 - P1,572,885).

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\$ 6.32 million or P355,980 with annual interest rate of 10% on the unpaid principal amount and with maturity date same as the original loan. The additional loan is secured by the above-mentioned properties owned by the LRLDI.

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 maturing in March 2024.

In 2024, Chip Leader entered into a Deed of Assignment of Loan with Prominence Global Access Fund SPC - Prominence Multi-Strategy Fund SP ("Prominence") whereby Chip Leader assigned the entire loan and interests to Prominence. The balance remains outstanding as at audit report date.

- d. In April 2023, ABLE entered into a term-loan facility with AUB amounting to P3,000,000 available for multiple drawdowns to finance general corporate expenditures. The loan is payable in nine (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 avilment 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.

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 has original maturity date of April 2026. As a result, pre-termination costs amounting to P62,046 were incurred, primarily consisting of prepayment penalties, unamortized transaction costs, and other related charges. These costs have been recognized as finance expense under the consolidated statements of comprehensive income. The loan was fully paid as of December 31, 2024.

14 Equity

The movements capital stock for the year ended December 31 is as follows:

	2025		2024	
	Amount	Number of shares	Amount	Number of shares
Authorized:				
Common shares - P1 par value	7,000,000	7,000,000,000	7,000,000	7,000,000,000
Balance at beginning of the year	4,785,307	4,785,306,666	4,785,307	4,785,306,666
Issued during the year	123,314	123,314,000	-	-
Balance at end of the year	4,908,621	4,908,620,666	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. Transaction costs related to the share issuance amounting to P16,604 are recognized as deduction to additional paid-in capital.

On January 31, 2020, the Parent Company redeemed all of its 1.65 billion preferred shares at P1.00 per share. The redeemed preferred shares are not cancelled, thus, accounted and presented as treasury shares in the consolidated statements of changes in equity.

On June 15, 2021, and July 30, 2021, the BOD and stockholders of Parent Company respectively approved the reclassification of DigiPlus' 1.65 billion 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 authorized unissued preferred shares into common shares. On May 26, 2022, the SEC approved the amendment of the Articles of Incorporation reflecting this further reclassification.

On March 7, 2022, the BOD approved and authorized the issuance of 1,272,352,512 common shares at an issue price of P1.65 per share to various subscribers. 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 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 1.65 billion treasury shares. Transaction costs related to share issuances amounting to P12,723 are recognized as deduction to additional paid-in capital.

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 Parent Company's capital stock. Consequently, the Parent Company issued 691,200 common shares at an issue price of P2.68 per share to various subscribers.

In 2025, a total of 123,314,000 shares were issued in favor of the ESOP grantees who exercised and fully paid for their options, resulting in the derecognition of stock option reserve amounting to P612,170, which was transferred to additional capital stock amounting to P123,314 and additional paid-in capital amounting to P1,244,413.

As of December 31, 2025 and 2024, the Parent Company has 1,799 and 1,803 common stockholders, respectively.

Additional paid-in capital (APIC)

APIC pertains to the excess of the subscription payment over the par value of shares issued. APIC recognized in the statements of financial position amounted to P7,489,614 as at December 31, 2025 (2024 - P6,245,301).

Other reserves

Other reserves include equity adjustments arising from transactions with non-controlling interests and share-based payment arrangements. The reserve from the acquisition of additional shares represents the difference between the consideration paid by the Group to acquire additional equity interests in a subsidiary and the corresponding adjustment to the carrying amount of non-controlling interests, which is recognized directly in equity. The stock option reserve represents the cumulative fair value of share-based payments recognized over the vesting period. As of December 31, 2025, the balance of Other reserves amounted to P1,043,555 (2024 - P896,928).

Warrants

On June 10, 2013, the BOD of the Parent Company approved the listing of 1,650,000 newly issued preferred shares and 82,500,000 warrants. The said listing was completed in December 2013.

On December 5, 2013, the BOD approved to change the expiry date of the warrants issued by the Parent Company to September 2021.

In September 2021, 26,606,666 warrants were exercised and converted into shares for an exercise price of P1.503 per share, which is the weighted average trading price for three (3) months prior to the exercise date with a 10% discount. Consequently, common shares with par value aggregating to P26,607 were issued for the exercised warrants resulting in additional paid-in capital of P13,383. The remaining 55,893,334 warrants which were not exercised in September 2021 are deemed expired and are no longer exercisable.

Declaration of cash dividends

The Parent Company's BOD authorized and approved the declaration and payment of cash dividends to stockholders from retained earnings during the year ended December 31 as follows:

Declaration date	Payment date	As of record date	Dividend per share	Total dividends
March 7, 2025	April 4, 2025	March 24, 2025	P0.86	3,793,785
March 19, 2024	April 18, 2024	April 4, 2024	P0.18	793,379

Details of unpaid dividends included under Trade and other payables in the consolidated statements of financial position as at December 31 are as follows:

	Note	2025	2024	2023
Beginning balance		6,842	15,313	175,387
Dividends declared		3,793,785	793,379	-
Dividends paid		(3,775,765)	(801,850)	(160,074)
Ending balance	12	24,862	6,842	15,313

Retained earnings

On December 14, 2024, the BOD passed a resolution to appropriate retained earnings amounting to P7,300,000. This allocation is designated to fund the approved capital expenditures and provide financial support for the Brazil project.

Subsequent event

On March 17, 2026, DigiPlus' Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.83 per outstanding common share or a total of P8,300,000. The cash dividends will be payable on April 15, 2026, to stockholders of record as of April 1, 2026.

Treasury shares

Details of treasury shares are as follows:

	Parent Company Treasury Shares		Parent Company Shares held by ABLE	
	2025	2024	2025	2024
<i>Number of shares</i>				
Balance at beginning of the year	377,647,488	377,647,488	21,567,000	21,567,000
Redemption of shares	21,000,000	-	-	-
Balance at end of the year	398,647,488	377,647,488	21,567,000	21,567,000
<i>Amount</i>				
Balance at beginning of the year	377,647	377,647	53,951	53,951
Redemption of shares	539,699	-	-	-
Balance at end of the year	917,346	377,647	53,951	53,951

Earnings per share

Basic earnings per share is computed as follows:

	2025	2024	2023
Net income attributable to equity holders of the Parent Company (a)	12,565,307	12,577,884	4,077,734
Weighted average number of shares outstanding (b)	4,471,917	4,407,659	3,924,766
Basic earnings per share (a/b)	2.8098	2.8536	1.0390

Diluted earnings per share is computed as follows:

	2025	2024	2023
Net income attributable to ordinary stockholders of the Parent Company (a)	12,565,307	12,577,884	4,077,734
Weighted average number of shares outstanding (b)	4,471,917	4,407,659	3,924,766
Add: Dilutive shares arising from share options (c)	52,838	185,099	-
Adjusted weighted average number of shares outstanding (d=b+c)	4,524,755	4,592,758	3,924,766
Diluted earnings per share (a/d)	2.7770	2.7386	1.0390

Share-based compensation plan

The establishment of the employee share option plan (“the Plan”) was approved by the BOD of the Parent Company and the stockholders on January 31, 2023 and March 27, 2023, respectively. The Plan was established to recognize the contributions of key individuals within the Group whose contributions are essential to growing the business and delivering long-term shareholder returns. Under the Plan, the participants are granted options which will vest in accordance with the Group’s vesting policy and the fair value of each option is estimated on the grant date using an appropriate valuation model.

On July 4, 2024, the SEC approved the Parent Company’s application for exemption from filing registration statement of the Plan.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. Each option can be converted to a single share at an exercise price depending on the volume weighted average of share price for the 30-trading days immediately prior to the grant date.

The Plan is administered by the Compensation Committee of the BOD, and its sub-committee specially created for purposes of administering the Plan, which is consolidated in accordance with the principles in Note 28.3. When the options are exercised, the trust transfers the appropriate amount of shares to the employee. Any proceeds received, net of directly attributable transactions costs, are credited directly to equity.

Set out below are summaries of options granted under the for the year ended December 31:

	2025	2024
As at January 1	259,714,133	127,324,564
Granted	-	134,399,569
Exercised	(123,314,000)	-
Forfeited	(6,525,810)	(2,010,000)
As at December 31	129,874,323	259,714,133
Vested and exercisable at December 31	3,238,618	45,001,956

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry dates:

Grant date	Vesting date	Expiry date	December 31, 2025	December 31, 2024
<i>Batch 1</i>				
Tranche 1 - April 1, 2023	January 1, 2024	January 1, 2029	-	45,001,956
Tranche 2 - April 1, 2023	January 1, 2025	January 1, 2030	2,045,456	39,556,956
Tranche 3 - April 1, 2023	January 1, 2026	January 1, 2031	40,116,755	40,755,652
<i>Batch 2</i>				
Tranche 1 - November 12, 2024	January 1, 2025	January 1, 2030	1,193,162	44,351,857
Tranche 2 - November 12, 2024	January 1, 2026	January 1, 2031	42,613,811	44,351,858
Tranche 3 - November 12, 2024	January 1, 2027	January 1, 2032	43,905,139	45,695,854
Total			129,874,323	259,714,133
Weighted average remaining contractual life of options outstanding at end of period			4.51	5.51

No options were granted during the year ended December 31, 2025 (2024 - The assessed fair value at grant date of options granted during the year ended December 31, 2024 was P12.70 per option). The fair value at grant date is independently determined using a Modified Binomial Tree Model that takes into account the stock price volatility, risk-free rate, dividend yield, employee exercise behavior and forfeiture rates. The fair value is recognized as an expense over the relevant service period, which is the vesting period of the options.

The model inputs for options granted during the year ended December 31, 2024 included:

- (a) options are granted for no consideration and vest based on the terms of the plan. Vested options are exercisable for a period of five years after vesting;
- (b) grant date: November 12, 2024;
- (c) expiry date: January 1, 2030 to 2032;
- (d) strike price: P12.94;
- (e) share price at grant date: P19.90; and
- (f) expected dividend yield: 0.15%.

The compensation expense recognized during the year ended December 31, 2025 amounted to P758,797 (2024 - P778,271; 2023 - nil) which is presented under cost and operating expenses in the consolidated statements of total comprehensive income. As at December 31, 2025, the stock option reserve arising from the Plan amounted to P924,898 (2024 - P778,271).

Subsequent events

From January to March 2026, a total of 61,021,968 shares were issued in favor of the ESOP grantees who exercised and fully paid for their options.

On January 27, 2026, the SEC approved the Parent Company's application for exemption from registration of its Employee Stock Option Plan ("ESOP B"). ESOP B covers 220,382,958 common shares in favor of the Company's qualified officers and employees in accordance with the terms of the Corporation's ESOP Plan. On March 16, 2026, PSE approved the Parent Company's application to list these shares to cover its ESOP.

15 Gaming licenses to operate

Revenue from retail games for the years ended December 31 are as follows:

	2025	2024	2023
Bingo games	6,620,522	7,834,559	10,384,844
Electronic games	76,429,636	66,272,052	15,983,732
	83,050,158	74,106,611	26,368,576

a. Bingo games

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

Operation of online traditional bingo (OTB) games

The Group 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. Since issuance, PAGCOR share on GGR for bingo games is as follows:

Effective period	PAGCOR share on GGR				
	OTB games	Traditional bingo	Electronic bingo games	New Rapid Bingo System	Electronic games
August 2023 to March 2024	20%	20%	42.5%	20%	22.5%-41.25%
April 2024 to December 2024	25%	25%	35%	25%	20%-35%
January 2025 to June 2025	30%	30%	30%	30%	15%-30%
July 1, 2025 onwards	25%	25%	25%	25%	15%-30%

Operation of online traditional bingo (OTB) games

The Group 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.

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 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. In September 2023, the licenses were renewed and are valid until September 2025. The licenses were further renewed in September 2025 and are currently valid until September 2027.

The Group pay PAGCOR 15% of its gross bingo card sales as franchise fee until July 2023. Effective PAGCOR rates since the memo issuance by PAGCOR are presented in the table above. As at December 31, 2025, the Group deposited cash performance bonds with PAGCOR totaling P43,500 (2024 - P40,500), to ensure due observance of and faithful compliance with the terms and conditions of the license (Note 11).

Operation of electronic bingo games

PAGCOR awarded the Group 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. The licenses were further renewed in March 2026 and are currently valid until March 2028.

The Group pays PAGCOR 50% of its revenue less payouts as franchise fee until July 2023. Effective PAGCOR rates since the memo issuance by PAGCOR are presented in the table above.

As at December 31, 2025, the Group deposited cash performance bonds with PAGCOR totaling P343,165 (2024 - P333,665), to ensure due observance of and faithful compliance with the terms and conditions of the license (Note 11).

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 PAGCOR rates since the memo issuance by PAGCOR are presented in the table above.

As at December 31, 2025 and 2024, ABLE deposited cash performance bonds amounting to P1,600 (2024 - P1,000), with PAGCOR to ensure due observance of and faithful compliance with the terms and conditions of the license (Note 11).

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.

Franchise fees included in "Franchise fees and taxes" account in the consolidated statement of total comprehensive income amounted to P2,587,731 in 2025 (2024 - P3,422,293; 2023 - P4,791,520).

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 2025, the Licenses were renewed and are valid until August 2027.

Franchise fees included in “Franchise fees and taxes” account in the consolidated statement of total comprehensive income amounted to P28,307,138 in 2025 (2024 - P30,090,980; 2023 - P8,178,920).

The Group pays PAGCOR 25%-47.5% of its revenue as franchise fee until July 2023. Effective PAGCOR rates since the memo issuance by PAGCOR are presented in the table above.

As at December 31, 2025, TGXI deposited cash performance bonds amounting to P115,350 (2024 - P97,750), with PAGCOR to ensure due observance of and faithful compliance with the terms and conditions of the license (Note 11).

16 License agreement

CEZA is authorized under Section 6f of 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 locators, 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 sublicences is recognized by FCLRC as unearned fees and recognize the revenue over time upon provision of the access to the hosting platform. Unearned fees included under “Trade and other payables” account in the consolidated statements of financial position amounted to P16,144 as at December 31, 2025 (2024 - P16,375); and
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. Unpaid CEZA fees are charged with interest of 12% per annum. CEZA fees included in “Franchise fees and taxes” account in the profit or loss amounted to P99,988 in 2025 (2024 - P172,664; 2023 - P133,192).

FCLRC is entitled to tax incentives under Section 4c of RA 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 did not incur gross income tax in 2025 (2024 - P5,252; 2023 - P5,069).

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 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.

For the year ended December 31, 2025, the Group recognized revenue related to service and hosting fees in Cagayan amounting to P277,253 (2024 - P407,044; 2023 - P340,592).

17 Costs and operating expenses

Cost and operating expenses as of December 31 consist of:

	Notes	2025	2024	2023
Franchise fees and taxes	15,16	30,994,857	33,685,937	13,103,632
Advertising and promotion		20,169,271	13,273,819	4,103,449
Outside services		10,224,745	9,074,623	3,113,346
Salaries and other benefits		4,432,683	2,776,366	996,800
Subscription		2,378,631	1,097,057	110,005
Depreciation and amortization	5,10,11	1,605,521	1,069,601	493,432
Communications and utilities		418,365	368,467	322,835
Rent	18	314,862	347,998	350,926
Others		997,220	660,434	372,481
		71,536,155	62,354,302	22,966,906

Salaries and other benefits

The details of salaries and other benefits for the years ended December 31 are as follows:

	Note	2025	2024	2023
Salaries and wages		3,179,515	1,788,609	880,309
Share option compensation expense		758,797	778,271	-
Bonuses and allowance		186,399	11,704	14,651
Government-mandated employee benefits		146,788	83,178	52,703
Insurance		47,769	43,788	18,422
Defined benefit retirement expense	19	30,691	14,087	9,169
Others		82,724	56,729	21,546
		4,432,683	2,776,366	996,800

18 Lease agreements

Group as a Lessee

The Group has lease contracts for office space, warehouse and various site spaces for its operations. Lease agreements generally have lease terms between 1 and 25 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of site spaces with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

The following are the amounts recognized in the consolidated statements of total comprehensive of income for the years ended December 31:

	Notes	2025	2024	2023
Amortization expense of right-of-use assets included in property and equipment	5	587,178	452,376	295,970
Expenses relating to short-term leases	17	314,862	347,998	350,926
Interest expense on lease liabilities	20	111,568	95,017	55,575
		1,013,608	895,391	702,471

Total cash outflow related to short-term and low value leases for the year ended December 31, 2025 amounted to P307,036 (2024 - P351,314; 2023 - P344,318).

Total cash outflows related to lease liabilities for the year ended December 31, 2025 amounted to P637,811 (2024 - P522,791; 2023 - P438,991).

The movements of right-of-use assets, presented under "Property and equipment, net" have been disclosed in Note 5.

The movements of lease liabilities for the years ended December 31 is as follows:

	Note	2025	2024
Balance at beginning of the year		1,770,849	1,074,365
Additions		358,069	1,124,258
Interest expense	20	111,568	95,017
Payments		(637,811)	(522,791)
Balance at end of the year		1,602,675	1,770,849
Current portion of lease liabilities		522,409	476,217
Lease liabilities, net of current portion		1,080,266	1,294,632

- i. ABLE Group entered into several lease agreements for office space, warehouse and spaces where ABLE Group's sites conduct their bingo operations. The term of the lease agreements with various lessors varies from two (2) to five (5) years with escalation clauses ranging from 5% to 10%. The lease amounts are computed based on a fixed rate per square meter.
- ii. FCLRC entered into 25-year lease agreements with the Municipality of Sta. Ana, Cagayan up to December 7, 2031, and with CEZA up to June 30, 2031, respectively, or until FCLRC serves as its Master Licensor. The lease amounts are computed on a fixed rate per square meter subject to 5% escalation every three years. FCLRC also entered into another lease contract for staff houses with a term of one (1) year.
- iii. BCGLC and GCLWC entered into various lease agreements for its PAGCOR VIP Clubs where it conducts its operations. The lease agreements are renewable by mutual agreement of both parties generally under same terms and conditions. The lease period ranges from three (3) to seven (7) years with annual escalation clauses ranging from 5% to 10%.
- iv. DigiPlus entered into several lease agreements for its office spaces. The term of the lease agreements with various lessors varies from three (3) to five (5) years with escalation ranging from 3% to 5%. The lease amounts are computed on a fixed rate per square meter.
- v. TGXI entered into several lease agreements for the PeGS' locations renewable by mutual agreement of both parties generally under the same terms and conditions. The lease period ranges from one (1) to five (5) years with annual escalation clauses ranging from 3% to 10%.
- vi. ABLGI entered into a 25-year lease agreement for a parcel of land in Sta. Cruz, Manila from January 1, 2015 to December 31, 2040. The lease amount is computed on a fixed rate per square meter subject to 5% escalation every two (2) years.

- vii. On May 1, 2024, TGXI entered into a five-year lease agreement for a warehouse facility located in Merville, Parañaque City, covering a three-storey warehouse building, an annex warehouse, and an open area. The lease term is from May 1, 2024 to April 30, 2029 and is subject to annual escalation of approximately 5% beginning May 2026.

The lease agreements are non-cancellable and provide for, among others, rental deposits which are refundable upon termination of the lease. The rental deposits recognized in the consolidated statements of financial position as at December 31, 2025 amounted to P545,411 (2024 - P522,376) (Note 11).

Rent expense for the year ended December 31, 2025, amounting to P314,862 (2024 - P347,998; P2023 - P350,926), pertains to the expense from short-term and low-value leases (Note 17).

Maturity analysis of the undiscounted lease payments are as follows:

	2025	2024
Within one year	668,482	563,931
Between one and five years	1,021,063	1,220,723
More than five years	312,343	341,200
	2,001,888	2,125,854

Group as lessor (finance leases)

FCLRC subleases its lease contracts for land properties within Municipality of Sta. Ana, Cagayan and CEZA to locators under two (2) 9-year sublease agreements which commenced in January 2020.

For the year ended December 31, 2025, the Group recognized revenue from finance leases amounting to P8,567 (2024 - P9,843; 2023 - P6,622) (Note 20).

The movements of lease receivables for the years ended December 31 is as follows:

	2025	2024
Balance at beginning of the year	177,069	193,480
Finance lease income	8,567	9,843
Collections	(27,568)	(26,254)
Balance at end of the year	158,068	177,069
Current portion of lease receivable	72,410	69,557
Lease receivable, net of current portion	85,658	107,512

Minimum lease receivables as at December 31 are as follows:

	2025	2024
Within one year	56,554	55,176
Between one and five years	118,763	147,709
	175,317	202,885

Group as lessor (operating leases)

- a. As an authorized representative of Munich Management Limited, a foreign corporation duly organized and registered in British Virgin Islands, BCGLC entered into an agreement with the PAGCOR for the sublease of the slot machines owned by Entertainment Gaming (Philippines), Inc., including the proprietary system of linking and networking of individual units of slot machine within the PAGCOR Club - Leisure World Bacolor located at King's Royal Hotel and Leisure Park, Bacolor, Pampanga. The original lease covered a period of three (3) years until June 30, 2016 and was subsequently renewed several times, including extensions until December 31, 2017 and June 30, 2023. The agreement was further extended through subsequent Memoranda of Agreement for the continued operation of the slot machine VIP club under a revenue-sharing scheme between PAGCOR and BCGLC. In January 2025, PAGCOR issued an Authority to Commence Operations in connection with a new Memorandum of Agreement with Minimum Guarantee Fee (MGF), under which implementation commenced on January 24, 2025. The new MOA extends the

lease arrangement for a period of three (3) years from the date of issuance of the Authority to Commence Operations, subject to the terms and conditions of the agreement.

As a consideration, PAGCOR shall pay BCGLC monthly rent equivalent to a percentage of the slot machines' gross revenues after deducting the players' winnings/prizes and related taxes thereof.

- b. LRLDI leases its investment properties under non-cancellable operating lease agreements. The leases are for a period ranging from two (2) to five (5) years with escalation rate ranging from 5% to 10%.
- c. ABLGI leases its investment property for a period of twenty (20) years until December 31, 2034 with escalation rate of 3% every three years. The lessee may pre-terminate the lease agreement without obligation to pay termination costs.

In 2019, upon adoption of PFRS 16 for FCLRC and inception of the sublease contract for LRLDI, these subleases were classified as finance leases and the related ROU assets were derecognized. As at December 31, 2025, lease receivables amounted to P158,068 (2024 - P177,069).

Total rental income recognized in the consolidated statements of total comprehensive income amounted to P561,580 in 2025 (2024 - P552,947; 2023 - P475,937).

For the year ended December 31, 2025, revenue from sub-lease recognized in the consolidated statements of total comprehensive income amounts to P113,007 (2024 - P6,839; 2023 - P3,711).

19 Retirement benefits

The Group's actuarial valuations are obtained on a periodic basis. The retirement benefits are determined using the projected unit credit method.

The retirement benefits of ABLE are primarily based on the number of years of service of covered employees, as well as their fixed monthly salary. Effective January 1, 2022, the Group changed its retirement plan provisions. Under the provisions of the retirement plan, the mandatory retirement age is sixty-five (65), with at least five (5) years of service and the retirement benefit is equal to one half of final salary per year of credited service. The computation of the on-half month's salary shall be consistent with the definition set forth under the Republic Act 7641 or the Philippine Retirement Law.

Under the provisions of the retirement plan effective until December 31, 2021, the mandatory retirement age is sixty-five (65), with at least ten (10) years of service and the retirement benefit is equal to two hundred percent (200%) of the plan salary per year of credited service.

The Group's latest actuarial valuation reports are dated December 31, 2025. The following tables summarize the components of retirement expense for ABLE and FCLRC recognized in the consolidated statement of total comprehensive income:

Retirement expense

	ABLE			FCLRC			TOTAL		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Current service cost	22,627	9,634	5,217	211	187	153	22,838	9,821	5,370
Interest cost on defined benefit obligation	7,672	4,141	3,690	181	125	109	7,853	4,266	3,799
Net retirement expense	30,299	13,775	8,907	392	312	262	30,691	14,087	9,169

The total retirement expense of ABLE and FCLRC for the year ended December 31, 2025, amounted to P30,691 (2024 - P14,087).

Changes in present value of defined benefit obligation

	ABLE		FCLRC		TOTAL	
	2025	2024	2025	2024	2025	2024
Present value of defined benefit obligation at beginning of year	124,768	67,831	2,917	2,010	127,685	69,841
Current service cost	22,627	9,634	211	187	22,838	9,821
Interest cost	7,672	4,141	181	125	7,853	4,266
Actuarial (gain) loss	(41,184)	43,162	(1,278)	987	(42,462)	44,149
Benefits paid	(380)	-	-	(392)	(380)	(392)
Present value of defined benefit obligation at end of year	113,503	124,768	2,031	2,917	115,534	127,685

As at December 31, 2025, the total retirement benefits liability amounted to P115,534 (2024 - P127,685). The movement in retirement benefits reserve taken up under other comprehensive income and consolidated statements of changes in equity are as follows:

	ABLE			FCLRC			TOTAL		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Remeasurement loss (gain)									
- on change in financial assumptions	(83,087)	36,533	8,561	(1,017)	760	203	(84,104)	37,293	8,764
- on experience adjustments	41,903	6,629	(1,217)	(261)	227	48	41,642	6,856	(1,169)
	(41,184)	43,162	7,344	(1,278)	987	251	(42,462)	44,149	7,595

The principal assumptions used in determining defined benefit obligations for the Group's plans are shown below:

	ABLE		FCLRC	
	2025	2024	2025	2024
Discount rate	6.40%	6.20%	6.30%	6.20%
Future salary increases	3.00% to 8.00%	7.00%	3.00% to 8.00%	7.00%

The weighted average duration of defined benefit obligation is as follows:

	ABLE		FCLRC	
	2025	2024	2025	2024
Average expected future service years	5.3	5.4	10.8	11.5

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	ABLE		FCLRC	
	1% increase	1% decrease	1% increase	1% decrease
December 31, 2025				
Discount rate	(11,466)	13,048	(162)	186
Future salary growth	13,300	(11,852)	189	(167)
December 31, 2024				
Discount rate	(14,950)	17,337	(301)	355
Future salary growth	16,871	(14,868)	346	(299)

Assumptions for mortality rate are based on the 2017 Philippine Intercompany Mortality Table. Assumptions for disability rates are based on the 2013 SSS Total Disability Rates (Baseline Scenario). Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

The defined benefit obligation is exposed to actuarial risks such as longevity risk and interest rate risk.

Funding

The Group does not have a formal retirement plan. Benefit claims under the retirement obligation are paid directly by the Group when they become due.

Asset-liability matching

The Group has no plan assets to match against liabilities under the retirement obligation.

Maturity analysis of the benefit payments is as follows:

	Carrying amount	Contractual Cash flows	Within 1 year	Within 1-5 years	More than 5 years
As at December 31, 2025					
ABLE	113,502	1,281,377	6,914	27,495	1,246,968
FCLRC	2,032	6,837	412	-	6,425
	115,534	1,288,214	7,326	27,495	1,253,393
As at December 31, 2024					
ABLE	124,768	1,719,479	3,437	13,508	1,702,534
FCLRC	2,917	13,590	369	-	13,221
	127,685	1,733,069	3,806	13,508	1,715,755

20 Finance income/finance expense/other income

Finance income for the years ended December 31 consists of:

	Notes	2025	2024	2023
Interest income on cash in banks and short term placements	2	300,248	93,678	22,672
Interest income on receivables from TCAMI	8	19,364	20,720	23,954
Finance lease income	18	8,567	9,843	6,622
		328,179	124,241	53,248

Finance expense for the years ended December 31 consists of:

	Notes	2025	2024	2023
Interest expense on loans payable	13	24,489	80,233	134,102
Interest expense on lease liabilities	18	111,568	95,017	55,575
Others		-	1,914	7,586
		136,057	177,164	197,263

Interest expense on loans payable includes amortization of transaction costs related to loan of ABLE with AUB and ABLGI with BDO. The Group has not recognized any amortization of transaction costs for the year ended December 31, 2025 (2024 - P15,577; 2023 - P6,147) (Note 13).

Other income (expense), net for the years ended December 31 consists of:

	2025	2024	2023
Finance charges	(20,708)	(45,152)	(22,129)
Others, net	(13,915)	870	118,894
	(34,623)	(44,282)	96,765

Others, net for the year ended December 31, 2023 mainly consists of gain on reversal of liabilities that the Group determined as no longer payable based on management's assessment.

21 Related party disclosures

The table below summarizes the Group's transactions and balances with its related parties as at and for the years ended December 31:

Nature of transaction	Terms and conditions	Transactions			Outstanding receivables (payables)	
		2025	2024	2023	2025	2024
a) Advances	These pertain to cash advances provided by the Group to its related parties that are due and demandable, noninterest-bearing and to be settled in cash. The advance to a stockholder is presented as current assets in the statements of financial position. The advance to an individual stockholder is presented as part of receivables, net in the statements of financial position (Note 3).					
Stockholder		2,181	(488)	(333)	158,516	156,335
Individual stockholder		-	-	-	53,106	53,106
		2,181	(488)	(333)	211,622	209,441
b) Receivables and advances	Refer to Notes 3 and 7 for the details.					
Joint venture		5,400	-	266	124,318	118,918
Associate		(12,225)	(18,092)	(10,968)	45,842	58,067
		(6,825)	(18,092)	(10,702)	170,160	176,985

Advances to stockholder consist mainly of advances for working capital requirements to Cyberpoint Holdings and Management Corporation (CHMC), a holding company.

All intra-group balances, transactions, including income and expenses and profits and losses resulting from intra-group transactions are eliminated. Intergroup balances and transactions before eliminations amounted to P78,372,462 in 2025 (2024 - P21,987,036).

All intragroup transactions are eliminated during consolidation are unsecured, noninterest-bearing and payable on demand. Related party transactions are to be settled in cash.

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

For the years ended December 31, the details of key management and directors' compensation representing short-term benefits are as follows:

	2025	2024	2023
Salaries and employee benefits	215,030	185,458	76,603
Employee stock option expense	758,797	778,271	-
Directors' fees	27,678	16,100	9,144
	1,001,505	979,829	85,747

22 Income taxes

The components of the Group's income tax expense (benefit) are as follows:

	2025	2024	2023
Current tax expense	968	15,918	15,862
Deferred tax expense	27,932	30,591	68,523
	28,900	46,509	84,385

The Group's income tax expense consists of the 25% regular corporate income tax and the 5% gross income tax on FCLRC and FCCDCI's operations with CSEZFP and LRLDI operations (Note 16).

Reconciliation between income tax expense (benefit) in the Group's profit or loss and the income tax computed at statutory income tax rate follows:

	2025	2024	2023
Income before income tax	12,592,775	12,630,615	4,221,998
Income tax (benefit) using statutory tax rate 25%	3,148,194	3,157,654	1,055,500
Additions to (reductions in) income taxes resulting from tax effects of:			
Non-deductible expenses	11,483,072	8,061,189	1,839,125
Income exempt from income tax	(14,586,588)	(11,151,408)	(2,747,718)
Change in deferred tax accounts	(27,932)	(30,591)	(68,523)
Equity in net loss of joint ventures	14,491	11,594	7,668
Interest income subject to final tax	(2,337)	(1,929)	(1,667)
	28,900	46,509	84,385

The composition of recognized deferred tax liabilities of the Group as at December 31 are as follows:

	2025	2024
Unrealized gain on changes in fair value of investment properties	1,567,487	1,539,555
Accrued rental income	3,480	3,480
Others	262	262
	1,571,229	1,543,297

Movements of deferred tax liabilities for the years ended December 31 are as follows:

	2025	2024
As at January 1	1,543,297	1,512,706
Recognized in profit or loss	27,932	30,591
	1,571,229	1,543,297

As at December 31, the Group's unrecognized deferred tax assets pertain to the following items:

	2025	2024
NOLCO	784,669	524,120
Right-of-use assets	96,795	(111,433)
Lease liabilities	(111,436)	122,566
Allowance for impairment loss	3,781	17,892
Retirement benefits liability	7,177	6,817
Unrealized loss on foreign exchange differences	(2,997)	(7,849)
MCIT	-	29
Unearned revenue	1,366	6,810
	779,355	558,952

On April 23, 2013, the BIR issued Revenue Memorandum Circular (RMC) No. 33-2013 clarifying the taxability of PAGCOR, its contractees and licensees. Pursuant to Section 1 of Republic Act No. 9337, amending Section 27 (C) of the National Internal Revenue Code (NIRC), as amended, effective November 1, 2005, PAGCOR is no longer exempt from corporate income tax as it has been effectively omitted from the list of

government-owned or controlled corporations that are exempt from income tax. Accordingly, PAGCOR and its contractees and licensees' income from its operations and licensing of gaming casinos, gaming clubs and other similar recreation or amusement places, gaming pools, and other related operations are subject to corporate income tax under the NIRC, as amended.

Until March 31, 2013, in accordance with PAGCOR's directives, ABLE continued to abide by the provisions of P.D. No. 1869 (as amended by R.A. No. 9487) whereby it pays the 5% franchise tax.

On July 9, 2013, a memorandum was issued by PAGCOR to all its bingo contractees and grantees clarifying that they are no longer subject to the 5% franchise tax, and are subject to the corporate income tax, instead. In compliance with the said RMC, ABLE has changed to corporate income tax as its basis for determining the tax expense starting second quarter of 2013.

On December 10, 2014, a resolution in favor of PAGCOR was rendered by the Supreme Court regarding the change from franchise tax to corporate income tax. The resolution pertains only to PAGCOR and not to its grantees and contractees.

The Group made legal opinion on the implications of the Supreme Court's decision in the case of *Bloomberry Resorts and Hotels, Inc. vs. Bureau of Internal Revenue* in relation to the contract entered by PIKI, BCGLC and HEPI with PAGCOR. These components of the Group are duly organized and existing under the laws of the Philippines having existing agreements with PAGCOR.

The Group determined its income taxes on these components on the premise that the results from casino operations are no longer subject to regular income taxes in pursuant to Sec 13(2) of Presidential Decree 1869 (PAGCOR Charter) which states that "the five (5%) percent franchise tax of the gross revenue or earnings derived by PAGCOR and all its contractees and licensees shall be due and payable quarterly to the National Government and shall be in lieu of all kinds of taxes, levies, fees or assessments of any kind, nature or description, levied, established or collected by any municipal, provincial, or national government authority".

The Group assessed that it is exempt from the corporate income tax on these components pursuant to the Supreme Court's decision to a tax case which categorically held PAGCOR and its contractees and licensees exempt from the payment of corporate income tax and other taxes.

Effective January 1, 2018, in accordance with the Amendments to the Regulatory Manual issued by PAGCOR on April 6, 2018, ABLE and its subsidiaries, as a licensee of PAGCOR, is exempt from all taxes and is only subject to 5% franchise tax on revenues from gaming operations pursuant to Presidential Decree No. 1869, as amended by R.A. No. 9487.

Franchise tax on revenues from gaming operations included in "Franchise fees and taxes" account in the consolidated statement of total comprehensive income amounted to P30,894,869 in 2025 (2024 - P33,513,273; 2023 - P12,970,440) (Note 15).

23 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 network and license group, casino group, retail group and property and investment group. Given the status of offshore operations, the Group determined that it has 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, bingo games, electronic games, specialty games and poker.

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 and investments

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

Analysis of financial information by business segment in 2025 is as follows:

	Retail Group	Casino Group	Network and License Group	Property and Other Investments	Corporate	Eliminations	Consolidated
Revenue	83,237,076	561,580	315,755	51,469	-	-	84,165,880
Cost and operating expenses	(67,412,708)	(310,042)	(231,877)	(254,853)	(1,721,154)	-	(69,930,634)
EBITDA	15,824,368	251,538	83,878	(203,384)	(1,721,154)	-	14,235,246
Depreciation and amortization	(1,053,624)	(282,482)	(172,690)	(61,197)	(35,528)	-	(1,605,521)
Finance expense	(62,567)	(16,866)	(22,499)	(29,365)	(4,760)	-	(136,057)
Unrealized gains on changes in fair values of investment properties, net	-	-	900	78,817	-	-	79,717
Impairment loss on financial assets	(5,319)	-	(6,325)	(3,479)	-	-	(15,123)
Impairment loss on non-financial assets	(15,096)	59	-	(162)	-	-	(15,199)
Equity in net loss of a joint venture	-	-	-	-	(57,963)	-	(57,963)
Provision for probable losses	-	(6,472)	-	-	-	-	(6,472)
Finance income	244,710	156	8,833	56,208	18,272	-	328,179
Foreign exchange (loss) gain, net	(173,361)	(157)	(66)	(13,934)	(6,416)	-	(193,934)
Loss on disposal of property and equipment	(675)	-	-	-	-	-	(675)
Other income (expense), net	(1,673)	484	(250)	708	7,981,307	(8,000,000)	(19,424)
Income tax	-	(4,064)	(45)	(24,791)	-	-	(28,900)
Net income	14,756,763	(57,804)	(108,264)	(200,579)	6,173,758	(8,000,000)	12,563,874
Other information as at December 31, 2025							
Total assets	13,949,567	276,967	2,468,620	7,579,686	32,887,830	(4,077,038)	53,085,632
Total liabilities	7,711,358	848,630	1,264,383	3,045,745	664,397	(1,543,527)	11,990,986
Capital expenditures	2,114,108	83,381	76,287	576,717	9,976	-	2,860,469

Analysis of financial information by business segment in 2024 is as follows:

	Retail Group	Casino Group	Network and License Group	Property and Other Investments	Corporate	Eliminations	Consolidated
Revenue	74,256,379	497,101	424,145	45,523	-	-	75,223,148
Cost and operating expenses	(59,180,995)	(290,816)	(318,276)	(89,440)	(1,405,174)	-	(61,284,701)
EBITDA	15,075,384	206,285	105,869	(43,917)	(1,405,174)	-	13,938,447
Depreciation and amortization	(658,680)	(266,208)	(119,039)	(1,562)	(24,112)	-	(1,069,601)
Finance expense	(109,892)	(13,181)	(21,788)	(27,759)	(4,544)	-	(177,164)
Unrealized gains on changes in fair values of investment properties, net	-	-	665	141,476	-	-	142,141
Impairment loss on financial assets	-	(71,569)	-	-	-	-	(71,569)
Impairment loss on non-financial assets	(15,499)	-	-	(1,253)	-	-	(16,752)
Equity in net loss of a joint venture	-	-	-	-	(46,374)	-	(46,374)
Reversal of probable losses	2,504	3,135	-	1,000	-	-	6,639
Finance income	85,651	86	10,084	20,773	7,647	-	124,241
Foreign exchange (loss) gain, net	(117,735)	2,290	(7,987)	(29,760)	(1,915)	-	(155,107)
Other income (expense), net	(44,187)	1,135	(263)	(158)	13,136,187	(13,137,000)	(44,286)
Income tax	-	(4,839)	(5,285)	(36,385)	-	-	(46,509)
Net income	14,217,546	(142,866)	(37,744)	22,455	11,661,715	(13,137,000)	12,584,106
Other information as at December 31, 2024							
Total assets	8,539,784	327,129	2,615,272	7,596,182	29,106,058	(4,039,538)	44,144,887
Total liabilities	9,095,752	843,598	1,312,508	2,973,869	195,593	(1,556,179)	12,865,141
Capital expenditures	2,573,661	305,059	1,079,804	1,438	52,739	-	4,012,701

Analysis of financial information by business segment in 2023 is as follows:

	Retail Group	Casino Group	Network and License Group	Property and Other Investments	Corporate	Eliminations	Consolidated
Revenue	26,394,164	426,051	354,242	76,594	-	-	27,251,051
Cost and operating expenses	(21,542,535)	(230,381)	(238,062)	(100,367)	(362,129)	-	(22,473,474)
EBITDA	4,851,629	195,670	116,180	(23,773)	(362,129)	-	4,777,577
Depreciation and amortization	(273,611)	(171,437)	(27,803)	(4,285)	(16,296)	-	(493,432)
Finance expense	(122,465)	(7,036)	(13,645)	(50,298)	(3,819)	-	(197,263)
Unrealized gains on changes in fair values of investment properties, net	-	-	665	131,152	-	-	131,817
Impairment loss on financial assets	-	(89,673)	(7,072)	-	-	-	(96,745)
Impairment loss on non-financial assets	(53,702)	(1,878)	(143)	-	-	-	(55,723)
Equity in net earnings (loss) of a joint venture	-	-	1,689	-	(30,670)	(1,689)	(30,670)
Provision for probable losses	(3,000)	-	-	-	-	-	(3,000)
Finance income	19,913	48	10,981	22,033	273	-	53,248
Foreign exchange loss, net	(18,285)	7,405	(373)	7,155	762	-	(3,336)
Other income (expense), net	87,202	778	3,496	5,487	7,199,802	(7,200,000)	96,765
Income tax	(8)	(3,858)	(5,102)	(75,417)	-	-	(84,385)
Net income	4,487,673	(69,981)	78,873	12,054	6,787,923	(7,201,689)	4,094,853
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	-	1,954,707

There were no intersegment sales recognized among reportable segments in 2025, 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 non-current 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 PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other entities.

24 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 external 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.

25 Critical accounting estimates and assumptions

Use of estimates and judgment

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the amounts reported in the consolidated financial statements. However, uncertainty about these estimates, judgments and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future. Actual results may differ from these estimates, judgments and assumptions.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the estimates and judgments are revised and in any future periods affected.

Information about critical judgments and estimates in applying accounting policies that have the most significant effects on the amounts recognized in the Group's consolidated financial statements is as follows:

25.1 Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of lease term of contracts with renewal and termination options - Group as a lessee

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group did not include any renewal and termination options in determining the lease term as significant number of the lease agreements can be renewed only upon mutual agreement by both parties.

Determination and classification of joint arrangement

The Group determines a joint arrangement in accordance with its control over the entity or joint operations rather than its legal form. The Group's investments in joint venture is structured in a separate incorporated entity. The joint venture agreement requires unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements. The Group has determined its involvement in joint arrangement and determined that its investment is classified as joint venture.

Although the Group has 51% ownership in HEPI, the shareholders' agreement provides for equal representation in the BOD and joint control over the joint venture.

Distinction between investment property and property and equipment

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Property and equipment generate cash flows that are attributable not only to property but also to the other assets used for administrative purposes and rendition of services.

If the portion cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Group considers each property separately in making its judgment. The Group has determined that the land, land improvements and building are investment properties.

Recoverability of property and equipment and right-of-use asset

The Group assesses impairment of property and equipment and right-of-use assets whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

Based on the assessment, the Group assessed that the carrying amount of property and equipment as at and for the years ended December 31, 2025 and 2024 are fully recoverable. The carrying value of the Group's property and equipment and right-of-use asset amounted to P5,102,928 as at December 31, 2025 (2024 - P5,290,596) (Note 5).

Recoverability of investment in joint venture

The Group assesses recoverability of investments in joint venture whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The factors that the Group consider important, which could trigger an impairment review include the following:

- a downgrade of joint venture's credit rating or a decline in the fair value of the associate or joint venture in consideration of other available information
- significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the joint venture operates

Based on the assessment, the Group assessed that the investment in joint venture as at and for the years ended December 31, 2025, and 2024 is not impaired. The carrying value of the Group's investment in HEPI amounted to P1,387,295 as at December 31, 2025 (2024 - P1,445,258) (Note 7).

25.2 Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognized in profit or loss. The Group engages independent valuation specialists to determine the fair value. For the investment properties, the appraisers used a valuation technique based on comparable market data available for such property.

The fair values of the investment properties were arrived at using the market comparison approach for land, income and cost approach for buildings and cost approach for land improvements.

The key assumptions used to determine the fair value of these properties are provided in Note 6.

Investment properties amounted to P11,296,728 as at December 31, 2025 (2024 - P11,217,011). Unrealized gains on changes in fair values of investment properties recognized in profit or loss amounted to P79,717 in 2025 (2024 - P142,141 gain; 2023 - P131,817 gain) (Note 6).

Impairment of goodwill

Goodwill is tested for impairment annually. Determining the net recoverable amount of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment losses could have a material adverse impact on the results of operations.

The impairment testing of goodwill utilized significant unobservable inputs (Level 3) to determine the VIU.

The recoverable amount of the cash generating units containing the goodwill is based on the VIU which is determined on discounting the future cash flows to be generated from the continuing use of the cash generating units. As at December 31, 2025 and 2024, the carrying amounts of goodwill amounted to P1,329,092 (Note 10).

Expected credit loss - Receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Provision for impairment is calculated using expected credit losses (ECLs). ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, which involved significant estimates and judgments.

The Group also evaluates specific account of customers and other counterparties who are unable to meet their financial obligations. In these cases, management uses judgment and assessment based on the best available facts, including but not limited to, the debtor's payment history and the result of the Group's follow-up action to recover overdue debts.

Any change in the Group's assessment of the collectability of receivables could impact the recorded carrying amount of receivables and related provision for impairment.

As at December 31, 2025, the Group recognized an allowance for impairment of receivables amounting to P774,077 (2024 - P758,954) (Note 5). Management believes that the recorded allowance is sufficient to cover the receivables that are impaired and assessed to be uncollectible.

Leases - Estimating the incremental borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities amounted to P1,602,675 as at December 31, 2025 (2024 - P1,770,849) (Note 18).

Estimating retirement benefits liability

The cost of defined benefit pension plans and other postemployment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

As at December 31, 2025, retirement benefits liability amounted to P115,534 (2024 - P127,685) (Note 19).

Estimating realizability of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group also reviews the expected timing and tax rates upon reversal of the temporary differences and adjusts the impact of deferred tax accordingly. The Group's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses. The Group's unrecognized deferred tax assets amounted to P808,637 in 2025 (2024 - P558,952) (Note 22).

26 Financial risk and capital management objectives and policies

26.1 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. The Group is not actively engaged in the trading of financial assets for speculative purposes, nor does it write options.

The Board of Directors of the Parent Company holds overall responsibility for the Group's risk management policy. To ensure robust oversight, the Board has established the Board Risk Oversight Committee (BROC), which is responsible for supervising and continuously evaluating the effectiveness and adequacy of the Group's Enterprise Risk Management (ERM) framework.

To support this function, the Management Risk Oversight Committee (MROC) is tasked with identifying, assessing, mitigating, and monitoring risks that may impact the Group's strategic, financial, operational, and compliance objectives. The MROC regularly reports its risk assessments and mitigation efforts to the BROC, ensuring alignment, transparency, and an integrated approach to risk governance across the organization.

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; and e) fulfillment of the other responsibilities set out by the BOD. The Audit Committee shall also review 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.

26.2 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 December 31, without considering the effects of collaterals and other risk mitigation techniques, is presented below:

	Notes	2025	2024
Cash and cash equivalents	2	23,285,973	13,563,969
Receivables, current portion, net	3	2,805,049	4,589,278
Advances	7	1,224,246	1,219,730
Rental deposits	11	545,411	522,376
Cash performance bonds	11	533,615	487,915
Receivables, non-current portion, net	8	337,408	368,044
Due from related parties	21	158,516	156,335
Lease receivables	18	158,068	177,069
Performance cash deposits	11	33,200	33,200
Financial assets at FVOCI	9	17,496	62,329
		29,098,982	21,180,245

Cash and cash equivalents exclude cash on hand and pay out fund amounting to P115,876 as at December 31, 2025 (2024 - P413,465).

Cash and cash equivalents

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

Digital wallets are maintained with institutions and corporations that have been duly licensed by the Bangko Sentral ng Pilipinas.

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 noninterest-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.

The Group has recognized allowance for impairment losses on receivables and advances amounting to P957,628 as at December 31, 2025 (2024 - P942,505) (Notes 3 and 7).

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

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.

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 December 31:

	2025					
	Current	30 days	60 days	90 days and above	ECL	Total
Cash and cash equivalents	23,285,973	-	-	-	-	23,285,973
Receivables, current portion, net	3,579,126	-	-	-	(774,077)	2,805,049
Receivables, non-current portion, net	337,408	-	-	-	-	337,408
Advances	1,407,797	-	-	-	(183,551)	1,224,246
Lease receivables	158,068	-	-	-	-	158,068
Rental deposits	545,411	-	-	-	-	545,411
Cash performance bonds	533,615	-	-	-	-	533,615
Performance cash deposits	33,200	-	-	-	-	33,200
Due from related parties	158,516	-	-	-	-	158,516
Financial assets at FVOCI	17,496	-	-	-	-	17,496
	30,056,610	-	-	-	(957,628)	29,098,982

	2024					
	Current	30 days	60 days	90 days and above	ECL	Total
Cash and cash equivalents	13,563,969	-	-	-	-	13,563,969
Receivables, current portion, net	5,348,232	-	-	-	(758,954)	4,589,278
Receivables, non-current portion, net	368,044	-	-	-	-	368,044
Advances	1,403,281	-	-	-	(183,551)	1,219,730
Lease receivables	177,069	-	-	-	-	177,069
Rental deposits	522,376	-	-	-	-	522,376
Cash performance bonds	487,915	-	-	-	-	487,915
Performance cash deposits	33,200	-	-	-	-	33,200
Due from related parties	156,335	-	-	-	-	156,335
Financial assets at FVOCI	62,329	-	-	-	-	62,329
	22,122,750	-	-	-	(942,505)	21,180,245

Credit risk under general and simplified approach

	2025				
	General Approach			Simplified approach	Total
	Stage 1	Stage 2	Stage 3		
Cash and cash equivalents	23,285,973	-	-	-	23,285,973
Receivables, current portion, net	-	-	-	2,805,049	2,805,049
Receivables, non-current portion, net	-	-	-	337,408	337,408
Advances	1,224,246	-	-	-	1,224,246
Lease receivables	-	-	-	158,068	158,068
Rental deposits	545,411	-	-	-	545,411
Cash performance bonds	533,615	-	-	-	533,615
Performance cash deposits	33,200	-	-	-	33,200
Due from related parties	158,516	-	-	-	158,516
Financial assets at FVOCI	17,496	-	-	-	17,496
	25,798,457	-	-	3,300,525	29,098,982

	2024				
	General Approach			Simplified approach	Total
	Stage 1	Stage 2	Stage 3		
Cash and cash equivalents	13,563,969	-	-	-	13,563,969
Receivables, current portion, net	-	-	-	4,589,278	4,589,278
Receivables, non-current portion, net	-	-	-	368,044	368,044
Advances	1,219,730	-	-	-	1,219,730
Lease receivables	-	-	-	177,069	177,069
Rental deposits	522,376	-	-	-	522,376
Cash performance bonds	487,915	-	-	-	487,915
Performance cash deposits	33,200	-	-	-	33,200
Due from related parties	156,335	-	-	-	156,335
Financial assets at FVOCI	62,329	-	-	-	62,329
	16,045,854	-	-	5,134,391	21,180,245

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 December 31:

	2025						
	Days past due					Credit impaired	Total
	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	2,411,711	161,887	302,072	424,855	774,077	4,074,602	
Expected credit loss	-	-	-	-	(774,077)	(774,077)	
	2,411,711	161,887	302,072	424,855	-	3,300,525	

	2024						
	Days past due					Credit impaired	Total
	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	2,747,306	674,954	491,914	1,220,217	758,954	5,893,345	
Expected credit loss	-	-	-	-	(758,954)	(758,954)	
	2,747,306	674,954	491,914	1,220,217	-	5,134,391	

26.3 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 December 31, 2025 and 2024, there are no commitments and amounts drawn under the line of credit. All facilities under the omnibus line bear interest at floating rates consisting of a margin over current Philippine treasury rates (Note 13).

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

	2025				
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	More than 1 year
Trade and other payables	6,170,837	6,170,837	6,170,837	-	-
Short-term and long-term loans payable	745,768	745,768	745,768	-	-
Lease liabilities	1,602,675	2,001,888	334,241	334,241	1,333,406
Deposits	90,477	90,477	-	30,461	60,016
	8,609,757	9,008,757	7,250,846	364,702	1,393,422

	2024				
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	More than 1 year
Trade and other payables	6,376,427	6,376,427	6,376,427	-	-
Short-term and long-term loans payable	733,781	733,781	733,781	-	-
Lease liabilities	1,770,849	2,125,854	281,966	281,966	1,561,922
Deposits	85,782	85,782	-	3,486	82,296
	8,966,839	9,321,844	7,392,174	285,452	1,644,218

Trade and other payables as at December 31 exclude the following:

	2025	2024
Payable to:		
PAGCOR	277,961	231,271
Government agencies	1,019,415	1,190,112
CEZA	13,533	9,740
Contract liabilities	402,999	796,342
Provision for probable losses	7,357	1,394
Output VAT	1,876	511
	1,723,141	2,229,370

The Group expects to meet its operating assets and liabilities, capital expenditure and investment requirements for the next 12 months.

26.4 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.

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	2025		2024	
	In USD	In PHP	In USD	In PHP
Cash in banks	3,314	194,830	2,010	116,279
Rental deposits	125	7,349	400	23,140
Trade and other payables	(39,310)	(2,311,035)	(6,969)	(403,157)
Net liabilities	(35,871)	(2,108,856)	(4,559)	(263,738)

The exchange rate used to translate the net assets in foreign currency as at December 31, 2025 is P58.79. (2024 - P57.85).

The Group's foreign exchange loss for the years ended December 31 are as follows:

	2025	2024	2023
Realized loss	(181,947)	(123,710)	(11,947)
Unrealized gain (loss)	(11,987)	(31,397)	8,611
	(193,934)	(155,107)	(3,336)

Sensitivity analysis

A 2% weakening of the Philippine peso against the US dollars would have decreased equity and net income by P42,177 (2024 - decreased equity and net income by P5,275).

A 2% strengthening of the Philippine peso against the US dollars as at December 31, 2025 and 2024 would have had the equal but opposite effect, on the basis that all other variables remain constant.

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 loans are market-determined, with the long-term loan interest rates based on PSDT-R2 plus a certain mark-up. The Group has not entered into interest rate swaps and options during 2025 and 2024.

The sensitivity to a reasonably possible change in interest rates with all other variables held constant of the Group's profit before tax for the years ended December 31 follows:

Change in interest rates (in basis points)	2025	2024
300bp rise	(24,272)	(27,614)
225bp rise	(18,204)	(20,710)
300bp fall	24,272	27,614
225bp fall	18,204	20,710

100 basis point is equivalent to 1%.

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 (Note 9).

The effect on equity, as a result of a possible change in the fair value of Group's financial asset at FVOCI as at December 31, that could be brought by changes in equity indices with all other variables held constant, are as follows:

Change in interest rates (in basis points)	2025	2024
Increase by 10%	1,750	6,233
Increase by 5%	875	3,116
Decrease by 10%	(1,750)	(6,233)
Decrease by 5%	(875)	(3,116)

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.

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 as the effect of discounting is immaterial given that the loans payable are all currently due.

Financial assets at FVOCI

The fair value of the FVOCI is based on the quoted market price of the investment in equity as at December 31, 2025 and 2024. The fair value is under Level 1 of the fair value hierarchy.

26.5 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 BOD also monitors the level of dividends to shareholders.

	2025	2024
Profit before income tax	12,592,774	12,630,615
Total average equity	36,187,196	25,102,698
	34.80%	50.32%

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 December 31, 2025 and 2024.

27 Notes to consolidated statement of cash flows

The changes in the Group's liabilities arising from financing activities are as follows:

December 31, 2025	Notes	January 1, 2025	Cash flows	Non-cash changes	December 31, 2025
Long-term loans	13	733,781	-	11,987	745,768
Lease liabilities	18	1,770,849	(637,811)	469,637	1,602,675
Total liabilities from financing activities		2,504,630	(637,811)	481,624	2,348,443
December 31, 2024					
Short-term loans	13	1,000	(1,000)	-	-
Long-term loans	13	1,886,807	(1,200,000)	46,974	733,781
Lease liabilities	18	1,074,365	(522,791)	1,219,275	1,770,849
Total liabilities from financing activities		2,962,172	(1,723,791)	1,266,249	2,504,630

The non-cash changes are disclosed in the specific notes.

28 Summary of material accounting policies

28.1 Basis of preparation and presentation

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

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

The consolidated financial statements are presented in Philippine Peso, the Group's functional and presentation currency.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards;
- PAS Standards; and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 25.

28.2 Changes of accounting policies and disclosures

New and amended standards adopted by the Group

The Group has applied the following amendment for the first time for its annual reporting period commencing 1 January 2025:

- Lack of Exchangeability - Amendments to PAS 21

On 15 August 2023, the IASB amended PAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, PAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The amendment listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

- (a) Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2025, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(b) Annual Improvements to PFRS Accounting Standards - Volume 11 (effective for annual periods beginning on or after 1 January 2026)

On 18 July 2024, the IASB has issued narrow amendments to PFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The amended Standards are:

- PFRS 1 First-time Adoption of International Financial Reporting Standards;
- PFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing PFRS 7;
- PFRS 9 Financial Instruments;
- PFRS 10 Consolidated Financial Statements; and
- PAS 7 Statement of Cash Flows.

The Group does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(c) PFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2025, PFRS 19 allows for certain eligible subsidiaries of parent entities that report under PFRS Accounting Standards to apply reduced disclosure requirements.

The Group does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(d) PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard of the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated statements of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other expenses and losses, net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
 - PFRS 18 has specific requirements on the category in which derivative gains or losses are recognized – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognizes some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognized, and the Group is currently evaluating the need for change.

- The line items presented on the primary consolidated financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the consolidated statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated statement of financial position.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with PFRS 18.

28.3 Basis of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of DigiPlus and its subsidiaries as at December 31 each year and for the years then ended. 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.

Intercompany 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 consolidated financial statements include the financial statements of the Group and the following subsidiaries as at December 31, 2025 and 2024:

Subsidiaries	Percentage of ownership		Country of incorporation
	2025	2024	
AB Leisure Exponent, Inc. (ABLE) and subsidiaries	100	100	Philippines
AB Leisure Global, Inc. (ABLGI) and subsidiaries	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.	100	100	Philippines
Diginvest Holdings Inc. (Diginvest) and subsidiaries	100	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)	97.27	97.27	Philippines
First Cagayan Converge Data Center, Inc. (FCCDCI)	74.36	74.36	Philippines

**Non-operating subsidiary*

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.

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.

The following table summarizes the information relating to the Group entities with material NCI, before intra-group eliminations:

December 31, 2025					
	LRDCSI	FCLRC	BBL	FCCDCI	Grand Total
Non-controlling interests' percentage	20.00%	2.73%	40.00%	31.64%	
Current assets	6,054	559,574	61	123,420	689,109
Non-current assets	1,440	1,804,025	33	48,076	1,853,574
Current liabilities	(26,256)	(790,732)	(87,144)	(144,277)	(1,048,409)
Non-current liabilities	(2,240)	(335,709)	-	(47,907)	(385,856)
Net assets (liabilities)	(21,002)	1,237,158	(87,050)	(20,688)	1,108,418
Carrying amount of non-controlling interests	(4,200)	33,774	(34,820)	(6,545)	(11,791)
Revenue	-	198,426	-	117,329	315,755
Net (loss) income for the year	(33)	110,855	-	(2,558)	108,264
Other comprehensive income	-	1,277	-	1,278	2,555
Total comprehensive (loss) income	(33)	112,132	-	(1,280)	110,819
Net income allocated to non-controlling interests	(7)	3,061	-	(405)	2,649
Other comprehensive income allocated to non-controlling interests	-	35	-	404	439
Cash flows used in operating activities	(37)	7,836	-	(7,881)	(82)
Cash flows used in investment activities	-	(2,597)	-	(5,962)	(8,559)
Cash flows used in financing activities	-	(616)	-	(51)	(667)
Net (decrease) increase in cash	(37)	4,623	-	(13,894)	(9,308)

December 31, 2024					
	LRDCSI	FCLRC	BBL	FCCDCI	Grand Total
Non-controlling interests' percentage	20.00%	2.73%	40.00%	31.64%	
Current assets	1,719	550,086	61	95,719	647,585
Non-current assets	1,670	1,899,157	33	66,922	1,967,782
Current liabilities	(17,493)	(744,363)	(87,144)	(110,583)	(959,583)
Non-current liabilities	(2,240)	(361,598)	-	(76,229)	(440,067)
Net assets (liabilities)	(16,344)	1,343,282	(87,050)	(24,171)	1,215,717
Carrying amount of non-controlling interests	(3,269)	171,000	(34,820)	(7,648)	125,263
Revenue	-	293,543	-	130,602	424,145
Net (loss) income for the year	(43)	(49,879)	-	12,179	(37,743)
Other comprehensive loss	-	(987)	-	(1,420)	(2,407)
Total comprehensive (loss) income	(43)	(50,866)	-	10,759	(40,150)
Net income allocated to non-controlling interests	(9)	(1,389)	-	3,404	2,006
Other comprehensive income allocated to non-controlling interests	-	(27)	-	(449)	(476)
Cash flows from operating activities	193	29,368	-	25,958	55,519
Cash flows used in investment activities	-	(26,971)	-	(1,869)	(28,840)
Cash flows (used in) from financing activities	-	(1,546)	-	456	(1,090)
Net increase in cash	193	851	-	24,545	25,589

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 consolidated financial statements also include the following indirect subsidiaries owned through ABLE as at December 31, 2025 and 2024:

Subsidiaries	Percentage of Ownership		Country of incorporation
	2025	2024	
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	100	Philippines
One Bingo Place, Incorporated	99	99	Philippines
Bingo Zone, Inc.*	95	95	Philippines
Isarog Gaming Corporation	90	90	Philippines
Negrense Entertainment Gallery, Inc.	55	55	Philippines

**Non-operating subsidiaries*

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 9th Avenue, Bonifacio Global City, Taguig City.

The consolidated financial statements also include the following indirect subsidiaries owned through ABLGI as at December 31, 2025 and 2024:

Subsidiaries	Percentage of Ownership		Country of incorporation
	December 31, 2025	December 31, 2024	
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
DigiLive Inc. (formerly G-Boracay Gamma Holdings Inc. (GBGHI)	100	100	Philippines
Leisure and Media Plus Corporation (LMPC)	100	100	Philippines
DigiPlus Brazil Holdings Ltda.	100	100	Brazil
DigiPlus Brazil Interactive Ltda.	100	100	Brazil

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 9th 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 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.

On November 21, 2024, DigiPlus Brazil Interactive Ltda., has passed the qualification stage for a federal license with Brazil's Ministry of Finance's Secretariat of Awards and Bets (SPA). DigiPlus have 30 days to fulfill post-qualification regulatory requirements, including platform certification and license fee payments.

In January 2025, DigiPlus secured the Definitive Authority from the Brazilian government to operate iGaming products through DigiPlus Brazil Interactive Ltda. The federal license authorizes DigiPlus to operate land-based and online sports betting, electronic games, and other fixed-odds betting activities across Brazil.

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 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

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 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. Its operations were suspended on March 16, 2020 until June 16, 2020. Relative to PAGCOR's memorandum on June 5, 2020, TGXI was allowed to operate at 50% and 30% capacity in sites under MGCQ and GCQ, respectively. In 2021, with the government easing the quarantine restrictions, ABL resumed its sites' operations.

TGXI's principal office is at 2/F Starmall Bldg., EDSA cor. Shaw Blvd., Mandaluyong City.

Diginvest

Diginvest, a wholly owned subsidiary, was incorporated and registered with the SEC on September 30, 2024. Its primary purpose 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 broker/dealer in securities.

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

The consolidated financial statements also include the following indirect subsidiaries owned through Diginvest as at December 31, 2025 and 2024:

Subsidiaries	Percentage of Ownership		Country of incorporation
	December 31, 2025	December 31, 2024	
DigiPlus Global Pte. Ltd.	100	-	Singapore
Innovative Gaming Solutions Corp.	100	-	Philippines
The Digital Arena Inc.	100	-	Philippines
DigiPlus South Africa (Pty.) Limited	100	-	South Africa
DigiPlus Kruger Park (Pty.) Limited	100	-	South Africa
Streamify Technology (BVI) Limited	100	-	British Virgin Islands
Streamify Technology Limited (HK)	100	-	Hongkong

On April 30, 2025, Diginvest incorporated DigiPlus Global Pte. Ltd. as its wholly owned subsidiary. The Company is formally registered under Singapore's business activity classification for head and regional offices, acting as the Group's centralized administrative and management office. DigiPlus Global's registered office address is located at 36 Robinson Road, #20-01, City House, Singapore.

On May 3, 2025, Diginvest incorporated Innovative Gaming Solutions Corp. and The Digital Arena Inc. as its wholly owned subsidiaries. The primary purpose of the Companies is to engage in the leasing of equipment and services. The principal office of the companies is at Unit 106, Ground Floor, Lot 4-B KM14 South Luzon Expressway, West Service Road, Merville, Paranaque City.

In 2025, Diginvest incorporated DigiPlus South Africa (Pty.) Limited and DigiPlus Kruger Park (Pty.) Limited as its wholly owned subsidiaries in South Africa. These incorporations form part of the Group's continuing strategic initiative to expand its international footprint and explore new business opportunities in the region. The subsidiaries' registered office is located in Cape Town, Western Cape, South Africa.

On September 23, 2025, DigiPlus formally filed its license applications with the Western Cape Gambling and Racing Board (WCGRB) in South Africa. The Company has applied for three operator licenses: a National Manufacturer License, a Bookmaker License, and a Bookmaker Premises License. The WCGRB is regarded as a preferred jurisdiction for international operators such as DigiPlus, owing to its transparent regulatory framework and robust digital infrastructure.

On September 24, 2025, the Group acquired an equity interest in Streamify Technology (BVI) Limited through a series of related transactions. A loan previously extended by ABLE to Streamify was assigned by ABLE to Diginvest, transferring all rights, title, and interests over the loan within the Group.

Subsequently, the Group exercised its right to convert the assigned loan into equity of Streamify, resulting in the recognition of Streamify as a wholly owned subsidiary of Diginvest and the derecognition of the loan receivable in the consolidated financial statements.

Gamemaster

Gamemaster was registered with Philippine SEC on October 18, 2017 primarily among others, 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 share of stocks, bonds, debentures, notes, evidences of indebtedness.

In September 2023, the Company applied for a change in its corporate name from "G Boracay Beta Holding Corp." to "Gamemaster Integrated Inc." and its primary purpose to engage in, purchase, acquire, establish, own, hold, sell, lease, conduct, operate, manage, and/or furnish general amusement, gaming operations and recreational services to the public such as, but not limited to, bingo games, electronic games, traditional bingo, electronic bingo, sports betting, social games, ballroom dancing, tea and garden parties, movie premiers, stage plays, basketball games, concerts, variety shows and other similar related business activities, land-based gaming, remote gaming, electronic gaming and their facilities and other gaming ventures, including but not limited to integrated resort casinos, bingo parlors, lotto, games of chance, gaming marketing; and to carry on any lawful business activities and to do accomplishment of any of the purposes enumerated or incidental to the powers of the corporation. On September 15, 2023 the SEC approved the application to change its corporate name and primary purpose.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from G-Boracay Land Holdings Inc. (GBLHI) to DigiPlus.

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'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 portfolio includes solutions related to data center co-location, internet, private leased lines, mobile and voice platforms, cybersecurity, content delivery networks, e-commerce, and network and website optimization. LRDCSI aims to provide these services to customers and clients in all industry sectors including land based and online gaming operators. DigiPlus owns 80% of the outstanding capital stock of LRDCSI while an individual stockholder owns 20%.

LRDCSI provides 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. Due to the COVID-19 pandemic, some of the clients of LRDCSI terminated or have not renewed its contract. 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 16).

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.

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

Bingo Bonanza (HK) Limited (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.

28.4 Financial assets

Classification and presentation

The Group classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and;
- b) those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income, otherwise it will be recognized at fair value through profit or loss.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The Group shall reclassify financial assets when and only when its business model for managing those assets changes.

The Group has cash and cash equivalents, receivables, due from related parties and deposits (included in "Other non-current assets" account in the consolidated statements of financial position) classified as financial

asset at amortized cost. It also has investment in equity securities classified as financial asset at FVOCI. The Group has no financial asset designated as financial asset at FVPL.

Measurement

At initial recognition, the Group measures a financial asset at amortized cost and FVOCI. In the case of a financial asset at amortized cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets at amortized cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income (expenses), net, using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expenses), net, together with foreign exchange gains and losses. Impairment losses are presented in administrative expenses in the statement of total comprehensive income. The Group's financial assets at amortized cost consist of cash and cash equivalents, trade receivables, due from related parties and refundable deposits (Note 26).

Financial assets designated at FVOCI (equity instruments)

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Dividends are recognized as other income in the consolidated statement of total comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investment under this category.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For cash and cash equivalents, advances, due from related parties, cash performance bonds, performance cash deposits, financial assets at FVOCI and rental deposits, the Group applies a general approach in

calculating ECLs. The Group recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its cash in bank since initial recognition.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables arising from contracts with third party customers. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

(ii) General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due or longer depending on the historical experience with particular customers.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Impairment losses and subsequent recoveries on financial assets are presented in administrative expenses within operating profit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss. Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with customers as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off were credited against operating expense in profit or loss.

28.5 Financial liabilities

Classification and presentation

The Group classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and (b) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

The Group did not hold financial liabilities at FVPL or derivative liabilities designated as hedging instruments during and at the end of each reporting period.

Financial liabilities at amortized cost

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortized cost. They are included in current liabilities, except for maturities more than twelve months after reporting date which are classified as non-current liabilities.

The Group's financial liabilities include trade and other payables (excluding payables to government agencies for value-added tax, withholding and other taxes, contract liabilities and provision for probable losses), short-term and long-term loans payable, due to related parties and lease liabilities.

Initial recognition and subsequent measurement

The Group recognizes a financial liability in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

The Group's financial liabilities at amortized cost are initially measured at invoice amount, which approximates fair value plus transaction costs. Loans payable are measured net of directly attributable transaction costs.

Subsequently, these are measured at amortized cost using the effective interest method (EIR). Interest expense on financial liabilities is recognized within finance expense in the consolidated statement of comprehensive income. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of total comprehensive income.

28.6 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's FVOCI financial assets with quoted market price are valued using Level 1 of the fair value hierarchy and those with unquoted market price are measured at cost.

For non-financial assets, the Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the Group will not fulfill an obligation.

28.7 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparties.

28.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash deposits held at call with banks, cash in digital wallets and other short-term highly liquid investments with maturities of three months or less from date of acquisition. These are measured in the consolidated statement of financial position at fair value and subsequently carried at amortized cost which approximates the face or nominal amount.

28.9 Prepaid expenses and other current assets

Prepayments are recognized in the consolidated statement of financial position in the event that payment has been made in advance of obtaining right of access to goods or receipt of services and measured at nominal amounts. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. These are derecognized in the consolidated statement of financial position upon delivery of goods or when services have been rendered, through amortization over a certain period of time, and use or consumption.

Other current assets consist substantially of input value-added tax (VAT) and creditable withholding taxes which are recognized as assets in the period such input value-added tax and income tax payments become available as tax credits to the Group and carried over to the extent that it is probable that the benefit will flow to the Group.

28.10 Investments and financial assets

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Joint arrangements

Under PFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group does not have arrangements classified as joint operations.

Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

Management assessed that the Group has significant influence over its associates and joint ventures by virtue of the Group's more than 20% voting power in the investee, representation in the board of directors, and participation in policy-making processes of the associates and joint ventures.

28.11 Property and equipment

Property and equipment is initially measured at cost and subsequently measured at historical cost less accumulated depreciation, amortization and impairment, if any.

Construction in progress, which represents properties under construction, is stated at cost and depreciated only when the relevant assets are completed and ready for operational use. Upon completion, these properties are reclassified to their appropriate class of property, plant and equipment.

Leasehold improvements are amortized over the shorter of lease term or estimated useful life of the improvements. Lease term takes into consideration renewal options.

It is the Group's policy to classify right-of-use assets as part of property and equipment. The Group recognizes right-of-use assets at the commencement date of the lease (i.e.. the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term.

Depreciation on property and equipment is computed on the straight-line method to allocate the cost of each asset, less its residual value, over its estimated useful life (in years), determined based on the Group's historical information and experience on the use of such assets, as follows:

Asset	Number of years
Leasehold improvements	5 or term of the lease, whichever is shorter
Aircraft and transportation equipment	5-15
Gaming software and equipment	5
Office furniture, fixtures, and equipment	5
Network equipment	10
Condominium unit	25
Airstrip improvements	10
Right-of-use asset	1-25

The Group estimates the useful life of its airstrip improvement based on the period over which the asset is expected to be available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their accumulated depreciation are removed from the disposal accounts.

When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

28.12 Investment properties

Investment properties consist of land, land improvements, building, or part of a building or both held to earn long-term rental yields or for capital appreciation or both, and is not occupied by the Group or held for sale in the ordinary course of business.

The Group adopted the fair value model for accounting for its investment properties. Under this method, investment properties are initially measured at cost, including transaction costs, but are subsequently remeasured at fair value, which reflects market conditions at the reporting date.

The fair value of investment properties is determined by independent real estate valuation experts using cost approach, income and sales comparison approach. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise.

Investment properties are derecognized when either those have been disposed of or when the investment properties are permanently withdrawn from use and no future benefit is expected from their disposal. Any gain and loss on derecognition of investment properties is recognized in profit or loss in the year of derecognition. Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of the owner occupation or commencement of development with a view to sell.

For a transfer from investment properties to owner-occupied properties, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If owner-occupied properties become investment properties, the Group accounts for such properties in accordance with the policy stated under property and equipment up to the date of change in use. When investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation is transferred to retained earnings.

For those right-of-use assets that qualify as investment properties, i.e., those land and buildings that are subleased by the Group, these are classified under investment properties in accordance with paragraph 48 of PFRS 16. Consistent with the Group's policy regarding the measurement of investment properties, these assets are subsequently measured at fair value.

28.13 Lease rights

The Group's lease rights pertain to acquired rights and interests in the sublease agreement entered upon by the Group. Lease rights are accounted under other non-current assets and stated at cost less accumulated amortization and impairment in value, if any. Lease rights are amortized on a straight-line basis over the lease term.

28.14 Business combination

The Group applies the purchase or acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss in the consolidated statement of total comprehensive income.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified at equity is not re-measured, and its subsequent settlement is not accounted for within equity.

28.15 Intangible assets

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred (including the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree) over the fair value of the Group's share of the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognized directly in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

When subsidiaries are sold, the difference between the selling price and the subsidiary's net asset plus goodwill associated with the investment are recognized in consolidated statement of total comprehensive income.

Software, website and other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is recognized in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization commences once the intangible assets are available for use and is computed on a straight-line basis over the estimated useful lives of five (5) years or more, depending on the nature and contractual circumstances surrounding the purchase of the intangible assets. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of total comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

28.16 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets, mainly property, and equipment, lease rights, right-of-use assets, investment properties and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). Impairment losses, if any, are recognized in profit or loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. Reversals of an impairment loss are credited in profit or loss.

28.17 Trade payables and other current liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business with suppliers.

Trade payables and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established or when the corresponding assets or expenses are recognized.

Trade payables and other liabilities are recognized initially at invoice amount, which represent fair value, and subsequently measured at amortized cost using effective interest method.

These are derecognized when extinguished or when the obligation is discharged, cancelled or has expired.

28.18 Loans payable

Loans payable are recognized initially at fair value, net of transaction costs incurred. Loans payable are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Loans payable are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Loans payable are derecognized when the obligation is settled, paid or discharged.

28.19 Provisions

Provision are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognized for future operating losses. Where there

are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized in the consolidated statement of financial position.

28.20 Contingencies

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

28.21 Deposit for future stock subscription

Deposits for future stock subscriptions represent cash receipts to be applied as payment for additional subscription of unissued shares or shares from an increase in authorized capital stock, outstanding subscriptions receivables, or additional paid-in capital, and are reported as a separate line item in the consolidated statement of financial position upon compliance with the requirements of the Philippine SEC.

The Group classifies deposits for future stocks subscriptions under equity as a separate account from capital stock if, and only if, all of the following elements are present as of the end of the reporting period:

- the unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- there is BOD's approval on the proposed increase in authorized capital stock (for which a deposit was received by the Company);
- there is stockholders' approval of said proposed increase; and
- the application for the approval of said proposed increase has been presented for filing or has been filed with the Philippine SEC.

If any of the foregoing elements are not present, the deposit is recognized as a liability.

28.22 Equity

Capital stock

Common and preferred shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Additional paid-in capital

Any amount received by the Group in excess of par value of the Parent Company's shares is credited to Additional paid-in capital which forms part of the non-distributable reserve of the Group and can be used only for purposes specified under corporate code.

Share issuance cost

Share issuance costs incurred for the listing and offering process of the Group are recognized as deduction to the additional paid in capital in accordance with PIC - Question and Answer (PIC - Q&A) 2011-04.

Treasury shares

When share capital is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus on the transaction is transferred to additional paid-in capital, while the resulting deficit is applied against additional paid-in capital and retained earnings, for any excess of deficit over the additional paid-in capital arising from treasury shares transactions. Preferred shares that are redeemed and not cancelled are presented as treasury shares.

Fair value reserve

Fair value reserve represents cumulative net change in the fair value of FVOCI, net of tax effect, as at reporting date.

Foreign currency translation reserve

The assets and liabilities of the subsidiary with transactions denominated in currencies other than Philippine peso are translated using the applicable closing exchange rates on the reporting date. The income and expenses of the subsidiary with transactions denominated in currencies other than Philippine Peso are translated using the exchange rates at the date of transactions. Foreign currency differences are recognized in other comprehensive income and accumulated in the "Foreign currency translation reserve" account in the consolidated statements of financial position.

Retained earnings

Retained earnings represents the cumulative balance of periodic profit/loss, dividend distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are approved and declared by the Parent Company's BOD.

Appropriation of retained earnings is recognized based on the provisions of the Corporation Code of the Philippines and by approval of the Parent Company's BOD. The Parent Company's BOD release retained earnings from appropriation when the purpose of such appropriation has been completed.

28.23 Earnings per share (EPS)

Basic EPS is computed by dividing the profit attributable to the owners of the Parent Company by the weighted average number of shares in issue during the year, excluding ordinary shares purchased by the Parent Company held as treasury shares.

The diluted EPS is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares, if any. Net income attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares. Where the effect of the warrants is anti-dilutive, basic and diluted earnings per share are stated at the same amount.

28.24 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer except for some entities of the Group which act as agent in certain commission revenue arrangements.

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

Bingo games (retail)

- Online traditional bingo - Revenue from these bingo games is satisfied at a point in time and are recognized upon conclusion of each game cycle. The revenues are net of payouts and platform fees.
- Electronic bingo games - Revenue from these bingo games is satisfied at a point in time and are recognized upon conclusion of each game cycle. The revenues are net of payouts and share of machine vendors.
- Traditional bingo, rapid bingo and pull tabs - Revenue from these bingo games is satisfied at a point in time and are recognized upon sale of bingo cards.

Electronic games (retail)

Revenue from these games is satisfied at a point in time and are recognized upon conclusion of each game cycle. The revenues are net of payouts and platform fees.

Rental income and revenue from sub-lease

Rent income from investment properties and revenue from sub-lease is recognized on a straight-line basis over the term of the lease.

Service and hosting fees

Revenue from bandwidth and co-location services are satisfied over time and are recognized as the services are performed. Service fees are satisfied at a point in time and are recognized upon processing of locators' application for a franchise. Hosting fees are satisfied over time and are recognized upon accrual of the gaming levy to locators based on their reported revenue as defined in the license agreement.

Commission income

Commission income is satisfied over time and is recognized when the related services are rendered based on a percentage of each PeGs' casino winnings.

Interest income

Interest income from cash in banks and receivables, which is presented net of final taxes paid or withheld, is recognized in profit or loss on a time-proportion basis using the effective interest method.

Other income

Other income comprises miscellaneous income from operations and recognized at a point in time.

28.25 Contract liabilities

A contract liability is the obligation to deliver services to a player or customer for which the Group has received consideration (or an amount of consideration is due) from the player or customer. Player deposits before the player plays and bets in the BingoPlus, ArenaPlus and Gamezone platforms are recognized as contract liabilities. Likewise, if a customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue upon conclusion of each game cycle or when the Group performs under the contract.

28.26 Cost and expense recognition

Costs and expenses are recognized when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized:

- (i) on the basis of a direct association between the costs incurred and the earning of specific items of income;
- (ii) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or
- (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position.

Payouts represent payments to winners of traditional bingo games. This is recognized as expense upon conclusion of the game.

28.27 Leases

When the Group enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset or is dependent on the use of a specific asset or assets, the Group assesses whether the arrangement is, or contains, a lease. The Group does not have such arrangements during and at the end of each reporting period.

28.27.1 The Group is the lessee

The Group recognizes leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use.

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantee
- the exercise price of a purchase option if the lessee is reasonably certain to exercise the option
- payments of penalties for terminating the lease, if the lease term reflects the termination.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Measurement of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment and other rentals (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

28.27.2 The Group as the Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenues in the statements of total comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

28.28 Employee benefits

Retirement benefits liability

The Group has a defined benefit retirement plan managed by its subsidiaries, ABLE and FCLRC, which is based on the provisions of Republic Act RA 7641. A defined benefit plan is a pension plan that defined an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability (or asset) recognized in the consolidated statement of financial position is the present value of the defined benefit obligation less fair value of the plan assets at the reporting date. In cases when the amount determined results in an asset, the Group measures the resulting asset at the lower of such amount determined and the present value of any economic benefits available to the Group in the form of refunds or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit obligation.

Remeasurement gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity (within reserve for remeasurement on retirement benefit) in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

Share-based payments

Share-based compensation benefits are provided to employees via the Group's employee share option plan, an employee share scheme. Information relating to this scheme is set out in Note 14.

The fair value of options granted under the Group's employee share option plan is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of share options granted.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. The entity recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

28.29 Income taxes

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishing provisions where appropriate on the basis of amounts to be paid to tax authorities.

DIT is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related DIT asset is realized, or the DIT liability is settled.

DIT assets are recognized for all deductible temporary differences, carry-forward of unused tax credits from excess minimum corporate income tax (MCIT) and unused tax losses (net operating loss carryover or NOLCO) to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Group re-assesses at each reporting date the need to recognize a previously unrecognized DIT asset, if any.

DIT assets and liabilities are derecognized when the related temporary difference are realized or settled.

28.30 Segment reporting

Reportable segments are presented by aggregating operating segments based on similar products and services. The accounting policies used to recognize and measure the segment's assets, liabilities and profit or loss is consistent with those of the consolidated financial statements.

The Group has one geographical segment and derives substantially of its revenues from domestic operations.

28.31 Related party transactions and relationships

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

29 Events after the reporting period

Subsequent to the reporting date, geopolitical tensions in certain regions escalated into armed conflict involving multiple state actors, resulting in increased volatility in global financial and commodity markets and disruption to selected trade routes and supply chains. Management has assessed the implications of these developments on the Group's consolidated financial statements, including impairment of non-financial assets, recoverability of financial assets, fair value measurements, contract enforceability, and liquidity risk.

As of the reporting date, management determined that these events do not provide evidence of conditions that existed at year-end and have therefore been treated as non-adjusting subsequent events. Based on the information currently available, the conflict has not had a direct material impact on the Group's consolidated financial position or results of operations. Nevertheless, the situation remains fluid and may affect future performance and financial position, depending on its duration and broader economic consequences. Management continues to monitor developments and will reflect any material impacts in future reporting periods.

DigiPlus Interactive Corp. and Subsidiaries

Index to Supplementary Schedules

Annex 68-D	Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C, Annex 68-C)
II	A map showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates
III	Supplementary schedules
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements
D	Long term Debt
E	Indebtedness to Affiliates and Related Parties (Long-term loans from Related Companies)
F	Guarantees of Securities of Other Issuers
G	Capital Stock
H	External Auditor Fee
Annex 68-E	Schedule of Financial Soundness Indicators

DigiPlus Interactive Corp. and Subsidiaries**Reconciliation of Parent Company's Retained Earnings
Available for Dividend Declaration**

As at December 31, 2025

All amounts in thousands of Philippine Peso
(Part 1, 4C, Annex 68-C)

Unappropriated Retained Earnings, beginning of the year	P10,058,281
Prior-period adjustment - Treasury shares	
Prior-period adjustment - Deferred taxes	
Unappropriated Retained Earnings, beginning of the year, as adjusted	
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	
Effect of restatements or prior-period adjustments	
Others (describe nature)	
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	(3,812,332)
Retained earnings appropriated during the reporting period	
Effect of restatements or prior-period adjustments	
Others (describe nature)	
Unappropriated Retained Earnings, as adjusted	6,245,949
Add/Less: Net Income for the current year	6,192,215
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-

(continued)

DigiPlus Interactive Corp. and Subsidiaries
Reconciliation of Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2025

Page 2

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	-
Adjusted net income		6,192,215
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-

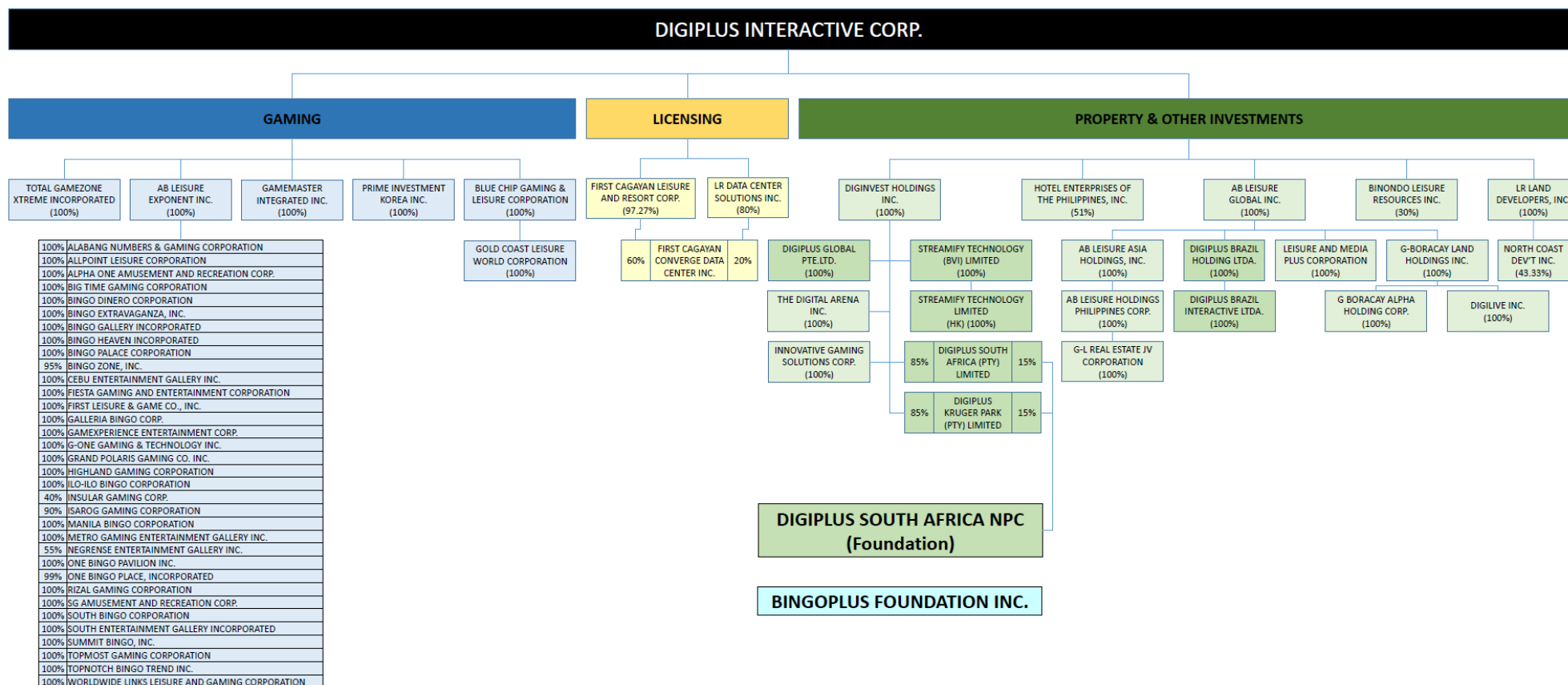
(continued)

DigiPlus Interactive Corp. and Subsidiaries
Reconciliation of Retained Earnings Available for Dividend Declaration
 For the year ended December 31, 2025
 Page 3

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	
Others (describe nature)	
<hr/>	
Total Retained Earnings, end of the year available for dividend declaration	12,438,164

DigiPlus Interactive Corp. and Subsidiaries

MAP OF CONGLOMERATE
As of 31 December 2025



DigiPlus Interactive Corp. and Subsidiaries**Financial Assets**

December 31, 2025

(All amounts in thousands of Philippine Peso)

Financial Assets	Name of Issuing Entity and Association of Each Issue	Amount Shown in the Balance Sheet	Income Received and Accrued
Cash in banks	Union Bank	5,848,809	
	Eastwest	2,253,882	
	Allbank	1,185,705	
	AUB	976,361	
	Sterling	816,491	
	BDO	645,203	
	Others	591,547	
		12,317,998	102,953
Cash equivalents	Others	10,967,975	197,295
Cash on hand		115,876	-
Receivables		3,142,457	19,364
Advances		1,224,246	-
Lease receivables		158,068	8,567
Rental deposits		545,411	-
Cash performance bonds		533,615	-
Performance cash deposits		33,200	-
Due from related parties		158,516	-
Financial assets at FVOCI		17,496	-
		29,214,858	328,179

DigiPlus Interactive Corp. and Subsidiaries**Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal
Stockholders (Other than Related Parties)**

December 31, 2025

(All amounts in thousands of Philippine Peso)

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts Written Off	Current	Non-current	Balance at end of period
Stockholders	53,106	-	-	-	53,106	-	53,106

DigiPlus Interactive Corp. and Subsidiaries

**Amounts Receivable from Related Parties which are eliminated during the
Consolidation of Financial Statements**

December 31, 2025

(All amounts in thousands of Philippine Peso)

Name and Designation of Debtor	Balance at Beginning of Period	Additions/ Adjustments	Amounts Collected	Amounts Written Off	Current	Non-current	Balance at End of Period
ABLE and subsidiaries	10,946,446	42,650,187	-	-	53,596,633	-	53,596,633
TGXI	4,405,608	8,383,957	-	-	12,789,565	-	12,789,565
AB Leisure Global, Inc. and subsidiaries	4,711,449	1,102,128	-	-	5,813,577	-	5,813,577
Gamemaster	367,803	3,718,168	-	-	4,085,971	-	4,085,971
BCGLC and GCLWC	1,324,784	164,192	-	-	1,488,976	-	1,488,976
Diginvest	-	316,322	-	-	316,322	-	316,322
FCCDCI	212,202	9,449	-	-	221,651	-	221,651
FCLRC	9,397	40,950	-	-	50,347	-	50,347
LR Data Center	9,347	-	-	-	9,347	-	9,347
LR Land	-	64	-	-	64	-	64
PIKI	-	9	-	-	9	-	9
	21,987,036	56,385,426	-	-	78,372,462	-	78,372,462

DigiPlus Interactive Corp. and Subsidiaries**Long Term Debt**

December 31, 2025

(All amounts in thousands of Philippine Peso)

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption “Current Portion of Long- term Debt” in related Statement of Financial Position	Amount shown under caption “Long-term Debt” in related Statement of Financial Position
Prominence	745,768	745,768	-
	745,768	745,768	-

DigiPlus Interactive Corp. and Subsidiaries**Indebtedness to Affiliates and Related Parties (Long-term loans from Related Companies)**

December 31, 2025

(All amounts in thousands of Philippine Peso)

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Not applicable		

DigiPlus Interactive Corp. and Subsidiaries**Guarantees of Securities of Other Issuers**

December 31, 2025

(All amounts in thousands of Philippine Peso)

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owed by Person for which Statement is Filed	Nature of Guarantee
Not applicable				

DigiPlus Interactive Corp. and Subsidiaries

Capital Stock
December 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares issued as Shown under Related Balance Sheet caption	Number of Treasury Shares	Number of Outstanding Shares	Number of Shares reserved for options, warrants, conversion and other rights	Number of Shares held by Related Parties	Number of Shares Held by Directors and Officers	Others
Common	7,000,000,000	4,908,620,666	398,647,488	4,509,973,178	-	21,567,000	12,558,601	4,475,847,577

DigiPlus Interactive Corp. and Subsidiaries**External Auditor Fee**

As at December 31

(All amounts in thousands of Philippine Peso)

Audits of the Consolidated Financial Statements and Separate Financial Statements of the Parent Company

	2025	2024
Total audit fees	2,500	2,234
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total non-audit fees	-	-
Total audit and non-audit fees	2,500	2,234

Audits of the Financial Statements of the Subsidiaries

	2025	2024
Total audit fees	6,980	6,066
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total non-audit fees	-	-
Total audit and non-audit fees	6,980	6,066

DigiPlus Interactive Corp. and Subsidiaries**Schedule of Financial Soundness Indicators**

As at and for the years ended December 31

Key Performance Indicator	Formula	2025	2024
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	3.08:1	2.07:1
Acid Test Ratio	$\frac{\text{Cash and cash equivalents + Receivables, net + Due from related parties}}{\text{Current Liabilities}}$	2.88:1	1.91:1
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Stockholders' Equity}}$	0.29:1	0.41:1
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Stockholders' Equity}}$	1.29:1	1.41:1
Return on Average Equity	$\frac{\text{Net Income}}{\text{Average Stockholders' Equity}}$	34.72%	50.13%
Return on Average Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	25.84%	34.08%
Solvency Ratio	$\frac{\text{Net Income + Depreciation}}{\text{Average Total Liabilities}}$	1.14:1	1.15:1
Interest Coverage Ratio	$\frac{\text{Income Before Interest, Tax \& Depreciation}}{\text{Interest Expense}}$	104.63:1	78.68:1
Net Book Value Per Share	$\frac{\text{Stockholders' Equity}}{\text{Shares Outstanding}}$	9.07	7.05
Basic Earnings Per Share	$\frac{\text{Income Attributable to Ordinary Stockholders of the Parent Company}}{\text{Weighted Average Shares Outstanding}}$	2.81	2.85
Net Profit Margin	$\frac{\text{Net income}}{\text{Revenue}}$	14.93%	16.73%