SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended

   Jun 30, 2026

2. SEC Identification Number

   13174

3. BIR Tax Identification No.

   000-108-278-000

4. Exact name of issuer as specified in its charter

   DigiPlus Interactive Corp.

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

   NCR, Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City
   Postal Code
   1635

8. Issuer's telephone number, including area code

   (02)8634-5099

9. Former name or former address, and former fiscal year, if changed since last report

   N/A

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, Php1.00 Par Value	4,563,907,946

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

    Yes No

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

    Philippine Stock Exchange; Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes No

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

Yes No

DigiPlus Interactive Corp.
PLUS

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

For the period ended	Jun 30, 2026
Currency (indicate units, if applicable)	Php (in Thousands)

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2026	Dec 31, 2025
Current Assets	17,110,165	28,270,089
Total Assets	61,891,641	53,085,632
Current Liabilities	10,011,873	9,163,941
Total Liabilities	14,272,517	11,990,986
Retained Earnings/(Deficit)	33,985,885	27,960,775

Stockholders' Equity	47,619,124	41,094,646
Stockholders' Equity - Parent	47,431,650	40,905,998
Book Value per Share	10.39	9.07

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	15,608,060	24,713,403	32,852,415	47,776,223
Gross Expense	13,259,981	20,585,647	28,335,441	39,385,839
Non-Operating Income	6,268,779	119,161	7,182,791	185,415
Non-Operating Expense	68,873	48,107	116,148	171,767
Income/(Loss) Before Tax	8,547,985	4,198,810	11,583,617	8,404,032
Income Tax Expense	1,567,568	828	1,783,656	2,537
Net Income/(Loss) After Tax	6,980,417	4,197,982	9,799,961	8,401,495
Net Income Attributable to Parent Equity Holder	6,980,853	4,199,653	9,801,135	8,401,652
Earnings/(Loss) Per Share (Basic)	2	0.94	2.15	1.9
Earnings/(Loss) Per Share (Diluted)	2	0.92	2.15	1.85

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	3.08	3.57
Earnings/(Loss) Per Share (Diluted)	3.05	3.46

Other Relevant Information
Please see attached SEC Form 17-Q.

Filed on behalf by:

Name	Carol Padilla
Designation	Corporate Secretary

COVER SHEET

1	3	1	7	4

SEC Registration Number

DIGIPLUS INTERACTIVE CORP.

(Company's Full Name)

ECOPRIME BUILDING, 32ND ST. COR.
9TH AVE., BONIFACIO GLOBAL CITY,
TAGUIG CITY

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

Mr. Wilfredo Pielago
(Contract Person)

(02) 8634-5099
(Company Telephone Number)

12 31
Month *Day*
(Fiscal Year)

17-Q
(Form Type)

05 29
Month *Day*
(Annual Meeting)

Not Applicable
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable
Amended Articles Number/section

1,794
Total No. of Stockholders

Total Amount of Borrowings

Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2026**

2. Commission identification number **13174**

3. BIR tax identification number **000-108-278**

4. Exact name of issuer as specified in its charter
DIGIPLUS INTERACTIVE CORP.

5. Province, country or other jurisdiction of incorporation or organization
PHILIPPINES

6. Industry Classification Code: ________ (SEC use only)

7. Address of registrant's principal office
ECOPRIME BUILDING, 32ND ST. COR. 9TH AVE., BONIFACIO GLOBAL CITY, TAGUIG CITY

8. Issuer's telephone number, including area code
8634-5099

9. Former name, former address and former fiscal year, if changed since last report
N/A

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

Title of each class	Number of shares of common stock outstanding and amount of debt outstanding
Common	4,563,533,446 / NA as of June 30, 2026

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

Yes [/] No [ ]

12. Indicate by check mark whether the registrant:

a.) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 there under, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports).

Yes [/] No [ ]

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

Yes [/] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please see attached unaudited interim condensed consolidated financial statements.

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

<u>Our Business</u>

DigiPlus is a technology-driven digital gaming and entertainment group operating a diversified portfolio of online and offline gaming businesses. Through its flagship brands, BingoPlus, ArenaPlus, and GameZone, the Group offers a broad range of gaming and entertainment products, including live-streamed bingo, casino and table games, electronic games, sports betting, player-versus-player games, and traditional Filipino games.

The Group's business model is centered on acquiring, engaging, and retaining customers through proprietary platforms, data-driven marketing capabilities, technology innovation, and an expanding portfolio of gaming content. By operating multiple platforms that cater to different customer preferences, the Group seeks to strengthen customer engagement, improve monetization, and enhance long-term customer value.

In addition to its online gaming operations, the Group maintains an integrated ecosystem that includes physical gaming sites, gaming-related services, technology infrastructure, licensing activities, and strategic investments that support its broader growth objectives. Management's strategy remains focused on expanding active users, increasing monetization efficiency, investing in technology and proprietary content, pursuing opportunities in regulated international markets, and delivering sustainable long-term shareholder value.

DigiPlus is functioning as a holding company with minimal operations. The Company is focusing its endeavor in supporting the productivity programs of its subsidiaries as grouped in the following segments: **RETAIL** (1) AB Leisure Exponent, Inc. (ABLE - 100% owned), (2) Total Gamezone Xtreme Incorporated (TGXI - 100% owned), (3) Gamemaster Integrated Inc. (Gamemaster - 100% owned); **CASINO** (4) Blue Chip Gaming and Leisure Corporation (BCGLC - 100% owned), (5) Gold Coast Leisure World Corp. (GCLWC - 100% owned); **NETWORK AND LICENSES** (6) First Cagayan Leisure and Resort Corporation (FCLRC - 97.27% owned), (7) LR Data Center and Solutions, Inc. (LRDCSI - 80% owned), (8) First Cagayan Converge Data Center Inc. (FCCDCI – 74.36%); and **PROPERTY AND OTHER INVESTMENTS** (9) AB Leisure Global, Inc. (ABLGI - 100% owned), (10) LR Land Developers, Inc. (LRLDI - 100% owned), (11) G-L Real Estate JV Corporation, (GREJC - 100% owned), (12) Diginvest Holdings Inc. (Diginvest - 100% owned); (13) DigiPlus Brazil Holding LTDA. (100% owned); (14) DigiPlus Brazil Interactive LTDA (100% owned); (15) DigiPlus Global Pte. Ltd. (100% owned); (16) DigiPlus South Africa (Pty.) Limited (100% owned); and (17) DigiPlus Kruger Park (Pty.) Limited (100% owned).

Retail

The Retail Gaming segment encompasses a diverse portfolio of gaming products, including bingo, e-casino, specialty games, sports betting, and poker, offered across both online and land-based platforms.

Casino

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

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

Network and Licenses

FCLRC
The Cagayan Economic Zone Authority (CEZA), mandated by law to manage Cagayan Special Economic Zone and Free Port (CSEZFP), has authorized FCLRC to license, regulate and supervise the operations of registered gaming enterprise in CSEZFP. As the master licensor, FCLRC is entitled to half of the gaming levy imposed by CEZA on the gaming operators in the CSEZFP.

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

Property and Other Investments

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

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

LRLDI
LRLDI entered into various lease agreements as lessor with lease terms ranging from two (2) to five (5) years.

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

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

Diginvest

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

EXECUTIVE SUMMARY

The Group delivered resilient operating performance during the first half of 2026 despite a 31% decline in revenue compared with the corresponding period in 2025, as the industry continued to adapt to evolving customer acquisition channels and market conditions.

Revenue for the first half of 2026 amounted to ₱32.9 billion, while Net Gaming Revenue (“NGR”) and EBITDA reached ₱11.0 billion and ₱5.5 billion, respectively. During the second quarter of 2026, NGR increased by 0.8% quarter-on-quarter to ₱5.5 billion, while EBITDA increased by 7.4% to ₱2.8 billion, reflecting improvements in monetization efficiency, promotional effectiveness, and operating leverage.

Customer engagement continued to improve during the second quarter of 2026, with Monthly Active Bettors and Depositors (“MABD”) increasing by 25.8% to 4.68 million from 3.72 million in the first quarter of 2026. Growth was recorded across all major platforms, led by GameZone (46.7%), BingoPlus (19.6%), and ArenaPlus (16.1%).

The Group maintained a strong financial position with ₱61.9 billion in total assets, ₱47.6 billion in total equity, and ₱10.5 billion in cash and cash equivalents as of June 30, 2026. Management remains focused on strengthening customer engagement, expanding proprietary content and technology capabilities, pursuing international growth opportunities, and delivering sustainable long-term shareholder value.

KEY OPERATING METRICS

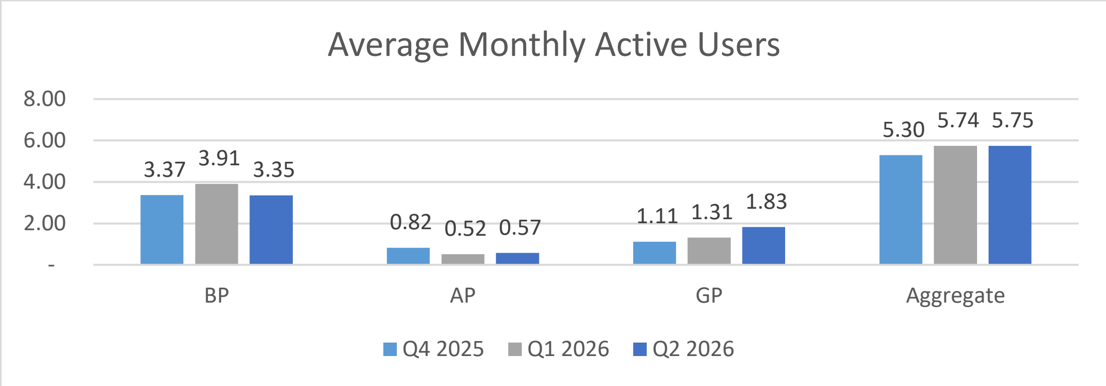
In addition to financial measures presented in accordance with Philippine Financial Reporting Standards (“PFRS”), Management utilizes certain operating metrics to evaluate the underlying performance of the Group's digital gaming business. These metrics supplement the Group's reported financial results by providing insight into customer engagement, monetization, and revenue quality.

Management believes that Monthly Active Users (“MAU”), Monthly Active Bettors and Depositors (“MABD”), Net Gaming Revenue (“NGR”), and EBITDA are useful measures for evaluating operating performance and long-term value creation.

Monthly Active Users ("MAU")

MAU represents the number of unique users who engaged in at least one gaming activity on any of the Group's digital gaming platforms during a calendar month.

The charts below present the quarterly trends in MAU from Q4 2025 to Q2 2026:



Aggregate monthly active users across the Group's three digital gaming platforms remained stable at 5.75 million during the second quarter of 2026 compared to 5.74 million during the first quarter of 2026. Growth in ArenaPlus and GameZone substantially offset the normalization in BingoPlus activity following elevated engagement levels recorded during the first quarter of 2026. The sustained user base reflects the effectiveness of the Group's customer acquisition initiatives, platform enhancements, product innovation efforts, and continued investments in technology and research and development.

BingoPlus averaged 3.35 million MAUs during the second quarter of 2026 compared to 3.91 million during the first quarter of 2026. The first-quarter comparison was affected by unusually high engagement levels in January 2026 arising from the redemption and utilization of promotional credits issued and earned during the December 2025 campaign period. Excluding January 2026, average MAUs increased from 2.94 million during February and March 2026 to 3.35 million during April through June 2026, reflecting improving customer engagement and retention.

ArenaPlus averaged 0.57 million MAUs during the second quarter of 2026, representing growth of 10% from 0.52 million in the preceding quarter, supported by strong engagement across local and international sporting events and continued user acquisition initiatives.

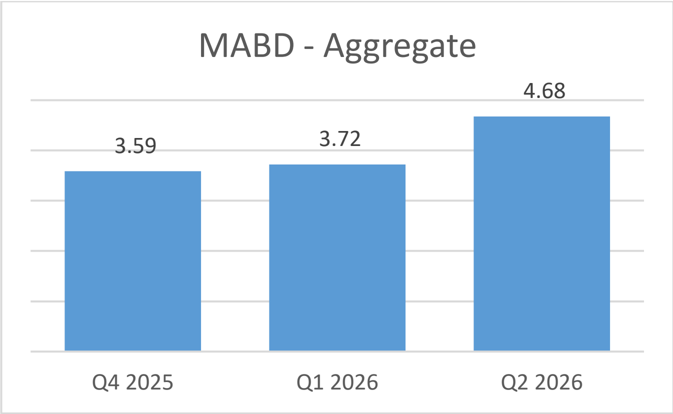
GameZone recorded the strongest growth among the Group's platforms, with average MAUs increasing by 39% to 1.83 million during the second quarter of 2026 from 1.31 million during the first quarter of 2026. Growth was driven by expanding game offerings, platform enhancements, and increasing demand for digital versions of traditional Filipino games.

Management believes the continued growth achieved by ArenaPlus and GameZone demonstrates the effectiveness of the Group's customer acquisition strategies, product innovation efforts, platform enhancements, and investments in research and development.

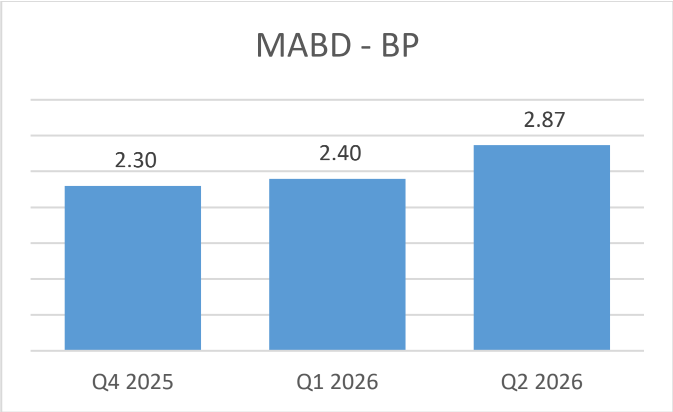
Monthly Active Bettors and Depositors ("MABD")

MABD represents the number of unique users who placed at least one bet or made at least one deposit on any of the Group's digital gaming platforms during a calendar month. Management believes MABD is a useful indicator of active customer engagement and monetization as it reflects users who are actively participating in the Group's gaming ecosystem.

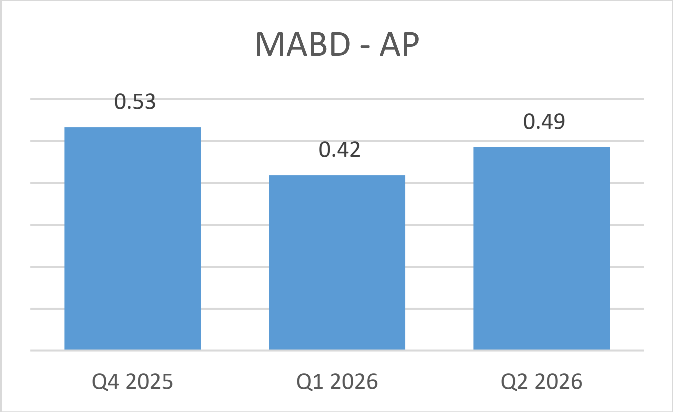
The charts below present the quarterly trends in MABD across the Group's gaming platforms from Q4 2025 to Q2 2026:



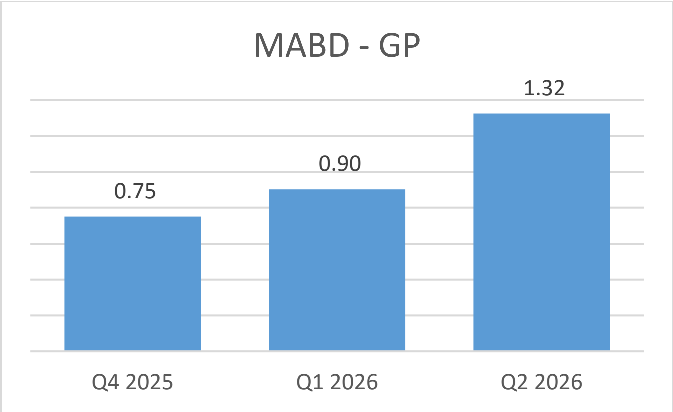
The Group recorded significant growth in active and monetizing users during the second quarter of 2026. Aggregate MABD increased by 26% to 4.68 million during the second quarter of 2026 from 3.72 million during the first quarter of 2026, reflecting stronger customer engagement, improved retention, and higher levels of activity across the Group's digital gaming platforms.



BingoPlus recorded average MABD of 2.87 million during the second quarter of 2026, representing growth of 20% from 2.40 million during the first quarter of 2026. The increase reflects improving customer engagement and activity levels supported by product enhancements, targeted promotions, and customer retention initiatives.



ArenaPlus recorded average MABD of 0.49 million during the second quarter of 2026, an increase of 16% from 0.42 million in the first quarter of 2026. The increase was driven by strong customer participation across local and international sporting events, supported by targeted acquisition campaigns, platform enhancements, and improved user engagement initiatives.



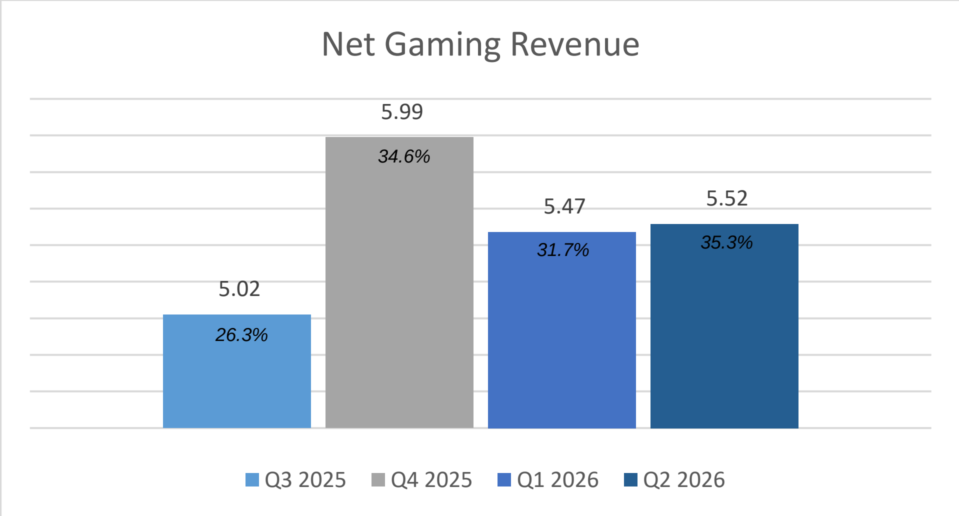
GameZone delivered the strongest growth among the Group's gaming platforms, with average MABD increasing by 47% to 1.32 million during the second quarter of 2026 from 0.90 million during the first quarter of 2026. Growth was supported by the increasing popularity of digital versions of traditional Filipino games, expansion of game offerings, and effective customer acquisition and retention programs.

On a quarterly basis, aggregate MABD increased from 3.59 million in the fourth quarter of 2025 to 3.72 million in the first quarter of 2026 and further to 4.68 million in the second quarter of 2026, demonstrating continued improvement in customer engagement and monetization across the Group's digital gaming ecosystem despite changes in the operating environment experienced during the latter half of 2025.

Management believes the continued growth in MABD demonstrates the effectiveness of its customer acquisition strategies, product innovation efforts, platform enhancements, and investments in research and development. The increasing number of active bettors and depositors across the Group's platforms supports stronger monetization, customer retention, and long-term sustainable growth.

Net Gaming Revenue ("NGR")

NGR represents revenue retained by the Group after deducting direct gaming-related costs, including PAGCOR share and fees, game provider fees, marketing costs and promotional credits, payment channel fees, and other direct gaming-related costs.



NGR demonstrated continued resilience during the second quarter of 2026 as management improved customer acquisition quality, promotional efficiency, and marketing effectiveness.

Management refined its customer acquisition strategy by directing incentives toward player segments and campaigns with stronger conversion, engagement, retention, and monetization characteristics. These initiatives enabled the Group to attract and retain users exhibiting stronger engagement, monetization, and long-term value characteristics. Promotional incentives were increasingly targeted toward players with higher expected gaming activity and long-term value rather than broad-based promotional distribution.

Spending across digital and performance marketing channels was similarly optimized through data-driven campaign management, allowing resources to be redirected toward initiatives that generated stronger acquisition quality, reactivation outcomes, and net gaming contribution.

Management also continued to optimize payment channel utilization and transaction processing costs, further improving revenue retention across the gaming platforms.

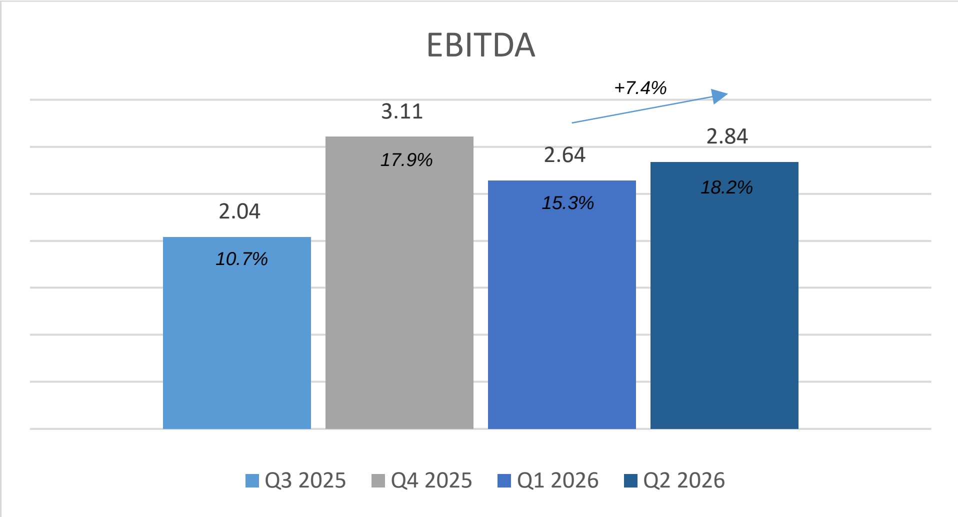
Management believes NGR is a meaningful operating metric as it reflects the revenue retained by the Group after direct gaming-related costs and provides additional insight into the Company's monetization efficiency, revenue quality, and underlying operating performance.

NGR margin expanded to 35.3% during the second quarter of 2026 from 31.7% in the first quarter of 2026. The improvement reflects continued optimization of customer acquisition spending, stronger promotional efficiency, improved payment channel economics, and a greater focus on customer segments exhibiting higher engagement and monetization characteristics.

Management's ongoing efforts to improve acquisition quality, enhance player retention, and optimize direct gaming-related costs contributed to greater revenue retention despite lower overall revenue during the quarter.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

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



EBITDA remains a key measure of operating profitability and cash-generating capacity. Management evaluates EBITDA alongside MAU and NGR, as these measures collectively provide insight into customer activity, monetization, profitability, and operating leverage.

EBITDA margin improved to 18.2% during the second quarter of 2026 from 15.3% in the first quarter of 2026. The expansion in EBITDA margin reflects the Group's disciplined approach to cost management, improved marketing efficiency, optimization of direct gaming-related costs, and continued focus on operating leverage across its digital gaming ecosystem.

Management remains focused on balancing customer growth, technology investments, product innovation, and profitability while generating sustainable long-term margin expansion.

Research and Development

The Group continues to invest in research and development initiatives to enhance its proprietary gaming content, digital platforms, technology infrastructure, and customer experience capabilities.

Research and development-related expenditures continue to increase and account for approximately 4.5% of revenue. These investments support the Group's long-term growth strategy and continued innovation across its digital gaming ecosystem.

Key areas of investment include the development of proprietary electronic games through the Group's gaming studio teams, specialty games produced through its livestreaming studios, sports betting products, player-versus-player gaming offerings, and innovative offline-to-online gaming products. The Group also continues to invest in big data, business intelligence, artificial intelligence applications, platform capabilities, technology infrastructure, and initiatives supporting international expansion across multiple regulated jurisdictions.

Management believes these investments are critical to strengthening product differentiation, improving customer engagement and retention, enhancing operating efficiency, and supporting sustainable long-term growth. Through continued investment in innovation, proprietary content, and technology capabilities, the Group aims to strengthen its competitive position, deepen customer engagement, and expand long-term growth opportunities in both domestic and international markets.

Key Components of Revenue and Expenses

The following discussion provides an overview of the principal components of the Group's revenues and expenses and should be read together with the consolidated financial statements and related notes.

Revenue

The Group operates a diversified digital entertainment and gaming business comprising online gaming platforms, land-based gaming operations, gaming-related services, and real estate investments.

<u>Online Retail Gaming Revenue</u>
Online retail gaming revenue is generated primarily through the Group's digital gaming platforms, namely BingoPlus, ArenaPlus, and GameZone.

BingoPlus is the Group's flagship digital entertainment platform, offering live-streamed bingo, online casino and table games, slot games, specialty games, arcade games, traditional Filipino games, and other interactive gaming content. The platform is accessible through mobile and web-based channels and is supported by the Group's nationwide network of physical bingo sites that also serve as customer service and payment touchpoints.

ArenaPlus is the Group's online sports betting platform, providing customers access to local and international sporting events through its website and mobile application. The platform offers betting markets, live event streaming, scores, results, and other sports-related content covering basketball, volleyball, football, boxing, baseball, and other sporting events.

GameZone is the Group's digital gaming platform focused primarily on player-versus-player card and table games. Its offerings include Tongits and other traditional Filipino card games, livestreamed content, competitive tournaments, and other interactive gaming experiences.

Across its digital platforms, the Group's gaming portfolio is generally categorized into:
- Sports betting
- Online casino and table games
- Online slot and electronic games
- Live bingo games
- Online poker and other card games
- Traditional Filipino games
- Other interactive gaming content

The composition of gaming activity varies across platforms based on customer preferences, product strategy, and regulatory requirements.

Offline Retail Gaming Revenue
The Group also generates revenue through its network of brick-and-mortar gaming sites offering traditional bingo, electronic bingo, rapid bingo, and related gaming products. These sites complement the Group's digital ecosystem by providing physical gaming experiences, customer support services, and alternative payment touchpoints.

Rental Income - Casino
The Group earns rental income from gaming equipment deployed in PAGCOR-operated VIP gaming clubs. Under these arrangements, the Group provides gaming machines and related equipment while PAGCOR is responsible for the operation and management of the gaming facilities.

Service and Hosting Fees
The Group earns service and hosting fees primarily through its role as master licensor under the Cagayan Economic Zone Authority ("CEZA") framework. These fees are generated from licensing-related support services, hosting facilities, technology infrastructure, and other administrative and operational services provided to accredited operators.

Commission Income
Commission income is earned from gaming-related licensing arrangements and services provided to certain accredited operators.

Revenue from Leases
The Group generates revenue from leases through the rental of real estate properties to third-party tenants.

Cost and Expenses

Cost of Revenue
Cost of revenue consists primarily of:
- PAGCOR share and audit fees
- Franchise taxes
- Payment channel fees

These costs are generally variable in nature and are closely correlated with gaming activity and revenue generation.

PAGCOR share, audit fees, and franchise taxes are based on applicable contractual and regulatory arrangements and are generally determined as a percentage of gross gaming revenues. Payment channel fees primarily consist of transaction processing costs incurred on customer deposits, withdrawals, and other player-related transactions.

Advertising, Marketing and Promotions
Advertising, marketing and promotions expenses consist primarily of expenditures incurred to acquire, engage, retain, and reactivate customers across the Group's digital gaming platforms.

These expenditures are generally directed toward:
- Digital and performance marketing channels
- Promotional programs and incentives
- Customer acquisition initiatives
- Customer engagement and retention campaigns
- Events and experiential marketing activities
- Branding and strategic partnership initiatives

Management continuously evaluates marketing effectiveness using customer acquisition, engagement, retention, and monetization metrics to optimize the return on marketing investments.

Salaries and Other Employee Benefits

Salaries and other employee benefits consist primarily of employee salaries, wages, bonuses, share-based compensation, allowances, healthcare benefits, retirement benefits, and other personnel-related costs.

General and Administrative Costs

General and administrative costs include expenses incurred to support the Group's corporate and operational functions, including office-related expenses, utilities, rent, insurance, professional fees, travel expenses, supplies, regulatory compliance costs, and other administrative overhead expenses.

Technology and Software Costs

Technology and software costs consist primarily of expenditures relating to cloud infrastructure, software licenses, hosting services, cybersecurity solutions, technology platforms, data analytics tools, software subscriptions, and other information technology-related expenses.

These expenditures support the Group's digital gaming operations, product development activities, platform enhancements, cybersecurity initiatives, and technology infrastructure requirements.

RESULTS OF OPERATIONS

The following tables set forth a summary of our consolidated results of operations for the interim periods indicated and the changes between periods. We have derived this data from our unaudited condensed consolidated financial statements. The results of historical periods are not necessarily indicative of the results of operations for any future period.

Comparison of the Six Months Ended June 30, 2026 and 2025

	For six months ended June 30			
Amounts in Thousands	**2026**	2025	Inc/(Dec)	% Change
Revenue				
Retail games	**₱32,328,127**	₱47,190,120	(₱14,861,993)	-31%
Rental income - casino	**272,003**	275,175	(3,172)	-1%
Service and hosting fees	**120,109**	150,820	(30,711)	-20%
Commission income	**52,168**	100,095	(47,927)	-48%
Revenue from leases	**80,008**	60,013	19,995	33%
	32,852,415	47,776,223	(14,923,808)	-31%
Cost of revenue	**(12,245,576)**	(21,754,645)	(9,509,069)	-44%
Advertising, marketing and promotions	**(9,619,420)**	(11,649,258)	(2,029,838)	-17%
Net Gaming Revenue	**10,987,419**	14,372,319	(3,384,900)	-24%
Salaries and other benefits	**(2,255,687)**	(2,236,349)	19,338	1%
General and administrative costs	**(1,938,004)**	(1,857,613)	80,391	4%
Technology and software costs	**(1,313,269)**	(1,189,157)	124,112	10%
EBITDA*	**5,480,459**	9,089,200	(3,608,741)	-40%
Net gain on financial assets at FVPL	**6,748,869**	-	6,748,869	100%
Depreciation and amortization	**(963,485)**	(698,816)	264,669	38%
Foreign exchange gain (loss), net	**210,592**	(67,031)	(277,623)	-414%
Finance income	**223,330**	185,415	37,915	20%
Finance expense and bank charges	**(71,805)**	(71,710)	95	0%
Equity in net loss of joint venture	**(32,805)**	(30,133)	2,672	9%
Provision for tax	**(1,783,656)**	(2,537)	1,781,119	70206%
Other income (expenses) - net	**(11,538)**	(2,893)	8,645	299%
Net income after tax	**9,799,961**	8,401,495	1,398,466	17%
Minority interest	**1,174**	157	1,017	648%
Net income attributable to Parent Company	**₱9,801,135**	₱8,401,652	₱1,399,483	17%

Retail games. Retail gaming revenue decreased by ₱14.9 billion, or 31%, from ₱47.2 billion in 2025 to ₱32.3 billion in 2026. The decrease was primarily attributable to lower average player spending following the removal of in-app gaming access links from major e-wallet applications beginning in August 2025, which adversely affected customer acquisition, reactivation, and transaction volumes across the Group's digital gaming platforms.

Service and Hosting Fees. Service and hosting fees decreased by ₱30.7 million, or 20%, from ₱150.8 million in 2025 to ₱120.1 million in 2026. The decline was mainly attributable to lower bandwidth revenues arising from contract non-renewals and reduced hosting revenues following changes in revenue-sharing arrangements.

Commission Income. Commission income decreased by ₱47.9 million, or 48%, from ₱100.1 million in 2025 to ₱52.2 million in 2026. The decrease primarily reflected a reduction in the number of third-party gaming platforms utilizing the Group's licensed gaming services.

Revenue from Leases. Revenue from leases increased by ₱20.0 million, or 33%, from ₱60.0 million in 2025 to ₱80.0 million in 2026. The increase was mainly attributable to lease agreements entered into during 2025 that contributed a full period of rental income in 2026.

Cost of Revenue. Cost of revenue amounted to ₱12.2 billion for the six-month period ended June 30, 2026, representing a decrease of ₱9.5 billion, or 44%, from ₱21.8 billion in the corresponding period of 2025.

The decrease was primarily attributable to lower retail gaming revenue during the period, resulting in corresponding reductions in variable gaming-related costs, including franchise fees and taxes, and payment channel fees. The decline also reflected the Group's continued efforts to optimize payment processing costs and improve the efficiency of its gaming operations.

Advertising, Marketing and Promotions. Advertising, marketing and promotions expense amounted to ₱9.6 billion for the six-month period ended June 30, 2026, representing a decrease of ₱2.0 billion, or 17%, from ₱11.6 billion in the corresponding period of 2025.

The decrease was primarily attributable to lower promotional spending and continued optimization of customer acquisition expenditures. Management maintained a disciplined and data-driven approach to marketing spend, focusing on initiatives that generated measurable customer acquisition, engagement, retention, and monetization outcomes.

Advertising and marketing expenditures continued to be directed primarily toward digital and performance marketing channels, promotional programs, customer engagement initiatives, strategic events, and selected brand-building activities. Management continuously evaluates marketing effectiveness and remains focused on maximizing long-term returns from advertising and promotional investments.

Net Gaming Revenue. Net gaming revenue decreased by ₱3.4 billion, or 24%, from ₱14.4 billion in 2025 to ₱11.0 billion in 2026. The decline reflected lower gaming revenues during the period. However, the decrease was partially mitigated by improved promotional efficiency, optimization of customer acquisition spending, and effective management of direct gaming-related costs, resulting in a lower rate of decline relative to retail gaming revenues.

Salaries and Other Benefits. Salaries and other benefits increased by ₱19.3 million, or 1%, from ₱2.24 billion in 2025 to ₱2.26 billion in 2026. The increase was primarily attributable to continued investments in personnel supporting the Group's digital gaming operations, technology development, customer support, and other strategic business functions. The overall increase remained modest as manpower growth was substantially offset by continued workforce efficiency initiatives.

General and Administrative Costs. General and administrative costs increased by ₱80.4 million, or 4%, from ₱1.86 billion in 2025 to ₱1.94 billion in 2026. The increase was primarily attributable to higher administrative and operating expenses incurred to support the Group's expanding digital gaming ecosystem, including customer support, professional services, regulatory compliance activities, and other corporate support functions.

Technology and Software Costs. Technology and software costs increased by ₱124.1 million, or 10%, from ₱1.19 billion in 2025 to ₱1.31 billion in 2026. The increase primarily reflected continued investments in proprietary game development, cloud infrastructure, cybersecurity solutions, platform enhancements, artificial intelligence initiatives, and other technology-related projects supporting the Group's digital gaming ecosystem.

EBITDA. EBITDA decreased by ₱3.6 billion, or 40%, from ₱9.1 billion in 2025 to ₱5.5 billion in 2026. The decrease was primarily attributable to lower gaming revenues during the period. The impact was partially offset by lower direct gaming costs, improved promotional efficiency, and continued cost optimization initiatives.

Net Gain on Financial Assets at FVPL. The Group recognized a net gain on financial assets at FVPL of ₱6.7 billion in 2026, primarily arising from the remeasurement of its investment in convertible notes issued by IEC.

Depreciation and Amortization. Depreciation and amortization increased by ₱264.7 million, or 38%, from ₱698.8 million in 2025 to ₱963.5 million in 2026. The increase was primarily attributable to amortization of capitalized software assets and game development costs, as well as investments in technology infrastructure and platform enhancements.

Foreign Exchange Gain (Loss), Net. The Group recognized a net foreign exchange gain of ₱210.6 million in 2026 compared to a net foreign exchange loss of ₱67.0 million in 2025, primarily due to favorable foreign currency movements affecting foreign currency-denominated assets and liabilities.

Finance Income. Finance income increased by ₱37.9 million, or 20%, from ₱185.4 million in 2025 to ₱223.3 million in 2026. The increase was primarily attributable to interest income earned on the Group's investment in convertible notes, which commenced accruing interest in March 2026. The increase was further supported by interest income earned on cash placements and other interest-bearing investments during the period.

Provision for Income Tax. Provision for income tax increased by ₱1.78 billion from ₱2.5 million in 2025 to ₱1.8 billion in 2026. The increase was primarily attributable to the recognition of deferred tax expense on the unrealized gain arising from the fair value remeasurement of the Group's investment in convertible notes. The remeasurement gain was recognized in profit or loss during the period and consequently resulted in a corresponding deferred tax impact.

Net Income. Net income increased by ₱1.4 billion, or 17%, from ₱8.4 billion in 2025 to ₱9.8 billion in 2026. The increase was primarily attributable to the gain on financial assets at fair value through profit or loss, higher finance income, and favorable foreign exchange movements. This was partially offset by lower EBITDA generated during the period.

Supplemental Management Discussion - First Half 2026 Compared with Second Half 2025

Amounts in Thousands	For six months ended **June 30, 2026**	 December 31, 2025	Inc/(Dec)	% Change
Revenue				
Retail games	**₱32,328,127**	₱35,860,038	(₱3,531,911)	-10%
Rental income - casino	**272,003**	286,405	(14,402)	-5%
Service and hosting fees	**120,109**	126,433	(6,324)	-5%
Commission income	**52,168**	63,787	(11,619)	-18%
Revenue from leases	**80,008**	52,994	27,014	51%
	32,852,415	36,389,657	(3,537,242)	-10%
Cost of revenue	**(12,245,576)**	(14,597,337)	(2,351,761)	-16%
Advertising, marketing and promotions	**(9,619,420)**	(10,780,259)	(1,160,839)	-11%
Net Gaming Revenue	**10,987,419**	11,012,061	(24,642)	0%
Salaries and other benefits	**(2,255,687)**	(2,196,334)	59,353	3%
General and administrative costs	**(1,938,004)**	(2,480,207)	(542,203)	-22%
Technology and software costs	**(1,313,269)**	(1,189,474)	123,795	10%
EBITDA*	**5,480,459**	5,146,046	334,413	6%
Net gain on financial assets at FVPL	**6,748,869**	-	6,748,869	100%
Depreciation and amortization	**(963,485)**	(906,705)	56,780	6%
Foreign exchange gain (loss), net	**210,592**	(126,903)	(337,495)	-266%
Finance income	**223,330**	142,764	80,566	56%
Finance expense and bank charges	**(71,805)**	(83,563)	(11,758)	-14%
Equity in net loss of joint venture	**(32,805)**	(27,830)	4,975	18%
Provision for tax	**(1,783,656)**	(26,363)	1,757,293	6666%
Other income (expenses) - net	**(11,538)**	44,933	(56,471)	-126%
Net income after tax	**9,799,961**	4,162,379	5,637,582	135%
Minority interest	**1,174**	1,275	(101)	-8%
Net income attributable to Parent Company	**₱9,801,135**	₱4,163,654	₱5,637,481	135%

Management believes that comparison against the second half of 2025 provides additional insight into recent operating trends, as both periods reflect substantially similar operating conditions following the removal of in-app gaming access links from major e-wallet platforms beginning in August 2025.

Revenue for the first half of 2026 amounted to ₱32.9 billion, a decrease of ₱3.5 billion, or 10%, from ₱36.4 billion during the second half of 2025. The decline primarily reflected lower retail gaming revenues resulting from reduced average player spending and wagering activity per user despite continued growth in active and monetizing users during the period.

Despite the decline in revenues, Net Gaming Revenue ("NGR") remained substantially stable at ₱11.0 billion, compared with ₱11.0 billion during the second half of 2025. NGR margin improved to 33.4% during the first half of 2026 from 30.3% during the second half of 2025, reflecting improved promotional efficiency, optimization of customer acquisition expenditures, improved payment channel economics, and continued focus on higher-quality customer cohorts.

EBITDA increased by ₱334.4 million, or 6%, from ₱5.1 billion during the second half of 2025 to ₱5.5 billion during the first half of 2026. EBITDA margin expanded to 16.7% from 14.1%, reflecting the benefits of marketing optimization initiatives, stronger monetization efficiency, disciplined operating expense management, and continued operating leverage across the Group's digital gaming ecosystem.

Net income increased by ₱5.6 billion, or 135%, from ₱4.2 billion during the second half of 2025 to ₱9.8 billion during the first half of 2026. The increase was primarily attributable to the recognition of fair value gains on the Group's investment in convertible notes issued by International Entertainment Corporation ("IEC"), and higher finance income earned during the period.

Management believes that the improvement in profitability and margins demonstrates the resilience of the Group's business model and the effectiveness of initiatives implemented to improve customer acquisition quality, promotional efficiency, monetization, and overall operating performance.

Comparison of the Three Months Ended June 30, 2026 and 2025

	For three months ended June 30			%
Amounts in Thousands	**2026**	2025	Inc/(Dec)	Change
Revenue				
Retail games	**₱15,331,713**	₱24,436,906	(₱9,105,193)	-37%
Rental income - casino	**144,086**	135,545	8,541	6%
Service and hosting fees	**60,770**	63,803	(3,033)	-5%
Commission income	**31,307**	39,556	(8,249)	-21%
Revenue from leases	**40,184**	37,593	2,591	7%
	15,608,060	24,713,403	(9,105,343)	-37%
Cost of revenue	**(5,921,761)**	(11,272,023)	(5,350,262)	-47%
Advertising, marketing and promotions	**(4,171,077)**	(6,292,785)	(2,121,708)	-34%
Net Gaming Revenue	**5,515,222**	7,148,595	(1,633,373)	-23%
Salaries and other benefits	**(1,055,680)**	(1,048,732)	6,948	1%
General and administrative costs	**(963,325)**	(968,170)	(4,845)	-1%
Technology and software costs	**(658,795)**	(631,937)	26,858	4%
EBITDA*	**2,837,422**	4,499,756	(1,662,334)	-37%
Net gain on financial assets at FVPL	**6,161,281**	-	6,161,281	100%
Depreciation and amortization	**(489,344)**	(371,999)	117,345	32%
Foreign exchange gain (loss), net	**5,470**	1,431	4,039	282%
Finance income	**102,028**	119,161	(17,133)	-14%
Finance expense and bank charges	**(36,852)**	(34,306)	2,546	7%
Equity in net loss of joint venture	**(23,145)**	(12,893)	10,252	80%
Provision for tax	**(1,567,568)**	(828)	1,566,740	189220%
Other income (expenses) - net	**(8,876)**	(2,339)	6,537	279%
Net income after tax	**6,980,417**	4,197,982	2,782,435	66%
Minority interest	**436**	1,671	(1,235)	-74%
Net income attributable to Parent Company	**₱6,980,853**	₱4,199,653	₱2,781,200	66%

Revenue for the three months ended June 30, 2026 decreased by ₱9.1 billion, or 37%, from ₱24.7 billion in 2025 to ₱15.6 billion in 2026. The decline was primarily attributable to lower retail gaming revenues following reduced customer acquisition, engagement, and transaction activity across the Group's digital gaming platforms.

NGR decreased by ₱1.6 billion, or 23%, from ₱7.1 billion in 2025 to ₱5.5 billion in 2026. The decline was moderated by improved promotional efficiency, optimization of customer acquisition spending, and effective management of direct gaming-related costs, resulting in a lower rate of decline relative to revenues.

EBITDA decreased by ₱1.7 billion, or 37%, from ₱4.5 billion in 2025 to ₱2.8 billion in 2026. The decrease was primarily attributable to lower revenues during the period. The impact was partially mitigated by lower revenue-linked costs, including PAGCOR share, franchise fees and taxes, payment channel fees, and advertising, marketing and promotional expenditures.

Net income attributable to the Parent Company increased by ₱2.78 billion, or 66%, from ₱4.2 billion in 2025 to ₱6.98 billion in 2026. The increase was primarily attributable to the recognition of fair value gains on the Group's investment in convertible notes issued by IEC and continued cost management initiatives.

The principal factors affecting the results of operations for the three-month period were generally consistent with those discussed under the comparison of the six months ended June 30, 2026 and 2025.

Supplemental Management Discussion - Quarter-on-Quarter Performance

	For three months ended			
Amounts in Thousands	**June 30, 2026**	March 31, 2026	Inc/(Dec)	% Change
Revenue				
Retail games	**₱15,331,713**	₱16,996,414	(₱1,664,701)	-10%
Rental income - casino	**144,086**	127,917	16,169	13%
Service and hosting fees	**60,770**	59,339	1,431	2%
Commission income	**31,307**	20,861	10,446	50%
Revenue from leases	**40,184**	39,824	360	1%
	15,608,060	17,244,355	(1,636,295)	-9%
Cost of revenue	**(5,921,761)**	(6,323,815)	(402,054)	-6%
Advertising, marketing and promotions	**(4,171,077)**	(5,448,343)	(1,277,266)	-23%
Net Gaming Revenue	**5,515,222**	5,472,197	43,025	1%
Salaries and other benefits	**(1,055,680)**	(1,200,007)	(144,327)	-12%
General and administrative costs	**(963,325)**	(974,680)	(11,355)	-1%
Technology and software costs	**(658,795)**	(654,474)	4,321	1%
EBITDA*	**2,837,422**	2,643,036	194,386	7%
Net gain on financial assets at FVPL	**6,161,281**	587,588	5,573,693	949%
Depreciation and amortization	**(489,344)**	(474,141)	15,203	3%
Foreign exchange gain (loss), net	**5,470**	205,122	(199,652)	-97%
Finance income	**102,028**	121,302	(19,274)	-16%
Finance expense and bank charges	**(36,852)**	(34,953)	1,899	5%
Equity in net loss of joint venture	**(23,145)**	(9,660)	13,485	140%
Provision for tax	**(1,567,568)**	(216,088)	1,351,480	625%
Other income (expenses) - net	**(8,876)**	(2,662)	6,214	233%
Net income after tax	**6,980,417**	2,819,544	4,160,873	148%
Minority interest	**436**	738	(302)	-41%
Net income attributable to Parent Company	**₱6,980,853**	₱2,820,282	₱4,160,571	148%

Management also monitors quarter-on-quarter operating performance as a key indicator of business momentum, customer engagement trends, monetization efficiency, and profitability.

Revenue for the second quarter of 2026 amounted to ₱15.6 billion, a decrease of ₱1.6 billion, or 9%, from ₱17.2 billion during the first quarter of 2026. The decrease was primarily attributable to lower retail gaming revenues during the period.

NGR increased by ₱43.0 million, or 1%, to ₱5.52 billion during the second quarter of 2026 from ₱5.47 billion during the first quarter of 2026, despite lower revenues. The increase reflected continued improvements in promotional efficiency, customer acquisition quality, payment channel utilization, and management of direct gaming-related costs. NGR margin expanded to 35.3% during the second quarter of 2026 from 31.7% during the first quarter of 2026, demonstrating improved monetization efficiency and stronger revenue retention across the Group's gaming platforms.

EBITDA increased by ₱194.4 million, or 7%, from ₱2.64 billion during the first quarter of 2026 to ₱2.84 billion during the second quarter of 2026. EBITDA margin likewise improved to 18.2% from 15.3%, reflecting the continued effectiveness of cost optimization initiatives, disciplined marketing expenditures, and improved operating leverage.

Net income increased by ₱4.2 billion, or 148%, from ₱2.82 billion during the first quarter of 2026 to ₱6.98 billion during the second quarter of 2026. The increase was primarily driven by the ₱6.16 billion fair value gain recognized during the second quarter from the remeasurement of the Group's investment in convertible notes issued by IEC, compared to a fair value gain of ₱587.6 million recognized during the first quarter.

Management believes that the quarter-on-quarter improvement in NGR, EBITDA, and operating income demonstrates the effectiveness of ongoing initiatives aimed at improving customer acquisition quality, monetization efficiency, and profitability while maintaining disciplined cost management across the Group's digital gaming ecosystem.

Financial Position

On a consolidated basis, the financial position of DigiPlus Interactive Corp. and its subsidiaries (the “Group”) remains strong.

As of June 30, 2026, total assets amounted to ₱61.9 billion, representing an increase of ₱8.8 billion, or 17%, from ₱53.1 billion as of December 31, 2025. The increase was primarily driven by the Group's investment in convertible notes issued by International Entertainment Corporation (“IEC”) and related fair value gains, higher prepaid expenses related to advertising and other operating expenditures, and continued investments in software, proprietary game development, and technology initiatives.

Cash and cash equivalents decreased by ₱12.9 billion, or 55%, to ₱10.5 billion as of June 30, 2026 from ₱23.4 billion as of December 31, 2025. The decrease was primarily attributable to the Group's investment in IEC convertible notes and the payment of cash dividends during the period. These outflows were partially offset by cash generated from operating activities and financing inflows.

Receivables increased by ₱259.0 million, or 9%, to ₱3.1 billion, primarily due to the timing of collections and advances made in the ordinary course of business.

Current and noncurrent lease receivables decreased by a combined ₱13.8 million, primarily due to collections received during the period.

Prepaid expenses and other current assets increased by ₱1.5 billion, or 80%, to ₱3.3 billion as of June 30, 2026. The increase was mainly attributable to higher prepayments for advertising and marketing activities, taxes, insurance, and advances to suppliers, which will be recognized as expense over the applicable contractual periods.

Investments and advances decreased by ₱45.0 million, or 2%, primarily due to the Group's share in the net loss of an associate, partially offset by collections received during the period.

Financial assets at fair value through profit or loss amounted to ₱19.3 billion as of June 30, 2026, representing the Group's investment in convertible notes. The investment forms part of the Group's capital allocation strategy and provides strategic optionality for future growth opportunities in the broader gaming and entertainment ecosystem. Management evaluates capital deployment opportunities based on return expectations, strategic fit, shareholder returns, and long-term value creation.

Financial assets at fair value through other comprehensive income decreased by ₱1.5 million, or 9%, primarily due to fair value losses recognized during the period.

Property and equipment decreased by ₱515.0 million, or 10%, to ₱4.6 billion as of June 30, 2026. The decrease was mainly attributable to depreciation expense recognized during the period, partially offset by capital expenditures related to operating site improvements and acquisitions of office, technology, and other operational equipment.

Intangible assets decreased by ₱124.1 million, or 3%, to ₱3.8 billion as of June 30, 2026. The decrease was primarily due to amortization expense recognized during the period, partially offset by capitalized software and game development costs associated with the Group's ongoing platform enhancement and digital product initiatives.

Goodwill amounted to ₱1.3 billion as of June 30, 2026, arising from prior business acquisitions, including share and land-based site acquisitions.

Other noncurrent assets increased by ₱1.4 billion, or 97%, to ₱2.8 billion as of June 30, 2026. The increase was primarily driven by deferred project costs relating to software and game development initiatives, as well as higher performance bonds and other deposits associated with the expansion of the Group's operations.

During the period, the Group continued to invest in the development and enhancement of its proprietary gaming platforms, software applications, and digital infrastructure. Key areas of focus included platform scalability, customer experience improvements, proprietary game development, cybersecurity, artificial intelligence applications, responsible gaming capabilities, and payment infrastructure enhancements.

Management believes that continued investment in proprietary technology and digital capabilities strengthens the Group's competitive position, improves customer engagement and retention, supports long-term monetization, and enhances the scalability of its operations across BingoPlus, ArenaPlus, GameZone, and future digital gaming initiatives. These investments are expected to support the development of differentiated gaming experiences, improve operating efficiencies, accelerate product deployment, enhance personalization capabilities, and strengthen the Group's ability to respond to evolving customer preferences and industry trends.

As of June 30, 2026, total liabilities amounted to ₱14.3 billion, representing an increase of ₱2.3 billion, or 19%, from ₱12.0 billion as of December 31, 2025. The increase was primarily driven by higher trade payables and other current liabilities, the recognition of short-term borrowings, and higher deferred tax liabilities, partially offset by lower lease liabilities.

Trade payables and other current liabilities increased by ₱788.1 million, or 10%, to ₱8.7 billion as of June 30, 2026. The increase was primarily attributable to higher accrued operating expenses and the continued optimization of payment terms with suppliers and service providers in the ordinary course of business.

Short-term loans payable amounted to ₱15.0 million as of June 30, 2026, reflecting the utilization of short-term credit facilities to support working capital requirements.

Current and noncurrent lease liabilities decreased by a combined ₱294.6 million, or 18%, primarily due to lease payments made during the period, partially offset by the reclassification of lease obligations between current and noncurrent portions.

Income tax payable increased by ₱3.8 million, primarily due to the timing of tax payments and accruals recognized during the period.

Customer deposits decreased by ₱3.5 million, or 6%, primarily due to refunds and withdrawals made during the period, partially offset by additional deposits received from customers.

Deferred tax liabilities increased by ₱1.8 billion, or 113%, to ₱3.3 billion as of June 30, 2026. The increase was primarily attributable to temporary differences arising from movements in the fair value of financial assets recognized during the period.

Total equity amounted to ₱47.6 billion as of June 30, 2026, representing an increase of ₱6.5 billion, or 16%, from ₱41.1 billion as of December 31, 2025. The increase was primarily driven by net income generated during the period and proceeds from the exercise of employee stock options, partially offset by share repurchases and movements in equity reserves.

Capital stock increased by ₱62.3 million, while additional paid-in capital increased by ₱698.9 million, primarily attributable to the issuance of common shares arising from the exercise of employee stock options during the period.

Treasury shares increased by ₱106.5 million, or 11%, primarily due to share repurchases undertaken by the Company during the period.

Fair value reserve decreased by ₱1.5 million, primarily due to fair value losses recognized on financial assets measured at fair value through other comprehensive income.

Foreign currency translation reserve increased by ₱64.2 million, or 260%, primarily due to the translation of the net assets of foreign subsidiaries. The increase was largely driven by movements in foreign exchange rates during the period, particularly the appreciation of the Brazilian Real against the Philippine Peso.

Other reserves decreased by ₱216.8 million, or 21%, primarily due to the exercise of employee stock options during the period, partially offset by the recognition of share-based compensation expense and other reserve movements.

Retained earnings increased by ₱6.0 billion, or 29%, to ₱26.7 billion as of June 30, 2026. The increase primarily reflects net income generated during the period amounting to ₱9.8 billion, partially offset by dividends declared to shareholders amounting to ₱3.8 billion.

Management believes that its strong equity position and healthy liquidity profile provide the financial flexibility necessary to support ongoing investments in technology, product development, strategic growth opportunities, and shareholder returns while maintaining a prudent capital structure.

The Group's capital allocation priorities remain focused on supporting organic growth initiatives, investing in technology and product development, pursuing strategic investment opportunities, maintaining balance sheet strength, and returning excess capital to shareholders when appropriate. Management remains committed to disciplined capital deployment with the objective of generating sustainable long-term shareholder value.

Cash Flows

Cash and cash equivalents decreased by ₱12.9 billion, from ₱23.4 billion as of December 31, 2025 to ₱10.5 billion as of June 30, 2026.

Operating Activities

Net cash provided by operating activities amounted to ₱4.4 billion for the six-month period ended June 30, 2026, compared to ₱8.8 billion in the comparable period of 2025.

The Group continued to generate positive operating cash flows despite the decline in revenues during the period. Cash generated from operations was primarily driven by operating income from the Group's gaming and entertainment businesses. Operating cash flows were affected by increases in prepaid expenses and other current assets, mainly relating to advance payments for advertising, marketing, and other operating expenditures, partially offset by increased trade payables and other current liabilities arising from the timing of payments to suppliers and service providers.

Investing Activities

Net cash used in investing activities amounted to ₱13.9 billion, primarily attributable to the Group's investment in convertible notes amounting to ₱12.2 billion during the period.

Additional cash outflows were incurred for capital expenditures relating to property and equipment, software and game development projects, and other investments supporting the expansion of the Group's technology infrastructure, digital platforms, and long-term growth initiatives. The increase in other noncurrent assets likewise reflected continued investments in proprietary software development and technology-related projects.

Financing Activities

Net cash used in financing activities amounted to ₱3.5 billion during the period. The outflows were primarily attributable to the payment of cash dividends amounting to ₱3.8 billion and share repurchases undertaken during the period. These were partially offset by proceeds from the exercise of employee stock options and the availment of short-term credit facilities.

Liquidity and Capital Resources

Notwithstanding the significant investment activities undertaken during the period, the Group maintained a strong liquidity position with cash and cash equivalents of ₱10.5 billion as of June 30, 2026.

Management believes that the Group's cash reserves, positive operating cash flows, and overall financial position provide sufficient liquidity to fund working capital requirements, ongoing investments in technology and platform development, strategic initiatives, expansion opportunities in both domestic and international markets, and shareholder return programs. The Group remains focused on maintaining financial flexibility while pursuing long-term growth and value creation objectives.

The Company and its subsidiaries:

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

OUTLOOK

The Philippine gaming and entertainment industry continues to benefit from increasing digital adoption, expanding mobile connectivity, improving digital payment infrastructure, and growing consumer demand for online entertainment experiences. At the same time, the industry continues to evolve as operators adapt to changes in customer acquisition channels, consumer behavior, and the broader regulatory environment.

Against this backdrop, the Group remains focused on executing its long-term strategy of building a leading digital entertainment and gaming platform in the Philippines and other regulated markets. Management has accelerated initiatives aimed at strengthening direct customer relationships, enhancing its proprietary ecosystem, increasing customer engagement, and improving monetization across its digital platforms.

The Group continues to develop and enhance its flagship brands, BingoPlus, ArenaPlus, and GameZone, through expanded game content, product innovation, platform enhancements, and data-driven customer engagement initiatives. Management believes that sustained investment in product quality, user experience, and platform reliability will remain critical drivers of long-term customer retention and monetization.

In parallel, the Group is pursuing technology-led growth initiatives designed to strengthen its competitive position and improve operating efficiency. Ongoing investments in proprietary gaming technology, software development, cybersecurity, data analytics, artificial intelligence, and proprietary game development are expected to support platform scalability, improve personalization, enhance marketing effectiveness, strengthen product differentiation, and reinforce responsible gaming measures. The Group also continues to evaluate opportunities to diversify and expand its business portfolio through strategic investments that support long-term growth objectives, broaden its participation across the gaming and entertainment value chain, and provide exposure to attractive opportunities in domestic and international markets. The Group's investment in convertible notes issued by International Entertainment Corporation forms part of this broader capital allocation strategy.

Beyond its digital platforms, the Group remains committed to the selective expansion of its physical presence through additional gaming sites, flagship venues, and entertainment destinations that complement its online operations and strengthen customer engagement across multiple channels.

The Group continues to evaluate opportunities to expand its presence in regulated international markets as part of its long-term growth strategy. Management believes that international expansion presents an opportunity to leverage the Group's technology, operating expertise, and digital gaming capabilities to support future growth. The Group remains committed to a disciplined approach, with investments and capital deployment guided by strategic fit, regulatory considerations, market opportunities, and long-term shareholder value creation.

Looking ahead, management remains focused on sustainable growth, disciplined capital allocation, and long-term value creation. The Group will continue to invest in technology, product development, strategic partnerships, and customer acquisition initiatives while maintaining a strong balance sheet and financial flexibility. Management believes these investments will position the Group to capitalize on emerging opportunities, strengthen its market position, and drive sustainable shareholder value over the long term.

PART II – MAJOR RISKS INVOLVED IN THE BUSINESS

DigiPlus recognizes that effective risk management is fundamental to sustaining long-term enterprise value. The Group, through its Enterprise Risk Management (ERM) framework, identifies, assesses, and monitors risks that may reasonably be expected to affect the Group's financial position, performance, cash flows, reputation, and strategic objectives.

Risks are evaluated based on their likelihood of occurrence, potential impact, and overall risk rating under both inherent (untreated) and residual (treated) scenarios, taking into account the effectiveness of existing mitigation measures. Risk assessments are regularly reported to Management and the Board and are integrated into the Group's governance oversight, compliance processes, and strategic decision-making.

The principal risks identified by the Group, arranged by enterprise materiality, are discussed below.

Regulatory and Compliance Risks
As a publicly-listed company operating in a highly regulated industry, DigiPlus is exposed to regulatory and compliance risks. These include potential breaches of laws and regulations governing gaming operations, anti-money laundering, data privacy, corporate governance, and securities regulations. Failure to comply with applicable requirements could result in penalties, fines, suspension of licenses, operational restrictions, reputational damage, or other adverse consequences.

The Company manages these risks through structured compliance programs, documented policies and procedures, internal controls, and regular compliance reviews. Regulatory developments and licensing requirements are continuously monitored. Compliance tracking mechanisms and periodic reporting across business units support timely identification and resolution of issues. Corrective actions are documented, tracked, and reviewed until closure.

Information Security and Technology Risks
The Group relies heavily on secure and reliable technology infrastructure to deliver its services. Risks in this area include system vulnerabilities, cyberattacks, data breaches, unauthorized access, system failures, and technological obsolescence. Such events may disrupt operations, compromise sensitive information, result in regulatory scrutiny, and damage stakeholder trust.

DigiPlus addresses these risks through cybersecurity frameworks that include vulnerability assessments, penetration testing, access controls, data protection measures, periodic reviews and enterprise risk reporting. Technical and administrative safeguards are implemented to protect information assets. Security awareness initiatives are conducted to strengthen employee vigilance. Identified vulnerabilities and incidents are addressed through remediation plans and follow-up monitoring.

Financial Risk
The Company is exposed to financial risks that may affect stability and performance, including revenue volatility, liquidity constraints, credit exposure, market fluctuations, foreign currency movements and financial reporting risks. Financial misstatements, inadequate controls, or adverse market movements may impact profitability, cash flow, and capital position.

To mitigate these risks, DigiPlus maintains financial controls, budgeting discipline, and oversight mechanisms. Financial exposures are regularly reviewed, including those arising from regulatory or operational developments. Internal and external audits, scenario-based reviews, and credit assessments support risk identification. Management continuously monitors liquidity, capital allocation, and financial reporting compliance to ensure prudent financial stewardship.

Investment Risks
The Group's investments and potential expansion activities in foreign markets expose it to risks arising from changes in economic conditions, market valuations, foreign exchange rates, regulatory requirements, taxation, and legal environments. The value and performance of foreign investments may be adversely affected by developments beyond the Group's control and may not achieve their intended strategic or financial objectives. The Group seeks to mitigate these risks through disciplined investment processes, due diligence procedures, ongoing monitoring, and compliance with applicable regulatory requirements.

Property Damage and Business Disruption Risks
The Group's operations may be affected by physical damage to property or disruptions arising from events such as fire, natural disasters, infrastructure failure, supply chain interruptions, or prolonged IT outages. Such disruptions could impair service delivery, affect revenue generation, and result in recovery costs.

DigiPlus manages these risks through business continuity and disaster recovery planning, facility inspections, infrastructure assessments, and scenario-based reviews. Contingency arrangements, including backup systems and alternative suppliers where applicable, are maintained to support operational resilience. Disruption events and dependencies are reviewed, and response protocols are activated through defined escalation channels when necessary.

Operational and Process Risks
Operational and process risks may arise from human error, system breakdowns, control gaps, fraud, power interruptions, equipment failure, or inefficiencies in internal processes. These risks may affect service quality, compliance, operational efficiency, and overall business performance.

The Company addresses operational risks through process reviews, internal audits, control assessments, and standardized operating procedures. Risk reporting mechanisms help identify control weaknesses and process issues. Corrective actions are implemented and monitored, with residual risks evaluated following mitigation. Continuous improvement initiatives and personnel training programs strengthen operational reliability and control effectiveness.

Environmental Risks and Social Risks
DigiPlus is exposed to environmental and social risks that may affect operations, reputation, and stakeholder relationships. These include physical risks from climate-related events such as typhoons and flooding, transition risks arising from evolving environmental regulations and shift to a low-carbon economy, and social risks related to workplace standards, community relations, and responsible business practices. Failure to effectively manage these risks may result in operational disruption, regulatory exposure, or reputational harm.

The Company monitors environmental and social risks through reviews of operational practices, regulatory developments, and stakeholder engagement. Climate risk assessment, environmental compliance measures, responsible workplace standards, and corporate social responsibility initiatives are implemented across the organization.

In 2025, DigiPlus completed its climate-related physical and transition risk assessment. Based on the outcome of the exposure and vulnerability assessment, the Group will continue to strengthen policies, procedures, and initiatives related to business continuity, emergency preparedness, regulatory compliance, and innovation to enhance operational resilience and sustainable performance.

Safety and Security Risk
Safety and security risks include threats that may cause harm to employees, customers, visitors, or assets, such as workplace accidents, theft, fraud, or other security incidents. These risks may result in operational disruption, financial loss, legal exposure, and reputational damage.

The Company conducts site-level reviews, incident reporting, and risk assessments to identify and evaluate safety and security exposures. Preventive measures include facility controls, emergency preparedness protocols, employee training, and security monitoring systems. Corrective actions are implemented promptly and monitored to reinforce compliance and improve response readiness.

Management reviews the above risk exposures on a periodic basis through the Enterprise Risk Management framework. Mitigation measures and corrective actions are monitored and tracked to support timely implementation and continued effectiveness, with updates reported through established governance channels.

PART III – OTHER INFORMATION

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

SIGNATURES

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

DIGIPLUS INTERACTIVE CORP.

By:

HU JIANGUO
Chief Executive Officer

August 4, 2026

WILFREDO M. PIELAGO
Chief Financial Officer / Treasurer

August 4, 2026

DigiPlus Interactive Corp. and Subsidiaries

Unaudited Interim Condensed Consolidated Statements of Financial Position
As at June 30, 2026
With Comparative Audited Figures as at December 31, 2025
(All amounts in thousands Philippine Peso)

	Notes	2026 (Unaudited)	2025 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		10,512,800	23,401,849
Receivables, net		3,064,272	2,805,049
Current portion of lease receivables		60,152	72,410
Due from related parties	11	167,783	158,516
Prepaid expenses and other current assets		3,305,158	1,832,265
Total current assets		17,110,165	28,270,089
Non-current assets			
Receivables, net of current portion		346,380	337,408
Lease receivables, net of current portion		84,132	85,658
Financial assets at fair value through profit or loss (FVPL)	5	19,268,480	-
Financial assets at fair value through other comprehensive income (FVOCI)		15,965	17,496
Investments and advances, net		2,566,538	2,611,541
Property and equipment, net	3	4,587,889	5,102,928
Investment properties	4	11,296,728	11,296,728
Intangible assets		3,824,837	3,948,947
Other noncurrent assets		2,790,527	1,414,837
Total noncurrent assets		44,781,476	24,815,543
Total assets		61,891,641	53,085,632
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables and other current liabilities		8,682,076	7,893,978
Short-term loans payable	6	15,000	-
Current portion of:			
Long-term loans payable	6	745,768	745,768
Lease liabilities		563,397	522,409
Income tax payable		5,632	1,786
Total current liabilities		10,011,873	9,163,941
Non-current liabilities			
Lease liabilities, net of current portion		744,694	1,080,266
Retirement benefits liability		115,534	115,534
Customer deposits, net of current portion		56,487	60,016
Deferred tax liabilities		3,343,929	1,571,229
Total noncurrent liabilities		4,260,644	2,827,045
Total liabilities		14,272,517	11,990,986
Equity			
Capital stock		4,970,947	4,908,621
Additional paid-in capital		8,188,517	7,489,614
Treasury shares		(1,077,802)	(971,297)
Retirement benefits reserve		11,220	11,220
Fair value reserve		437,287	438,818
Foreign currency translation reserve		88,889	24,692
Other reserve		826,707	1,043,555
Retained earnings:			
Unappropriated		26,685,885	20,660,775
Appropriated		7,300,000	7,300,000
Equity attributable to equity holders of the Parent Company		47,431,650	40,905,998
Non-controlling interests		187,474	188,648
Total equity	7	47,619,124	41,094,646
Total liabilities and equity		61,891,641	53,085,632

(The notes are an integral part of these financial statements)

DigiPlus Interactive Corp. and Subsidiaries

Unaudited Interim Condensed Consolidated Statements of Total Comprehensive Income
For the six months ended June 30, 2026 and 2025
(All amounts in thousands Philippine Peso, except Earnings per Share Figures)

	Notes	Six months ended June 30 2026	Six months ended June 30 2025	Three months ended June 30 2026	Three months ended June 30 2025
Revenues					
Retail games	8	32,328,127	47,190,120	15,331,713	24,436,906
Rental income - casino		272,003	275,175	144,086	135,545
Service and hosting fees		120,109	150,820	60,770	63,803
Commission income		52,168	100,095	31,307	39,556
Revenue from leases		80,008	60,013	40,184	37,593
		32,852,415	47,776,223	15,608,060	24,713,403
Cost and operating expenses	10	(28,335,441)	(39,385,839)	(13,259,981)	(20,585,647)
Operating income		4,516,974	8,390,384	2,348,079	4,127,756
Other income (expenses), net					
Net gain on financial assets at FVPL	5	6,748,869	-	6,161,281	-
Foreign exchange gain (loss), net		210,592	(67,031)	5,470	1,431
Finance income		223,330	185,415	102,028	119,161
Finance expense and other bank charges		(71,805)	(71,710)	(36,852)	(34,306)
Equity in net loss of joint venture		(32,805)	(30,133)	(23,145)	(12,893)
Gain on disposal of property and equipment, net		10	7	-	7
Other income (expenses), net		(11,548)	(2,900)	(8,876)	(2,346)
		7,066,643	13,648	6,199,906	71,054
Income before income tax		11,583,617	8,404,032	8,547,985	4,198,810
Provision for income tax		(1,783,656)	(2,537)	(1,567,568)	(828)
Net income for the period		9,799,961	8,401,495	6,980,417	4,197,982
Other comprehensive loss					
Items that will not be reclassified to profit or loss					
Revaluation loss - FVOCI		(1,531)	(15,308)	(438)	(8,747)
Total comprehensive income for the period		9,798,430	8,386,187	6,979,979	4,189,235
Net income for the period attributable to:					
Equity holders of the Parent Company		9,801,135	8,401,652	6,980,853	4,199,653
Non-controlling interests		(1,174)	(157)	(436)	(1,671)
		9,799,961	8,401,495	6,980,417	4,197,982
Total comprehensive income attributable to:					
Equity holders of the Parent Company		9,799,604	8,386,344	6,980,415	4,190,907
Non-controlling interests		(1,174)	(157)	(436)	(1,672)
		9,798,430	8,386,187	6,979,979	4,189,235
Earnings per share	7				
Basic		2.1519	1.8956	2.0043	0.9431
Diluted		2.1504	1.8482	2.0025	0.9196

(The notes are an integral part of these financial statements)

DigiPlus Interactive Corp. and Subsidiaries

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the six months ended June 30, 2026 and 2025
(All amounts in thousands Philippine Peso)

	Equity attributable to equity holders of the Parent Company											
								Retained earnings				
	Capital stock	Additional paid in capital	Treasury shares	Retirement benefits reserve	Fair value reserve	Foreign currency translation reserve	Other reserve	Unappropriated	Appropriated	Total	Non-controlling interest	Total equity
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 period												
Net income for the period	-	-	-	-	-	-	-	8,401,652	-	8,401,652	(157)	8,401,495
Other comprehensive loss for the period	-	-	-	-	(15,308)	-	-	-	-	(15,308)	-	(15,308)
Total comprehensive income for the period	-	-	-	-	(15,308)	-	-	8,401,652	-	8,386,344	(157)	8,386,187
Transactions with owners												
Cash dividends	-	-	-	-	-	-	-	(3,793,785)	-	(3,793,785)	-	(3,793,785)
Stock option exercised during the period	120,312	1,213,705	-	-	-	-	(597,105)	-	-	736,912	-	736,912
Stock option recognized during the period	-	-	-	-	-	-	379,399	-	-	379,399	-	379,399
Translation adjustment	-	-	-	-	-	61,087	-	-	-	61,087	-	61,087
Balances at June 30, 2025*	4,905,619	7,459,006	(431,598)	(31,242)	468,343	13,152	679,222	16,497,120	7,300,000	36,859,922	189,924	37,049,546

	Equity attributable to equity holders of the Parent Company											
								Retained earnings				
	Capital stock	Additional paid-in capital	Treasury shares	Retirement benefits reserve	Fair value reserve	Foreign currency translation reserve	Other reserve	Unappropriated	Appropriated	Total	Non-controlling interest	Total equity
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
Comprehensive income for the period												
Net income for the period	-	-	-	-	-	-	-	9,801,135	-	9,801,135	(1,174)	9,799,961
Other comprehensive loss for the period	-	-	-	-	(1,531)	-	-	-	-	(1,531)	-	(1,531)
Total comprehensive income for the period	-	-	-	-	(1,531)	-	-	9,801,135	-	9,799,604	(1,174)	9,798,430
Transactions with owners												
Cash dividends	-	-	-	-	-	-	-	(3,776,025)	-	(3,776,025)	-	(3,776,025)
Stock option exercised during the period (Note 7)	62,326	698,903	-	-	-	-	(345,285)	-	-	415,944	-	415,944
Stock option recognized during the period (Note 7)	-	-	-	-	-	-	128,437	-	-	128,437	-	128,437
Share repurchase	-	-	(106,505)	-	-	-	-	-	-	(106,505)	-	(106,505)
Translation adjustment	-	-	-	-	-	64,197	-	-	-	64,197	-	64,197
Balances at June 30, 2026*	4,970,947	8,188,517	(1,077,802)	11,220	437,287	88,889	826,707	26,685,885	7,300,000	47,431,650	187,474	47,619,124

**Unaudited*

(The notes are an integral part of these financial statements)

DigiPlus Interactive Corp. and Subsidiaries

Unaudited Interim Condensed Consolidated Statements of Cash Flows
For the six months ended June 30, 2026 and 2025
(All amounts in thousands Philippine Peso)

	Notes	2026*	2025*
Cash flows from operating activities			
Income before income tax		11,583,617	8,404,032
Adjustments for:			
Depreciation and amortization	10	963,485	698,816
Net gain on financial assets at FVPL	5	(6,748,869)	-
Unrealized foreign exchange gain, net		(341,931)	-
Finance expense		67,402	58,227
Equity in net loss of joint venture and associates		32,805	30,133
Reserve for employee stock option	7	128,437	379,399
Interest income		(223,330)	(185,415)
Operating income before working capital changes		5,461,616	9,385,192
(Increase) Decrease in:			
Receivables		(186,245)	280,424
Prepaid expenses and other current assets		(1,472,893)	(441,200)
Increase (Decrease) in:			
Trade payables and other current liabilities		500,473	(622,680)
Customer deposits		(3,529)	(22,224)
Net cash generated from operations		4,299,422	8,579,512
Income tax paid		(17,036)	(2,532)
Interest received		145,897	185,415
Net cash provided by operating activities		4,428,283	8,762,395
Cash flows from investing activities			
Additions to:			
Property and equipment and intangible assets		(322,789)	(719,574)
Investment and advances		12,198	11,068
Investments in convertible notes		(12,177,680)	-
Increase in other noncurrent assets		(1,377,237)	(324,021)
Net cash used in investing activities		(13,865,508)	(1,032,527)
Cash flows from financing activities			
Proceeds from:			
Issuance of common shares		415,944	736,912
Loans payable		15,000	5,000
Payments for:			
Dividends		(3,776,025)	(3,793,785)
Share repurchase		(106,505)	
Interest		(238)	(45,955)
Net cash used in financing activities		(3,451,824)	(3,097,828)
Net (decrease) increase in cash and cash equivalents		(12,889,049)	4,632,040
Cash and cash equivalents at beginning of period		23,401,849	13,977,434
Cash and cash equivalents at end of period		10,512,800	18,609,474

**Unaudited*

(The notes are an integral part of these financial statements)

DigiPlus Interactive Corp. and Subsidiaries

Notes to Unaudited Interim Condensed Consolidated Financial Statements
As at June 30, 2026 and December 31, 2025
And for the six months ended June 30, 2026 and 2025
(In the notes, all amounts are shown in thousands Philippine Peso unless otherwise stated)

Note 1 - Corporate 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 interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (collectively referred to as the “Group” and individually as “Group entities”) and the Group’s interest in joint venture and associates.

The Parent Company is a public company under Section 17.2 of the 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 St. cor. 9th Ave., Bonifacio Global City, Taguig City.

Note 2 - Summary of material accounting policies

2.1 Basis of preparation and presentation

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

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

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

Statement of compliance

The interim condensed consolidated financial statements as at and for the six months ended June 30, 2026 have been prepared in accordance with PAS 34, Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at December 31, 2025.

2.2 Changes of accounting policies and disclosures

New standards, amendments and interpretations adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended December 31, 2025 except for the new PFRS, amended PFRS, improvements to PFRS and interpretations which were adopted beginning January 1, 2026. Unless otherwise indicated, the Group does not expect the future adoption of the said pronouncements to have a significant impact on its interim condensed consolidated financial statements.

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

  On May 30, 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).

  These amendments do not have a material impact on the Group's operations or consolidated financial statements.

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

  On July 18, 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.

  These amendments do not have a material impact on the Group's operations or consolidated financial statements.

- PFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after January 1, 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.

- PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 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 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 January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

2.3 Basis of consolidation

Subsidiaries

The interim condensed consolidated financial statements include the financial statements of the Group as at June 30, 2026 with comparative audited figures as at December 31, 2025 and unaudited consolidated statements of total comprehensive income for the periods ended June 30, 2026 and 2025.

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 interim condensed consolidated financial statements include the financial statements of the Group and the following subsidiaries as at June 30, 2026 and December 31, 2025:

Subsidiaries	Percentage of ownership June 30, 2026	Percentage of ownership December 31, 2025	Country of incorporation
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 Company. 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.

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

The interim condensed consolidated financial statements also include the following indirect subsidiaries owned through ABLE as at June 30, 2026 and December 31, 2025:

	Percentage of Ownership		Country of
Subsidiaries	June 30, 2026	December 31, 2025	incorporation
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 Ninth Avenue, Bonifacio Global City, Taguig City.

The interim condensed consolidated financial statements also include the following indirect subsidiaries owned through ABLGI as at June 30, 2026 and December 31, 2025:

	Percentage of Ownership		Country of
Subsidiaries	June 30, 2026	December 31, 2025	incorporation
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.

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 Company 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 Company 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.

On May 26, 2021, PAGCOR approved TGXI's application for accreditation as an Electronic Gaming System Service Provider along with Gamezone as the electronic gaming system/platform and brand. Subsequently, on July 2, 2021, PAGCOR issued the notice to commence operations of its Gamezone electronic gaming service and implementation of its system and gaming platform.

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 interim condensed consolidated financial statements also include the following indirect subsidiaries owned through Diginvest as at June 30, 2026 and December 31, 2025:

Subsidiaries	Percentage of Ownership		Country of incorporation
	June 30, 2026	December 31, 2025	
DigiPlus Global Pte. Ltd.	100	100	Singapore
Innovative Gaming Solutions Corp.	100	100	Philippines
The Digital Arena Inc.	100	100	Philippines
DigiPlus South Africa (Pty.) Limited	100	100	South Africa
DigiPlus Kruger Park (Pty.) Limited	100	100	South Africa
Streamify Technology (BVI) Limited	100	100	British Virgin Islands
Streamify Technology Limited (HK)	100	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 April 15, 2026, the Company has received approval from the WCGRB for its application for the three operator licenses.

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.

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 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).

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.

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.

2.4 Seasonality of operations

The Group's operations are not significantly affected by seasonality or cyclicality. Revenue generation is generally consistent throughout the year, subject to normal business fluctuations and market conditions.

2.5 Changes in accounting estimates

There were no significant changes in accounting estimates during the six-month period ended June 30, 2026.

Note 3 - Property and equipment, net

During the six months ended June 30, 2026, the Group acquired assets totaling P166,916. This includes renovation of land-based sites, and purchase of office and IT equipment.

Note 4 - Investment properties

Investment properties as at June 30, 2026 and December 31, 2025 consist of:

	2026	2025
Land	11,064,079	11,064,079
Building	221,802	221,802
Land improvements	10,847	10,847
	11,296,728	11,296,728

The Group's investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser. The Group's latest appraisal reports are dated December 31, 2025.

Note 5 - Financial asset at FVPL

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

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.

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. On June 3, 2026, all conditions precedent to the second tranche have been fulfilled and the corresponding convertible notes amounting to HK$800 million were issued to the Parent Company. The aggregate principal amount of the notes as of June 30, 2026 amounted to HK$1.6 billion. As at June 30, 2026, the Notes are recognized as financial asset at FVPL in the interim condensed consolidated statement of financial position.

The convertible notes are classified as financial assets at FVPL since the contractual cash flows do not meet the solely payments of principal and interest (SPPI) criterion due to the presence of an embedded conversion feature. Accordingly, the Notes are measured at fair value, with changes in fair value recognized in profit or loss.

The fair value of the convertible notes was determined using a valuation model that incorporates both the debt instrument and the embedded conversion feature and is classified within Level 3 of the fair value hierarchy. The valuation requires significant management judgment and incorporates inputs that are not directly observable in active markets, including expected share price volatility and assumptions relating to the embedded conversion feature. Significant unobservable inputs used in the valuation include assumptions relating to IEC's underlying equity value, expected share price volatility, probability of conversion, discount rates, and the expected timing of future cash flows. Management engaged an independent external valuation expert to assist in determining the fair value of the convertible notes as of June 30, 2026. Changes in these assumptions could have a significant effect on the resulting fair value measurement.

The inputs and assumptions for the valuation of the convertible notes included the following:

	Inputs and assumptions
Stock volatility	85.29%
Interest rate volatility	22.72%
Risk-free to maturity	3.33%
Dividend yield	0%
Spot price of underlying	1.54
Foreign currency exchange spot rate	7.82
Interest rate	3.00%
Interest period	Semi-annual from the issue date
Conversion price (in HKD)	1.00

The fair value measurement is most sensitive to changes in the underlying share price of IEC, expected share price volatility, and other market-based assumptions. In general, an increase in the underlying share price or expected volatility would result in a higher fair value measurement, while a decrease would result in a lower fair value measurement.

The increase in fair value during the period primarily reflects the value attributable to the embedded conversion feature and changes in the market value of IEC's underlying equity securities subsequent to initial recognition.

The movements in the financial asset at FVPL for the period ended June 30, 2026 are as follows:

	HKD (‘000)	In PHP (‘000)
Beginning balance	-	-
Subscription of convertible notes	1,600,000	12,177,680
Net fair value gain recognized in profit or loss	864,000	6,748,869
Impact of foreign currency translation	-	341,931
Ending balance	2,464,000	19,268,480

The fair value of the convertible notes as of June 30, 2026 amounted to HK$2.464 billion (₱19.268 billion).

The following amounts related to the convertible notes were recognized in profit or loss for the period ended June 30, 2026:

	Amount
Net gain on financial assets at FVPL	6,748,869
Unrealized foreign exchange gain	341,931
Interest income	77,433

Note 6 - Loans payable

Short-term loans

Short term loans as at June 30, 2026 and December 31, 2025, are as follows:

	Ref	2026	2025
Unionbank (UB)	a	5,000	-
Sterling Bank of Asia (SBA)	b	5,000	-
Asia United Bank (AUB)	c	5,000	-
		15,000	-

Long-term loans

The movements in the current portion of the long term loans as at June 30, 2026 and December 31, 2025 are as follows:

	2026	2025
Beginning balance	745,768	733,781
Impact of foreign currency translation	-	11,987
Ending balance	745,768	745,768

a. 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.

   On April 21, 2026, ABLE entered into a 178-day short-term loan agreement with UB amounting to P5,000. The loan bears a floating interest rate of 6% per annum, and matures on October 16, 2026.

b. 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% maturing on December 19, 2025. The loan was settled on October 1, 2025.

   On April 8, 2026, DigiPlus entered into a 180-day short-term loan agreement with SBA amounting to P5,000. The loan bears interest at 9% per annum, and matures on October 5, 2026.

c. On April 17, 2026, DigiPlus entered into a short-term loan agreement with AUB amounting to P5,000. The loan bears interest at 5.75% per annum, and matures on October 14, 2026.

d. 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 owned by LRLDI located in Cagayan with fair value as at December 31, 2025 amounting to P1,885,957.

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 date.

Interest expense related to the loans for the six months ended June 30, 2026 and 2025 amounted to P11,617 and P10,718, respectively.

Note 7 - Equity

Equity as at June 30, 2026 and December 31, 2025 is as follows:

	June 30, 2026		December 31, 2025	
	Amount	Number of shares	Amount	Number of shares
Capital Stock				
Authorized:				
Common shares - P1 par value	7,000,000	7,000,000,000	7,000,000	7,000,000,000
Balance at beginning of period	4,908,621	4,908,620,666	4,785,307	4,785,306,666
Issuance of common shares upon exercise of share options	62,326	62,325,968	123,314	123,314,000
Balance at end of period	4,970,947	4,970,946,634	4,908,621	4,908,620,666

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, and recognition of additional capital stock amounting to P123,314 and additional paid-in capital amounting to P1,244,413.

For the period ending June 30, 2026, a total of 62,325,968 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 P345,285, and recognition of additional capital stock amounting to P62,326 and additional paid-in capital amounting to P698,903.

As of June 30, 2026 and December 31, 2025, the Parent Company has 1,794 and 1,799 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 interim condensed consolidated statements of financial position amounted to P8,188,517 and P7,489,614 as at June 30, 2026 and December 31, 2025.

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 June 30, 2026 and December 31, 2025, the balance of Other reserves amounted to P826,707 and P1,043,555, respectively.

Declaration of Cash Dividends

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

Declaration date	Payment date	As of record date	Dividend per share
March 17, 2026	April 15, 2026	April 1, 2026	P0.83
March 7, 2025	April 4, 2025	March 24, 2025	P0.86

As at June 30, 2026 and December 31, 2025, unpaid dividends, included under "Dividends payable" account in the interim condensed consolidated statements of financial position, amounted to P37,816 and P24,862, respectively.

Treasury Shares
Details of treasury shares as at June 30, 2026 and December 31, 2025 are as follows:

	Parent Company Treasury Shares		Parent Company Shares held by ABLE	
Number of shares	2026	2025	2026	2025
Balance at beginning of period	398,647,488	377,647,488	21,567,000	21,567,000
Acquisition of shares	8,765,700	21,000,000	-	-
Balance at end of period	407,413,188	398,647,488	21,567,000	21,567,000

Amount	2026	2025	2026	2025
Balance at beginning of period	917,346	377,647	53,951	53,951
Acquisition of shares	106,505	539,699	-	-
Balance at end of period	1,023,851	917,346	53,951	53,951

On July 4, 2025, the BOD of the Parent Company approved the P6 billion-share buy-back program to be funded from unrestricted retained earnings. In July 2025, the Company repurchased a total of 21,000,000 common shares at an aggregate cost of P539.7 million.

During the six months ended June 30, 2026, the Parent Company repurchased an additional 8,765,700 common shares at an aggregate cost of P106.5 million under the share buyback program. These repurchased shares are recorded as "Treasury Shares" in the statement of financial position and are carried at acquisition cost.

As at June 30, 2026, the remaining amount available under the P6.0 billion share buy-back program amounted to P5.35 billion.

On July 9, 2026, the BOD of the Parent Company approved the renewal of the share buy-back program with an authorized budget of approximately P5.36 billion. The share buy-back program is valid for another 12-month period effective on July 9, 2026.

Earnings per Share

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

	2026	2025
Net income attributable to equity holders of the Parent Company (a)	9,801,135	8,401,652
Number of shares		
Weighted average number of shares outstanding (b)	4,554,686	4,432,235
Add: Dilutive shares arising from share options (c)	3,158	113,670
Adjusted weighted average number of shares outstanding (d=b+c)	4,557,844	4,545,905
Basic earnings per share (a/b)	2.1519	1.8956
Diluted earnings per share (a/d)	2.1504	1.8482

Share-based compensation plan

The establishment of the employee share option plan ("the Plan") was approved by the BOD and the stockholders of the Parent Company 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. 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 plan:

	June 30, 2026	December 31, 2025
At beginning of period	129,874,323	259,714,133
Exercised during the period	(62,325,968)	(123,314,000)
Forfeited during the period	-	(6,525,810)
At end of period	67,548,355	129,874,323
Vested and exercisable at end of period	23,643,216	3,238,618

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	June 30, 2026	December 31, 2025
Batch 1				
Tranche 1 - April 1, 2023	January 1, 2024	January 1, 2029	-	-
Tranche 2 - April 1, 2023	January 1, 2025	January 1, 2030	-	2,045,456
Tranche 3 - April 1, 2023	January 1, 2026	January 1, 2031	4,096,500	40,116,755
Batch 2				
Tranche 1 - November 12, 2024	January 1, 2025	January 1, 2030	-	1,193,162
Tranche 2 - November 12, 2024	January 1, 2026	January 1, 2031	19,546,716	42,613,811
Tranche 3 - November 12, 2024	January 1, 2027	January 1, 2032	43,905,139	43,905,139
Total			67,548,355	129,874,323
Weighted average remaining contractual life of options outstanding at end of period			4.01	4.51

The model inputs for options granted included the following:

	Batch 1	Batch 2
Grant date	April 1, 2023	November 12, 2024
Expiry date	January 1, 2029 to 2031	January 1, 2030 to 2032
Strike price	P2.68	P12.94
Fair value at grant date	P1.42	P12.70
Share price at grant date	P2.66	P19.90
Expected dividend yield	0.87%	0.15%

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.

On January 28, 2025, PSE approved the Parent Company's application to list up to 220,382,958 PLUS common shares to cover its ESOP. 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.

The compensation expense recognized during the period ended June 30, 2026 and 2025 amounted to P128,437 and P379,399, respectively, which is presented under cost and operating expenses in the unaudited interim condensed consolidated statements of total comprehensive income. As at June 30, 2026 and December 31, 2025, the stock option reserve arising from the Plan amounted to P708,050 and P924,898, respectively.

Note 8 - Gaming licenses to operate

Revenue from retail games for the six months ended June 30 are as follows:

	2026	2025
Bingo games	2,896,988	3,587,540
Electronic games	29,431,139	43,602,580
	32,328,127	47,190,120

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 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 2025 to December 2025	25%	25%	25%	25%	15%-30%
January 2026 onwards	20%	20%	25%	25%	15%-30%

In addition, the cost for services of PAGCOR's Third Party Audit Provider equivalent to 10% of the PAGCOR share on online games net of franchise tax is also remitted to PAGCOR.

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

PAGCOR awarded the Group the authority to operate and conduct online traditional bingo games, including the betting aspect thereof, through its accredited online platforms, within the parameters of applicable regulations. The licenses are granted for specific periods and are subject to renewal upon compliance with PAGCOR's requirements.

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.

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.

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.

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.

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.

On June 9, 2026, New Coast Leisure Inc. ("NCLI"), an indirect subsidiary of IEC, entered into a non-exclusive Cooperation Agreement with TGXI, covering the integration, aggregation, provision and technical support of approved online gaming content for NCLI's online gaming operations in connection with LaVie Resort and Casino Manila, subject to PAGCOR approval and applicable laws, rules, regulations, licenses, and regulatory requirements.

Note 9 - 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; 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.

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 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.

Note 10 - Costs and operating expenses

Cost and operating expenses for the six months ended June 30 consist of:

	2026	2025
Franchise fees and taxes	10,251,471	18,440,528
Advertising and promotion	8,682,621	10,510,250
Outside services	4,054,409	5,441,099
Salaries and other benefits	2,255,687	2,236,349
Technology and software costs	1,313,269	1,189,157
Depreciation and amortization	963,485	698,816
Others	814,499	869,640
	28,335,441	39,385,839

Note 11 - Related party disclosures

The table below summarizes the Group's transactions and balances with its related parties as at and for the periods ended June 30, 2026 and December 31, 2025:

		June 30, 2026		December 31, 2025	
Nature of transaction	Terms and conditions	Amount of transaction	Outstanding receivables	Amount of transaction	Outstanding receivables
a) Advances *Stockholder*	These pertain to cash advances for working capital provided by the Group to its stockholder that are due and demandable, noninterest-bearing and to be settled in cash.	-	150,000	-	150,000
b) Payment on behalf of *Associates*	In the ordinary course of business, certain expenses of its associates are paid by the Group on their behalf. Such expenses are accordingly reimbursed at cost by its related parties. Amounts are receivable in cash on a gross basis. These are due and demandable; noninterest-bearing and unsecured.	9,267	17,783	2,536	8,516
			167,783		158,516

Note 12 - 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 investment group, and only one (1) reportable geographical segment which is the Philippines. The description of the reportable segments are as follows:

Retail

The retail segment consists largely of venues providing amusements and recreation to the public in such forms as, but not limited to, 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 other investments

The property and investments 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 as at and for the six months ended June 30, 2026 is as follows:

	Retail Group	Casino Group	Network and License Group	Property and Other Investments	Corporate	Eliminations	Consolidated
Revenue	32,384,527	272,003	168,172	27,713	-	-	32,852,415
Cost and operating expenses	(26,112,487)	(213,375)	(123,041)	(274,935)	(648,118)	-	(27,371,956)
EBITDA	6,272,040	58,628	45,131	(247,222)	(648,118)	-	5,480,459
Depreciation and amortization	(739,303)	(95,097)	(89,957)	(35,259)	(3,869)	-	(963,485)
Finance expense and bank charges	(59,734)	(36)	(138)	(11,546)	(351)	-	(71,805)
Net gain on financial assets at FVPL	-	-	-	-	6,748,869	-	6,748,869
Equity in net losses of a joint venture	-	-	-	-	(32,805)	-	(32,805)
Finance income	101,857	69	149	23,351	97,904	-	223,330
Foreign exchange gain (loss), net	(106,227)	508	400	905	315,006	-	210,592
Gain on disposal of property and equipment, net	10	-	-	-	-	-	10
Other expenses, net	(12,413)	417	-	448	-	-	(11,548)
Income tax	-	(4,043)	-	(3)	(1,779,610)	-	(1,783,656)
Profit (loss) for the period	5,456,230	(39,554)	(44,415)	(269,326)	4,697,026	-	9,799,961
Other information as at June 30, 2026							
Total assets	20,358,822	241,759	2,419,293	7,132,384	35,558,056	(3,818,673)	61,891,641
Total liabilities	10,153,137	859,243	1,258,064	2,805,251	2,498,332	(3,301,510)	14,272,517
Capital expenditures	1,230,924	179,934	157,113	28,349	6,314	-	1,602,634

Analysis of financial information by business segment as at December 31, 2025 and for the six months ended June 30, 2025 is as follows:

	Retail Group	Casino Group	Network and License Group	Property and Other Investments	Corporate	Eliminations	Consolidated
Revenue	47,308,179	275,175	169,693	23,176	-	-	47,776,223
Cost and operating expenses	(37,494,402)	(202,688)	(144,260)	(74,934)	(770,739)	-	(38,687,023)
EBITDA	9,813,777	72,487	25,433	(51,758)	(770,739)	-	9,089,200
Depreciation and amortization	(479,118)	(99,494)	(87,980)	(29,370)	(2,854)	-	(698,816)
Finance expense	(60,664)	(19)	(122)	(10,751)	(154)	-	(71,710)
Equity in net losses of a joint venture	-	-	-	-	(30,133)	-	(30,133)
Finance income	156,880	62	43	26,071	2,359	-	185,415
Foreign exchange gain (loss), net	(59,834)	(139)	(213)	434	(7,279)	-	(67,031)
Other expenses, net	(3,099)	233	(25)	(2)	-	-	(2,893)
Income tax	-	(1,711)	-	(826)	-	-	(2,537)
Profit (loss) for the period	9,367,942	(28,581)	(62,864)	(66,202)	(808,800)	-	8,401,495
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

There were no intersegment sales recognized among reportable segments for the six months ended June 30, 2026 and 2025. Unallocated corporate expenses consist of net operating expenses of the Parent Company. Assets of the individual segments mainly comprise investments and advances, due from related parties, property and equipment, and trade receivables. Liabilities of the individual segments include loans payable, trade and other payables, retirement benefits liability, and due to related parties. Capital expenditures on noncurrent assets represent additions to property and equipment and investment properties. Noncash expenses pertain to depreciation and amortization expense attributable to reportable segments.

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

Note 13 - Contingencies

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

Note 14 - Financial risk and capital management objectives and policies

14.1 Financial risk management objectives and policies

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

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

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

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

The BOD of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The BOD has established the Executive Committee, which is responsible for developing and monitoring the Group's risk management policies. The Executive Committee identifies all issues affecting the operations of the Group and reports regularly to the BOD on its activities.
The BOD has a Risk Oversight Committee which is responsible for overseeing and managing the risks that the Group may encounter. The BOD develops proper strategies and measures to avoid or at least minimize such risk incorporating the Group's established risk management policies.

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

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

The BOD constituted the Group's Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the Group's financial statements and financial reporting process and the Group's systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the Group's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance by the Group with legal and regulatory requirements, including the Group's disclosure control and procedures; 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.

14.2 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 June 30, 2026 and December 31, 2025, without considering the effects of collaterals and other risk mitigation techniques, is presented below:

	June 30, 2026	December 31, 2025
Cash and cash equivalents	10,418,550	23,285,973
Receivables, current portion, net	3,064,272	2,805,049
Receivables, non-current portion, net	346,380	337,408
Advances	1,287,996	1,224,246
Lease receivables	144,284	158,068
Rental deposits	550,462	545,411
Cash performance bonds	551,815	533,615
Performance cash deposits	33,200	33,200
Due from related parties	167,783	158,516
Financial assets at FVPL	19,268,480	-
Financial assets at FVOCI	15,965	17,496
	35,849,187	29,098,982

Cash and cash equivalents exclude cash on hand and pay out fund amounting to P94,250 and P115,876 as at June 30, 2026 and December 31, 2025, respectively.

Cash and cash equivalents

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

Receivables and advances

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

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

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

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

As at June 30, 2026 and December 31, 2025, provision for ECL on receivables and advances amounted to P957,628.

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

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

Rental deposits

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

Cash performance bonds/performance cash deposits and betting credit funds

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

Financial assets at FVPL

The Group's exposure to credit risk on its financial asset at FVPL pertains to its investment in convertible notes. Credit risk arises from the possibility that the issuer may default on its contractual obligations.

The Group manages this risk through continuous monitoring of the financial condition and performance of the issuer, including its operating results and underlying assets. Based on management's assessment, the Group's exposure to credit risk is considered manageable.

Financial assets at FVOCI

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

Due from related parties

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

Aging analysis

Set out below is the aging of financial assets as at June 30, 2026 and December 31, 2025:

	June 30, 2026					
	Current	30 days	60 days	90 days and above	ECL	Total
Cash and cash equivalents	10,418,550	-	-	-	-	10,418,550
Receivables, current portion, net	3,838,349	-	-	-	(774,077)	3,064,272
Receivables, non-current portion, net	346,380	-	-	-	-	346,380
Advances	1,471,547	-	-	-	(183,551)	1,287,996
Lease receivables	144,284	-	-	-	-	144,284
Rental deposits	550,462	-	-	-	-	550,462
Cash performance bonds	551,815	-	-	-	-	551,815
Performance cash deposits	33,200	-	-	-	-	33,200
Due from related parties	167,783	-	-	-	-	167,783
Financial assets at FVOCI	15,965	-	-	-	-	15,965
	17,538,335	-	-	-	(957,628)	16,580,707

	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

Credit risk under general and simplified approach

	June 30, 2026				
	General Approach				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Cash and cash equivalents	10,418,550	-	-	-	10,418,550
Receivables, current portion, net	-	-	-	3,064,272	3,064,272
Receivables, non-current portion, net	-	-	-	346,380	346,380
Advances	1,287,996	-	-	-	1,287,996
Lease receivables	-	-	-	144,284	144,284
Rental deposits	550,462	-	-	-	550,462
Cash performance bonds	551,815	-	-	-	551,815
Performance cash deposits	33,200	-	-	-	33,200
Due from related parties	167,783	-	-	-	167,783
Financial asset at FVPL	19,268,480	-	-	-	19,268,480
Financial assets at FVOCI	15,965	-	-	-	15,965
	32,294,251	-	-	3,554,936	35,849,187

	December 31, 2025				
	General Approach				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
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

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 June 30, 2026 and December 31, 2025:

	June 30, 2026					
	Days past due					
	Current	<30 days	30-90 days	More than 90 days	Credit impaired	Total
Expected credit loss rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	2,676,983	144,098	309,232	424,623	774,077	4,329,013
Expected credit loss	-	-	-	-	(774,077)	(774,077)
	2,676,983	144,098	309,232	424,623	-	3,554,936

	December 31, 2025					
	Days past due					
	Current	<30 days	30-90 days	More than 90 days	Credit impaired	Total
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

14.3 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 June 30, 2026 and December 31, 2025, drawdowns against the line of credit amounted to P15,000 and nil, respectively. All facilities under the omnibus line bear interest at floating rates consisting of a margin over current Philippine treasury rates.

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

	June 30, 2026				
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	More than 1 year
Trade and other payables	6,779,468	6,779,468	6,779,468	-	-
Short term and long-term loans payable	760,768	760,768	760,768	-	-
Lease liabilities, including future interest payable	1,308,091	1,834,768	334,241	334,241	1,166,286
Deposits	87,008	87,008	-	30,521	56,487
	8,935,335	9,462,012	7,874,477	364,762	1,222,773

	December 31, 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	-	-
Long-term loans payable	745,768	745,768	745,768	-	-
Lease liabilities, including future interest payable	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

Trade and other payables exclude payable to government agencies and contract liabilities as at June 30, 2026 amounting to P1,275,450 and P1,320,142, respectively, and as at December 31, 2025 amounting to P627,158 and P402,999, respectively.

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

14.4 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 at an acceptable level by buying foreign currencies at spot rates where necessary to address short-term imbalances.

The Group is also exposed to foreign currency risk arising from its investment in convertible notes denominated in Hong Kong dollars (HKD). The convertible notes are translated into Philippine peso (PHP) at the closing exchange rate at each reporting date. Accordingly, fluctuations in the HKD/PHP exchange rate may affect the carrying value of the financial asset and result in foreign exchange gains or losses, which are recognized in profit or loss.

Interest rate risk

The Group’s exposure to changes in interest rates relates primarily to its short-term and long-term debt obligations, as well as its investment in convertible notes classified as financial assets at FVPL.

Management seeks to minimize interest rate risk by maintaining an appropriate mix of variable and fixed interest rates on its loans. The Group’s short-term and long-term bank loans are market-determined, with long-term loan interest rates based on PDST-R2 plus a certain mark-up. The Group has not entered into interest rate swaps or options in 2026 and 2025.

Interest rate movements may also affect the fair value of the debt component of the convertible notes. An increase in market interest rates may result in a decrease in fair value, while a decrease in interest rates may have the opposite effect. Such changes in fair value are recognized in profit or loss.

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

Equity price risk

Equity price risk is the risk that the fair value of investments in equity securities may decrease as a result of changes in equity indices and the value of individual stocks.

Management monitors movements in share prices pertaining to its investments. The Group is exposed to equity price risk arising from investments held by the Group, including financial assets at FVPL and financial assets at FVOCI.

The Group’s investment in convertible notes includes an embedded conversion option into equity shares of the issuer, which exposes the Group to changes in the issuer’s share price. An increase in the share price generally results in an increase in the fair value of the instrument, while a decrease in share price may result in a decline in fair value. These changes are recognized in profit or loss.

Fair values

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

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

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

Non-current receivable

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

Long-term loans payable

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

Financial assets at FVPL

The fair value of the financial assets at FVPL as at June 30, 2026 was determined using a valuation technique that incorporates both a discounted cash flow model and an option pricing model, reflecting the debt host contract and the embedded conversion option.

The fair value measurement is categorized under Level 3 of the fair value hierarchy due to the use of unobservable inputs. The significant unobservable inputs include expected volatility of the issuer's share price and discount rates.

As of June 30, 2026, there were no transfers between levels of the fair value hierarchy.

Financial assets at FVOCI

The fair value of the FVOCI is based on the quoted market price of the investment in equity as at June 30, 2026 and December 31, 2025. The fair value is under Level 1 of the fair value hierarchy.

As of June 30, 2026 and December 31, 2025, there were no transfers between levels of the fair value hierarchy.

14.5 Capital management

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

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group defines capital as equity, which includes capital stock, additional paid-in capital and retained earnings. There were no changes in the Group's approach to capital management as at June 30, 2026 and December 31, 2025.

Note 15 - Other matters

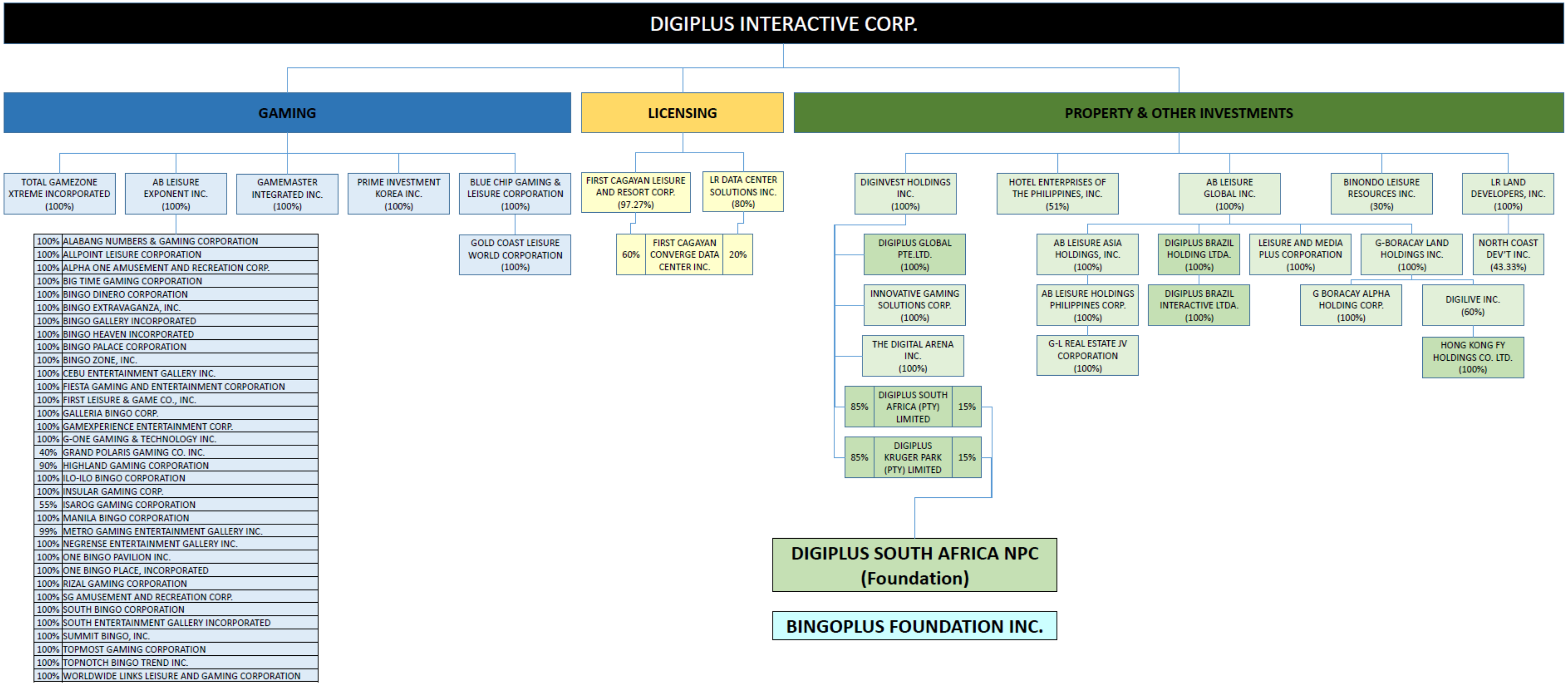
Geopolitical developments

During the six-month period ended June 30, 2026, geopolitical tensions in certain regions, including areas affected by armed conflict, continued to evolve. These developments have contributed to volatility in global financial and commodity markets and disruptions to certain trade routes and supply chains. Management has assessed the potential implications of these developments on the Group's interim condensed consolidated financial statements, including the recoverability of non-financial assets, expected credit losses on financial assets, fair value measurements, contract performance and enforceability, and liquidity risk.

Based on information available as of June 30, 2026, management concluded that these developments did not have a material impact on the Group's interim condensed consolidated financial position, financial performance, or cash flows for the period then ended. However, the situation remains fluid and the extent of any future impact will depend on the duration and severity of the geopolitical developments and their broader economic consequences. Management continues to monitor developments and will recognize any material effects in future reporting periods, as appropriate.

DigiPlus Interactive Corp. and Subsidiaries

Map of Conglomerate
As of June 30, 2026



DigiPlus Interactive Corp. and Subsidiaries

Schedule of Financial Soundness Indicators
(As at June 30, 2026 and December 31, 2025 and
for the six months ended June 30, 2026 and 2025)

(All amounts in Philippine Peso)

Key Performance Indicator	Formula	2026	2025
Current Ratio	Current Assets / Current Liabilities	**1.71**	3.08
Acid Test Ratio	Cash and cash equivalents + Receivables, net + Due from related parties / Current Liabilities	**1.38**	2.88
Debt to Equity Ratio	Total Liabilities / Stockholders' Equity	**0.30**	0.29
Asset to Equity Ratio	Total Assets / Stockholders' Equity	**1.30**	1.29
Return on Average Equity	Net Income / Average Stockholders' Equity	**22%**	25%
Return on Average Assets	Net Income / Average Total Assets	**17%**	18%
Solvency Ratio	Net Income + Depreciation / Average Total Liabilities	**0.82**	0.73
Interest Coverage Ratio	Income Before Interest, Tax & Depreciation / Interest Expense	**81.31**	848.03
Net Book Value Per Share	Stockholders' Equity / Shares Outstanding	**10.39**	9.07
Basic Earnings Per Share	Income Attributable to Ordinary Stockholders of the Parent Company / Weighted Average Shares Outstanding	**2.1519**	1.8956
Net Profit Margin	Net income / Revenue	**30%**	18%