

**RIZING PHILIPPINES INC.**  
*(A Wholly-Owned Subsidiary of Rizing Pte. Ltd.)*

**FINANCIAL STATEMENTS**  
**MARCH 31, 2026 and 2025**



## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and the Stockholders  
**RIZING PHILIPPINES INC.**  
*(A Wholly-owned Subsidiary of Rizing Pte. Ltd.)*  
10<sup>th</sup> Floor The Curve Building  
32<sup>nd</sup> Street Corner 3<sup>rd</sup> Avenue  
Bonifacio Global City  
Taguig 1634, Philippines

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of **RIZING PHILIPPINES INC.** (the "Company"), which comprise the statements of financial position as of March 31, 2026 and 2025 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

Without qualifying our opinion, we draw attention to Note 1, which describes that the Company has incurred losses amounting to P2,193,389 and P145,172,605, for the years ended March 31, 2026 and 2025, respectively. Accordingly, the Company had deficits of P870,166,474 and P867,973,085, as of March 31, 2026 and 2025, respectively, resulting to capital deficiencies of P6,754,363 and P200,775,301, as of March 31, 2026 and 2025, respectively. To address the going concern issue, the Company has formulated targeted plans and initiatives intended to raise revenues, reduce costs and expenses, as well as build-up its capital. The Company shall endeavor to adopt any or all of the following measures: (1) develop and launch new and alternative products, services and packages meant to drive new market segments to the clinics and seize new opportunities post-pandemic; (2) embark on more aggressive cost and expense cutting measures such as implementation of lean inventory, streamlining of manpower complement, re-assessment of clinics as a stand-alone revenue unit and further reduction of non-mission critical expenses; and (3) consider a capital build-up plan both with respect to payment of unpaid subscription and increase of capitalization through investment by existing stockholders and various stakeholders. Thus, the financial statements have been prepared on the assumption that the Company will continue as a going concern.

We performed audit procedures to evaluate Management's plans for such future actions as to likelihood to improve the situation and as to feasibility under the circumstances.

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

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

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

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

### *Auditors' Responsibilities for the Audits of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Legal and Regulatory Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 25, to the financial statements, is presented for purposes of filing with Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the Management of **RIZING PHILIPPINES INC.** The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**R.S. BERNALDO & ASSOCIATES**

BOA/PRC No. 0300

Valid until November 19, 2026

BSP Group B Accreditation No. 0300-BSP

Valid until 2026 audit period

BIR Accreditation No. 08-007679-000-2026

Valid from February 2, 2026 until February 1, 2029

IC Group A Accreditation No. 0300-IC

Valid until 2026 audit period

CDA CEA No. 013 - AF

Valid from August 28, 2025 to August 27, 2030



**GLENN J. MAGCALING**

Partner

CPA Certificate No. 98624

BOA/PRC No. 0300/P-005

Valid until November 19, 2026

BSP Group B Accredited

Valid until 2029 audit period

BIR Accreditation No. 08-007679-005-2024

Valid from February 19, 2024 until February 18, 2027

Tax Identification No. 198-646-943

IC Group A Accreditation No. IC-EA-2025-0034-N

Valid until 2027 audit period

PTR No. 10780862

Issued on January 20, 2026 at Makati City

June 4, 2026

**RIZING PHILIPPINES INC.**  
(A Wholly-Owned Subsidiary of Rizing Pte. Ltd.)

**STATEMENTS OF FINANCIAL POSITION**  
MARCH 31, 2026 and 2025  
(In Philippine Peso)

	Notes	2026	2025
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	6	P80,028,375	P118,642,711
Trade and other receivables, net	7	105,719,872	78,227,806
Prepayment and other current asset, net	8	24,627,973	17,182,741
Contract assets	7	6,358,248	52,092,246
Refundable deposits	17	3,838,202	3,812,402
<b>Total Current Assets</b>		<b>220,572,670</b>	<b>269,957,906</b>
<b>Non-current Asset</b>			
Property and equipment, net	9	616,614	1,769,882
<b>TOTAL ASSETS</b>		<b>221,189,284</b>	<b>271,727,788</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	43,695,772	163,767,254
Borrowings	12	166,830,282	168,771,398
Advances from related parties	19	11,247,039	121,102,613
Contract liabilities	11	5,761,050	17,690,599
<b>Total Current Liabilities</b>		<b>227,534,143</b>	<b>471,331,864</b>
<b>Non-current Liability</b>			
Retirement benefit obligation	16	409,504	1,171,225
<b>Total Liabilities</b>		<b>227,943,647</b>	<b>472,503,089</b>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	13	22,507,000	22,506,000
Additional paid-in capital	13	840,778,688	645,437,688
Remeasurements	16	126,423	(745,904)
Deficit		(870,166,474)	(867,973,085)
<b>Total Stockholders' Equity</b>		<b>(6,754,363)</b>	<b>(200,775,301)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>P221,189,284</b>	<b>P271,727,788</b>

See Notes to the Financial Statements.

**RIZING PHILIPPINES INC.**  
(A Wholly-Owned Subsidiary of Rizing Pte. Ltd.)

**STATEMENTS OF COMPREHENSIVE INCOME**  
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025  
(In Philippine Peso)

	Notes	2026	2025
<b>REVENUES</b>	14	<b>₱357,847,322</b>	<b>₱355,200,117</b>
<b>DIRECT COSTS</b>	15	<b>(304,677,274)</b>	<b>(396,957,524)</b>
<b>PROFIT (LOSS)</b>		<b>53,170,048</b>	<b>(41,757,407)</b>
<b>OPERATING INCOME</b>			
Gain on reversal of allowance for impairment	8,21	2,415,721	-
<b>OPERATING EXPENSES</b>			
Hiring cost		-	(4,247,495)
Training and education		-	(17,728)
Loss on derecognition of property and equipment	9	-	(241,987)
Insurance expense		(30,778)	(23,543)
Retirement benefits expense	16	(110,606)	(321,505)
Utilities		(144,097)	(683,637)
Transportation and travel		(289,401)	(833,438)
Advertising and promotions		(649,614)	(424,142)
Professional fees		(756,346)	(3,386,765)
Office supplies		(868,212)	(918,159)
Depreciation and amortization	9	(1,153,268)	(2,006,595)
Taxes, licenses and stamp duty		(2,039,282)	(9,023,628)
Provision for expected credit losses	7	(3,567,414)	(2,506,201)
Rent	17	(7,739,098)	(10,318,797)
Short-term benefits	16	(23,254,636)	(38,492,068)
Miscellaneous		(1,531,294)	(10,841,681)
		<b>(39,718,325)</b>	<b>(84,287,369)</b>
<b>PROFIT (LOSS) FROM OPERATIONS</b>		<b>13,451,723</b>	<b>(126,044,776)</b>
<b>OTHER EXPENSE, net</b>			
Realized foreign exchange loss	21	(1,491,853)	(16,688,332)
Unrealized foreign exchange (loss) gain, net	21	(3,063,524)	9,096,500
Finance cost on borrowings	12,21	(10,456,368)	(11,336,405)
		<b>(15,011,745)</b>	<b>(18,928,237)</b>
<b>LOSS BEFORE TAX</b>		<b>(1,560,022)</b>	<b>(144,973,013)</b>
<b>INCOME TAX BENEFIT</b>			
Current	18	(633,367)	(199,592)
		<b>(633,367)</b>	<b>(199,592)</b>
<b>LOSS</b>		<b>(2,193,389)</b>	<b>(145,172,605)</b>
<b>OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS</b>			
Remeasurements	16	872,327	332,880
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(₱1,321,062)</b>	<b>(₱144,839,725)</b>

See Notes to the Financial Statements.

**RIZING PHILIPPINES INC.**  
(A Wholly-Owned Subsidiary of Rizing Pte. Ltd.)

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED MARCH 31, 2026 AND 2025**  
(In Philippine Peso)

	Notes	Share Capital	Additional Paid-In Capital	Remeasurements	Deficit	Total
As at April 1, 2024	13,16	22,504,000	54,773,466	(1,078,784)	(722,800,480)	(646,601,798)
Issuance of ordinary shares	13	2,000				2,000
Additional paid-in capital	13		590,664,222			590,664,222
Loss					(145,172,605)	(145,172,605)
Other comprehensive income	16			332,880		332,880
<b>As at March 31, 2025</b>	<b>13,16</b>	<b>₱22,506,000</b>	<b>₱645,437,688</b>	<b>(₱745,904)</b>	<b>(₱867,973,085)</b>	<b>(₱200,775,301)</b>
Issuance of ordinary shares	13	1,000				1,000
Additional paid-in capital	13		195,341,000			195,341,000
Loss					(2,193,389)	(2,193,389)
Other comprehensive income	16			872,327		872,327
<b>As at March 31, 2026</b>	<b>13,16</b>	<b>₱22,507,000</b>	<b>₱840,778,688</b>	<b>₱126,423</b>	<b>(₱870,166,474)</b>	<b>(₱6,754,363)</b>

See Notes to the Financial Statements.

**RIZING PHILIPPINES INC.**  
(A Wholly-Owned Subsidiary of Rizing Pte. Ltd.)

**STATEMENTS OF CASH FLOWS**  
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025  
(In Philippine Peso)

	Notes	2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(P1,560,022)	(P144,973,013)
Adjustments for:			
Finance cost	12	10,456,368	11,336,405
Provision for expected credit loss	7	3,567,414	2,506,201
Unrealized loss (gain) on foreign exchange, net	21	3,063,524	(9,096,500)
Depreciation	9	1,153,268	2,006,595
Retirement benefits expense	16	110,606	321,505
Loss on derecognition of property and equipment	9	-	241,987
Gain on reversal of allowance for impairment	8,21	(2,415,721)	-
Operating income (loss) before working capital changes		14,375,437	(137,656,820)
Decrease (Increase) in:			
Contract assets		45,733,998	(20,585,881)
Refundable deposits		(25,800)	-
Prepayments and other current asset		(5,662,877)	(8,299,845)
Trade and other receivables		(31,297,561)	(29,464,346)
(Decrease) Increase in:			
Contract liabilities		(11,929,549)	1,089,871
Trade and other payables		(119,795,282)	83,374,441
<b>Net cash used in operating activities</b>		<b>(108,601,634)</b>	<b>(111,542,580)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additional paid-in capital	13	195,341,000	590,664,222
Issuance of share capital	13	1,000	2,000
Acquisitions of property and equipment	9	-	(731,280)
<b>Net cash provided by investing activities</b>		<b>195,342,000</b>	<b>589,934,942</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advances received from related parties	19	508,571	1,720,606
Finance cost paid on borrowings	12	(12,397,484)	(12,373,777)
Advances paid to related parties	19	(113,262,340)	(376,363,101)
<b>Net cash used in financing activities</b>		<b>(125,151,253)</b>	<b>(387,016,272)</b>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH</b>			
	6,21	(203,449)	5,409,653
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>(38,614,336)</b>	<b>96,785,743</b>
<b>CASH AT BEGINNING OF THE YEAR</b>		<b>118,642,711</b>	<b>21,856,968</b>
<b>CASH AT END OF THE YEAR</b>	6	<b>P80,028,375</b>	<b>P118,642,711</b>

See Notes to the Financial Statements.

**RIZING PHILIPPINES INC.**  
(A Wholly-Owned Subsidiary of Rizing Pte. Ltd.)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2026 and 2025**  
(In Philippine Peso)

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**1. General Information and Status of Operation**

Company Information

Rizing Philippines Inc. (the "Company") was registered with the Securities and Exchange Commission (SEC) on June 18, 2015 per SEC Registration Number CS201511871. The Company was also registered with the Bureau of Internal Revenue (BIR) per Tax Identification Number (TIN) 009-064-674-00000. Its primary purpose is to provide process outsourcing focusing on Information Technology (IT) and IT-enabled services, including business consultancy services, operations, system design, integrations and management, re-selling of software licenses, management of software development, content development, maintenance, support and a host of other services tailor fit for evolving IT and business needs; engage in all consultancy and managed services related to IT-enabled services.

In February 2020, the SEC approved the Company's application to change its corporate name from Syncforsuccess Philippines, Inc. to Rizing Philippines Inc.

The Company is a wholly-owned subsidiary of Rizing Pte. Ltd. (the "Immediate Parent Company"), a corporation organized under the laws of Singapore. Rizing Intermediate Holdings Inc., a company incorporated in United States of America is the intermediate parent. Wipro Limited, a company incorporated in India and listed on BSE Ltd (fka. Bombay Stock Exchange) and National Stock Exchange of India Ltd. as the ultimate holding company.

The registered office and principal place of business of the Company is located at 10th floor, The Curve Building, 32<sup>nd</sup> Street corner 3<sup>rd</sup> Avenue, Bonifacio Global City, Taguig 1634 Philippines.

Status of Operation

The financial statements have been prepared on a going concern basis, which contemplates the realization of current assets and settlement of current liabilities in the normal course of business.

The Company has incurred net losses in 2026 and 2025 amounting to ₱2,193,389 and ₱145,172,605, respectively. Accordingly, the Company also had deficit of ₱870,166,474 and ₱867,973,085 as of March 31, 2026 and 2025, respectively, resulting to capital deficiencies of ₱6,754,363 and ₱200,775,301, as of March 31, 2026 and 2025, respectively. These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. To address the going concern issue, the Company has formulated targeted plans and initiatives intended to raise revenues, reduce costs and expenses, as well as build-up its capital. The Company shall endeavor to adopt any or all of the following measures: (1) develop and launch new and alternative products, services and packages meant to drive new market segments to the clinics and seize new opportunities post-pandemic; (2) embark on more aggressive cost and expense cutting measures such as implementation of lean inventory, streamlining of manpower complement, re-assessment of clinics as a stand-alone revenue unit and further reduction of non-mission critical expenses; and (3) consider a capital build-up plan both with respect to payment of unpaid subscription and increase of capitalization through investment by existing stockholders and various stakeholders. Thus, the financial statements have been prepared on the assumption that the Company will continue as a going concern.

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## 2. Financial Reporting Framework and Basis of Preparation and Presentation

### Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments carried at amortized cost.

### Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest Philippine Peso, except when otherwise indicated.

### Current and Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve (12) months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

A liability is current when it is: (a) expected to be settled in the normal operating cycle; (b) held primarily for trading; (c) due to be settled within twelve (12) months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

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## 3. Adoption of New and Revised Accounting Standards

### Adoption of New and Revised Accounting Standards

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS) Accounting Standards. The term "PFRS Accounting Standards" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS Accounting Standards prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

## New and Revised PFRS Accounting Standards Applied with No Material Effect on the Financial Statements

The following new and revised PFRS Accounting Standards have also been adopted in these financial statements. The application of these new and revised PFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments cover the following areas:

- Specify when a currency is exchangeable into another currency and when it is not – a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable – when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
- Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

## New and Revised PFRS Accounting Standards in Issue but Not Yet Effective

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS Accounting Standards, to have significant impact on the financial statements.

### Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

The amendments cover the following areas:

- Derecognition of a financial liability settled through electronic transfer - the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.
- Classification of financial assets:
  - Contractual terms that are consistent with a basic lending arrangement - the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
  - Assets with non-recourse features - the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
  - Contractually linked instruments - the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.

- There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards - Volume 11* relate to:

- PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* - the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, *Financial Instruments*.
- PFRS 7, *Financial Instruments: Disclosures*
  - Gain or Loss on Derecognition - the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13, *Fair Value Measurement* was issued.
  - Disclosure of Deferred Difference Between Fair Value and Transaction Price - the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
  - Introduction and Credit Risk Disclosures - the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9, *Financial Instruments*
  - Lessee derecognition of lease liabilities - the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.
  - Transaction price - the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15, *Revenue from Contracts with Customers* while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10, *Consolidated Financial Statements, Determination of a 'de facto agent'* - the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
- PAS 7, *Statement of Cash Flows, Cost Method* - the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds.

It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin.

It requires an entity to provide information that distinguishes two (2) ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2027. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2030, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB's Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

The new requirements include:

- Improved comparability in the statement of profit or loss (income statement);
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS Accounting Standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS Accounting Standards.

An entity may elect to apply the PFRS 19 if at the end of reporting period:

- It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements*;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS Accounting Standards.

An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore Improve the usefulness of comparative information for users of financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

#### Deferred

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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## 4. Material Accounting Policies

### Financial Assets and Financial Liabilities

*Initial Recognition and Measurement.* The Company recognizes a financial asset in its statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Company measures trade receivables that do not have a significant financing component at their transaction price.

The Company recognizes a financial liability in its statements of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue of the liability.

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVTPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As of March 31, 2026 and 2025, the Company does not have financial assets measured at FVTPL and FVOCI and financial liabilities measured at FVTPL.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within twelve (12) months after the reporting period. Otherwise, these are classified as non-current assets.

As of March 31, 2026 and 2025, the Company's financial assets measured at amortized cost include cash in banks, trade and other receivables, and refundable deposits (see Notes 6, 7 and 17).

#### Cash in banks

Cash in banks are cash deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

#### Trade and Other Receivables

Trade and other receivables are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

#### Refundable Deposits

Refundable deposits represent payments made in relation to the leases, utilities and other agreements entered into by the Company. These are carried at amortized cost and will generally be refunded without interest or be applied to certain rentals due and owning and/or damages to the leased premises. Refundable deposits also include the payments in relation to the revenue agreements entered by the Company in the nature of performance bond. These will be refunded at the end of the service period if there are no latent and material defects encountered during the period.

*Financial Liabilities at Amortized Cost.* The Company classifies all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

As of March 31, 2026 and 2025, the Company's financial liabilities measured at amortized cost include trade and other payables (excluding government liabilities), borrowings and advances from related parties (see Notes 11, 12 and 19).

*Impairment.* The Company measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Company adopted the following approaches in accounting for impairment.

➤ General Approach

The Company applies general approach to cash in banks and refundable deposits. At each reporting date, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Company measures the loss allowance equal to 12-month expected credit losses.

The Company compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, inflation rates, and or other macro-economic factors, the performance of the counterparties' industry, and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

The Company determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Company did not apply the 30 days past due rebuttable presumption because based on Company's historical experience, credit risk has not increases significantly even if contractual payments are more than 30 days past due.

If Company has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Company performs the assessment of significant increases in credit risk on an individual basis.

The Company determines when a default occurs on its financial assets based on its credit management practice.

The Company did not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not because based on the Company's historical experience, past due amounts even over 90 days are still collectible.

The Company determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➤ **Simplified Approach**

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Company determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

Derecognition of Financial Assets and Liabilities

*Financial Assets.* The Company derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset have expired or it transfers the financial asset, and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

*Financial Liabilities.* The Company removes a financial liability (or part of a financial liability) from its statements of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or has expired).

Write-Off

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

### Contract Assets

A contract asset pertains to the Company's right to consideration in exchange for goods or services that the Company's has transferred to a customer when that right is conditioned on something other than the passage of time. The Company assesses a contract asset for impairment in accordance with PFRS 9.

### Prepayments

Prepayments represent expenses not yet incurred, but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or have expired with the passage of time.

Prepayments are classified in the statements of financial position as current assets when the expenses related to prepayments are expected to be incurred within one (1) year or the Company's normal operating cycle whichever is longer. Otherwise, prepayments are classified as non-current assets.

### Creditable Withholding Tax

Creditable withholding tax pertain to taxes withheld by third parties arising from sale of service that will be claimed against income tax due and carried over in succeeding periods for the same purpose.

### Borrowing Costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial measurement of property and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use.

Depreciation, which commences when the assets are available for their intended use, is computed using the straight-line method over the following annual depreciation rates:

	Number of Years
Computer equipment	3
Furniture and fixtures	3

Leasehold improvements are depreciated over the shorter between the improvements' useful life of three (3) years or the lease term.

The remaining useful lives, residual values and depreciation method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statements of comprehensive income in the period of retirement and disposal.

### Impairment of Assets

The carrying amounts of prepayment and other current asset and property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity. The cost of acquiring the Company's own shares are shown as a deduction from equity until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity.

### Contract Liabilities

This pertains to the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer.

Contract liabilities are initially recorded as liability and measured at the amount of cash received. Subsequently, these are recognized in profit or loss as the Company satisfies its performance obligations by transferring promised goods or services to customers.

### Revenue recognition

The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

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

#### *Rendering of services*

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time because the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

The Company is a service provider and revenue is based on the chargeable hours (time spent) rendered by them. Revenues pertaining to consultancy were recognized by reference to the stage of completion of a transaction using the percentage of completion method. Under this method, revenue is recognized in the accounting periods in which the services are rendered. The recognition of revenue on this basis provides useful information on the extent of service activity and performance during a period. Revenue pertaining to license subscription are recognized based on client's availment of the subscription, hence, subscription revenue is being recognized over the contract period.

#### Leases

##### *The Company as a Lessee*

The Company considers whether a contract is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration. To apply this definition the Company assesses whether the contract meets three (3) key evaluations, which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

The Company has elected to account for short-term leases and low-value assets using practical expedients. Instead of recognizing ROU asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

#### Foreign Currency Transactions and Translation

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, i.e., foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences arising on non-monetary assets and liabilities where the gains and losses of such non-monetary items are recognized directly in equity; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

## Taxes

*Current Tax.* Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax relating to items recognized directly in equity is recognized in equity and not in the statements of comprehensive income. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

*Deferred Tax.* Deferred tax is recognized using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized using the liability method for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry-Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax are recognized in the statements of comprehensive income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company opted not to recognize related deferred tax assets and liabilities, as the Management believes that there is no probability that future taxable profits will be available.

## Employee Benefits

### *Short-term Benefits*

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, 13th month pay, employer share contributions and other de minimis benefits, among others.

### *Post-employment Benefits*

The Company has an unfunded and non-contributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one (1) or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Post-employment expenses include current service cost, past service cost, and net interest on defined benefit asset/liability. Remeasurements which include cumulative actuarial gains and losses, return on plan assets, and changes in the effects of asset ceiling are recognized directly in other comprehensive income and is also presented under equity in the statements of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

The liability is recognized in the statements of financial position in respect of defined benefit pension plans and is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an independent actuary using the PUCM. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

#### Related Parties

A related party is a person or entity that is related to the Company that is preparing its financial statements. A person or a close member of that person's family is related to Company if that person has control or joint control over the Company, has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions applies:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- The entity is controlled or jointly-controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

### Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Note 3, was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

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## 5. Use of Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS Accounting Standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

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

### 5.01 Critical Judgments in Applying Accounting Policies

#### Assessment of Going Concern Issue

When preparing financial statements, Management shall make an assessment of the Company's ability to continue as a going concern. The Company shall prepare financial statements on a going concern basis unless Management either intends to liquidate the Company or to cease trading or has no realistic alternative but to do so. When Management is aware in making its assessment of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, the Company shall disclose those uncertainties. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but is not limited to, twelve (12) months from the end of the reporting period. The degree of consideration depends on the facts in each case. Management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

The Company has incurred net losses in 2026 and 2025 amounting to ₱2,193,389 and ₱145,172,605, respectively. Accordingly, the Company also had deficit of ₱870,166,474 and ₱867,973,085 as of March 31, 2026 and 2025, respectively, resulting to capital deficiencies of ₱6,754,363 and ₱200,775,301, as of March 31, 2026 and 2025, respectively. These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. To address the going concern issue, the Company has formulated targeted plans and initiatives intended to raise revenues, reduce costs and expenses, as well as build-up its capital. The Company shall endeavor to adopt any or all of the following measures: (1) develop and launch new and alternative products, services and packages meant to drive new market segments to the clinics and seize new opportunities post-pandemic; (2) embark on more aggressive cost and expense cutting measures such as implementation of lean inventory, streamlining of manpower complement, re-assessment of clinics as a stand-alone revenue unit and further reduction of non-mission critical expenses; and (3) consider a capital build-up plan both with respect to payment of unpaid subscription and increase of capitalization through investment by existing stockholders and various stakeholders. Thus, the financial statements have been prepared on the assumption that the Company will continue as a going concern, as disclosed in Note 1.

#### Assessment of Contractual Terms of a Financial Asset

The Company determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Company considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest. As of March 31, 2026 and 2025, the Company's financial assets measured at amortized cost amounted to ₱189,586,449 and ₱200,682,919, respectively, as disclosed in Note 22.

#### Assessment of 30 days Rebuttable Presumption

The Company determines when a significant increase in credit risks occurs on its financial assets based on its credit management practice.

Management believes that the 30 days past due rebuttable presumption is not applicable since based on Company's historical experience, credit risk has not increased significantly even if contractual payments are more than 30 days past due.

#### Assessment of 90 days Rebuttable Presumption

The Company determines when a default occurs on its financial assets based on its credit management practice.

Management believed that the 90 days rebuttable presumption is not applicable because based on the Company's historical experience, past due amounts even over 90 days are still collectible.

#### Assessment of Timing of Satisfaction of Performance Obligations

The Company satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time or at a point in time. Management assessed that the performance obligation is satisfied over time because the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs. Revenue is recognized when performance obligation is satisfied.

The Company derived its revenues from its services rendered which comprise of license subscription and consulting services. In 2026 and 2025, revenues recognized from services amounted to ₱357,847,322 and ₱355,200,117, respectively, as disclosed in Note 14.

#### Assessment of the Transaction Price and the Amounts Allocated to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price to performance obligation is applicable since there are two performance obligation, which is the rendering of consulting services and license subscription services.

#### Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised and Termination Option will not be Exercised

Lease term is the non-cancellable period for which the Company has the right to use an underlying asset including optional periods when the Company is reasonably certain to exercise an option to extend a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Company is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Management assessed that the Company cannot extend the lease term beyond the non-cancellable lease period because the renewal is subject to mutual consent by both parties, such is not enforceable under the Philippine law.

#### Determining whether or not a Contract Contains a Lease

Management assessed that contract with Figari Solutions, Inc. on leases of office spaces qualify as a lease since the contract contain an identified asset, the Company has a right to obtain substantially all of the economic benefits, and the Company has a right to direct the use of the identified asset throughout the period of use.

#### 5.02 Key Sources of Estimation Uncertainties

The estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such.

#### Post-employment Benefits

The determination of the pension liability and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, expected returns on plan assets and rates of compensation increase. In accordance with PFRS Accounting Standards, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

As of March 31, 2026 and 2025, the carrying amounts of retirement benefit obligation amounted to ₱409,504 and ₱1,171,225, respectively, as disclosed in Note 16. In 2026 and 2025, the Company recognized retirement benefit expense amounting to ₱110,606 and ₱321,505, respectively, as disclosed in Note 16.

In 2026 and 2025, the Company recognized in other comprehensive income, remeasurement gain and loss amounting to ₱872,327 and ₱332,880, respectively, as disclosed in Note 16.

#### Estimating Allowances for Expected Credit Losses

The Company evaluates the allowance for expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience, available financial information, and current and forecast macro-economic information.

The Management estimates proportion of the financial assets that has experienced a significant increase in credit risk using general information and calculate allowance for expected credit losses on that basis. A number of qualitative and quantitative factors may be considered to adjust the allowance for expected credit losses to reflect a more considerable value.

The Company uses credit ratings, performance of banking industry, macro-economic and bank's financial information to assess the allowance for expected credit losses on its cash in banks. In view of the foregoing factors, Management believed that the allowance for expected credit losses on cash in banks amounted to nil.

In both periods, Management did not recognize provision for expected credit losses on its refundable deposit since it is considered immaterial.

The Company uses available financial information, performance of clients' industry, current and forecast macro-economic information to assess the allowance for expected credit losses on its trade receivables. In view of the foregoing factors, Management believed that the allowance for expected credit losses on trade receivables amounted to ₱4,580,958 and ₱1,013,544 as of March 31, 2026 and 2025, respectively, as disclosed in Note 7. In 2026 and 2025, the Company recognized provision for expected credit losses amounting to ₱3,567,414 and ₱2,506,201, respectively, while the write-off of trade receivables amounted to nil and ₱1,492,657 in 2026 and 2025, respectively, as disclosed in Note 7.

The carrying amounts of the financial assets measured at amortized cost as of March 31, 2026 and 2025 amounted to ₱189,586,449 and ₱200,682,919, respectively, as disclosed in Note 22.

### Reviewing Useful Lives and Depreciation Method of Property and Equipment

The useful lives and depreciation method of the Company's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Company's assets are estimated based on the period over which the assets are expected to be available for use.

In determining the useful life of an asset, the Company considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets. The Company uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits.

If there is an indication that there has been a significant change in the pattern used by which the Company expects to consume an asset's future economic benefits, the Company shall review its present depreciation method and, if current expectations differ, it shall change the depreciation method to reflect the new pattern.

In both years, Management assessed that there is no significant change from previous estimates. As of March 31, 2026 and 2025, the carrying amounts of property and equipment amounted to ₱616,614 and ₱1,769,882, respectively, as disclosed in Note 9.

### Impairment of Assets

The Company assesses at the end of each reporting date whether there is an indication that the carrying amounts of all non-financial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. At the end of each reporting date, the Company assesses whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

Management has reviewed the carrying values of the Company's non-financial assets as of March 31, 2026 and 2025 for impairment. Based on the Management's assessment, there were no indications that the non-financial assets were impaired, thus no impairment loss needs to be recognized for the years ended March 31, 2026 and 2025.

### Evaluating Deferred Tax

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

As of March 31, 2026 and 2025, Management believes that there is no probability that future taxable profits will be available to allow all or part of its deferred tax assets to be utilized prior to its expiration. The Company's unrecognized deferred tax assets as of March 31, 2026 and 2025 amounted to ₱104,542,606 and ₱168,682,978, respectively, as disclosed in Note 18.

## 6. Cash

For the purpose of the statements of cash flows, cash pertains to cash in banks amounting to P80,028,375 and P118,642,711 as of March 31, 2026 and 2025, respectively.

In 2026 and 2025, cash in banks represent checking accounts, thus, no finance income was earned.

Unrealized foreign exchange loss and gain arising from the US dollar denominated cash in banks amounted to P203,449 and P5,409,653 in 2026 and 2025, respectively, as disclosed in Note 21.

Realized foreign exchange loss amounted to P1,196,137 and P2,377,480 in 2026 and 2025, respectively, as disclosed in Note 21.

There were no significant cash balances held by the Company that are not available for use by the Company by means of foreign exchange controls, legal restrictions and bank-imposed restrictions among others.

## 7. Receivables, net

### 7.01 Trade and Other Receivables, net

This account consists of:

	Note	2026	2025
Trade receivables:			
Third parties		P35,787,492	P40,363,242
Related parties	19	74,513,338	38,878,108
		P110,300,830	P79,241,350
Less: Allowance for expected credit losses		4,580,958	1,013,544
		P105,719,872	P78,227,806

Movements of allowance for expected credit losses are as follows:

	2026	2025
Opening carrying amount	P1,013,544	P-
Provision for the year	3,567,414	2,506,201
Accounts permanently written off	-	(1,492,657)
Balance, December 31	P4,580,958	P1,013,544

In 2026 and 2025, the Company has written-off trade receivables amounting to nil and P1,492,657, respectively.

Aging of trade receivables that are past due but not impaired are as follows:

	2026	2025
1-30 days	P13,367,875	P28,271,678
31-60 days	4,202,045	4,814,863
Over 60 days	18,217,572	7,276,701
	P35,787,492	P40,363,242

Trade receivables carrying value approximates its fair value. Average collection period generally granted to trade receivable customers is 30 days, non-interest bearing, and to be settled in cash.

Unrealized foreign exchange gains arising from the Malaysian Ringgit (MYR) and Pound Sterling (GBP) denominated trade and other receivables amounted to P276,200 and P887,490 in 2026 and 2025, respectively, as disclosed in Note 21.

Realized foreign exchange gain and loss amounted to ₱4,888 and ₱710 in 2026 and 2025, respectively, as disclosed in Note 21.

#### 7.02 Contract Assets

As of March 31, 2026 and 2025, the Company's contract assets amounted ₱6,358,248 and ₱52,092,246, respectively. These represents unbilled services rendered during the year, which are expected to be billed in succeeding periods. The related cost of contract assets pertains to the cost of consulting services rendered by the Company.

#### 8. Prepayment and Other Current Asset, net

This account consists of:

	2026	2025
Prepaid expenses	₱2,413,153	₱3,372,916
Creditable withholding tax (CWT)	22,214,820	16,225,546
	24,627,973	19,598,462
Less: Allowance for non-recoverability of CWT	-	(2,415,721)
	<b>₱24,627,973</b>	<b>₱17,182,741</b>

Prepaid expenses are future expenses which include subscription and recruitment fees which will be expensed in three (3) months after the end of the reporting period.

In 2026, the Company reassessed the recoverability of previously recognized allowance for non-recoverability of CWT. Consequently, the allowance amounting to ₱2,415,721 was reversed and recognized under "Other Income", as disclosed in Note 21. Management determined that it is probable that sufficient future taxable income will be generated against which the related tax credits may be utilized.

#### 9. Property and Equipment, net

The movements in this account are as follows:

	Computer Equipment	Furniture and Fixtures	Leasehold Improvement	Total
<b>Cost</b>				
At April 1, 2024	₱13,777,388	₱122,129	₱249,838	₱14,149,355
Additions	731,280	-	-	731,280
Derecognition	(7,756,202)	(122,129)	(249,838)	(8,128,169)
At March 31, 2025	6,752,466	-	-	6,752,466
<b>At March 31, 2026</b>	<b>6,752,466</b>	<b>-</b>	<b>-</b>	<b>6,752,466</b>
<b>Accumulated depreciation</b>				
At April 1, 2024	10,490,204	122,129	249,838	10,862,171
Depreciation	2,006,595	-	-	2,006,595
Derecognition	(7,514,215)	(122,129)	(249,838)	(7,886,182)
At March 31, 2025	4,982,584	-	-	4,982,584
Depreciation	1,153,268	-	-	1,153,268
At March 31, 2026	6,135,852	-	-	6,135,852
<b>Carrying amounts</b>				
<b>March 31, 2026</b>	<b>₱616,614</b>	<b>₱-</b>	<b>₱-</b>	<b>₱616,614</b>
March 31, 2025	₱1,769,882	₱-	₱-	₱1,769,882

There are no property and equipment pledged as security for any of the Company's liabilities.

There are no contractual commitments for the acquisition of property and equipment.

All additions in 2025 were paid in cash.

The Companies fully depreciated furniture and fixture and leasehold improvements are still in use.

In 2025, the Company derecognized property and equipment that are no longer in use. The loss on derecognition of these assets amounted to P241,987.

Management has reviewed the carrying values of the Company's property and equipment as of March 31, 2026 and 2025 for impairment. Based on the results of its evaluation, there were no indications that the property and equipment were impaired.

## 10. Intangible Assets, net

The Company's intangible asset pertains to research and development.

The asset amounting to P5,065,836 was fully amortized as of March 31, 2025 and was subsequently derecognized on March 31, 2026. No proceeds were received from the derecognition. Accordingly, the carrying amount of the research and development asset is nil as of March 31, 2026 and 2025.

There is no existence and amount of restriction on title of intangible asset; neither any item being pledged as security for liability, nor any intangible asset acquired through way neither of business combination nor by way of government grants.

## 11. Payables

### 11.01 Trade and Other Payables

This account consists of:

	Note	2026	2025
Trade payables			
Third parties		P534,965	P230,792
Related parties	19	5,911,515	109,701,433
Accrued expenses		33,074,255	46,592,140
Government liabilities		4,175,037	7,242,889
		<b>P43,695,772</b>	<b>P163,767,254</b>

Trade payables are unsecured, interest-free and to be settled in cash within 30-60 days.

Accrued expenses pertain to expenditures incurred by the Company but not yet paid such as subscription and consulting services, performance bonus, professional fees, and outside services.

The details of the Company's accrued expenses are as follows:

	2026	2025
Subscription and consulting services	P18,875,102	P22,965,255
Payroll, vacation accruals, and other bonuses	6,417,779	18,037,280
Professional fees and outside services	6,274,105	5,241,440
Commission and other payables	1,507,269	348,165
	<b>P33,074,255</b>	<b>P46,592,140</b>

Government liabilities pertain to SSS, PhilHealth, Pag-IBIG, withholding taxes, and output VAT. The Company's output VAT amounted to P1,076,579 and P3,344,239 as of March 31, 2026 and 2025, respectively.

Unrealized foreign exchange loss and gain arising from the US dollar, MYR, SG dollar, AU dollar, CA dollar and NZ dollar denominated trade and other payables amounted to ₱238,081 and ₱1,297,623 in 2026 and 2025, respectively, as disclosed in Note 21.

Realized foreign exchange losses amounted to ₱23,005 and ₱2,803,930 in 2026 and 2025, respectively, as disclosed in Note 21.

### 11.02 Contract Liabilities

As of March 31, 2026 and 2025, the Company's contract liabilities amounted to ₱5,761,050 and ₱17,690,599, respectively. This pertains to advances received from customers for services to be rendered in future periods.

## **12. Borrowings**

This account consists of:

	<i>Notes</i>	<b>2026</b>	<b>2025</b>
Opening carrying amounts		<b>₱168,771,398</b>	₱169,808,770
Interest	21	<b>10,456,368</b>	11,336,405
Payments of interest		<b>(12,397,484)</b>	(12,373,777)
<b>Ending carrying amounts</b>	<b>19</b>	<b>₱166,830,282</b>	₱168,771,398

The Company obtain loans from Wipro Philippines, Inc. to finance its working capital and pursue its operating activities. Details of the loans are as follows:

On August 23, 2022, the Company entered into a loan agreement with its Wipro Philippines, Inc. amounting to ₱66,000,000 bearing interest at a rate equal to PH BVAL +85 basis points. The loan was granted for a period of twelve (12) months from the effective date, unless otherwise extended by mutual agreement of the parties. Subsequently, the parties agreed to extend the term of the loan, with the maturity date initially revised to August 23, 2026. Further, the loan agreement was extended for an additional six (6) months from the expiration of the amended term and will now mature on February 21, 2027.

On September 21, 2022, the Company entered into another loan agreement with Wipro Philippines, Inc. amounting to ₱500,000,000 under substantially the same terms and conditions of the first loan. On February 9, 2023, the Company repaid ₱400,000,000 of the outstanding balance of the ₱500,000,000 loan. The remaining balance of ₱100,000,000 was subsequently extended, with the maturity date initially revised to September 20, 2026. Thereafter, the loan term was further extended for an additional six (6) months from the expiration of the amended term and will now mature on March 19, 2027.

The loan agreement did not subject the Company to internally imposed restrictions. In both periods, the Company is compliant with the terms and conditions of the loan agreement.

The Company shall repay the entire amount of the loan plus interest on the agreed maturity date.

In 2026 and 2025, finance cost incurred amounted to ₱10,456,368 and ₱11,336,405, respectively. Finance cost paid amounted to ₱12,397,484 and ₱12,373,777 in 2026 and 2025, respectively.

As of March 31, 2026 and 2025, accrued interest from borrowings amounted to ₱830,282 and ₱2,771,398, respectively.

### 13. Issued Capital

#### Share Capital

The details and movement of this account are as follows:

	2026		2025	
	Number of shares	Amount	Number of shares	Amount
Authorized share capital:				
Common shares at ₱1,000 par value per share	45,000	₱45,000,000	45,000	₱45,000,000
Subscribed, issued and fully paid:				
Common shares at ₱1,000 par value per share				
Opening carrying amounts	22,506	₱22,506,000	22,504	₱22,504,000
Issuance of ordinary shares	1	1,000	2	2,000
<b>Balance at March 31</b>	<b>22,507</b>	<b>₱22,507,000</b>	<b>22,506</b>	<b>₱22,506,000</b>

In 2026 and 2025, the Company issued one (1) and two (2) ordinary shares, respectively, to the existing shareholders amounting to ₱1,000 and ₱2,000, respectively.

The Company has one (1) class of ordinary shares which carries no right to fixed income.

#### Additional Paid-in Capital

The details and movement of this account are as follows:

	2026	2025
Beginning	₱645,437,688	₱54,773,466
Additions	195,341,000	590,664,222
	<b>₱840,778,688</b>	<b>₱645,437,688</b>

In 2026 and 2025, the Company received additional paid-in capital amounting to ₱195,341,000 and ₱590,664,222, respectively.

### 14. Revenues

This account consists of:

	2026	2025
Consulting services	₱287,586,452	₱280,292,027
License subscription	70,260,870	74,908,090
	<b>₱357,847,322</b>	<b>₱355,200,117</b>

### 15. Direct Costs

This account consists of:

	2026	2025
Personnel cost (Note 16)	₱241,466,315	₱357,444,234
Software subscription	63,210,959	39,513,290
	<b>₱304,677,274</b>	<b>₱396,957,524</b>

## 16. Employee benefits

Aggregate employee benefits are as follows:

	2026	2025
Short-term benefits	P264,720,951	P395,936,302
Post-employment benefits	110,606	321,505
	<b>P264,831,557</b>	<b>P396,257,807</b>

### Short-term benefits

The components of short-term benefits are as follows:

	2026	2025
<b>Direct costs</b>		
Salaries and wages	P234,154,685	P339,053,757
13 <sup>th</sup> month pay and other benefits	3,584,814	16,606,022
SSS, PhilHealth and Pag-IBIG contributions	3,726,816	1,784,455
	<b>P241,466,315</b>	<b>P357,444,234</b>
<b>Operating expenses</b>		
Salaries and wages	P21,279,449	P35,222,654
13 <sup>th</sup> month pay and other benefits	1,854,895	3,070,302
SSS, PhilHealth and Pag-IBIG contributions	120,292	199,112
	<b>P23,254,636</b>	<b>P38,492,068</b>
	<b>P264,720,951</b>	<b>P395,936,302</b>

### Post-employment Benefits

The Company does not have an established retirement plan and only conforms to the minimum regulatory benefit under the RA No. 7641, Retirement Pay Law, equal to one half-half ( $\frac{1}{2}$ ) months' salary per year of service. The regulatory benefit is paid in a lump sum upon retirement.

The present value of the defined benefit obligation as of March 31, 2026 was determined based on an actuarial valuation performed by KP Actuaries and Consultants LLP on April 2, 2026 using the Projected Unit Credit Method (PUCM). The related current service cost and past service cost were likewise measured using the same method.

The retirement benefit obligation as of March 31, 2025 was likewise determined based on an actuarial valuation performed by the same independent actuary on March 28, 2025 using the same valuation methodology.

There were no plan amendment or settlement recognized for the periods ended March 31, 2026 and 2025.

The principal assumptions used for the purposes of the Company's actuarial valuations are as follows:

	2026	2025
Discount rate	6.39%	4.75%
Expected rate of salary increases	2.00%	2.00%

The sensitivity analysis of the defined benefit obligation of changes in the weighted principal assumption is as follows:

	Impact on Defined Benefit Obligations	
	Increase in Assumptions	Decrease in Assumptions
<b>March 31, 2026</b>		
Discount rate	Decrease by 11.2%	Increase by 12.9%
Salary increase rate	Increase by 13.3%	Decrease by 11.8%
<b>March 31, 2025</b>		
Discount rate	Decrease by 5.1%	Increase by 5.6%
Salary increase rate	Increase by 5.7%	Decrease by 5.2%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the PUCM at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

As of March 31, 2026 and 2025, the Company's retirement benefit obligation in respect of its defined benefit plan amounted to ₱409,504 and ₱1,171,225, respectively.

In 2026 and 2025, post-employment benefit expense amounted to ₱110,606 and ₱321,505, respectively.

Reconciliation of remeasurement recognized in other comprehensive income (OCI) is as follows:

	Change on demographic assumption	Change on financial assumption	Experience adjustments	Total
April 1, 2024	₱1,018,164	(₱14,646)	₱75,266	₱1,078,784
Amount recognized during the year	(617,689)	3,821	280,988	(332,880)
<b>March 31, 2025</b>	<b>₱400,475</b>	<b>(₱10,825)</b>	<b>₱356,254</b>	<b>₱745,904</b>
Amount recognized during the year	139,381	(56,524)	(955,184)	(872,327)
<b>March 31, 2026</b>	<b>₱539,856</b>	<b>(₱67,349)</b>	<b>₱(598,930)</b>	<b>₱(126,423)</b>

Movements in the present value of the defined benefit obligation in both reporting periods are as follows:

	2026	2025
Opening carrying amounts	₱1,171,225	₱1,182,600
Currents service cost	55,036	264,780
Interest cost	55,570	56,725
Actuarial gain (loss)		
Change on demographic assumptions	139,381	(617,689)
Changes in financial assumptions	(56,524)	3,821
Experience adjustments	(955,184)	280,988
<b>Balance, March 31</b>	<b>₱409,504</b>	<b>₱1,171,225</b>

The Company operates an unfunded defined benefit plan wherein benefit payments are borne by the Company. Thus, the Company maintains an appropriate level of liquidity to meet currently maturing defined benefit obligations and has established a level of solvency ratio aimed to pay for long-term defined benefit obligations.

#### Asset-Liability Matching Strategies to Manage Risks

The Company does not have a formal retirement plan. Therefore, it has no plan assets to match against the plan liabilities under the retirement obligation.

#### Funding Arrangements

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

The Company is exposed to a number of risks through its defined benefit plan.

Below are the most significant risks:

#### Volatility Risk

The plan liabilities are calculated using a discount rate from government bonds to create virtual zero-coupon bonds as of the valuation dates. The government bonds represent investments in the Philippine government securities only.

The Company intends to reduce the level of volatility risk by maintaining the long-term nature of the plan liabilities and an appropriate level of continuing equity investment.

#### Inflation Risk

Payments for the defined benefit plan of the Company are not linked to inflation; thus, the exposure to this risk is immaterial.

#### Life Expectancy Risk

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This risk is closely associated with inflation risk wherein inflationary increases result in higher sensitivity to changes in life expectancy. The plan obligation possesses a minimal exposure to this risk since inflationary risk, which is directly associated to the plan's sensitivity to life expectancy risk, is immaterial.

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## 17. Leases

### *Company as a Lessee*

On December 18, 2023, the Company signed a new contract with Figari Solutions, Inc. to occupy office space at the 10<sup>th</sup> Floor, The Curve Building, 32<sup>nd</sup> Street Corner 3<sup>rd</sup> Avenue, Bonifacio Global City, Taguig. The lease is subject to escalation fee of 3% on the second and third year of the contract. The facilities cannot be subleased to a third party directly or indirectly. The lease term was one (1) year from January 1, 2024 to December 31, 2024. On June 24, 2025, the contract is renewed with lease term of six (6) months from June 30, 2025 to December 31, 2025. No further renewal has been done by the Company.

The Company's refundable deposits amounted to ₱3,838,202 and ₱3,812,402 as of March 31, 2026 and 2025, respectively, is refundable at the end of the lease term. The refundable security deposit is non-interest bearing and will be used to cover possible damages to the leased premises. In 2026 and 2025, rent expense amounted to ₱7,739,098 and ₱10,318,797, respectively.

The Company's future minimum lease payments amounted to nil and ₱2,588,699 in 2026 and 2025, respectively.

## 18. Income Taxes

The reconciliation of the income tax expense computed at statutory tax rate to the income tax shown in the statements of comprehensive income is as follows:

	2026	2025
Loss before tax	(P1,560,022)	(P144,973,013)
Income tax benefit at statutory income tax rate of 25%	(390,006)	(36,243,253)
Tax effect on permanent differences:		
Unrecognized deferred tax assets	1,659,822	34,282,788
Non-deductible expenses	-	60,497
Non-deductible penalties	-	1,899,968
Prior year tax adjustment	-	199,592
Income subject to lower tax rate	(32,519)	-
Reversal of allowance for non-recoverability of CWT	(603,930)	-
	<b>P633,367</b>	<b>P199,592</b>

Details of unrecognized deferred tax assets are as follows:

	2026	2025
<b>Deferred tax assets:</b>		
NOLCO	P100,850,532	P163,285,609
Contract liabilities	1,440,262	4,480,348
Allowance for expected credit losses	1,145,240	253,386
MCIT	1,004,196	370,829
Retirement benefit obligation	102,376	292,806
Deferred tax assets	<b>P104,542,606</b>	<b>P168,682,978</b>

As of March 31, 2026 and 2025, the Company's unrecognized deferred tax liability arising from unrealized foreign exchange gain amounted to P1,510,140 and P2,274,125, respectively.

Details of NOLCO from 2022 to 2026 are as follows:

Year Incurred	Amount	Applied Previous Years	Applied Current Year	Expired	Unapplied	Expiry Date
2022	P145,673,804	P-	P-	P145,673,804	P-	2025
2023	124,208,772	-	-	-	124,208,772	2026
2024	6,288,345	-	-	-	6,288,345	2027
2025	149,500,034	-	-	-	149,500,034	2028
2026	18,873,564	-	-	-	18,873,564	2029
	<b>P444,544,519</b>	<b>P-</b>	<b>P-</b>	<b>P145,673,804</b>	<b>P298,870,715</b>	

Details of NOLCO covered by Revenue Regulation No. 25-2020 are as follows:

Year Incurred	Amount	Applied Previous Years	Applied Current Year	Expired	Unapplied	Expiry Date
2020	P126,688,414	P-	P-	P126,688,414	P-	2025
2021	104,531,413	-	-	-	104,531,413	2026
	<b>P231,219,827</b>	<b>P-</b>	<b>P-</b>	<b>P126,688,414</b>	<b>P104,531,413</b>	

The Bureau of Internal Revenue (BIR) has recently issued Revenue Regulations (RR) No. 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021. Pursuant to Section 4 of Bayanihan II and as implemented under RR No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

Details of the Company's excess MCIT over RCIT are as follows:

Year Incurred	Amount	Applied Previous Years	Applied Current Year	Expired	Unapplied	Expiry Date
2024	P370,829	P-	P-	P-	P370,829	2027
2026	633,367	-	-	-	633,367	2029
	<b>P1,004,196</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P1,004,196</b>	

## 19. Related Party Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors or its shareholders.

The details of the Company's related parties are summarized as follows:

Name of related parties	Relationship	Country of incorporation
Wipro Limited	Ultimate Holding Company	India
Rizing Intermediate Holdings Inc.	Intermediate	United States
Rizing Pte. Ltd.	Immediate Parent Company	Singapore
Rizing LLC	Affiliate	United States
Rizing Sdn Bhd	Affiliate	Malaysia
Synchrony Global Sdn Bhd	Affiliate	Malaysia
Rizing New Zealand Limited	Affiliate	New Zealand
Rizing Solutions Pty Ltd	Affiliate	Australia
Rizing Solutions Canada Inc.	Affiliate	Canada
Rizing Consulting Ireland Limited	Affiliate	Ireland
Rizing Consulting Pty Ltd	Affiliate	Australia
Rizing B.V.	Affiliate	Netherlands
Rizing Consulting USA, Inc.	Affiliate	United States
Rizing Lanka (Pvt) Ltd	Affiliate	Sri Lanka
Rizing GMBH	Affiliate	Germany
Attune Consulting India Ltd	Affiliate	India
Wipro Philippines, Inc.	Affiliate	Philippines

Outstanding balances as of March 31, 2026 and 2025:

	March 31, 2026		March 31, 2025		Terms and conditions	Type of security	Nature of consideration to be received upon settlement	Guarantees received	Allowance for impairment loss		Provision for impairment loss	
	Amounts/ Volume	Outstanding Balances	Amounts/ Volume	Outstanding Balances					2026	2025	2026	2025
<b>Trade and other receivables (Note 7)</b>												
Rizing Solutions Pty Ltd (Synchrony Global Pty. Ltd.)	P 31,866,996	P 48,418,428	P -	P 16,551,432	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing Consulting Pty Ltd	-	5,598,119	9,320,778	9,320,778	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing LLC	453,137	3,789,012	2,465,939	3,335,875	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing Solutions Canada Inc	-	833,833	1,895,912	2,988,448	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Wipro Limited	3,476,106	5,121,063	1,295,612	1,644,957	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing New Zealand Limited (Synchrony Global Limited)	5,767,612	7,215,829	1,239,809	1,448,217	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Attune Consulting India Ltd	-	-	-	1,272,280	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing Consulting USA, Inc.	-	-	571,743	571,743	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing Consulting Ireland Limited (Aasonn Limited)	-	239,713	-	401,128	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing Sdn. Bhd.	156,035	427,263	36,969	271,228	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Wipro Philippines, Inc	-	-	160,800	160,800	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing GMBH	842,321	856,903	14,672	14,672	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Wipro LLC	759,414	759,413	-	-	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Wipro Technologies Aust Pty Ltd. Immediate parent company	255,339	255,339	-	-	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
Rizing Pte Ltd (Synchrony Singapore Pte. Ltd.)	101,873	998,423	-	896,550	Non-interest bearing, collectible upon demand	Unsecured	Cash	None	-	-	-	-
	<b>P 43,678,833</b>	<b>P 74,513,338</b>	<b>P 17,002,234</b>	<b>P 38,878,108</b>					-	-	-	-

	March 31, 2026		March 31, 2025		Terms and conditions	Type of security	Nature of consideration to be provided upon settlement
	Amounts/Volume	Outstanding Balances	Amounts/Volume	Outstanding Balances			
<b>Trade and other payables (Note 11)</b>							
<i>Affiliates</i>							
Rizing Pte Ltd (Synchrony Singapore Pte. Ltd.)	P-	P3,731,414	P24,407,845	P44,616,962	Non-interest bearing, payable on demand	Unsecured	Cash
Wipro Philippines Inc.	-	-	17,604,938	21,404,288	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing Consulting Pty Ltd	-	-	6,206,086	21,327,690	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing Solutions Pty Ltd (Synchrony Global Pty. Ltd.)	-	1,827,156	5,312,728	7,196,796	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing LLC (3D results and Vesta Partners LLC)	-	56,403	3,327,953	7,477,760	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing Sdn. Bhd.	-	17,619	2,591,663	5,259,965	Non-interest bearing, payable on demand	Unsecured	Cash
Wipro Limited	-	65,839	1,642,681	1,642,681	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing Lanka (Pvt) Ltd.	-	154,912	383,229	467,459	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing Solutions Canada Inc.	-	-	307,832	307,832	Non-interest bearing, payable on demand	Unsecured	Cash
Wipro Travel Services Ltd	58,172	58,172	-	-	Non-interest bearing, payable on demand	Unsecured	Cash
	P58,172	P5,911,515	P61,784,955	P109,701,433			

	March 31, 2026		March 31, 2025		Terms and conditions	Type of security	Nature of consideration to be provided upon settlement
	Amounts/Volume	Outstanding Balances	Amounts/Volume	Outstanding Balances			
<b>Advances from related parties</b>							
<i>Affiliates</i>							
Rizing Consulting Pty Ltd	P-	P-	P-	P96,539,847	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing Solutions Pty Ltd (Synchrony Global Pty. Ltd.)	-	10,738,468	-	18,085,291	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing Consulting Ireland Limited (Aasonn Limited)	-	-	218,872	6,477,475	Non-interest bearing, payable on demand	Unsecured	Cash
Wipro Limited	505,928	505,928	-	-	Non-interest bearing, payable on demand	Unsecured	Cash
Rizing Consulting USA, Inc	2,643	2,643	-	-	Non-interest bearing, payable on demand	Unsecured	Cash
<b>Borrowing (Note 12)</b>	<b>508,571</b>	<b>11,247,039</b>	<b>218,872</b>	<b>121,102,613</b>			
<i>Affiliate</i>							
WIPRO Philippines, Inc.	-	166,830,282	-	168,771,398	Interest bearing, with fixed repayment	Unsecured	Cash
	<b>P508,571</b>	<b>P178,077,321</b>	<b>P218,872</b>	<b>P289,874,011</b>			

Advances from related parties pertain to cash fund given/received for business operations.

Borrowings pertain to interest bearing loan obtained by the Company to finance its operations, as disclosed in Note 12.

Advances paid to related parties in 2026 and 2025 amounted to P110,364,145 and P376,363,101, respectively.

Unrealized foreign exchange loss and gain arising from the US dollar, SG dollar, AU dollar and EUR denominated advances from related parties amounted to P2,898,194 and P1,501,734 in 2026 and 2025, respectively, as disclosed in Note 21.

Realized foreign exchange loss amounted to P277,599 and P11,506,212 in 2026 and 2025, respectively, as disclosed in Note 21.

### Key management personnel

The short-term compensation of key management personnel amounted to P9,562,838 and P20,568,114 in 2026 and 2025, respectively.

The Company does not provide post-employment benefits to its key management personnel. Accordingly, no retirement benefit obligation has been recognized in respect of key management personnel as of March 31, 2026 and 2025.

## 20. Financial Assets and Financial Liabilities

The table below presents a comparison by category of carrying amounts and fair values of the Company's financial instruments as of March 31, 2026 and 2025:

	Notes	2026		2025	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets:</b>					
<i>Financial assets at amortized cost</i>					
Cash	6	P80,028,375	P80,028,375	P118,642,711	P 118,642,711
Trade and other receivables, net	7	105,719,872	105,719,872	78,227,806	78,227,806
Refundable deposits	17	3,838,202	3,838,202	3,812,402	3,812,402
		<b>P189,586,449</b>	<b>P189,586,449</b>	<b>P200,682,919</b>	<b>P200,682,919</b>
<b>Financial Liabilities:</b>					
<i>Financial liabilities at amortized cost</i>					
Trade and other payables*	11	P39,520,735	P39,520,735	P156,524,366	P156,524,366
Borrowings	12	166,830,282	166,830,282	168,771,398	168,771,398
Advances from related parties	19	11,247,039	11,247,039	121,102,613	121,102,613
		<b>P217,598,056</b>	<b>P217,598,056</b>	<b>P446,398,377</b>	<b>P446,398,377</b>

\*Trade and other payables exclude government liabilities.

The carrying amounts of these financial assets and financial liabilities approximate their fair values due to the relatively short-term maturities of these financial instruments.

## 21. Other Expense, net

The items of other income, expenses, gains or losses with respect to the financial instruments recognized in profit or loss are as follows:

	Notes	2026	2025
<i>Income/gains</i>			
Unrealized foreign exchange gains (loss), net	21.01	P(3,063,524)	P9,096,500
Gain on reversal of allowance for impairment	8	2,415,721	-
<i>Expenses/losses</i>			
Realized foreign exchange losses, net	21.02	(1,491,853)	(16,688,332)
Finance cost on borrowings	12	(10,456,368)	(11,336,405)
		<b>P(12,596,024)</b>	<b>P(18,928,237)</b>

### 21.01 Unrealized foreign exchange gains (losses), net

	Notes	2026	2025
Cash	6	(P203,449)	P5,409,653
Trade and other receivables	7	276,200	887,490
Trade and other payables	11	(238,081)	1,297,623
Advances from related parties	19	(2,898,194 )	1,501,734
		<b>(P3,063,524)</b>	<b>P9,096,500</b>

### 21.02 Realized foreign exchange losses (gain), net

	Notes	2026	2025
Cash	6	P1,196,137	P2,377,480
Trade and other receivables	7	(4,888)	710
Trade and other payables	11	23,005	2,803,930
Advances from related parties	19	277,599	11,506,212
		<b>P1,491,853</b>	<b>P16,688,332</b>

## **22. Financial and Capital Risk Management Objectives and Policies**

### Objectives and Policies

The Company has significant exposure to foreign currency risk, liquidity risk and credit risk primarily from its use of financial instruments.

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The Company's principal financial instruments consist of cash, trade and other receivables, refundable deposits, trade and other payables, borrowings and advances from related parties. The main purpose of these financial instruments is to generate income and raise finances for the Company's operations.

The Board of Director has the overall responsibility for the establishment and oversight of the risk management framework of the Company.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, 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 activities. The Company, 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.

### Foreign Currency Risk

The functional currency is the Philippine peso, which is the denomination of the bulk of the Company's transactions. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Company. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity.

Information on the Company's foreign currency-denominated monetary assets and monetary liabilities and their Philippine peso equivalents as of March 31, 2026 and 2025 are as follows:

	2026		2025	
	In foreign currency	Philippine peso	In foreign currency	Philippine peso
<b>Monetary assets</b>				
Cash in banks	USD 146,931	₱8,925,911	USD 1,230,271	₱70,567,127
Trade and other receivables, net	USD -	₱-	USD 81,944	₱4,700,197
		<b>₱8,925,911</b>		<b>₱75,267,324</b>

	2026		2025	
	In foreign currency	Philippine peso	In foreign currency	Philippine peso
<b>Monetary liabilities</b>				
Trade and other payables	USD 11,878	₱721,577	USD 577,019	₱33,097,233
	SGD 79,281	3,733,810	SGD 453,164	19,360,222
	AUD 43,878	1,828,345	AUD 795,035	28,695,198
	MYR 1,171	17,630	MYR 406,747	5,259,971
	INR 134,334	86,106	INR -	-
	CAD -	-	CAD 7,687	307,817
Advances from related parties	EUR -	-	EUR 199,785	12,343,245
	USD -	-	USD (5,659)	(324,595)
	AUD -	-	AUD 3,147,948	113,618,887
	SGD -	-	SGD -	-
		<b>₱6,387,468</b>		<b>₱212,357,978</b>

The Company reported net foreign exchange gains and losses amounting to ₱4,555,376 and ₱7,591,832 in 2026 and 2025, respectively, with the translation of its foreign currency-denominated monetary assets and monetary liabilities (included under "Other income (expense)" account in the statements of comprehensive income. These mainly resulted from the movements of the Philippine peso against the foreign currencies during the year.

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Company's financial instruments to various foreign currency exchange rate scenarios.

The following tables demonstrate the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Company's income before tax (due to changes in the fair value of monetary assets and monetary liabilities) as of March 31, 2026 and 2025.

	2026		2025	
	Change in foreign currency rates	Effect on profit before tax*	Change in foreign currency rates	Effect on profit before tax*
<b>Monetary assets</b>				
USD	+1%	89,259	+1%	752,673
	-1%	(89,259)	-1%	(752,673)
<b>Monetary liabilities</b>				
SGD	+1%	37,338	+1%	193,602
	-1%	(37,338)	-1%	(193,602)
USD	+1%	7,216	+1%	327,726
	-1%	(7,216)	-1%	(327,726)
AUD	+1%	18,283	+1%	1,423,141
	-1%	(18,283)	-1%	(1,423,141)
MYR	+1%	176	+1%	52,600
	-1%	(176)	-1%	(52,600)
NZD	+1%	861	+1%	-
	-1%	(861)	-1%	-
CAD	+1%		+1%	3,078
	-1%		-1%	(3,078)
EUR	+1%		+1%	123,432
	-1%		-1%	(123,432)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's foreign currency risk.

#### Liquidity Risk

Liquidity risk pertains to the risk that the Company will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Company's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

There are no changes in the Company's policy in terms of liquidity risk management for the period ended March 31, 2026 and 2025. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the management.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

March 31, 2026	Notes	Weighted Average Effective Interest Rate	Carrying Amount	On Demand	Due Within One (1) Year	Total
<b>Financial Assets</b>						
<i>Financial assets at amortized cost</i>						
Cash	6	-	₱80,028,375	₱80,028,375	₱-	₱80,028,375
Trade and other receivables, net	7	-	105,719,872	-	105,719,872	105,719,872
Refundable deposits	17	-	3,838,202	-	3,838,202	3,838,202
			<b>189,586,449</b>	<b>80,028,375</b>	<b>109,558,074</b>	<b>189,586,449</b>
<b>Financial Liabilities</b>						
<i>Financial liabilities at amortized cost</i>						
Trade and other payables*	11	-	39,520,735	-	39,520,735	39,520,735
Borrowings	12	0.85%	166,830,282	-	166,830,282	166,830,282
Advances from related parties	19	-	11,247,039	11,247,039	-	11,247,039
			<b>217,598,056</b>	<b>11,247,039</b>	<b>206,351,017</b>	<b>217,598,056</b>
<b>Net liquidity gap</b>			<b>(₱28,011,607)</b>	<b>₱68,781,336</b>	<b>(₱96,792,943)</b>	<b>(₱28,011,607)</b>

\*Trade and other payables exclude government liabilities.

March 31, 2025	Notes	Weighted Average Effective Interest Rate	Carrying Amount	On Demand	Due Within One (1) Year	Total
<b>Financial Assets</b>						
<i>Financial assets at amortized cost</i>						
Cash	6	-	₱118,642,711	₱118,642,711	₱-	₱118,642,711
Trade and other receivables, net	7	-	78,227,806	-	78,227,806	78,227,806
Refundable deposits	17	-	3,812,402	-	3,812,402	3,812,402
			<b>200,682,919</b>	<b>118,642,711</b>	<b>82,040,208</b>	<b>200,682,919</b>
<b>Financial Liabilities</b>						
<i>Financial liabilities at amortized cost</i>						
Trade and other payables*	11	-	156,524,366	-	156,524,366	156,524,366
Borrowings	12	0.85%	168,771,398	-	168,771,398	168,771,398
Advances from related parties	19	-	121,102,613	121,102,613	-	121,102,613
			<b>446,398,377</b>	<b>121,102,613</b>	<b>325,295,764</b>	<b>446,398,377</b>
<b>Net liquidity gap</b>			<b>(₱245,715,458)</b>	<b>(₱2,459,902)</b>	<b>(₱243,255,556)</b>	<b>(₱245,715,458)</b>

\*Trade and other payables exclude government liabilities

### Credit Risk

Credit risk is the risk of financial loss to the Company when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables. The Company manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Company's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Company has regular internal control reviews to monitor the granting of credit and management of credit exposures.

### *Receivables*

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's counterparty base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Company ensures that sales on account are made to customers with appropriate credit history. The Company has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of receivables. The main components of this allowance include 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.

### *Exposure to Credit Risks*

Financial information on the Company's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	<i>Notes</i>	<b>2026</b>	<b>2025</b>
<i>Financial assets at amortized cost</i>			
Cash	6	<b>₱80,028,375</b>	₱118,642,711
Trade and other receivables, net	7	<b>105,719,872</b>	78,227,806
Refundable deposits	17	<b>3,838,202</b>	3,812,402
		<b>₱189,586,449</b>	<b>₱200,682,919</b>

The credit risk for cash and available of sale financial assets is considered negligible, since the counterparties are reputable entities with high quality external credit ratings.

The Company's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Company has no significant concentration of credit risk since the Company deals with a large number of homogenous counterparties. The Company does not execute any credit guarantee in favor of any counterparty.

In order to minimize credit risk, the Company has tasked its credit management committee to develop and maintain the Company's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written-off

The tables below detail the credit quality of the Company's financial assets and other items, as well as the Company's maximum exposure to credit risk by credit risk rating grades:

March 31, 2026	Internal credit 12m or lifetime		Gross carrying amount	Loss allowance	Net carrying amount
	Rating	ECL			
Cash	Performing	12m ECL	₱80,028,375	₱-	₱80,028,375
Trade and other receivables, net	(i)	Lifetime ECL (simplified approach)	110,300,830	(4,580,958)	105,719,872
Contract assets	Performing	12m ECL	6,358,248	-	6,358,248
Refundable deposits	Performing	12m ECL	3,838,202	-	3,838,202
			₱200,525,655	₱(4,580,958)	₱195,944,697
March 31, 2025					
Cash	Performing	12m ECL	₱118,642,711	₱-	₱118,642,711
Trade and other receivables, net	(i)	Lifetime ECL (simplified approach)	79,241,350	(1,013,544)	78,227,806
Contract assets	Performing	12m ECL	52,092,246	-	52,092,246
Refundable deposits	Performing	12m ECL	3,812,402	-	3,812,402
			₱253,788,709	₱(1,013,544)	₱252,775,165

- (i) For trade and other receivables, the Company has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

### Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2025.

Pursuant to Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus plus profits in excess of 100% of their paid-in capital stock, except: 1) when justified by definite corporate expansion projects or programs approved by the board of directors; or 2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or 3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies.

The Company maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company defines capital as share capital, additional paid-in capital, remeasurements and deficit.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Company's business, operation and industry.

The Company is not subject to externally-imposed capital requirements.

	2026	2025
Share Capital	P22,507,000	P22,506,000
Additional Paid-In Capital	840,778,688	645,437,688
Remeasurements	126,423	(745,904)
Deficit	(870,166,474)	(867,973,085)
<b>Total Stockholders' Equity</b>	<b>(P6,754,363)</b>	<b>(P200,775,301)</b>

### **23. Reconciliation of liabilities from financing activities**

Reconciliation of liabilities arising from financing activities is as follows:

	2026	2025
Balance, April 1	P289,874,011	P667,055,612
Finance cost incurred on borrowings	10,456,368	11,336,405
Advances received from related parties	508,571	218,872
Unrealized foreign exchange loss on advances to related parties	2,898,194	
Finance cost paid on borrowings	(12,397,484)	(12,373,777)
Advances paid to related parties	(113,262,339)	(376,363,101)
	<b>P178,077,321</b>	<b>P289,874,011</b>

## 24. Reclassification of accounts

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform to the current year's presentation.

Details of reclassification are as follows:

<u>Current Year Classification</u>	<u>Previous Year Classification</u>	<u>Amount</u>
Contract assets	Trade and other receivables, net	
Contract assets	Accrued revenue	P52,092,246
Contract liabilities	Trade and other payables	
Contract liabilities	Trade payables	P17,690,599

Management believes that the above reclassifications resulted to a better presentation of accounts and do not have any impact on the prior year's profit or loss.

## 25. Supplementary Information Required by the BIR

Presented below is the supplementary information which is required by the BIR under its existing Revenue Regulations (RR) to be disclosed as part of the notes to financial statements in addition to the disclosures mandated under PFRS Accounting Standards.

### Revenue Regulation (RR) No. 15-2010

In compliance with the requirements of RR No. 15-2010 issued on November 25, 2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended March 31, 2026:

#### 1. The amount of VAT output tax and input VAT declared during the year and the account title and amount/s upon which the same was based.

The Company's gross receipts from its service income are subjected to Value Added Tax (VAT) while purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

	<u>Net receipts</u>	<u>Output VAT</u>
Regular sales	P155,067,212	P18,608,065
Zero-rated sales	236,578,579	-
	<b>P391,645,791</b>	<b>P18,608,065</b>

#### 2. The amount of VAT input taxes claimed.

The amount of VAT input taxes claimed are broken down as follows:

Input VAT at the beginning of the year	P-
Current year's domestic purchase of services	8,982,606
Total allowable input VAT	8,982,606
Output VAT Applied	(8,982,606)
Balance	<b>P-</b>

#### 3. Withholding Taxes

Withholding tax on compensation	P34,140,372
Expanded withholding taxes	1,775,421
	<b>P35,915,793</b>

#### **4. Taxes and licenses**

The Company's taxes and licenses paid and accrued during the year amounted to ₱2,039,282.

#### **5. Tax Cases and Assessments**

The Company received a letter of authority (LOA) dated April 26, 2018 from BIR that authorizes officers to examine and scrutinize the Company's books of accounts and other accounting records for all internal revenue taxes (AIRT) including documentary stamp tax and other taxes for taxable year 2016 pursuant to SEC. 6(A) and SEC 10(C) of the National Internal Revenue Code of 1997, as amended. This case is still ongoing.

Aside from the LOA above, the Company has no other pending tax court cases or received tax assessment notices from the BIR.

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#### **26. Approval of Financial Statements**

The financial statements were approved and authorized for issuance by the Company's Board of Directors on June 4, 2026.



## **SUPPLEMENTAL INDEPENDENT AUDITORS' REPORT**

The Board of Directors and the Stockholders  
**RIZING PHILIPPINES INC.**  
*(A Wholly-owned Subsidiary of Rizing Pte. Ltd.)*  
10th Floor The Curve Building  
32<sup>nd</sup> Street Corner 3<sup>rd</sup> Avenue  
Bonifacio Global City  
Taguig 1634, Philippines

We have audited the financial statements of **RIZING PHILIPPINES INC.**, for the years ended March 31, 2026 and 2025 on which we have rendered the attached report dated June 4, 2026.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the said Company has only one (1) stockholder owning one hundred (100) or more shares.

### **R.S. BERNALDO & ASSOCIATES**

BOA/PRC No. 0300  
Valid until November 19, 2026  
BSP Group B Accreditation No. 0300-BSP  
Valid until 2026 audit period  
BIR Accreditation No. 08-007679-000-2026  
Valid from February 2, 2026 until February 1, 2029  
IC Group A Accreditation No. 0300-IC  
Valid until 2026 audit period  
CDA CEA No. 013 - AF  
Valid from August 28, 2025 to August 27, 2030



### **GLENN J. MAGCALING**

Partner  
CPA Certificate No. 98624  
BOA/PRC No. 0300/P-005  
Valid until November 19, 2026  
BSP Group B Accredited  
Valid until 2029 audit period  
BIR Accreditation No. 08-007679-005-2024  
Valid from February 19, 2024 until February 18, 2027  
Tax Identification No. 198-646-943  
IC Group A Accreditation No. IC-EA-2025-0034-N  
Valid until 2027 audit period  
PTR No. 10780862  
Issued on January 20, 2026 at Makati City

June 4, 2026

BOA/PRC No. 0300 • BIR Accredited • SEC Group A Accredited • BSP Group B Accredited • IC Group A Accredited

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