PAXYS

9 November 2026

**THE PHILIPPINE STOCK EXCHANGE, INC.**
Disclosure Department
6th Floor PSE Tower
One Bonifacio High Street
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **ATTY. MARIGEL B. GARCIA**
Head, Issuer Regulation Division

Subject: 3rd Quarter Report for 2026
(SEC Form 17-Q)

Gentlemen:

Enclosed is our Quarterly Report for the nine (9)-month period ending 30 September 2026 (SEC Form 17-Q).

We trust that you will find the attached document in order.

Very truly yours,

**PAXYS, INC.**

By:

**ANA MARIA A. KATIGBAK**
Corporate Information Officer

15th Floor • 6750 Ayala Office Tower
Ayala Avenue, Makati City, Philippines 1226
Tel No. (+632) 8250-3800 • Fax No. (+632) 8250-3801
www.paxys.com

# COVER SHEET

6609
SEC Registration Number

PAXYS, INC. AND SUBSIDIARIES

(Company's Full Name)

15F, 6750 AYALA OFFICE TOWER,
AYALA AVENUE, MAKATI CITY

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

| Ana Maria A. Katigbak | (+632) 919-088-5563 |
|---|---|
| (Contact Person) | (Company Telephone Number) |

| 09 | 30 | 17-Q | 05 | Any Day |
|---|---|---|---|---|
| *Month* | *Day* | (Form Type) | *Month* | *Day* |
| (2026) | | | (Annual Meeting) | |

Not applicable
(Secondary License Type, If Applicable)

| | |
|---|---|
| Dept. Requiring this Doc. | Amended Articles Number/Section |

| 714 | Total Amount of Borrowings: nil (Domestic) | nil (Foreign) |
|---|---|---|
| Total No. of Stockholders | | |

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To be accomplished by SEC Personnel concerned

| | |
|---|---|
| File Number | LCU |
| Document ID | Cashier |

STAMPS

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# SECURITIES AND EXCHANGE COMMISSION
# SEC FORM 17-Q

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

1. For the quarterly period ended: **September 30, 2026**

2. SEC Identification Number: **6609** 3. BIR Tax Identification No. **000-233-218**

4. Exact Name of the registrant as specified in its charter: **PAXYS, INC.**

5. Province, country or other jurisdiction of Incorporation or organization: **Makati City, Philippines**

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

7. Address of registrant's principal office: Postal Code:**1226**

   **15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City**

8. Registrant's telephone number, including area code: **(+632) 8250-3800**

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

   **Not Applicable**

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

    **a) Authorized Capital Stock**

    | | |
    |---|---|
    | Common shares, P1.00 par value | 1,800,000,000 shares |

    **b) Issued and Outstanding Shares**

    | | |
    |---|---|
    | Common shares, P1.00 par value | 1,148,534,866 shares |

    **c) Amount of Debt Outstanding as of September 30, 2026**

    | | |
    |---|---|
    | Short-term and Long-term loans | None |

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

    Yes [x] No [ ]

12. Indicate by check mark whether the registrant:

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

    Yes [x] No [ ]

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

    Yes [x] No [ ]

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements

The consolidated financial statements include the accounts of Paxys, Inc. ("Paxys", the "Company", or the "Parent Company") and the following subsidiaries and joint ventures (collectively referred to as the "Group"):

| | | | Percentage of Ownership | | | |
|---|---|---|---|---|---|---|
| | | | **September 30, 2026** | | December 31, 2025 | |
| Subsidiaries | Place of Incorporation | Principal Activity | **Direct** | **Indirect** | Direct | Indirect |
| Paxys N.V.* | Curacao | Investment Holding | **100.0%** | – | 100.0% | – |
| ScopeWorks Asia, Inc. (SWA) | Philippines | Business Process Outsourcing | **100.0%** | – | 100.0% | – |
| Paxys Realty, Inc. (PRI) | Philippines | Real Estate | **100.0%** | – | 100.0% | – |
| Paxys Global Services Pte Ltd (PGSPL) | Singapore | Business Process Outsourcing | **100.0%** | – | 100.0% | – |
| Paxys Global Services Pte Ltd ROHQ (PGS ROHQ) | Philippines | Shared Services | – | **100.0%** | – | 100.0% |
| Paxys Ltd. | Hong Kong | Investment Holding | **100.0%** | – | 100.0% | – |
| Simpro Solutions Ltd. | Hong Kong | Regional Office | – | **50%** | – | 50% |
| Simpro Solutions Philippines, Inc. (Simpro Phils) | Philippines | Contact Center | – | **50%** | – | 50% |
| Paxys Global Services (Dalian) Ltd. | China | Contact Center | **50%** | – | 50% | – |

** As at September 30, 2026, Paxys N.V. owns 345,622,477 common shares of the Parent Company representing 30.09% of total outstanding capital stock*

The unaudited consolidated financial statements as at and for the nine-month period ended September 30, 2026, has been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited consolidated financial statements do not include all of the information and footnotes required by generally accepted accounting principles in the Philippines ("Philippine GAAP") for complete financial statements as set forth in the Philippine Financial Reporting Standards (PFRS) and are filed as Annex A of this report.

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")

The MD&A is a discussion and analysis of the Group's financial performance for the nine-month period ended September 30, 2026. The primary objective of this MD&A is to help the readers understand the dynamics of the Group's business and the key factors underlying the Group's financial results.

The MD&A for the nine-month period ended September 30, 2026, should be read in conjunction with the unaudited consolidated financial statements and the accompanying notes, and are filed as Annex B of this report.

### Item 3. Aging of Trade Receivables

Please see Annex C.

PART II. SIGNATURES

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

Registrant: PAXYS, INC.

**Tarcisio M. Medalla**
**Chairman of the Board and President**
November 06, 2026

**Ana Maria A. Katigbak**
**Corporate Secretary**
November 06, 2026

**Annex A**

# PAXYS, INC.
# AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**
September 30, 2026 and December 31, 2025
and for the Nine-Month Period Ended September 30, 2026 and 2025

**PAXYS, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**As at September 30, 2026 and December 31, 2025**
**(Amounts in Thousands)**

| | September 30 (Unaudited) | December 31 (Audited) |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents (Note 4) | **₱3,583,424** | ₱3,357,776 |
| Investment securities (Note 5) | **981,600** | 947,709 |
| Trade and other receivables (Note 6) | **129,339** | 86,518 |
| Other current assets (Note 7) | **42,036** | 39,612 |
| Current portion of right-of-use assets (Note 16) | **7,566** | 3,596 |
| Total Current Assets | **4,743,965** | 4,435,211 |
| **Noncurrent Assets** | | |
| Investment securities – non-current (Note 5) | **198,810** | 186,399 |
| Right-of-use assets (Note 16) | **13,241** | – |
| Property and equipment (Note 9) | **1,237** | 318 |
| Other noncurrent assets (Note 10) | **7,081** | 7,096 |
| Total Noncurrent Assets | **220,369** | 193,813 |
| | **₱4,964,334** | ₱4,629,024 |
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Trade and other payables (Note 11) | **₱26,237** | ₱23,377 |
| Lease liability – current portion (Note 16) | **7,693** | 2,812 |
| Income tax payable | – | 21 |
| Total Current Liabilities | **33,930** | 26,210 |
| **Noncurrent Liabilities** | | |
| Lease liability – net of current portion (Note 16) | **13,488** | – |
| Retirement liability (Note 15) | **29,041** | 29,041 |
| Other non-current liabilities (Note 16) | **676** | – |
| Total Noncurrent Liabilities | **43,205** | 29,041 |
| Total Liabilities | **77,135** | 55,251 |
| **Equity** | | |
| Capital stock (Note 12) | **1,148,535** | 1,148,535 |
| Additional paid-in capital (Note 12) | **451,364** | 451,364 |
| Parent shares held by a subsidiary (Note 12) | **(1,149,886)** | (1,149,886) |
| Retained earnings | **3,397,673** | 3,298,264 |
| Other equity reserves | **1,039,513** | 825,496 |
| Total Equity | **4,887,199** | 4,573,773 |
| | **₱4,964,334** | ₱4,629,024 |

*See accompanying Management Discussion and Analysis and Selected Notes to Interim Condensed Consolidated Financial Statements.*

**PAXYS, INC. AND SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**
**(Amounts in Thousands, except Basic/Diluted Earnings per share)**

| | Nine Months Ended September 30 | | Three Months Ended September 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| **SERVICE INCOME** | **₱4,450** | ₱– | **₱1,957** | ₱– |
| **COST AND EXPENSES** (Note 13) | **(56,107)** | (52,457) | **(16,979)** | (16,839) |
| **INTEREST INCOME** (Note 14) | **139,129** | 162,814 | **45,084** | 67,096 |
| **NET FOREIGN EXCHANGE GAIN** (Note 14) | **10,312** | 927 | **3,275** | 3,127 |
| **REALIZED GAIN ON AFS** (Note 14) | **–** | 1,001 | **–** | 1,001 |
| **INTEREST EXPENSE** (Note 14) | **(316)** | (268) | **(288)** | (70) |
| **OTHER INCOME** (Note 14) | **1,980** | 2,616 | **1,944** | 869 |
| **INCOME BEFORE INCOME TAX** | **99,448** | 114,633 | **34,993** | 55,184 |
| **PROVISION FOR INCOME TAX** | **39** | 27 | **–** | 13 |
| **NET INCOME** | **₱99,409** | ₱114,606 | **₱34,993** | ₱55,171 |
| **INCOME PER SHARE** | | | | |
| Basic/Diluted Earnings Per Share | **₱0.12** | ₱0.14 | **₱0.04** | ₱0.07 |

*See accompanying Management Discussion and Analysis and Selected Notes to Interim Consolidated Financial Statements.*

**PAXYS, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Unaudited)**
**(Amounts in Thousands)**

| | Nine Months Ended September 30 | | Three Months Ended September 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | **2025** |
| **NET INCOME** | **₱99,409** | ₱114,606 | **₱34,993** | ₱55,171 |
| **OTHER COMPREHENSIVE INCOME** | | | | |
| Translation gain | **251,564** | 23,533 | **83,120** | 119,606 |
| Net fair value changes on short-term investments at FVOCI | **(37,547)** | 16,923 | **(25,882)** | 1,106 |
| | **214,017** | 40,456 | **57,238** | 120,712 |
| **TOTAL COMPREHENSIVE INCOME** | **₱313,426** | ₱155,062 | **₱92,231** | ₱175,883 |

*See accompanying Management Discussion and Analysis and Selected Notes to Interim Consolidated Financial Statements.*

**PAXYS, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)**
**For the Nine-Month Periods Ended September 30, 2026 and 2025**
**(Amounts in Thousands)**

| | Total Equity Attributable to Equity Holders of the Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Other Equity Reserve | | | |
| | Capital Stock ₱1 Par Value (Note 12) | Additional Paid-in Capital (Notes 12) | Retained Earnings | Parent shares held by a subsidiary (Note 12) | Cumulative Translation Adjustments | Unrealized gains(loss) on financials assets at FVOCI | Actuarial loss | Total |
| **At January 1, 2026** | **₱1,148,535** | **₱451,364** | **₱3,298,264** | **(₱1,149,886)** | **₱897,874** | **(₱53,756)** | **(₱18,622)** | **₱4,573,773** |
| **Total comprehensive income for the period** | **–** | **–** | **99,409** | **–** | **251,564** | **(37,547)** | **–** | **313,426** |
| **At September 30, 2026** | **₱1,148,535** | **₱451,364** | **₱3,397,673** | **(₱1,149,886)** | **₱1,149,438** | **(₱91,303)** | **(₱18,622)** | **₱4,887,199** |

| | Total Equity Attributable to Equity Holders of the Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Other Equity Reserve | | | |
| | Capital Stock ₱1 Par Value (Note 12) | Additional Paid-in Capital (Notes 12) | Retained Earnings | Parent shares held by a subsidiary (Note 12) | Cumulative Translation Adjustments | Unrealized gains (loss) on financials assets at FVOCI | Actuarial loss | Total |
| At January 1, 2025 | ₱1,148,535 | ₱451,364 | ₱3,160,976 | (₱1,149,886) | ₱839,625 | (₱72,598) | (₱18,622) | ₱4,359,394 |
| Total comprehensive income for the period | – | – | 114,606 | – | 23,533 | 16,923 | – | 155,062 |
| At September 30, 2025 | ₱1,148,535 | ₱451,364 | ₱3,275,582 | (₱1,149,886) | ₱863,158 | (₱55,675) | (₱18,622) | ₱4,514,456 |

**PAXYS, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**
**For the Nine-month Periods Ended September 30, 2026 and September 30, 2025**
**(Amounts in Thousands)**

| | 2026 | 2025 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Income before income tax | **₱99,448** | ₱114,633 |
| Adjustments for: | | |
| Interest income | **(139,129)** | (162,814) |
| Depreciation and amortization: | | |
| Right-of-use assets | **7,379** | 5,394 |
| Property and equipment and intangibles | **295** | 134 |
| Unrealized foreign exchange gain | **(8,084)** | (927) |
| Realized gain on AFS | **–** | (1,001) |
| Interest expense on lease liabilities | **316** | 268 |
| Operating loss before working capital changes | **(39,775)** | (44,313) |
| Decrease (increase) in: | | |
| Trade and other receivables | **(307)** | (4,285) |
| Other current assets | **(2,424)** | (3,059) |
| Other noncurrent assets | **(52)** | (30) |
| Increase (decrease) in: | | |
| Trade and other payables | **2,860** | 1,523 |
| Other noncurrent liabilities | **676** | – |
| Cash used for operations | **(39,022)** | (50,164) |
| Interest received | **105,516** | 156,842 |
| Income taxes paid | **(21)** | (128) |
| Net cash provided by operating activities | **66,473** | 106,550 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Decrease in short-term investments | **–** | 1,504,269 |
| Decrease (increase) in due from related parties | **(8,901)** | 1,081 |
| Acquisition of property and equipment and intangibles | **(1,196)** | (440) |
| Net cash provided by (used in) investing activities | **(10,097)** | 1,504,910 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Principal paid on lease liabilities | **(6,537)** | (5,796) |
| Net cash used in financing activities | **(6,537)** | (5,796) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **49,839** | 1,605,664 |
| **EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS** | **175,809** | 41,879 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD** | **3,357,776** | 1,835,357 |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | **₱3,583,424** | ₱3,482,900 |

*See accompanying Management Discussion and Analysis and Selected Notes to Interim Consolidated Financial Statements.*

**PAXYS, INC. AND SUBSIDIARIES**
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## 1. Corporate Information

Paxys, Inc. ("Paxys", the "Company", or the "Parent Company") is an investment holding company incorporated in the Philippines and listed on the Philippine Stock Exchange (stock symbol: PAX). It was formerly known as Fil-Hispano Holdings Corporation and registered with the Philippine Securities and Exchange Commission (SEC) on February 14, 1952. At present, the Parent Company's operating subsidiaries provide general transcription, data conversion, systems integration services, contact center and back-office outsourcing services. As of September 30, 2026, its major shareholders are All Asia Customer Services Holdings Ltd. (AACSHL), a privately held company incorporated in Hong Kong, and Paxys NV, a wholly owned subsidiary of the Company, with 54.93% and 30.09% interests, respectively. The registered office address of Paxys is at 15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City, Philippines.

## 2. Summary of Significant Accounting Policies

Basis of Preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value though other comprehensive income (FVOCI), which have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousands (₱000), except when otherwise indicated.

Statement of Compliance

The unaudited interim condensed consolidated financial statements for the nine-month period ended September 30, 2026, have been prepared in accordance with PAS34, *Interim Financial Reporting*. Accordingly, the unaudited interim consolidated financial statements do not include all of the information and footnotes required by generally accepted accounting principles in the Philippines ("Philippine GAAP") for complete financial statements as set forth in the PFRS.

Adoption of Amendments to PFRS Accounting Standards

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*, effective for annual periods beginning on or after January 1, 2025.

The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

New and Amended PFRS Accounting Standards Issued But Not Yet Effective
Relevant new and amended PFRS Accounting Standards which are not yet effective for the year ended December 31, 2025 and have not been applied in preparing the consolidated financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2026 –

- Amendments to PFRS Accounting Standards 9, Financial Instruments, and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvement to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.

  - Amendments to PFRS Accounting Standards 9, *Financial Instruments* –The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS Accounting Standards 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

  - Amendments to PFRS Accounting Standards 10, *Consolidated Financial Statements* - – The amendments clarify that when the investor considers its de facto agent's decision-making rights and its indirect exposure, or rights, to variable returns is only an example in which judgement is required to determine whether a party is acting as a de facto agent.

  - Amendments to PAS 7, *Statement of Cash Flows* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.

Effective for annual periods beginning on or after January 1, 2027 –

- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, Presentation of Financial Statements, and sets out the requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and new principles for grouping information. Full retrospective application is required.. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The interim condensed consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries:

| Subsidiaries | Place of Incorporation | Principal Activity | **2026** | | 2025 | |
|---|---|---|---|---|---|---|
| | | | **Direct** | **Indirect** | Direct | Indirect |
| Paxys N.V.* | Curacao | Investment holding | **100%** | – | 100% | – |
| ScopeWorks Asia, Inc. (SWA) | Philippines | Data conversion | **100%** | – | 100% | – |
| Paxys Realty, Inc. (PRI) | Philippines | Real Estate | **100%** | – | 100% | – |
| Paxys Global Services Pte Ltd (PGSPL) | Singapore | Business Process Outsourcing | **100%** | – | 100% | – |
| Paxys Global Services Pte Ltd ROHQ (PGS ROHQ) | Philippines | Shared services | – | **100%** | – | 100% |
| Paxys Ltd. | Hong Kong | Investment holding | **100%** | – | 100% | – |

**Paxys N.V. owns 345,622,477 common shares of the Parent Company representing 30.09% of the total outstanding capital stock of the Parent Company*

The Parent Company and its subsidiaries are collectively referred to as "the Group."

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting years as that of the Parent Company. The interim condensed consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intercompany accounts, transactions and balances including intercompany profits, unrealized profits and losses and dividends are eliminated in full in the consolidated financial statements.

Foreign Currencies

The Group's interim condensed consolidated financial statements are presented in Philippine peso, which is also the Parent Company's functional and presentation currency. The Philippine peso is the currency of the primary economic environment in which the Group operates. This is also the currency that mainly influences the revenue and cost of rendering products and services. All the subsidiaries, associates and joint ventures evaluate their primary economic and operating environment and determine their functional currency. Items included in the financial statements of each entity are initially measured using that functional currency.

The functional currency of the Parent Company, SWA, Simpro Philippines, PRI and PGS ROHQ is the Philippine Peso. The functional currency of PGSPL is Singapore Dollar (SG$). The functional currency of Paxys Ltd., Simpro Solutions Limited and Paxys N.V. is U.S. Dollar (US$).

Transactions in foreign currencies are initially recorded in the functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional closing rate of exchange at the end of the reporting period. The exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

*Foreign operations.* On consolidation, the assets and liabilities of foreign operations are translated into Philippine pesos at the rate of exchange prevailing at the reporting date and their income statements are translated at weighted average exchange rates at the end of the year. The exchange differences arising on translation for consolidation are included in the cumulative translation adjustment, a separate component of equity under other equity reserves. Upon disposal of a foreign operation, the cumulative translation adjustment relating to that particular foreign operation is recognized in profit and loss

Current versus Noncurrent Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading.
- It is expected to be realized within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as noncurrent. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as noncurrent.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid deposits that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Financial Assets and Liabilities

*Date of Recognition.* Financial assets and liabilities are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of a financial instrument. All regular way purchases and sales of financial assets are recognized on the trade date (i.e., the date that the Group commits to purchase the asset). Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace.

*Initial Recognition.* Financial instruments are recognized initially at fair value of the consideration given (in the case of an asset) or received (in the case of a liability). Transaction costs are included in the initial measurement of all financial instruments, except for financial instruments classified as fair value through profit or loss (FVPL). Fair value is determined by reference to the transaction price or other market prices. If such market prices are not readily determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rate of interest for similar instruments with similar maturities.

*"Day 1" Difference.* Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data observable from the market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. For each transaction, the Group determines the appropriate method of recognizing a "Day 1" difference amount.

*Classification.* Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are recognized in profit or loss. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax.

The Group classifies its financial assets into the following categories: financial assets at FVPL, financial assets at amortized cost and financial assets through other comprehensive income (FVOCI). The Group classifies its financial liabilities as either financial liabilities at FVPL or other financial liabilities at amortized cost.

The classification of financial instruments largely depends on the Group's business model.

The Group does not have financial instruments classified as financial asset or financial liabilities at FVPL.

*Financial Assets at Amortized Cost.* A financial asset 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 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Financial assets at amortized cost are included in current assets if maturity is within 12 months from the reporting date. Otherwise, these are classified as noncurrent assets.

Cash and cash equivalents, trade and other receivables and held-to-maturity investments are classified under this category.

*Financial Assets at FVOCI.* For debt instruments, financial assets shall be measured at fair value through other comprehensive income 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 selling the financial assets; 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.

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in OCI and are included under "Other equity reserves" account in the equity section of the unaudited interim consolidated statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

The Group classifies its quoted debt and equity instruments under this category.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

Trade and other payables (excluding statutory payables) are classified under this category.

*Reclassification*
For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

*Impairment of Financial Assets*
The Group assesses at the end of each reporting period whether a financial asset or a group of financial assets is impaired.

*Financial Assets Carried at Amortized Cost.*
The Group records an allowance for "expected credit loss". Expected credit losses (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has established a provision matrix that is based on the industry's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

*Financial Asset at FVOCI.* For debt instruments classified as financial asset at FVOCI, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest income continues to be recognized on the reduced carrying amount using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed in profit or loss.

*Derecognition of Financial Assets and Liabilities*
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized by the Group when:

- The rights to receive cash flows from the asset has expired; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and benefits of the asset, or (b) has neither transferred nor retained substantially all the risks and benefits of the asset but has transferred control over the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, if any, is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

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

*Offsetting of Financial Instruments*
Financial assets and liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of property and equipment consists of its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes the cost of replacing the part of such property and equipment and borrowing costs for long-term construction projects when the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally recognized as expense in the period such costs are incurred. Depreciation commences once the property and equipment are available for use and is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| Asset Type | Number of Years |
|---|---|
| Computer equipment | 3 to 5 |
| Communication equipment | 3 to 5 |
| Leasehold improvements | 5 or lease term, whichever is shorter |
| Office furniture, fixtures and equipment | 2 to 5 |
| Transportation equipment | 5 |

Other Intangible Assets

Other intangible assets with finite useful lives are composed of the Company's website and software packages. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization expense on intangible assets with finite lives is recognized under "Costs of services" and "General and administrative expenses" accounts in the consolidated statement of income.

Investments in Joint Ventures

The Parent Company has interests in joint ventures, whereby the venturers have a contractual arrangement that establishes joint control. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venture has an interest.

Interest in a joint venture is initially recognized at cost and subsequently accounted for under the equity method of accounting. Under the equity method of accounting, the interest in a joint venture is carried at cost plus post-acquisition changes in the Group's share in the net assets of the joint venture, less any impairment in value. The share in the results of the operations of the joint venture is recognized in profit or loss. The Group's share of post-acquisition movements in the joint venture's equity reserves is recognized directly in equity. Profits or losses resulting from the transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the interest. If the Group's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Group discontinues recognizing its share of further losses.

After the application of the equity method, the Group determines at the end of each reporting year whether there is any objective evidence that the investment is impaired. If this is the case, the amount of impairment is calculated as the difference between the carrying amount of the investment and recoverable amount and recognizes the difference in profit or loss.

After the Group's investment is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes the recognition of its share of those profits only after its share of the profits equals the share of losses not previously recognized.

Equity

*Capital stock* is measured at par value for all shares issued. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of consideration received more than par value are recognized as additional paid-in capital (APIC).

*APIC* on stock options represents the cumulative compensation expense recognized from equity-settled share-based payment plan, net of cumulative compensation expense related to exercised and expired stock options.

*Parent Shares Held by a Subsidiary.* Where any entity of the Group purchases the Parent Company's shares (treasury stock), the consideration paid, including any directly attributable incremental costs (net of related taxes), is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transactions costs and the related income tax effect, is included in equity attributable to the Parent Company's equity holders.

*Retained earnings* represent accumulated earnings net of dividends declared.

*Other equity reserves* comprise items of income and expense, including reclassification adjustments, that are not recognized in the consolidated statement of income as required or permitted by other PFRS.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value-added tax or duties. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as principal in all its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

*Service Income.* Revenue is recognized as services are rendered.

*Interest Income.* Revenue is recognized as the interest accrues using the effective interest method, that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

*Equity in Net Earnings (Losses) of Joint Ventures.* The Company recognizes its share in the net income (loss) of joint ventures proportionate to its interest in the joint ventures in accordance with the equity method of accounting for investments.

*Other Income.* Revenue is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Company through an increase in asset or reduction in liability and that can be measured reliably.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in the consolidated statement of income in the year these are incurred.

Employee Benefits

*Short-term Employee Benefits.* The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses, and non-monetary benefits.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

*Retirement Benefits.* Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit obligations is performed annually by a qualified actuary.

Remeasurements of the retirement liability, which comprise actuarial gains and losses, are recognized immediately in Other Comprehensive Income. The Group determines the net interest expense to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the year as a result of contributions and benefit payments.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The retirement liability recognized by the Group is the present value of the defined benefit obligation. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rate of government bonds that have terms to maturity approximating the terms of the related retirement and other long-term benefits liability.

*Termination Benefits.* Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting year are discounted to present value.

*Leases*
At the inception of a contract, the Group assesses whether a contract is, or contains, a lease.
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset - this may be specified or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and,
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is predetermined, the Group has the right to direct the use of the asset if either:
    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability is mainly composed of fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. When the liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## 3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's interim condensed consolidated financial statements in compliance with PFRS requires management to make judgments and estimates that affect certain reported amounts and disclosures. The judgment and estimates used in the interim condensed consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Accordingly, actual results could differ from those estimates, and such estimates will be adjusted accordingly.

Judgments

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

*Determination of Functional Currency.* Based on the economic substance of the underlying circumstances, the Group has determined that its functional currency is the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Parent Company and certain subsidiaries operate. It is the currency that mainly influences the sale of services and the costs of providing the services.

*Determination of Operating Segments.* Determination of operating segments is based on the information about components of the Group that management uses to make decisions about the operating matters. Operating segments use internal reports that are regularly reviewed by the Parent Company's chief operating decision maker, which is defined to be the Parent Company's BOD, in order to allocate resources to the segment and assess its performance. The Parent Company reports separate information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and (c) its assets are 10% or more of the combined assets of all operating segments.

The Group determined that its operating segments are organized and managed separately based on the nature of the business segment, with each business representing a strategic business segment.

*Non-Recognition of Deferred Tax Liability (DTL) on Undistributed Income of a Foreign Subsidiary.* Since Paxys N.V., a company incorporated and domiciled in Curacao, is a wholly owned subsidiary by the Parent Company, management believes that the Parent Company can control the timing of the dividend distribution of Paxys N.V. to the Parent Company. Thus, no deferred tax liability was recognized on the undistributed income of Paxys N.V.

*Leases.* Management applied PFRS 16 standard in classifying its leases. Right of use asset and lease liability for outstanding lease commitments were recognized starting January 2019.

*Other Lease Commitments.* The Company has entered into various lease agreements. These leases are classified as short-term leases (12 months or less) and/or the underlying assets have no significant value, thus, accounted for under operating lease principle.

Rent expense amounted to ₱517 thousand and ₱464 thousand for the nine-month period ended September 30, 2026 and 2025, respectively. See note 13.

*Provisions and Contingencies.* The Group is involved in various labor disputes, litigations, claims and tax assessments that are normal to its business. Based on the opinion of the Group's legal counsels on the progress and legal grounds of certain claims and assessments, no provision is deemed necessary in 2026 and 2025. The Group has no outstanding provision for probable losses as at September 30, 2026 and December 31, 2025.

Estimates and Assumptions

The key assumptions concerning future and other key sources of estimation at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Determination of Fair Value of Financial Instruments.* PFRS require that certain financial assets and liabilities be carried at fair value. When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using degree of judgment required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

*Estimation of Useful Lives of Property and Equipment and Other Intangible Assets with Finite Useful Lives.* The useful life of each of the Company's items of property and equipment and intangible assets with finite useful lives is estimated based on the period over which the assets are expected to be available for use. Such estimation is based on a collective assessment of similar business, internal technical evaluation and experience with similar assets. There is no change in the estimated useful lives of property and equipment and other intangible assets with finite useful lives in 2026 and 2025.

*Estimation of Impairment Losses on Receivables.* The Company maintains allowance for doubtful accounts at a level based on the result of the individual and collective assessment. Under the individual assessment, the Company considers the payment history, past due status, and term. The collective assessment would require the Company to group its receivables based on the credit risk characteristics (customer type, length of the Company's relationship with the customers, average age of accounts and collection experience) of the customers.

Allowance for impairment losses on trade and other receivables amounted to ₱122 million and ₱125 million as at September 30, 2026 and December 31, 2025, respectively (see Note 6). The carrying values of trade and other receivables amounted to ₱129.3 million and ₱86.5 million as at September 30, 2026 and December 31, 2025, respectively (see Note 6).

*Determination of Realizability of Input Value Added Tax (VAT).* The carrying amount of input tax is reviewed at each reporting date and reduced to the extent that it will not be utilized. The carrying amount of the asset is reduced using an allowance account.

An increase in provision for potential losses on input tax would increase the Company's recorded expenses and decrease current assets.

The carrying value of input VAT, net of allowance, amounted to ₱35.3 million and ₱33.5 million as at September 30, 2026 and December 31, 2025, respectively (see Note 7). Allowance for non-recoverability of Input VAT amounted to ₱49.6 million as at September 30, 2026 and December 31, 2025.

*Determination of Retirement liability.* The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined

benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The retirement liability amounted to ₱29 million as at September 30, 2026 and December 31, 2025, respectively (see Note 15).

## 4. Cash and Cash Equivalents

| | **Sept 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Cash on hand and in banks | **₱32,577** | ₱165,858 |
| Cash equivalents | **3,550,847** | 3,191,918 |
| | **₱3,583,424** | 3,357,776 |

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are time deposits and treasury bills made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Any pre-termination or redemption prior to maturity date shall not result in significant change in investment values and penalties.

## 5. Investment Securities

This account consists of financial assets measured at:

| | **Sept 30, 2026** | Dec 31, 2025 |
|---|---|---|
| FVOCI | **₱674,911** | ₱665,365 |
| Amortized Cost | **306,689** | 468,743 |
| | **₱981,600** | ₱1,134,108 |

| | **Sept 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Current | **₱981,600** | ₱947,709 |
| Noncurrent | **198,810** | 186,399 |
| | **₱1,180,410** | ₱1,134,108 |

Financial assets at FVOCI pertain to investments managed by international banks which provide fixed interest income and capital appreciation. Financial assets at amortized cost consist of unquoted bonds with fixed interest rate and maturity.

## 6. Trade and Other Receivables

| | **Sept 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Trade | **₱10,376** | ₱10,376 |
| Advances to related parties | **107,675** | 102,368 |
| Other receivables | **133,126** | 99,207 |
| | **251,177** | 211,951 |
| Allowance for impairment losses | **(121,838)** | (125,433) |
| | **₱129,339** | ₱86,518 |

Trade receivables are noninterest-bearing and generally have 30-to-60-day terms. Other receivables, which include advances to employees, security deposits, and other nontrade receivables are expected to be settled/liquidated within the year.

## 7. Other Current Assets

This account consists of:

| | Sept 30, 2026 | Dec 31, 2025 |
|---|---|---|
| Input VAT, net of allowance for un-recoverability | **₱35,294** | ₱33,511 |
| Prepayments | **6,742** | 6,101 |
| | **₱42,036** | ₱39,612 |

## 8. Investments in Joint Venture

| | | | Percentage of Ownership | |
|---|---|---|---|---|
| **Joint venture** | **Place of Incorporation** | **Principal Activity** | **Sept 30, 2026** | Dec 31, 2025 |
| PGS Dalian | China | Contact center | **50%** | 50% |
| Simpro Solutions Limited | Hong Kong | Contact center | **50%** | 50% |

The Company recognizes its interest in these joint ventures using equity method of accounting.

Investments in joint ventures as at September 30, 2026 and December 31, 2025 are nil. Due to share of accumulated losses, investment in PGS Dalian and Simpro Solutions Limited is already depleted, thus, Paxys did not recognize further losses for the nine-month period ended September 30, 2026 and as of December 31, 2025.

## 9. Property and Equipment

The balances and movement of this account are as follows:

| | September 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | **Computer Equipment** | **Communication Equipment** | **Leasehold Improvements** | **Office Furniture, Fixtures and Equipment** | **Transportation Equipment** | **Total** |
| **Cost** | | | | | | |
| Balance at beginning of period | **₱69,774** | **₱7,624** | **₱154,698** | **₱7.447** | **₱8,748** | **₱248,291** |
| Additions | **322** | **–** | **319** | **555** | **–** | **1,196** |
| Balance at end of period | **70,096** | **7,624** | **155,017** | **8,002** | **8,748** | **249,487** |
| **Accumulated Depreciation** | | | | | | |
| Balance at beginning of period | **₱69,553** | **₱7,624** | **₱154,672** | **₱7,376** | **₱8,748** | **₱247,973** |
| Depreciation for the period | **117** | **–** | **70** | **90** | **–** | **277** |
| Balance at end of period | **69,670** | **7,624** | **154,742** | **7,466** | **8,748** | **248,250** |
| **Net Book Value** | **₱426** | **₱–** | **₱275** | **₱536** | **₱–** | **₱1,237** |

Property and equipment are depreciated using the economic lives as follows:

| | |
|---|---|
| Computer equipment | 3 to 5 years |
| Communication equipment | 3 to 5 years |
| Leasehold improvements | 5 years or lease term whichever is shorter |
| Office furniture, fixtures and equipment | 2 to 5 years |
| Transportation equipment | 5 years |

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Computer Equipment | Communication Equipment | Leasehold Improvements | Office Furniture, Fixtures and Equipment | Transportation Equipment | Total |
| **Cost** | | | | | | |
| Balance at beginning of year | ₱69,584 | ₱7,624 | ₱154,605 | ₱7,360 | ₱8,748 | ₱247,921 |
| Additions | 190 | – | 93 | 87 | – | 370 |
| Balance at end of year | 69,774 | 7,624 | 154,698 | 7,447 | 8,748 | 248,291 |
| **Accumulated Depreciation** | | | | | | |
| Balance at beginning of year | 69,462 | 7,624 | 154,605 | 7,360 | 8,748 | 247,799 |
| Depreciation for the year | 91 | – | 67 | 16 | – | 174 |
| Balance at end of year | 69,553 | 7,624 | 154,672 | 7,376 | 8,748 | 247,973 |
| **Net Book Value** | ₱221 | ₱– | ₱26 | ₱71 | ₱– | ₱318 |

As of September 30, 2026 and December 31, 2025, fully depreciated property and equipment with aggregate cost amounting to ₱18.9 million and ₱18.8 million, respectively, are still being used by the Group.

## 10. Other Noncurrent Assets

This consist of:

| | **Sept 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Creditable withholding tax for refund | **5,137** | ₱5,137 |
| Rental and security deposits | **1,907** | 1,905 |
| Intangible assets | **37** | 54 |
| | **₱7,081** | ₱7,096 |

Creditable withholding tax pertains to unused balance from prior years. The company will assess the need and timing to file for refund.

Rental and security deposits mainly pertain to cash deposits on lease agreements, which are refundable at the end of lease period.

Intangible assets pertain to computer software and programs, which are amortized over three to five years.

## 11. Trade and Other Payables

| | **Sept 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Trade payables | **345** | ₱893 |
| Accrued expenses | **12,242** | 9,051 |
| Dividend payable | **6,554** | 6,554 |
| Statutory payable | **5,831** | 5,884 |
| Other current liabilities | **1,265** | 995 |
| | **₱26,237** | ₱23,377 |

Trade payables are noninterest-bearing and are normally settled on a 60-day term. Accrued expenses mainly represent accruals for utilities, communications, and other employee benefits. Statutory payables represent withholding tax payable and other liabilities to the government.

## 12. Stockholders' Equity

Capital Stock

On June 27, 2008, the Company's Board of Directors authorized and approved the increase in authorized capital stock from ₱1,200 million to ₱1,800 million by way of a stock dividend declaration.

| | Number of Shares Authorized | Number of Shares Issued and Outstanding | Cost |
|---|---|---|---|
| Balance as at and beginning and end of period | 1,800,000,000 | 1,148,534,866 | ₱1,148,535 |

Parent Shares Held by a Subsidiary

In October 2014, Paxys N.V., a wholly owned subsidiary of the Parent Company, completed the tender offer to acquire 345,622,477 common shares of the Parent Company representing 30.09% of its outstanding capital stock.

Additional Paid-in Capital (APIC)

This account consists of:

| | |
|---|---|
| Premium on issuance of shares of stocks | ₱348,213 |
| Premium on forfeited stock option | 103,151 |
| | ₱451,364 |

Premium on issuance of shares of stocks represents the excess of paid capital over the par value of capital stock. Premium on forfeited stock options represents increase in equity arising from equity-settled share-based payment transactions.

## 13. Cost and Expenses

| | Nine Months | | Three Months | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Personnel cost | **₱31,256** | ₱31,123 | **₱9,580** | ₱9,134 |
| Depreciation and amortization on: | | | | |
| Right-of-use | **7,379** | 5,394 | **1,891** | 1,798 |
| Property, equipment, and intangibles | **295** | 134 | **133** | 52 |
| Bank charges | **4,013** | 2,211 | **1,193** | 636 |
| Professional fees | **3,318** | 4,126 | **1,205** | 2,277 |
| Utilities | **2,474** | 2,289 | **838** | 766 |
| Security and janitorial services | **1,394** | 1,328 | **464** | 457 |
| Communication | **1,341** | 1,291 | **458** | 433 |
| Rent | **517** | 464 | **178** | 147 |
| Entertainment, amusement and recreation | **505** | 505 | **110** | 138 |
| Repairs and maintenance | **480** | 321 | **108** | 106 |
| Insurance | **361** | 363 | **120** | 118 |
| Supplies | **266** | 195 | **53** | 50 |
| Taxes and licenses | **209** | 256 | **40** | 67 |
| Others | **2,299** | 2,457 | **608** | 660 |
| | **₱56,107** | ₱52,457 | **₱16,979** | ₱16,839 |

## 14. Interest Income (Expense), Foreign Exchange Gains and Losses, and Other Income

Interest Income
Interest income for the comparative periods was generated mainly from bank deposits, and short-term placements, and short-term bonds amounting to ₱139.1 million and ₱162.8 million as at September 30, 2026 and September 30, 2025, respectively.

Interest Expense
Interest Expense on leases amounted to ₱0.3 million as at September 30, 2026 and September 30, 2025.

Foreign Exchange
Net foreign exchange gain amounted to ₱10.3 million and ₱0.9 million for the nine-month period ended September 30, 2026 and September 30, 2025, respectively.

Realized Gain on AFS
Realized gain recognized on available-for-sale (AFS) investments amounted to nil and ₱1.1 million for the nine-month period ended September 30, 2026 and September 30,2025, respectively.

Other Income - net
Other income for the nine-month period ended September 30, 2026 and September 30, 2025 pertains mainly to other services and miscellaneous income.

## 15. Retirement Benefits

The Parent Company maintains a separate unfunded, non-contributory, and defined benefit plan covering all eligible employees. An independent actuary conducts an actuarial valuation of the retirement liability. The latest actuarial report is as at December 31, 2024 for the Parent Company. The Parent Company did not obtain actuarial report in 2025. The Company believes that this will not materially affect the consolidated financial statements.

The retirement benefits recognized in the consolidated statement of income is as follows:

| | **September 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Current service cost | **₱–** | ₱941 |
| Interest cost | **–** | 1,603 |
| | **₱–** | ₱2,544 |

The cumulative remeasurement gain (loss) on retirement liability recognized as other comprehensive income follows:

| | **September 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Balance at beginning of year | **(₱18,622)** | (₱18,622) |
| Remeasurement loss | **–** | – |
| Balance at end of year | **(₱18,622)** | (₱18,622) |

Changes in the present value of obligation are as follows:

| | **September 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Balance at beginning of year | **₱29,041** | ₱26,497 |
| Current service cost | **–** | 941 |
| Interest cost | **–** | 1,603 |
| Balance at end of year | **₱29,041** | ₱29,041 |

The principal assumptions used in determining the cost of retirement benefits of the Group are shown below:

| | |
|---|---|
| Discount rate | **6.41%** |
| Salary increase rate | **2.00%** |

## 16. Lease Commitments

a. The Group as a Lessee

The Parent Company had an existing lease agreement with a third party for the lease of office space and parking spaces for five years until April 30, 2026. The lease was extended for another three years up to April 30, 2029. The lease for both the office and parking spaces are subject to an escalation rate of 3% per annum. The lease is renewable upon mutual consent of the parties to be covered by a separate lease agreement. As at September 30, 2026 and December 31, 2025, refundable security deposit amounted to ₱1.4 million.

On June 1, 2026, SWA entered into a lease agreement with a third-party for the lease of an office space in San Pedro, Laguna. The lease is renewed every three months.

Movements in right-of-use assets and lease payments under leases as of September 30, 2026 and December 31, 2025 are summarized below:

Right-of-use assets

| | **September 30, 2026** |
|---|---|
| Right-of-use assets, January 1, 2026 | **₱3,596** |
| Additions | **24,590** |
| Amortization | **(7,379)** |
| Right-of-use assets, September 30, 2026 | **₱20,807** |
| Current portion | **7,566** |
| Noncurrent portion | **13,241** |

Lease liabilities

| | |
|---|---|
| Lease liability, January 1, 2026 | **₱2,812** |
| Additions | **24,590** |
| Principal payments | **(6,537)** |
| Interest payments | **316** |
| Lease liability, September 30, 2026 | **₱21,181** |
| Current portion | **7,693** |
| Noncurrent portion | **13,488** |

Right-of-use assets

| | December 31, 2025 |
|---|---|
| Right-of-use assets, January 1, 2025 | ₱10,789 |
| Amortization | (7,193) |
| Right-of-use assets, December 31, 2025 | ₱3,596 |

Lease liabilities

| | |
|---|---|
| Lease liability, January 1, 2025 | ₱10,939 |
| Principal payments | (8,444) |
| Interest payments | 317 |
| Lease liability, December 31, 2025 | ₱2,812 |
| Current portion | 2,812 |
| Noncurrent portion | – |

b. The Group as a Lessor

On May 1, 2026, the Company entered into a sublease agreement with a related party for office space for a term of three (3) years from May 1, 2026 to April 30, 2029. The refundable deposit under the lease amounted to ₱0.6 million.

Rent income from the subleased portion amounted to ₱1.1 million as of September 30, 2026.

## 17. Segment Information

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

*Segment Assets and Liabilities.* Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, property and equipment and other intangible assets, net of allowances and provision. Segment liabilities include all operating liabilities and consist principally of accounts payable and other liabilities.

*Inter-segment Transactions.* Segment revenues, segment expenses and segment performance include transfers among business segments. Such transfers are eliminated in consolidation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating income or loss and is measured consistently with operating income or loss in the consolidated financial statements.

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments.

For management purposes, the Company is organized into business units based on their products and services.

Business Segment Data

The following table presents revenues and expenses information and certain assets and liabilities information regarding the business segments for the nine-month periods ended September 30, 2026 and 2025:

| | September 30, 2026 | | | |
|---|---|---|---|---|
| | Outsourcing | Others | Eliminations | Consolidated |
| **Results of Operations** | | | | |
| Segment revenues from external customers | ₱– | ₱4,450 | ₱– | ₱4,450 |
| Segment expenses | – | (56,107) | – | (56,107) |
| Segment result | – | (51,657) | – | (51,657) |
| Interest income | – | 139,129 | – | 139,129 |
| Net foreign exchange gain | – | 12,933 | (2,621) | 10,312 |
| Interest expense | – | (316) | – | (316) |
| Other segment operating income – net | ₱– | 4,062 | (2,082) | 1,980 |
| Net income | | ₱104,151 | (₱4,703) | ₱99,448 |
| **Assets and Liabilities** | | | | |
| Segment assets | ₱– | ₱6,601,231 | (₱1,636,897) | ₱4,964,334 |
| Segment liabilities | ₱– | ₱260,498 | (₱183,363) | ₱77,135 |
| **Other Segment Information** | | | | |
| Capital expenditures: | | | | |
| Property and equipment | ₱– | ₱1,196 | ₱– | ₱1,196 |
| Depreciation and amortization | ₱– | ₱7,674 | ₱– | ₱7,674 |

| | September 30, 2025 | | | |
|---|---|---|---|---|
| | Outsourcing | Others | Eliminations | Consolidated |
| **Results of Operations** | | | | |
| Segment revenues from external customers | ₱– | ₱– | ₱– | ₱– |
| Segment expenses | (1,512) | (50,945) | – | (52,457) |
| Segment result | (1,512) | (50,945) | – | (52,457) |
| Interest income | 73 | 162,741 | – | 162,814 |
| Net foreign exchange gain(loss) | (198) | 2,867 | (1,742) | 927 |
| Realized gain on AFS | – | 1,001 | – | 1,001 |
| Interest expense | – | (268) | – | (268) |
| Other segment operating income – net | – | 2,616 | – | 2,616 |
| Net income(loss) | (₱1,637) | ₱118,012 | (₱1,742) | ₱114,633 |
| **Assets and Liabilities** | | | | |
| Segment assets | ₱33,138 | ₱6,182,508 | (₱1,644,373) | ₱4,571,273 |
| Segment liabilities | ₱45,118 | ₱198,878 | (₱187,179) | ₱56,817 |
| **Other Segment Information** | | | | |
| Depreciation and amortization | ₱– | ₱5,528 | ₱– | ₱5,528 |

Geographical Segment Data

The following table presents the revenue and expenditure and certain asset information regarding geographical segments for the nine-month period ended September 30, 2026 and 2025:

| | September 30, 2026 | | | |
|---|---|---|---|---|
| | **Philippines** | **Others** | **Eliminations** | **Consolidated** |
| **Revenue** | | | | |
| External revenue | **₱–** | **₱4,450** | **₱–** | **₱4,450** |
| **Other Segment Information** | | | | |
| Segment assets | **₱6,601,231** | **₱–** | **(₱1,636,897)** | **₱4,964,334** |
| Capital expenditures: | | | | |
| Property and equipment | **₱1,196** | **–** | **–** | **₱1,196** |

| | September 30, 2025 | | | |
|---|---|---|---|---|
| | Philippines | Others | Eliminations | Consolidated |
| **Revenue** | | | | |
| External revenue | ₱– | ₱– | ₱– | ₱– |
| **Other Segment Information** | | | | |
| Segment assets | ₱6,215,646 | ₱– | (₱1,644,373) | ₱4,571,273 |

## 18. Financial Assets and Financial Liabilities

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

*Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payable, and Dividends Payable.* Due to the short-term nature of transactions, the fair value approximates the carrying amounts at initial recognition.

*Refundable Deposits.* The estimated fair values of refundable deposits are based on the discounted values of future cash flows using as discount rate the prevailing MART1 rates that are specific to the tenor of the instruments' cash flows as of financial reporting date.

*Financial assets at FVOCI.* Net asset value per unit has been used to determine the fair value of AFS investments.

## 19. Other Matters

Detailed schedules have been omitted for purposes of preparing these interim condensed financial statements as allowed by SRC Rule 68.

**Annex B**

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

## INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited interim condensed consolidated financial statements of the Group as at and for the nine-month period ended September 30, 2026 (with comparative figures as at and for the nine-month period ended September 30, 2025). All necessary adjustments to present fairly the consolidated financial condition, results of operations, and cash flows of the Group for the nine-month period ended September 30, 2026, and for all the other periods presented, have been made. Certain information and footnote disclosure normally included in the audited financial statements prepared in accordance with generally accepted accounting principles have been omitted.

## ABOUT PAXYS GROUP

Paxys is an investment holding company registered with the SEC in February 14, 1952. Through its operating subsidiaries, Paxys has been engaged in diversified services such as business process outsourcing, data conversion. In the past years, it has divested its investments in salary packaging, call center, IT consulting and software solutions business.

Scopeworks Asia, Inc. (SWA) is a Philippine BPO company engaged in outsourcing services with global and local clients operating in the Philippines.

Paxys Realty, Inc. (formerly Paxys Global Services, Inc.) has recently amended its Articles of Incorporation to include real estate business among its primary purpose. These changes have been approved by Paxys Realty's Board of Directors on November 2017 and subsequently by the Securities and Exchange Commission on February 2018.

Simpro Solutions Limited (SSL) is a joint venture company engaged in call center and back office outsourcing activities thru its wholly-owned subsidiary, Simpro Solutions Philippines, Inc. (SSPI). In 2014, SSPI amended its Articles of Incorporation shortening the term of its existence up to June 2018. Said amendment has been approved by the Securities and Exchange Commission (SEC) on May 24, 2017. By the virtue of the Amended Articles of Incorporation, SSPI has dissolved its corporate existence on June 30, 2018.

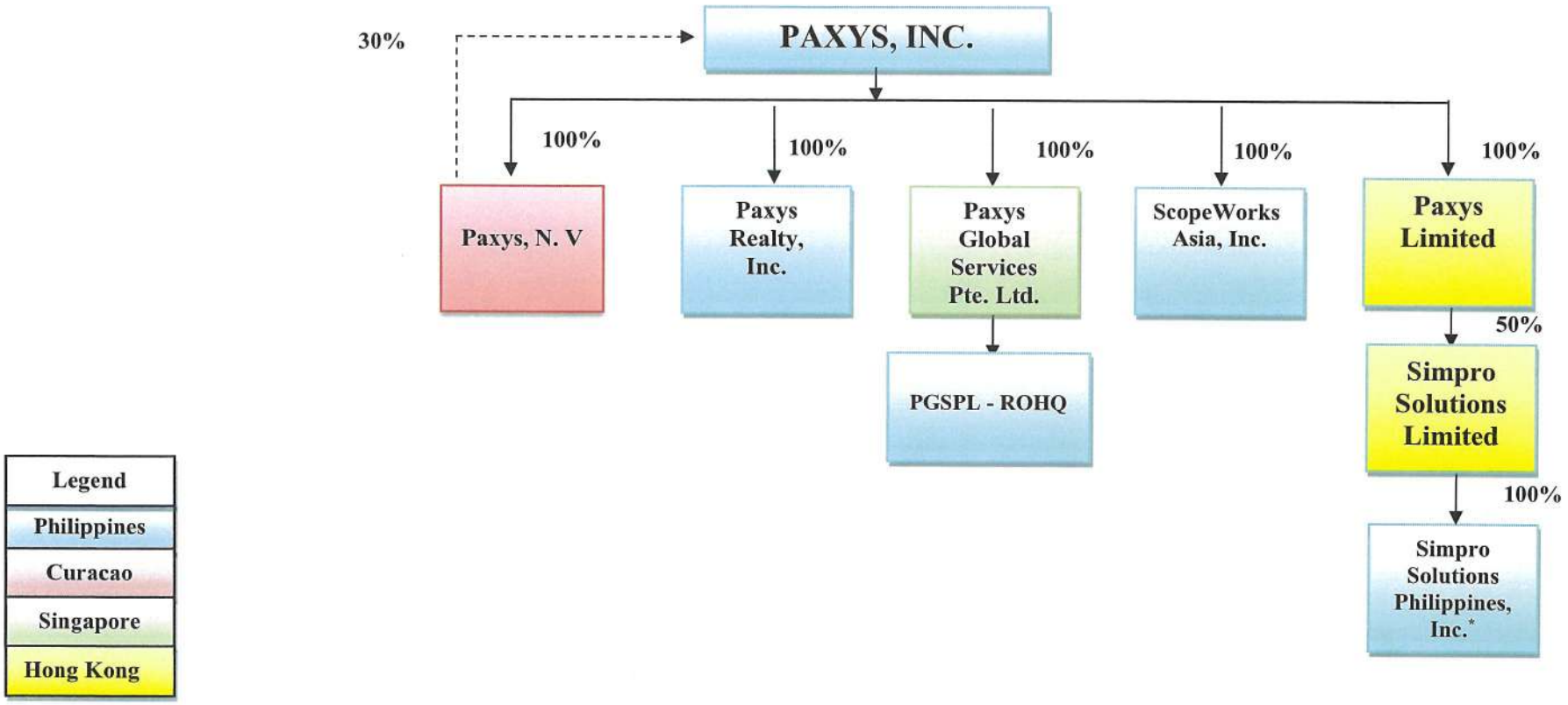
### Key Performance Indicators (KPI)

The Company's management uses the following KPI:

| | | |
|---|---|---|
| 1) Net Service Income | : | Service Income less discounts and allowances |
| 2) Gross Profit Margin | : | Gross profit/Service Income |
| 3) EBITDA | : | Earnings Before Interest, Taxes, Depreciation and Amortization |
| 4) EBITDA Margin | : | EBITDA/Service Income |
| 5) Income from Operations | : | Gross Profit – Operating Expenses |
| 6) Net Income Margin | : | Net Income/Service Income |
| 7) Return on Equity | : | Net Income/ (Equity end + Equity beg – Net Income)/2 |
| 8) Current Ratio | : | Current Assets/Current Liabilities |

**Overview of Our Business**

Below is the Group's corporate structure as of September 30, 2026:




* *under dissolution and liquidation*

## RESULTS OF OPERATIONS AND DISCUSSION OF KPIs

Summary Profit and Loss
For the Nine-month Period Ended September 30, 2026 and 2025
(Amounts in Thousands)

| | **2026** | | 2025 | |
|---|---|---|---|---|
| | **Amount** | **% to Sales** | Amount | % to Sales |
| Service Income | **₱4,450** | **100%** | ₱– | 100% |
| Gross Profit | **₱4,450** | **100%** | ₱– | –% |
| Loss from Operations | **(51,657)** | **-1,160.83%** | (52,457) | –% |
| Net Income | **99,409** | **2,233.91%** | 114,606 | –% |
| EBITDA | **107,438** | **2,414.34%** | 120,429 | –% |

FINANCIAL PERFORMANCE HIGHLIGHT

As of September 30, 2026, the Group generated revenues of ₱4.5 million from service fees and rental income paid to Paxys. The Group continued to incur operating loss during the period resulting in a decline in net income to ₱99.4 million, compared to ₱114.6 million in the same period last year. The decrease was primarily driven by lower interest income of ₱23.7 million.

Summary Financial Condition
For the Periods Ended September 30, 2026 and December 31, 2025
(Amounts in Thousands)

| | **September 30, 2026** | December 31, 2025 | % Change |
|---|---|---|---|
| Current Assets | **₱4,743,965** | ₱4,435,211 | 7% |
| Noncurrent Assets | **220,369** | 193,813 | 13.7% |
| Assets | **4,964,334** | 4,629,024 | 7.2% |
| Current Liabilities | **33,930** | 26,210 | 29.5% |
| Noncurrent Liabilities | **43,205** | 29,041 | 48.8% |
| Equity | **4,887,199** | 4,573,773 | 6.9% |

The assets of the Group comprised mainly of cash and cash equivalents and short-term investments. Other than the net income for the period, amortization of right of use assets and payments for lease liabilities, there are no other significant movement in the Group's balance sheet.

## LIQUIDITY AND CAPITAL RESOURCES

The following are the cash flow movements:

| **For the Nine-Month Period Ended September 30** | **2026** | 2025 | % change |
|---|---|---|---|
| Net Cash provided by Operating Activities | **₱66,473** | ₱106,550 | -38% |
| Net Cash provided (used) in Investing Activities | **(10,097)** | 1,504,910 | -101% |
| Net Cash used in Financing Activities | **(6,537)** | (5,796) | 13% |

The net increase in cash resulted mainly from the income generated for the period and the appreciation of the U.S. dollar against the Philippine peso. The Group's current level of funds is more than sufficient to meet the Company's immediate and future cash requirements. The Group does not have loans and the Company does not anticipate any liquidity problems that may arise from its operating activities in the near future.

**Financial Ratios**

| | **September 30, 2026** | Dec 31, 2025 |
|---|---|---|
| Financial Ratios: | | |
| Current Ratio | **139.82:1** | 169.22:1 |
| Debt to Equity Ratio | **0.01:1** | 0.01:1 |
| Return on Equity | **2.0.%** | 3.0% |
| EBITDA Margin | **2,414.34%** | 4,370% |
| Net Profit Margin | **22.34%** | 3,926% |

**FINANCIAL RISK**

- **Foreign Currency risk**

  The Group has transactional currency exposure. Such exposure arises from US$ denominated service income of SWA and US$ funds of Paxys NV. As at September 30, 2026, cash and cash equivalents of the Group consist of about 86% US$.

  In view of the above, the Group's interim condensed consolidated financial performance and financial position can be affected significantly by movements in the US$/Philippine Peso exchange rates.

  The Group's primary strategy to address its forex exposures is to make use of hedging instruments including derivatives (i.e., currency forward contracts) to manage the effects of foreign exchange fluctuations on financial results. These hedging instruments or derivatives are not used for trading or speculative purposes. Counterparties to derivative contracts are carefully selected from major financial institutions which are assessed based on their industry standing and historical performance. As at September 30, 2026 and December 31, 2025, the Group does not have outstanding derivative instruments.

  The Group adopted the following rates of exchange in translating foreign currency statement of comprehensive income and statement of financial position as of September 30, 2026 and December 31, 2025:

| | **September 30, 2026** | | December 31, 2025 | |
|---|---|---|---|---|
| | **Closing** | **Average** | Closing | Average |
| Philippine Peso to 1 unit of: | | | | |
| United States Dollar (US$) | **62.64** | **60.62** | 58.79 | 57.51 |

- **Credit Risk**

  The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Since the Group trades only with recognized third parties, there is no requirement for collateral.

## OTHER MATTERS

a. There were no material commitments of the Company.

b. There were no material off-statement of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons during the reporting period.

c. There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows.

d. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

e. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or an unfavourable impact on net sales or revenue or income from continuing operation.

f. The causes for any material change from period to period are stated under Management's discussion and analysis section "financial condition".

g. The effects of seasonality or cyclicality on the operations of the Company's business are not material.

h. There were no material changes in estimates of amounts reported in interim periods of the current year or changes in estimates of amounts reported in prior financial years.

### Key Variable and Other Quantitative and Factors

*Trends, Events, Uncertainties or Contingent Financial Obligation with Material Impact on Liquidity*

The Company does not anticipate liquidity problem within the next twelve (12) months since it has adequate amount of cash to pay its maturing obligations and to support its working capital requirements.

**Annex C**

**Paxys, Inc. and Subsidiaries**
**Consolidated Trade Receivables Aging Schedule**
**As of September 30, 2026**
*(Amounts in Thousands)*

| Types of customers | Age of Receivables | | | | | |
|---|---|---|---|---|---|---|
| | <30 days | 31-60 days | 61-90 days | 90-120 days | >120 days | Total |
| International | ₱– | ₱– | ₱– | ₱– | ₱10,024 | ₱10,024 |
| Local | – | – | – | – | 352 | 352 |
| | – | – | – | – | 10,376 | 10,376 |
| Allowance for impairment losses | – | – | – | – | (9,616) | (9,616) |
| | ₱– | ₱– | ₱– | ₱– | ₱760 | ₱760 |