COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	6	6	4	1	1					

COMPANY NAME

iPeople, inc. and Subsidiaries

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

8TH FLOOR MAPUA UNIVERSITY
MAKATI CAMPUS, 1191 PABLO
OCAMPO SR. EXTENSION AVE., BRGY.
STA.CRUZ, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
vicrafael@ipeople.com.ph	8253-3637	09985843110

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,998	July 30	March 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Victor V. Rafael	vicrafael@ipeople.com.ph	8253-3637	09985843110

CONTACT PERSON's ADDRESS

8th Floor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta. Cruz, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencie*

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 year ended: **March 31, 2024**

2. SEC Identification Number: **166411** 3. BIR Tax Identification No.: **000-187-926-000**

4. Exact Name of registrant as specified in its charter: **iPeople, inc.**

5. **Manila, Philippines** 6. [ ] (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization — Industry Classification Code:

7. **8th Floor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta. Cruz,, Makati City** **1200**
Address of principal office — Postal Code

8. **(632) 8253-3637**
Registrant's telephone number, including area code

9. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Authorized	Number of Shares Outstanding
Common, P1.00 par value	2,000,000,000 shares	1,044,263,197

Total Debt Outstanding as of March 31 – No debt registered pursuant to Sections 4 and 8 of the RSA

10. Are any or all of these securities listed on the Philippine Stock Exchange. **Yes/Common**

11. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 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 [ ]

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The interim consolidated financial statements of iPeople, inc. and Subsidiaries as of March 31, 2024 with comparative figures for the periods ended March 31, 2023, March 31, 2022 and December 31, 2023 and Schedule of Aging of Accounts Receivable are incorporated by reference as **Exhibit 1**.

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

(i) Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.

Are there any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.	None
Does the registrant currently has, or anticipates having within the next twelve (12) months, any cash flow or liquidity problems?	No
Is the registrant in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments?	No
Has there been a significant amount of the registrant's trade payables have not been paid within the stated trade terms?	None
Describe internal and external sources of liquidity, and briefly discuss any sources of liquid assets used.	Sources of cash flow are from dividends.

(ii) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

None

(iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

None

(iv) Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described;

There is no material commitment on capital expenditures other than those performed in ordinary course of trade of business.

(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described. If the registrant knows of events that will cause material change in the relationship between costs and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. One provision of the Act stated that beginning July 1, 2020 until June 30, 2023, proprietary educational institutions and hospitals which are nonprofit shall be imposed a tax rate of 1%. Because of the enactment of the CREATE Act, income tax rate of schools was reduced from 10% to 1% from July 1, 2020 to June 30, 2023.

In August 2023, the Securities and Exchange Commission (SEC) approved the merger of NTC and APEC, with NTC as the surviving entity. Both entities consider it to be in their best interests to merge into a single corporation to allow them to better achieve their goal of transforming lives through innovative education at affordable prices. Both entities are subsidiaries of IPO

In 2022, the resumption of F2F classes in the 2nd half of year meant higher operating expenses. The schools had to spend for campus repairs, student welfare activities, sports development, the accumulated equipment/laboratory/tools expenses that had not been incurred in two years due to fully on-line instructions.

Other than matters discussed above, there is no known trend, event or uncertainty that have had or that are reasonably expected to have a material impact on the net sales or revenues or income of the Group from continuing operations.

(vi) Any significant elements of income or loss that did not arise from the registrant's continuing operations;

None

(vii) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item; The term "material" in this section shall refer to changes or items amounting to five percent (5%) of the relevant accounts or such lower amount, which the registrant deems material on the basis of other factors.

Statements of Comprehensive Income

The Group generated a higher consolidated net income of ₱292 million in the current year versus net income of ₱248 million in the same period last year. The higher net income in 2024 is driven by the better results of operations of IPO schools. IPO schools produced higher net income in 2024 due to higher revenues.

Revenues from school operations went up by 19% to ₱1.28 billion from ₱1.07 billion last year. The increase in revenues was due to higher enrolment in the current school year.

Cost of tuition and other fees went up by 19% or ₱119 million, while general and administrative expenses increased by 10% or ₱20 million higher than the same period last year. The higher expenses in 2024 were primarily driven by higher enrolment that directly affect the level of expenses, higher spending to continue to develop new growth initiatives and higher depreciation expense. The Group's new growth initiatives include the introduction of new programs in Business and Health Sciences as well as the offering of fully online programs of Mapua Malayan Digital College (MMDC) under Mapua Malayan Colleges Laguna. The introduction of new programs in business and Health Sciences are the result of the affiliation agreement with CINTANA Education in collaboration with Arizona State University

Interest expense and other finance charges went down by 24% from ₱40 million last year to ₱30 million this year due payment of loans.

Provision for income tax in 2024 is significantly higher than last year because the income tax rate applicable to schools went back to 10% from 1% effective July 1, 2023 as mandated by the CREATE Act.

Statements of Financial Position

Total consolidated assets stood at ₱19.93 billion as of March 31, 2024. There is no significant change compared to ₱19.96 billion as of December 31, 2023. The minimal decrease in total assets is due to the collection of receivables.

Total consolidated current assets of ₱3.79 billion as of March 31, 2024 is almost equal to the ₱3.81 billion balance as of December 31, 2023.

Receivables pertain mainly to matriculation and miscellaneous fees due from students. The 11% decrease in receivable is mainly due to the normal collection cycle during the school term. The level of receivables is higher at the start of the school term, and it will go down towards the end of the school term.

Prepaid expenses and other current assets went up to ₱652 million mainly because of higher prepaid expenses.

Total consolidated non-current assets as of March 31, 2024 is of ₱16.14 billion. There is no significant change in the balances of noncurrent assets.

Total consolidated liabilities were lower by 7% primarily because of the decrease in unearned income.

Current liabilities decreased to ₱2.93 billion March 31, 2024 from ₱3.26 billion in December 31, 2023 due to the lower unearned income.

Unearned income is lower this year, from ₱978 million in December 2023 to ₱656 million as of March 2024 due to revenue recognized during the period. Unearned income is higher at the start of the school term and will decline towards the end of the term.

Income tax payable in December 2023 was settled in April 2024. Tax liability for the quarter ending March 2024 is payable in May 2024.

Total noncurrent liabilities as of March 2024 is P1.62 billion. There is no significant change in the balances of noncurrent liabilities.

Total consolidated equity increased from ₱15.08 billion in December 2024 to ₱15.38 billion this year due to the net income during the period. Equity attributable to Parent is at ₱15.05 billion from ₱14.76 billion in December 2024.

(viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

During summer period, the school operations undergo a material change. For the purposes of this discussion, the summer period occurs two months from May to June or June to July of every year depending on each school's academic year.

During the summer term, student enrollment drops significantly because the majority of matriculating students go on break. Therefore, there is a seasonal shift in revenues as enrolment drops in the summer term. Despite the lower revenue during the summer term, the schools continue to carry the same periodic fixed costs resulting to lower net profits during the school summer period.

Financial Soundness Indicator
The company's top 10 key performance indicators as of the period ended March 31, 2024, March 31, 2023 and December 31, 2023 are as follows:

Financial ratios		**Unaudited March 2024**	Unaudited March 2023	Audited December 2023
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.29:1**	1.72:1	1.17:1
Acid-test ratio *Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately*	Current Assets – Prepaid expenses / Current Liabilities	**1.07:1**	1.54:1	0.98:1
Solvency Ratio *Shows how likely a Group will be to continue meeting its debt obligations*	Net Income+Depreciation / Total Liabilities	**0.09:1**	0.07:1	0.24:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.30:1**	0.41:1	0.33:1
Asset to Equity Ratio *Shows how the Group's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.30:1**	1.40:1	1.32:1
Interest Rate Coverage *Shows how easily a Group can pay interest on outstanding debt*	EBIT* / Interest Expense Excluding Interest Expense on Lease Liabilities	**14.78:1**	8.84:1	7.18:1
Return on Average Stockholders' Equity *Reflects how much the Group's has earned on the funds invested by the stockholders*	Net Income / Average Equity	**2.07%**	2.09%	4.76%
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit / Revenue	**22.90%**	23.09%	14.74%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**1.47%**	1.38%	3.32%

- The current ratio is at 1.29 as of March 2024 compared to 1.72 as of March 2023 due to payment of long-term bank loans and availment of short-term bank loans to reduce interest.
- Acid test ratio decreased from 1.54:1 in 2023 to 1.07:1 in 2024 due to payment of long-term bank loans and availment of short-term bank loans to reduce interest.
- Solvency ratio is higher in 2024 due to higher income and lower liabilities.
- Debt-to-equity ratio is at 0.30 for this year due to higher equity and lower liabilities.
- Asset to equity ratio is at 1.30 in March 2024 versus 1.40 last year due to higher equity.
- Interest rate coverage ratio increased from 8.84 times as at March 2023 to 14.78 times this period because of lower interest expense incurred by the Group and higher income.
- Return on average stockholders' equity decreased to 2.07% year on year, because of higher equity.
- Return on asset is at 1.47% this year against 1.38% as of March 2023, because of the higher income.
- Net profit margin decreased from 23.09% last year to 22.90% as of this period because of higher expenses of the Group and higher provision for income tax.

The above-mentioned ratios are applicable to the Group (Parent Company and its majority owned subsidiaries) as a whole.

PART II – OTHER INFORMATION

Item 3: First Quarter 2024 DEVELOPMENTS

Significant developments during the first quarter of 2024 were briefly discussed in Part I Item 2: *Management Discussion and Analysis of Financial Condition and Results of Operations.*

In August 2023, the SEC approved the merger of NTC and APEC, with NTC as the surviving entity. Both entities consider it to be in their best interests to merge into a single corporation to allow them to better achieve their goal of transforming lives through innovative education at affordable prices. Both entities are subsidiaries of IPO.

Item 4: OTHER NOTES TO FINANCIAL STATEMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, receivables, due from related parties, AFS financial assets, loans payable, accounts payable and accrued expenses, due to related parties, dividends payable, lease liability and long-term debt. The main purpose of these financial instruments is to manage working capital for the Group's operations.

The main risks arising from the Group's financial instruments are liquidity risk, market risk, and credit risk. The BOD reviews and approves the policies for managing these risks. The Audit Committee and the Risk Management Committee of the Board meets regularly and exercises an oversight role in managing risks.

Risk Factors at the Holding Company Level

iPeople, Inc. (IPO) is a holding company with significant involvement in education through its subsidiaries, is exposed to risks that are particular to its nature of operations and the environment in which it operates. IPO believes that risk management is the responsibility of all stakeholders within the Group. As such, risk management is integrated into the businesses' organizational activities and processes, embedded into the regular functions and operational requirements to achieve the corporate goals.

The Board Risk Oversight Committee (BROC) assists the Board of Directors in fulfilling its corporate governance functions on risk management. The BROC is responsible for the oversight of the company's enterprise risk management system. The Chief Risk Officer reports to the BROC developments and matters relevant to risk management. Management, through the company's Risk Management Council, is accountable for managing the associated risks. The management team of the subsidiaries are responsible for managing their respective risk exposures and reports periodically to IPO.
IPO reviews and conducts a group-wide risk assessment periodically, monitors the identified risks to ensure that these are current and regularly taken into account. Following are the key risk factors that may impact the objectives of the Company.

For the Holding Company

Reputation
The inability of the Company to maintain and failure to protect its reputation may adversely affect its objective of creating and growing its value for its stakeholders. The Company's reputation may be closely tied to the performance and reputation of its education subsidiaries. Negative publicity or poor performance by the subsidiaries may possibly damage the Company's reputation which may impact stakeholder

confidence. Each subsidiary's reputation can significantly impact the overall brand and image of the Company, as well as all the subsidiaries of the Company.

Talent

The probability that a critical role will become vacant and cannot be satisfactorily filled may negatively affect the Company's continuity of its strategic imperatives and/or products and services standards. The Company may face challenges in attracting and retaining top talent. The success of the Company depends on the quality and effectiveness of the leadership and employees and may face challenges in attracting and retaining top talent. Turn-over or inadequate leadership can impact overall performance and stability.

Competition and Market

The Philippine and Global economic condition may impact the Company's investment and growth commitments to its stakeholders. The Company's lack of revenue-generating operations of its own could make it vulnerable to market fluctuations. The uncertainty of the economic condition may impact the performance of the Company's subsidiaries. The education sector is competitive, with the presence and current improvements in the public education system, as well as the private institutions.

Regulation

The Company's business may be impacted by changes in laws and policies or the introduction of new laws or regulations which may affect its business operations and financial results. The education subsidiaries are subject to numerous regulations and compliance requirements. Non-compliance with existing regulations, could result in fines, legal action, or reputational damage.

Information and Cyber Security/Safety

The failure to protect the Company from data breaches and/or the inability of the information systems to adequately protect the critical data and infrastructure may adversely affect stakeholders' confidence, disrupt operations, and may result to business losses. The Company may handle sensitive stakeholder data which can lead to privacy and cybersecurity risks such as data breaches and cyber-attacks. The education subsidiaries hold student and staff information, making them potential targets for cyber attacks and data breaches. A breach affecting a subsidiary can impact the Company.

ESG Risk

The failure to address and manage the environmental risks and footprints due to energy consumption, water usage, and waste generation may impact the Company's reputation, financial performance, and result in regulatory fines.

Risk Factors related to School Operations

Competition and Market

The Philippine and Global economic condition may impact the Company's investment and growth commitments to its stakeholders. The education industry is subject to cyclical trends and economic conditions, which can impact the Company's enrollment and performance. The education sector is competitive, with the presence of and current improvements in the public education system, as well as the private institutions. Changes in the student preferences, industry requirements, or advancements in technology can influence enrollment and demand for improved educational services.

Reputation

The inability of the Company to maintain and failure protect its reputation may adversely affect its objective of creating and growing its value for its stakeholders. Negative publicity or poor performance could damage the Company's reputation and lead to a loss of students and may impact stakeholder confidence.

Business Resiliency

The inability to bring the Company out of operational disruptions, resume critical processes, and restore normal operations may result to service breach and financial losses. The Company can be affected by natural disasters, may be vulnerable to cyber threats due to the increasing reliance on digital technologies, and can be affected by outbreaks of infectious diseases which may cause damage to facilities, may impact employee, student, and campus safety, and disrupt academic schedules.

Technology Risk
The Company's business may be impacted by technological innovations and/or changes which may affect its operations, competitiveness, and financial results. The education industry is rapidly evolving, and technology is playing an increasingly important role in teaching and learning which may significantly alter the way business operate. Dependence on technology for teaching, learning, and other administrative tasks exposes the Company to technological disruptions or online services.

Information and Cyber Security/Safety
The failure to protect the Company from data breaches and/or the inability of the information systems to adequately protect the critical data and infrastructure may adversely affect stakeholders' confidence, disrupt operations, and may result to business losses. The Company handle sensitive stakeholder data which can lead to privacy and cybersecurity risks such as data breaches and cyber-attacks. Dependence on technology for teaching and learning, and data management exposes the Company to cybersecurity threats, data breaches, or ransomware attacks.

Talent
The probability that a critical role will become vacant and cannot be satisfactorily filled may negatively affect the Company's continuity of its strategic imperatives and/or products and services standards. The success of the Company depends on the quality and effectiveness of the leadership, faculty, and staff and may face challenges in attracting, developing, and retaining top talent. Poor quality of talent can undermine the effectiveness of the Company.

Campus Safety and Security
The inability to provide a safe environment and/or operationalize adequate campus security and preventive measures may adversely affect the Group's reputation, student enrolment, and talent retention. Ensuring the safety and well-being of students, employees, and other stakeholders is paramount.

Operational
The inefficiencies and/or failure of internal processes and/or systems, non-compliance with policies and regulatory requirements, human errors in the conduct of the Groups' daily activities may result to financial losses.

Regulation
The Company's business may be impacted by changes in laws and policies or the introduction of new laws or regulations which may affect its business operations and financial results. The Company is subject to a range of legal and regulatory requirements like accreditation, licensing, environmental and other relevant local and national regulations, non-compliance of which may result in fines, legal action, or reputational damage.

EXHIBIT 1

iPEOPLE INC. and SUBSIDIARIES

Interim Unaudited Consolidated Financial Statements

March 31, 2024, 2023 and 2022 (Unaudited)
and December 31, 2023 (Audited)

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	Unaudited March 2024	Audited December 2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 15)	**₱1,896,123**	₱1,807,164
Receivables (Note 8)	**1,226,897**	1,379,633
Receivables from related parties (Note 15)	**2,469**	1,643
Prepaid expenses and other current assets (Note 9)	**651,897**	607,049
Financial assets at fair value through profit or loss (FVTPL)	**9,867**	9,767
Total Current Assets	**3,787,253**	3,805,256
Noncurrent Assets		
Property and equipment at cost (Note 10)	**5,322,100**	5,331,603
Land at revalued amounts (Notes 10 and 11)	**9,719,039**	9,719,039
Intellectual property rights (Note 6)	**458,111**	458,111
Goodwill (Notes 6 and 12)	**151,326**	151,326
Student relationship (Note 6)	**5,267**	6,032
Right-of-use assets (Note 27)	**323,172**	335,013
Net pension assets	**22,145**	20,139
Deferred tax assets - net	**51,079**	48,508
Other noncurrent assets (Note 13)	**86,115**	89,280
Total Noncurrent Assets	**16,138,354**	16,159,051
	₱19,925,607	₱19,964,307

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 27)	**₱1,152,608**	₱1,179,730
Short-term loans (Notes 16 and 30)	**1,000,000**	1,000,000
Current portion of long-term debt (Note 17)	**24,430**	32,574
Unearned income (Note 14)	**655,901**	978,261
Lease liabilities - current portion (Note 27)	**24,548**	37,047
Income tax payable	**49,564**	19,719
Payables to related parties (Note 15)	**19,143**	8,706
Dividends payable (Note 18)	**902**	924
Total Current Liabilities	**2,927,096**	3,256,961
Noncurrent Liabilities		
Long-term loans (Note 17)	**293,851**	293,851
Lease liabilities - net of current portion (Note 27)	**354,549**	354,549
Net pension liabilities	**163,522**	162,452
Deferred tax liabilities - net	**794,680**	794,852
Other noncurrent liabilities (Note 27)	**15,229**	17,114
Total Noncurrent Liabilities	**1,621,832**	1,622,818
Total Liabilities	**4,548,928**	4,879,779

(Forward)

	Unaudited March 2024	Audited December 2023
Equity		
Common stock (Notes 6 and 18)	**₱1,044,263**	₱1,044,263
Additional paid-in capital (Note 6)	**3,294,368**	3,294,368
Other comprehensive income (loss):		
Revaluation increment on land - net (Note 11)	**4,516,945**	4,516,945
Remeasurement losses on defined benefit plans	**(32,649)**	(32,649)
Equity reserve (Note 6)	**(230,494)**	(230,494)
Retained earnings (Note 18)	**6,454,870**	6,165,650
Equity attributable to equity holders of the Parent Company	**15,047,303**	14,758,083
Non-controlling interest in consolidated subsidiaries (Note 24)	**329,376**	326,445
Total Equity	**15,376,679**	15,084,528
	₱19,925,607	₱19,964,307

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	January 1 to March 31		
	2024	2023	2022
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 19)			
Revenue from schools and related operations	**₱1,275,725**	₱1,073,364	₱870,502
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	**733,156**	614,039	476,675
GROSS PROFIT	**542,569**	459,325	393,827
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	**(209,708)**	(190,026)	(168,923)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	**(30,491)**	(39,879)	(29,322)
INTEREST INCOME (Notes 7 and 22)	**15,504**	14,324	1,586
OTHER INCOME (CHARGES) - Net	**4,461**	5,883	1,018
INCOME BEFORE INCOME TAX	**322,335**	249,627	198,186
PROVISION FOR INCOME TAX	**30,184**	1,837	1,647
NET INCOME	**292,151**	247,790	196,539
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
	–	–	–
TOTAL COMPREHENSIVE INCOME	**₱292,151**	₱247,790	₱196,539
Net income attributable to:			
Equity holders of the parent (Note 23)*	**₱289,220**	₱244,737	₱195,586
Non-controlling interest in consolidated subsidiaries (Note 24)	**2,931**	3,053	953
	₱292,151	₱247,790	₱196,539
Total comprehensive income attributable to:			
Equity holders of the parent	**₱289,220**	₱244,737	₱196,586
Non-controlling interest in consolidated subsidiaries (Note 24)	**2,931**	3,053	953
	₱292,151	₱247,790	₱196,539
***Basic/Diluted Earnings Per Share** (Note 23)	**₱0.2770**	₱0.2344	₱0.1873

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Common Stock (Notes 6 and 18)	Additional Paid-in Capital (Note 6)	Revaluation Increment on Land - net of tax (Note 11)	Remeasurement Gains (Losses) on Net Defined Benefit Plans (Note 25)	Equity Reserve (Note 6)	Retained Earnings (Note 18)	Total	Non - controlling Interest (Note 27)	Total
Balances as at January 1, 2024	**₱1,044,263**	**₱3,294,368**	**₱4,516,945**	**(₱32,649)**	**(₱230,494)**	**₱6,165,650**	**₱14,758,083**	**₱326,445**	**₱15,084,528**
Net income	–	–	–	–	–	**289,220**	**289,220**	**2,931**	**292,151**
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	**289,220**	**289,220**	**2,931**	**292,151**
Dividends declared	–	–	–	–	–	–	–	–	–
Balances as at March 31, 2024	**₱1,044,263**	**₱3,294,368**	**₱4,516,945**	**(₱32,649)**	**(₱230,494)**	**₱6,454,870**	**₱15,047,303**	**₱329,376**	**₱15,376,679**
Balances as at January 1, 2023	₱1,044,263	₱3,294,368	₱2,603,159	₱11,099	(₱230,494)	₱5,719,050	₱12,441,445	₱298,753	₱12,740,198
Net income	–	–	–	–	–	244,737	244,737	3,053	247,790
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	244,737	244,737	3,053	247,790
Dividends declared	–	–	–	–	–	(198,410)	(198,410)	–	(198,410)
Balances as at March 31, 2023	₱1,044,263	₱3,294,368	₱2,603,159	₱11,099	(₱230,494)	₱5,765,376	₱12,487,771	₱301,806	₱12,789,578
Balances as at January 1, 2022	₱1,044,263	₱3,294,368	₱1,633,847	(₱15,033)	(₱230,494)	₱5,142,420	₱10,869,371	₱250,432	₱11,119,803
Net income	–	–	–	–	–	195,586	195,586	953	196,539
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	195,586	195,586	953	196,539
Dividends declared	–	–	–	–	–	–	–	–	–
Balances as at March 31, 2022	₱1,044,263	₱3,294,368	₱1,633,847	(₱15,033)	(₱230,494)	₱5,338,006	₱11,064,957	₱251,385	₱11,316,342

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	January 1 to March 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱322,335**	₱249,627	₱198,186
Adjustments for:			
Depreciation and amortization (Notes 10, 13, 20 and 21)	**127,429**	122,387	104,994
Interest expense and other finance charges (Note 22)	**30,491**	39,484	29,915
Provision for doubtful accounts (Notes 8 and 21)	**11,905**	5,518	16,935
Interest income (Note 22)	**(15,504)**	(14,324)	(1,586)
Unrealized foreign exchange loss (gain) - net	**(100)**	1,020	(129)
Unrealized market loss (gain) on financial assets at FVTPL	**(381)**	(116)	–
Operating income before working capital changes	**476,175**	403,596	348,315
Decrease (increase) in:			
Receivables	**140,874**	20,866	81,954
Prepaid expenses and other current assets	**(44,849)**	61,219	(50,416)
Increase (decrease) in:			
Accounts payable and other current liabilities	**(26,525)**	44,869	(77,937)
Unearned income	**(322,360)**	(67,438)	(50,050)
Other noncurrent liabilities	**4,733**	7,130	7,764
Net pension assets and liabilities	**(3,678)**	5,647	6,306
Net cash generated from operations	**224,370**	475,888	265,935
Interest paid	**(30,491)**	(39,879)	(14,025)
Income taxes paid	**(956)**	(736)	(1,847)
Interest received	**15,461**	14,274	1,566
Net cash flows from operating activities	**208,384**	449,547	251,629
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 10)	**(103,712)**	(193,285)	(73,860)
Computer software (Note 13)	**(934)**	(1,461)	(7,299)
Decrease (increase) in:			
Receivables from related parties	**(826)**	(1,056)	(1,413)
Other noncurrent assets	**2,491**	2,849	521
Net cash flows from (used in) investing activities	**(102,981)**	(192,954)	(82,051)

(Forward)

	January 1 to March 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans (Notes 16 and 26)	**₱–**	₱–	₱400,000
Payments of long-term loans	**(8,143)**	(8,143)	–
Payment of lease liabilities (Notes 26 and 27)	**(19,118)**	(18,076)	(18,527)
Increase (decrease) in payables to related parties (Note 26)	**10,436**	1,340	6,392
Net cash flows from (used in) financing activities	**(16,825)**	(24,879)	(412,135)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**381**	(1,020)	129
NET INCREASE IN CASH AND CASH EQUIVALENTS	**88,959**	230,694	(242,428)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,807,164**	1,961,428	1,604,129
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱1,896,123**	₱2,192,122	₱1,361,701

See accompanying Notes to Consolidated Financial Statements.

IPEOPLE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

iPeople, inc. (the Parent Company) is a publicly-listed stock corporation registered and incorporated on July 27, 1989 under the laws of the Philippines.

The Parent Company, a subsidiary of House of Investments, Inc. (HI), is a holding and management company. iPeople, inc. and its subsidiaries (collectively referred to as "the Group") are mainly involved in education sector with the list of subsidiaries disclosed in Note 2.

The Group is a member of the Yuchengco Group of Companies (YGC). The Group's ultimate parentis Pan Malayan Management and Investment Corporation (PMMIC).

In 2023, the Parent Company changed its principal office address to 8thFloor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Makati City, Metro Manila from 3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City.

<u>Merger with AC Education, Inc.</u>
With the effectivity of the merger on May 2, 2019 between iPeople, inc. and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), iPeople, inc. became 48.18% owned by HI and 33.5% owned by AC. Details of the merger is disclosed in Note 6.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis, except for the land which is under revaluation model and financial assets at fair value through profit or loss (FVTPL). The consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional currency. Except as otherwise indicated, all amounts are rounded off to the nearest thousands.

<u>Statement of Compliance</u>
The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

<u>Basis of Consolidation</u>
The consolidated financial statements comprise the financial statements of the Group as at March 31, 2024 and December 31, 2023, and for each of the three years in the period ended March 31, 2024.

The consolidated financial statements are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All significant intercompany balances and transactions, including income, expenses and dividends, are eliminated in

Below are the Group's subsidiaries and percentage of ownership:

	Percentage of Ownership		
	2024	2023	2022
Malayan Education System, Inc. (MESI) [Operating Under the Name of Mapua University] and subsidiaries	**100%**	100%	100%
Direct ownership of MESI on its subsidiaries:			
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	**100**	100	100
Malayan Colleges Mindanao (A Mapua School), Inc. (MCMI)	**100**	100	100
Malayan High School of Science, Inc. (MHSSI)	**100**	100	100
Mapua Information Technology Center, Inc. (MITC)	**100**	100	100
Mapua Techserv, Inc.	**100**	100	100
Mapua Techpower, Inc.	**75**	75	75
People eServe Corporation	**100**	100	100
Pan Pacific Computer Center, Incorporated (PPCCI)	**100**	100	100
Affordable Private Education Center, Inc. doing business under the name of APEC Schools*	-	-	100
National Teachers College doing business under the name/s and style/s of The National Teachers College	**99.79**	99.79	99.79
University of Nueva Caceres	**83.01**	83.01	83.01
AC College of Enterprise and Technology, Inc.	**100**	100	100
LINC Institute, Inc. doing business under the Name and Style of LINC Academy	**100**	100	100

**In August 2023, SEC approved the merger of APEC and NTC, with NTC as the surviving entity*

All subsidiaries were incorporated in the Philippines.

Subsidiaries are entities over which the Parent Company has control. Control is achieved when the Parent Company is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the ParentCompany controls an investee if and only if the Parent Company has:

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

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power overan investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Parent Company's voting rights and potential voting rights.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as anequity transaction. If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognized in other comprehensiveincome (OCI) to profit or loss or retained earnings, as appropriate.

Non-controlling interest represents interest in a subsidiary which is not owned, directly or indirectly, by the Parent Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the Group's shareholders equity. Transactions with non-controlling interests are handled in the same way as transactions with external parties.

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2023. The adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to the Practice Statement provide non-mandatory guidance.

  The Philippine Interpretations Committee released Q&A No. 2022-02 which the Financial Reporting Standards Council subsequently approved. The PIC Q&A provides guidance on how a Philippine entity applies the amendments to PAS 1 and PFRS Practice Statement 2 with regards to disclosure of accounting policies by providing examples of disclosures of material accounting policies that illustrate the application of the amendments to PAS 1 and the four-step materiality process to accounting policy information.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below.

Effective beginning on or after January 1, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

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

The Group does not expect the future adoption of the applicable pronouncements to have a significant impact on its consolidated financial statements.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2023 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

4. Summary of Significant Accounting Policies

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1* – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- *Level 2* – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- *Level 3* – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial reporting date.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

<u>Financial Instruments</u>

Initial recognition and subsequent measurement

The Group recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial assets – Initial recognition and measurement)

Financial assets are classified, at initial recognition, as “subsequently measured at amortized cost”; fair value through other comprehensive income (FVOCI); and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flow that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group has financial assets at amortized cost (debt instruments) and financial assets at FVTPL.

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

This accounting policy relates to the Group's cash and cash equivalents, receivables, receivables from related parties, short-term investments, and refundable deposits.

Financial assets at fair value through profit or loss
A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income (OCI). However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.
The Group may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Included in this classification is the peso-denominated investment in Unit Investment Trust Fund (UITF) in Rizal Commercial Banking Corporation (RCBC).

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

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

Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value. ECLs 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

An impairment analysis is performed at each reporting date and the Group generally used the provision matrix to measure ECL. The mechanics of the ECL calculations and the key elements are, as follows:

a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

The Group's debt instruments at amortized cost comprise of cash and cash equivalents, short-term investments and refundable deposits that are considered to have low credit risk. Hence, it is the Group's policy to measure ECL on such instrument on a 12-month basis applying the low credit risk simplification and based on the PD which is publicly available. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

For tuition and other fees receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group generally uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings based on school term. The provision matrix is initially based on the Group's historical observed default rates. The Group will then consider directly relevant forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are considered.

Primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on inflation rate and unemployment rate were added to the ECL calculation to reach a forecast supported by both quantitative and qualitative data points.

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

Financial Liabilities – Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group's financial liabilities include loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Loans and borrowings

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of comprehensive income.

This accounting policy applies primarily to accounts payable and other current liabilities (excluding payables to government), payables to related parties, dividends payable, lease liabilities, and loans payable.

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

<u>Prepaid Expenses and Other Current Assets</u>
Prepaid expenses and other current assets pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group. This account includes the following:

Prepaid Expenses
These are expenses paid in advance to be amortized over the benefit period or to be expense once incurred or consumed. These consist of prepaid insurance and subscriptions, among others.

Short-term investments
This pertains to interest bearing time deposits with terms of not more than one year and held for investment purposes.

Creditable Withholding Tax (CWT)
This pertains to the tax withheld source by the Group's customers and lessees and is creditable against its income tax liability.

<u>Property and Equipment</u>
Property and equipment, except for land, is stated at cost, less accumulated depreciation and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Construction in progress represents property under construction and is stated at cost. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are ready for their intended use.

Depreciation is computed using the straight-line method over the estimated useful lives (EUL) of the related assets as follows:

	Years
Buildings and improvements	10-40
Office furniture and equipment	5-10
Transportation equipment	5

Leasehold improvements are amortized over the term of the lease or the estimated useful lives of the improvements, whichever is shorter.

The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and amortization are credited to or charged against current operations.

When assets carried at cost are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as part of current operations. When land carried at revalued amount are retired or otherwise disposed of, the carrying amount, which is the fair value at the time of sale or disposal, is derecognized and no gain or loss is recognized.

Land at Revalued Amounts
Land is carried at its revalued amount. The appraised values used for revaluation were determined by independent firms of appraisers.

The initial cost of land consists of its purchase price and directly attributable costs of bringing the asset to its working condition and location for its intended use.

The appraisal increment (net of deferred tax) resulting from the revaluation is credited to OCI and accumulated in equity under “revaluation increment on land – net” account. Decreases in valuation is charged to profit or loss, except to the extent that it reverses the existing accumulated revaluation increment on the same asset and therefore such decrease is recognized in OCI. The decrease recognized in OCI reduces the revaluation increment on land – net account in equity. In case a subsequent revaluation increase of an asset reverses a revaluation decrease previously recognized in profit or loss, such increase is credited to income in profit or loss.

The same rules apply to impairment losses. An impairment loss on a revalued asset is first used to reduce the revaluation increment for that asset. Only when the impairment loss exceeds the amount in the revaluation increment for that same asset is any further impairment loss recognized in profit or loss.

Upon disposal, any revaluation increment relating to the land being sold is transferred to retained earnings.

Right-of-use Assets and Lease Liabilities

The Group recognizes right-of-use assets and lease liabilities on contracts that qualify as leases under PFRS 16. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment. Refer to the accounting policies on Impairment of Nonfinancial Assets.

Lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of office space. It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Intangible Assets Other Than Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Subsequently, intangible assets are measured at cost less accumulated amortization and provision for impairment loss, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The estimated useful life of intangible assets is assessed as either finite or indefinite. The estimated useful lives of intangible assets are as follows:

	Number of Years
Intellectual property rights	Indefinite
Student relationship	5-7
Software cost	3

The estimated useful lives of intangible assets with finite lives are assessed at the individual asset level. Intangible assets with finite lives are amortized over their estimated useful lives on a straight-line basis. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible assets.

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

<u>Impairment of Nonfinancial Assets</u>

Property and equipment, student relationship, right-of-use assets, and other noncurrent assets

The Group assesses as of reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 assessment of the time value of money and the risks specific to the asset.

Goodwill and intellectual property rights

Goodwill and intellectual property rights are reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment on goodwill and intellectual property rights are determined by assessing the recoverable amount of the cash-generating unit, to which these assets relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

<u>Equity</u>

The Group records common stock at par value for all shares issued and outstanding, and additional paid-in capital for the excess of the total contributions received over the aggregate par values of the equity shares. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings represent accumulated earnings less dividends declared and any adjustment arising from application of new accounting standards, policies or correction of errors applied retroactively.

The individual accumulated earnings of the subsidiaries are available for dividend declaration when these are declared as dividends by the respective subsidiaries as approved by their respective BOD or BOT, as applicable.

Revenue and Income Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or service. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as principal in all of its revenue arrangements.

Revenue from schools and related operations consist of the following:

Revenue from tuition and other matriculation fees

Revenue from tuition fees and other matriculation fees are recognized over time over the corresponding school term using the output method (i.e., time lapsed over the service period such as semester or school year, depending on the curriculum registered). Upon enrollment, students have the option to pay the tuition and other matriculation fees in full or in installment.

Other student-related income

Other student-related income is recognized at a point in time upon delivery of the promised goods to the customer or at point in time when services has been rendered. These mainly consist of the following:

Admission, examination and other fees

Admission, examination and other fees are recognized as income when examination has been granted by the school and related services have been provided to the students (at point in time).

Bookstore income

Bookstore income is recognized when goods have been delivered to the buyer (at point in time).

Seminar income

Seminar income is recognized as income over the corresponding term or as the services are rendered (at point in time or over time).

Miscellaneous income

Miscellaneous income is recognized when earned (at point in time).

Sale of goods is recognized as revenue upon delivery of the goods to the buyer (at point in time). Sale of services is recognized when services are rendered (over time).

Following are contract balances relative to PFRS 15:

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to a customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The Group's contract liabilities represent the unearned income on tuition fees (presented under unearned income) and accounts payable to students (presented under accounts payable and other current liabilities) and will be recognized as revenue when the related educational services are rendered. Accounts payable to students are advance collections from students to be applied to the next school year or school term.

Costs and Expenses
The Group's costs and expenses constitute costs of operating the business recognized in the consolidated statement of comprehensive income as incurred.

Cost of schools and related operations
Cost of schools and related operations constitute expenses directly related to the Group's school and related operations which include expenses for salaries and wages of teaching and academic support personnel, student welfare activities, and all other student-related costs and expenses. Cost of schools and related operations are recognized as expense when the school and related services have been provided to the students.

General and Administrative Expenses
These expenses constitute costs of administering the business. General and administrative expenses, except for rent expense, are recognized as incurred.

Interest and Financing Charges
Interest and financing charges, excluding capitalizable borrowing costs, is recognized as expense in the period in which it is incurred.

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Retirement Benefits
Retirement benefits cost is actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Retirement benefits cost comprises the following:

- Service costs
- Net interest on the net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

<u>Income Taxes</u>
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the financial reporting date.

Deferred tax
Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, net operating loss carry over (NOLCO) and minimum corporate income tax (MCIT) to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred income tax that relates to items that are recognized: (a) in other comprehensive income shall be recognized in other comprehensive income; and (b) directly in equity shall be recognized directly in equity.

Deferred income tax assets and liabilities are offset if a legally enforceable right to offset current income tax against current income tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current income tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, on each future period in which significant amounts of deferred income tax assets and liabilities are expected to be settled or recovered. Subsidiaries operating in the Philippines file income tax returns on an individual basis. Thus, the deferred tax assets and deferred tax liabilities are offset on a per entity basis.

Leases – Group as Lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the leased term on the same bases as rental income. Rental income is recognized on a straight-line basis over the term of the lease.

Foreign Currency-denominated Transactions and Translation

Foreign currency-denominated transactions are recorded using the prevailing exchange rates at the time of transactions. Foreign currency-denominated monetary assets and liabilities are translated to Philippine Peso closing rate of exchange prevailing at the reporting date. Exchange gains or losses arising from foreign currency are charged to profit or loss.

Basic Earnings Per Share (EPS)

Basic earnings per common share is computed based on weighted average number of issued and outstanding common shares, less treasury shares, after giving retroactive effect for any stock dividends. Diluted earnings per share, if applicable, is computed on the basis of the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There are no dilutive potential common shares that would require disclosure of diluted earnings per common share in the consolidated financial statements.

Segment Reporting

The Group's operating business are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 28 to the consolidated financial statements.

Provisions

Provisions are recognized when (a) the Group has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

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.

Fair valuation of land
The Group measures land at revalued amount with changes in fair value being recognized in other comprehensive income. The Group engaged an independent firm of appraisers to determine the fair value as at December 31, 2023 and 2022. The key assumptions used to determine fair value are disclosed in Note 11.

As at March 31, 2024 and December 31, 2023, the fair value of land amounted to ₱9,719.0 million (Note 11).

Estimation of allowance for ECL on tuition and other fees receivables
The Group generally uses provision matrix to calculate ECL for tuition and other fees receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will then consider directly relevant forward-looking information. At every reporting date, the historical observed default rates are updated and forward-looking factors specific to the debtors and the economic environment are updated.

The Group also applied weights to various scenarios in the computation of the allowance for ECL to incorporate impact of uncertainty due to the current economic conditions. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Allowance for ECL on tuition and other fees receivables and related carrying value are disclosed in Note 8.

Impairment of nonfinancial assets
Impairment of goodwill and intellectual property rights (nonfinancial assets with indefinite useful) are assessed at least on an annual basis. In assessing the impairment, the Group determines the recoverable amount using value in use with details disclosed in Notes 6 and 12.. The carrying value of these assets and details of the impairment testing are disclosed in Notes 6 and 12.

As to the Group's student relationship, an impairment loss was recognized in 2021 for student relationship attributable to APEC (nil in 2023 and 2022) [Note 6].

In 2023 and 2022, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC amounting to ₱376.7 million and ₱416.0 million as of December 31, 2023 and 2022, respectively, due to the continuing losses and significant decline in the number of students. In assessing the impairment, the Group determines the recoverable amount using value in use, with details disclosed in Note 31. As of December 31, 2023 and December 31, 2022, management assessed that these assets are not impaired considering that the calculated recoverable amount is higher than the carrying value (see Notes 10 and 31).

Estimation of pension obligations and other retirement benefits
The determination of the Group's pension cost and liabilities is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rate and salary increase rate which were disclosed in Note 25 and to which the cash flows are most sensitive to. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in assumptions may materially affect the retirement expense and related asset or liability.

As at March 31, 2024 and December 31, 2023, the net pension liabilities amounted to ₱163.5 million and ₱162.4 million, respectively, while net pension assets amounted to ₱22.1 million and ₱20.1 million as at March 31, 2024 and December 31, 2023, respectively (Note 25).

Deferred tax assets
The Group reviews the carrying amounts of deferred tax assets at each financial reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Where there is no absolute assurance that each legal entity in the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized, deferred tax assets are not recognized.

Deferred tax assets recognized and temporary differences on which deferred tax assets were not recognized are disclosed in Note 23.

Provisions
The Group is currently involved in certain legal proceedings and claims in the ordinary course of business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The ultimate disposition of these matters cannot be determined with certainty. The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings (Notes 14 and 31).

6. Intangible Assets Arising from the Merger

As a result of the merger which was disclosed in Note 1, iPeople, inc. issued to AC an aggregate of 295,329,976 shares with par value of ₱1.0 per share for a total fair value of ₱3,591.21 million based on iPeople, inc.'s quoted closing rate per share as of May 2, 2019 in exchange for the transfer of the net assets of AEI. The excess of the fair value of shares issued over the par value was recognized as additional paid-in capital.

The Group recognized the following intangible assets in 2019 as a result of the merger:

Intellectual property rights	₱523,103
Student relationship	116,009
Goodwill (Note 12)	13,472
	₱652,584

Intellectual property rights have infinite life and the student relationship have an estimated useful life of 5 years to 7 years based on the contractual relationship between the school entities and its students. These assets are attributed from the acquisition of operating schools NTC, APEC and UNC.

Intellectual Property Rights
As of December 31, 2023 and 2022, the Group performed impairment testing on intellectual property rights using the income approach (royalty relief method) wherein recoverable value is computed based on royalty savings. Key assumptions used are as follows:

- Revenue projections and long-term growth rate (3% for 2023 and 2022). Revenue projections based on financial budgets approved by management and the BOD. The long-term growth rate considers the expected growth rate in the education industry sector.
- Discount rates (14% to 16% for 2023 and 16% to 17% for 2022). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.
- Royalty rates (0.5% to 5% for 2023 and 1% to 5% for 2022). This is based on the publicly available information on franchising of educational institutions in the Philippines, with consideration on the operational risk of the involved entity.

The Group's impairment testing on intellectual property rights resulted to the recognition of ₱32.8 million impairment loss on APEC in 2023 and ₱32.2 million impairment loss in 2022 (nil in 2021). The carrying value of intellectual property rights as of March 31, 2024 and December 31, 2023 amounted to ₱458.1 million.

Student Relationship
The carrying value and movement of student relationship as of March 31, 2024 and December 31, 2023 follows:

	2024	2023
Cost from business combination	**₱116,009**	₱116,009
Accumulated amortization:		
Beginning balance	**(109,977)**	(105,250)
Amortization and impairment (Note 20a)	**(765)**	(4,727)
Ending balance	**(110,742)**	(109,977)
Balance at end of the year	**₱5,267**	₱6,032

7. Cash and Cash Equivalents

This account consists of:

	Unaudited March 2024	Audited December 2023
Cash on hand	**₱5,120**	₱3,326
Cash in banks (Note 15)	**834,121**	711,829
Cash equivalents (Note 15)	**1,056,882**	1,092,009
	₱1,896,123	₱1,807,164

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents have terms with varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

Interest income from cash in banks and cash equivalents amounted to ₱15.46 million, ₱14.27 million and ₱1.57 million in 2024, 2023 and 2022, respectively (Note 22).

8. Receivables

This account consists of:

	Unaudited March 2024	Audited December 2023
Tuition and other fees	**₱1,495,467**	₱1,634,740
Advances to officers and employees	**43,575**	40,511
Others	**84,089**	88,952
	1,623,131	1,764,203
Allowance for ECL	**(396,234)**	(384,570)
	₱1,226,897	₱1,379,633

Tuition and other fees pertain to tuition and other matriculation fees which are normally collected at end of every school term before the students can proceed to the next term. This also includes receivable from Department of Education (DepEd) amounting to ₱204.4 million and ₱240.6 million as at March 31, 2024 and December 31, 2023, respectively, arising from the Senior High School (SHS) Voucher Program wherein qualified SHS students are given assistance on tuition fees. These receivables are noninterest-bearing and are generally collectible within one year.

The changes in allowance for ECL as at March 31 and December 31 follow:

	March 2024		
	Tuition and other fees	**Others**	**Total**
Balance at beginning of year	**₱375,800**	**₱8,770**	**₱384,570**
Provisions for the year (Note 21)	**11,905**	**–**	**11,905**
Write-off	**(241)**	**–**	**(241)**
Balance at end of year	**₱387,464**	**₱8,770**	**₱396,234**
Gross receivables	**₱1,495,467**	**₱84,090**	**₱1,579,556**

	December 2023		
	Tuition and other fees	Others	Total
Balance at beginning of year	₱337,619	₱8,770	₱346,389
Provisions for the year (Note 21)	43,997	–	43,997
Write-off	(5,816)	–	(5,816)
Balance at end of year	₱375,800	₱8,770	₱384,570
Gross receivables	₱1,634,740	₱88,952	₱1,723,692

9. Prepaid Expenses and Other Current Assets

	Unaudited March 2024	Audited December 2023
Prepaid expenses	**₱275,817**	₱216,653
Short-term investments	**247,863**	267,818
CWT	**12,472**	7,609
Books inventories	**9,150**	8,894
Office supplies	**4,213**	4,125
Others	**102,382**	101,950
	₱651,897	₱607,049

Prepaid expenses mainly include prepayments for membership fees, subscriptions, and insurance, among others.

Short-term investments earn interest at the prevailing investment rates and have maturity of less than one year. These include investments held for government and private entities for the purpose of undertaking socio-economic studies and development projects.

Others relate to rent deposits and other supplies. This also includes payments made on certain claims that are under protest (Note 31).

10. Property and Equipment

The rollforward analysis of this account follows:

	March 2024				
	Buildings and Improvements	**Office Furniture and Equipment**	**Transportation Equipment**	**Construction In Progress**	**Total**
Cost					
Balance at beginning of year	**₱6,626,686**	**₱3,152,363**	**₱61,675**	**₱37,974**	**₱9,878,698**
Acquisitions	**28,504**	**57,835**	**7,694**	**16,815**	**110,848**
Disposals/retirement	**–**	**–**	**–**	**–**	**–**
Reclassifications and adjustments	**–**	**(878)**	**–**	**–**	**(878)**
Balance at end of year	**6,655,190**	**3,209,320**	**69,369**	**54,789**	**9,988,669**
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	**2,001,924**	**2,499,274**	**45,897**	**–**	**4,547,095**
Depreciation (Notes 20 and 21)	**54,579**	**56,980**	**1,656**	**–**	**113,215**
Disposals/retirement	**–**	**–**	**–**	**–**	**–**
Reclassifications and adjustments	**4**	**6,247**	**7**	**–**	**6,258**
Balance at end of year	**2,056,507**	**2,562,501**	**47,560**	**–**	**4,666,568**
Net book value at cost	**4,598,683**	**646,819**	**21,809**	**54,789**	**5,322,100**
Land at revalued amounts (Note 11)	**–**	**–**	**–**	**–**	**9,719,039**
Total	**₱4,598,683**	**₱646,819**	**₱21,809**	**₱54,879**	**₱15,041,139**

	December 2023				
	Buildings and Improvements	Office Furniture and Equipment	Transportation Equipment	Construction In Progress	Total
Cost					
Balance at beginning of year	₱6,477,973	₱2,893,235	₱51,176	₱20,776	₱9,443,160
Acquisitions	131,042	324,088	10,499	35,674	501,303
Disposals/retirement	–	(65,005)	–	–	(65,005)
Reclassifications and adjustments	17,671	45	–	(18,476)	(760)
Balance at end of year	6,626,686	3,152,363	61,675	37,974	9,878,698
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	1,781,449	2,322,738	40,383	–	4,144,570
Depreciation (Notes 20 and 21)	219,596	219,980	5,491	–	445,067
Disposals/retirement	–	(52,151)	–	–	(52,151)
Reclassifications and adjustments	879	8,707	23	–	9,609
Balance at end of year	2,001,924	2,499,274	45,897	–	4,547,095
Net book value at cost	4,624,762	653,089	15,778	37,974	5,331,603
Land at revalued amounts (Note 11)	–	–	–	–	9,719,039
Total	₱4,624,762	₱653,089	₱15,778	₱37,974	₱15,050,642

The Group performed an impairment testing of the property and equipment and right-of-use assets of APEC in which further disclosures are made in Note 31.

11. Land at Revalued Amounts

This account, classified as property and equipment (see Note 10), consists of:

	Unaudited March 2024	Audited December 2023
Land at cost	**₱4,066,906**	₱4,066,906
Revaluation increment on land:		
Balance at beginning of year	**5,652,133**	3,511,506
Change in revaluation increment	**–**	2,140,627
Balance at end of year	**5,652,133**	5,652,133
	₱9,719,039	₱9,719,039

Land at revalued amounts consists of owner-occupied property wherein the school buildings and other facilities are located.

Land were appraised by SEC-accredited independent firms of appraisers to determine the revalued amounts as at December 31, 2023 and 2022, respectively.

The valuation was derived through the market approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject properties, adjusted based on certain elements of comparison (e.g. location, size and road frontage).

The parcels of land were valued in terms of their highest and best use which is categorized under Level 3 of the fair value hierarchy.

Presented below are the land location and the ranges of the land fair value per square meter based on the appraisal reports.

Location	Range 2023	2022
Makati and Intramuros, Manila	**₱114,000 to ₱298,350**	₱85,050 to ₱246,926
Cabuyao, Laguna	**₱8,507 to ₱16,335**	₱11,875 to ₱13,500
Davao City, Davao Del Sur	**₱41,535 to 49,140**	₱22,088 to 35,340
Pandacan, Metro Manila	**₱126,000 to ₱151,200**	₱85,781 to ₱102,375
San Jose Del Monte City, Bulacan	**₱56,012 to 60,493**	₱55,510 to 60,493
Naga City, Camarines Sur	**₱27,075 to ₱28,500**	₱19,000 to ₱34,913
Quiapo, Manila	**₱206,900 to 300,200**	₱89,100 to 135,000

Adjustment factors arising from external and internal factors (i.e., location, size and road frontage) affecting the subject properties as compared to the market listing of comparable properties, range from -30% to +20% in 2023 and from -20% to +15% in 2022.

Significant increases (decreases) in estimated price per square meter would result in a significantlyhigher (lower) fair value of the land.

12. Goodwill

The goodwill recognized in the consolidated statement of financial position amounting to ₱151.3 million as at March 31, 2023 and December 31, 2022 pertains to the ₱137.8 million goodwill from acquisition of MESI in 1999 and ₱13.5 million goodwill from the 2019 acquisition of AEI subsidiaries (see Note 6).

The Group performed impairment testing on goodwill arising from acquisition of MESI wherein MESI was considered as the CGU. No impairment testing was done on the ₱13.5 million goodwill as the Group assessed it as not material to the consolidated financial statements. In 2023, 2022 and 2021, management assessed that no impairment loss should be recognized.

Key assumptions used in the value in use (VIU) calculation
As at December 31, 2023 and 2022, the recoverable amount of the CGU has been determined based on a VIU calculation using five-year cash flow projections. Key assumptions in the VIU calculation of the CGU are most sensitive to the following:

- Future revenues and revenue growth rates. Cash flow projections based on financial budgets approved by management and the BOD covering a five-year period.
- Long-term growth rates (4.66% for 2023 and 5.79% for 2022). The long-term growth rate considers the historical growth rate of MESI and the long-term growth rate for the education industry sector.
- Discount rate (11.4% for 2023 and 14% for 2022). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

Sensitivity to changes in assumptions
Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

13. Other Noncurrent Assets

This account consists of:

	Unaudited March 2024	Audited December 2023
Input VAT - net	**₱35,430**	₱34,216
Miscellaneous deposits	**25,316**	26,986
Creditable withholding tax	**8,703**	9,958
Computer software	**14,652**	15,475
Books and periodicals	**2,014**	2,645
	₱86,115	₱89,280

Miscellaneous deposits include rent deposits of the Group amounting to ₱13.9 million and ₱18.9 million as of March 31, 2024 and December 31, 2023, respectively.

Computer software is amortized over a period of three years. The rollforward analysis of computer software follows:

	Unaudited March 2024	Audited December 2023
Cost		
Balance at the beginning of the year	**₱70,222**	₱64,032
Additions	**934**	6,190
Balance at the end of the year	**71,156**	70,222
Accumulated Amortization		
Balance at the beginning of the year	**54,747**	47,024
Amortization (Notes 20 and 21)	**1,608**	6,113
Reclassifications	**149**	1,610
Balance at the end of the year	**56,504**	54,747
Net Book Value	**₱14,652**	₱15,475

14. Accounts Payable and Other Current Liabilities and Unearned Income

Accounts Payable and Other Current Liabilities
Accounts payable and other current liabilities consists of:

	Unaudited March 2024	Audited December 2023
Accounts payable	**₱430,152**	₱455,990
Accrued expenses	**293,485**	250,255
Funds payable	**255,101**	275,650
Provisions (Note 31)	**166,110**	162,352
Other payables	**7,760**	35,483
	₱1,152,608	₱1,179,730

Accounts payable pertains to the Group's obligation to local suppliers. Accounts payable also includes payables to students which are considered contract liabilities amounting to ₱22.4 million and ₱16.3 million as at March 31, 2024 and December 31, 2023, respectively.

Accrued expenses consist of:

	Unaudited March 2024	Audited December 2023
Payable to suppliers	**₱148,813**	₱125,963
Accrued salaries and wages	**39,842**	23,802
Output VAT payable	**16,510**	12,902
Contracted services	**15,665**	16,122
Accrued professional fees	**14,496**	8,739
Accrued interest (Note 18)	**13,405**	15,099
Withholding taxes and others	**11,536**	9,615
SSS and other contributions	**8,682**	3,486
Accrued utilities	**7,135**	5,860
Accrued communication expense	**6,899**	8,727
Insurance	**1,381**	854
Others	**9,121**	19,086
	₱293,485	₱250,255

Accounts payable, accrued expenses, and other payables are noninterest-bearing and are expected to be settled within a year after the financial reporting date. Funds payables are noninterest-bearing andare expected to be settled upon payout related to the funded projects and scholarship programs.

Funds payable includes funds received by the Group from Department of Science and Technology (DOST), Commission on Higher Education (CHED) and private entities for their scholarship programs to be granted to the Group's students, and NSTP and CWTS fees collected from students.

Unearned Income
Unearned income consists mainly of unearned tuition fees and seminar fees amounting to ₱654.0 million and ₱976.3 million as at March 31, 2024 and December 31, 2023, respectively, which are considered contract liabilities.

Contract Liabilities
As at March 31, 2024, contract liabilities amounted to ₱676.4 million and these will be recognized as revenue in the next period. Contract liabilities as of December 31, 2023 amounting to ₱992.6 million were recognized as revenue in 2024.

15. Related Party Transactions

Related party relationships exist when the entity has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the entity in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Following are the transactions with related parties and the balances as at March 31:

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
Controlling entity – HI				
a) Payable to HI				
	2024	**₱–**	**(₱15,731)**	**Noninterest-bearing; unsecured; due**
	2023	–	(₱8,614)	**and demandable**
Management fee and other professional fees (Notes 20 and 21)	**2024**	**30,693**	**–**	**–**
	2023	22,139	–	–
	2022	20,704	–	–
b) Receivable from HI				
	2024	**–**	**737**	**Noninterest-bearing; unsecured; due**
	2023	–	722	**and demandable; no impairment**
Entities under common control of HI				
c) Receivables from related parties				
	2024	**–**	**1,713**	**Noninterest-bearing; unsecured; due**
	2023	–	17	**and demandable; no impairment**
Rental income	**2024**	**(2,771)**	–	–
	2023	(2,345)	–	–
	2022	–	–	–

(Forward)

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
d) Payables to related parties				
	2024	**₱–**	**(₱435)**	**Noninterest-bearing; unsecured; due and demandable**
	2023	–	(93)	
Contracted services (Notes 20 and 21)				
	2024	**3,004**	**–**	**–**
	2023	4,627	–	–
	2022	386	–	–
Entities under common control of PMMIC				
e) Cash and cash equivalents (Note 7)				
	2024	**–**	**1,326,987**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2023	–	1,208,138	
Interest income (Note 22)				
	2024	**15,461**	**–**	**–**
	2023	14,274	–	–
	2022	1,566	–	–
g) Receivables from related parties				
	2024	**–**	**18**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2023	–	18	
h) Insurance expense				
	2024	**4,726**	**–**	
	2023	4,845	–	
	2022	4,408	–	
Financial asset at FVTPL (Note 30)				
	2024	**–**	**9,867**	
	2023	–	9,767	**Carried at fair value; No impairment**
Short-term investments (Note 9)	**2024**	**–**	**65,357**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2023	–	58,931	
Entities with significant influence				
i) Payable to related parties	**2024**	**–**	**(2,977)**	**Due on demand, noninterest-bearing; unsecured; no impairment**
	2023	–	–	
Management fee and other professional fees (Notes 20 and 21)	**2024**	**2,977**	**–**	
	2023	2,835	–	–
	2022	2,700	–	–

The Group’s significant transactions with related parties follow:

a) *Payable to HI*
This account pertains to management and other professional fees charged by HI for administeringthe subsidiaries’ operations (Notes 20 and 21).

b) *Receivables from HI*
This account pertains to fuel consumption, car plan and gym rental advanced by the Group. Theseare noninterest-bearing and are payable on demand.

c) *Receivables from entities under common control of HI*
Receivables from entities under common control of HI arise from HI subsidiaries’ lease of theGroup’s canteen kiosks in its Makati and Intramuros properties and expenses advanced

by theGroup. The term of the lease is for one year and renewable with uniform rental payments.

d) *Payables to entities under common control of HI*
Payables to entities under common control of HI pertain to property management and janitorialand security services (contractual services).

e) *Cash and Cash Equivalents*
The Company maintains cash and cash equivalent with its affiliate bank and earns interest incomeat prevailing deposit and short-term investment rates (Note 7).

f) *Receivables from entities under common control of PMMIC*
Due from entities under common control of PMMIC arises from RCBC's rental of the Group'soffice spaces in its Makati property.

g) *Payables to entities under common control of PMMIC*
The Group obtains property and personnel insurance with its affiliated insurance company, Malayan Insurance Company, Inc. (MICO). Insurance contract coverage pertains to the Group'sfire, accident, group and other insurance policies.

h) *Payable to related parties*
Payable to related parties mainly pertains to management fees charged by AC for theadministration of the Parent Company's operations.

Terms and conditions of transaction with related parties
Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. For the quarters ended March 31, 2024 and 2023, the Group has not recorded any impairment losses on receivables relating to amounts owed by related parties. This assessment is undertaken each year through examining the financial position of the related party and the market in which the related party operates.

16. **Short-term Loans**

In 2017, the Group, through MMCMI, obtained a short-term loan (STL) facility with Bank of PhilippineIsland (BPI), which was earmarked from the long-term loan facility of the Group from same bank, to finance the construction of MMCMI's school building. Each STL facility may be re-availed, renewed or extended within a period of one year provided that the sum of the terms of re-availments/renewals/ extension will not exceed 360 days. The STL facility may be converted into a 10-year term loan facility which shall be partially secured by the real estate mortgage on the real property of MMCMI. The STL facility is secured by the Continuing Suretyship Agreement of MESI. Annual interest rates range from 3.00% to 5.50%. Short-term loans amounting to ₱400.0 million as at December 31, 2021 was paid in 2022.

In 2023, MCMI availed of ₱1.0 billion short-term loans from RCBC and BPI at 7.00% and 7.65% interest rate, respectively. The loan agreements shall be valid for one (1) year, renewable every year upon mutual written consent of the parties.

Interest expense charged to operations amounted to ₱19.2 million in 2024, nil in 2023 and ₱1.4 million in 2022 (Note 22).

17. Long-term Loans

This account consists of the following as of March 31 and December 31:

	Unaudited March 2024	Audited December 2023
Unsecured bank loans	**₱318,282**	₱326,425
Secured bank loans	**-**	**-**
Total	**318,282**	326,425
Less: Current portion of unsecured bank loans	**24,430**	32,574
Noncurrent portion of long-term loans	**₱293,851**	₱293,851

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third party local bank for ₱650.0 million to finance its building refurbishment and/or expansion (see Note 10). The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million. The ₱300 million is subject to 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5% or the prevailing one year benchmark rate or done rate of a liquid/active security, as agreed by the parties, with the same tenor if benchmark rate is not reflective of market rate, plus interest spread.

In September 2021, the ₱80 million was converted to a 5.5% fixed rate.

The loan is subject to certain covenants including maintaining a maximum debt-to-equity (D:E) structure ratio of 3:1. As of March 31, 2024 and December 31, 2023, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Interest expense recognized in profit or loss in 2024, 2023 and 2022 amounted to ₱4.65 million, P5.1 million and P5.4, respectively (Note 22).

Secured

In 2019, the Group, through MMCMI, entered into a ten-year secured long-term loan agreement with a local bank for ₱1,500.0 million to refinance the construction of MMCMI's school buildings and facilities that were initially funded by short-term loans. MMCMI made partial drawdowns against this agreement amounting to ₱680.0 million, ₱350.0 million and ₱470.0 million in January, June and July 2019, respectively. The loans were subject to prevailing borrower's rate, plus a minimum spread of 0.50% per annum, but in no case lower than 4% per annum, subject to quarterly repricing. MMCMI shall repay the loan in 20 equal quarterly installments to start at the end of 21st quarter from the initial drawdown date. The loans were secured by the land and related improvements owned by MMCMI withcarrying value of ₱2,374.9 million and ₱2,385.0 million as of March 31, 2023 and December 31, 2022, respectively, and suretyship of MESI (Note 10). The loans were subject to certain positive and negative covenants such as the requirement for MMCMI to maintain its debt service cover ratio of at least 1.0 at all times and maximum D:E ratio of 75:25 starting on the third year of the loan (January 2022) reckoned from initial drawdown date of January 2019.

In July 2023, the long-term loan amounting to ₱1.5 billion was fully paid.

Interest expense including amortization of debt issue cost amounted to nil in 2024, ₱27.8 million in 2023, and ₱15.9 million in 2022 (Note 22).

18. **Equity**

Capital Stock

Capital stock consists of 2,000,000,000 authorized shares with 1,044,263,197 issued and outstanding common shares as of March 31, 2024 and December 31, 2023, with a par value of ₱1 per share.

On September 15, 1989, SEC approved the registration of the Group's entire authorized capital stock with a Certificate of Permit to Sell Securities authorizing the sale of 25 billion shares worth ₱250.00 million. The Group's capital stock was listed in both Manila and Makati Stock Exchanges on January 24, 1990. Actual number of shares initially listed is 15 billion at an offer price of ₱0.01 per share.

Below is the summary of the Parent Company's outstanding number of shares and holders of securities as at March 31, 2024:

Year	Number of shares registered	Number of holders of securities as at year end
January 1, 2023	1,044,263,197	2,003
Add (deduct) movement	–	(6)
December 31, 2023	1,044,263,197	1,997
Add (deduct) movement	–	1
March 31, 2024	1,044,263,197	1,998

Retained Earnings

In accordance with Revised Securities Regulation Code (SRC) Rule No. 68, the Parent Company's retained earnings available for dividend declaration as at March 31, 2024 and December 31, 2023 amounted to ₱1,633.4 million and ₱1,627.8 million, respectively. The Parent Company and its subsidiaries will declare dividends out of their retained earnings available for dividend declaration.

The retained earnings account in the consolidated statements of financial position includes the accumulated equity in undistributed earnings of consolidated subsidiaries amounting ₱6,784.5 million and ₱6,512.53 million as at March 31, 2024 and December 31, 2023, respectively. These are not available for dividends until declared by the subsidiaries.

The BOD declared cash dividends as follows:

	2024	2023	2022
March 31, 2023, (₱0.19 per share) to stockholders of record as of April 28, 2023, payable on or before May 19, 2023	**₱–**	₱198,410	₱–
April 1, 2022, (₱0.16 per share) to stockholders of record as of April 29, 2022, payable on or before May 20, 2022	**–**	–	167,082
	₱–	**₱198,410**	**₱167,082**

On April 5, 2024, the BOD declared ₱198.41 million cash dividends (₱0.19 per share) to stockholders of record as of May 3, 2024, payable on or before May 24, 2024.

Transactions with Non-Controlling Interests

On May 9, 2019, the Parent Company acquired the 281,642 shares of MESI owned by HI, representing 7% ownership in MESI. With this acquisition, MESI became a 100%-owned subsidiary of the Parent Company. The ₱354.2 million excess of the consideration paid over the book value of non-controlling interest acquired was recognized in equity by debiting "Equity reserve".

In December 2019, the Parent Company acquired 2,743 additional shares of UNC from various stockholders representing 24.99% ownership in UNC. With the acquisition, the Parent Company now owned 83.01% of UNC. The ₱123.8 million excess of book value of non-controlling interest acquired over the consideration paid was recognized in equity by crediting "Equity reserve".

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group considers its equity attributable to equity holders of the Parent Company as Capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended March 31, 2024 and December 31, 2023.

As at March 31, 2024 and December 31, 2023, the Group is not subject to externally imposed capital requirements except for the long-term loan of NTC (Note 17).

The Group monitors capital using a debt-to-equity ratio, which is total liabilities divided by total equity attributable to equity holders of Parent Company. The Group's policy is to keep the debt-to-equity ratio not to exceed 2:1.

	2024	2023
Liabilities (a)	**₱4,548,928**	₱4,879,779
Equity (b)	**15,047,303**	14,758,083
Debt-to-equity ratio (a/b)	**0.30:1.00**	0.33:1.00

19. Revenue from Contracts with Customers

Revenue from schools and related operations consists of:

	2024	2023	2022
Tuition and other matriculation fees	**₱1,293,654**	₱1,087,113	₱916,907
Less: Scholarship grants and discounts	**(57,140)**	(45,039)	(60,841)
	1,236,514	1,042,074	856,066
Other student-related income and auxiliary services	**39,211**	31,290	14,436
	₱1,275,725	₱1,073,364	₱870,502

Other student related income and auxiliary services income consists of seminar fees and other student-related income which are other than payment for tuition fees. These include, but not limited to, entrance examination fees, exit examination fees, oral examination fees, graduation fees, certification of grades, good moral and other school credentials, photocopying printing, and bookstoresales, among others.

Revenue from tuition and other matriculation fees are recognized over time and for other student related income and auxiliary services income, the revenue is recognized over time or at a point in time.

For the Group's receivables and contract liabilities, these are disclosed in Notes 8 and 14, respectively.

20. Cost of Schools and Related Operations

Cost of schools and related operations account consists of:

	2024	2023	2022
Personnel expenses	**₱354,538**	₱293,339	₱250,759
Depreciation and amortization	**98,713**	92,881	81,895
Management and other professional fees (Note 15)	**57,844**	38,246	23,751
Student-related expenses	**45,827**	33,711	15,715
Periodicals	**40,172**	33,930	26,615
IT expense - software license	**34,063**	30,624	23,942
Utilities	**33,620**	28,482	13,379
Repairs and maintenance	**11,786**	7,591	12,280
Advertising	**11,681**	12,075	4,279
Tools and library books (Notes 10 and 13)	**10,099**	6,991	2,680
Accreditation cost	**9,471**	8,376	5,856
Research and development fund	**8,526**	7,934	3,211
Insurance	**3,558**	3,968	3,925
Seminar	**3,450**	962	859
Office supplies	**1,991**	1,321	644
Laboratory supplies	**1,853**	1,057	690
Transportation and travel	**1,686**	2,226	125
Rent (Note 27)	**1,578**	2,304	43

	2024	2023	2022
Taxes and licenses	**688**	6,024	4,829
Entertainment, amusement and recreation	**506**	456	221
Miscellaneous	**1,506**	1,541	977
	₱733,156	₱614,039	₱476,675

a. Details of depreciation and amortization follows:

	2024	2023	2022
Depreciation (Note 10)	**₱113,215**	₱103,579	₱84,501
Depreciation - ROU assets (Note 27)	**11,841**	16,031	13,250
Amortization - Student relationship (Note 6)	**765**	1,182	5,578
Amortization (Note 13)	**1,608**	1,595	1,665
	₱127,429	₱122,387	₱104,994

b. Depreciation and amortization expenses as function of expense follows:

	2024	2023	2022
Cost of schools and related operations	**₱86,872**	₱77,433	₱69,229
Cost of schools and related operations - ROU assets (Note 27)	**11,841**	15,448	12,667
	98,713	92,881	81,895
General and administrative expenses (Note 21)	**28,716**	29,506	23,098
	₱127,429	₱122,387	₱104,994

21. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Personnel expenses	**₱49,151**	₱58,355	₱46,219
Management and other service fees (Note 15)	**51,048**	50,691	42,453
Depreciation and amortization (Notes 10, 13 and 20)	**28,716**	29,506	23,098
Advertising	**16,787**	10,722	10,279
Provisions for doubtful accounts (Note 8)	**11,905**	5,581	16,935
Taxes and licenses	**10,778**	8,606	10,933
IT expense - software license	**6,355**	281	973
Utilities	**5,594**	5,405	3,398
Repairs and maintenance	**4,614**	3,063	2,029
Insurance	**2,690**	1,849	1,325
Transportation and travel	**2,462**	1,543	721
Office supplies	**737**	737	185
Seminar	**447**	936	1,023
Entertainment, amusement, and recreation	**363**	792	629
Investor relations	**313**	278	347
Commission	**221**	867	919
Donations	**5**	-	15
Rent (Note 27)	**5**	26	5

	2024	2023	2022
Miscellaneous	**17,517**	10,787	7,437
	₱209,708	₱190,026	₱168,923

Management and other professional fees consist of property management fees, janitorial and security service fees, lawyers, payroll specialists and other professional service fees (Note 15).

Miscellaneous expense includes dues and subscriptions, training materials, periodicals, provisions and other contracted services, among others.

22. Interest Income, Interest and Other Finance Charges

The Group's interest income consists of interest from the following sources:

	2024	2023	2022
Cash in banks and cash equivalents (Note 7)	**₱15,461**	₱14,274	₱1,566
Advances to officers and employees (Note 8)	**43**	50	20
	₱15,504	₱14,324	₱1,586

The Group's interest and other financing charges consist of interest on the following:

	2024	2023	2022
Short-term loans (Note 16)	**₱19,219**	₱–	₱1,375
Long-term loans (Note 17)	**4,654**	32,749	21,369
Interest expense on lease liabilities (Note 27)	**6,618**	7,129	6,578
	₱30,491	₱39,879	₱29,322

23. Earnings Per Share

Earnings per share amounts attributable to equity holders of Parent Company are computed as follows:

	2024	2023	2022
Net income attributable to equity holders of Parent Company (a)	**₱289,220**	₱244,737	₱195,586
Weighted average number of outstanding shares - net of treasury shares (b)	**1,044,263**	1,044,263	1,044,263
Earnings per share (a/b)	**₱0.2770**	₱0.2344	₱0.1873

There are no dilutive potential shares that would require disclosure of diluted earnings per share in the consolidated financial statements.

24. Non-controlling Interest in Consolidated Subsidiaries

This represents shareholdings in material subsidiaries not held by the Group. Proportion of equity interest held by non-controlling interests (NCI) in material subsidiaries for 2024 and 2023 follows:

	2024	2023
University of Nueva Caceres	**16.99%**	16.99%
National Teachers College	**0.21%**	0.21%

Non-controlling interests in material subsidiaries as at March 31, 2024 and December 31, 2023 follows (in million pesos):

	2024	2023
University of Nueva Caceres	**₱324**	₱321
National Teachers College	**5**	5

Dividends paid to non-controlling interest in consolidated subsidiaries amounted to nil in 2024 and 2023.

As at March 31, 2024 and December 31, 2023, the summarized financial information attributable to non-controlling interests in material subsidiaries is shown below.

(In million pesos)

	University of Nueva Caceres		National Teachers College	
	2024	2023	**2024**	2023
Assets				
Current assets	**₱496**	₱380	**₱846**	₱1,038
Noncurrent assets	**1,643**	1,685	**1,464**	2,629
	₱2,139	₱2,065	**₱2,310**	₱3,667
Liabilities and Equity				
Current liabilities	**₱330**	₱298	**₱314**	₱253
Noncurrent liabilities	**154**	153	**424**	424
	484	451	**738**	677
Equity	**1,656**	1,638	**1,572**	1,506
	₱2,139	₱2,089	**₱2,310**	₱2,182
Attributable to:				
Equity holders of parent	**₱1,384**	₱1,370	**₱1,569**	₱1,503
Non-controlling interest	**271**	268	**3**	3
Net revenue	**₱100**	₱81	**₱159**	₱130
Gross profit	**54**	42	**99**	84
Net income (loss)	**18**	5	**66**	53
Attributable to:				
Equity holders of parent	**₱15**	₱4	**₱66**	₱53
Non-controlling interest	**3**	1	**0**	0

25. **Operating Segment Information**

Business Segment

The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resources allocation and performance assessment. Group financing (including interest income, dividend income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on income before income tax, and earnings before income tax, depreciation and amortization. The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statement of financial position which is in accordance with PFRSs.

For management purposes, the Group is organized into business units based on the products and services it provides, which comprise of two (2) main groupings as follows:

Education - primarily consists of revenues of MESI, MMCL, MHSS, MMCM, NTC, UNC, and APEC in education.

Others - represent support services which cannot be directly identified with the reportable segment mentioned above.

Segment financial information is reported on the basis that it is used internally for evaluating segment performance and allocating resources to segments.

Segment assets and liabilities exclude deferred tax assets and liabilities.

Segment reporting is consistent in all periods presented as there are no changes in the structure of the Group's internal organization that will cause the composition of its reportable segment to change.

Capital expenditure consists of additions to property and equipment, including land acquisition.

(In million pesos)

	Education			Others			Elimination			Consolidated		
	2024	2023	2022	**2024**	2023	2022	**2024**	2023	2022	**2024**	2023	2022
Revenues												
Income from external customers	**₱1,276**	₱1,073	₱871	**₱–**	₱–	₱–	**₱–**	₱–	₱–	**₱1,276**	₱1,073	₱871
Total Revenues	**₱1,276**	₱1,073	₱871	**₱–**	₱–	₱–	**₱–**	₱–	₱–	**₱1,276**	₱1,073	₱871
Net Income attributable to Parent Company	**₱286**	₱245	₱205	**₱5**	₱2	(₱2)	**(₱3)**	(₱3)	(₱7)	**₱289**	₱245	₱196
Other Information												
Segment assets	**₱20,776**	₱18,471	₱16,478	**₱6,445**	₱6,020	₱6,050	**(₱7,187)**	(₱6,575)	(₱6,708)	**₱19,926**	₱17,916	₱15,810
Segment liabilities	**5,763**	5,592	5,373	**111**	303	88	**(1,325)**	(769)	(968)	**4,549**	5,126	4,494
Deferred tax assets	**50**	37	33	**1**	1	2	**–**	–	–	**51**	38	35
Deferred tax liabilities	**695**	487	379	**44**	43	42	**55**	60	67	**795**	590	487
Interest expense	**44**	42	32	**0**	0	0	**(14)**	(2)	(3)	**30**	40	29
Provision for income tax	**29**	2	2	**1**	0	0	**(0)**	(0)	(1)	**30**	2	2
Depreciation and amortization	**124**	118	97	**1**	1	0	**3**	3	8	**127**	122	105

26. **Notes on Consolidated Statements of Cash Flows**

- Changes in the Group's liabilities arising from financing activities follow:

		Non-cash Changes					
	December 2023	**Declaration of Cash Dividend**	**Amortization of debt issue cost**	**Other Non-Cash**	**Interest Expense**	**Cash Flows**	**March 2024**
Short-term loans	**₱1,000,000**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,000,000**
Long-term loans	**293,851**	–	–	–	–	–	**293,851**
Current portion of long-term loans	**32,574**	–	–	–	–	**(8,143)**	**24,430**
Dividends payable	**924**	–	–	–	**–**	**(22)**	**902**
Payables to related parties	**8,706**	–	–	–	–	**10,436**	**19,143**
Lease liabilities	**391,597**	–	–	–	**6,618**	**(19,118)**	**379,097**
	₱1,727,652	**₱–**	**₱–**	**₱–**	**₱6,618**	**(₱16,847)**	**₱1,717,423**

		Non-cash Changes					
	December 2022	Declaration of Cash Dividend	Amortization of debt issue cost	Other Non-Cash	Interest Expense	Cash Flows	March 2023
Current portion of long-term loans	₱1,521,448	₱–	₱–	(₱1,497,018)	₱–	(₱8,143)	₱16,287
Long-term loans	334,568	–	(395)	1,497,018	–	–	1,831,191
Dividends payable	26,154	198,410	–	–	–	–	224,564
Payables to related parties	16,797	–	–	–	–	1,340	18,,138
Lease liabilities	429,635	–	–	–	7,129	(18,076)	418,688
	₱2,328,602	₱198,410	(₱395)	₱–	₱7,129	(₱24,879)	₱2,508,868

		Non-cash Changes					
	December 2021	Declaration of Cash Dividend	Amortization of debt issue cost	Other Non-Cash	Interest Expense	Cash Flows	March 2022
Short-term loans	₱375,000	₱–	₱–	₱	₱–	(₱400,000)	₱–
Long-term loans	1,853,645	–	593	–	–	–	1,854,238
Dividends payable	565	–	–	–	–	–	565
Payables to related parties	14,135	–	–	–	–	6,392	20,527
Lease liabilities	357,826	–	–	–	6,578	(18,527)	345,877
	₱2,626,171	₱–	₱593	₱–	₱6,578	(₱412,135)	₱2,221,207

27. **Commitments and Contingencies**

Lease Commitments

Group as a lessor

The Group's Intramuros and Makati campuses lease spaces to third parties. The lease terms cover lease periods of between three (3) years to ten (10), years with escalation rates ranging from 3% to 10%.

The future minimum rentals receivable under the aforementioned lease agreements follow:

	2024	2023
Within one year	**₱8,037**	₱8,037
More than one year but not more than five years	**30,194**	30,194
	₱38,231	₱38,231

Group as lessee

The Group leases building spaces for office and school sites and annexes from third-party lessors for a period ranging from one to ten years. The Group applies the 'short-term lease' recognition exemption for those leases with lease terms of one year or less.

The Group, through APEC, recognized right-of-use assets and lease liabilities from these operating lease agreements. For those leases subjected to PFRS 16, the IBR used in the computation of lease liabilities ranges from 4.05% to 8.86% in 2023 and from 6.29 to 7.40% in 2022 (see Note 5).

The rollforward analysis of right-of-use assets follows:

	March 2023	December 2023
Net Book Value at January 1	**₱335,013**	₱376,794
Additions	–	42,805
Amortization (Note 20a)	**(11,841)**	(51,420)
Pre-termination/expiration	–	(33,166)
Net Book Value, ending	**₱323,172**	₱335,013

The following are the amounts recognized in the 2024 and 2023 statement of comprehensive income (Note 20):

	2024	2023
Depreciation expense of right-of-use assets	**₱11,841**	₱16,031
Interest expense on lease liabilities	**6,618**	7,129
Total amount recognized in profit or loss	**₱18,459**	₱23,160

The rollforward analysis of lease liabilities from NTC follows:

	March 2024	December 2023
As at January 1	**₱391,596**	₱429,635
Additions	**-**	42,805
Interest expense (Note 22)	**6,618**	29,808
Payments	**(19,117)**	(72,565)
Pre-termination	**-**	(38,087)
	₱379,097	₱391,596

The balance of lease liabilities as of March 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Lease liabilities – current	**₱24,548**	₱37,047
Lease liabilities – noncurrent	**354,549**	354,549
	₱379,097	₱391,596

Shown below is the maturity analysis of the undiscounted lease payments as of March 31, 2024 and December 31, 2023:

	2024	2023
Within one year	**₱46,531**	₱66,390
More than one year but less than five years	**303,121**	313,564
Five years and more	**148,957**	148,957
	₱498,609	₱528,911

As disclosed in Notes 5 and 10, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC, the aggregate carrying value for which amounted to ₱ 376.7 million and ₱416.01 million as of December 31, 2023 and 2022, respectively, due to the continuing losses and significant decline in the number of students mainly brought about by the coronavirus pandemic. Key assumptions used are as follows:

- Revenue projections. The revenue projections were based on financial budgets approved by management and BOD.
- Discount rate (11.1% in 2023 and 14% in 2022). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

Management assessed that these assets as of December 31, 2023 and 2022 are not impaired considering that the calculated recoverable amount is higher than the carrying value.

Provisions
The Group is involved in certain claims arising from the ordinary conduct of business which are either pending decision by the courts or are being contested, the outcome of which are not presently determinable. The estimate of the probable costs for the resolution of these claims has been developed in consultation with external counsels handling the defense in these matters and is based upon an analysis of potential results. The ultimate disposition of these matters cannot be determined with certainty. The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings. Provisions disclosed in Note 14 as of March 31, 2024 and December 31, 2023 amounted to ₱166.1 million and ₱162.3 million, respectively. Other provisions recognized by the Group for certain claims are presented as part of Other noncurrent liabilities in the statement of financial position.

The disclosure of additional details beyond the present disclosure may prejudice the Group's position and negotiation strategies with respect to these matters. Thus, as allowed under paragraph 92 of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, only a general description is provided.

28. **Other Matters**

- In December 2022, the BOD and Stockholders of NTC and APEC approved the merger of NTC and APEC, with NTC as the surviving entity. Both entities consider it to be in their best interests to merge into a single corporation to allow them to better achieve their goal of transforming lives through innovative education at affordable prices. In August 2023, the SEC approved the merger.

IPEOPLE, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

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II	Annex 68-J Schedules • Schedule A. Financial Assets • Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties) • Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements • Schedule D. Long-term Debt • Schedule E. Indebtedness to Related Parties • Schedule F. Guarantees of Securities of Other Issuers • Schedule G. Capital Stock
III	Group Structure

SCHEDULE II

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-J: SCHEDULES

MARCH 31, 2024

Below are the additional information and schedules required by Revised Securities Regulation Code Rule 68. This information is presented for purposes of filing with the SEC and is not required parts of the basic financial statements.

Schedule A. Financial Assets
As at March 31, 2024, the Group has no financial assets in Equity Securities.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Below is the schedule of advances to officers and employees of the Group with balances above ₱100,000 as at March 31, 2024:

Name	As at December 31, 2023	Additions	Liquidations/ Collections	As at March 31, 2024
Adanza, Carina Victoria T.	₱170,300	₱–	₱20,460	₱149,840
Agbulos, Erlin C.	231,760	–	23,176	208,584
Aquino, Jesuniño R.	456,266	–	23,202	433,064
Austria, Maria Rhodora	372,351	16,109	37,809	350,651
Camacho, Margarita	473,503	710,684	459,806	724,381
Caparanga, Alvin	382,500	9,475	22,500	369,475
Hernaez, Alodia C.	223,675	8,823	5,750	226,748
Kikuchi, Khristian	374,314	18,073	39,773	352,614
Delos Santos, Mira	224,526	4,696	11,373	217,849
Doma, Bonifacio T. Jr.	249,080	81,805	11,250	319,635
Medrano, Anthony H.	187,264	231,738	242,963	176,039
Paglinawan, Arnold	199,848	8,508	16,939	191,417
Sabino, Lilibeth	276,876	46,693	49,082	274,487
Songsong, Maribel	226,963	–	20,325	206,638
Suello, Lito	456,267	–	23,200	433,067
Teodoro, Gloria	450,000	14,023	2,392	461,631
Villa, Robert Joseph	172,215	10,296	–	182,511
Young, Michael	224,950	372,280	10,469	586,761
Abalos, Mark Arthur	399,667	–	–	399,667
Correa, Helen	199,247	–	–	199,247
De Guzman, Alexander	381,210	184,000	–	565,210
Escalera, Myla L.	113,900	–	–	113,900
Fuentez, Christine	1,418,588	631,105	–	2,049,693
Galvez, Dina	186,402	–	57,273	129,129
Gomez, Esperanza D.	173,900	–	–	173,900
Jomar Villanueva	19,191	82,646	–	101,837
Lariba, Esperanza C.	259,082	–	24,872	234,210
Lozada, Katrina	128,764	–	–	128,764
Pablo, Cherie	137,326	–	–	137,326
Princess Jesusa B. Hampac	23,881	103,894	–	127,775
Romeo Jose B. Taganas	56,629	45,000	–	101,629
Taala, Suzette	275,666	–	–	275,666
Umali, Maria Judith S.	105,042	–	–	105,042
Rafael, Victor	451,935	–	25,188	426,747
	₱9,683,088	₱2,579,848	₱1,127,802	₱11,135,134

These advances pertain to the officers and employees car plan agreements. Such advances are interest-bearing and shall be liquidated on a monthly basis. There were no amounts written off during the year.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables with related parties, which are eliminated in the consolidated financial statements as at March 31, 2024:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Pan Pacific Computer Center, Inc.	₱1,104,410	₱–	₱–	₱1,104,410
Malayan Education System, Inc.	11,944,165	5,905,016	(10,747,021)	7,102,160
Malayan Colleges Laguna, Inc.	2,586,597	5,123,249	(4,618,169)	3,091,677
Malayan Colleges Mindanao, Inc.	309,002,750	8,152,411	(6,520,737)	310,634,424
University of Nueva Caceres	898,877	1,378,122	(1,901,529)	375,470
National Teachers College	4,263,404	5,490,050	(5,036,140)	4,717,314
Landev Corporation	14,395	30,135	(30,135)	14,395
House of Investments, Inc.	7,710	23,125	(7,708)	23,126

Schedule D. Long-term debt

As at March 31, 2024, the Group has outstanding long-term debts as follow (in thousands):

Unsecured bank loans	₱326,425
Secured bank loans	–
Total	326,425
Less: current portion of unsecured bank loans	32,574
Noncurrent portion of long-term loans	₱293,851

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third party local bank for ₱650.00 million to finance its building refurbishment and/or expansion. The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million. The ₱300 million is subject to a 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5%.

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

As at March 31, 2024, the Group has no outstanding long-term debt to related parties.

Schedule F. Guarantees of Securities of Other Issuers

As at March 31, 2024, the Group does not guarantee any securities.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	2,000,000,000	1,044,263,197	-	885,453,681	168,775	158,640,741

SCHEDULE III

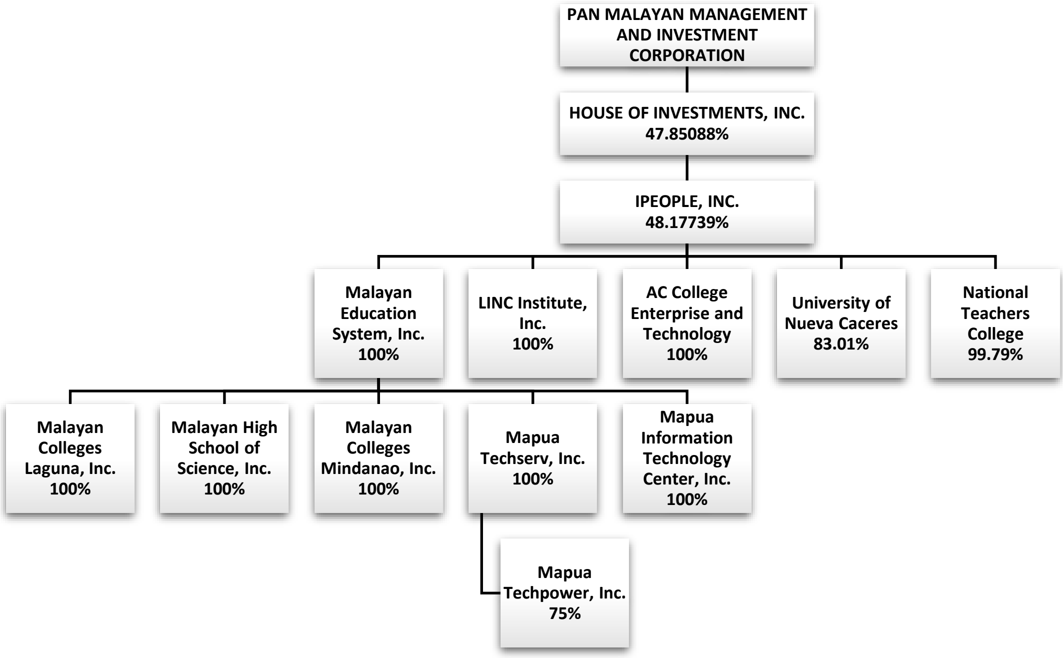
IPEOPLE, INC. AND SUBSIDIARIES

GROUP STRUCTURE

MARCH 31, 2024

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company and subsidiaries as at March 31, 2024:



SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-D: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

MARCH 31, 2024

Items	Amount (in thousands)	
Unappropriated retained earnings, *as adjusted to available for distribution, beginning*		**₱1,627,845**
Add: Net income actually earned/realized during the period		
Net income (loss) during the period closed to retained earnings	**₱5,548**	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	–	
Unrealized actuarial gain	–	
Fair value adjustment (M2M gains)	–	
Fair value adjustment of Investment Property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP-gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Sub-total	–	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustments due to deviation from PFRS/GAAP - loss	–	
Loss on fair value adjustment of investment property (after tax)	–	
Sub-total	–	
Net income actually realized during the period		**5,548**
Add (Less):		
Dividends declaration during the year	–	
Appropriations of retained earnings during the period	–	
Reversal of appropriations	–	
Effects of appropriations	–	
Effects of prior period adjustments	–	
Treasury shares	–	
Transfer to retained earnings of fair value reserve of equity instruments	–	
		–
Total Retained Earnings, End Available for Dividend		**₱1,633,394**

iPeople, inc. and Subsidiaries
Aging of Accounts Receivable
For the quarter ended March 31, 2024

	No. of days due			
	0-30	**31-60**	**Over 61 days**	**Total**
Education	**₱993,993,048**	**₱55,632,830**	**₱445,840,739**	**₱1,495,466,617**
Others	**59,714,379**	**1,640,566**	**66,309,802**	**127,664,747**
Total	**1,053,707,427**	**57,273,396**	**512,150,541**	**1,623,131,364**
Less: Allowance for doubtful accounts	**(34,328,770)**	**(13,449,073)**	**(348,456,558)**	**(396,234,401)**
	₱1,019,378,657	**₱43,824,323**	**₱163,693,983**	**₱1,226,896,963**

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

MARCH 31, 2024

Below are the financial ratios that are relevant to the Group's as of the period ended March 31, 2024, March 31, 2023 and December 31, 2023

Financial ratios		**Unaudited March 2024**	Unaudited March 2023	Audited December 2023
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.29:1**	1.72:1	1.17:1
Acid-test ratio *Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately*	Current Assets – Prepaid expenses / Current Liabilities	**1.07:1**	1.54:1	0.98:1
Solvency Ratio *Shows how likely a Group will be to continue meeting its debt obligations*	Net Income+Depreciation / Total Liabilities	**0.09:1**	0.07:1	0.24:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.30:1**	0.41:1	0.33:1
Asset to Equity Ratio *Shows how the Group's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.30:1**	1.40:1	1.32:1
Interest Rate Coverage *Shows how easily a Group can pay interest on outstanding debt*	EBIT* / Interest Expense Excluding Interest Expense on Lease Liabilities	**14.78:1**	8.84:1	7.18:1
Return on Average Stockholders' Equity *Reflects how much the Group's has earned on the funds invested by the stockholders*	Net Income / Average Equity	**2.07%**	2.09%	4.76%
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**22.90%**	23.09%	14.74%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**1.47%**	1.38%	3.32%

**Earnings before interest and taxes (EBIT)*

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in the City of Makati on ____________________, 2024.

IN WITNESS WHEREOF, we have hereunto affixed our signatures and the seal of the Corporation this _____day of May, 2024 at Makati City.

By:

DR. REYNALDO B. VEA
Chairman and Chief Executive Officer

GEMA O. CHENG
EVP and Chief Finance Officer

JONATHAN M. LOPEZ
Controller

ATTY. SAMUEL V. TORRES
Corporate Secretary

MAY 14 2024

SUBSCRIBED AND SWORN to before me this _____day of May 2024, at Makati City. Affiants exhibited to me their proof of identification as indicated beside each name.

Names	Document No.	Date & Place of Issue/Expiration
Reynaldo B. Vea	Passport#P2200684C	10-28-2022 Manila City / 10-27-2032
Gema O. Cheng	DL#N06-84-036923	12-05-2022 Mandaluyong / 12-08-2032
Jonathan M. Lopez	DL#N01-02-001324	05-07-2024 Imus Cavite / 05-07-2029
Atty. Samuel V. Torres	Passport#P2022842C	10-14-2022 Manila City / 10-13-2032

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Page No. 81;
Book No. 17;
Series of 2024

ATTY. BERNARDINO O. LAUTILLO
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-073 UNTIL DEC. 31, 2025
ROLL NO. 77752 / MCLE Compliance No. VIII-002331-UNTIL APR. 14, 2028
IBP OR. NO. 410260 JAN. 3, 2024 / MAKATI CHAPTER
PTR No. 10233585 - JAN. 8, 2024
UNIT 2-B2 TRANS-PHIL HOUSE, DON CHINO ROCES AVE., COR. BAGTIKAN ST., SAN ANTONIO, MAKATI CITY