C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 6 6 4 1 1

COMPANY NAME

i P E O P L E ,   I N C .   A N D   S U B S I D I A R I E S

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

8 T H   F L O O R   M A P U A   U N I V E R S I T Y ,
M A K A T I   C A M P U S ,   1 1 9 1   P A B L O
O C A M P O   S R .   E X T E N S I O N   A V E . ,   B R G Y.
S T A . C R U Z ,   M A K A T I   C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	S E C	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)
1,992	July 30	December 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, Metro Manila

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 deficiencies.*

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE REVISED SECURITIES ACT AND SECTION 177
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

1. For the year ended: **December 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**
Province, Country or other jurisdiction of incorporation or organization

6. ____________ (SEC Use Only)
Industry Classification Code:

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

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

9. **Not Applicable**
Former address, and former fiscal year, if changed since last report

10. 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 December 31 – No debt registered pursuant to Sections 4 and 8 of the RSA

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

12. 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 [ ]

13. As of March 31, 2025, within 60 days prior to the filing of SEC17-A, the aggregate market value of the voting stock held by the public is equivalent to Php948,671,631 which was computed by multiplying 158,640,741 shares by the stock's closing price of Php5.98/share.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference:

(a) 2024 Audited Consolidated Financial Statements

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PART 1 – BUSINESS AND GENERAL INFORMATION

Item 1: Description of Business

iPeople, inc. (‘iPeople”, “IPO” or “the Company”) is the holding and management company under House of Investments, Inc. and the Yuchengco Group of Companies (“YGC”) that drives investments in the education sector. The Company is a publicly listed company in the Philippine Stock Exchange (PSE:IPO).

Its main operating subsidiaries are the Malayan Education System, Inc. (Operating under the name of Mapúa University) (“Mapúa University” or “MESI”), National Teachers College (doing business under the name The National Teachers College) (“NTC”) and University of Nueva Caceres (“UNC”).

Mapúa University also has three main wholly owned subsidiaries, the Malayan Colleges Laguna, Inc. A Mapúa School (“MMCL”), Malayan High School of Science, Inc. (“MHSS”) and Malayan Colleges Mindanao, Inc. A Mapúa School (“MMCM”). MMCM is Mapúa University’s newest incorporated school. MMCM opened its doors to senior high school and college students in July 2, 2018.

With the effectivity of the merger between iPeople, inc. and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), on May 2, 2019, iPeople, inc. became 48.18% owned by HI and 33.5% owned by AC. The merger brought together the educational group of HI and AC and will enable accelerated growth and provide stronger academic offerings and career prospects for the students. The merger also unlocked synergies among all IPO schools to be able to deliver quality education, aimed not only at educating the Filipino youth but also at preparing their graduates to become major players in sustainable businesses driven by adaptive technology. In September 6, 2023, the merger between NTC and APEC Schools became effective with NTC as the surviving entity.

As of December 31, 2024, House of Investments, Inc. and its affiliates together with Ayala Corporation controls 51.3% and 33.5%, respectively, of iPeople, inc.

The Holding Company

Executive management plays an active role in the business operations of the companies under its portfolio. Through participation in management and operations meetings and regular reviews, iPeople leads the planning and monitoring of achievement of goals.

In particular, management watches operating metrics very closely and how these impact the financial metrics. By monitoring operating metrics and financial metrics, executive management can always determine whether the capital deployed to various businesses within the portfolio is being used efficiently and generates returns that meet hurdle rates.

Executive management also engages in continuous business development programs. These business development activities range from assisting subsidiaries in developing growth opportunities within their respective businesses, developing expansion plans or at the holding company level, exploring new opportunities for portfolio diversification.

Risk Factors

iPeople, Inc. (IPO) is a holding company with no revenue-generating operation of its own. IPO as a holding company with significant involvement in education through its subsidiaries, is exposed to sector-specific risks which may impact reputation, stakeholder confidence, and overall business sustainability. IPO believes that risk management is the responsibility of all stakeholders and underscores the importance of an integrated risk management approach across 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.

As the risk environment for the Group continues to evolve, IPO periodically reviews and conducts a group-wide risk assessment, monitoring the identified risks to ensure that these are current and regularly taken into account. The following key risks have been identified which may impact the operations, objectives, and long-term value creation of the Group.

Reputational and Stakeholder Risk
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 Group's reputation is closely linked to the performance and image of its education subsidiaries. Negative publicity or poor performance within any subsidiary may damage the Company's overall brand which may impact stakeholder confidence. A reputational setback in one subsidiary can cascade across the Group, affecting its ability to fulfill its growth and value objectives.

Competition and Market Risk
The Philippine and global economic condition may impact the student enrollment in IPO Schools and growth commitments to its stakeholders. The education landscape remains highly competitive, the improvements in the public and private education and the evolving trends require the IPO and its subsidiaries to continuously innovate and adapt to maintain competitiveness and enrollment growth. The Company's lack of direct revenue-generating activities renders it dependent on subsidiary performance and vulnerable to broader economic trends.

Compliance and Regulatory Risk
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 a range of legal and regulatory requirements like accreditation, licensing, environmental and other relevant local and national regulations. Failure to adapt to education-sector regulations or non-compliance may result in fines, legal action, reputational damage, and even the loss of accreditation or operating licenses.

Operational and Cybersecurity Risk
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 in financial losses. Disruptions in operations not only affect service delivery but can impact stakeholder trust and legal compliance. Increasing reliance on digital infrastructure exposes the group to additional risks. Cybersecurity threats and data breaches in student data, learning management systems, or infrastructure could lead to security incidents.

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. Inability to adapt to AI-driven educational and administrative transformations may place subsidiaries at a competitive disadvantage.

ESG and Sustainability Risk
The failure to address and manage the environmental, social, and governance concerns of the subsidiaries may impact the Company's reputation, financial performance, or result in regulatory fines. Climate change may affect school infrastructure and disrupt operations.

School Operations

MALAYAN EDUCATION SYSTEM, INC. (OPERATING UNDER THE NAME OF MAPUA UNIVERSITY)

Mapúa University, founded in 1925 by Don Tomas Mapúa, a pioneering Filipino architect and Cornell University graduate, is the premier engineering and technological institution in the Philippines. The university maintains a tradition of excellence across diverse fields, including Engineering and Sciences, Architecture and Design, Information Technology, Business and Management, Communication and Media Studies, Health Sciences, Social

Sciences, and Education. This commitment to comprehensive, world-class education empowers its graduates to become globally competitive professionals. On January 2025, Mapúa University celebrated a century of world-class education, marking its 100^{th} anniversary.

Mapúa University's pursuit of academic rigor has led to both national and international recognition. It started with getting accreditation in 2010 from the Accreditation Board for Engineering and Technology (ABET), a leading US-based, non-profit, non-governmental agency that accredits academic programs for engineering, computing, and applied and natural science. Mapua was the first university in the Philippines to gain ABET accreditation. Presently, the university has the most ABET-accredited programs in a single campus in the Philippines.

Mapua then went on to gain recognition from the Times Higher Education (THE). In the 2024 THE Word University Ranking, it ranked 1501+. It also achieved qualifications from the Quacquarelli Symonds (QS) Asia University Rankings 2024, placing it within the top 550 Asian universities and the top 100 Southeast Asian universities. Additionally, the QS Stars Rating System has awarded Mapúa a 4-star rating, with the highest marks in Employability, Social Responsibility, and Inclusiveness (5-star ratings).

The Philippine Commission on Higher Education(CHED) recognizes Mapua for its multiple engineering disciplines and its computing or information technology area as a Center of Excellence.

To broaden the horizons of its students, Mapúa has forged a groundbreaking partnership with Arizona State University (ASU), renowned as America's most innovative university. This collaboration, launched in 2022, enhances Mapúa's business, health sciences, nursing, and medicine offerings, providing Filipino students access to ASU's expertise and resources.

Mapúa University demonstrates its adaptability by spearheading digital education initiatives in the Philippines. The university's award-winning ÚOx programs, cutting-edge Cardinal EDGE learning management system, and MapúaX online marketplace platform facilitate fully online degree courses and programs, making education more accessible.

Mapua University offers six (6) fully online undergraduate programs - Bachelor of Science in Electrical Engineering (EE), Computer Engineering (CpE), Electronics Engineering (ECE), Industrial Engineering (IE), Information Technology (IT) and Computer Science(CS); and nine (9) fully online graduate programs – Master of Engineering (ME) for CpE, EE, ECE, IE; Master of Science (MS) in EE, CpE, EE, and Mechanical Engineering; and Master in IT.

Underscoring its commitment to a better future, Mapúa established the Institute for Global Sustainability (Mapua IGS) in 2023. This center champions interdisciplinary research, innovative education, and collaborative partnerships focused on addressing global challenges and driving sustainable socio-economic growth.

Mapúa University's strong academic foundation translates directly into the success of its graduates. The institution has a proven track record, with 399 students achieving topnotcher status in national professional licensure examinations since 2000. Additionally, global exchange programs, on-the-job training, and research collaborations prepare students to excel in the international workforce.

With a commitment to providing world-class education built upon academic excellence and character development, Mapúa University empowers the youth to make a positive impact globally. Its revised vision statement, "Mapúa University, a global leader in education, fosters sustainable socio-economic growth of society through innovation, digital transformation, and lifelong education," cements its dedication to shaping future leaders.

MALAYAN COLLEGES LAGUNA, INC. A MAPUA SCHOOL (OPERATING UNDER THE NAME OF   MAPÚA MALAYAN COLLEGES LAGUNA)

Located in Cabuyao, Laguna, alongside several science and industrial parks, Mapúa Malayan Colleges Laguna (Mapúa MCL) was established to extend the brand of Mapúa University to the South by offering programs in engineering and architecture, aviation, allied health sciences, accountancy, business, communication, computer science, information technology, maritime education, multimedia arts, and tourism management. It offers 31 baccalaureate programs and one master's program under eight (8) degree-offering colleges and one institute: the Mapúa Institute of Technology at Laguna, the E.T. Yuchengco College of Business, the College of Computer and Information Science, the College of Arts and Science, Mapúa-PTC College of Maritime Education, College of

Health Sciences, Institute for Excellence in Continuing Education and Lifelong Learning, and the two newest colleges, the Mapúa Laguna Institute of Aviation and the College of Nursing.
The institution's community started with 860 students in 2007. Mapúa MCL, like its parent school Mapúa University, offers Senior High School (SHS) programs. Today, there are 7,859 students in both college and SHS. Mapúa MCL also adopted Mapúa's design and embedded Internet of Things (IoT) into its SHS curricula, giving Mapúa MCL a unique advantage in the secondary education sector and ensuring its students and curricula remain globally competitive. Mapúa MCL Senior High School (Mapúa MCL-SHS) opened in 2016, welcoming 1,021 Grade 11 students.

As part of its pledge to provide quality education to its students, seven Mapúa MCL engineering programs—Chemical Engineering, Civil Engineering, Computer Engineering, Electronics Engineering, Electrical Engineering, Industrial Engineering, and Mechanical Engineering—are PTC-ACBET accredited. In addition, its Marine Engineering (MarE) and Marine Transportation (MT) programs were re-certified for five (5) years (A.Y. 2022-2023 to 2026-2027) by the Belgian Maritime Inspectorate (BMI) in December 2022 and passed its periodic audit in November 2024. Mapúa MCL was also granted ISO 21001 re-certification by DNV-GL for the period 2025 to 2028.

Driven by a passion for knowledge, Mapúa MCL seeks to meet the challenges of globalization to produce graduates who can excel in the global labor market. With its excellent facilities and technologically advanced, IT-integrated curricula, Mapúa MCL is envisioned as a Center of Excellence for science and technology education in Southern Luzon. Mapúa MCL has successfully produced graduates and students with consistently excellent performance in licensure and certification exams, as well as local and national competitions and quiz bowls. In 2016, FindUniversity.ph ranked it as the number one private school in CALABARZON and the 10th best school in the Philippines.

Mapúa MCL retained its Autonomous Status, as per CHED Memorandum Order No. 07, Series of 2024. This status is valid until September 2027. Consequently, Mapúa MCL has introduced new programs, BS Aeronautical Engineering and BS Nursing, starting Academic Year 2024-2025.

In its quest to continually improve 21st-century education, Mapúa MCL has been awarded the Blackboard Catalyst Award for Leading Change in 2017 and the Blackboard Award for Professional Development in recognition of its Opportunities for Lifelong Learning (#SamaOLL) Project in 2020. Mapúa MCL received the Blackboard Award for Optimizing Student Experience and the Anthology Catalyst Award under the Teaching and Learning Category in 2021 and 2023, respectively. Mapúa MCL also received the Outstanding Digital Activations Award for A.Y. 2022-2023 from Cengage. Mapúa MCL also won the 2024 Catalyst Award for Leading Change. Mapúa MCL is among the 35 institutions recognized for Excellence in Education and Innovation in the 2024 Anthology Catalyst Awards.

Mapúa MCL achieved another milestone by obtaining a three-star overall rating from the Quacquarelli Symonds (QS) Star Rating System from the United Kingdom in 2020 and was re-certified in 2024. Notably, Mapúa MCL received a five-star rating for Employability, Online Learning, and Social Responsibility. With this achievement, Mapúa MCL received a Certificate of Commendation from CHED in August 2022.

In 2021, Mapúa MCL was awarded as the Outstanding School of the Year in the Laguna Excellence Awards. Mapúa MCL was also granted membership in the Philippine Association of Colleges and Universities in September 2022. In 2022, Mapúa MCL began offering Allied Health Sciences and aligned its business programs in collaboration with Arizona State University through the Cintana Alliance. It also launched the Master of Science in Shipping Business program under Mapúa-PTC CMET in partnership with Business College of Athens (BCA) in Greece. Additionally, Mapúa MCL has been accepted as an Associate Member of the ASEAN University Network (AUN). Through these partnerships, Mapúa MCL has enhanced its national stature, assuring students and stakeholders of its dedication to its vision.

Mapúa MCL was awarded Gold Membership by the U.S. Green Building Council (USGBC) on March 24, 2023, during the Leadership in Energy and Environmental Design (LEED) in Southeast Asia Series by USGBC and GBCI, Inc., making it the first and only academic institution in Southeast Asia and the Philippines to receive such distinction. In line with this, eight (8) B.S. Architecture students were awarded for being the first set of Filipino students to officially become USGBC LEED Green Associates in Southeast Asia.

In 2024, Mapúa MCL was ranked 1,501+ out of the 2,152 institutions evaluated in the Times Higher Education Impact Ranking 2024, with best scores in SDGs 3 (Good Health and Well-being), 5 (Gender Equality), 6 (Clean Water and Sanitation), and 17 (Partnerships for the Goals). It has also been ranked in the Top 100 in Student

Support and Engagement (A1) and Leadership (B1) categories in the World University Ranking for Innovation and ranked 1182nd in the World's Most Sustainable University in the 2024 UI GreenMetric World University Ranking. These undertakings underscore the institution's commitment to initiating activities in support of the Sustainable Development Goals (SDGs) and empowering individuals to contribute to the betterment of society.

MALAYAN COLLEGES MINDANAO, A MAPUA SCHOOL, INC. (OPERATING UNDER THE NAME OF MAPUA MALAYAN COLLEGES MINDANAO)

Incorporated in 2015, Malayan Colleges Mindanao (A Mapua School), Inc., operating under the name Mapúa Malayan Colleges Mindanao (MMCM), was established to offer Mapua education in Davao and Mindanao. MMCM looms along General Douglas MacArthur Highway in Matina, Davao City, and opened its doors to senior high school and college students on July 2, 2018.

MMCM has the core vision of standing among the world's leading educational institutions. The institution also distinguishes itself from the rest of the colleges and universities in Mindanao through:

1. Learner-Centered Outcomes-Based Education
2. Flexible Learning/Hybrid Learning Options
3. Industry Partnerships
4. Mindanao-Centric Learning
5. Advanced Learning Facilities and Digital Learning Tools

With an initial fourteen baccalaureate programs in engineering, architecture, arts and sciences, information science, and business, and complete senior high school academic and technical-vocational tracks, MMCM has reached its target number of enrollees in its first year of operation in Davao City.

For the school year 2019-2020, MMCM intensified its global initiatives with new partners and opened three additional programs under Alfonso T. Yuchengco College of Business, namely, B.S. Accountancy, B.S. Management Accounting and B.S. Tourism Management. Continuing the expansion of its program offerings, in 2021, the school was permitted to offer its first two health sciences programs, a BS in Psychology and a BS in Biology. Additionally, in the school year 2021-2022, the Department of Education (DepEd) in Region XI approved the offering of Junior High School, completing the High School program offerings from Grade 7 to Grade 12. In 2022, MMCM reached its milestone of 5,000 plus enrollees for its nineteen College programs together with the Junior and Senior High School departments. In addition, MMCM held its first Commencement Exercises for its first batch of college graduates in June 2022.

In line with its mission to provide a holistic learning environment, MMCM has collaborated with various organizations in spearheading transformative school activities such as coastal clean-up and recycling plastic waste projects, water conservation, and environmental dialogues with private and public sectors as well as donation drives for the victims of recurring earthquakes in Mindanao and typhoon victims in the country. MMCM has reached a breakthrough with its DOST-funded research project, Risk Management and Enhanced Survival Analysis Integrated through Longitudinal Infectious Disease Data and Statistical Epidemiological Model Using Clinical Risk Factors (RESILIEMC). Through the Office of Research, Development, and Innovation, MMCM has worked with a pool of experts in Davao City to advance the COVID-19 response in the region. A Memorandum of Agreement was signed among the Department of Science and Technology, Philippine Council for Health Research and Development (PCHRD), and MMCM in January 2021, which forged each party's shared commitment to develop the health system in Mindanao. Furthermore, the Manila Bulletin featured AMDABiDSS-Health, the first research center in Mindanao to improve disease surveillance and mitigation techniques for COVID-19, on April 5, 2022. The program was co-implemented by MMCM and the University of the Philippines Mindanao.

In 2023, MMCM secured a government-funded research project, "Innovative technology for refractory gold extraction using deep eutectic solvent (DES) and hypochlorite solution," which was one of the three projects of the program Green Tech: Enabling Technologies for Responsible Mineral Resource Utilization spearheaded by UP Diliman. The project primarily aims to address the problem of the mineral industry in the beneficiation of refractory gold ores by developing economical and eco-efficient technology. In the pursuit of Excellence and Relevance, MMCM strives to go beyond expectations and be involved in developing sustainable solutions to global issues; at the same time, it upholds the values of educational excellence, social responsibility, and environmental preservation.

As the world moves with time and changing industry demands, the institution continues to chase after progress and further strengthen its mission of shaping globally competitive professionals. Malayan Colleges Mindanao, A Mapúa School has been relaunched as Mapúa Malayan Colleges Mindanao (MMCM) in 2022 after receiving its amended articles of incorporation from the SEC on April 12, 2022. Additionally, MMCM has partnered with Arizona State University (ASU), joining the Cintana Alliance to pave the way for Filipino students to access high-quality international education in health sciences and business programs. ASU's expertise in innovation and advanced research will be leveraged to shape students into highly skilled, globally competent professionals and create opportunities for them in the country and abroad. Through this, the students are given opportunities for international exposure through short-term immersive programs, semester exchanges, pathways, and summer programs.

The Blackboard-Anthology Catalyst Award for Teaching and Learning was given to MMCM to recognize and honor the school for its innovation and excellence in advancing learning during the Anthology Together in Orlando, Florida, in July 2022. MMCM was the global winner of the 2022 Catalyst Award in the Teaching & Learning category for its HyFlex Learning Modality, given by Blackboard-Anthology. MMCM was also awarded the 2023 Catalyst Award for Student Experience for its outstanding educational contribution. These awards affirm the role of the school as the champion and model in using EdTech in its teaching, learning, and student experience. Moreover, MMCM was the first school in the Davao Region to be awarded the CHED Safety Seal in 2022. The Safety Seal Certification affirms that an establishment complies with the government's minimum public health standards. The Seal was given on September 12, 2022.

On December 18, 2023, the institution received the ISO 21001:2018 EOMS Standard for the Provision of all Academic Offerings scope certification after a rigorous audit by DNV AS Philippines on November 28 – 29, 2023. With a solid commitment to excellence, continued collaboration between administrators and faculty, and a dedication to providing quality at every institutional level, MMCM, being certified with ISO 21001:2018, stands as a beacon of excellence, guiding organizations toward the pinnacle of quality education and the satisfaction of both learners and other beneficiaries of the educational organization. According to the International Organization for Standardization (ISO), ISO 21001:2018 is a recognized standard that provides a framework for implementing an effective Educational Organizations Management System (EOMS). With this certification, the school will continue to show its commitment to quality education and uphold this international standard.

In early 2024, the institution completed the installation of the 600 units of 600wp solar panels, and the ceremonial switch-on of the MMCM 360-kWp Solar Rooftop Power Project was held in July 2024. The solar rooftop project reflects the school's dedication to sustainable development and incorporating green technology into education. It promotes renewable energy and is an educational resource for our students and faculty members, demonstrating our commitment to innovative and socially responsible learning.

Throughout 2024, MMCM attained international rankings and recognition from the World University Rankings for Innovation (WURI), the Times Higher Education (THE) Impact Rankings, and the UI Green Metric World University Rankings. On June 7, 2024, WURI ranked MMCM in three (3) categories of innovation: Category A1 on Student Support and Engagement — Rank 82, Category B4 on Symbol (Promotion) — Rank 54, and Category B5 on Culture/Values — Rank 82. On June 13, 2024, MMCM ranked in three (3) categories of the UN Sustainable Development Goals (SDGs) under the THE Impact Rankings: SDG 5 on Gender Equality — Rank 1001+, SDG 8 on Decent Work and Economic Growth — Rank 1001+, and SDG 17 on Partnership for the Goals — Rank 1501+. On December 12, 2024, the UI Green Metric World University Rankings ranked MMCM 49th among HEIs in the Philippines for its sustainability efforts and ranked 1101st among all universities and colleges globally. The efforts of MMCM to earn global recognition enforce commitment to its vision to be among the world's leading educational institutions.

On November 22, 2024, MMCM was recertified of its ISO 21001:2018 EOMS Standard certification after a second rigorous audit by DNV-AS Philippines on October 23-25, 2024. The recertification cemented MMCM's commitment to the previous ISO 21001:2018 certification. It additionally allowed MMCM to be independently ISO 21001:2018 certified and will undergo periodic audits by DNV-AS for the following two years until the next recertification audit in 2027.

NATIONAL TEACHERS COLLEGE (DOING BUSINESS UNDER THE NAME OF THE NATIONAL TEACHERS COLLEGE AND APEC SCHOOLS)

The National Teachers College, incorporated on September 29, 1928, was the Philippines' first Higher Education Institution (HEI) to offer collegiate programs dedicated to teacher education. Among the notable names that drove the institution to success were its founders Dr. Segundo M. Infantado, Sr., a former Director of Public Instruction in the Philippines, Dr. Flora Amoranto-Ylagan, one of the country's leading educators, and its first chancellor, Dr. Jose P. Laurel, former president of the Republic of the Philippines. NTC opened its doors to the student public on June 10, 1929, and it was granted government recognition on February 17, 1930.

Among private educational institutions in the Philippines, it has achieved notable performance in the licensure examination for teachers (LET). In addition, it currently provides expert advice to public and private agencies in the continuous development of policies and practices in flexible higher education in general and in Philippine teacher education in particular.

With its vision of transforming Philippine society through accessible quality education, NTC has since opened additional programs relevant to emerging industries. Its mission of enabling access to success is rooted in its desire to fulfill its learners' personal and professional aspirations.

- The Basic Education Department houses the K-6 programs, Junior High School, and Senior High School, offering programs in ABM, HUMSS, STEM, and ICT.

- The School of Teacher Education (SOTE) houses undergraduate and graduate programs in teacher education.

- The School of Business (SOB) offers Accountancy, Business Administration, Office Administration, Hospitality Management, and Tourism Management programs.

- The School of Arts, Sciences, and Technology (SOAST) grants degrees in IT, Library and Information Science, and Psychology.

- In SY 24-25, the first cohort of BS Criminology students was admitted to the School of Criminal Justice.

NTC supports the discourse of education quality through voluntary accreditation through the Philippine Association of Colleges and Universities- Commission on Accreditation (PACU-COA). To date, the following programs have completed local accreditation: Bachelor in Elementary Education (Level 4), Bachelor in Secondary Education (Level 4), Master of Arts in Education (Level 3), Doctor of Education (Level 3), and Bachelor of Science in Office Administration (Level 1).

NTC promotes learner-centered and industry-oriented education that enlightens the mind, strengthens the body, and builds character. Partnering with industry experts and leaders in digital learning such as Google Education and LinkedIn helps ensure the career readiness of its graduates and equips them to become productive citizens contributing to nation-building. It has continued to endeavor to make its school ecosystem transformative and at the same time capable of promoting an environment where learners find joy in learning.

As a testament to NTC's legacy for excellence, NTC became an authorized learning service provider of the National Educators Academy of the Philippines (NEAP) of the Department of Education (DepEd) and a training partner of the Private Education Assistance Committee (PEAC). Given the expanding internationalization agenda of Philippine higher education, it has established ties with the British Council and the ASEAN Universities Network (AUN).

In August 2023, the merger of NTC and APEC Schools, with NTC as the surviving entity was approved by the Securities and Exchange Commission (SEC) resulting in the creation of an education powerhouse with more than 29,000 students in K-12, College and Graduate School.

APEC Schools was established in 2013 with the vision of providing quality private education affordable for Filipino high school students and has scaled up to become the largest chain of private stand-alone high schools in the country. It emphasizes developing graduates who have strong critical thinking skills, are tech savvy and self-confident, have a good command of the English language, and can use their problem-solving strengths to help their communities. APEC offers innovative learning at very accessible prices across 9 campuses in the NCR, Rizal, Cavite and Batangas.

APEC was one of the first high schools to offer a technology enabled educational curriculum and delivery. In 2020, Google recognized APEC Schools as a Google Reference School - the first and only one in the Philippines. This recognition is for schools who utilize Google’s educational tools in creative, innovative, and exemplary ways, to create a positive impact on the educational development of students.

With the combined strength of a leading teacher education institute and a recognized leader in innovative progressive education, one of the first offerings because of this merger is Smartclass, a homeschooling program that allows homeschoolers to benefit from engaging, practical and affordable education utilizing a more comprehensive approach to homeschooling.

UNIVERSITY OF NUEVA CACERES

The University of Nueva Caceres (UNC), first university in Southern Luzon, traces its humble beginning with the benevolence of Dr. Jaime Hernandez, former Secretary of the Department of Finance, as his way of giving back to the Bicolano community. In February 1948, Dr. Hernandez together with other prominent Bicolanos, formed the Nueva Caceres College. Five years after its establishment, the school attained a University Status.

His leadership was succeeded by one of his daughters, Dr. Dolores H. Sison. Her passion was to continually prepare the UNC for the challenges of the twenty-first century. She also introduced and implemented new programs and courses to keep abreast with the demands of global education.

In July 2015, the University of Nueva Caceres partnered with Ayala Corporation through Ayala Education, Inc to further enhance the quality of education through industry and technology-driven innovations. UNC is the first university of AEI bannering the blazing power of 1+1=3 which means that the combination of the two will yield extraordinary positive outcomes for the Bicol Region and the country as a whole. With Mr. Alfredo I. Ayala as the third University President, the curricula were tailor-fitted to the needs of the industry in such a way that we produce graduates who are trained to address the demands of compelling careers.

In 2019, with the merger of AC Education, Inc. and iPeople,inc., UNC became part of the iPeople Schools and its vision as articulated by iPeople President, has been elevated to a higher purpose of creating relevance and impact to the bigger community as enunciated in the vision of “Innovating education and research towards leading-edge outcomes for all.”

Guided by the tri-visionary purposes, UNC’s path towards the next 75 years is made vividly clear. UNC shall welcome and nurture students to be future-ready, work-ready, and life-ready. "Makatapos, Magkatrabaho at Magtagumpay." As present-day stewards of UNC and under the current leadership of the fourth University President, Dr. Fay Lea Patria M. Lauraya, UNC endeavors to fulfill its tri-focal function of instruction, research, and extension while making education accessible and affordable. Our calling is to meet UNC's Big Hairy Audacious Goal of: From first to number 1, to be the top university of choice with its differentiating feature as A Future-Ready Outcomes-Based Education Leader in the Bicol Region.

The past presidents of UNC, Dr. Jaime Hernandez Sr, President Dolores H. Sison, and Mr. Fred Ayala were instrumental in establishing UNC's competencies in the fields of Engineering, Law, Architecture, Business, and Teacher Education. Building upon these competencies, UNC is creating new pathways for students who can access quality education from the core offerings to lifelong opportunities as the need for upskilling and re-skilling among those who are already in the workplace becomes an imperative given the changing demand of industry productivity.

Currently, the University offers complete basic education, six (6) programs in the School of Arts and Sciences, eleven (11) in the School of Business and Administration, six (6) in the School of Computer Studies, seventeen (17) in the School of Teacher Education, seven (7) in the College of Engineering, one (1) program in the School of Nursing and Allied Health Sciences, two (2) program in the Criminal Justice Education, one (1) program in the School of Law.

As of 2025, a total of 44 programs are accredited by the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA). It conferred Level III Status to five BS Business Administration programs; five Master of Arts in Education programs; Master of Business Administration; two Bachelor of Arts programs; two Bachelor of Elementary Education programs; Bachelor of Special Needs Education; eight Bachelor of Secondary Education programs; BS Nursing; and Elementary Education. UNC’s Doctor of Philosophy, BS Biology, BS Accountancy, BS Computer Science, BS Information Technology, and Junior High School were accredited with Level II Status. It also recognized Doctor of Education, BS Civil Engineering, BS Mechanical Engineering, BS Electrical Engineering, BS Computer Engineering, and Electronics Engineering with Level I Accreditation Status. The BS Architecture and Senior High School were given Candidate Status, while the Master of Public Administration, Bachelor of Library Information Science, and Master of Library Information Science were given Associate Status. 3 UNC programs to wit: BS Criminology, BS Hospitality Management, and BS

Tourism Management on the other hand were given by the Association of Christian Schools Colleges and Universities (ACSCU) Level I Accreditation Status.

During the last seventy-seven years, the University of Nueva Caceres has produced 166 top-notchers in government Bar and Board examinations. Aside from this, UNC has also produced many student leaders awarded by national and regional recognition bodies. This hefty collection of "golds" speaks well of the quality of instruction in the UNC. Further evidence of this is shown by the thousands of UNC graduates who are now professionals or who occupy responsible positions in the government and in the private sector.

The disruption to educational delivery of the COVID19 pandemic made it possible to quickly shift to flexible learning delivery. UNC Red Ways these Gray Days is the University's Learning Continuity Plan which offers 2 flexible learning solutions: Flexi Tech, an online learning mode, and Flexi Kit, a modular learning mode. Student services such as health clinic and guidance are also transformed online to cater to the needs of our students. The University has been updated and in compliance with government-mandated protocols to ensure the safety of our stakeholders whilst ensuring continuity of learning.

The UNC continues to be a leading school in Bicol which offers a nurturing education and serves as a key factor of progress in Naga and the Bicol region. At UNC everyone makes it and is ready for tomorrow.

Item 2: Properties

iPeople and its subsidiaries own land in the following areas enumerated below:

PROPERTY DESCRIPTION	DATE ACQUIRED	AREA (SQ. M.)	TYPE
MALAYAN EDUCATION SYSTEM, INC.			
Intramuros, Manila	1999	17,997	School campus
Intramuros, Manila	2013	513.5	Vacant lot for expansion
Sta. Cruz, Makati City	2018	5,114	School Campus (Bldg. under construction)
MALAYAN HIGH SCHOOL OF SCIENCE INC.			
Paco, Manila	2002	3,624	School campus
MALAYAN COLLEGES LAGUNA, INC.			
Cabuyao, Laguna	2010	60,000	School campus
Cabuyao, Laguna	2012	14,640	Vacant lot for expansion
MALAYAN COLLEGES MINDANAO, INC.			
Brgy. Ma-a, Davao City	2015	23,000	School Campus
Brgy. Ma-a, Davao City	2018	7,000	School Campus
NATIONAL TEACHERS COLLEGE			
Quiapo, Manila	2019	7,317	School Campus
Quiapo, Manila	2019	535.3	School Campus
Quiapo, Manila	2019	714.4	School Campus
UNIVERSITY OF NUEVA CACERES			
J. Hernandez Ave., Naga City	2019	49,917	School Campus
AC COLLEGE OF ENTERPRISE AND TECHOLOGY, INC.			
San Jose del Monte City, Bulacan	2019	6,098	Vacant Lot

The following details the properties that iPeople inc.'s subsidiary have leases:

PROPERTY DESCRIPTION	LOCATION	AREA (SQ. M.)	LEASE EXPIRATION
National Teachers College			
5-Storey Building (3rd, 4th & 5th floor)	V. Luna	865	06/30/2030
3-Storey Building (2nd & 3rd floor)	North Fairview	1,174	06/30/2032
4-Storey Building	C. Raymundo	1,928	06/30/2032
4-Storey Building (2nd, 3rd & 4th floor)	Marikina Heights	1,247	06/30/2038
5-Storey Building	Tondo	1,204	06/30/2025

3-Storey Building (2nd & 3rd floor)	Sta. Rita Sucat	1,500	04/30/2032
4-Storey Building	Dasmariñas	878	04/30/2032
4-Storey Building (2nd, 3rd & 4th floor)	Bacoor	1,215	06/30/2034
4-Storey Building	Pateros	1,230	06/30/2033
3-Storey Building (2nd & 3rd floor)	Ortigas Ext., Cainta	960	12/31/2030
4-Storey Building (2nd, 3rd & 4th floor)	Kalumpang	1,095	03/31/2028
3-Storey Building (2nd & 3rd floor)	Las Pinas	1,266	06/30/2031
4-Storey Building (3rd floor)	New Manila	781	04/30/2027
1-unit	Lipa	36.48	07/31/2025
1-Lot, Library Grounds and school Building	College of Holy Spirit, Mendiola St., Manila	4,011	05/31/2029

Item 3 – Legal Proceedings

Mapúa University is involved in certain disputes that arise in the ordinary conduct of business. Management believes that these suits will ultimately be settled in the normal course of operations and will not adversely affect the subsidiary's financial position and operating results.

Item 4 - Submission of Matters to a Vote of Security Holders

Other than Amendment to Article Third of the Company's Articles of Incorporation to reflect the change in the Company's principal office address, there were no other matters during the Annual Stockholders' Meeting held on 30 July 2024 that required the vote of the Company's stockholders owning more than 2/3 of the outstanding number of shares.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – Market for Issuer's common equity and related stockholder matters

The common stock (PSE: IPO) is traded on the Philippine Stock Exchange.

PERIOD	STOCK PRICE HIGH	LOW
2025 First Quarter	6.79	5.62
2025 Fourth Quarter	8.40	5.57
2024 Third Quarter	6.39	5.50
2024 Second Quarter	7.17	5.70
2024 First Quarter	7.50	6.21
2023 Fourth Quarter	7.50	6.20
2023 Third Quarter	8.05	5.80
2023 Second Quarter	9.00	6.80
2023 First Quarter	8.00	5.95
2022 Fourth Quarter	6.94	5.42
2022 Third Quarter	7.25	5.08
2022 Second Quarter	9.03	6.50

Top 20 owners of common stock as of March 31, 2025:

STOCKHOLDER	NUMBER OF SHARES	% OF TOTAL
HOUSE OF INVESTMENTS, INC.	501,940,749.*	48.07%
AYALA CORPORATION	349,829,961	33.50%
A. SORIANO CORPORATION	93,301,434	8.93%
PCD NOMINEE CORP – FILIPINO	89,263,658	8.55%
HYDEE MANAGEMENT & RES. CORP.	653,800	0.06%
YAN, LUCIO	325,000	0.03%
ONG PAC, SALLY C.	299,000	0.03%
PCD NOMINEE CORP - NON-FILIPINO	285267	0.03%
LEY, FELY	243,750	0.02%
TECSON, BINGSON U.	195,000	0.02%
MENDOZA, ALBERTO MENDOZA &/OR JEANIE C.	165,750	0.02%
PHILIPPINE ASIA EQUITY SECURITIES INC. U-055	146,250	0.01%
KHO, DAVID L.	140,500	0.01%
ANSALDO GODINEZ & CO., INC.	133,438	0.01%
SECURITIES INVESTORS PROTECTION FUND, INC.	130,000	0.01%
UY, JOHNNY S.	97,500	0.01%
UY-TIOCO, GEORGE	97,500	0.01%
DE JESUS, REYNALDO	82,500	0.01%
UY TAN, JUANITA	82,500	0.01%
JUANITO CHAN &/OR SUSANA CO	81.250	0.01%
SUB TOTAL	***1,037,494,807***	***99.35%***
Others	6,768,390	0.65%
TOTAL	**1,044,263,197**	**100.00%**

iPeople has 1,993 shareholders owning a total of 1,044,263,197 shares as of March 31, 2025.
** certificated shares*

Dividends
In accordance with the Corporation Code of the Philippines, iPeople intends to declare dividends (either in cash or stock or both) in the future. Common stockholders of the Company are entitled to receive a proportionate share in cash dividends that may be declared by the Board of Directors out of surplus profits derived from the Company's operations. The same right exists with respect to a stock dividend of which the declaration is subject to the approval of stockholders representing at least two-thirds (2/3) of the outstanding shares entitled to vote. The amount will depend on the Company's profits and its capital expenditure and investment requirements at the relevant time.

The company has declared cash dividends as follows:

YEAR	DIVIDEND PER SHARE	TOTAL AMOUNT
2025	₱0.25	₱259.24MM
2024	₱0.19	₱198.41MM
2023	₱0.19	₱198.41MM
2022	₱0.16	₱167.01MM

iPeople have not identified any restriction that limits the ability to pay dividends on common equity or that are likely to do so in the future.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There was no sale of unregistered or exempt securities, nor recent issuance of securities constituting an exempt transaction in 2024.

Description of Registrant's Securities: Common Stock

The equity capital structure of the firm as of December 31, 2024 is shown below:

Authorized Capital	P2,000,000,000
Subscribed Capital	P1,044,263,197
Paid Up Capital	P1,044,263,197

The Board of Directors may declare dividends only from surplus profits arising from the business of the Company.

No holder of the capital stock, whether said stock is now or hereafter authorized, shall have any right, as a stockholder, to purchase or subscribe to any additional shares of the capital stock, whether such shares of capital stock are now or hereafter authorized by the Company as determined by resolution of the Board of Directors.

No transfer of stock or interest, which will reduce the ownership of Filipino stockholders to less than the percentage of the capital stock required by law, shall be allowed or permitted to be recorded in the proper books, and this restriction shall also be indicated in all stock certificates of the corporation.

Item 6 – Management Discussion and Analysis of Financial Condition and Results of Operations and Plan of Operation

Plan of Operations within the next twelve months

(a) The management believes that iPeople can meet its cash requirements within the next twelve months without the need to raise additional funds.
(b) There are no expected purchase or sale of significant major capital assets within the next twelve months, and
(c) There are no significant changes expected in the number of employees.

Management Discussion and Analysis

CONSOLIDATED RESULTS – Year 2024 vs. Year 2023

<u>Financial Position</u>

Total consolidated assets increased from ₱19.92 billion to ₱22.22 billion, or a 12% increase compared to last year. The increase in total assets is mainly due to the increase in the appraised value of land, increase in cash and cash equivalents and higher receivables.

Current assets increased to ₱4.80 billion this year from ₱3.81 billion last year because of the increase in cash and cash equivalents and higher receivables.

Receivables pertain mainly to matriculation and miscellaneous fees due from students. Receivables balance this year is P1.70 billion. The 23% increase in receivable is mainly due to the higher enrollment. Prepaid expenses and other current assets went down from ₱607 million to ₱520 million because of the decrease in short-term placements.

Total noncurrent assets this year is P17.42 billion. The increase in non-current assets is mainly due to the increase in the appraised value of land based on the latest fair value appraisals performed by independent appraisers.

Total liabilities of the Group increased to P5.49 billion from P4.83 billion last year. The 14% increase in total liabilities is mainly due to the P621 million increase in current liabilities.

Current liabilities increased to ₱3.88 billion this year from ₱3.26 billion last year primarily due to the 24% increase in accounts payable and accrued expenses and the 32% increase in unearned income.

Accounts payable and accrued expenses pertain largely to obligations to suppliers. Accounts payable and accrued expenses went up by 24% due to higher payable to suppliers.

Unearned income is higher from ₱978 million in December 2023 to ₱1.29 billion because of higher enrollment.

The P14 million (37%) increase in lease liabilities - current portion is due to the new lease contract of NTC to expand its school capacity.

Income tax payable went up by 17% due to the higher provision for income tax because the income tax applicable to schools went back to 10% from 1% effective July 1, 2023, as mandated by the CREATE Act.

Noncurrent liabilities went up from ₱1.55 billion last year to ₱1.61 billion this year primarily due to the increase in deferred taxes related to the revaluation increment on land.

Deferred tax liabilities went up by P108 million (15%) due to the increase in deferred taxes related to the revaluation increment on land.

Total consolidated equity increased from ₱15.08 billion in December 2023 to ₱16.73 billion this year because of the net income for the year and other comprehensive income related to the revaluation increment on land. Equity attributable to Parent is at ₱16.36 billion, from ₱14.76 billion in December 2023.

Results of Operations

The Group posted a consolidated net income of ₱864 million, which is 31% higher than the ₱662 million in the previous year. The higher net income in 2024 is driven by the better results of operations of IPO schools because of higher student enrollment.

Revenue from school operations is the primary source of revenue of the Group. Revenue went up by 18% to ₱ 5.32 billion from ₱4.49 billion last year. The increase in revenues was primarily due to the consistent increase in student enrolment. The change in the school calendar of some of the IPO schools that affected the timing of revenue recognition also contributed to the higher revenue of the Group.

Cost of tuition and other fees and general and administrative expenses increased by 17% or ₱619 million higher than last year. The higher expenses in 2024 were primarily driven by the higher enrolment that directly affects the level of expenses, and the higher expenditures to continue to develop growth initiatives of the Group. The Group's 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 is the result of the affiliation agreement with CINTANA Education in collaboration with Arizona State University.

Interest expense and other finance charges decrease from ₱149 million last year to ₱121 million this year due to payment of MMCM bank loans in July 2023.

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

CONSOLIDATED RESULTS – Year 2023 vs. Year 2022

Financial Position

Total consolidated assets increased from ₱17.70 billion to ₱19.96 billion, or a 13% increase compared to last year. The increase in total assets is mainly due to the higher receivables and increase in the appraised value of land.

Current assets increased to ₱3.81 billion this year from ₱3.61 billion last year primarily due to higher receivables and higher other current assets of schools.

Receivables pertain mainly to matriculation and miscellaneous fees due from students. Receivables balance this year is P1.38 billion. The 17% increase in receivable is mainly due to the higher enrollment. Prepaid expenses and other current assets went up from ₱465 million to ₱607 million because of the increase in short-term money placements and increase in prepaid expenses related to software subscriptions.

Total noncurrent assets this year is P16.16 billion. The increase in non-current assets is mainly due to the significant increase in the appraised value of land based on the latest fair value appraisals.

Total liabilities of the Group is P4.88 billion. There was no significant change in the total liabilities. The change in total liabilities is only 2%.

Current liabilities decreased to ₱3.26 billion this year from ₱3.52 billion last year primarily due to payment of bank loans.

Accounts payable and accrued expenses pertain largely to obligations to suppliers. Accounts payable and accrued expenses went up by 7% due to higher payable to suppliers.

Unearned income is higher from ₱796 million in December 2022 to ₱978 million due to the increase in unearned tuition fees because of higher enrollment.

Current portion of long-term debt went down by 98% due to the full payment of long-term loans of a subsidiary (MMCM).

Lease liabilities – current portion went down by 27% due to the termination of lease agreements.

Income tax payable went up by 277% due to the higher provision for income tax because the income tax rate applicable to schools went back to 10% from 1% effective July 1, 2023 as mandated by the CREATE Act.

Noncurrent liabilities went up from ₱1.44 billion last year from ₱1.62 billion this year primarily due to the increase in deferred taxes related to the revaluation increment on land.

Deferred tax liabilities went up by 35% due to the increase in deferred taxes related to the revaluation increment on land.

Total consolidated equity increased from ₱12.74 billion in December 2022 to ₱15.08 billion this year due to the net income for the year and other comprehensive income related to the revaluation increment on land. Equity attributable to Parent is at ₱14.76 billion, from ₱12.44 billion in December 2022.

Results of Operations

The Group posted a consolidated net income of ₱662 million, which is 15% lower than the ₱782 million in the previous year. The lower net income in 2023 was a result of higher operating expenses due to full-year impact on expenses of face-to-face classes, higher depreciation expense, higher interest expense, higher provision for income taxes and additional expenditures related to growth initiatives of the Mapua Schools, specifically, the introduction of new programs in Business and Health Sciences as well as the pilot of fully online programs of Mapua Malayan Digital College (MMDC) under MMCL. The introduction of new Business and Health Sciences programs is the result of the affiliation agreement with CINTANA Education in collaboration with Arizona State University that started in May 2022. The lower revenue from professional training programs also contributed to the lower net income in 2023.

Revenue from school operations is the primary source of revenue of the Group. Revenue went up by 14% to ₱ 4.49 billion from ₱3.94 billion last year. The increase in revenue was due to higher enrolment, and discontinuation of discounts for fully online classes. The increase in revenue from higher enrollment was partially offset by the lower revenue from professional training programs.

Cost of tuition and other fees and general and administrative expenses increased by 20% or ₱614 million higher than last year. The higher expenses in 2023 was primarily driven by higher enrolment that directly affect the level of expenses, the resumption of face-to-face classes from the 2nd half of 2022, higher expenditures related to the new growth initiatives, and the depreciation of the new Mapua Makati campus.

Interest expense and other finance charges increase from ₱113 million last year to ₱149 million this year due to higher interest rates on bank borrowings and higher interest related to lease liabilities.

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

CONSOLIDATED RESULTS – Year 2022 vs. Year 2021

Financial Position

Total consolidated assets increased from ₱16.13 billion to ₱17.70 billion, or a 10% increase compared to last year. The increase in total assets is mainly due to the higher cash balance of the Group, higher receivables and increase in the appraised value of land.

Current assets increased to ₱3.61 billion this year from ₱3.06 billion last year primarily due to higher cash and cash equivalents, higher receivables and higher other current assets of schools. The increase in cash and cash equivalents was mainly due to the cash generated by the school operations.

Receivables pertain mainly to matriculation and miscellaneous fees due from students. Receivables balance this year is P1.18 billion. The 14% increase in receivable is mainly due to the normal collection cycle during the school term and higher receivables for professional training programs. Prepaid expenses and other current assets went up from ₱391 million to ₱465 million because of the increase in short-term money placements.

Total noncurrent assets this year is P14.09 billion. The increase in the balance of non-current assets is mainly due to the increase in the value of the land appraised.

Total liabilities of the Group is P4.96 billion. There was no significant change in the balance of total liabilities. The change in total liabilities balance is only 1%.

Current liabilities increased to ₱3.52 billion this year from ₱2.18 billion last year primarily due to the reclassification of the long-term loans from noncurrent to current liabilities. The reclassification was done to comply with Philippine Financial Reporting Standards (PFRS).

Accounts payable and accrued expenses pertain largely to obligations to suppliers. Accounts payable and accrued expenses went up by 6% due to higher payable to suppliers.

Unearned income is higher from ₱658 million in December 2021 to ₱796 million due to the increase in unearned tuition fees because of higher enrollment and unearned revenue from professional training programs.

Noncurrent liabilities went down to ₱1.44 billion this year from ₱2.83 billion last year primarily due to the reclassification of the long-term loans from noncurrent to current liabilities.

Total consolidated equity increased from ₱11.12 billion in December 2021 to ₱12.74 billion this year due to the net income for the year and other comprehensive income related to the revaluation increment on land. Equity attributable to Parent is at ₱12.44 billion, from ₱10.87 billion in December 2021.

Results of Operations

The Group posted a consolidated net income of ₱782 million, which is 18% higher than the ₱664 million net income in the previous year. The higher net income in 2022 is attributed to the better results of operations of IPO schools because of higher revenues.

Revenue from school operations is the primary source of revenue of the Group. Revenue went up by 18% to ₱ 3.94 billion from ₱3.35 billion last year. The increase in revenue was primarily due to higher enrolment in the current school year and higher revenue from professional training programs.

Cost of tuition and other fees and general and administrative expenses increased by 18% or ₱486 million higher than last year. The higher expenses in 2022 was primarily due to higher enrolment that directly affect the level of expenses, the resumption of face-to-face classes and higher depreciation due to the depreciation of the new Mapua Makati campus.

Interest expense and other finance charges decreased from ₱121 million last year to ₱113 million this year due to lower outstanding bank loan balance and lower interest related to lease liabilities.

Financial Ratios

Below are the financial ratios that are relevant to the Group for the year ended December 31, 2024 and 2023:

Financial ratios		**2024**	2023
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.24:1**	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	**1.10:1**	0.98:1
Solvency Ratio *Shows how likely a Group will be continue meeting its debt obligations*	Net Income + Depreciation / Total Liabilities	**0.25:1**	0.24:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.34:1**	0.33:1
Asset to Equity Ratio *Shows how the company's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.33:1**	1.32:1
Interest Rate Coverage *Shows how easily a company can pay interest on outstanding debt*	EBIT* / Interest Expense Excluding Interest Expense on Lease Liabilities	**11.59:1**	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	**5.43%**	4.76%
Net Profit Margin *Reflects how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**16.24%**	14.74%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**3.89%**	3.32%

**Earnings before interest and taxes (EBIT)*

Current ratio provides the liquidity position of the business by comparing current assets to current liabilities. The current ratio went up from 1.17:1 in 2023 to 1.24:1 in 2024, due to the increase in current assets.

Acid test ratio went up from 0.98:1 in 2023 to 1.10:1 in 2024 due to the increase in current assets

Solvency ratio slightly increased from 0.24:1 in 2023 to 0.25:1 in 2024 mainly due to higher net income.

Debt-to-Equity ratio measures the Group's leverage. The total debt-to-equity ratio of the Group is 0.34:1 for 2024 and 0.33:1 for 2023. This is because of higher equity.

Asset to Equity ratio increased from 1.32:1 in 2023 to 1.33:1 in 2024 because of the increase in total assets.

Interest Rate Coverage shows the capability of a company to pay interest on outstanding debt. The interest rate coverage ratio increased from 7.18:1 in 2023 to 11.59:1 in 2024 due to higher income from operations and lower interest expense.

Return on Average Stockholders' Equity (ROAE) measures the profitability of the Company in relation to the average stockholders' equity. The ROAE for 2024 increased to 5.4% from 4.8% in 2023 because of higher net income during the period.

Net profit margin reflects how much net income or profit is generated as a percentage of revenue. The net profit margin increased to 16.24% in 2024, from 14.74% in 2023 due to the increase in enrollment of schools.

Return on Assets measures the ability to utilize the Group's assets to create profits. The Group's return on assets for the year 2024 went up to 3.89%, from 3.32% in 2023.

The above-mentioned ratios are applicable to the Group as a whole.

Other qualitative and quantitative factors

(i) There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in liquidity of iPeople increasing or decreasing in any material way;
   a. iPeople does not anticipate any cash flow or liquidity problems within the next twelve months;
   b. iPeople is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement which will require the Company to make payments.
   c. There is no significant amount of trade payable that has not been paid within the stated terms
   d. iPeople depends on services fees from subsidiaries, interest income and dividends from its subsidiaries as its source of liquidity.

(ii) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

(iii) There are no 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;

(iv) There are no material and unusual commitments for capital expenditures;

(v) There are no significant elements of income or loss that did not arise from the iPeople's continuing operations;

(vi) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item are discussed above;

Item 7 – Financial Statement and Supplementary Schedules

The 2024 audited consolidated financial statements of the Group are attached herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules are filed as part of Form 17-A.

Item 8 - Information on Independent Accountant and Other Related Matters

The Accounting firm of Sycip Gorres Velayo and Company (SGV & Co.), with office address at 6760 Ayala Avenue, SGV Building, Makati City, Philippines, has been the Company's Independent Auditors since the Company's incorporation, and has been recommended to serve as such for the current year.

Pursuant to Memorandum Circular No. 8, series of 2003 (Rotation of External Auditors), SGV replaced the Engagement Partner assigned to the IPO Group effective 2024. SEC rules mandate the compulsory rotation of audit partners after 5 years.

The engagement of the external auditors was favorably endorsed by the Audit Committee to the Board of Directors. The engagement is ultimately submitted for approval of the stockholders.

Disagreement with Accountants on Accounting and Financial Disclosure
There was no event for the last 5 years where SGV & Co. had any disagreement regarding any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Attendance of Accountants at the Meeting
Representatives of SGV & Co. are expected to be present at the annual stockholders' meeting with the opportunity to make any statement, if they desire, and will be available to respond to appropriate questions on the Company's financial statements.

External Audit Fees and Services
The Company has engaged SGV & Co. as the external auditor, and is tasked to conduct the financial audit of the Company. For this service, SGV & Co. has billed the company the following amounts:

YEAR	AUDIT FEES
2024	₱5,145,000
2023	₱5,130,000
2022	₱4,765,000

Tax Fees
The Company has engaged the services of the International Tax and Transaction Services of SGV & Co. to assist in preparing and updating the transfer pricing documentation of the Group. Non-audit services for the year 2024 and 2023 amounted to ₱1,690,000 and ₱1,400,000, respectively.

All Other Fees
There are no other fees billed in each of the last two years for the products and services provided by the external auditor, other than the services reported under the items mentioned above.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9 – Directors and Executive Officers of the Issuer

Board of Directors & Officers
The Company's board of directors is composed of nine (9) members elected by and from among the Company's stockholders. The board is responsible for providing overall management and direction of the Company. Board meetings are held on a regular basis or as often as required to discuss the Company's operations, business strategy, policies and other corporate matters. A brief background on each member of the board is provided:

DIRECTORS		
Name	**Position**	**Length of Service**
Dr. Reynaldo B. Vea	Chairman	10 years
Mr. Lorenzo V. Tan	Director	7 years
Mr. Medel T. Nera	Director	14 years
Ms. Yvonne S. Yuchengco	Director	24 years
Mr. Gerardo C. Ablaza	Director	6 years
Mr. Alfredo Antonio I. Ayala	Director	6 years

INDEPENDENT DIRECTORS		
Name	**Position**	**Length of Service**
Mr. Renato C. Valencia	Lead Independent Director	20 years
Ms. Herminia S. Jacinto	Independent Director	0.42 years
Mr. William H. Ottiger	Independent Director	1.67 years

EXECUTIVE OFFICERS	
Name	**Position**
Dr. Reynaldo B. Vea	Chairman and Chief Executive Officer
Mr. Alfredo Antonio I. Ayala	President and Chief Operating Officer
Ms. Gema O. Cheng	EVP and Chief Finance Officer
Mr. Alexander Anthony G. Galang	Chief Audit Executive
Ms. Shirley Q. Earnhart	Treasurer
Dr. Ruth C. Francisco	Chief Risk Officer
Ms. Pamela Q. Wu	Chief Human Resource Officer
Mr. Narciso A. Laput	Vice President – Information Technology
Mr. Victor V. Rafael	Vice President – Finance and Investor Relations
Mr. Jonathan M. Lopez	Controller
Atty. Denise Jordan P. Arenillo	Legal and Compliance Officer
Atty. Samuel V. Torres	Corporate Secretary
Atty. Ma. Elvira Bernadette C. Garcia-Gonzalez	Assistant Corporate Secretary

Position and Background within the last 5 years

REYNALDO B. VEA, PhD, 72, Filipino, is a **Director and President** since 2015. He was appointed as **Chairman and Chief Executive Officer** starting February 01, 2022. Dr. Vea is also a **Director** of Malayan Education System, Inc. *(operating under the name Mapúa University)*, Mapua Malayan Colleges Laguna, (A Mapúa School), Inc., Mapua Malayan Colleges Mindanao (A Mapua School), Inc.; Malayan High School of Science, Inc., and Mapua Techserv; **Trustee** of AY Foundation, Yuchengco Center of De La Salle University, and Yuchengco Museum; **Director** of Maibarara Geothermal, Inc., and Petrogreen, Inc., **Chairman** of the Philippine Qualifications Framework - National Referencing Committee (PQF-NRC), CHED-NZQA Technical Working Group on the Comparative Analysis of New Zealand's and the Philippines' Bachelor's Degrees, and the Philippine Science High School Foundation, Inc.; **Member** of the Multi-Sector Governing Council of the Maritime Industry Authority (MARINA) since July 2023 and the Standing Committee for Higher Education & Teacher Education and Development, Second Congressional Commission on Education (EDCOM II). ***His past experiences include***: **President** of Malayan Education System, Inc. *(operating under the name Mapúa University)*, Mapua Malayan Colleges Laguna, *(A Mapúa School)*, Inc. and Mapua Malayan Colleges Mindanao *(A Mapua School)*, Inc., **Director** of House of Investments, Inc., Grepalife Dollar Bond Fund, Grepalife Fixed Income Fund, National Research Council of the Philippines, PetroWind, Inc., and Rizal Commercial Banking Corporation; **Chairman** of the Engineering Sciences and Technology Division of the National Academy of Science and Technologya and the Committee on Science and Technology in UNESCO National Commission; **Member** of Philippine Fulbright Commission and UNESCO National Commission; **Trustee** of Philippine Association Colleges and University; **Dean** of UP College of Engineering. ***Educational Background:*** Ph.D. in Engineering from University of California, Berkley, USA; Master in Naval Architecture and Marine Engineering from Massachusetts Institute of Technology, USA; and Bachelor of Science in Mechanical Engineering (magna cum laude) from University of the Philippines.

LORENZO V. TAN, 63, Filipino, was elected as **Director on January, 2018**. He is also currently the **Chairman** of EEI Corp.; **Director, President and Chief Executive Officer** of House of Investments, Inc., ATYC, Inc., RCBC Realty Corporation, Tarlac Terra Ventures, Inc., and San Lorenzo Ruiz Investment Holdings and Services, Inc.; **Vice Chairman** of Pan Malayan Management and Investment Inc. (PMMIC) and TOYM Foundation; **Director** at Smart Communications, Digitel Telecommunications, Malayan Insurance Company, Inc., Sunlife Grepa Financial, Inc., Manila Memorial Park Cemetery Inc., PetroEnergy Corporation, Philippine Realty and Holdings Corporation (Philrealty), Hi-Eisai Pharmaceutical Inc., Honda Cars Philippines and Isuzu Manila, Inc.; and **Member**

of the Board of Trustees at De La Salle Zobel. ***His past experiences include:*** **President and Chief Executive Officer** of Rizal Commercial Banking Corporation. Prior to that he also served as the **President and CEO** of Sun Life of Canada (Philippine), Inc., the Philippine National Bank, and the United Coconut Planters Bank; **Managing Director** of Primeiro Partners, Inc.; **Chairman** of Asian Bankers Association (ABA); **President** of Bankers Association of the Philippines (BAP). As BAP President, he led the Association in representing the BAP in the ASEAN Bankers Association (ABA), composed of the national banking associations from the 10-member countries in the Association of Southeast Asian Nations (ASEAN). ***Educational Background:*** Certified Public Accountant in Pennsylvania, USA and in the Philippines. Mr. Tan graduated from De La Salle University with a Bachelor of Science degree in Accounting and Commerce; and holds a Master in Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University.

ALFREDO ANTONIO I. AYALA, 63, Filipino, was elected as **Director and Chief Operating Officer** on May 06, 2019, and as President on February 01, 2022. He is also a **Managing Director** and member of the Management Committee of Ayala Group, and President **and Chief Executive Officer** of National Teachers College. He is the **Chairman of the Board of Directors** of National Teachers College and Linc Institute; and **Chairman of the Board of Trustees** of University of Nueva Caceres; **Director** of Affinity Express, Malayan Education System, Inc. *(operating under the name Mapúa University)*, Mapua Malayan Colleges Laguna, *(A Mapúa School)*, Inc., Mapua Malayan Colleges Mindanao *(A Mapua School),* Inc.; Malayan High School of Science, Inc.; **Member** of EDCOM II (Education Commission 2)'s Advisory Council and PSAC (Private Sector Advisory Council)'s Jobs Committee; ; and a **Trustee** of Philippine Business for Education (PBEd) and Ayala Foundation, Inc. Mr. Ayala is also a **Member** of PBEd's National Industry Academe Council. ***His past experiences include:*** **President and Chief Executive Officer** of AC Education, Inc.; ***Educational background:*** Mr. Ayala holds an MBA from Harvard University and a BA in Development Studies (Honors) and Economics from Brown University.

MEDEL T. NERA, 69, Filipino, is a **Director** since 2011 to present. He is also a **Director** of House of Investments, Inc., EEI Corp., Seafront Resources Corp., Metro Retail Sales Group, Inc., National Reinsurance Corporation, Holcim Philippines, Inc., and Ionics, Inc. ***His past experiences include*** **President & CEO** of House of Investments, Inc.; **President** of Honda Cars Kalookan, Inc., **Director and President** of RCBC Realty Corp.; **Director and Chairman of the Risk Oversight Committee** of Rizal Commercial Banking Corp.; **Director and Treasurer** of CRIBS Foundation, Inc., and **Senior Partner** at Sycip Gorres Velayo & Co. ***Educational Background:*** Master in Business Administration from Stern School of Business, New York University, New York, USA; Bachelor of Science in Commerce from Far Eastern University, Manila, Philippines; International Management Program from Manchester Business School, Manchester, United Kingdom; and the Pacific Rim Bankers Program from University of Washington, Seattle, Washington, USA.

YVONNE S. YUCHENGCO, 70, Filipino, is a **Director** since 2001 to present. She is also the **Chairperson and President** of Philippine Integrated Advertising Agency, Inc., Y Tower II Office Condominium Corp., Yuchengco Tower Office Condominium Corp., XYZ Assets Corporation, and Royal Commons, Inc.; **Chairperson** of Y Realty Corporation, and RCBC Capital Corporation; **Vice Chairperson** of National Reinsurance Corp. of the Philippines and Malayan Insurance Co., Inc.; **Director, Treasurer and CFO** of Pan Malayan Management & Investment Corp.; **Director and President** of Alto Pacific Corporation, MICO Equities, Inc. and RCBC Land, Inc.; **Director and Treasurer** of Water Dragon, Inc., HI Cars, Inc., Malayan High School of Science, Inc., Mona Lisa Development Corp., Petro Energy Resources Corp., Mayahin Holdings Corporation, and Pan Malayan Realty Corp.; **Director and Vice-President** of AY Holdings, Inc.**; Trustee and Chairperson** of The Malayan Plaza Condominium Owners and Yuchengco Museum, Inc.**; Director** of Annabelle Y. Holdings & Management Corporation, A.T. Yuchengco, Inc., Enrique T. Yuchengco, Inc., DS Realty, Inc., GPL Holdings, Inc., House of Investments, Inc., HYDee Management & Resources Corp., La Funeraria Paz-Sucat, Inc., Luisita Industrial Park Corp., Malayan International Insurance Corp., Manila Memorial Park Cemetery, Inc., MPC Investment Corporation, Pan Malayan Express, Inc., Seafront Resources Corp., Shayamala Corporation, YGC Corporate Services, Inc., and Asia-Pac Reinsurance Co., Ltd.**;** **Trustee** of Avignon Tower Condominium Corporation, Phil-Asia Assistance Foundation, Inc., Malayan Education System, Inc. (Operating Under the Name of Mapua University), AY Foundation, Inc., Yuchengco Center, Inc.; **Advisory Member** of Rizal Commercial Banking Corporation**.** ***Her past experiences include:*** **Director/Vice President and Treasurer** of Pan Managers, Inc.; **Director and Treasurer** of Honda Cars Kalookan, Inc. ***Educational Background:*** A.B. Interdisciplinary Studies from Ateneo de Manila University 1975

GERARDO C. ABLAZA, JR., 71, Filipino, was elected as **Director** on May 06, 2019. He is also a **Consultant** for Ayala Corporation; **Director** of AC Healthcare Holdings, Inc., AC Energy and Infrastructure Corporation *(formerly AC Energy, Inc.)*, AC Infrastructure Holdings Company, BPI Asset Management and Trust Corporation *(doing business under the trade name and style of BPI Wealth)*, BPI Direct BanKo Inc., Ayala Retirement Fund Holdings, Inc., Purefoods International Limited, A.C.S.T. Business Holdings, Inc., Liveit Investments Limited, Asiacom Philippines, Inc.; **Independent Director** of Advanced Info Services, PLC (Thailand) and Roxas and Company, Inc.; **Chairman of the Board of Trustees** of The BPI Foundations, Inc.; **Member of the Board of Trustees** of Ayala Foundation, Inc., and Gawad Kalinga Foundation Inc. ***His past experiences include:*** **President and Chief Executive Officer** of Manila Water Company, Inc. and Globe Telecom, Inc.; **Member of the Board of Trustees** of De La Salle University-Manila, De La Salle University-Dasmariñas, and De La Salle Medical and Health Sciences Institute. ***Educational Background:*** Graduated Summa Cum Laude from De La Salle University in 1974 with a degree in Liberal Arts, Major in Mathematics (Honors Program).

RENATO C. VALENCIA, 82, Filipino, has been the **Lead Independent Director** of iPeople, Inc since May 10, 2017. He has been an **Independent Director** since 2005 and was **Chairman of the Board** from September 2, 2005 until January 31, 2022. He is presently the **Chairman** of Omnipay, Inc.; **Lead Independent Director**, GT Capital Holdings, Inc.; **Independent Director**, EEI Corporation, Malayan Insurance Co., Inc., Anglo Philippine Holdings Corp., and United Paragon Mining Corp.; **Member,** Management Association of the Philippines and Financial Executives Institute of the Philippines. ***His past experiences include*** **President & CEO** of Social Security System (SSS), and Roxas Holdings, Inc.; **Chairman & CEO**, Union Bank of the Philippines; **Independent Director**, House of Investments, Inc. and Metropolitan Bank and Trust Co.; ***Educational Background:*** Master of Business Management from Asian Institute of Management, Philippines; Bachelor of Science in General Engineering from Philippine Military Academy.

WILLIAM H. OTTIGER, 57, Swiss, was elected as **Independent Director** of the Company on August 15, 2023. An experienced executive with a depth of marketing and finance experience across a variety of industries in Asia, Europe and the US, he is also currently **President and Chief Operating Officer** at A. Soriano Corporation. He is also **Director** of Anscor International, Inc.; Seven Seas Resorts and Leisure, Inc., ATRAM Trust Corporation, ATR Asset Management, Inc., and Phelps Dodge International Philippines, Inc. ***His past experiences include***: **Chief Executive Officer** of Cirrus Medical Staffing, Inc., a US based healthcare staffing company owned by A. Soriano Corporation from 2005 to 2017; **Associate Director** at UBS Investment Bank in London, UK from 2001 to 2003; **General Manager for Marketing** at San Miguel Brewery Hong Kong, Ltd., a publicly listed brewer and subsidiary of San Miguel Corporation; **Director** of AG&P International Holdings Pte. Ltd. ***Educational Background:*** MBA from London Business School (with an emphasis on Finance); Bachelor of Arts in European History from Washington & Lee University

HERMINIA S. JACINTO, 85, Filipino, is nominated as Independent Director for the 2024-2025. Ms. Jacinto is a Certified Public Accountant and currently the Chairman and Trustee of the Insurance Institute for Asia and the Pacific (IIAP). She is an Independent Director of BDO Insurance Brokers, Fortune Life Assurance Co. Inc., and Fortune General Insurance Corp. She previously served as President of Universal Malayan Reinsurance Corporation and Universal Reinsurance Corporation. She was also Secretary General of the Association of Insurers and Reinsurers of Developing Countries. She is well-known in the world reinsurance market especially in the ASEAN/Asian region.

Executive Officers:

GEMA O. CHENG, 60, Filipino, is the **Executive Vice President – Chief Finance Officer** of the Company. She also holds the following positions within the Group: **Executive Vice President - Chief Operating Officer, Chief Finance Officer, and Treasurer of** House of Investments, Inc.; **Chairman and President** of Investment Managers, Inc.; **Director and Chief Finance Officer** of ATYC Inc.; **Chief Finance Officer** of Landev Corporation; **Director, Executive Vice President and Chief Operating Officer** of San Lorenzo Ruiz Investment Holdings and Services, Inc.; **Director and Treasurer** of Tarlac Terra Ventures, Inc.; **Director** of the following: Mapua Malayan Colleges Laguna (a Mapua School) Inc., Mapua Malayan Colleges Mindanao (a Mapua School) Inc., La Funeraria Paz-Sucat, Inc., Manila Memorial Park Cemetery, Inc., and RCBC Trust Corporation. ***Her past experiences include:*** **Senior Vice President** of SM Investments Corp., with concurrent Chief Finance Officer roles in various SM property companies including as **Treasury Head** of SM Prime. She was also **Chief Finance Officer** of Malayan Group of Insurance Companies. ***Educational Background:*** Bachelor of Arts in Economics (Magna Cum Laude) from the University of the Philippines-Diliman, Philippines; Certificate of Special Studies in Administration and Management from Harvard University, USA.

SHIRLEY Q. EARNHART, 51, Filipino, was appointed as **Treasurer** on May 06, 2019. She is a **Certified Treasury Professional** and, prior to her appointment to iPeople, inc., was a **Senior Manager and Head of Liquidity and Investment Management, Origination** with Ayala Corporation with twenty-six years of trading experience in money market, foreign exchange, equities and capital markets. ***Her past work experiences include:*** **Head of Liquidity and Foreign Exchange Department** of Banco de Oro Universal Bank; **Head of Liquidity/Foreign Exchange and Bonds Unit** (USD and Multi-currency) of Dao Heng Bank, Inc. (Manila and Hong Kong Branches); Government Securities Trader for banks, corporate and individual clients of Solidbank Corporation and Rizal Commercial Banking Corporation. ***Educational Background:*** Master of Science in Computational Finance, De La Salle University-Manila; Bachelor of Science in Commerce, Major in Management of Financial Institutions, De La Salle University-Manila, Philippines.

ALEXANDER ANTHONY G. GALANG, 63, Filipino, was appointed as **Chief Audit Executive** on May 06, 2019. He is also the **First Senior Vice President for Internal Audit** of House of Investments, Inc., the parent company of iPeople, inc. ***His past work experiences include:*** **Vice President** for Audit & Special Projects of Anglo Asian Strategic Management Inc.; **President** of Avrion Systems Inc.; **Deputy Managing Director** of Cala Paniman, Inc.; **Treasury Head** of Anglo Asian Holdings Corporation; **Regional Auditor** for Asia and Pacific of Triumph International, Inc.; **Finance Head** of Triumph International Vietnam, Inc.; **Senior International Corporate Auditor** of International Semi-Tech Microelectronics, Inc., then parent company of Singer Sewing Machine Co. USA.; **Internal Audit Manager** of Honda Philippines, Inc., **Finance Comptroller** of Midas Touch Foods Corp, et. al.; **Senior Auditor** at SGV and Co. CPAs.; **Ex-Member, Board of Trustees** of the Association of Certified Fraud Examiners - Philippine Chapter. He is a Certified Public Accountant (CPA) having placed 12th in the 1981 licensure exams. He has a Global Certification as a Certified Fraud Examiner (CFE) and a Certification in Risk Management Assurance (CRMA). ***Educational Background:*** Bachelor of Science in Commerce Major in Accounting (Cum Laude), University of Sto. Tomas. He also completed the Professional Manager Program at Ateneo Graduate School of Business.

DR. RUTH C. FRANCISCO, 61, Filipino, was appointed as **Chief Risk Officer** on July 16, 2021. She is also **Senior Vice President-Chief Risk Officer** of House of Investments, Inc., the parent company of iPeople, inc., and **Director** at San Lorenzo Ruiz Investment Holdings and Services, Inc. ***Her past work experiences include:*** **Chief Finance Officer** of Malayan Education System, Inc. (*operating under the name of Mapúa University*); **Treasurer** for Malayan Colleges Foundation, Inc., Malayan Colleges Mindanao (A Mapua School), Inc., and MIT Retirement Fund, Inc. ***Educational Background***: Doctor of Business Administration, Colegio de San Juan de Letran; Master of Business Administration, Philippine Christian University; Bachelor of Science in Commerce, Major in Accounting, Manuel L. Quezon University.

NARCISO A. LAPUT, 58, Filipino, was appointed as **Vice President for Information Technology** on January 23, 2024. He brings extensive IT and management experience from 29 years in the banking industry. ***His past work experiences include:*** **Vice President and IT Project Manager** for BDO Unibank, Inc.; **Vice President and IT Project Director** for Rizal Commercial Banking Corporation from 1995-2023. ***Educational Background***: Bachelor of Science in Computer Engineering, MAPUA University.

VICTOR V. RAFAEL, 50, Filipino, was appointed **Vice President for Finance and Investor Relations** on May 06, 2019. Prior to his appointment, he was **Senior Manager** for Financial Planning & Analysis (FP&A) with the House of Investments, Inc. since 2017. ***His past work experiences include:*** **Assistant Vice President for FP&A and Treasury** at Prime Orion Philippines, Inc (POPI). Prior to that, he held several positions in POPI including **Corporate Planning Manager and Treasury Manager**. ***Educational Background:*** Bachelor of Science in Business Administration, University of the Philippines-Diliman.

JONATHAN M. LOPEZ, 51, Filipino, was appointed as **Controller** on May 06, 2019. Prior to joining iPeople, inc., he was the **Controller** of Malayan Education System, Inc. *(operating under the name Mapua University)*. ***His past work experiences include***: **Finance Director** of TVI Resource Development, Inc. from 2010 to 2014. ***Educational Background:*** Bachelor in Accountancy, Polytechnic University of the Philippines. He is a Certified Public Accountant.

DENISE JORDAN P. ARENILLO, 46, Filipino, was appointed as **Legal and Compliance Officer** on May 06, 2019. She is also the **Vice President for Legal Affairs** of Malayan Education System, Inc. *(operating under the name Mapua University)* and the **Corporate Secretary** of Mapua TechServ, Inc. and Mapua TechPower, Inc. ***Her past work experiences include:*** **Senior Associate** at Fortun Narvasa and Salazar Law Offices with expertise in Corporate, Labor and Family Law. ***Educational Background***: Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Science in Management, Major in Legal Management, Ateneo De Manila University, Philippines.

PAMELA Q. WU, 53, Taiwanese, was appointed as **Chief Human Resources Officer** on May 06, 2019. She has served as the **Chief Human Resources Officer** of AC Education, Inc. since 2013. ***Her past work experiences include:*** **Vice President of Human Resources** (Philippines and China) of Stream Global Services from 2010 to 2012, **Vice President of Human Resources** of eTelecare Global Solutions, Philippine from 2005 to 2009. ***Educational Background***: Bachelor of Science in Psychology, Ateneo de Manila University, Philippines; Certificate of Business Administration from Washington State University.

SAMUEL V. TORRES, 60, Filipino, is the **Corporate Secretary.** His other present positions include: **General Counsel & Corporate Secretary** of Pan Malayan Management & Investment Corporation and **Corporate Secretary** of A. T. Yuchengco, Inc., A Y Foundation, Inc., A.Y. Holdings, Inc., Bankers Assurance Corp., Bluehounds Security and Investigation Agency, Inc., Luisita Industrial Park Corp., RCBC Bankard Services, Inc., Enrique T. Yuchengco, Inc. Investment Managers, Inc., Sun Life Grepa Financial, Inc., Grepaland, Inc., Grepa Realty Holdings Corporation, PetroEnergy Resources Corp., Seafront Resources Corp., GPL Cebu Tower Office Condominium Corp., Hexagon Integrated Financial & Insurance Agency, Inc., Hexagon Lounge, Inc., House of Investments, Inc., RCBC Land, Inc., RCBC Forex Brokers Corp., RCBC Realty Corp., RCBC Securities, Inc., RCBC Capital Corporation, Malayan High School of Science, Inc., Malayan Education System, Inc. (Operating Under the Name of Mapua University), Malayan Colleges Mindanao, A Mapua School, Inc. (Operating Under the Name of Mapua Malayan Colleges Mindanao), Malayan Colleges Foundation, Inc., Malayan Information Technology Center, Inc., Malayan Colleges Laguna, Inc., A Mapua School (Operating Under the Name of Mapua Malayan Colleges Laguna), AC College of Enterprise and Technology, Inc., Linc Institute, Inc., GPL Holdings Inc., HI Cars, Inc., Hi-Eisai Pharmaceutical, Inc., La Funeraria Paz Sucat, Inc., Landev Corp., Pan Malayan Express, Inc., Pan Malayan Realty Corp., Philippine Advertising Agency, Inc., First Nationwide Assurance Corp., Malayan Insurance Co., Inc., MICO Equities, Inc., Tokio Marine Malayan Insurance Corp., National Teachers College Doing Business under the Name/s and Style/s of "The National Teachers College" and "APEC Schools", University of Nueva Caceres, San Lorenzo Ruiz Investment Holdings and Services, Inc., ATYC, Inc., and Tarlac Terra Ventures, Inc. ***His past experiences include:*** **International Counsel** of South Pacific for Federal Express Corp. ***Educational Background:*** Bachelor of Laws, Ateneo De Manila University School of Law; Bachelor of Science in Business Economics, University of the Philippines.

MA. ELVIRA BERNADETTE G. GONZALEZ, 47, Filipino, is the **Assistant Corporate Secretary**. She is also the **Assistant General Counsel** of Pan Malayan Management & Investment Corporation, and **Corporate Secretary** of Blackhounds Security and Investigation Agency, Inc., and the **Assistant Corporate Secretary** of House of Investments, Inc., Malayan Colleges Mindanao, A Mapua School, Inc. (Operating Under the Name of Mapua Malayan Colleges Mindanao), AC College of Enterprise and Technology, Inc., Linc Institute, Inc., Yuchengco Tower Office Condominium Corp., Y Tower II Office Condominium Corp., GPL Holdings, Inc., National Teachers College Doing Business under the Name/s and Style/s of "The National Teachers College" and "APEC Schools", and University of Nueva Caceres ***Her past experiences include:*** **Legal Counsel and Assistant Corporate Secretary** of Coca-Cola Bottlers Philippines, Inc.; **Assistant Corporate Secretary** of Philippine Bottlers, Inc. and Luzviminda Land Holdings, Inc. ***Educational Background:*** Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Arts in Political Science, Ateneo De Manila University, Philippines.

RESIGNATION OF DIRECTORS

To date, no other director has resigned or declined to stand for re-election for the Board of Directors due to any disagreement with the Corporation relative to the Corporation's operations, policies and practices.

ELECTION OF DIRECTORS

The Directors of iPeople are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified.

APPOINTMENT AND RESIGNATION OF OFFICERS

Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

SIGNIFICANT EMPLOYEE

There is no person who is not an executive officer that is expected by the issuer to make a significant contribution to the business.

FAMILY RELATIONS

There are no family relations among directors and officers.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware of the following events during the past 5 years up to March 31, 2024:

(a) any bankruptcy petition filed by or against any business of which any of its director or executive officers was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time.

(b) any conviction by final judgment of any director or senior executive in a criminal proceeding domestic or foreign or being subject to a pending criminal proceeding domestic or foreign, of any director, executive officer or person nominated to be a director

(c) any director or senior executive being subject to any order, judgment or decree not subsequently reversed suspended or vacated of any court of competent jurisdiction, domestic or foreign permanently or temporarily enjoining barring, suspending or otherwise limiting such directors' or executive officer's involvement in any type of business securities, commodities or banking activities

(d) any executive officer or director found by a domestic or foreign court of competent jurisdiction, the Commission or other foreign body or a domestic or foreign Exchange or other organized trading market or self-regulatory organization to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 10 – Executive Compensation

NAME AND POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Top 5 executives of the Company	2024	₱0.00	₱0.00	₱0.00
	2023	₱0.00	₱0.00	₱0.00
	2022	₱0.00	₱0.00	₱0.00
All other officers and directors as group	2024	₱0.00	₱0.00	₱1,567,143
	2023	₱0.00	₱0.00	₱2,130,714
	2022	₱0.00	₱0.00	₱1,718,214
TOTALS	**2024**	**₱0.00**	**₱0.00**	**₱1,567,143**
	2023	**₱0.00**	**₱0.00**	**₱2,130,714**
	2022	**₱0.00**	**₱0.00**	**₱1,718,214**

The table states the aggregate compensation of all directors as a group.

The Company does not pay any salary or bonus to any of its executive officers as there are no employment contracts with executive officers. Other annual compensation pertains to per diem allowances given to Directors as discussed below:

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, other than those stated on the above table during the Company's last completed fiscal year, and the ensuing year, for any service provided as an executive officer or member of the Board of Directors.

There is no director, executive officer, nominee for director, beneficial holder and family members involved in any business transaction of the Company.

Item 11 – Security Ownership of Certain Beneficial Owners and Management

Owners of more than 5% of voting securities as of March 31, 2025
The following table shows the beneficial owners directly or indirectly owning more than 5% of the Company's capital stock as of March 31, 2025:

SHARE CLASS	NAME AND ADDRESS OF RECORD OWNER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES BENEFICIALLY OWNED	% OF TOTAL
Common	**HOUSE OF INVESTMENTS, INC.** *Grepalife Bldg., Sen. Gil Puyat Ave., Makati City Metro Manila Principal Stockholder*	**Ms. Helen Y. Dee** *Chairperson is authorized to direct voting of the shares held by House of Investments*	Filipino	522,098,749 [1]	49.99%

[1] Direct and indirect holdings of House of Investments, Inc.

Common	**AYALA CORPORATION** *37F to 39F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City*	**Messrs. Jaime Augusto Zobel de Ayala, Fernando Zobel de Ayala, Cezar P. Consing,** *and* **Delfin L. Lazaro,** *as the non-independent directors of Ayala Corporation are responsible for the strategic decisions that fundamentally affect the businesses or general direction of the Corporation vis-à-vis the shares held by it*	Filipino	349,829,961	33.50%
Common	**A. SORIANO CORP.** *7F Pacific Star Bldg., Makati Ave., cor. Sen. Gil J. Puyat Ext., Makati City*	**Mr. William H. Ottiger** *President and COO is authorized to direct voting of the shares held by A. Soriano Corp.*	Filipino	93,301,434 [2]	8.93%

There are no arrangements that may result in change in control.

Security Ownership of Management
Securities beneficially owned by the directors, nominees, officers, other than qualifying shares, as of March 31, 2025 according to the records of its stock and transfer agent, Rizal Commercial Banking Corp. (RCBC):

SHARE CLASS	NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Common	Renato C. Valencia	Filipino	Indirect	1,300	0.0001%
Common	Herminia S. Jacinto	Filipino	Direct	5	0.0000%
Common	Gerardo C. Ablaza	Filipino	Direct	5	0.0000%
Common	Reynaldo B. Vea	Filipino	Direct	5	0.0000%
Common	Alfredo Antonio I. Ayala	Filipino	Direct	5	0.0000%
Common	Lorenzo V. Tan	Filipino	Direct	5	0.0000%
Common	William H. Ottiger	Swiss	Indirect	5	0.0000%
Common	Medel T. Nera	Filipino	Direct	100	0.0000%
Common	Yvonne S. Yuchengco	Filipino	Direct Indirect	6,500 92,000	0.0006% 0.0088%
Sub-Total				**99,930**	**0.0096%**
Total Common Shares				**1,044,263,197**	**100.0000%**

Item 12 – Certain Relationships and Related Transactions

There is no director, executive officer, nominee for director, beneficial holder, or any family member involved in any business transaction with iPeople.

In the normal conduct of business, aside from transactions disclosed in audited financial statements, other transactions with certain affiliates include sharing in general and administrative expenses and cash advances.

PART IV – CORPORATE GOVERNANCE

Item 13 – Corporate Governance

(a) Evaluation System to Measure Compliance with the Manual on Corporate Governance

The Company has monitored its compliance with Securities and Exchange Commission (SEC) Memorandum Circulars, pursuant to its Manual on Corporate Governance, has complied with the leading practices and principles on good corporate governance and appropriate self-rating assessment and performance evaluation to determine and measure its compliance.

In compliance with SEC Memorandum Circular No. 20 dated December 8, 2016, the Company has submitted its Integrated Annual Corporate Governance Report (IACGR), for the period covering the year 2022, last May 16, 2023, within the period allowed by the SEC. For the period covering the year 2023, the Company will submit its IACGR on or before May 30, 2024.

(b) Measures Undertaken to Fully Comply with Leading Practices on Corporate Governance

In its IACGR, the Company has substantially complied with the provisions and recommendations in the New Manual on Corporate Governance.

(c) Deviation from the Manual on Corporate Governance

Except for a few recommendations in the Manual on Corporate Governance which the Company failed to comply (based on the "comply or explain" policy of SEC), the Company committed to comply with the same in 2024. Said compliance will be reflected in the 2023 IACGR due on May 30, 2024.

(d) Plans to Improve Corporate Governance

In order to improve the Company's adherence to the leading practices in good corporate governance as reflected in its Manual on Corporate Governance, the Company's Directors and top Management continuously attend the annual seminar on Corporate Governance conducted by an entity accredited with the Securities and Exchange Commission. Further, the Company continuously monitors all relevant PSE and SEC Circulars on Corporate Governance that maybe used to improve compliance with the Manual on Corporate Governance.

PART V – EXHIBITS AND SCHEDULES

Item 14 - Exhibits and Reports on SEC Form 17-C

February 20, 2023

- Collaboration between MAPUA Schools and Arizona State University to introduce breakthrough offering in experiential global education.

March 31, 2023

- Approval of the 2022 Audited Consolidated Financial Statements of iPeople, inc. and its Subsidiaries.
- Declaration of a Cash Dividend of Php 0.19 per common share, or a total amount of Php198,410,015.98 from the Company's unrestricted retained earnings as of December 31, 2022, to all stockholders of record as of April 28, 2023. Payment date is on or before May 19, 2023.
- Approval of the 2022 Sustainability Report of iPeople, inc.
- Approval of the 2022 Integrated Annual Corporate Governance Report (IACGR) of iPeople, inc.
- Approval of the Date of the 2023 Annual Stockholders Meeting

May 12, 2023

- Approval of First Quarter Consolidation Report (SEC 17Q).

June 5, 2023

- Approval by the SEC issued May 31, 2023 of Amendments to Sections 1, 2, 4, 5 and 6 of Article I, Sections 2, 3 , 5, 7, 8, 9 and 10 of Article II, Sections 11 and 12 of Article III, Section 2 of Article IV, Sections 1 to 8 of Article V, and Section 1 of Article X of iPeople, inc.'s By-Laws.

July 28, 2023

- Approval of Second Quarter Consolidation Report (SEC 17Q).
- Approval of 2022 audited consolidated financial statements of iPeople and its subsidiaries.
- Election of the Board of Directors of the Company for 2023-2024.
- Re-appointment of SGV & Co. as external auditors for the fiscal year ending 2024.
- Amendment to Section 8 of Article II of iPeople, inc.'s By-Laws

August 4, 2023

- Resignation of Ms. Herminia S. Jacinto as Independent Director of iPeople, inc.

August 15, 2023

- Election of Mr. William H. Ottiger as Independent Director of iPeople, inc., to replace Ms. Herminia S. Jacinto who resigned effective August 4, 2023.

September 5, 2023

- Approval by the SEC issued August 30, 2023 of the Certificate of Filing of the Articles and Plan of Merger of iPeople subsidiaries National Teachers College (NTC) and Affordable Private Education Center, Inc. (APEC Schools).

November 17, 2023

- Approval of Third Quarter Consolidation Report (SEC 17Q).

November 29, 2023

- Change in Stock Transfer Agent from RCBC to RCBC Trust Corporation, effective March 27, 2024.

January 23, 2024

- Appointment of Mr. Narciso A. Laput as Vice President - Information Technology of the Company.

April 5, 2024

- Declaration of a Cash Dividend of Php 0.19 per common share, or a total amount of Php198,410,015.98 from the Company’s unrestricted retained earnings as of December 31, 2023, to all stockholders of record as of May 3, 2024. Payment date is on or before May 24, 2024.
- Approval of the 2023 Sustainability Report of iPeople, inc.
- Approval of the Date of the 2024 Annual Stockholders Meeting

April 30, 2024

- Approval of the 2023 Audited Consolidated Financial Statements of iPeople, inc. and its Subsidiaries.

May 14, 2024

- Approval of the 2023 Integrated Annual Corporate Governance Report (IACGR) of iPeople, inc.
- Approval of 2024 First Quarter Consolidation Report (SEC 17Q).

May 29, 2024

- Approval of the Board of Directors of the Amendment to Article Third of Articles of Incorporation of iPeople, inc.

July 30, 2024

- Approval of 2024 Second Quarter Consolidation Report (SEC 17Q).
- Election of the Board of Directors of the Company for 2024-2025.
- Re-appointment of SGV & Co. as external auditors for the fiscal year ending 2025.

November 18, 2024

- Approval of 2024 Third Quarter Consolidation Report (SEC 17Q).

Approval of the Merger of iPeople subsidiaries, National Teachers College (NTC) and AC College of Enterprises and Technologies, Inc. (ACCET) with NTC as the surviving entity and the expansion of NTC in Bulacan.

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 ____________________, 2025.

IN WITNESS WHEREOF, we have hereunto affixed our signatures and the seal of the Corporation this APR 2 8 2025 day of April, 2025 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

SUBSCRIBED AND SWORN to before me this APR 2 9 2025 day of April 2025, 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	05-06-2024 Imus Cavite / 05-07-2029
Atty. Samuel V. Torres	Passport#P2022842C	10-14-2022 Manila City / 10-13-2032

Doc. No. 368;
Page No. 75;
Book No. 29;
Series of 2025

ATTY. BERNARDINO O. LAUTILLO
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-373 UNTIL DEC. 31, 2025
ROLL NO. 77752 / MCLE Compliance No. VII-002331 UNTIL APR. 14, 2028
IBP OR. NO. 493534 JAN. 2, 2025 / MAKATI CHAPTER
PTR No. 10466871 - JAN. 2, 2025
UNIT 2-B2 TRANS-PHIL HOUSE, DON CHINO ROCES AVE., COR. BAGTIKAN ST., SAN ANTONIO, MAKATI CITY

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
iPeople, Inc.
8th Floor, Mapua University Makati Campus,
1191 Pablo Ocampo Sr. Extension Ave.,
Brgy. Sta. Cruz, Makati City, Metro Manila

Opinion

We have audited the consolidated financial statements of iPeople, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of Land

The Group accounts for its land, where the school buildings and other facilities are located, using the revaluation model. As at December 31, 2024, the carrying value of the Group's land amounted to ₱10,820.2 million, representing 49% of the Group's total assets. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations involve certain assumptions, such as sales price of similar properties and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of land as a key audit matter.

Refer to Notes 5 and 11 to the consolidated financial statements for the disclosures on land at revalued amount.

Audit response

We evaluated the competence, capabilities, and qualifications of the external appraiser by considering their qualifications, experience, and reporting responsibilities. We involved our internal specialist in the evaluation of methodology and assumptions used in the valuation of land. We assessed the methodology adopted by referencing common valuation models and inspected the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price.

Recoverability of Nonfinancial Assets

Under PFRS Accounting Standards, the Group is required to annually test for impairment nonfinancial assets with indefinite useful life and for those nonfinancial assets with finite useful life, if there are indicators of impairment. The Group has intellectual property rights with indefinite life amounting to ₱447.7 million, and property and equipment and right-of-use assets of a subsidiary aggregating to ₱290.1 million as of December 31, 2024 that were tested for impairment. These nonfinancial assets are considered significant to the consolidated financial statements. In addition, management's assessment process involves judgments and is based on assumptions which are subject to higher level of estimation uncertainty, specifically assumptions used in estimating the discounted cash flow projections include forecasted revenues, long-term growth rates, royalty rates, and discount rates.

The Group's disclosures about nonfinancial assets are included in Notes 5, 6, 10 and 31 to the consolidated financial statements.

Audit response

We involved our internal specialist in evaluating the methodology and assumptions used. We obtained an understanding of the Group's impairment model and the assumptions on the key business drivers of the cash flow forecasts such as the revenue from number of forecasted students and related tuition and other matriculation fees. We checked the Group's key assumptions and also compared them against historical performance. We compared the long-term growth rates and royalty rates against relevant published market information. We also tested the parameters used in the determination of discount rates against market data. In addition, we reviewed the Group's disclosures about those assumptions to which the outcome of the impairment tests is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of these assets.

Adequacy of Allowance for Expected Credit Loss (ECL)

The Group applies simplified approach in calculating expected credit loss (ECL). Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Allowance for ECL and the provision for ECL on receivables from tuition and other fees as of and for the year ended December 31, 2024 amounted to ₱426.3 million and ₱68.8 million, respectively.

The use of expected credit loss (ECL) model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays), in calculating ECL.

The disclosures on the allowance for ECL are included in Notes 5 and 8 to the consolidated financial statements.

Audit response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (c) tested historical loss rates by inspecting historical recoveries and write-offs, and the effects of any financial support and credit enhancements provided by any party; (d) compared the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and industry practices.

Further, we compared the data used in the ECL models, such as the historical aging analysis of defaults and recovery data, by reconciling data from source system reports to the database and from the database to the loss allowance analysis/models and financial reporting system. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source reports to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data. We recalculated the impairment provisions for the year.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Benigno F. Leongson.

SYCIP GORRES VELAYO & CO.

Benigno F. Leongson

Benigno F. Leongson
Partner
CPA Certificate No. 122551
Tax Identification No. 256-013-926
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-143-2024, July 18, 2024, valid until July 17, 2027
PTR No. 10465319, January 2, 2025, Makati City

April 8, 2025

iPEOPLE

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **iPeople, inc. & Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

DR. REYNALDO B. VEA
Chairman and Chief Executive Officer

ALFREDO ANTONIO I. AYALA
President and Chief Operating Officer

GEMA O. CHENG
EVP and Chief Finance Officer

SUBSCRIBED & SWORN TO BEFORE ME THIS APR 1 4 2025 AT THE CITY OF MAKATI PHILS

Signed this APR 1 4 2025 *day of April, 2025*

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. 480534 JAN. 2, 2025 / MAKATI CHAPTER
PTR No. 10465871 - JAN. 2, 2025
UNIT 2-B2 TRANS-PHIL HOUSE, DON CHINO ROCES AVE., COR.

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iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 15 and 30)	**₱2,578,426**	₱1,807,164
Receivables (Notes 8 and 30)	**1,695,037**	1,379,633
Receivables from related parties (Notes 15 and 30)	**1,098**	1,643
Prepaid expenses and other current assets (Note 9)	**519,814**	607,049
Financial assets at fair value through profit or loss (FVTPL) [Note 30]	**8,022**	9,767
Total Current Assets	**4,802,397**	3,805,256
Noncurrent Assets		
Property and equipment at cost (Note 10)	**5,563,486**	5,331,603
Land at revalued amounts (Notes 10 and 11)	**10,820,161**	9,719,039
Intellectual property rights (Note 6)	**447,676**	458,111
Goodwill (Notes 6 and 12)	**143,531**	151,326
Student relationship (Note 6)	**2,971**	6,032
Right-of-use assets (Note 31)	**339,121**	335,013
Net pension assets (Note 25)	**16,997**	20,139
Deferred tax assets - net (Note 23)	**651**	673
Other noncurrent assets (Note 13)	**80,992**	89,280
Total Noncurrent Assets	**17,415,586**	16,111,216
	₱22,217,983	₱19,916,472
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 30)	**₱1,465,908**	₱1,179,730
Short-term loans (Notes 16 and 30)	**1,000,000**	1,000,000
Current portion of long-term debt (Note 17)	**32,574**	32,574
Unearned income (Note 14)	**1,290,123**	978,261
Lease liabilities - current portion (Note 31)	**50,638**	37,047
Income tax payable	**23,097**	19,719
Payables to related parties (Notes 15 and 30)	**5,762**	8,706
Dividends payable (Notes 18 and 30)	**9,642**	924
Total Current Liabilities	**3,877,744**	3,256,961
Noncurrent Liabilities		
Long-term loans (Note 17)	**261,277**	293,851
Lease liabilities - net of current portion (Note 31)	**344,314**	354,549
Net pension liabilities (Note 25)	**137,787**	162,452
Deferred tax liabilities - net (Note 23)	**855,449**	747,017
Other noncurrent liabilities (Note 31)	**9,492**	17,114
Total Noncurrent Liabilities	**1,608,319**	1,547,983
Total Liabilities	**5,486,063**	4,831,944

(Forward)

	December 31	
	2024	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)	**5,481,723**	4,516,945
Remeasurement losses on defined benefit plans (Note 25)	**(32,743)**	(32,649)
Equity reserve (Note 6)	**(230,494)**	(230,494)
Retained earnings (Note 18)	**6,802,972**	6,165,650
Equity attributable to equity holders of the Parent Company	**16,360,089**	14,758,083
Non-controlling interest in consolidated subsidiaries (Note 27)	**371,831**	326,445
Total Equity	**16,731,920**	15,084,528
	₱22,217,983	₱19,916,472

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 19)			
Revenue from schools and related operations	**₱5,321,726**	₱4,491,426	₱3,944,946
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	**(3,326,706)**	(2,853,889)	(2,259,172)
GROSS PROFIT	**1,995,020**	1,637,537	1,685,774
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	**(1,026,593)**	(880,275)	(861,012)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	**(121,056)**	(149,024)	(113,293)
INTEREST INCOME (Note 22)	**68,232**	63,488	20,105
OTHER INCOME (Note 22)	**44,466**	35,320	45,380
INCOME BEFORE INCOME TAX	**960,069**	707,046	776,954
BENEFIT FROM (PROVISION FOR) INCOME TAX (Note 23)	**(95,924)**	(45,035)	5,148
NET INCOME	**864,145**	662,011	782,102
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Revaluation increments on land - net of tax amounting to ₱109,082, ₱214,623, and ₱112,601 in 2024, 2023, and 2022, respectively	**990,272**	1,926,005	1,004,966
Remeasurement gains (losses) on defined benefit plans - net of tax amounting to ₱9, (₱5,000), and ₱2,920 in 2024, 2023, and 2022, respectively	**125**	(44,961)	26,000
	990,397	1,881,044	1,030,966
TOTAL COMPREHENSIVE INCOME	**₱1,854,542**	₱2,543,055	₱1,813,068
Net income attributable to:			
Equity holders of the parent (Note 26)	**₱844,472**	₱645,325	₱769,302
Non-controlling interest in consolidated subsidiaries (Note 27)	**19,673**	16,686	12,800
	₱864,145	₱662,011	₱782,102
Total comprehensive income attributable to:			
Equity holders of the parent	**₱1,809,156**	₱2,515,363	₱1,764,746
Non-controlling interest in consolidated subsidiaries (Note 27)	**45,386**	27,692	48,322
	₱1,854,542	₱2,543,055	₱1,813,068
Basic/Diluted Earnings Per Share (Note 26)	**₱0.8087**	₱0.6180	₱0.7367

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company										
	Common Stock (Notes 6 and 18)	Additional Paid-in Capital (Note 6)	Fair Value Reserve of Equity instruments at FVOCI (Note 30)	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)	Treasury Stock (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	–	–	–	–	–	–	**844,472**	–	**844,472**	**19,673**	**864,145**
Other comprehensive income	–	–	–	**964,778**	**(94)**	–	–	–	**964,684**	**25,713**	**990,397**
Total comprehensive income	–	–	–	**964,778**	**(94)**	–	**844,472**	–	**1,809,156**	**45,386**	**1,854,542**
Dividends declared	–	–	–	–	–	–	**(207,150)**	–	**(207,150)**	–	**(207,150)**
Balances as at December 31, 2024	**₱1,044,263**	**₱3,294,368**	**₱–**	**₱5,481,723**	**(₱32,743)**	**(₱230,494)**	**₱6,802,972**	**₱–**	**₱16,360,089**	**₱371,831**	**₱16,731,920**
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	–	–	–	–	–	–	645,325	–	645,325	16,686	662,011
Other comprehensive income	–	–	–	1,913,786	(43,748)	–	–	–	1,870,038	11,006	1,881,043
Total comprehensive income	–	–	–	1,913,786	(43,748)	–	645,325	–	2,515,363	27,692	2,543,055
Dividends declared	–	–	–	–	–	–	(198,725)	–	(198,725)	–	(198,725)
Balances as at December 31, 2023	₱1,044,263	₱3,294,368	₱–	₱4,516,945	(₱32,649)	(₱230,494)	₱6,165,650	₱–	₱14,758,083	₱326,445	₱15,084,528
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	–	–	–	–	–	–	769,302	–	769,302	12,800	782,102
Other comprehensive income	–	–	–	969,312	26,132	–	–	–	995,444	35,522	1,030,966
Total comprehensive income	–	–	–	969,312	26,132	–	769,302	–	1,764,746	48,322	1,813,068
Other adjustments	–	–	–	–	–	–	–	–	–	(1)	(1)
Dividends declared	–	–	–	–	–	–	(192,672)	–	(192,672)	–	(192,672)
Balances as at December 31, 2022	₱1,044,263	₱3,294,368	₱–	₱2,603,159	₱11,099	(₱230,494)	₱5,719,050	₱–	₱12,441,445	₱298,753	₱12,740,198

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱960,069**	₱707,046	₱776,954
Adjustments for:			
Depreciation and amortization (Note 20)	**535,831**	507,327	475,307
Interest expense and other finance charges (Note 22)	**121,056**	149,024	113,293
Provision for doubtful accounts (Notes 8 and 21)	**68,814**	43,997	120,408
Provision for impairment of intangible assets (Notes 6, 12, and 21)	**18,229**	32,771	32,221
Interest income (Note 22)	**(68,232)**	(63,488)	(20,105)
Loss (gain) on pre-termination of lease (Note 31)	**(12,772)**	(4,920)	(3,754)
Unrealized foreign exchange loss (gain) - net	**(1,676)**	406	639
Unrealized market gain (loss) on financial assets at FVTPL	**1,745**	(435)	(119)
Operating income before working capital changes	**1,623,064**	1,371,728	1,494,844
Decrease (increase) in:			
Receivables	**(384,216)**	(224,213)	(266,549)
Prepaid expenses and other current assets	**87,235**	(142,112)	(73,916)
Increase (decrease) in:			
Accounts payable and other current liabilities	**292,857**	39,730	69,434
Unearned income	**311,862**	182,098	137,775
Other noncurrent liabilities	**(7,623)**	5,571	(40,141)
Net pension assets and liabilities	**(21,398)**	6,242	8,816
Net cash generated from operations	**1,901,781**	1,239,044	1,330,263
Interest paid	**(130,193)**	(151,393)	(113,882)
Income taxes paid	**(92,483)**	(29,083)	(380)
Interest received	**68,232**	63,488	20,105
Net cash flows from operating activities	**1,747,337**	1,122,056	1,236,106
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Notes 10 and 29)	**(699,968)**	(478,080)	(272,857)
Computer software (Note 13)	**(3,352)**	(6,190)	(4,414)
Decrease (increase) in:			
Receivables from related parties	**545**	181	24,252
Other noncurrent assets	**1,921**	15,551	6,470
Net cash flows used in investing activities	**(700,854)**	(468,538)	(246,549)

(Forward)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES (Note 29)			
Payments of short-term loans (Notes 16)	**₱–**	₱–	(₱400,000)
Proceeds from short-term loans (Notes 16)	**–**	1,000,000	–
Payment of lease liabilities (Note 31)	**(42,947)**	(42,756)	(46,198)
Dividends paid to stockholders	**(198,432)**	(223,955)	(167,083)
Increase (decrease) in payables to related parties (Note 27)	**(2,944)**	(8,091)	2,663
Payments of long-term loans	**(32,574)**	(1,532,574)	(21,001)
Net cash flows used in financing activities	**(276,897)**	(807,376)	(631,619)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,679**	(406)	(639)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**771,262**	(154,264)	357,299
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 (Notes 7 and 30)	**₱2,578,426**	₱1,807,164	₱1,961,428

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 parent is 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.

Merger with AC Education, Inc.
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.

Statement of Compliance
The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards includes all applicable PFRSs, Philippine Accounting Standards (PAS) and interpretations as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, 2023 and 2022.

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 full.

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. (MMCM)	**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 Parent Company 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 relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

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 over an 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 Group obtains 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 an equity 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 comprehensive income (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.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. In transactions where the non-controlling interest is acquired or sold without loss of control, any excess or deficit of consideration paid over the carrying amount of the non-controlling interest is recognized as part of "Equity reserve" account in the equity attributable to the equity holders of the parent company in the consolidated statement of financial position.

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, 2024. The adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- Amendments to PAS 21, *Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Effective beginning on or after January 1, 2026

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

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
    a) Lessee Derecognition of Lease Liabilities
       The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

    b) Transaction Price
       The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
    The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

  - Amendments to PAS 7, *Cost Method*
    The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*
  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

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 amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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 2024 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 Material 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.

Financial Instruments

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).

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors below, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered "solely payment for principal and interest"

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10.00% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

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.

Exchange or modification of financial liabilities
The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10.00% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10.00% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

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.

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

Prepaid Expenses and Other Current Assets
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.

Bookstore inventories
Books inventories are valued at the lower of cost and net realizable value (NRV). NRV is the selling price in the ordinary course of business, less costs of marketing and distribution. Cost is determined using the weighted and simple average method. Inventories consist of textbooks, printed materials and supplies intended for sale.

Office supplies
Office supplies pertain to inventory of office and maintenance supplies used in the Group's operations.

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.

Property and Equipment
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.

Business Combination and Goodwill

An acquisition of a business (i.e. an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors) is a business combination. Business combinations are accounted for using the acquisition method. The acquired identifiable tangible and intangible assets, liabilities and contingent liabilities are measured at their fair values at the date of the acquisition. Any excess of the acquisition cost over the net fair value of the identifiable assets acquired and liabilities assumed is recognized as goodwill. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its impairment test of goodwill at least annually.

The goodwill recognized in the Group's consolidated statement of financial position pertains to the acquisition of MESI and merger with AEI as disclosed in Notes 6 and 12.

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.

Other Noncurrent Assets
Other noncurrent assets include creditable withholding taxes (CWTs) and value-added tax (VAT).

Creditable withholding taxes (CWTs) are amounts from income subject to expanded withholding tax which can be utilized as payments for income taxes provided that these are properly supported by certificates of creditable tax withheld at source.

Input VAT pertains to the 12% indirect tax paid by the certain Companies on local purchase of goods or services.

Input VAT and CWTs that are not expected to be fully applied against the output VAT and income tax liability, respectively, of the succeeding year are presented as noncurrent asset.

Impairment of Nonfinancial Assets
Property and equipment, intellectual property rights, 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.

Equity
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.

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 (Unearned income)
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.

Reclassifications

If the Company changed the presentation or classification of items in its financial statements, if considered to be material, it shall reclassify the comparative amounts unless reclassification is impracticable. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period):

- the nature of the reclassification;
- the amount of each item or class of items that is reclassified; and,
- the reason for the reclassification.

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.

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

Events after the Financial Reporting Date
Post year-end events up to the date of the auditor's report that provide additional information about the Group's position at financial reporting date (adjusting event) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed when material to the consolidated financial statements.

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.

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

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, 2024 and 2023. The key assumptions used to determine fair value are disclosed in Note 11.

As at December 31, 2024 and 2023, the fair value of land amounted to ₱10,820.2 million and ₱9,719.0 million, respectively (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 changes in forward-looking estimates are analyzed.

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.

Estimation of useful lives of property and equipment and right-of-use asset
The useful lives of property and equipment and right-of-use asset are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use asset are reviewed periodically and are updated if expectations differ from previous estimates due to asset utilization, internal technical evaluation, technological and environmental changes and anticipated use of the assets tempered by related industry benchmark information. It is possible that future financial performance could be materially affected by changes in these estimates brought about by changes in factors mentioned. Any reduction in the estimated useful lives of the property and equipment and right-of-use asset and would increase depreciation and amortization expense. The estimated useful lives of property and equipment and right-of-use asset are discussed in Note 2.

There is no change in the estimated useful lives of property and equipment and right-of-use asset as of December 31, 2024 and 2023.

The carrying values of depreciable property and equipment (i.e., excluding construction in progress) and right-of-use asset are disclosed in Notes 10 and 31, respectively.

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, no impairment loss was recognized in 2024, 2023 and 2022 for student relationship attributable to APEC (Note 6).

In 2024, 2023, and 2022, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC aggregating to ₱290.1 million, ₱376.7 million, and ₱416.0 million as of December 31, 2024, 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, 2024, 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 Note 31).

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

The Group's lease liabilities are disclosed in Note 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 December 31, 2024 and 2023, the net pension liabilities amounted to ₱137.8 million and ₱162.4 million, respectively, while net pension assets amounted to ₱17.0 million and ₱20.1 million as at December 31, 2024 and 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. An estimate of the provision is based on known information at the end of the reporting period. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information. The ultimate disposition of these matters cannot be determined with certainty.

Based on the legal grounds of certain claims and assessments, the Group's outstanding provision for losses is disclosed in Note 31. The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings.

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 has an estimated useful life of five (5) years to seven (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, 2024 and 2023, 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 2024 and 2023). Revenue projections are 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 15% for 2024 and 14% to 16% for 2023). 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 2024 and 2023). 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 impairment loss on APEC amounting to ₱10.4 million, ₱32.8 million and ₱32.2 million 2024, 2023 and 2022, respectively. The carrying value of intellectual property rights as of December 31, 2024 and 2023 amounted to ₱447.7 million and ₱458.1 million, respectively.

Student Relationship
The carrying value and movement of student relationship as of and for the year ended December 31 follows:

	2024	2023
Cost from business combination	**₱116,009**	₱116,009
Accumulated amortization:		
Beginning balance	**(109,977)**	(105,250)
Amortization (Note 20a)	**(3,061)**	(4,727)
Ending balance	**(113,038)**	(109,977)
Balance at end of the year	**₱2,971**	₱6,032

Amortization amounted to ₱3.1 million in 2024, ₱4.7 million in 2023 and ₱33.0 million 2022.

7. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	**₱2,454**	₱3,326
Cash in banks (Note 15)	**728,570**	711,829
Cash equivalents (Note 15)	**1,847,402**	1,092,009
	₱2,578,426	₱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 ₱68.0 million, ₱63.4 million and ₱20.0 million in 2024, 2023 and 2022, respectively (Note 22).

8. Receivables

This account consists of:

	2024	2023
Tuition and other fees	**₱1,982,461**	₱1,634,740
Advances to officers and employees	**52,893**	40,511
Others	**94,781**	88,952
	2,130,135	1,764,203
Allowance for ECL	**(435,098)**	(384,570)
	₱1,695,037	₱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 ₱161.7 million and ₱240.6 million as at December 31, 2024 and 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.

Advances to officers and employees are related to employee benefits, calamity loan, and advances for use in Company's operational requirements. These receivables are noninterest-bearing and are generally collectible within one year.

Others pertain to receivables from concessionaires, tenants, contractors and suppliers among others. These receivables are noninterest-bearing and are generally collectible within one year.

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

	2024		
	Tuition and other fees	**Others**	**Total**
Balance at beginning of year	**₱375,800**	**₱8,770**	**₱384,570**
Provisions for the year (Note 21)	**68,814**	**–**	**68,814**
Write-off	**(18,286)**	**–**	**(18,286)**
Balance at end of year	**₱426,328**	**₱8,770**	**₱435,098**
Gross receivables	**₱1,982,461**	**₱94,781**	**₱2,077,242**

	2023		
	Tuition and other fees	Others	Total
Balance at beginning of year	₱337,618	₱8,770	₱346,388
Provisions for the year (Note 21)	43,997	–	43,997
Write-off	(5,815)	–	(5,815)
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

	2024	2023
Prepaid expenses	**₱314,595**	₱216,653
Short-term investments	**56,332**	267,818
CWT	**16,227**	7,609
Bookstore inventories	**25,662**	8,894
Office supplies	**4,189**	4,125
Others	**102,809**	101,950
	₱519,814	₱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.

Bookstore inventories pertain to uniforms, lanyard, and other official school merchandise.

Others relate to rent deposits and other supplies. This also includes payments made on certain claims that are under protest (Note 31). The disclosure of additional details regarding certain claims beyond the present disclosure may prejudice the Group's position and negotiation strategies with respect to such claims. Thus, as allowed under paragraph 92 of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, only a general description is provided.

10. Property and Equipment

The rollforward analysis of this account follows:

	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	**258,984**	**377,496**	**28,412**	**50,933**	**715,825**
Disposals/retirement	**–**	**–**	**–**	**–**	**–**
Reclassifications and adjustments	**–**	**(126)**	**–**	**1,444**	**1,318**
Balance at end of year	**6,885,670**	**3,529,733**	**90,087**	**90,351**	**10,595,841**
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)	**223,504**	**236,774**	**7,808**	**–**	**468,086**
Disposals/retirement	**–**	**–**	**–**	**–**	**–**
Reclassifications and adjustments	**15**	**17,528**	**(369)**	**–**	**17,174**
Balance at end of year	**2,225,443**	**2,753,576**	**53,336**	**–**	**5,032,355**
Net book value at cost	**4,660,227**	**776,157**	**36,751**	**90,351**	**5,563,486**
Land at revalued amounts (Note 11)	**–**	**–**	**–**	**–**	**10,820,161**
Total	**₱4,660,227**	**₱776,157**	**₱36,751**	**₱90,351**	**₱16,383,647**

	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

Construction in progress as at December 31, 2024 mainly includes the general cost of renovations in Intramuros and Makati Campus which is expected to be completed in the following year. No outstanding long-term comments as of December 31, 2024 and 2023.

11. **Land at Revalued Amounts**

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

	2024	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	**1,101,122**	2,140,627
Balance at end of year	**6,753,255**	5,652,133
	₱10,820,161	₱9,719,039

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

These lands were appraised by SEC-accredited independent firms of appraisers to determine the revalued amounts as at December 31, 2024 and 2023.

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.

	Range	
Location	**2024**	2023
Makati and Intramuros, Manila	**₱132,098 to ₱261,630**	₱130,050 to ₱235,715
Cabuyao, Laguna	**₱15,000 to ₱17,700**	₱8,507 to ₱16,335
Davao City, Davao Del Sur	**₱40,950 to 63,000**	₱41,535 to 49,140
Pandacan, Metro Manila	**₱132,300 to ₱156,400**	₱126,000 to ₱151,200
San Jose Del Monte City, Bulacan	**₱57,915 to 61,506**	₱56,012 to 60,493
Naga City, Camarines Sur	**₱7,930 to ₱14,960**	₱27,075 to ₱28,500
Quiapo, Manila	**₱211,500 to 261,000**	₱206,900 to 300,200

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 -20% to +5% in 2024 and from -30% to +20% in 2023.

The balance of the revaluation increment presented in equity in the statements of financial position as of December 31, 2024 and 2023 are as follow:

	2024	2023
Appraisal increase	**₱6,753,255**	₱5,652,133
Less deferred tax liability (Note 23)	**1,271,532**	1,135,188
	₱5,481,723	₱4,516,945

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 property and equipment to materially exceed its recoverable amount.

12. Goodwill

The goodwill recognized in the consolidated statement of financial position amounting to ₱143.5 million and ₱151.3 million as at December 31, 2024 and 2023 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 2024, management assessed that there is an impairment loss in goodwill acquired from APEC in 2019, amounting to ₱7.8 million, nil in 2023 and 2022.

Key assumptions used in the value in use (VIU) calculation
As at December 31, 2024 and 2023, 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 (3.05% for 2024 and 4.66% for 2023). 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 (11.8% for 2024 and 11.4% for 2023). 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:

	2024	2023
Input VAT - net	**₱26,932**	₱34,216
Miscellaneous deposits	**31,864**	26,986
Creditable withholding tax	**9,453**	9,958
Computer software	**7,795**	15,475
Books and periodicals	**4,948**	2,645
	₱80,992	₱89,280

Miscellaneous deposits include rent deposits of the Group amounting to ₱14.99 million and ₱11.29 million as of December 31, 2024 and 2023, respectively. It also includes security deposit amounting to ₱16.87 million and ₱15.70 million as of December 31, 2024 and 2023, respectively.

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

	2024	2023
Cost		
Balance at the beginning of the year	**₱70,222**	₱64,032
Additions	**1,957**	6,190
Reclassifications	**1,395**	-
Balance at the end of the year	**73,574**	70,222
Accumulated Amortization		
Balance at the beginning of the year	**54,747**	47,024
Amortization (Notes 20 and 21)	**9,719**	6,113
Reclassifications	**1,313**	1,610
Balance at the end of the year	**65,779**	54,747
Net Book Value	**₱7,795**	₱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:

	2024	2023
Accounts payable	**₱599,836**	₱455,990
Accrued expenses	**298,823**	250,255
Funds payable	**351,507**	275,650
Provisions (Note 31)	**187,628**	162,352
Other payables	**28,114**	35,483
	₱1,465,908	₱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 ₱18.5 million and ₱16.3 million as at December 31, 2024 and 2023, respectively, which are expected to be earned the following year.

Accrued expenses consist of:

	2024	2023
Payable to suppliers	**₱139,081**	₱125,963
Contracted services	**34,234**	16,122
Accrued professional fees	**20,500**	8,739
Withholding taxes and others	**19,104**	9,615
Accrued salaries and wages	**11,697**	23,802
Output VAT payable	**10,352**	12,902
Accrued communication expense	**9,551**	8,727
SSS and other contributions	**7,223**	3,486
Accrued utilities	**6,816**	5,860
Accrued interest (Note 18)	**5,962**	15,099
Student welfare	**5,297**	382
Insurance	**1,251**	854
Others	**27,755**	18,704
	₱298,823	₱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 and are 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 ₱1,290.1 million and ₱978.3 million as at December 31, 2024 and 2023, respectively, which are considered contract liabilities.

Contract Liabilities
As at December 31, 2024, contract liabilities amounted to ₱1,290.1 million and these will be recognized as revenue in the following year. Contract liabilities as of December 31, 2023 amounting to ₱978.3 million were recognized as revenue in 2024. The increase in contract liabilities in 2024 is mainly due to the increase in number of students.

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 December 31:

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
Controlling entity – HI				
a) Payable to HI				
	2024	**₱–**	**(₱5,078)**	**Noninterest-bearing; unsecured; due and**
	2023	₱–	(₱8,614)	**demandable**
Management fee and other professional fees (Notes 20 and 21)	**2024**	**113,437**	**–**	**–**
	2023	109,660	–	–
	2022	98,402	–	–
b) Receivable from HI				
	2024	–	**30**	**Noninterest-bearing; unsecured; due and**
	2023	–	722	**demandable; no impairment**
Entities under common control of HI				
c) Receivables from related parties				
	2024	**–**	**32**	**Noninterest-bearing; unsecured; due and**
	2023	–	17	**demandable; no impairment**
Rental income	**2024**	**(10,458)**	**1,018**	**–**
	2023	(9,322)	886	–
	2022	(5,022)	1,051	–
d) Payables to related parties				
	2024	–	**(684)**	**Noninterest-bearing; unsecured; due and**
	2023	–	(93)	**demandable**
Contracted services (Notes 20 and 21)				
	2024	**127,651**	**–**	**–**
	2023	84,399	–	–
	2022	65,296	–	–
e) Accounts payable				**Noninterest-bearing; unsecured; due and**
	2024	–	–	**demandable**
	2023	–	–	
Entities under common control of PMMIC				
f) Cash and cash equivalents (Note 7)				
	2024	–	**1,654,330**	**Interest at prevailing deposit and short-**
	2023	–	1,208,138	**term rates; unsecured; no impairment**
Interest income (Note 22)				
	2024	**67,987**	**–**	**–**
	2023	63,351	–	–
	2022	20,023	–	–
g) Receivables from related parties				
	2024	–	**18**	**Noninterest-bearing; unsecured; due and**
	2023	–	18	**demandable; no impairment**

(Forward)

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
h) Insurance expense				
	2024	**₱17,932**	**₱–**	
	2023	₱21,839	₱–	
	2022	14,923	–	
Financial asset at FVTPL (Note 30)				
	2024	–	**8,022**	
	2023	–	9,767	**Carried at fair value; No impairment**
Short-term investments (Note 9)	**2024**		**56,332**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2023	–	58,931	
Entities with significant influence				
i) Management fee and other professional fees (Notes 20 and 21)	**2024**	**11,907**	**–**	**Due on demand, noninterest-bearing; unsecured; no impairment**
	2023	11,718	–	
	2022	9,000	–	
Others				
j) Accounts payable				
Professional fees				**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2024	**–**	**–**	
	2023	146	–	–
	2022	158	–	–

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 administering the 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. These are 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 the Group's canteen kiosks in its Makati and Intramuros properties and expenses advanced by the Group. 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 janitorial and security services (contractual services).

e) *Accounts payable to entities under common control of HI*
Accounts payable pertains to the outstanding balance of general cost of construction of school buildings and other facilities and professional fees related to the building construction (Notes 10 and 14).

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

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

h) *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's fire, accident, group and other insurance policies.

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

j) *Accounts payable to related parties*
Pertains to the water utility bills and professional fees payable to other affiliates.

Other related party transactions follow:

a) The Group maintains its retirement fund with RCBC Trust Division (Note 25). Trust fees paid by the retirement plan to RCBC amounted to ₱0.61 million, ₱0.98 million and ₱0.46 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management are as follows:

	2024	2023	2022
Short-term benefits	**₱180,057**	₱159,250	₱269,022
Post-employment benefits	**2,593**	2,247	6,651
	₱182,650	₱161,497	₱275,673

Terms and conditions of transaction with related parties
Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. For the years ended December 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 July 2023, MMCM availed ₱1.0 billion short-term loans from RCBC and BPI at 6.5% and 7.3% interest rate, respectively. The short-term loans were rolled over in July 2024. The loan will mature on January 3, 2025.

Interest expense charged to operations in 2024, 2023 and 2022 amounted to ₱75.7 million, ₱39.9 million and ₱3.7 million, respectively (Note 22).

17. **Long-term Loans**

This account consists of the following as of December 31:

	2024	2023
Unsecured bank loans	**₱293,851**	₱326,425
Less: Current portion of unsecured bank loans	**32,574**	32,574
Noncurrent portion of long-term loans	**₱261,277**	₱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 December 31, 2024 and 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 ₱17.4 million, ₱79.3 million and ₱85.9 million, respectively (Note 22). The interest expense recognized in profit or loss in 2023 and 2022 includes the interest expense amounted to ₱59.7 million and ₱64.5 million, respectively, related to a secured loan of the Group, through MMCM, amounting to ₱1,500.0 million which was paid fully in July 2023.

18. **Equity**

Capital Stock

Capital stock consists of 2,000,000,000 authorized with 1,044,263,197 issued and outstanding common shares as of December 31, 2024 and 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 Group's outstanding number of shares and holders of securities as at December 31, 2024:

Year	Number of shares registered	Number of holders of securities as at year end
January 1, 2023	1,044,263,197	1,997
Add (deduct) movement	–	–
December 31, 2023	1,044,263,197	1,997
Add (deduct) movement	–	(5)
December 31, 2024	1,044,263,197	1,992

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 December 31, 2024 and 2023 amounted to ₱1,797.6 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 to ₱6,722.04 million and ₱6,512.53 million as at December 31, 2024 and 2023, respectively. These are not available for dividends until declared by the subsidiaries.

The BOD declared cash dividends as follows:

	2024	2023	2022
April 5, 2024, (₱0.19 per share) to stockholders of record as of May 3, 2024, payable on or before May 24, 2024	**₱198,410**	₱–	₱–
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	₱198,410	₱167,082

On April 8, 2025, the BOD declared ₱259.24 million cash dividends (₱0.25 per share) to stockholders of record as of May 8, 2025, payable on or before May 30, 2025. Dividends payable as of December 31, 2024 and 2023 amounting to ₱9.64 million and ₱0.93 million, respectively, are balances after the controlling interest.

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 December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the Group is not subject to externally imposed capital requirements except for the long-term loans of NTC and MMCM that are subject to debt to equity ratio requirement (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)	**₱5,533,448**	₱4,879,779
Equity (b)	**16,360,089**	14,758,083
Debt-to-equity ratio (a/b)	**0.34:1.00**	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	**₱5,344,179**	₱4,418,998	₱4,032,966
Less: Scholarship grants and discounts	**(237,049)**	(198,991)	(225,742)
	5,107,130	4,220,007	3,807,224
Other student related income and auxiliary services	**214,596**	271,419	137,722
	₱5,321,726	₱4,491,426	₱3,944,946

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 bookstore sales, 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 (Note 24)	**₱1,472,903**	₱1,253,794	₱1,032,944
Depreciation and amortization	**448,338**	449,657	344,366
Student-related expenses	**263,382**	198,108	70,926
IT expense - software license	**220,701**	140,149	98,623
Management and other professional fees (Note 15)	**201,805**	170,567	142,905
Periodicals	**172,421**	165,341	139,507
Utilities	**152,206**	135,265	82,589
Advertising	**117,986**	102,866	45,019
Tools and library books (Notes 13)	**56,090**	37,380	27,907
Repairs and maintenance	**54,207**	42,444	34,443
Research and development fund	**45,988**	38,289	20,403
Seminar	**18,395**	12,768	11,180
Insurance	**16,277**	18,803	13,886
Accreditation cost	**15,106**	40,130	31,268
Rent (Note 31)	**10,877**	6,872	2,688
Transportation and travel	**8,724**	4,640	4,134
Laboratory supplies	**8,598**	6,739	3,192
Office supplies	**6,226**	7,180	3,756
Taxes and licenses	**4,656**	9,242	7,297
Entertainment, amusement and recreation	**1,141**	548	1,775
Miscellaneous	**30,679**	13,110	4,975
Total	**₱3,326,706**	₱2,853,889	₱2,259,173

Details of depreciation and amortization follows:

	2024	2023	2022
Depreciation (Note 10)	**₱468,086**	₱445,067	₱381,276
Depreciation - ROU assets (Note 31)	**54,965**	51,420	54,167
Amortization - Student relationship (Note 6)	**3,061**	4,727	33,002
Amortization (Note 13)	**9,719**	6,113	6,862
	₱535,831	₱507,327	₱475,307

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

	2024	2023	2022
Cost of schools and related operations	**₱395,053**	₱401,118	₱286,481
Cost of schools and related operations - ROU assets (Note 31)	**53,285**	48,539	51,834
	448,338	449,657	338,315
General and administrative expenses (Note 21)	**87,493**	57,670	136,992
	₱535,831	₱507,327	₱475,307

21. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Management and other professional fees (Note 15)	**₱259,047**	₱251,158	₱178,026
Personnel expenses (Note 24)	**212,398**	189,348	203,204
Advertising	**97,082**	89,656	58,123
Depreciation and amortization (Note 20b)	**87,493**	57,670	136,992
Provisions for expected credit losses (Note 8)	**68,814**	43,997	120,408
Taxes and licenses	**49,195**	25,197	25,805
IT expense - software license	**43,141**	22,092	2,353
Repairs and maintenance	**26,056**	21,045	10,670
Provision for losses (Note 31)	**25,275**	13,836	10,483
Utilities	**24,063**	18,231	19,533
Provision for impairment of intangible asset (Notes 6 and 12)	**18,229**	32,771	32,221
Transportation and travel	**12,540**	13,421	4,400
Insurance	**9,397**	8,408	4,844
Seminar	**8,038**	6,214	3,504
Office supplies	**4,798**	4,033	2,982
Entertainment, amusement, and recreation	**4,263**	3,662	3,571
Commission	**4,082**	3,262	3,148
Donations	**3,930**	5,580	3,123
Investor relations	**1,807**	1,605	1,792
Rent (Note 31)	**147**	2,600	277
Miscellaneous	**66,798**	66,489	35,553
	₱1,026,593	₱880,275	₱861,012

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, and Other Income

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

	2024	2023	2022
Cash in banks and cash equivalents (Note 7)	**₱67,987**	₱63,351	₱20,023
Advances to officers and employees (Note 8)	**245**	137	82
	₱68,232	₱63,488	₱20,105

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

	2024	2023	2022
Short-term loans (Note 16)	**₱75,738**	₱39,938	₱3,747
Long-term loans (Note 17)	**17,399**	79,278	85,917
Interest expense on lease liabilities (Note 31)	**27,737**	29,808	23,629
Bank charges	**182**	–	–
	₱121,056	₱149,024	₱113,293

The Group's other income consists of incidental income on the following:

	2024	2023	2022
Miscellaneous income	**₱14,333**	₱15,045	₱34,383
Rent income	**15,084**	14,920	7,125
Gain on pre-termination of lease (Note 31)	**12,772**	4,920	3,754
Investment income in UITF	**2,277**	435	118
	₱44,466	₱35,320	₱45,380

23. Income Tax

Benefit from (provision for) income tax consists of:

	2024	2023	2022
Current	**₱95,861**	₱43,577	(₱3,449)
Deferred	**63**	1,458	8,597
	₱95,924	₱45,035	₱5,148

The reconciliation of statutory tax rates to effective income tax rates follows:

	2024	2023	2022
Income before income tax at statutory rate	**25.00%**	25.00%	25.00%
Add (deduct) reconciling items:			
Difference in income tax rate	**(14.17)**	(15.59)	(22.51)
Others	**(0.84)**	(3.04)	(3.15)
	9.99%	6.37%	(0.66%)

MESI, MHSSI, MMCL, MMCM, UNC, NTC and APEC are educational institutions which are subject to a lower or preferential income tax rate of 10% until June 2020, 1% thereafter until June 2023 and 10% starting July 2023.

Pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act, the following changes in tax rates became effective on July 1, 2023 implemented through Revenue Memorandum Circular (RMC) 69-2023:

- MCIT rate is reverted to 2% of gross income which was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023

- Preferential income tax rate for proprietary educational institutions which are nonprofit is reverted to 10% which was previously reduced from 10% to 1% effective July 1, 2020 to June 30, 2023

Consequently, the Parent Company and Schools recognized provision for current income tax using the effective MCIT/preferential income tax rate of 1.5%/5.5% in 2023 in accordance with RMC 69-2023.

The Group's net deferred tax assets and liabilities consist of the following:

	2024	2023
Deferred tax assets - net:		
Allowance for ECL	**₱245**	₱295
Other provisions	**406**	378
	651	673
Deferred tax liabilities - net:		
Revaluation increments on land	**802,327**	691,679
Intellectual property rights and student relationship	**43,505**	55,338
Other provisions	**9,617**	–
	855,449	747,017
	₱854,798	₱746,343

The Group did not recognize deferred tax assets on NOLCO, MCIT, and the following temporary differences because the Group believes that it may not be probable that sufficient taxable income will be available in the future against which the tax benefit can be realized.

	2024	2023
NOLCO	**₱74,996**	₱39,725
Allowance for ECL	**4,462**	2,092
MCIT	**–**	2,386
Provision for retirement and others	**333**	609

As at December 31, 2024 and 2023, the details of NOLCO and MCIT, which are available for offset against future taxable income and tax payable, respectively, follow:

	NOLCO		MCIT	
	2024	2023	**2024**	2023
Beginning balance	**₱186,155**	₱185,965	**₱2,386**	₱1,940
Additions	**13,876**	11,602	**–**	1,176
Application/Expiration	**(52,627)**	(11,412)	**(2,386)**	(730)
Ending balance	**₱147,404**	₱186,155	**₱–**	₱2,386

		NOLCO			MCIT	
Year Incurred	Year of Expiration	**2024**	2023	Year of Expiration	**2024**	2023
2024	2027	**₱13,876**	₱–	2026	**₱–**	₱–
2023	2026	**11,602**	11,602	2026	**–**	1,176
2022	2025	**8,168**	9,859	2025	**–**	682
2021	2026	**72,577**	72,577	2024	**–**	528
2020	2025	**41,181**	92,117	2023	**–**	–
		₱147,404	₱186,155		**₱–**	₱2,386

NOLCO incurred in 2021 and 2020 can be carried over for the next five years by the respective entities in accordance with the provision of Republic Act (RA) No. 11494, Bayanihan to Recover As One Act, with implementing guidelines covered by Revenue Regulations No. 25-2020.

24. Personnel Expenses

a. Details of personnel expenses are as follows:

	2024	2023	2022
Compensation	**₱1,302,349**	₱1,313,220	₱1,186,567
Retirement benefits (Note 25)	**39,786**	22,424	33,208
Miscellaneous benefits	**343,166**	107,498	70,013
	₱1,685,301	₱1,443,142	₱1,289,788

Miscellaneous benefits pertain to honoraria and mandatory government benefits, among others.

b. Personnel expenses as function of expense follows:

	2024	2023	2022
Cost of schools and related operations (Note 20)	**₱1,472,903**	₱1,253,794	₱1,086,585
General and administrative expenses (Note 21)	**212,398**	189,348	203,203
	₱1,685,301	₱1,443,142	₱1,289,788

25. Retirement Plans

The Group has a noncontributory and defined benefit retirement plan covering all of its regular employees. The benefits are based on the years of service and percentage of latest monthly salary. The retirement benefit is the only long-term benefit given to employees. Short-term benefits are expensed outright.

The most recent actuarial valuations were carried out in December 2024 for the retirement plan of the Group as at December 31, 2024.

The following tables summarize the components of the benefit expense recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position for the retirement obligation/asset.

	2024	2023
Net pension assets	**₱16,997**	₱20,139
Net pension liabilities	**137,787**	162,452

Components of pension expense follow:

	2024	2023	2022
Current service cost	**₱32,606**	₱31,082	₱35,115
Net interest cost on defined benefit obligation	**7,180**	4,787	909
Curtailment gain	–	(13,445)	(2,816)
Net pension expense (Note 24)	**₱39,786**	₱22,424	₱33,208

The net pension assets recognized in the consolidated statements of financial position as at December 31, 2024 and 2023 is as follows:

	2024	2023
Fair value of plan assets	**₱58,322**	₱57,849
Present value of defined benefit obligation	**(38,040)**	(27,145)
Effect of asset ceiling	**(3,285)**	(10,565)
	₱16,997	₱20,139

The net pension liabilities recognized in the consolidated statements of financial position as at December 31, 2024 and 2023 is as follows:

	2024	2023
Fair value of plan assets	**₱322,287**	₱260,785
Present value of defined benefit obligation	**(460,074)**	(423,237)
	(₱137,787)	(₱162,452)

The Group's combined net pension liabilities are derived as follows:

	2024	2023
Net pension assets	**₱16,997**	₱20,139
Net pension liabilities	**(137,787)**	(162,452)
	₱120,790	₱142,313

The movements in the Group's combined net pension liabilities follow:

	2024	2023
At beginning of year	**₱142,313**	₱91,110
Contribution paid	**(63,112)**	(11,884)
Net pension expense	**39,786**	22,424
Remeasurement losses (gains) recognized in OCI	**(134)**	44,471
Other adjustments and reversals	**4,296**	(344)
Benefits paid	**(2,359)**	(3,464)
At end of the year	**₱120,790**	₱142,313

The Group's combined net pension liabilities as of December 31 were derived as follows:

	2024	2023
Present value of defined benefit obligation	**₱498,245**	₱451,114
Fair value of plan assets	**(380,740)**	(319,367)
Effect of asset ceiling	**3,285**	10,566
Net pension liabilities	**₱120,790**	₱142,313

The reconciliation of the present value of defined benefit obligation is as follows:

	2024	2023
Beginning balance	**₱451,114**	₱411,644
Interest cost	**26,269**	27,720
Current service cost	**32,608**	31,082
Benefits paid	**(22,773)**	(37,193)
Curtailment gain	**–**	(13,445)
Remeasurement losses (gains) on obligation:		
Experience adjustments	**6,831**	17,432
Changes in demographic assumptions	**588**	(18,864)
Changes in financial assumptions	**3,608**	32,738
Ending balance	**₱498,245**	₱451,114

The reconciliation of the fair value of plan assets is as follows:

	2024	2023
Beginning balance	**₱319,367**	₱326,219
Interest income	**19,091**	23,389
Contributions paid	**63,112**	11,883
Benefits paid	**(20,414)**	(30,674)
Remeasurement gains (losses) on plan assets	**11,161**	(6,431)
Other adjustments	**(11,577)**	(5,019)
Ending balance	**₱380,740**	₱319,367

Remeasurement losses (gains) recognized in OCI follow:

	2024	2023
Remeasurement losses (gains)	**(₱1,539)**	₱38,040
Return on assets excluding amount included in net interest cost	**1,405**	6,431
Total remeasurement losses (gains) recognized in OCI	**(₱134)**	₱44,471

The distribution of plan assets as at December 31, 2024 and 2023 is as follows:

	2024		2023	
	Amount	%	Amount	%
Cash and cash equivalents	**₱144,624**	**37.99%**	₱108,076	33.84%
Investments in:				
Government securities	**152,552**	**40.07%**	95,133	29.79%
Equity instruments	**51,868**	**13.62%**	107,176	33.56%
Interest and other receivables	**2,511**	**0.66%**	9,445	2.96%
Accrued trust fees	**29,170**	**7.66%**	(463)	-0.14%
	₱380,725	**100.00%**	₱319,367	100.00%

Actual return on plan assets amounted to ₱9.04 million and ₱6.5 million in 2024 and 2023, respectively.

The Group plans to contribute ₱30.72 million in 2024.

The principal actuarial assumptions used in determining retirement expense are as follows:

	2024	2023
Discount rate:		
Beginning	**6.07%-6.15%**	7.17%-8.03%
End	**5.01%-6.11%**	6.07%-6.15%
Salary increase rate:		
Beginning	**3.07%-5.00%**	2.95%-5.00%
End	**3.48%-5.00%**	3.07%-5.00%

The sensitivity analysis that follows has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of reporting period, assuming all other assumptions were held constant.

As at December 31, 2024

	Rate	**Increase (Decrease)**	**PVO**
Discount rate	**6.12%**	**+100bps**	**(₱224,329)**
	5.27%	**-100bps**	**262,384**
Salary rate	**3.42%**	**+100bps**	**₱442,509**
	4.73%	**+100bps**	**(373,569)**

As at December 31, 2023

	Rate	Increase (Decrease)	PVO
Discount rate	3.45%	+100bps	(₱333,630)
	2.65%	-100bps	391,614
Salary rate	3.00%	+100bps	₱393,261
	2.20%	-100bps	(332,044)

The sensitivity analysis above has been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the balance sheet date. There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. It is the policy of the Trustee that immediate and near-term retirement liabilities of the Group's Retirement Fund are adequately covered by its assets. As such, due considerations are given that portfolio maturities are matched in accordance with due benefit payments. The Retirement Fund's expected benefits payments are determined through the latest actuarial reports.

26. 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)	**₱844,472**	₱645,325	₱769,302
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)	**₱0.8087**	₱0.6180	₱0.7367

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

27. 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 December 31 follows (in million pesos):

	2024	2023
University of Nueva Caceres	**₱366**	₱321
National Teachers College	**6**	5

As at December 31, 2024 and 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	**₱490**	₱380	**₱1,122**	₱1,038
Noncurrent assets	**1,874**	1,676	**2,822**	2,613
	₱2,364	₱2,056	**₱3,944**	₱3,651
Liabilities and Equity				
Current liabilities	**₱229**	₱138	**₱591**	₱560
Noncurrent liabilities	**162**	158	**766**	797
	391	296	**1,357**	1,357
Equity	**1,973**	1,760	**2,587**	2,294
	₱2,364	₱2,056	**₱3,944**	₱3,651
Attributable to:				
Equity holders of parent	**₱1,607**	₱1,439	**₱2,581**	₱2,286
Non-controlling interest	**366**	321	**6**	5
Net revenue	**₱528**	₱472	**₱812**	₱705
Gross profit (loss)	**284**	262	**479**	443
Net income (loss)	**113**	95	**271**	303
Attributable to:				
Equity holders of parent	**₱93**	₱78	**₱271**	₱303
Non-controlling interest	**20**	17	**–**	–

28. 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 PFRS Accounting Standards.

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, MCLI, 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 expenditures consist of additions to property and equipment.

(In million Pesos)

	Education			Others			Elimination			Consolidated		
	2024	2023	2022	**2024**	2023	2022	**2024**	2023	2022	**2024**	2023	2022
Revenues												
Income from external customers	**₱5,322**	₱4,491	₱3,945	**₱–**	₱–	₱–	**₱–**	₱–	₱–	**₱5,322**	₱4,491	₱3,945
Total Revenues	**₱5,322**	₱4,491	₱3,945	**₱–**	₱–	₱–	**₱–**	₱–	₱–	**₱5,322**	₱4,491	₱3,945
Net Income attributable to Parent Company	**₱876**	₱205	₱941	**₱368**	₱612	₱123	**(₱400)**	(₱171)	(₱294)	**₱844**	₱645	₱769
Other Information												
Segment assets	**₱23,004**	₱20,866	₱18,186	**₱6,619**	₱6,438	₱6,028	**(₱7,357)**	(₱7,340)	(₱6,512)	**₱22,265**	₱19,964	₱17,701
Segment liabilities	**6,896**	6,257	5,555	**116**	109	115	**(1,479)**	(1,486)	(709)	**5,533**	4,880	4,961
Deferred tax assets	**47**	48	37	**1**	1	1	**–**	–	–	**48**	49	38
Deferred tax liabilities	**804**	695	487	**46**	44	43	**53**	55	60	**903**	795	590
Cash flows arising from:												
Operating activities	**1,276**	750	1,021	**445**	43	0	**26**	322	210	**1,747**	1,122	1,236
Investing activities	**(484)**	(316)	(265)	**4**	(1)	1	**(221)**	(119)	50	**(701)**	(438)	(246)
Financing activities	**(405)**	(336)	(547)	**(204)**	(201)	(0)	**332**	(296)	(111)	**(277)**	(807)	(632)
Interest expense	**155**	177	126	**1**	1	1	**(35)**	(29)	(13)	**121**	149	113
Provision for income tax	**98**	48	2	**1**	1	1	**(2)**	(5)	(7)	**96**	45	(5)
Capital expenditures	**(382)**	489	228	**(1)**	(1)	2	**1,099**	(52)	100	**716**	436	330
Depreciation and amortization	**520**	491	429	**7**	7	6	**7**	9	40	**534**	507	475

29. Notes on Consolidated Statements of Cash Flows

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

		Non-cash Changes						
	2023	Declaration of Cash Dividend	Amortization of debt issue cost	Additions on Lease liabilities	Interest Expense	Other Non-Cash	Cash Flows	2024
Short-term loans	₱1,000,000	₱–	₱–	₱	₱–	₱–	₱–	₱1,000,000
Current portion of long-term loans	32,574					–	–	32,574
Long-term loans	293,851	–	–	–	–	–	(32,574)	261,278
Dividends payable	924	207,150	–	–	–	–	(198,432)	9,642
Payables to related parties	8,706	–	–	–	–	–	(2,944)	5,762
Lease liabilities	391,597	–	–	18,564	27,737	–	(42,947)	394,952
	₱1,727,652	₱207,150	₱–	₱18,564	₱27,737	₱–	(₱276,897)	₱1,704,208

		Non-cash Changes						
	2022	Declaration of Cash Dividend	Amortization of debt issue cost	Additions on Lease liabilities	Interest Expense	Other Non-Cash	Cash Flows	2023
Short-term loans	₱–	₱–	₱–	₱	₱–	₱–	₱1,000,000	₱1,000,000
Current portion of long-term loans	1,521,448					2,982	(1,491,857)	32,574
Long-term loans	334,568	–	2,982	–	–	(2,982)	(40,717)	293,851
Dividends payable	26,154	198,725	–	–	–	–	(223,955)	924
Payables to related parties	16,797	–	–	–	–	–	(8,091)	8,706
Lease liabilities	429,635	–	–	(25,089)	29,808	–	(42,756)	391,597
	₱2,328,602	₱198,725	₱2,982	₱25,089	₱29,808	₱–	(₱807,376)	₱1,727,652

		Non-cash Changes						
	2021	Declaration of Cash Dividend	Amortization of debt issue cost	Additions on Lease liabilities	Interest Expense	Other Non-Cash	Cash Flows	2022
Short-term loans	₱400,000	₱–	₱–	₱	₱–	₱–	(₱400,000)	₱–
Current portion of long-term loans	21,001					1,521,448	(21,001)	1,521,448
Long-term loans	1,853,645	–	2,371	–	–	(1,521,448)		334,568
Dividends payable	565	167,082	–	–	–	25,590	(167,083)	26,154
Payables to related parties	14,135	–	–	–	–	–	2,662	16,797
Lease liabilities	357,826	–	–	94,377	23,630	–	(46,198)	429,635
	₱2,647,172	₱167,082	₱2,371	₱94,377	₱23,630	₱25,590	(₱631,620)	₱2,328,602

- Noncash investing activities in 2024, 2023 and 2022 pertain to the revaluation of land amounting ₱990 million, ₱1,926 million and ₱1,005 million, respectively (Note 11).

30. **Financial Instruments**

Fair Value of Financial Instruments

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized as at December 31, 2024 and 2023:

	Carrying Amount	**2024**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value:					
Financial assets at FVTPL	**₱8,022**	**₱8,022**	**₱–**	**₱–**	**₱8,022**

	Carrying Amount	2023			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Financial assets at FVTPL	₱9,767	₱9,767	₱–	₱–	₱9,767

The Group uses the following hierarchy in determining and disclosing the fair value of financial instruments by valuation techniques:

- *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

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

- *Cash and cash equivalents, receivables, receivables from related parties, short-term investments, refundable deposits, accounts payable and accrued expenses, payables to related parties, dividends payable, and short-term loans* – carrying amounts approximate fair values due to the short-term nature of these accounts.

- *Financial assets at FVTPL* – the fair values are based on net assets value per unit (NAVPU).

- *Long-term loans* – the carrying value approximates the fair value using the EIR method because future payments are discounted based on interest at market rate.

As at December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements. There are no financial assets and financial liabilities recognized at fair value based on Level 3 and there are no transfers in and out of Level 3 categories in 2024 and 2023. No financial instrument fall within Level 3.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, receivables, receivables from related parties, financial assets at FVTPL, short-term investments, refundable deposits, accounts payable and accrued expenses, payables to related parties, dividends payable, lease liabilities, and loans. The main purpose of these financial instruments is to raise finances for the Group's operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity 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.

The Group's risk management policies are summarized as follows:

Credit risk and concentration of credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Group's exposure to credit risk relates primarily to the inability of the debtors and students to pay and to fully settle the unpaid balance of tuition fees and other charges, respectively, which are owed to the Group based on the installment payment schemes. The Group manages its credit risk in accordance with its credit policies by maintaining strict policies like not allowing students to enroll in the following term unless the unpaid balance in the previous term has been paid. The Group also withholds the academic records and clearance of the students with unpaid balances. The Group's exposure to credit risk arising from its other receivables from debtors and related parties is managed through close account monitoring and setting of limits.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Group does not have any significant exposure to any individual customer or counterparty. With respect to credit risk arising from cash and cash equivalents, receivables, amounts due from related parties, financial assets at FVTPL, and refundable deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. As at December 31, 2024 and 2023, there are no collaterals held in relation to the Group's financial assets.

The table below shows the credit risk exposure on the Group's financial assets as at December 31, 2024:

	Gross carrying amount at default	Expected credit loss (Impaired)
Cash in banks	**₱728,570**	**₱–**
Cash equivalents	**1,847,402**	**–**
Receivables from:		
Tuition and other fees	**1,982,461**	**426,328**
Related parties	**1,098**	**–**
Others	**94,781**	**8,770**
Short-term investments	**–**	**–**
Financial assets at FVTPL	**8,022**	**–**
Deposits	**31,864**	**–**
	₱4,694,198	**₱435,098**

December 31, 2023:

	Gross carrying amount at default	Expected credit loss (Impaired)
Cash in banks	₱711,829	₱–
Cash equivalents	1,092,009	–
Receivables from:		
Tuition and other fees	1,634,740	375,800
Related parties	1,643	–
Others	88,952	8,770
Short-term investments	208,887	–
Financial assets at FVTPL	9,767	–
Deposits	26,986	–
	₱3,774,813	₱384,570

As disclosed in Note 4, the Group recognizes an allowance for 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 using a 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.

The aging of tuition and other fees (current and past due accounts) and the ECL as at December 31 follows:

2024

	Days past due			
	< 360 days	**361 - 720 days**	**> 721 days**	**Total**
Expected credit loss rate	**0.64%-43.48%**	**1.38%-97.00%**	**1.16%-100.00%**	
Estimated total gross carrying amount at default	**₱1,414,738**	**₱186,474**	**₱381,249**	**₱1,982,461**
Expected credit loss	**₱50,090**	**₱72,604**	**₱312,404**	**₱435,098**

2023

	Days past due			
	< 360 days	361 - 720 days	> 721 days	Total
Expected credit loss rate	1.00%-50.90%	3.56%-98.00%	37.6%-100.00%	
Estimated total gross carrying amount at default	₱1,142,863	₱136,917	₱354,960	₱1,634,740
Expected credit loss	₱77,140	₱57,451	₱249,979	₱384,570

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due.

The Group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. The Treasury Department is responsible for monitoring the short-term loans and demand deposits of the Group. It assesses the status and maturity period of the loans and deposits to be able to determine the financial standing of the Group and whether the funds being maintained will be able to accommodate any maturing liabilities. Short-term and long-term funding are obtained to finance capital expenditures and working capital. To cover its short-term and long-term funding requirements, the Group intends to use internally generated funds and available credit facilities. Credit lines are obtained from BOD-designated banks at amounts based on financial forecasts approved by BOD. As at December 31, 2024 and 2023, the Group has available short-term credit facilities with banks aggregating ₱1.65 billion. In addition, the Group also has available long-term credit facilities with a bank amounting to ₱356.1 million as of December 31, 2024. Short-term loans obtained by the Group are renewable subject to the terms of the agreements.

The tables below summarize the maturity profile of the Group's financial assets held for liquidity purposes. The maturity groupings are based on the remaining period from the end of the financial reporting date to the contractual maturity date.

	2024			
	On demand	**Less than 1 year**	**More than 1 year but within operating cycle**	**Total**
Financial assets at amortized cost				
Cash	**₱728,570**	**₱–**	**₱–**	**₱728,570**
Cash equivalents	**1,847,402**	**–**	**–**	**1,847,402**
Receivables*	**238,848**	**874,896**	**528,400**	**1,642,144**
Receivables from related parties	**1,098**	**–**	**–**	**1,098**
Short-term investments	**–**	**–**	**–**	**–**
Financial assets at FVTPL	**8,022**	**–**	**–**	**8,022**
Deposits	**–**	**–**	**31,864**	**31,864**
	₱2,823,940	**₱874,896**	**₱560,264**	**₱4,259,100**

**excluding advances to officers and employees amounting to ₱52,893.*

	2023			
	On demand	Less than 1 year	More than 1 year but within operating cycle	Total
Financial assets at amortized cost				
Cash	₱711,829	₱–	₱–	₱711,829
Cash equivalents	1,092,009	–	–	1,092,009
Receivables*	464,630	730,763	143,729	1,339,122
Receivables from related parties	1,643	–	–	1,643
Short-term investments	208,887	–	–	208,887
Financial assets at FVTPL	9,767	–	–	9,767
Deposits	–	–	26,986	26,986
	₱2,488,765	₱730,763	₱170,715	₱3,390,243

**excluding advances to officers and employees amounting to ₱40,511.*

The tables below summarize the maturity profile of the Group's other financial liabilities as at December 31 based on contractual undiscounted payments and contractual remaining maturities.

	2024			
	On demand	**Less than 1 year**	**More than 1 year**	**Total**
Accounts payable and accrued expenses*	**₱824,768**	**₱85,275**	**₱–**	**₱910,043**
Payables to related parties	**5,762**	**–**	**–**	**5,762**
Dividends payable	**9,642**	**–**	**–**	**9,642**
Lease liabilities**	**–**	**366,065**	**124,292**	**490,357**
Long-term loans***	**–**	**48,277**	**299,810**	**348,087**
Short-term loans	**–**	**1,000,000**	**–**	**1,000,000**
	₱840,172	**₱1,499,617**	**₱424,102**	**₱2,763,891**

**excluding payables to regulatory bodies, funds payable and provisions amounting to ₱555,865.*
***undiscounted lease payments.*
****including future interest payable amounting to ₱54,236.*

	2023			
	On demand	Less than 1 year	More than 1 year	Total
Accounts payable and accrued expenses*	₱579,212	₱146,083	₱–	₱725,295
Payables to related parties	8,706	–	–	8,706
Dividends payable	924	–	–	924
Lease liabilities**	–	379,954	148,957	528,911
Long-term loans***	–	50,142	348,087	398,229
Short-term loans	–	1,000,000	–	1,000,000
	₱588,842	₱1,608,753	₱497,044	₱2,694,639

**excluding payables to regulatory bodies, funds payable and provisions amounting to ₱454,435.*
***undiscounted lease payments.*
****including future interest payable amounting to ₱71,804.*

31. Lease Commitments and Provisions

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	**₱7,101**	₱8,037
More than one year but not more than five years	**21,322**	30,194
	₱28,423	₱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 two 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 NTC, 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 5.88% to 8.96% in 2024 and from 4.05% to 8.86% in 2023 (see Note 5).

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

	2024	2023
Net Book Value at January 1	**₱335,013**	₱376,794
Additions	**117,092**	42,805
Amortization (Note 20a)	**(54,965)**	(51,420)
Pre-termination/expiration	**(58,019)**	(33,166)
Net Book Value at December 31	**₱339,121**	₱335,013

The following are the amounts recognized in the 2024, 2023 and 2022 statement of comprehensive income (Note 20):

	2024	2023	2022
Depreciation expense of right-of-use assets*	**₱54,965**	₱51,420	₱54,167
Interest expense on lease liabilities	**27,737**	29,808	23,629
Rent expense on short-term leases (Notes 20 and 21)	**11,024**	9,382	2,965
Gain on pre-termination of lease	**(12,772)**	(4,920)	(3,754)
Total amount recognized in profit or loss	**₱80,954**	₱85,690	₱77,007

**Net of lease concession amounting to ₱2.95 million in 2022*

The rollforward analysis of lease liabilities from APEC follows:

	2024	2023
As at January 1	**₱391,596**	₱429,635
Additions	**117,092**	42,805
Interest expense (Note 22)	**27,737**	29,808
Pre-termination	**(70,791)**	(38,087)
Payments	**(70,684)**	(72,565)
As at December 31	**₱394,952**	₱391,596

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

	2024	2023
Lease liabilities - current	**₱50,638**	₱37,047
Lease liabilities - noncurrent	**344,314**	354,549
	₱394,952	₱391,596

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

	2024	2023
Within one year	**₱75,420**	₱66,390
More than one year but less than five years	**290,645**	313,564
Five years and more	**124,292**	148,957
	₱490,357	₱528,911

The Group performed an impairment testing of the property and equipment and right-of-use assets of APEC, through NTC, the aggregate carrying value for which amounted to ₱290.1 million and ₱376.7 million as of December 31, 2024 and 2023, respectively, due to the continuing losses and significant decline in the number of students. Key assumptions used are as follows:

- Revenue projections. The revenue projections were based on financial budgets approved by management and BOD.
- Discount rate (10.9% in 2024 and 11.1%2023). 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, 2024 and 2023 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 December 31, 2024 and 2023 amounted to ₱187.63 million and ₱162.35 million, respectively. Other provisions recognized by the Group for certain exposure and claims by third parties are presented as part of Other noncurrent liabilities in the statement of financial position. Provisions recognized in 2024 and 2023 amounted to ₱25.3 million and ₱13.8 million, respectively (Note 21).

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.

32. **Approval of the Consolidated Financial Statements**

The consolidated financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, 2023 and 2022 were approved and authorized for issuance by the BOD on April 8, 2025.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
iPeople, Inc.
8th Floor Mapua University Makati Campus,
1191 Pablo Ocampo Sr. Extension Ave.,
Brgy. Sta. Cruz, Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of iPeople, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 8, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Benigno F. Leongson

Benigno F. Leongson
Partner
CPA Certificate No. 122551
Tax Identification No. 256-013-926
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-143-2024, July 18, 2024, valid until July 17, 2027
PTR No. 10465319, January 2, 2025, Makati City

April 8, 2025

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
iPeople, Inc.
8th Floor Mapua University Makati Campus,
1191 Pablo Ocampo Sr. Extension Ave.,
Brgy. Sta. Cruz, Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of iPeople, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 8, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

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April 8, 2025

IPEOPLE, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

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

DECEMBER 31, 2024
Amounts in Thousands

The table below presents the parent retained earnings available for dividend declaration as of December 31, 2024:

Unappropriated Retained Earnings, beginning		**₱1,627,845**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Others	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(198,410)	
Retained Earnings appropriated during the reporting period	–	
Effect of restatements or prior-period adjustments	–	
Others	–	(198,410)
Unappropriated Retained Earnings, as adjusted		**1,429,435**
Add/(Less): Net Income (loss) for the current year		**368,140**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of Investment Property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain of Investment Property	–	

Other realized gains or adjustments to the RE as a result of certain transactions accounted for under the PFRS	–	–
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	–	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value of Investment Property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–	–
Adjust Net Income/Loss		**368,140**
Add/(Less): Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	–
Add/(Less): Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	–	
Total among reporting relief granted during the year	–	
Others	–	–
Add/(Less): Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set up of asset and asset retirement obligation	–	
Adjustment due to deviation from PFRS/GAA – gain (loss)	–	
Others	–	–
Unappropriated Retained Earnings Available for Dividends Distribution, December 31, 2024		**1,797,575**
Add: Reversal of Retained Earnings – Appropriation/s approved		–
Unappropriated Retained Earnings available for dividends declaration		**₱1,797,575**

SCHEDULE II

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-J: SCHEDULES

DECEMBER 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 in Equity Securities
As at December 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 December 31, 2024:

Name	As at December 31, 2023	Additions	Liquidations/ Collections	As at December 31, 2024
Abalos, Mark – (Globe)	₱399,667	₱24,222	₱60,556	₱363,333
Aberilla, Irish Mae O.	1,797,218	-	881,800	915,418
Adanza, Carina Victoria	163,480	-	81,840	81,640
Agbulos, Erlin	224,034	7,725	92,704	139,056
Alcantara, Randy	252,267	117,600	181,867	188,000
Alfeche, Lalaine Joan	244,652	43,800	125,750	162,701
Alquino, Kenneth R.	191,392	34,000	99,450	125,942
Ambuyoc, Rodel R.	158,284	475,100	485,265	148,119
Aquino, Jesunino R.	456,266	-	92,808	363,458
Aquino, Leopoldo	155,168	53,000	59,000	149,168
Arenillo, Denise Jordan P	-	1,227,091	784,417	442,674
Austria, Maria Rhodora	356,242	-	86,800	269,442
Avila, Claribel P.	484,500	-	-	484,500
Aya-ay, Adorico	120,690	5,250	-	125,940
Balang, Ernesto	100,000	-	-	100,000
Ballado, Alejandro Jr.	150,962	-	-	150,962
Balo, Abeliosre	103,243	10,500	-	113,743
Banlawe, Ivane Ann	203,070	-	-	203,070
Bayag, Marina B.	921,226	203,000	659,115	465,111
Bitor, Rolando	500,000	-	-	500,000
Blando, Paolo Josef L.	56,629	302,730	176,300	183,059
Bolonos, Eric John S.	103,612	4,000	4,000	103,612
Bonafe, Eufemia	300,000	-	-	300,000
Bonifacio, Doma Jr	249,080	164,672	200,081	213,672
Cabuñas, Jay	125,500	14,180	14,180	125,500
Calamba, Michael G.	464,105	-	8,250	455,855
Calderon, Aldrin Dimayuga	310,279	121,116	189,300	242,095
Callo, Ailene Joy	122,917	-	13,255	109,662
Camacho, Margarita V.	506,799	1,007,537	1,101,926	412,409
Canoy, Kathleen Ann B.	722,694	53,030	53,030	722,694
Caparanga, Alvin R.	421,880	209,263	280,882	350,261
Caramoan, Melanie	200,000	-	-	200,000
Cascaro, Rhodessa	174,767	216,883	216,883	174,767

Cedo, Vida Carminda	-	100,000	-	100,000
Cedo, Vida, Carminda	150,000	-	-	150,000
Ciudadano, Maria Leisel	100,000	-	-	100,000
Clarito, Caitlin Ysabel	112,114	21,350	27,000	106,464
Cuanang, Joane Rose	114,000	-	-	114,000
Cuizon, Junneil	360,992	510,560	375,560	495,992
Custodio, Oliver Ryan B.	167,000	1,619,939	548,249	1,238,689
Damfil, Fe G.	-	323,000	-	323,000
De Los Reyes, Cesar Romeo V.	-	734,238	427,871	306,367
Delos Reyes, Marycon	45,563	231,490	100,000	177,053
Delos Santos, Mira M.	240,656	11,626	77,244	175,038
Diez, Fredie	146,683	53,135	13,135	186,683
Dineros, Rochelle	177,669	-	-	177,669
Dionisio, Anna Rose M.	313,621	-	-	313,621
Dizon, Susana	100,000	-	-	100,000
Ebio, Ressian Dhel E.	110,000	-	-	110,000
Espino, Samantha Grace	192,758	11,000	96,743	107,015
Estorba, Rhacell	351,220	570,935	800,180	121,975
Estores, Gilford B.	420,349	49,515	139,864	330,000
Executive/Mancom	277,298	-	-	277,298
Faderogao, Tristan Jake	150,800	104,300	150,800	104,300
Fajardo, Maria Theresa	133,067	-	-	133,067
Federizo, Rona Lynne A.	59,007	231,090	-	290,097
Fermin, Edizon A.	12,785	235,087	-	247,871
FFC Mutual Aid Program-Various Employees	112,950	-	-	112,950
Financial assistance	664,222	-	-	664,222
Flores, Eira Marie B.	191,090	305,300	324,100	172,290
Fortuno, Vivian	300,000	-	-	300,000
Fuentez, Christine	1,418,588	2,978,519	3,663,271	733,836
Fuliga, Antonio Jr.	160,346	164,411	187,891	136,866
Gomez Marianne Edna	719,525	-	32,619	686,906
Gomez, Ma. Esperanza D.	173,900	-	-	173,900
Hadlocon, Jogie L.	176,800	-	51,900	124,900
Hampac, Princess Jesusa B.	23,881	103,894	-	127,775
Heje, Kyna Martine O.	145,617	2,475	34,005	114,087
Hernaez, Alodia C.	283,027	8,823	77,800	214,050
Josio, Cesar Glenn A.	353,693	119,300	317,071	155,922
Kikuchi, Khristian	48,048	308,193	86,800	269,442
Lagunday, Albert P.	190,700	-	62,850	127,850
Lariba, Esperanza C.	259,082	404,682	519,120	144,644
Laud, Noel V.	762,719	18,000	387,750	392,970
Limpot, Kareen Michelle	958,669	16,818	16,818	958,669
Liwag, Trishi DOMINIQUE	136,413	-	-	136,413
Logrosa, Gernelyn T.	170,875	91,728	91,728	170,875
Lopez, Jonathan	30,452	474,164	39,076	465,540
Luy, Kyla Raj Maie	344,126	-	-	344,126
Macayan, Jonathan V.	7,644	1,574,189	456,033	1,125,800
Mack, Jose Paolo Y.	110,884	31,750	31,750	110,884
Magelia, San Andres	5,625	100,000	4,821	100,804
Medrano, Anthony Hilmer	181,471	-	44,900	136,571
Mejia, Emmillie Joy B.	1,500	507,992	117,292	392,200

Mendoza, Joseph	-	150,000	-	150,000
Meris, Paulo Rafael Villaflor	240,750	-	-	240,750
Mesina, James Ronald	58,683	471,500	74,400	455,783
Miguel, Charisse B.	100,800	56,800	56,800	100,800
Mondia, Bai Nyssa Mae S.	252,423	167,000	294,953	124,470
Monteagudo, Marvin	-	694,403	-	694,403
Nacua, Juliet	205,771	7,500	7,500	205,771
Nuera, Rosette Escovilla	-	100,000	-	100,000
Ogarte, Joshua	287,650	-	21,100	266,550
Ogarte, Nico	127,333	-	14,333	113,000
Paglinawan, Arnold C.	224,032	36,265	109,063	151,234
Pamintuan, Kristopher Ray Simbulan	-	568,338	140,838	427,500
Parra, Francisco	150,000	-	-	150,000
Quijada, Gertie	162,070	-	-	162,070
Quiñagon, Ramon	842,649	215,370	561,742	496,277
Quiñal, Jeremia	689,900	60,000	274,950	474,950
Quisaot, Concordio	124,659	-	-	124,659
Rabanes, Cristy	156,441	343,800	385,800	114,441
Rafael, Victor	451,935	-	103,052	348,883
Ramirez, Paolo Aiman S.	163,646	-	-	163,646
Rodriguez, Annelle	602,500	-	-	602,500
Sabino, Lilibeth D.	276,876	227,375	319,225	185,025
Salvacion, Jonathan W.L.	9,667	768,965	451,106	327,526
San Juan, Cloyd	237,000	-	-	237,000
Santiago, Raymart	-	100,000	-	100,000
Santos, Malaya P.	-	885,448	465,208	420,240
Sauquillo, Dante J.	232,675	-	68,100	164,575
Senoro, Delia B.	2,629,714	1,895,538	1,504,603	3,020,649
Sinday, Grace	399,106	110,000	237,304	271,803
Solis, Elias Jr	150,000	-	-	150,000
Solomon, Christian Estrada	1	315,562	191,563	124,000
Songsong, Maribel	220,188	-	81,300	138,888
Suaybaguio, Zyrah Gwen I.	498,981	476,191	591,184	383,988
Suello, Lito	456,267	-	92,800	363,467
Taala, Suzette	275,666	-	-	275,666
Taganas, Romeo Jose B.	56,629	230,325	148,325	138,629
Tanjay, Lorlie	136,000	-	12,000	124,000
Taylaran, Ella Lois	181,963	-	-	181,963
Taylaran, Jennifer	110,185	-	-	110,185
Tayo, Lemmuel L.	-	983,803	593,803	390,000
Tiongco, Danilo R.	469,746	144,373	303,599	310,520
Toylo, Anthony	874,539	839,789	1,023,464	690,864
Tupas, Trishia	384,781	122,100	303,238	203,644
Umali, Maria Judith S.	133,042	-	-	133,042
Untal, Jessa Velle S.	128,071	198,114	213,109	113,076
Uy, Juval Jake	576,335	357,817	690,374	243,777
Villanueva, Rachel	259,759	-	131,753	128,005
Young, Michael N.	236,931	504,641	596,421	145,150
Yparraguirre, Flora Mae	620,572	269,000	445,000	444,572
	₱36,803,984	₱27,612,219	₱25,761,708	₱38,654,495

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/Payables from and to Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables and payables with related parties, which are eliminated in the consolidated financial statements as at December 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	25,921,903	(37,866,068)	0
Malayan Colleges Laguna, Inc.	2,586,597	21,657,877	(22,349,766)	1,894,708
Malayan Colleges Mindanao, Inc.	309,002,750	32,720,475	(28,293,533)	313,429,692
University of Nueva Caceres	898,877	5,716,964	(6,236,656)	379,185
National Teachers College	4,263,404	23,387,611	(25,988,411)	1,662,604
Landev Corporation	14,395	30,808	(45,203)	0
House of Investments, Inc.	7,710	30,833	(38,543)	0

Schedule D. Long-term debt

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

Unsecured bank loans	**₱293,851**
Secured bank loans	–
Total	**293,851**
Less: current portion of unsecured bank loans	**32,574**
reclassification to current liability of secured loans	–
	32,574
Noncurrent portion of long-term loans	**₱261,277**

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. 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 December 31, 2024 and 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 ₱17.4 million, ₱79.3 million and ₱85.9 million, respectively. The interest expense recognized in profit or loss in 2023 and 2022 includes the interest expense amounted to ₱59.7 million and ₱64.5 million, respectively, related to a secured loan of the Group, through MMCM, amounting to ₱1,500.0 million which was paid fully in July 2023.

Schedule E. Indebtedness to Related Parties (Long Term Loans from Related Companies)
As at December 31, 2024, the Group has no outstanding long-term debt from/to related parties.

Schedule F. Guarantees of Securities of Other Issuers
As at December 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

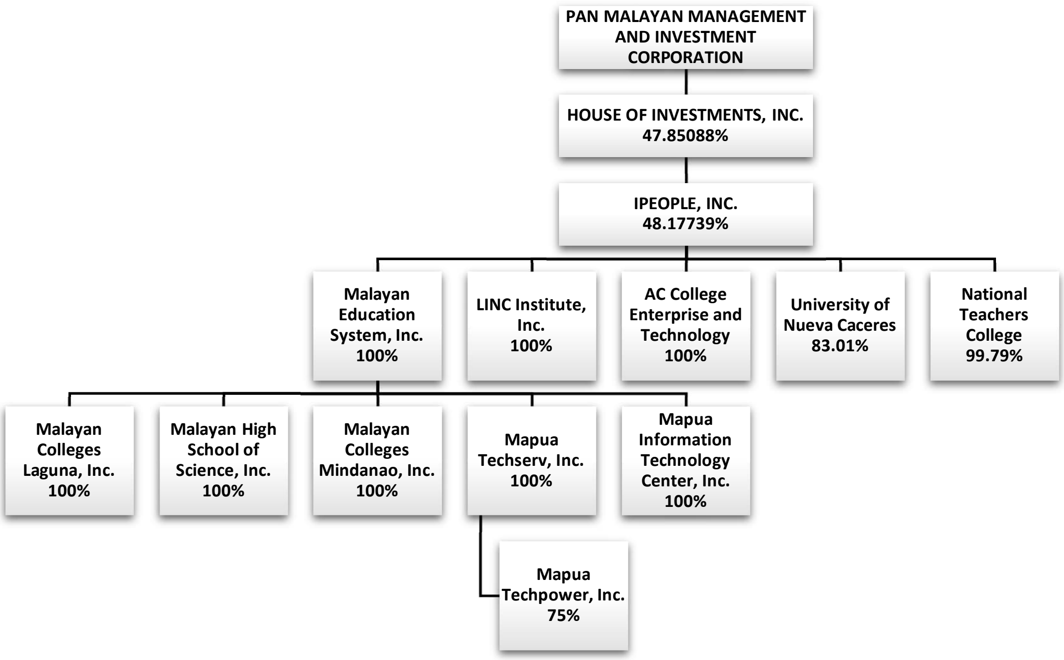
IPEOPLE, INC. AND SUBSIDIARIES

GROUP STRUCTURE

DECEMBER 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 December 31, 2024:



IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2024 AND 2023

Below are the financial ratios that are relevant to the Group's for the years ended December 31:

Financial ratios		**2024**	2023
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.24:1**	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	**1.10:1**	0.98:1
Solvency Ratio *Shows how likely a Group will be to continue meeting its debt obligations*	Net Income+Depreciation / Total Liabilities	**0.25:1**	0.24:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.34:1**	0.33:1
Asset to Equity Ratio *Shows how the Group's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.33:1**	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	**11.59:1**	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	**5.43%**	4.76%
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**16.24%**	14.74%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**3.88%**	3.32%

**Earnings before interest and taxes (EBIT)*

IPEOPLE, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

DECEMBER 31, 2024 AND 2023

	2024	2023
Total Audit Fees	**₱5,145,000**	₱5,130,000
Non-audit services fees:		
Tax Services	**1,690,000**	1,400,000
Total Non-Audit Fees	**1,690,000**	1,400,000
Total Audit and Non-Audit Fees	**₱6,835,000**	₱6,530,000

ANNEX “A”

IPEOPLE, INC. AND SUBSIDIARIES

SUSTAINABILITY REPORT

iPeople, inc.

Sustainability Report (2024)

Contextual Information

Company Details	
Name of Organization	**iPeople, inc.**
Location of Headquarters	**8th Floor Mapua University- Makati Campus, 1191 P. Ocampo Extension, Barangay Sta. Cruz, Makati City**
Location of Operations	With schools across Metro Manila, Calabarzon, Bicol Region, and Mindanao
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Report includes information from the following: 1. Malayan Education System, Inc. (Operating under the name Mapua University) – 1 school with 2 campuses (Mapua) 2. Mapua Malayan Colleges Laguna, Inc. (MMCL) 3. Mapua Malayan Colleges Mindanao, Inc (MMCM). 4. Malayan High School of Science, Inc. (MHSS) 5. University of Nueva Caceres (UNC) 6. National Teachers College (NTC) which includes Affordable Private Education Center, Inc. (Operating Under the Name APEC Schools) – 1 school with 14 branches (APEC)
Business Model, including Primary Activities, Brands, Products, and Services	**iPeople, Inc.** (IPO) provides quality and accessible education to students from kindergarten to post-graduate across all income segments. IPO through its subsidiary schools, aims to promote research and innovation that addresses the concerns of communities and solve problems of industries. IPO also aims to become one of the best in the fields of Science, Technology, Engineering, and Mathematics (STEM) and leverage on the strength of its subsidiary schools in STEM, Outcomes-Based Education (OBE), distance learning, and cost-effective EdTech. https://ipeople.com.ph/home/our-company/corporate-profile/
Reporting Period	January 1 to December 31, 2024
Highest Ranking Person responsible for this report	**Denise Jordan P. Arenillo** Legal, Compliance and Sustainability Officer

IPO Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics

Trainings and workshops were previously conducted and attended by the iPeople ("IPO") Senior Management and key personnel specifically on identifying material topics. Reviews were conducted on the role of sustainability within the company where sustainability issues were communicated with the top executives in the company, and perspectives widened to determine performance, driven not just by financial metrics, but also non-financial aspects. The materiality principles IPO employed are as follows:

1. Understanding the Sustainability Context: This step encouraged the Company to think outside financial aspects and allow a framework driven by sustainability to guide the discussions on how their core business can contribute to society.

2. Identifying material topics: An initial list of material topics was identified by the IPO Senior Management and further validated through group discussions with sustainability point persons per school, including middle management, school heads, stakeholder touch points (to grasp stakeholder perspectives), and data handlers and verifiers whose functions are highly related to the theme of each group. In finalizing the material topics, the Company used the guide questions in the memorandum:

   (a) Is it a key capital/risk/opportunity?
   (b) Does our key business activities impact it?
   (c) Does our supply chain contribute significant impacts?
   (d) Does our product/service contribute significant impacts to the topic?
   (e) Is there a trend that will make the topic material in the future?

3. Defining Performance and Management Approach: Once the list of material topics were identified, the Company gathered metrics to measure business performance under the guidance of the GRI reporting standards, a globally recognized sustainability reporting tool. To further enhance this, management approaches were created to better improve and monitor performance against the set metrics. Regular reviews are also conducted to determine the relevance of each material topic and metric related to such topics.

The UN Sustainable Development Goals (SDGs) are also used as guidelines for identifying the Company's societal, environmental, and economic impact and value. Schools also regularly monitor the applicable UN SDGs relevant to their school operations and activities.

ECONOMIC

Economic Performance

Table 1. Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	5,629,427,755.61	PhP
Direct economic value retained	1,210,041,317.37	PhP
Direct economic value distributed:	4,419,386,438.24	PhP
a. Employee wages and benefits	1,711,733,023.20	PhP
b. Payments to suppliers and other operating costs	2,013,991,670.00	Php
c. Payments to Providers of capital; including dividends given to stockholders and interest payments to loan providers	300,468,906.83	PhP
d. Payments to government	149,881,569.24	PhP
e. Investments to community (e.g., donations, CSR)	243,311,268.97	PhP

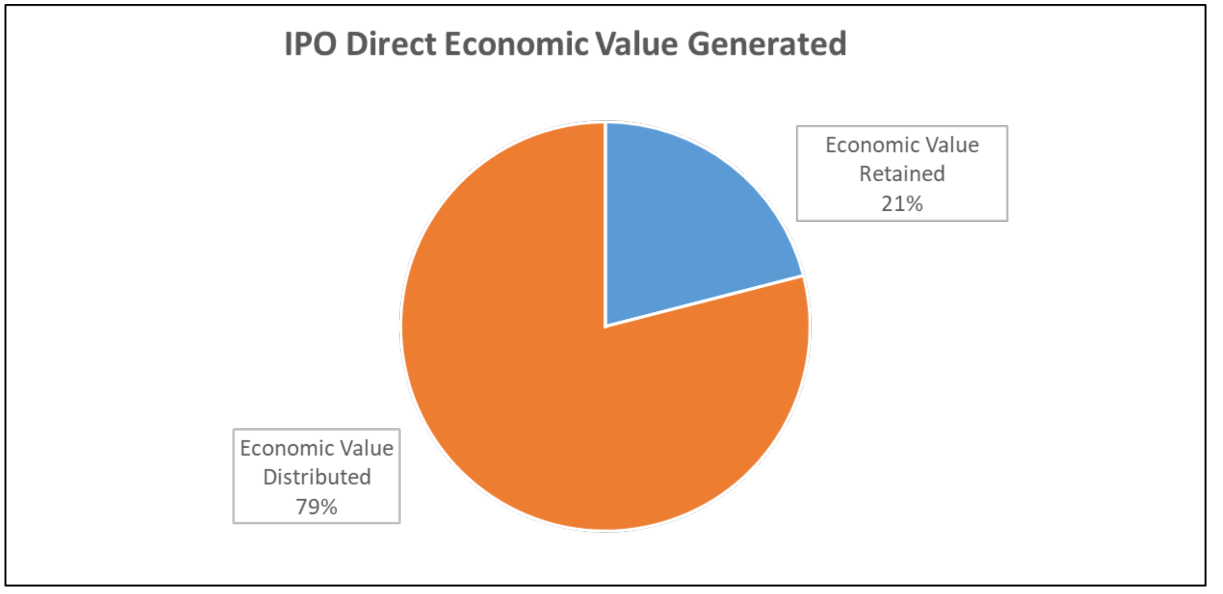
Direct Economic Value
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO's economic impact is a direct result of its business activities and that of its subsidiary schools, and the scale of the impact will increase or decrease according to the scale of IPO's business. IPO's economic performance was affected from 2019 to 2022 by the COVID pandemic and residual effects of the pandemic were felt in 2023. By 2024, IPO has resumed normal operations, and its financial performance was better than the previous years.

During the pandemic, the IPO schools (Mapua, MMCL and MMCM) avoided the disruption of classes and operations, by immediately shifting to online classes with synchronous or asynchronous mode of delivery, using their Learning Management Systems, digital tools and online resources. These modes of delivery are still being continued to date. The other IPO schools (NTC and UNC) were likewise able to successfully shift to remote delivery using available digital tools, LMS and online resources which likewise enhanced the schools' capabilities. IPO schools were able to deliver all modes, whether in hybrid or full face to face, and have successfully transitioned to the "new normal" since 2022 which it continued in 2024.

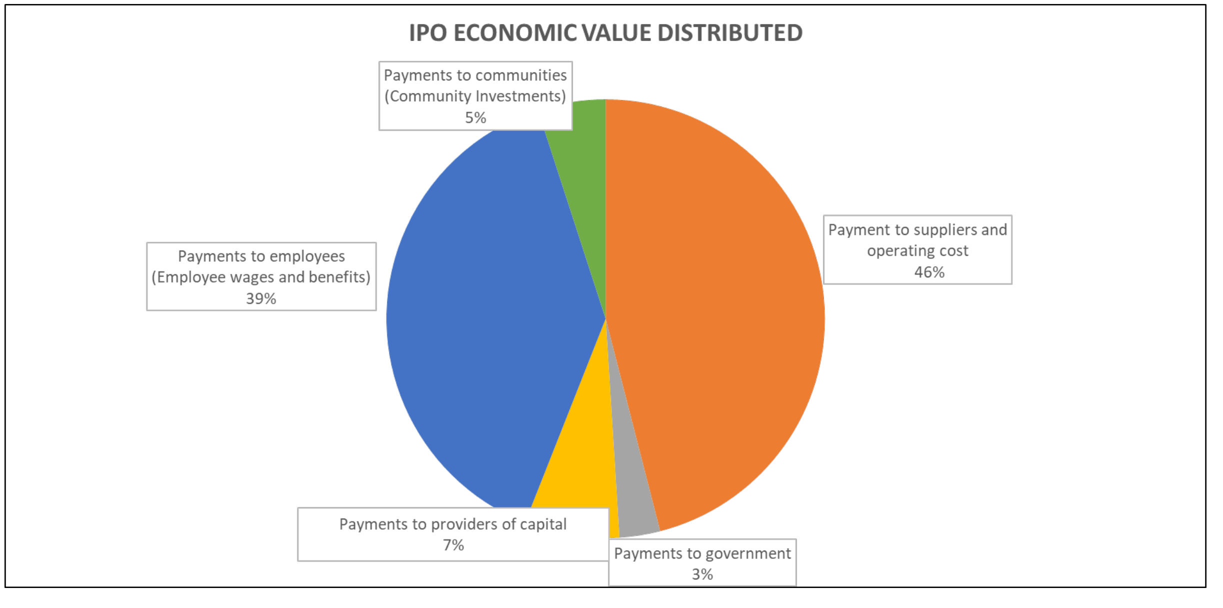
Affected stakeholders in the economic aspect are students including their parents, faculty and non-teaching employees, suppliers, local communities, and government. In 2024 IPO generated ₱2,384,084,650 of direct economic impact, of which 79% was distributed among suppliers, employees, providers of capital, government, and community investments/donations and 21% retained, which were the same last year. This was despite increased enrollment and return of normal operations.

Figure 1. IPO Direct Economic Value Generated. IPO distributed 79% of direct economic value generated and retained 21%.



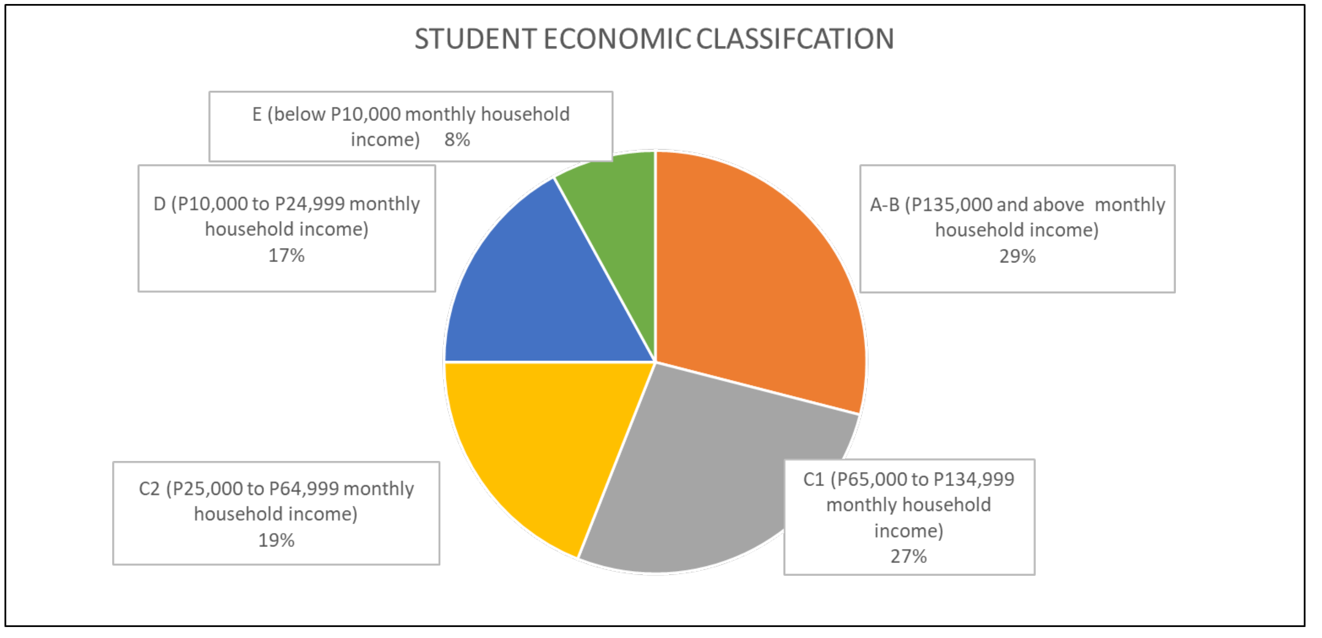
On the direct economic value distributed, a majority of the value was distributed as payment to suppliers and operating costs (46%) and for employee wages and benefits (39%). IPO's continued dedication to providing quality and accessible education, highlighted during the COVID pandemic, and which continued in 2024, with the distribution of 5% of its direct economic value generated in the form of scholarships, tuition discounts, and corporate social responsibility (CSR) projects. CSR projects in 2024 were various projects providing technical expertise and assistance to the national and local governments and communities, and community outreach projects, and donations to various causes. These projects were initiated and implemented by the schools, their students and employees.

Figure 1. IPO Direct Economic Value Distributed. Majority of the value (46%) was distributed to operating costs and payment to suppliers, followed by payment to employees for wages and benefits (39%).



In 2024, an average of 74,978 students enrolled in IPO schools, from Elementary (K+12) to post-graduate, with a 28.51% increase from last year's total average enrollment of 58,344. An average of 40,499 students also enrolled in non-degree certificate courses and trainings from across the IPO schools in 2024. Sixty-five percent (70%) of the students enrolled also belonged to the lower economic segments E, D, and C2, wherein their monthly household income ranged from below ₱10,000 to ₱64,999.

Figure 3. IPO Student Economic Classification. 44% of students belong to the C2DE segment of the student population.



To further support lower income and high-performing students (academic) enrolled in IPO schools, and to help ease the economic burden on their parents, IPO continued to provide scholarships amounting to ₱196,948,935.27 to around 4,481 students. IPO also continued to assist students in applying for government and privately funded scholarships. The government-funded scholarships (including partial and academic scholarships) and student subsidies amounted to ₱229,051,671.10 in 2024 for around 7,208 students across all the schools.

In 2024, IPO schools continued to provide discounts on tuition and fees, reasonable payment and installment arrangements, and implemented other policies to help students and their parents in the payment of their tuition fees to help ensure that students will continue their studies despite financial difficulties.

IPO's achievement in graduating students who are ready for work or for future studies is evident in the graduates' high employment rate. In 2024, IPO schools produced a total of 6762 graduates in senior high school, undergraduate, and post-graduate programs. 65% of the colleges graduates from IPO schools received job offers within 120 days of graduation with 7% receiving offers from multinational companies or from companies abroad. These graduates eventually become productive members of society. Aside from their individual benefit of earning a higher salary versus a non-graduate, graduates contribute more to economies through direct spending and taxes.

Aside from scholarships, providing affordable quality education that is accessible to lower income level segments is also embedded in the business model of some IPO schools. APEC Schools (which was merged with National Teachers College in the 3rd quarter of 2023) is a chain of private high schools offering affordable education from Grades 7 to 12, with the goal of preparing its graduates for immediate employment or to pursue higher education. It has managed to do this even while offering a tuition fee rate that is relatively lower compared to other private high schools since its establishment in 2012.

At the holding company level, IPO identified risks, mostly resulting from the residual effects of the COVID pandemic which are financial in nature, as well as those on health and safety of IPO schools' employees and students and will also have direct impact to its direct economic performance.

All IPO schools, whether in Luzon (National Capital Region, Laguna, Naga) or Davao City in Mindanao, have already resumed normal onsite operations and face to face classes, with hybrid and fully online options for degree courses and fully online certificate courses as well, and have managed the risks associated with such delivery.

IPO executive management takes an active role overseeing the business operations of the IPO schools. Management oversight is conducted through various meetings such as the regular IPO Group operations meeting (conducted every 2 weeks) in addition to the monthly IPO Senior Management Committee (Mancom) meetings. IPO likewise conducts joint Mancom meetings with the latter's parent company, House of Investments, Inc. (HI), in addition to quarterly reporting to the HI Mancom chaired by the HI Chairperson. These meetings were conducted in addition to the various management meetings held regularly at the school level to address issues, to monitor and assess the school's operations and performance. Discussion topics in 2024 include regulatory updates, business developments, financial, subsidiary schools' operations and performance, governance, and regulatory compliance.

Implementation of the IPO Enterprise Risk Management Framework is carried out by the IPO Risk Team, which consists of Risk Officers from the schools in coordination with various units in the schools. The IPO Chief Risk Officer (CRO) oversees the IPO Risk Team. The IPO Sustainability Team, headed by the IPO Sustainability Officer, coordinates, supports and provides necessary feedback on sustainability-related issues and risks to the IPO Risk Team. IPO Internal Audit continues to provide valuable input to risk management through their regular audits. Risk related concerns are discussed during the quarterly Board Risk Oversight Committee (BROC) meetings. For a more detailed discussion on risks faced by IPO please refer to the Risk Management Section of the 2024 IPO Annual Report (Form 17A).

For 2024, IPO and all schools continued to implement protocols and procedures to manage each type of risk, particularly the health and safety risks as well as economic risks brought about concerns due to regulatory and legislative issuances, and natural disasters such as floods and typhoons.

Since Mapúa pioneered, tested and instituted the use of online facilities as early as 2016, it has further enhanced its Learning Management System, the Cardinal Edge (powered by Blackboard), to improve the conduct of its synchronous (real-time online classes) and asynchronous online delivery of courses. Mapua and MMCL have continued to enhance their online course offerings to include CHED-approved fully online degree programs.

Other IPO schools also conducted online classes by using Learning Management Systems, online tools, online resources and facilities. Mapua efforts to pioneer and expand the use of online digital tools has been recognized, with Mapúa University's ÚOx or Ubiquitous Online Experience Program being awarded the Gold Award for Digital Readiness from the prestigious Wharton-QS Reimagine Education Awards in 2022. Mapúa University also maintained its Times Higher Education (THE) World University Rankings (WUR) 2024 and placed Mapua among the top six percent of the world's higher educational institutions with a rank of 1501+ among 1,907 universities across 108 countries. Mapua has likewise retained its Times Higher Education Impact Ranking in 2024 with a rank of 800+ to 1000.

IPO schools also continue to manage the economic risks (i.e., relatively low enrollment, health and safety concerns, competition). IPO schools continue their intensified online marketing campaigns through the tireless efforts of their respective marketing teams. New and effective strategies to attract more students are constantly being implemented to effectively cascade academic and other relevant information on the schools.

IPO schools upgraded their online facilities and obtained more online resources. New online program offerings, fully online degree programs (for Mapua and MCL), certificate courses (Coursera), scholarships and discounts were likewise offered.

Fully online undergraduate degree programs started in 2020 are still being offered in 2024 with Mapua and MCL being given authority by CHED to offer fully online undergraduate courses. This is in addition to Mapua's fully online postgraduate degree courses previously offered. The IPO schools also continued implementing fully online admission and examinations, and the use of e-books and online resources instead of traditional school textbooks for all undergraduate and Senior High School students through subscriptions to online resources and libraries. The IPO schools likewise continued to invest in subscription and use of online videoconferencing facilities such as Zoom, MS Teams, BB Collaborate, etc., and various digital tools and online learning resources to facilitate and/or supplement online learning. The pandemic crisis drove creativity, expanding course offerings by incorporating select Coursera subjects either as part of IPO schools' curricula or electives.

New programs are also being offered to enhance the existing offerings. IPO with its schools: Mapua University, MMCL and MMCM partnered with Cintana, a global alliance of schools, to expand the access of Filipino students to high-quality international education in business and health sciences. With this partnership Mapua, MMCL and MMCM continues to collaborate with Arizona State University (ASU) to offer programs which aim to provide highly differentiated education that will be built on three core pillars – international exposure, real-world experiential learning, and digital-enhanced.

IPO schools also continued to improve and expand online processes, maintained alternative work arrangements, used videoconferencing for online meetings, online trainings and webinars, and encouraged the use of online facilities to transact business. This is in addition to online medical consultation and counselling provided for employees and students, and constant monitoring for employees and students.

Discussion on Opportunities

IPO and its subsidiary schools are currently looking for more opportunities to expand programs, offering more and fully online undergraduate, post-graduate and certification programs. With the intensified and efficient use of other online and remote learning, and expansion of current programs offered in partnerships with various universities and online resource providers, IPO aims to overcome the continuing challenges to deliver on its promise of providing quality education and preparing the youth for the future.

Climate-related risks and opportunities

Although currently, climate-related risks are already being discussed by IPO's Board Risk Oversight Committee (BROC) and the IPO Sustainability Team, IPO is currently working on a plan to help address climate-related risks to the group. The Company is putting together and evaluating the system to understand its vulnerabilities at different climate change scenarios to be able to fully disclose on this. Due to the challenges posed by the current COVID pandemic, IPO will begin work on the plan for climate related risks after the COVID pandemic and possibly be able to disclose in 2025.

Governance – Disclose the organization's governance around climate-related risks and opportunities

1) Describe the board's oversight of climate-related risks and opportunities

IPO has a Board Risk Oversight Committee (BROC), an extension of the full Board of Directors, which meets every quarter to discuss key risks and opportunities of the company. One of the BROC's main roles is to review management's effectiveness in managing risks. The BROC also provides direction and guidance on how the company will not only respond to risks, but also take advantage of opportunities. Starting 2023 onwards, monitoring efforts towards meeting goals set forth in the to-be-developed Environmental Impact Reduction Plan (EIRP) will be communicated and evaluated by the BROC.

Risks and opportunities related to climate change is one topic in these meetings, and its effect to operations and strategy are discussed. Typhoons and floods have become more frequent. Such phenomena impact employee safety and well-being. IPO has policies and procedures in place to protect its employees.

2) Describe management's role in assessing and managing climate- related risks and opportunities

Assessment of climate risks is led by IPO Sustainability and Risk Management, the IPO Risk Team under the IPO CRO and through the IPO Sustainability Team under the IPO Sustainability Officer. Currently, risks identified are those that relate to natural occurrences such as flood, typhoons, pandemics and earthquakes. For the next year, IPO Sustainability and Risk Management will present plans for adoption by the Board that would ensure that climate-related risks, in addition to natural calamities and pandemics, are adequately identified and addressed.

Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

1) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term

Performance targets for climate change risk are currently under evaluation by IPO Sustainability Team and Risk Management. These will be part of the EIRP.

2) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy and financial planning.

IPO acknowledges the existence of climate change and its intensifying effect. The company has set aside sufficient funds for managing the effects of this risk to the company. As awareness of climate change risk increases throughout IPO, additional risks and opportunities identified and required funding (if necessary) will be integrated into the operations of the company.

3) Describe the resilience of the organization's strategy, taking into consideration different climate- related scenarios including a 2°C or lower scenario

IPO's experience during COVID pandemic has shown that continuing the conduct of classes online can be done on a large scale, effectively and efficiently, with an inadvertent effect of reducing in the energy and water consumption in the IPO schools for the duration of the pandemic. Nonetheless, IPO will continue to assess other vulnerabilities at different climate change scenarios.

The Company is committed to identify and understand its vulnerabilities at different climate change scenarios. Due to the challenges posed by the current COVID pandemic, IPO will begin work on the plan for climate related risks after the COVID pandemic, and possibly be able to disclose in 2025.

Risk Management – Disclose how the organization identifies, assesses, and manages climate-related risks

1) Describe the organization's processes for identifying and assessing climate- related risk

The company has a Risk Management Council composed of IPO top management. It meets every quarter to discuss the top risks and opportunities to the company and strategies needed to manage such risks. All risk-related concerns are presented to the BROC. Recommendations by the BROC are implemented by management, the IPO Risk Team, and overseen by the CRO. The IPO Sustainability Team, headed by the IPO Sustainability Officer, coordinates, supports and assists the IPO Risk Team in implementation of sustainability related recommendations. For the following year, IPO aims to incorporate climate change risk strategies, mitigation measures, and opportunities. In addition, the IPO Sustainability Team will coordinate with the IPO Risk Team and the IPO CRO in initiating climate risk management.

2) Describe the organization's processes for managing climate- related risks

Managing climate-related risks will be led by IPO Sustainability Team in coordination with the IPO Risk Team and the IPO CRO. Risk identification and management strategies are formulated at this level, then elevated to the RMC, and overseen by the BROC.

3) Describe how processes for identifying, assessing, and managing climate- related risks are integrated into the organization's overall risk management

Identification and assessment of climate change risks is led by the IPO Risk Team and the IPO CRO, supported the IPO Sustainability Team and the RMC, overseen by the BROC. IPO's current Risk Management process will - incorporate climate-related risks. The Company believes climate change risk is an integral part of the business and just like traditional risks, they must be prudently managed.

Metrics and Targets – Disclose the metrics and targets used to assess and manage relevant climate- related risks and opportunities where such information is material

1) Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process

From 2024 onwards, the scope of climate change risk will be expanded to possibly include the need for IPO to make a commitment in reducing the impact of its operations on the environment. The Company will decide on the metrics that will be used to measure climate change impact and incorporate into its EIRP.

2) Describe the targets used by the organization to manage climate- related risks and opportunities and performance against targets

From 2025 onwards, IPO will commit to doing its part in limiting a global rise in temperature to under 2°C by 2030. IPO has evaluated internal processes to develop strategies aimed at reducing the environmental impact of its operations including setting targets for the IPO schools, specifically those that would limit a rise in global temperatures by 2°C. Using data collected from the previous year, IPO will commit to reducing its environmental impact by consistently reducing GHG emissions, materials consumption, and waste generation.

Procurement Practices

Table 2. 2023 vs. 2024 Proportion of spending on local suppliers

Disclosure	2023 Quantity	2024 Quantity	PY % Change
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers[1]	94%	94%	0%

1 "Local suppliers" were defined as suppliers with operations in the Philippines.

Procurement Practices
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

In addition to providing accessible high-quality education to Filipinos, IPO further contributes to nation-building by purchasing from local suppliers when possible. Risks related to procurement include rush orders (and thus the risk of not getting the best price due to time constraints) and lack of suppliers for goods or services needed for operations.

At the YGC Group level, all suppliers are vetted and accredited. As of 2024, APEC Schools, UNC, and NTC supplier and accreditation policies are still in the process of evaluation for possible integration into YGC procurement.

In 2024, the procurement spend on local suppliers is 94% which is the same as in 2023, where IPO directly impacts its suppliers and its schools as the end-users of the purchased goods and services. Prices for repeat items are agreed upon beforehand with suppliers to prevent price increases due to rush orders. For schools not yet enrolled into the YGC Group, there is coordination with the Procurement Departments of other schools to increase the pool of potential suppliers.

On a YGC group level, suppliers are encouraged to adopt sustainability practices, by requiring them to attest to their compliance with prescribed sustainability practices for vendors which cover social, economic, environmental and ethical criteria as part of the group wide initiatives which started last year and which continues to date. This sustainability attestation compliance is part of the accreditation requirements for suppliers. This primarily enables the profiling of the key suppliers' efforts, to measure, set goals and to improve visibility on sustainability compliance and enables easy monitoring and follow up of improvement actions. The initiative also includes a vendors' facilities checklist which covers the assessment of vendor's facilities to determine their capability to support and satisfy the goods or services requirements of YGC members.

Discussion on Opportunities

While the preference to purchase from local suppliers when possible is being practiced, there is no formal policy nor target metric for this. A formal policy and target metric is currently under consideration. Developing SME suppliers that employ PWDs and other vulnerable groups to provide access to economic opportunities may also be considered. To promote a standardize procurement process across all IPO schools, IPO plans to integrate the procurement policies of all IPO schools into the YGC Group.

Anti-corruption

Table 3. Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to[1]	63%	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to[2]	66%	%
Percentage of directors and management that have received anti-corruption training[3]	25%	%
Percentage of employees that have received anti-corruption training[4]	3%	%

[1]Only the Mapua Schools (Mapua, MMCL, MMCM and MHSS) have communicated the anti-corruption practices to all their employees (100%).
[2] Based on Mapua, MMCL, MMCM, MHSS and IPO parent.
[3] Based on Mapua and IPO parent only. Only Mapua and IPO parent have data on the directors who received anti- corruption.
[4] Based on UNC only (no other school or entity has disclosed data on employee anti-corruption training).

Table 4. Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Anti-Corruption
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO abides by the highest ethical standards and legal principles. Pursuant to this, IPO implements strict anti-corruption protocols and procedures that cover all employees, from officers to rank-and-file employees.

Any incident of corruption within IPO's ranks or operations has serious implications and risks on the Company's operations and reputation and opens the Company to possible legal consequences. As IPO works within the education sector, damage to reputation is of particular importance since it will also affect reputation and the ability of the subsidiary schools to attract students.

IPO follows the highest ethical and legal standards set by its parent company, House of Investments (HI), and the Yuchengco Group of Companies (YGC). Among the policies issued and enforced in IPO are the following which are found in the IPO website:

- YGC Code of Business Conduct and Ethics: https://ipeople.com.ph/wp-content/uploads/2018/08/YGC-Code-of-Business-Conduct-Ethics.pdf
- HI Related Party Transactions: https://ipeople.com.ph/wp-content/uploads/2018/09/IPO-Policy-on-Related-Party-Transactions.pdf
- HI Conflict of Interest: https://ipeople.com.ph/wp-content/uploads/2018/08/CODE-OF-BUSINESS-CONDUCT-AND-ETHICS.pdf
- HI Insider Trading: https://ipeople.com.ph/wp-content/uploads/2018/08/iPeople-Audit-and-Related-Party-Transactions-Charter-Revised-1.pdf
- HI Whistleblowing Policy: https://ipeople.com.ph/wp-content/uploads/2018/08/IPEOPLE-WHISTLE-BLOWER-POLICY-AND-RECEIVING-GIFTS.pdf

The above-mentioned policies cover all IPO employees, as well as consultants, contractors, and subcontractors (e.g., housekeeping and security personnel) working in the Company's premises. Employees are required to re-familiarize themselves with the policies and sign commitments that they read and understand the policies.

IPO's Revised Manual on Corporate Governance also states that officers and employees hold a position of trust. Thus, officers and employees shall avoid situations where their personal interest is in conflict or appears to be against the interest of the Company or its clients. More details on provisions of said Manual can be found in the Company's website: https://ipeople.com.ph/pdf/ipeople-manual-on-corporate-governance-2/. Suppliers must also abide by the Supplier Code of Conduct. For IPO parent and the Mapua schools, supplier accreditation is done at the YGC Group level. NTC, and UNC have their own supplier accreditation policies and procedures. For termination of contracts with suppliers on account of corruption, an internal investigation is usually conducted by the IPO schools' Administration, which includes the Legal Department and Human Resources (if employees are involved). The usual requirements of due process are followed, such as notice and opportunity to be heard before actual termination.

Discussion on Opportunities

By looking at the extent to which IPO schools have disseminated and trained the Company's stakeholders on anti-corruption, as well as the extent to which these are also carried out in the operating schools, there is much opportunity for anti-corruption procedures to be implemented in the Company. In 2024, IPO was able to implement group wide anti-corruption policies.

As stated in the YGC Code of Business Ethics, "YGC member-companies needing stricter or more extensive guidelines applicable to their particular industry or business line should create and maintain their own specific business codes, but the latter should be suppletory and must not permit more lenient standards or in any way be inconsistent with this Code." IPO may pursue crafting a version of this Code that is more tailor-fit to an academic setting. Moreover, the Company will be stricter in communicating anti-corruption policies and procedures and ensure 100% coverage for employees and business partners for the next report.

ENVIRONMENT

Resource Management

Energy Consumption

Table 5. 2024 Energy consumption within the organization

Disclosure	Quantity	Unit	Quantity	Units
Energy consumption (renewable sources)	1,529,014.98	kWh	5,504.45	GJ
Energy consumption (gasoline)	11,533.62	Liters	394.45	GJ
Energy consumption (diesel)	32,127.96	Liters	1,240.14	GJ
Energy consumption (electricity)	10,562,993.15	kWh	38,026.77	GJ

Reference for gigajoules conversion: Biomass Energy Data Book which refers to GREET, The Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model, GREET 1.8d.1, developed by Argonne National Laboratory, Argonne, IL, released August 26, 2010.

There was a slight increase in energy consumption recorded for electricity and diesel, in 2024 compared to the figures in 2023. However, there was a significant reduction in gasoline consumption, as seen in the Table below:

Table 6. 2019 to 2024 Energy Consumption

Disclosure	2019 (Pre-pandemic)	2020	2021	2022	2023	2024	Increase (Decrease)	% PY Change
Energy consumption (renewable sources) in kwh	0	0	0	0	0	1,529,014.98	1,529,014.98	1,529,014%
Energy consumption (gasoline) in liters	1,475.00	7,466.79	7,296.14	12,735.68*	15,814.49	11, 533.62	(4280.37)	(27%)
Energy consumption (diesel) in liters	16,924.83	18,783.87	17,867.91	29,103.99**	31,199.93	32,127.96	928.03	2.97%
Energy consumption (electricity) in kwh	13,003,679	4,535,915.83	2,900,627.21	5,076,509.57*	9,567,538.16*	10,562,993.15*	995,454.99	10.40%

* Significant increase in energy consumption in the IPO schools due to the return of full face-to-face classes and normal on-site activities and operations after the COVID 19 pandemic.
** Figures are significantly lower as some schools did not report data for the full year, particularly on gasoline consumption in 2019 since the merger of IPO and AC Education became effective only in May 2019 (compared to 2020-2022 where data for the full year was reported).

Figure 4. Fuel Consumption from 2019 to 2024

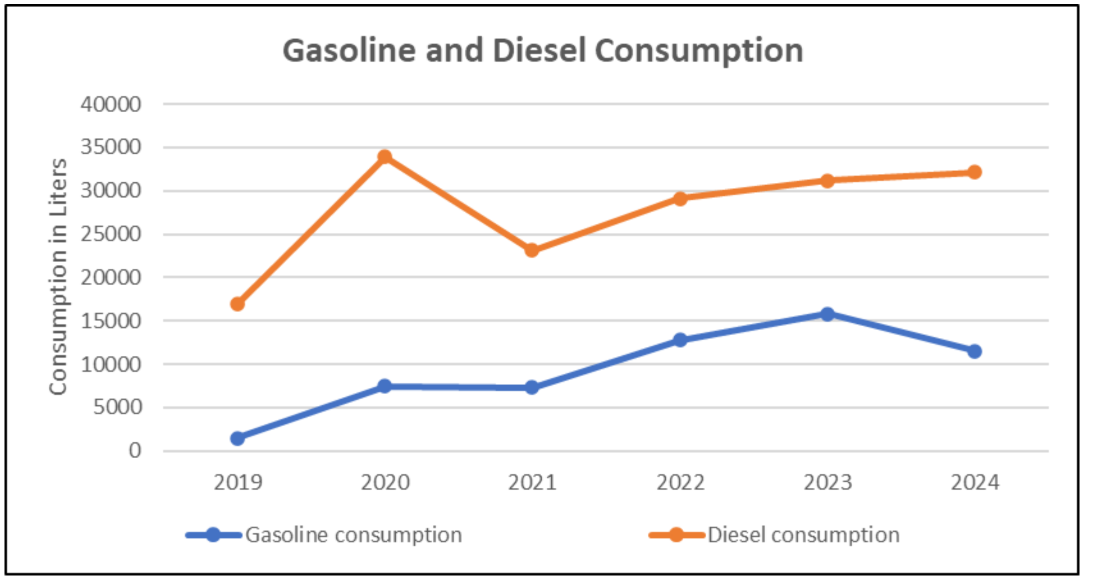
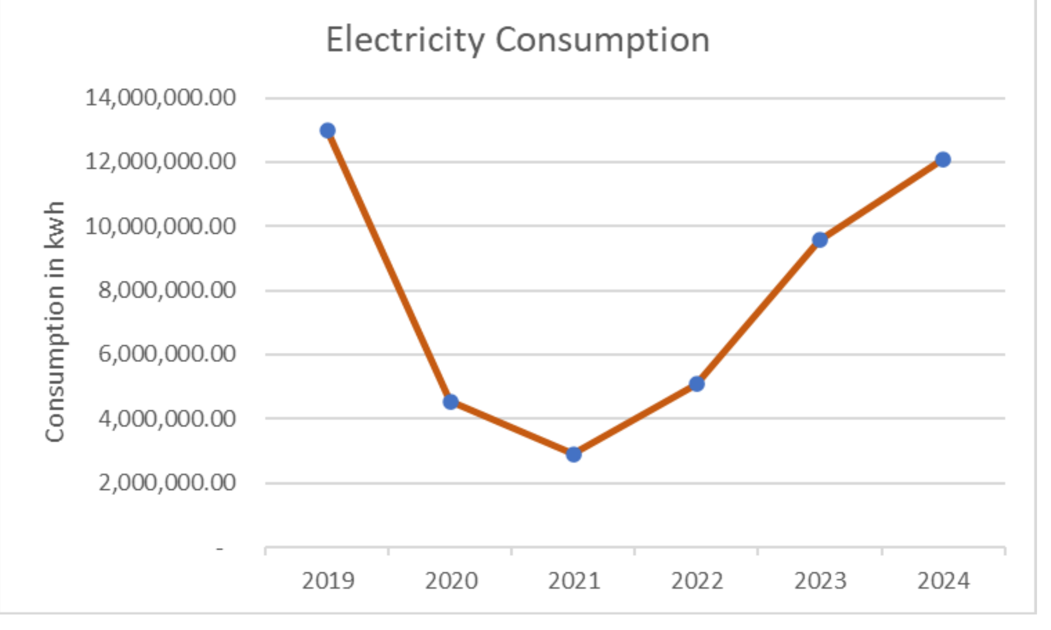


Figure 5. Electricity Consumption from 2019 to 2024



Energy consumption and reduction
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Energy consumption impacts the students, faculty, and employees in the schools as consistent source of energy is vital to IPO and its schools' operations. Without electricity, the classrooms cannot be used, the equipment will not run, and school operations will be disrupted. Fuel is used for the Company's service vehicles and for the schools' backup generators.

Increased energy consumption means increased costs for the Company. In 2024, there was a slight increase in energy consumption due to the resumption of normal onsite operations of the IPO schools and an increase in enrolled students from the previous year. It must be noted that during the pandemic (2020-2022) there was a reduction in consumption as there were limited onsite operations and limited face to face classes. However, the electricity consumption in 2024 is still substantially lower compared to the pre-pandemic 2019 levels.

As part of its energy conservation programs, the IPO schools continued the implementation of preventive maintenance for facilities and equipment, replacement of LED lights from fluorescent units, replacement of non-inverter air conditioning units to inverter-type, as well as behavioral approaches such as checking and shutting off all electrical equipment when not in use. This is in line with environmental programs that were established particularly for Mapua to monitor and reduce consumption of electricity in line with its ISO 14001:2015 Certification.

In 2024, three (3) iPeople schools (NTC, UNC and MMCM) completed their shift to renewable energy. UNC installed solar panels in its buildings to supplement its current electricity purchased from the local utility company, while NTC availed of the Green Energy Option Project (GEOP) of the Department of Energy where the latter sourced its energy from a single (renewable energy) supplier, ACEN Renewable Energy Solutions (ACEN RES) for some of its buildings. MMCM also installed solar panels with a maximum capacity of 360 KWP in 2024 which was fully operational starting July 2024. Mapua is on its final preparations for its shift to 100% renewable energy through Green Energy Option Project (GEOP) of the Department of Energy and will likely complete the shift in the 1st quarter of 2025. MMCL likewise is in the process of finalizing the shift to renewable energy through GEOP, to be completed in the 2nd quarter of 2025. Both will source their electricity from ACEN RES through the DOE's Green Energy Option Program.

In 2024, the IPO schools' electricity from renewable energy sources comprised 18% of its total electricity consumption for the year from zero percent (0%) in 2023.

Discussion on Opportunities

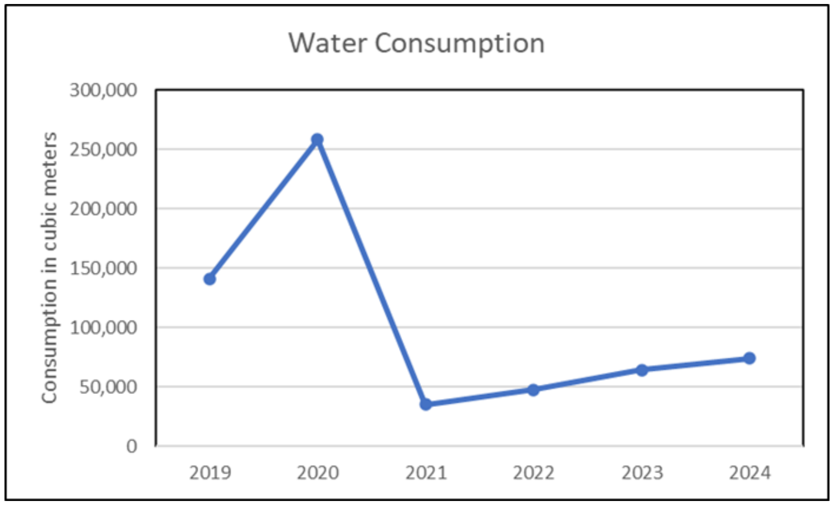
IPO foresees that by the middle of 2025, most if not all the IPO there will be schools powered by non-renewable energy, thus further reducing its Scope 2 GHS emissions. In addition, IPO schools have continued to monitor and implement energy reduction/saving policies such the use of energy efficient lights and appliances (LED lights, inverter appliances); implement energy conservation policies where lights and appliances are turned off when there are no classes or activities and will continue to implement these on a wider scale to further reduce energy consumption.

Water Consumption

Table 7. 2019 to 2024 Water Consumption

Disclosure	2019 (Pre-pandemic)	2020	2021	2022	2023	2024	Increase (Decrease)	% PY Change
Water withdrawal	181,158.75	331,810.38	44,951.07	52,594.34	74,042.53	95,074.95	21,032.42	28%
Water consumption	141,031.75	258,313.76	35,118.02	47,902.34	64,559.87	76,561.08	12,001.21	19%
Water recycled and reused	6,723.00	12,313.84	1,674.08	4,692.00	9,482.66	6,314.07	(3,168.59)	(33%)

Figure 7. Comparison of 2019 to 2024 Water Consumption



Water consumption

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Water is necessary for IPO and its subsidiary schools' operations and its students, faculty, employees. The main risk associated with water withdrawal and consumption is water shortage. In 2024, there was no declared or reported water shortage due to adequate water supply in Metro Manila, Luzon and Mindanao in despite the projected El Niño in most areas in the Philippines. For the IPO schools, water consumption significantly increased due to the resumption of normal operations and increased its student population, which negated the previous years' reductions due to the pandemic. However, the consumption for 2024 is still significantly lower than the pre-pandemic and 2020 levels.

In 2024, the IPO schools continued to implement various programs and activities to reduce water use such as reduced and scheduled watering of plants, and quickly fixing leaks or other defects. Water reduction initiatives such as regular preventive maintenance, installation of low-flow fixtures, and usage of rainwater collection systems were already in place which contributed to the reduction in consumption. Both Mapua and MCM collect rainwater for use such as cleaning and watering plants.

Discussion on Opportunities

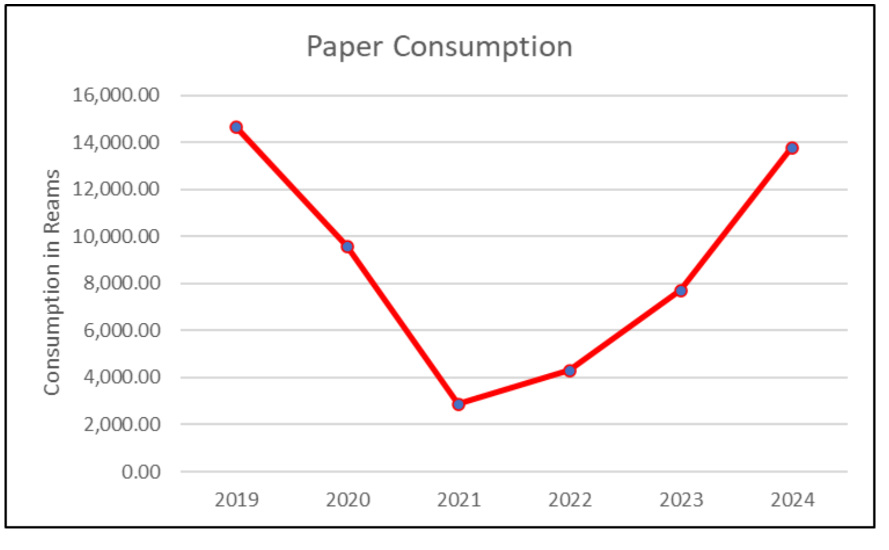
IPO is still in the process of integrating approaches and identifying opportunities across all subsidiary schools. However, individually, the IPO schools already implemented several initiatives designed to conserve water (i.e., collection of rainwater for watering plants and immediate repair of leaks). These initiatives may be further enhanced and improved to help in the water conservation efforts of the company.

Materials Used by the Organization

Table 8. 2019 to 2024 Materials used by the Organization

Disclosure			2019	2020	2021	2022	2023	2024	% PY Change
	Material	Units	Quantity						
Materials used by weight or volume:									
Renewable	Paper	reams	14,654	9,569.51	2,866	4,299.23	7,693.27	13,763.62	78.90%
non-renewable	n.a	Kg /liters	0	0	0	0			0
Percentage of recycled input materials used to manufacture the organization's primary products and services		%	0	0	0	0			0

Figure 8. 2019 to 2024 Paper Consumption



Materials consumption

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

The most significant material that the Company consumes is paper. Paper is used in all aspects of the schools' operations: from application, admissions, enrollment, teaching, recording of grades, student services, to contracts and administrative work. Employees, faculty, students, suppliers, contractors and academic partners all use paper in a considerable amount.

In 2024, IPO consumed 13,763.62 reams of paper which is a drastic increase from the 7,693.27 reams in 2023. But this is still significantly lower than previous years and pre-pandemic totals. This is mainly due to the resumption of full face-to-face classes and normal onsite operations, which significantly increased the need for paper. Even if IPO schools implemented online application systems for prospective students, fully online degree programs, online classes and examinations, paperless transactions (i.e., online filing of leave for employees, online enrollment, and submission of reports on Blackboard for students), the return of normal operations increased the need for paper in documentation and requirements of the schools. Although resources are renewable, the Company also recognizes that the process of making paper has considerable environmental impact if it is not sustainably sourced. The individual schools continue to implement various programs designed to reduce paper consumption.

Discussion on Opportunities

The IPO schools are committed to continuing paper-less processes previously adopted so paper consumption is not expected to go back to pre-Covid pandemic levels. IPO is also looking for ways to (1) integrate more paper reduction initiatives in its processes, and (2) further improve current programs and practices among the subsidiary schools designed to reduce paper consumption.

Ecosystems and Biodiversity

Table 9. Ecosystems and biodiversity

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	#
Habitats protected or restored	None	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	None	

Ecosystems and biodiversity

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

This topic is not material to IPO as the Company does not have operations in or adjacent to protected areas or areas of high biodiversity value. However, the schools still participate in environmental-related CSR activities, such as helping safeguard protected areas. Mapua regularly conducts native tree-planting activities and takes care of the trees already planted in a protected site in Rizal as part of its CSR activities.

Environmental impact management

Air Emissions

Table 10. 2019 to 2024 GHG Emissions

Disclosure	Units	2019 (Pre-pandemic)	2020	2021	2022	2023	2024	% PY Change
Direct (Scope 1) GHG Emissions[1]	Tonnes CO2e	48.65	95	63.25	108.54	215.35	182.31	(30%)
Energy indirect (Scope 2) GHG Emissions[2]	Tonnes CO2e	9,324.76	3230.50	2,065.83	3,663.87	6,891.32	7610.92	20%
Emissions of ozone-depleting substances (ODS)	Tonnes CO2e	0	0	0	0	0	0	0

1 Scope 1 emissions calculated using Greenhouse Gas Protocol calculation tools: https://ghgprotocol.org/calculation-tools

2 Scope 2 emissions calculated using Grid Emissions Factors (GEFs) provided by the Department of Energy (DOE): https://www.doe.gov.ph/electric-power/2015-2017-national-grid-emission-factor-ngef

Figure 9. 2019 to 2024 Scope 1 GHG Emissions

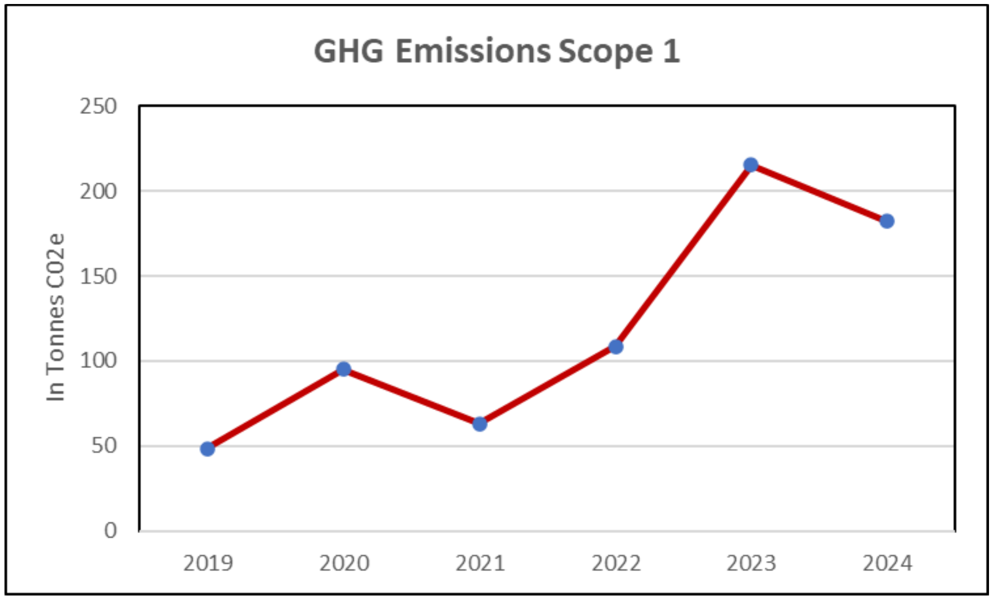
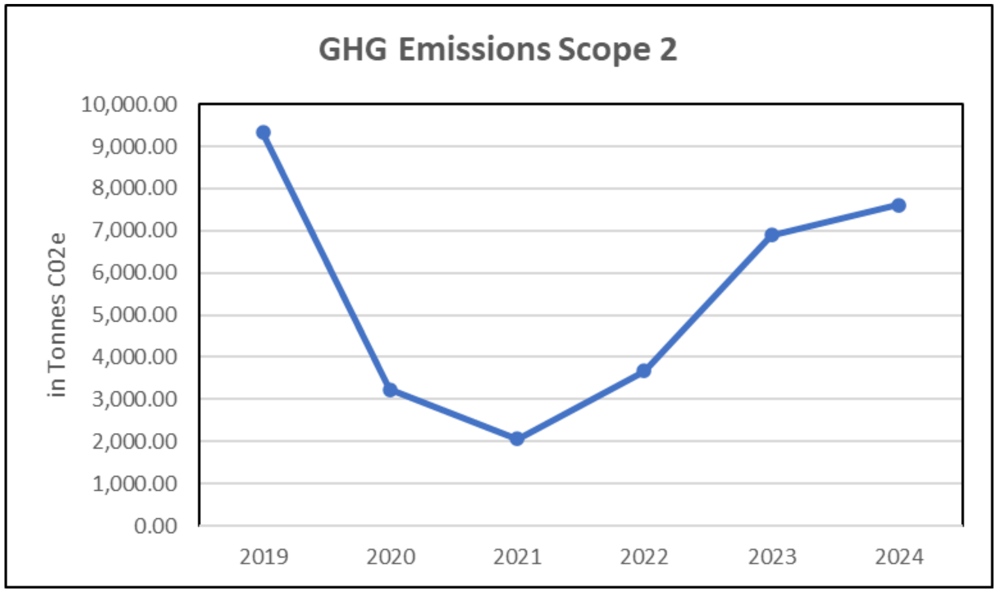


Figure 10. 2019 to 2024 Scope 2 GHG Emissions



GHG Emissions

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Greenhouse gases (GHGs) are responsible for anthropogenic climate change, and climate change will have a severe impact on IPO's areas of operations through stronger and more frequent weather disturbances, changes in rainfall patterns, flooding, increasing surface temperature, and the like. Therefore, monitoring and controlling the Company's GHG emissions is also an important contribution to nation-building.

IPO's GHG emissions are dependent on the type and amount of energy used. Majority of the Company's GHG emissions are Scope 2 due to the extensive use of electricity in operations. In 2024, for Scope 1, a 30% decrease in direct emissions was recorded while there was a 20% increase in Scope 2 emissions due to the increase in energy consumption resulting from the resumption of face-to-face classes and normal onsite operations. The values for 2024 are higher than the totals in 2023 but still relatively lower than the pre-pandemic levels.

The IPO schools strictly implement preventive maintenance for facilities and equipment, replacement of LED lights from fluorescent units, replacement of non-inverter air conditioning units to inverter-type, as well as behavioral approaches such as checking and shutting off all electrical equipment when not in use. Environmental programs were established by Mapua to reduce the consumption of electricity and in line with its ISO 14001:2015 Certification.

Discussion on Opportunities

The Company is still in the process of integrating approaches and identifying opportunities across all its subsidiaries.

Air Pollutants

Table 11. List of Air Pollutants

Disclosure	Quantity	Units
NOx	Not applicable	kg
SOx	Not applicable	kg
Persistent organic pollutants (POPs)	Not applicable	kg
Volatile organic compounds (VOCs)	Not applicable	kg
Hazardous air pollutants (HAPs)	Not applicable	kg
Particulate matter (PM)	Not applicable	kg

Air pollution
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO potential sources of air pollutants are standby generator sets. As these are for standby only, they are only used if grid power is unavailable. All generators requiring Permit to Operate (PTO) are compliant with the PTO's conditions, including NOx and CO emissions. Compliance is met through emissions testing and quarterly submission of the Self-Monitoring Report (SMR) to DENR. Thus, air pollution is not a material topic for the Company.

Discussion on Opportunities

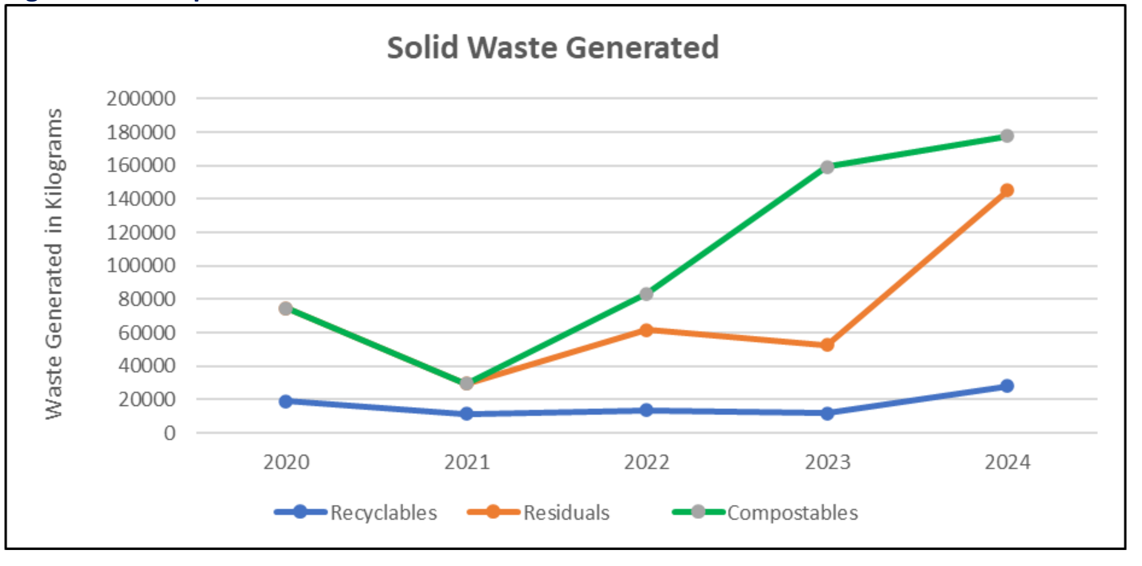
IPO is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools, such as Mapua, MMCL, MMCM and NTC, through research and innovation can help find solutions to reduce air pollution.

Solid and Hazardous Wastes

Table 12. 2020 to 2024 Solid Waste Generated

Disclosure	2020	2021	2022	2023	2024	% PY Change
Total solid waste generated in kg	**74,769.14**	**29,312.41**	**83,157.54**	**159,346.19**	**177,802.84**	**12%**
Recyclable (kg)	18,946.67	11,422.94	13,633.74	11,691.35	27,872.7	138%
Composted (kg)	0	0	21,483.93	40,978.06	32,781.26	-20%
Incinerated (kg)	0	0	0	0	0	0
Residuals/Landfilled (kg)	55,822.47	17,889.47	48,039.87	106,676.78	117,148.88	10%

Figure 11. Comparison of 2020 to 2024 Solid Waste Generated



Solid waste
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Solid waste is produced from discarded school and office materials, as well as waste from the kitchens and cafeterias. Solid waste is a risk to both human health and the environment. Improper disposal of solid waste can lead to the spread of diseases and the release of harmful substances into the environment. It is also violation of R.A. No. 9003 or the Ecological Solid Waste Management Act of 2000, and poses regulatory risks and serve as a poor example to the Company's stakeholders, especially to the students. It will also have an impact on aesthetics and cleanliness of the schools.

The waste generated by IPO comes from the thousands of students, faculty, staff, and visitors who use the school facilities. In 2024, there was a substantial increase in the solid waste generated, resulting from the increased on site activities, return to normal operations in the IPO schools' campuses and increase in student population. However, the waste generated in 2024 is still substantially lower than the pre-pandemic levels.

Solid waste management in the schools is practiced through consistent reminders on solid waste management, waste segregation at source, recycling programs, waste reduction programs (e.g., promotion of Bring Your Own containers/cups/utensils to reduce single-use plastic) and having a Materials Recovery Facility (MRF) in each school. Solid waste disposal is done by DENR-accredited waste haulers and disposed at accredited landfills.

Discussion on Opportunities

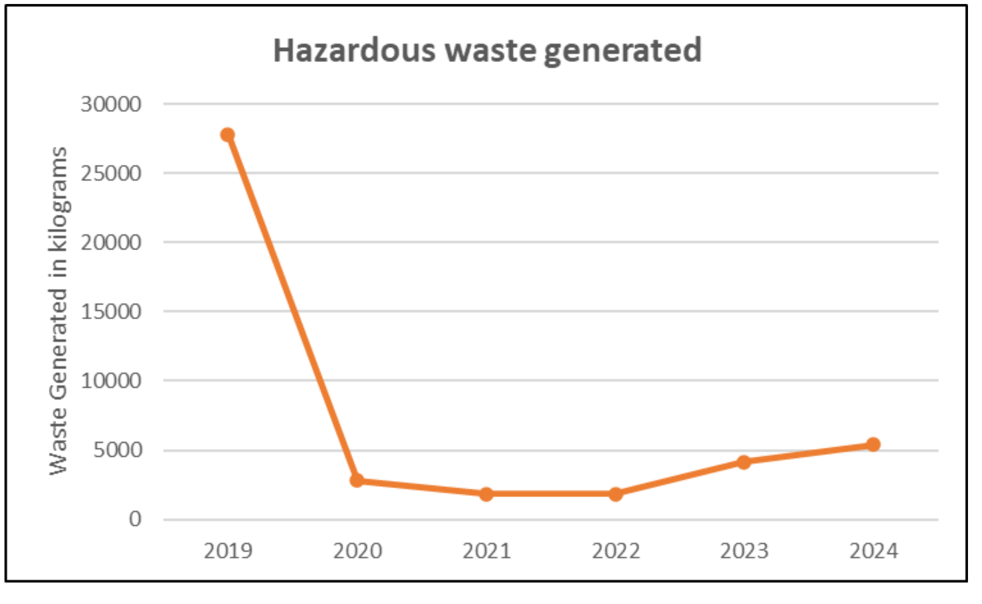
IPO is still in the process of integrating approaches and identifying opportunities across all schools. However, each subsidiary school may explore ways to further reduce or find alternative uses for its solid waste and set targets for waste management.

Hazardous Waste

Table 13. 2019 to 2024 Hazardous Waste Generated

Disclosure	2019 (Pre-pandemic)	2020	2021	2022	2023	2024	% PY Change
Total weight of hazardous waste generated (kg)	27,842.78	2,792.97	1,827.91	1,825.90	4,154.98	5,404.80	30%
Total weight of hazardous waste transported(kg)	27,842.78	2,792.97	1,827.91	1,825.90	4,154.98	5,404.80	30%

Figure 12. Comparison of 2019 to 2024 Hazardous Waste Generated



Hazardous Waste

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Hazardous waste poses a serious risk to human health and safety and the environment. Risks include accidental spills, deliberate releases into the environment, improper storage, and improper disposal. These risks, if left unmanaged, may lead to injuries, potential fatalities, potential death of flora and fauna, and severe pollution of the environment. This may also result in legal and regulatory repercussions for the Company. In 2024, there was an increase in the amount of hazardous waste generated by IPO and its schools. This was due to the increase onsite activity such as laboratory classes which generated most of the hazardous waste. However, the values in 2024 are substantially lower than the pre-pandemic levels.

Hazardous wastes are a serious health and safety concern. As such, all existing regulations on hazardous waste handling, storage, transport, and treatment/disposal are strictly observed. Majority of the hazardous wastes produced by the schools are chemical waste from the school laboratories. Students who work with chemicals in their laboratory classes are taught proper laboratory safety techniques. They are also not allowed to work without proper supervision and safety equipment, such as lab gowns and goggles. Laboratory assistants are licensed chemists to ensure that they know how to safely handle hazardous wastes. Appropriate personal protective equipment (PPE) is also provided. The wastes are stored in a secured, on-site hazardous waste storage room. Treatment/disposal is done via DENR-accredited hazardous waste haulers and treaters. Records are kept by the schools with the Certificate of Treatment provided by these treaters for the hazardous waste hauled and/or treated.

Discussion on Opportunities

Existing protocols, procedures, and technologies used are currently being assessed to improve the school's processes as to minimize the generation of hazardous waste.

Effluents

Table 14. 2024 Effluents

Disclosure	Quantity	Units
Total volume of water discharge	21044.67	Cubic meters
Percent of wastewater recycled*	1	%

*Only MMCM recycles its wastewater.

Effluents

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Improper wastewater discharge has a negative effect on the environment through pollution, increased sedimentation, and potentially spreading diseases. It may lead to legal and regulatory issues for IPO.

The IPO subsidiary schools are either connected to a centralized sewage treatment plant (STP) of the government accredited water concessionaires such as Maynilad or Manila Water, connected to its own septic tank, or operates its own STP like MCM. These are all in compliance with DENR requirements on wastewater discharge.

MMCM is the only school within IPO that operates its own STP. The STP has a Discharge Permit, and wastewater parameters are monitored and complied with in accordance with the permit requirements. This is accomplished through regular monitoring and preventive maintenance. MCM uses the treated wastewater for watering the landscape. This solution is also being adopted in the new Mapua campus in Makati. The rest of the schools are connected to the centralized sewage treatment plants of government accredited water concessionaires (i.e., Manila Water or Maynilad, etc.).

Discussion on Opportunities

IPO is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools may explore ways to reuse treated water.

Environmental compliance

Table 15. Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Compliance
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO strives to comply with all environmental laws applicable to the Company's operations. Any non-compliance has regulatory risk, resulting in fines and/or sanctions which could disrupt the schools' operations and/or classes. The Company did not receive any fines or sanctions for the reporting period. The company ensures that all subsidiary schools comply with applicable environmental laws. Most of the schools are required to have their own Pollution Control Officers who are tasked to closely monitor their respective school's compliance.

Discussion on Opportunities

No opportunities were identified during this reporting period.

SOCIAL

Employee Management

Employee Hiring and Benefits

Table 16. Employee data

Disclosure	Quantity	Units
Total number of employees[1]	1895	#
a. Number of female employees	1061	#
b. Number of male employees	835	#
Attrition rate[2]	5%	rate
Ratio of lowest paid employee against minimum wage	1.05:1	ratio

1 Direct Hires (computed as permanent employees + temporary employees for 2023)
2 Attrition rate is computed as (number of new hires – number of turnover)/(average of total no. of employees of previous year and total no. of employees of current year. May also be considered as Labor Turnover.

Table 17. Consolidated employee benefits

List of Benefits	Y/N	% coverage to female employees	% of female employees who availed for the year	% coverage to male employees	% of male employees who availed for the year
SSS	Y	76%	68%	75%	40%
PhilHealth	Y	76%	68%	75%	30%
Pag-ibig	Y	76%	68%	75%	39%
Parental leaves[1]	Y	52%	41%	68%	34%
Vacation leaves[1]	Y	55%	55%	58%	53%
Sick leaves[1]	Y	40%	35%	45%	38%
Medical benefits (aside from PhilHealth)	Y	64%	37%	40%	39%
Housing assistance (aside from Pag-ibig)	N	0%	0%	0%	0%
Retirement fund (aside from SSS)[2]	Y	11%	.33%	10%	.3%
Further education support[3]	Y	15%	12%	14%	8%

List of Benefits	Y/N	% coverage to female employees	% of female employees who availed for the year	% coverage to male employees	% of male employees who availed for the year
Company stock options	N	0%	0%	0%	0%
Telecommuting[4]	Y	35%	36%	34%	32%
Flexible Working Hours[5]	Y	1%	.7%	1%	.5%

"Coverage" was defined as the proportion of employees who are entitled to receive that benefit.
"Availed" was defined as the proportion of covered employees who used the benefit. Benefits discussed are available to Permanent employees
1 Parental, vacation, and sick leaves are provided upon regularization.
2 Offered by Mapua schools (MESI, MMCL, MMCM, MHSS), NTC, and UNC. Not offered by IPO parent company and APEC Schools.
3 Offered by MESI, MMCL, MMCM, NTC, and UNC. Not offered by iPeople parent company, MHSS, and APEC
4 Offered by all IPO schools due to the COVID pandemic.
5 Offered by all IPO schools on a limited scale due to the COVID pandemic.

Employee data and benefits
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO employs competent and highly qualified faculty to provide the best education to its students and establish its reputation of providing quality and accessible education. In 2024, the risks reported include delays in hiring qualified personnel, lack of qualified personnel for the position, and high personnel turnover. Inadequate number of faculty may result in operational disruptions (as some subjects may not be offered), and burnout of existing faculty (due to taking additional load to fill the gaps) and increased costs due to overtime or overload pay.

Faculty members are vital to the schools' operations. IPO subsidiary schools address the risk of losing good faculty by offering competitive salaries; providing benefits which are comparable to the other schools and above the minimum set by law; opportunities for training and development and for further study is given; research opportunities and incentives for research publications; and support for local and international paper presentations. Children of employees also receive discounts if enrolled in IPO schools. IPO also invests in a company culture that is nurturing and supportive.

IPO and its subsidiary schools experience high employee turnover due to the lingering effects of the pandemic. There was a continued reduction of personnel for the IPO schools, since some of the processes were digitized, classes were done remotely or online or converted to online processes. As a result, some job positions became redundant or obsolete. The reduction was a result of resignation, redundancy programs or retirement of employees.

Discussion on Opportunities

The Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the IPO are implementing policies to attract competent and distinguished faculty but regular evaluation is conducted on the current employee salaries benefits to ensure that they are still competitive and at par with industry standards.

Employee Training and Development

Table 18. 2024 Employee Training Data

Disclosure	Quantity	Units
Total training hours provided to employees*	823,588	hours
a. Female employees	480,021	hours
b. Male employees	343,567	hours
Average training hours provided to employees*	434.6	hours/employee
a. Female employees	452.4	hours/employee
b. Male employees	412.0	hours/employee

*Permanent employees only.

Employee training and development
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Aside from supporting further education, IPO invests in its people through continuous in-house and external training to improve skills and promote career and professional growth. Without this continued investment, IPO risks high employee attrition, operational disruptions, low quality of education provided to students, and loss of Company reputation.

IPO schools have regular assessment programs to assess the needs of their teaching and non-teaching employees. They also provide opportunities for training, certifications, and attendance in seminars and conferences to upgrade their skills. Faculty members are given opportunities for further study and research; incentives for publication; and support for paper presentations both local and international.

Most of the training conducted for faculty and staff were in relation to the online delivery, Artificial Intelligence (AI), Cybersecurity and use of online tools, research and sustainability. Schools also have strong in-house training programs with CPD credits (APEC Schools and Mapua) and in-house training for employees (Mapua). All schools have training facilities in various forms. Majority of the trainings were conducted online and which aimed to improve the online or remote delivery of courses. These online trainings or webinars included topics on the use digital tools and online processes, and certifications. Most trainings in 2024 were still conducted online but a number of trainings already shifted to onsite sessions.

Discussion on Opportunities

Regular review and evaluation on best practices and processes, leveraging on the YGC and AC connections are conducted across all IPO schools, to effectively identify and improve career gaps reviews and designing more effective training programs for employees.

Labor-Management Relations

Table 19. Labor- Management Relations Data

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements[1]	15	%
Number of consultations conducted with employees concerning employee-related policies	As needed	#

1 Only Mapua has unions for its teaching and non-teaching personnel.

Employee training and development
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Only 15% of IPO employees are members of two separate Collective Bargaining Units (unions) and are covered by two separate Collective Bargaining Agreements (CBAs). Mapua is the only school with unions, namely: the Faculty Association of Mapua Institute of Technology (FAMIT) [faculty union] and the Mapua Institute of Technology Labor Union (MITLU) [non-teaching employees' union].

The unions represent all permanent employees of Mapua University, except for the confidential permanent employees and the Deans of the Schools. CBAs providing for employee benefits and other terms are effective for a period of three to five years. Financial items in the CBA are negotiated after three (3) years, while non-financial or political items are negotiated every five (5) years.

Risks due to negative relations with the union include effect on operations (work stoppage or strike); financial risk (effect on enrollment, productivity), and reputation (loss of confidence in the company by its stakeholders. Unresolved issues with the union may lead to unfair labor practice (ULP), which may be grounds for filing administrative (labor), civil, or criminal cases.

Proactively engaging with the union through informal dialogues and regular Labor Management Council (LMC) meetings and the adherence to transparent and frequent communication under CBA processes reduces the probability of employer-employee dispute. Through engaging and negotiating in good faith, the company and the union execute agreements that are fair and equitable to all concerned.

Discussion on Opportunities

To ensure that there is a fair and transparent resolution of all union-related issues, Mapua holds the regular LMC sessions every 2 months or whenever there is a relevant issue which needs to be resolved. LMC sessions may also be used as avenues to eventually agree on the policies that would be beneficial to both management and the employees and to ensure that good relations between the union and the company is maintained.

Diversity and Equal Opportunity

Table 20. Diversity and Equal Opportunity Data

Disclosure	Quantity	Units
% of female workers in the workforce[1]	56	%
% of male workers in the workforce[1]	44	%
Number of employees from indigenous communities and/or vulnerable sector*	3	#

*Vulnerable sector includes, elderly, persons with disabilities (PWDs), vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).
1 Includes both Permanent and Temporary employees.

Diversity and equal opportunity
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO implements policies that are inclusive and provide equal opportunity to all employees regardless of sex, gender identity, race, or religion. This is evident in hiring faculty members and employees where such are not considered as factors in hiring.

At present, a number of employees are solo parents and thus belong to the vulnerable sector. These members of the vulnerable sector are given the benefits and consideration due to them in accordance with law and existing company policies.

Such activities for solo parents and adult learners include online lectures and trainings conducted in partner communities of Mapua, as stated in the table below:

Table 21. List of 2024 Online Trainings and Seminars for Solo Parents and Adult Learners

SCHOOL	ADULT EDUCATION/TRAINING
Mapua	Basic Electrical Circuits
	PC Troubleshooting and Networking
	Python App Development
	Micro Video Lectures for ALEAP
	Basic Welding Workshop

IPO 's CSR projects on diversity and equal opportunity continue to cater to women and children. Majority of IPO 's CSR projects also continue to focus on child education such as Mapua Snippets (https://www.mapuasnippets.com/). Mapua Snippers provide short videos designed to provide impact learning for young learners. Young members of the vulnerable sectors who are supported through education early on in their lives, have a greater chance to finish their schooling and to become gainfully employed later on. Other projects continued to focus on child education which were conducted by Mapua for partner communities in Pandacan, Manila. Modules and micro-video lectures to supplement classroom subjects which were setup in 2021 are still being continued with auxiliary online learning resources in Mapua Dunong-Lingkod website (https://dunonglingkod.mapua.edu.ph), which is under Mapua's Social Office for Social Orientation and Community Involvement Programs (SOCIP), such as those mentioned in the table below:

Table 22. List of 2024 Online Modules and Face to Face Programs for Children

SCHOOL	CHILD EDUCATION
UNC	Brigada Pabasa
MMCM	Program HELP (Help End Learning Poverty)
Mapua	Mapua Snippets
	English Made Easy
	Exploring Singaporean Mathematics
	Art, Art Baby
	Mathang-Isip
	Letralino (smooth drive to our future)
	Literacy and Talent Program for Children
	Pagbasa at Pagintindi para sa Kinabukasan
	VocabuStory
	Glow Slime (The Science of Slime)
	Matematika Sa Pandacan Tungo Sa Magandang Kinabukasan
	MATHikayat
	Back To Your Roots
	MATHALINO
	Pangunahing Kaalaman, Kailangan ng Kabataan
	Explore Beyond Stories
	Mga Alaala ni Bonifacio
	LEARN-ingning
Mapua (Online Auxiliary Learning Resources)	Concepts and Principles of Ecology
	Principles of Environmental Science
	Science Lessons
	Good Health and Well-Being
	Basic Mathematics
	Four Basic Math
	Mathcraft
	English Made Easy
	Voting Awareness
	Ways to take Care of the Environment
	Waste Segregation
	Embracing the New Normal
	Netiquette
	Basic Welding
	LMS Best Practices
	Use of Canva as an LMS

Discussion on Opportunities

IPO is currently evaluating its policies and practices to strengthen its commitment to provide equal opportunity to all and look at possibly working with its partners to provide employment and other opportunities to the vulnerable sector.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Table 23. Occupational Health and Safety Data

Disclosure	Quantity	Units
Safe Man-Hours	1,597,250	Man-hours
No. of work-related injuries	6	#
· Employees (non-disabling)	6	#
· Students (minor)	276	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	4	#

Occupational Health and Safety
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO considers the health and safety of its students, faculty, and staff as a top priority. Risks include unsafe facilities, lack of accessible healthcare in times of emergency, and lack of knowledge on proper safety procedures and what to do in times of emergency – all of which lead to potential loss of human life and reputation, as well as regulatory penalties.

Standard policies and procedures govern responses to health and safety incidents. In 2024, IPO schools continued to implement their respective Health and Safety Protocols based on CHED, DOH and DTI regulations and ensuring that there is strict compliance cross all the IPO schools. Health and safety reminders and health bulletins are also regularly communicated school-wide through postings in their websites, emails, and social media.

Safety drills on fire and earthquakes are also conducted regularly as required by law and the schools' policies in 2024. First aid training is also given to both employees and students. Policies and emergency procedures are in place and may be readily implemented in case of natural disasters such as floods, fires, earthquakes, and other situations such as bomb threats and pandemic events (i.e., COVID pandemic).

In addition, as a minimum health standard each school has a clinic staffed with healthcare providers to address injuries or sickness that occur on-campus.

Discussion on Opportunities

IPO is the process of evaluating its health and safety protocols to ensure that such protocols cover all circumstances that may affect the health and safety of its employees and students, particularly in the event of calamities, natural disasters, and pandemic events. This includes the possibility of having regular structural audits to monitor and ensure the structural health of school buildings and other structures within the schools' campuses, and regular review and audit of the IPO schools health and safety protocols which cover pandemic events such as the COVID pandemic.

Labor Laws and Human Rights

Table 24. Legal actions on Forced or Child Labor

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Table 24. Policies Disallowing Violation of Human Rights

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	Not explicitly stated in company policy but done as a matter of practice
Child labor	N	Not explicitly stated in company policy but done as a matter of practice
Human Rights	Y	The Employee Manuals of each school and IPO Parent

Labor laws and human rights
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO strictly observes human rights laws, particularly those against forced labor and child labor. While forced labor and child labor are not explicitly addressed in company policy, it is addressed as a matter of practice as the Company complies with all relevant national and local laws in the areas where it operates in. Risks for non-compliance of labor laws include regulatory penalties, loss of reputation for the Company, and even civil and criminal penalties.

As a matter of policy, IPO schools do not tolerate bullying or harassment of any kind. The IPO schools have strict anti-bullying policies for students. These policies are specifically included in their student manuals, in compliance with existing laws against bullying. These policies also provide for the instances covered and the procedure for handling cases of bullying, including intervention, remedial measures, and penalties in case of violation.

IPO and its subsidiary schools also have strict sexual harassment policies that are incorporated in their respective employee manuals. The policies include the circumstances which constitute sexual harassment, the process for filing complaints, conduct of investigation and hearings, and the penalty for violation of the policies.

Online seminars, briefings and orientations are also conducted to ensure that employees and students are aware of the policies and to make sure that they comply with the provisions of the manuals.

Discussion on Opportunities

The Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools are evaluating their current policies to update them and ensure that these policies comply with new laws and issuances.

Supply Chain Management

Supply chain management is performed at the YGC Group level. All vendors are screened and vetted, and purchases adhere to procurement policies, procedures and guidelines. The YGC Group has a supplier accreditation policy.

Table 25. Sustainability Topics Considered in Supplier Accreditation

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Now included in the YGG group supplier Accreditation Policy
Forced labor	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Child labor	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Human rights	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Bribery and corruption	Y	Code of Ethics for Suppliers, section on Bribes, Kickbacks, and Gifts from Suppliers

For IPO parent and all Mapua Schools (MESI, MCL, MHSS and MCM) the accreditation of suppliers in handled by the YGC Group. The other schools (NTC and UNC) have their own supplier accreditation process.

Supply chain management
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO schools' operations require large amounts of supplies and outsourced personnel. Oftentimes in the supply chain, the end-users (such as IPO) are more visible to the public compared to their suppliers. Thus, any non-compliance or negative perception of IPO suppliers may result in reputational risks for the Company, as well as possible regulatory non-compliance.

Each vendor undergoes a strict vetting and accreditation process. As part of the accreditation process, they are required to submit valid proof of compliance with all applicable regulations, such as business permit, DOLE clearance, and environmental permits. In 2022, YGC group wide initiatives were implemented and continued in 2024 to encourage suppliers to adopt sustainability practices by including sustainability practices compliance as part of the accreditation process. This includes submission of a sustainability compliance attestation and a vendors facilities checklist. These requirements cover environmental, ethical, social and economic aspects as part of the criteria for evaluating compliance.

Discussion on Opportunities

YGC Group procurement may consider the potential inclusion of ESG Policies in the accreditation process, particularly in the questionnaires and forms required from suppliers.

Relationship with Community

Table 26. Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Operation of schools (K-12, undergraduate, post-graduate)	Luzon, Mindanao	The poor (Class D and E) as part of NSTP Adoption of Communities	No	None	None

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

Table 27. Free and Prior Informed Consent and Certification Pre-conditions

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: **NOT APPLICABLE**

Certificates	Quantity	Units
FPIC process is still undergoing	Not Applicable	#
CP secured	Not Applicable	#

Significant impacts on local communities
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO schools have significant impact on the local communities around the school as hubs for thousands of students, faculty, and staff. In areas near the schools, there is a significant number of businesses that cater to the needs of the students (e.g., eateries, photocopying services, dormitories, etc.). These contribute to the economic development of the area. However, a potential negative impact is the increased traffic around the school areas due to increased travel around the area to service students.

IPO works with the local government units (LGUs) to develop traffic routing schemes as well as coordination on institutional activities which may affect traffic in the area, to lessen the schools' impact on the traffic situation, and to ensure that such will not hamper or impede the flow of traffic. In 2024, the IPO schools continue to coordinate with the LGUs on the implementation of health and safety protocols, continue to offer online platforms to deliver classes, distance learning modules, and fully online programs to diversify their offerings. Currently, all IPO schools deliver online and hybrid classes on a school-wide level. Fully online degree programs continued to be offered, as well as online application, examinations enrollment and the use of e-books to minimize the need for onsite transactions and which facilitate faster processing of transactions.

Discussion on Opportunities

The Company is still in the process of integrating approaches and identifying opportunities across all schools. However, the schools have already implemented and completed several online and distance learning projects.

Customer Management

Customer Satisfaction

Table 28. Customer Satisfaction: Net Promoter Score and Happiness Survey

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		
Net Promoter Score	10.09	No. Done internally by the school
Student Happiness Survey	5.74	No. Done internally by the school

*Net Promoter Score is based on Mapua, MMCL, MMCM, NTC and UNC.
**Student Happiness Survey is based on NTC, Mapua, MMCM, MCL and UNC schools.

Customer management
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO ensures that its offered programs, from K-12, undergraduate, and postgraduate, comply with applicable laws and regulations and meet the needs and expectations of students and parents in terms of knowledge and experience gained, overall school experience, and value for money.

Methodologies for student evaluations of the schools' services vary per school and grade level. In 2024, the IPO schools asked students to provide online evaluations of teachers and the schools' services and asked to answer the Net Promoter Score and Student Happiness surveys. The feedback from the evaluation is used to improve the schools' delivery of services and develop programs and plans which address various student issues and concerns.

Discussion on Opportunities

IPO continue to use these methods to improve their delivery of service. However, the surveys and methodologies are periodically reviewed to ensure that they provide a fair and accurate evaluation.

Health and Safety

Table 29. Complaints on Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Health and Safety
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO considers health and safety to be a top priority. Risks include the spread of diseases and pandemic events, natural disasters such as floods, fires, earthquakes, and other situations such as bomb threats. Policies and emergency procedures, safety and health protocols are in place and may be readily implemented in case of pandemic events or natural disasters. Orientations and briefings and safety and emergency drills are regularly conducted. Videos on safety procedures in case of earthquakes and fires were also made as part of the information and awareness campaigns to ensure employees and students know what to do in case of fires, floods, earthquakes, and other emergency situations.

IPO schools have Health and Safety Committees that regularly meet to update policies and discuss issues on health and safety. They also have written policies and guidelines to address complaints concerning health and safety. Schools are required to have licensed healthcare professionals (doctors, nurses, and dentist) on-site to provide adequate healthcare to students and employees. Aside from these, they also have designated Health and Safety Officers. To involve the population, awareness campaigns and seminars on health and safety are regularly conducted, as well as fire and earthquake drills. Awareness campaigns continued to be conducted online through regular postings and bulletins in websites and social media.

Discussion on Opportunities

IPO regularly evaluates the health and safety programs of the subsidiary schools (1) to ensure that all scenarios and the risks involved which affect the health and safety of students and employees are covered, and to (2) improve current programs to fill in gaps in the processes.

Marketing and Labelling

Table 30. Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Marketing and Labelling
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO takes particular care to not misrepresent itself to its customers and other stakeholders. Risks include loss of reputation of the company, especially with the widespread use and reach of social media. The schools' reputation is part of its marketing strength.

Marketing teams of the IPO Schools evaluate and check all marketing materials to ensure that information and claims made on the schools' successes and achievements are accurate. For time-sensitive information, such as rankings, certifications, and board exam passing rates, time references are always included in materials. Periodic review of the schools' websites and other relatively permanently available materials are also done to ensure that they are updated and contain accurate the information. IPO has policies and procedures to address complaints on marketing and false or inaccurate information.

Discussion on Opportunities

IPO and its subsidiary schools regularly evaluate current marketing and communication strategies of the schools. This is to ensure that the strategies are appropriate and responsive to the needs of the schools. Plans to upgrade the skills of its current marketing teams which includes crisis communications, management training, and social media management are also being evaluated.

Customer privacy

Table 31. Customer Privacy Data

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

** Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Customer privacy
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As IPO and its subsidiary schools are primarily education providers, they collect and have access to personal and sensitive information of students and employees.

No substantiated complaint on data privacy was recorded in 2024. As a matter of policy, IPO and its subsidiaries respect and uphold data privacy rights and ensure that all personal data collected from students, their parents or guardians, employees, and other third parties are processed pursuant to provisions of the Data Privacy Act of 2012 as reflected in their respective Data Privacy Manuals.

Designated Data Privacy Officers (DPOs) are tasked to ensure compliance with the Data Privacy Act by implementing the data privacy policies of the schools. They also conducted seminars and orientations on data privacy to ensure that the schools also strictly comply not only with the Data Privacy Act, but also with the provisions of the Manual of Regulations on Private Higher Education (MORPHE) and the Manual of Regulations on Private Schools (MRPS) on the confidentiality of student records and information. Privacy

notices and data privacy statements are present in school forms so that students and parents are informed of how their information will be used. The schools also have policies and protocols in place to handle complaints and inquiries on data privacy.
Audits on the data privacy policies and their implementation are also regularly conducted for some of the schools. Online modules on data privacy are regularly cascaded to and answered by employees to ensure that they understand and apply the data privacy policies.

Discussion on Opportunities

IPO and its subsidiary schools regularly evaluate policies on customer privacy to ensure that they continue to secure the student and employee records and data, and that the policies are updated and compliant with current laws and regulations.

Data Security

Table 32. Data Breaches

Disclosure	Quantity	Units
No. of data breaches, security incidents, including leaks, thefts and losses of data	0	#

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO schools have IT policies on data security which are strictly implemented and regularly updated by their respective departments. Data security drills and exercises are also conducted. Students, faculty, and staff are informed about data security through awareness campaigns on the prevention of cybersecurity crimes and data security issues. Some schools also hire a third party to manage their cybersecurity systems.

The schools have their respective policies and procedures in case of data breach, or violation of data security policies. The schools also have existing data management policies, guidelines, and procedures for handling and reporting data breaches. Audits of the data security policies and systems are also regularly conducted for some of the schools. Online modules on data security are regularly cascaded and answered by employees to ensure that understand and apply the data security policies.

In 2024, no data security breach or incident affecting student or employee data was reported.

Discussion on Opportunities

IPO and its subsidiary school are strictly implementing their respective data privacy policies to ensure that they continue to secure the student and employee records and data. These policies are regularly updated to ensure that they are compliant with current laws and regulations, and that these were cascaded with the students and employees.

UN SUSTAINABLE DEVELOPMENT GOALS

Table 33. Product or Service Contribution to UN SDGs

Key products and services and the contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Education from kindergarten to post-graduate (depending on the school); non-certificate courses and trainings	4.3 Equal access to affordable technical, vocational, and higher education	Inaccessible to lower-income Filipinos particularly since hybrid, online or remote delivery is being implemented	Partnerships for scholarships (government and private)
	4.B Expand higher education scholarships for developing countries	Increase in number of internally funded-scholarships and discounts is not cost-effective for the schools	Internally-funded scholarships and discounts to allow the lower income segments to enroll.
	4.C Increase supply of qualified teachers in developing countries 8.6 Promote youth employment, education, or training	High quality of graduates results in high demand and pay offered by companies both here and abroad, which results in loss of employees (e.g. qualified faculty) for IPO	Offer competitive pay, benefits, and incentives for employees and faculty such as opportunity for further study, research incentives, and support for paper presentation
Research and development	Innovation and research that contributes to knowledge and/or contributes to an improved quality of life for Filipinos.	Cost of R&D (overspending)	Develop commercially viable projects, those that are "useful to society", and those that may solve problems of communities or provide solutions to industries; Partner with government agencies (DOST) for funding of R&D projects.

SDG 4 Quality and Accessible Education

Enrollment. Composed of six (6) schools with various campuses in Luzon and Mindanao, IPO offers education from kindergarten to post-graduate (depending on the school). In 2024, an average of 74,978 students enrolled in IPO schools, from basic education (K+12) to post-graduate, and an average of 40,499 students enrolled in non-degree certification programs and trainings. Forty-four percent (44%) of the students belonged to economic segments E, D, and C2, with monthly household income ranging from below ₱10,000 to ₱64,999.

Scholarships. In 2024, IPO continued to provide ₱196,948,935.27 in scholarships to around 2,732 deserving students. IPO also assisted students in applying for government scholarships in the total amount of ₱229,051,671.10. Discounts on tuition and fees were also given to students amounting to around ₱61,674,672.46.

Aside from scholarships, providing affordable quality education that is accessible to segments with lower income levels is also embedded in the business model of some IPO schools. APEC Schools (which was merged with National Teachers College in the 3rd quarter of 2023) is a chain of private high schools offering affordable education from Grades 7 to 12, with the goal of preparing its graduates for immediate employment or to pursue higher education. It has managed to do this even while offering a tuition fee rate that is relatively lower compared to other private high schools since its establishment in 2012.

IPO's achievements in graduating students who are ready for higher education and/or employment is seen in high graduates' employment rate (65%). In 2024, IPO schools produced 6762 graduates in senior high school, undergraduate, and post-graduate. Of these, 65% received job offers within 120 days of graduation, with 7% offered employment by multinational corporations or are offered jobs abroad. These graduates then become productive members of society. The schools also continue to assist students in applying online for jobs through a centralized and revamped online internship program, online career coaching and career fairs, and activities designed to mimic the job application process.

World Recognition. As a testament to IPO's continuing efforts to help improve the quality of education in the schools, and elevate the same to world class standards, Mapúa University maintained its Times Higher Education (THE) World University Rankings (WUR) in 2024 and has been placed among the top six percent of the world's higher educational institutions. Mapúa ranked 1501+ among 1,799 universities across 104 countries, and one of only **five (5)** universities from the Philippines who made it to the list. The achievement is a result of Mapua's 20-year campaign focused on teaching quality and capability, research, and international linkages. In 2024, Mapua was also ranked 601-650 in Quacquerelli Symonds (QS) Asian World University Rankings 2024 and was also awarded an overall 4-star rating in the QS Stars. MMCL was also given a 3-star rating in the QS Stars in 2024.

Four (4) IPO schools were ranked in the Times Higher Education (THE) Impact Rankings which measures the social, economic and environmental impact of a school based on the United Nations Sustainable Development Goals (SDGs). For the 4th straight year, Mapúa has been included in the THE Impact Rankings with a rank of 801-1000th overall rank in 2024, from 601–800 rank obtained in 2023 and 2022, from the 801–1000 rank in 2021. It has been ranked in all 17 SDGs since 2022 which is an increase from the initial six SDGs in 2021. MMCL was ranked for the first time with an overall rank of 1501+. MMCM and UNC were also ranked in various SDGs in 2024. MMCM was ranked in 3 SDGs (SDG 5- Gender Equality, SGD 8- Decent Work and Economic Growth and SDG 17- Partnerships for the Goals), and UNC is one (SDG 4- Quality Education).

Mapua's online delivery of courses also achieved recognition in 2022 with Mapúa University's ÚOx or Ubiquitous Online Experience Program being awarded the Gold Award for Digital Readiness from the prestigious Wharton-QS Reimagine Education Awards 2022. This was the first time a Philippine higher education institution (HEI) has received a top category award in the global competition, which honors groundbreaking approaches towards digital education, which increase student learning outcomes and improve student employability.

Board Examination Performance. For those taking board exams, the schools have correlation programs designed to assist and ensure that the examinees are prepared to take board examinations. This is supplemented by holding review sessions that, in turn, translate to higher passing rates in the board examinations. The IPO schools consistently have passing rates which are well-above the national passing rates, which is proof of the quality of graduates that the schools are producing. The following table shows the passing rates for top-performing courses for 2024:

Table 32. 2023 Board Passing Rates for Top-Performing Courses

School	Top-Performing Courses	Board Exam Passing Rate (%) (Overall with re-takers)	National Average Passing Rate (%)
Mapua	Architecture	93.62%	60.44%
	Electrical Engineering	78.57%	54.12%
	Environmental and Sanitary Engineering	80.00%	72.00%
	Chemistry (Chemical Technician)	91.30%	77.83%
MMCL	Chemical Engineering	83.87%	68.97%
	Electrical Engineering	100.00%	54.12%
MMCM	Mechanical Engineering	100.00%	66%
	Civil Engineering	96.15%	39.27%

Research and Development

Table 33. 2023 vs. 2024 Research and Development Investment and Output

Disclosure	Unit	2023	2024	% Change
Research and Development Spending	Php	45,116,600	37,886,566.08	(16%)
Research Papers Published in ISI and/or SCOPUS Indexed Journals	Number	335	772	130%
Commercialized Research	Number	6	5	(16.67%)

Research and Development. Research and Development is a key product of the IPO schools. While Research and Development by itself is not an SDG goal, it underpins the success of the SDGs. In 2024, IPO Schools spent a total of ₱37,886,566.08 of internal university funds for Research and Development (amount does not include research funding received from external sources, such as government, funding agencies, etc.). The IPO schools were able to publish 772 research papers in ISI and/or SCOPUS-indexed journals from January to December 2024 which increased from 335 papers published in 2023. IPO schools have also taken other measures to improve research output, such as developed an institutional research agenda, revising their Research Incentive Policy, and providing support for presentation of papers in conferences both in the Philippines and abroad.

Mapua University also serves as an incubator for commercialized research. Mapua replicated the previous success of its first commercialized research resulting from a research project funded by the Department of Science and Technology- Philippine Council for Industry, Energy, and Emerging Technology Research and Development (DOST-PCCEIERD), the Universal Structural Health Evaluation and Recording (USHER) System which is designed to assess and provide real time status on the structural health of buildings and other structures. The DOST-Mapua Think and Tinker Laboratory (launched in 2022), is a technology business incubator (TBI) that intends to build and develop digital learning tools and solutions for education with a focus on various emerging technologies and industries was formally launched. Another potential project for commercialization is Mapua University's WEHLO (Localized Weather, Environment and Hydromet Solutions) which is currently finishing its market validation and spin-off stage.