

COVER SHEET

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S.E.C. Registration Number

i P e o p l e , i n c .

(Company's Full Name)

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P a b l o O c a m p o S r E x t . M a k a t i

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

Atty. Denise Jordan P. Arenillo

Contact Person

8253-3637

Company's Telephone Number/s

1 2

Month

3 1

Day

Fiscal Year

DEFINITIVE SEC FORM 20 - IS

FORM TYPE

0 7

Month

3 1

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. Of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks= pls. Use black ink for scanning purposes



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of **iPeople, inc.** will be conducted by remote communication via <https://ipeople.com.ph/ASM2026/> on **Friday, July 31, 2026 at 4:15 PM**, to consider and act on the following:

1. Call to Order
2. Proof of Notice and Certification of a Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on July 30, 2025
4. Approval of the Management Report and the Audited Financial Statements for 2025
5. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, the various Committees, and the Management of the Company from the date of the last annual stockholders' meeting until the date of this meeting
6. Election of Directors for 2026-2027
7. Appointment of External Auditor
8. Such other business that may properly come before the meeting
9. Adjournment

Only stockholders of record at close of business on **June 30, 2026** shall be entitled to vote at this said meeting or any adjournment thereof.

Pursuant to the alternative mode of distributing and providing copies of the notice of the Annual Stockholders' Meeting as provided for in the Securities and Exchange Commission's NOTICE issued on March 11, 2026, this notice to Stockholders shall be published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days. The Information Statement, Management Report, SEC Form 17-A, and other pertinent meeting documents are available on the Company's website (www.ipeople.com.ph) and via PSE Edge.


Please note that stockholders may only attend and participate in the meeting by remote communication and vote only by proxy or remotely *in absentia*. Stockholders who intend to attend and participate in the meeting by remote communication must notify the Company by email at asm2026@ipeople.com.ph on or before **July 21, 2026**. The link to the live webcast of the meeting and the proxy form shall be sent to the email address of the registered stockholder.

For voting via proxy, duly accomplished proxies shall be submitted by email to the Office of the Corporate Secretary at asm2026@ipeople.com.ph, for examination, validation, and recording no later than 5:00 pm of **July 21, 2026**. Proxies received thereafter shall not be recognized for the meeting. The validation of ballots and proxies shall be held on July 23, 2026, 2:00 PM, at iPeople inc.'s office at the 8/F Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension, Makati City.

The procedures for attending and participating in the meeting through remote communication, for casting of votes and the proxy form are set forth in the Information Statement and shall also be published in the Company's website at www.ipeople.com.ph/shareholders.

The Company shall record the Annual Stockholder's Meeting and post the recording in its website.

Makati City, 05 June, 2026


ATTY. SAMUEL V. TORRES
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

The following are the Rules of Conduct and Procedures for the meeting:

- Stockholders who intend to attend and participate in the meeting via remote communication and vote in absentia must notify the Company by email at asm2026@ipeople.com.ph, on or before July 21, 2026. After verification of the email request, the link to the live webcast of the meeting and the proxy form shall be sent to the indicated email address of the registered stockholder.
- Stockholders may vote by appointing a proxy. Stockholders voting by proxy shall submit via email the duly accomplished proxies for examination, validation and recording no later than 5:00 pm of July 21, 2026 to the Office of the Corporate Secretary at asm2026@ipeople.com.ph.
- Pursuant to Sections 57 and 23 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Company has set up a registration and voting mechanism which may be accessed by the stockholders to participate remotely and vote *in absentia* on the agenda items presented for resolution at the meeting, as detailed in the Annex A and Annex B to the Information Statement. A stockholder who votes in absentia shall be deemed present for purposes of quorum.
- The items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the outstanding voting stock, voting through a proxy or voting electronically by remote communication or *in absentia*.
- Each of the proposed resolutions or items in the Agenda will be shown on the screen as the same is taken up at the meeting.
- Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his/her votes.
- The Company's stock transfer agent will tabulate, verify and validate all votes received.
- The Corporate Secretary shall report the results of voting during the meeting.
- Stockholders may email to asm2026@ipeople.com.ph relevant questions or comments to matters to be taken up, on or before the time of the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office within a reasonable period after the meeting. Stockholders are advised to send questions early to be assured that these will be taken up in time.
- The webcast will be recorded and will be posted on the Company's website after the meeting.

1. Call to Order

The Chairman will formally open the meeting at 4:15 P.M.

2. Certification of Notice and Quorum

The Corporate Secretary will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation, in print and online format, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

3. Approval of Minutes of the Annual Stockholders' Meeting held on July 30, 2025

The copy of the minutes of the last Annual Stockholders' Meeting held on July 30, 2025 is attached to the Information Statement. It is also posted on the Company's website, at <https://ipeople.com.ph/wp-content/uploads/2025/05/iPeople-Draft-Minutes-ASM-2025.pdf>. A resolution approving the minutes will be presented to the stockholders for approval.

4. Approval of the Management Report and the Audited Financial Statements for 2025

The Company's Chairman and Chief Executive Officer, Dr. Reynaldo B. Veja, will deliver a report to the stockholders on the Company's performance for the year 2025 and year-to-date activities. A copy of the Audited Financial Statements ("AFS") of the Company for the year ended December 31, 2025 (as audited by SyCip, Gorres, Velayo & Co.) is incorporated in the Information Statement. A resolution noting the report and approving the 2025 AFS will be presented to the stockholders for approval.

5. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, the various Committees, and the Management of the Company from the date of the last annual stockholders' meeting until the date of this meeting

The acts and resolutions of the Board of Directors, the various Committees, and the Management of the Company were those taken or adopted from the date of the last annual stockholders' meeting until the date of this meeting. They include the approval of agreements, projects, investments, treasury-related matters and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of Management were those taken to implement the resolutions of the Board of Directors or its Committees and those taken in the general conduct of business. A resolution on this agenda item will be presented to the stockholders for approval.

6. Election of Directors for 2026-2027

Any stockholder may submit to the Corporate Governance, Nomination and Related Party Transactions Committee nominations to the Board of Directors. The Corporate Governance, Nomination and Related Party Transactions Committee will determine whether the nominees for Directors, including the nominees for Independent Directors, have all the qualifications and none of the disqualifications to serve as members of the Board of Directors before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board will be included in the Information Statement.

Under SEC Memorandum Circular No. 7, Series of 2026, the extension of the term of independent directors who have served for nine (9) cumulative years is no longer allowed. In light of such directive, Lead Independent Director, Mr. Renato C. Valencia is no longer qualified to be nominated or elected as Independent Director of iPeople. As such, the Company nominates Mr. Benedicto C. Sison as Lead Independent Director to replace Mr. Valencia. Mr. Sison's credentials are provided in Item 5 of the Information Statement.

The Corporate Secretary will present the names of the persons who have been duly nominated for election as directors of the Company. The voting procedure is set forth in the Information Statement.

7. **Appointment of External Auditor**

The Audit Committee shall endorse to the stockholders the re-appointment SyCip Gorres Velayo & Co. as external auditor of the Company for the ensuing year. A resolution for the appointment of the external auditor will be presented to the stockholders for approval.

8. **Other Matters**

The Chairman will open the floor for comments and questions from the stockholders. Stockholders may raise matters or issues that may be properly taken up at the meeting.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter **iPeople, inc.**

3. **Makati City, Philippines**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **166411**

5. BIR Tax Identification Code **000-187-926**

6. **8th Floor, Mapúa Makati Building, 1191 Pablo Ocampo Sr. Extension, Brgy. Sta Cruz, Makati City, Metro Manila, Philippines** **1205**
Address of principal office Postal Code

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

8. Date, Time and place of the meeting of security holders: **July 31 2026 / 4:15 PM**
Through remote communication, using this link: https://ipeople.com.ph/ASM2026/

9. Approximate date on which the Information Statement is first to be sent to security holders: **July 09, 2026**

10. In case of Proxy Solicitations:

Name of Person filing the Statement/Solicitor: **Atty. Samuel V. Torres**
Address and Telephone No.: **8/F Mapúa Makati Building, 1191 Pablo Ocampo Sr. Extension, Brgy. Sta Cruz, Makati City Tel. No.: 8253-3637**

11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Authorized	Number of Shares Outstanding
Common, P1.0 par value	2,000,000,000 shares	1,044,263,197

Total Debt Outstanding as of March 31, 2026: **No debt registered pursuant to Section 4 and 8 of the RSA**

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

Yes No **Common Stock**

If so, disclose name of the Exchange: **Philippine Stock Exchange, Inc.**

PART 1
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1: Date, Time and Place of Meeting of Security Holders:

Date of meeting : **July 31, 2026**

Time of meeting : **4:15 PM**

Place of meeting : **Through remote communication, using this link:**
<https://ipeople.com.ph/ASM2026/>

Approximate mailing date of this Information Statement : **July 09, 2026**

Complete mailing address : **8/F Mapúa Makati Building
1191 Pablo Ocampo Sr. Extension, Brgy. Sta Cruz
Makati City, Metro Manila, Philippines**

Item 2: Dissenters' Right of Appraisal

Pursuant to Title X, Section 80 of the Revised Corporation Code of the Philippines (the "Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his/her shares in the following instances:

- a. In case an amendment to the Corporation's articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- c. In case of merger or consolidation; and
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

A stockholder who shall have voted against a proposed corporate action may seek payment of the value of his/her shares by submitting to the Corporation a written demand for such payment within thirty (30) days after the vote was taken. Failure to make such demand within the said period shall be deemed as a waiver of the stockholder's appraisal right. The failure of a dissenting stockholder to submit his/her certificates of stock with the Corporation (for notation that such are dissenting shares) within ten (10) days after the required written demand has been made shall also be deemed as a waiver of the dissenting stockholder's appraisal right.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the dissenting stockholder and the Corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after the same is made.

Upon payment of the value of his/her shares, the dissenting stockholder shall forthwith transfer his shares to the Corporation. However, no payment shall be made to any dissenting stockholder unless the Corporation has retained earnings in its books to cover such payment.

A dissenting stockholder's demand for payment may not be withdrawn unless the Corporation consents thereto. If, however, such demand is withdrawn with the Corporation's consent, or if the proposed corporate action is abandoned, rescinded or disapproved, or if it is determined that the stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of his/her shares shall cease, the status of the stockholder shall be restored, and all dividends which would have accrued on the shares shall be paid to the stockholder.

There are no corporate matters in the Agenda for the annual meeting that will entitle dissenting stockholders to exercise their right of appraisal as provided in the Title X of the Revised Corporation Code.

Item 3: Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- a) No person, nominee for election as a director, associate or any director or officer at any time since the beginning of the last fiscal year, has substantial interest, direct or indirect, by security holdings in any matter to be acted upon at the meeting other than election to office.
- b) No director of the Company has informed the registrant in writing that he intends to oppose any action to be taken by the registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4: Voting Securities and Principal Holders Thereof

The Company’s capital stocks are entitled to notice and vote at the Annual Stockholders’ Meeting. Each share is entitled to one (1) vote. The Company has 1,044,263,197 shares of Common Stocks outstanding as of May 31, 2026.

Only holders of the Company’s stock of record at the close of business on June 30, 2026 are entitled to notice and to vote at the Annual Meeting to be held on July 31, 2026.

Election of Directors and Cumulative Voting Rights

In all items for approval except election of directors, each share of stock entitles its registered owner to one (1) vote. In case of elections of Directors, each stockholder may vote the shares registered in his name in person or by proxy for as many persons as there are Directors or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, however, that the whole number of votes cast by him shall not exceed the number of shares owned by him as shown in the Company’s stock transfer books multiplied by the total number of Directors to be elected.

Security Ownership of Certain Beneficial Owners and Management

As of May 31, 2026, IPO is not aware of any person or entity that beneficially owns in excess of 5% of IPO’s common stock except as set forth in the table below:

1. Owners of more than 5% of voting securities as of May 31, 2026.

The following table shows the beneficial owners directly or indirectly owning more than 5% of the Company’s capital stock as of May 31, 2026:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES BENEFICIALLY OWNED	% HELD
Common	HOUSE OF INVESTMENTS, INC. <i>Grepalife Bldg., Sen. Gil Puyat Ave., Makati City Metro Manila</i> Principal Stockholder	Ms. Helen Y. Dee <i>Chairperson is authorized to direct voting of the shares held by House of Investments</i>	Filipino	522,098,749 ¹	49.99%
Common	AYALA CORPORATION <i>37F to 39F Ayala Triangle Gardens Tower 2, Paseo de</i>	Messrs. Jaime Augusto Zobel de Ayala, Fernando Zobel de Ayala, Cezar P.	Filipino	379,069,331	36.30%

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

	<i>Roxas corner Makati Avenue, Makati City</i>	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			
Common	A. SORIANO CORP. <i>7F Pacific Star Bldg., Makati Ave., cor. Sen. Gil J. Puyat Ext., Makati City</i>	Mr. William H. Ottiger <i>President and COO is authorized to direct voting of the shares held by A. Soriano Corp.</i>	Filipino	62,062,064	6.13%

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

2. Security Ownership of Management

Securities beneficially owned by the directors, nominees, officers, other than qualifying shares, as of May 31, 2026, according to the records of its stock and transfer agent, RCBC Trust Corporation:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT	
Common	Renato C. Valencia	Indirect	1,300	Filipino	0.0001%
Common	Herminia S. Jacinto	Direct	5	Filipino	0.0000%
Common	Gerardo C. Ablaza	Direct	5	Filipino	0.0000%
Common	Reynaldo B. Vea	Direct	5	Filipino	0.0000%
Common	Alfredo Antonio I. Ayala	Direct	5	Filipino	0.0000%
Common	Lorenzo V. Tan	Direct	5	Filipino	0.0000%
Common	William H. Ottiger	Indirect	5	Swiss	0.0000%
Common	Medel T. Nera	Direct	100	Filipino	0.0000%
Common	Yvonne S. Yuchengco	Direct	6,500	Filipino	0.0006%
Common		Indirect	92,000	Filipino	0.0088%
Common	Benedicto C. Sison	Direct	5	Filipino	0.0000%
			99,935		0.0096%
			1,044,263,197		100.0000%

Changes in Control

There had been no change in control in the Company that had occurred since the beginning of last year.

Voting Trust Holders of 5% and more

As of May 31, 2026, there are no shareholdings holding any Voting Trust Agreement or any similar agreement.

Foreign Ownership per Class

As of May 31, 2026, there are 3,900,414 shares or 0.37% that are held by foreigners.

Item 5: Directors and Executive Officers

Board of Directors & Executive 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	11 years
Mr. Lorenzo V. Tan	Director	8 years
Mr. Medel T. Nera	Director	15 years
Ms. Yvonne S. Yuchengco	Director	25 years
Mr. Gerardo C. Ablaza	Director	7 years
Mr. Alfredo Antonio I. Ayala	Director	7 years

INDEPENDENT DIRECTORS		
Name	Position	Length of Service
Mr. Renato C. Valencia *	Lead Independent Director	21 years
Mr. William H. Ottiger	Independent Director	3 years
Mr. Herminia S. Jacinto	Independent Director	2 years

*Mr. Valencia will no longer stand for re-election

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

None of the above-mentioned Directors, Independent Directors, and Executive Officers of the Company is appointed or is an employee of any Government Agency in compliance with Article IX(B), Section 8 of the 1987 Philippine Constitution.

POSITION AND BACKGROUND WITHIN THE LAST FIVE (5) YEARS

REYNALDO B. VEA, PhD, 74, Filipino, was appointed **Chairman and Chief Executive Officer** on February 01, 2022. He also served as Director and President from 2015 to 2022.

Dr. Ve a 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., **Member** of the Philippine Qualifications Framework - National Referencing Committee (PQF-NRC), **Chairman** of 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 Technology 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, 65, 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 the **Chairman and President** of National Teachers College. He is also the **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.; Mr. Ayala is a **Member** of EDCOM II (Education Commission 2)'s Advisory Council and PSAC (Private Sector Advisory Council)'s Co-Lead of it's Education & Jobs Committee. He is the Chairman of PCORP (Private Sector Jobs and Skills Corporation). He is a **Trustee** of the 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, 70, Filipino, is a **Director** from 2011 to present. He is also a **Director** of House of Investments, Inc., Metro Retail Sales Group, Inc., National Reinsurance Corporation, 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. YUCHENGO, 72, 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., and XYZ Assets Corporation; **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.; **Trustee, Chairperson and President** of 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-Sucacat, Inc., Luisita Industrial Park Corp., Malayan International Insurance Corp., Manila Memorial Park Cemetery, Inc., MPC Investment Corporation, Pan Malayan Express, Inc., Shayamala Corporation, and YGC Corporate Services, Inc.; **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: **Chairperson and President** of Royal Commons, Inc.; **Director/Vice President and Treasurer** of Pan Managers, Inc.; **Director** of Seafont Resources Corp.; and Asia-Pac Reinsurance Co., Ltd.;

Educational Background: A.B. Interdisciplinary Studies from Ateneo de Manila University 1975

GERARDO C. ABLAZA, JR., 72, Filipino, was elected as **Director** on May 06, 2019.

He is also a **Consultant** for Ayala Corporation; **Chairman** of ENEX Energy Corp.; **Vice-Chairman** of ACEN Corporation; **Director** of 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 Holcim Philippines, Inc. 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.

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).

WILLIAM H. OTTIGER, 57, Swiss, was elected as **Independent Director** of the Company on August 15, 2023. An experienced executive with a depth of operations 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 and **President** of Pamalican Resorts Inc. He is also a **Director** of A. Soriano Corporation; Anscor International, Inc.; Phelps Dodge International Philippines, Inc., Seven Seas Resorts and Leisure, Inc., and ATR Asset Management, Inc.

His past experiences include: **Executive Vice President of Corporate Development** at A. Soriano Corporation from 2013 to 2024; **Chief Executive Officer** of Cirrus Medical Staffing, Inc., a US based healthcare staffing company owned by A. Soriano Corporation from 2005 to 2017; **Director** of AG&P International Holdings Pte. Ltd; **Director** of ATRAM Trust Corporation and TBG Food Holdings (“The Bistro Group”). **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;

Educational Background: MBA from London Business School; Bachelor of Arts in European History from Washington & Lee University

HERMINIA S. JACINTO, 86, Filipino, was elected as **Independent Director** of the Company on July 30, 2024. 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.

Her past experiences include: **President** of Universal Malayan Reinsurance Corporation and Universal Reinsurance Corporation; **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.

RENATO C. VALENCIA, 84, 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.

**Mr. Valencia will no longer stand for re-election as Independent Director for 2026-2027*

BENEDICTO C. SISON, 66, Filipino, is nominated as Lead Independent Director for the 2026-2027. He is concurrently the Chairman of Sun Life Financial Philippines Holding Company, Inc. and also the Chairman of Sun Life Financial Philippines Foundation, Inc.

His past experiences include Chief Executive Officer and Country Head of Sun Life of Canada (Philippines), Inc.; Chief Strategy and Financial Management Officer of Sun Life of Canada (Philippines), Inc.; Chief Financial Officer of Sun Life Financial Asia; Director of Sun Life Hong Kong Limited; Commissioner of PT. Sun Life Indonesia Services and Commissioner of PT. Sun Life Indonesia; Director/CFO and Treasurer of Sun Life Financial Philippine Holding Company, Inc.; CFO and Treasurer of Sun Life Financial Plans, Inc.; Director of Great Life Financial Assurance Corporation; Chief Financial Officer and Treasurer of Sun Life Asset Management Company, Inc. and Sun Life of Canada (Philippines), Inc.; Finance Director - Asia Pacific of Con-Agra International Food Group

Educational Background: BS Business Administration from the University of the Philippines (Magna Cum Laude - 1983); He earned his Master's in Business Administration, Major in Finance/Accounting (1988) from the Graduate School of Management of the University of California Riverside. He is a Certified Public Accountant (CPA) and is a member of the American Institute of CPAs.

Executive Officers:

GEMA O. CHENG, 60, Filipino, is the **Executive Vice President – Chief Finance Officer (CFO)** 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.

ALEXANDER ANTHONY G. GALANG, 65, 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. He is also a member of the Board of Directors of RCBC Trust Corporation. *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.

SHIRLEY Q. EARNHART, 53, 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.

DR. RUTH C. FRANCISCO, 62, 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.

JONATHAN M. LOPEZ, 52, 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.

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.

VICTOR V. RAFAEL, 52, 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.

JOHN PAUL E. CAQUILALA, 43, Filipino, was appointed as **Vice President for Information Technology** on September 01, 2025. He has over 20 years of experience delivering enterprise-wide solutions across cloud and on-premise platforms specializing in designing end-to-end architectures, modernizing systems, and leading global and local teams to drive large-scale integrations and digital transformations. **His past work experiences include: Assistant Vice President for Solution Architecture (Retail Banking)** at BDO Unibank, **Manager for Solution Architecture (Utilities and Global Delivery)** at ACCENTURE; **IT Consultant (Global Partnerships)** at RCG IT; **Software Engineer** at ACCENTURE and **Application Developer** at RCBC Bank
Educational Background: Bachelor of Science in Information Management, Ateneo de Naga University

DENISE JORDAN P. ARENILLO, 47, Filipino, was appointed as **Legal and Compliance Officer** on May 06, 2019. She is also the **Senior 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.

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., Seafont 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), 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, 48, 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), 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.

Nominations for Independent Directors and Procedures for Nomination

The following rules and procedures shall apply to the nomination and election of Independent Directors.

- a) There shall be at least three (3) independent directors. An independent director is one who is independent of management and free from business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director, and must possess all of the qualifications, and none of the disqualifications as prescribed by the Bangko Sentral Ng Pilipinas, Securities and Exchange Commission and other regulatory authorities, from time to time.
- b) The Corporate Governance, Nomination & Related Party Transactions (“RPT”) Committee composed of at least three (3) members, all of whom are independent directors, shall promulgate the guidelines or criteria to govern the conduct of the nominations.
- c) Nominees for independent directors shall be reviewed and evaluated by the Corporate Governance, Nomination & RPT Committee prior to the stockholders’ meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
- d) The Corporate Governance, Nomination & RPT Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors;
- e) After the review and evaluation of nominees, the Corporate Governance, Nomination & RPT Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required by existing and applicable rules, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee;
- f) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders’ meeting.
- g) Election of Independent Directors
 - Subject to pertinent existing rules and regulations of SEC, the conduct of the election of independent directors shall be made in accordance with the standard election procedures of the By-laws.

- It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.
- Specific slots for independent directors shall not be filled by unqualified nominees.

In case of failure of elections for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

The following were nominated to serve as Directors of the Company for the year 2026-2027:

Regular Directors:

- 1) Dr. Reynaldo B. Vea
- 2) Mr. Gerardo C. Ablaza, Jr.
- 3) Mr. Alfredo Antonio I. Ayala
- 4) Mr. Medel T. Nera
- 5) Mr. Lorenzo V. Tan
- 6) Ms. Yvonne S. Yuchengco

Independent Directors

- 1) Mr. Benedicto C. Sison
- 2) Mr. William H. Ottiger
- 3) Ms. Herminia S. Jacinto

Mrs. Eliadah Neiel Escudero-Dela Rama, a stockholder of the Company, who is not in any way related to the nominees, nominated to the Board and proposed the election of Mr. Benedicto C. Sison, Mr. William H. Ottiger, and Ms. Herminia S. Jacinto as Independent Directors.

The Corporate Governance, Nominations, and Related Party Transactions Committee reviews and evaluates the qualifications of all persons nominated as director as well as those to be nominated to other positions requiring appointment by the Board of Directors. With respect to the nominees for independent directors, they are neither officers nor employees, consultants or retainers, legal or otherwise, of the Company or any of its affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Their nomination and qualifications by the Corporate Governance, Nominations, and Related Party Transactions Committee were in compliance with the Company's By-Laws, Manual of Corporate Governance, and SRC Rule 38. The directors so nominated possess all the qualifications and none of the disqualifications for independent directors. *(Attached as Annexes A-1 to A-3 are the Certifications of Independent Directors)*

Term of Office of Directors

A Director shall hold office for one (1) year and until their successors are elected and qualified.

The composition of the members of the Company's various committees for 2025-2026 are as follows:

COMMITTEE	EXECUTIVE	SENIOR MANAGEMENT	BOARD RISK OVERSIGHT	AUDIT	CORPORATE GOVERNANCE, NOMINATION and RPT	REMUNERATION
Chairman	Renato C. Valencia	Lorenzo V. Tan	William H. Ottiger	Herminia S. Jacinto	Renato C. Valencia	Renato C. Valencia
Member	Medel T. Nera	Reynaldo B. Vea	Renato C. Valencia	Medel T. Nera	Herminia S. Jacinto	Herminia S. Jacinto
Member	Gerardo C. Ablaza Jr.	Alfredo Antonio I. Ayala	Herminia S. Jacinto	William H. Ottiger	William H. Ottiger	Gerardo C. Ablaza Jr.

Resignation of Directors

To date, no 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 the Company 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 organizational meeting immediately following the Annual Meeting of Stockholders, each to hold office until the next organizational meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

Significant Employees

Other than the Directors and the Executive Officers identified in this Information Statement, there are no other significant employees.

Family Relationships

There are no family relationships among the directors and officers.

Interest on Certain Matters to be Acted Upon

No director or officer of the Company has substantial interest, direct or indirect, in any matter to be acted upon in the meeting.

Certain Relationships and Related Transactions

In the normal course of the business, iPeople, inc and its parent company, subsidiaries and affiliates enter into certain related-party transactions principally consisting of inter-company charges and loans.

Transactions with related parties consist primarily of receivables and payables, which are currently due and collectible. Amounts due to and from related parties consist mainly of unsecured advances to and from other parties arising from computer-related services, rental and contracted services, car loans, insurance and management fees, which are to be settled on a cash basis. Outstanding balances are expected to be realized and settled within one year from the reporting date.

Please refer to Note 15 of the consolidated financial statements for the full details of the Group's related party transactions.

Involvement in Legal Proceedings

The Company is not aware of the following events during the past 5 years up to May 31, 2026:

- (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 6: Compensation of Directors and Executive Officers

NAME AND POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
The top 5 executives of the Company are as follows:				
1. Reynaldo B. Veja, Chairman & CEO	2026 est.	₱0.00	₱0.00	₱0.00
2. Alfredo Antonio I. Ayala, President & COO	2025	₱0.00	₱0.00	₱0.00
3. Gema O. Cheng, EVP & CFO	2024	₱0.00	₱0.00	₱0.00
4. Shirley Q. Earnhart, Treasurer				
5. Alexander Anthony G. Galang, Chief Audit Executive				
All other officers and directors as group unnamed.	2026 est.	₱0.00	₱0.00	Php1,800,000
	2025	₱0.00	₱0.00	Php1,637,143
	2024	₱0.00	₱0.00	Php1,567,143
TOTALS	2026 est.	₱0.00	₱0.00	Php1,800,000
	2025	₱0.00	₱0.00	Php1,637,143
	2024	₱0.00	₱0.00	Php1,567,143

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.

Directors are paid a per diem of P30,000 for attendance in a Board meeting. Board meetings are scheduled every quarter of the year. A director is also paid a per diem of P20,000 for participation in committee meetings.

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 member involved in any business transaction of the Company.

Item 7: Independent Public Accountants

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), the Company has engaged Ms. Ana Lea C. Bergado, as the Engagement Partner of SGV & Co. effective 2017. 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 with regard to 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 so 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 FEE BILLING
2025	₱5,453,000
2024	₱5,145,000
2023	₱5,130,000

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 amounted to P1,690,000 and nil in 2025.

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.

Item 8: Compensation Plans

No action shall be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9: Authorization or Issuance of Securities Other than for Exchange

No action is to be taken with respect to the following:

1. modification or exchange of securities
2. financial and other information
3. mergers, consolidation, acquisition and similar matters
4. restatement of accounts

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification of any class of securities of the registrant, or the issuance or authorization for issuance of one class of securities of the registrant in exchange for outstanding securities of another class.

Item 11: Financial and Other Information

The Company's Audited Financial Statements as of December 31, 2025 and the Management Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto as Annex 'D' and Annex 'E', respectively.

Item 12: Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to any transaction involving the following:

- 1) the merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
- 2) the acquisition by the registrant or any of its security holders of securities of another person;
- 3) the acquisition by the registrant of any other going business or of the assets thereof;
- 4) the sale or other transfer of all or any substantial part of the assets of the registrant; or
- 5) the liquidation or dissolution of the registrant.

Item 13: Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 14: Restatement of Accounts

No action is to be taken with respect to restatement of any asset, capital, or surplus accounts.

D. OTHER MATTERS

Item 15: Action With Regard to Reports

The Minutes of the previous stockholders meeting held on July 30, 2025 and the Management Report will be submitted for stockholders' approval.

Approval of the July 30, 2025 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes of the events that transpired during the said meeting, such as (a) approval of the minutes of the previous stockholders' meeting, (b) approval of the Management Report and 2024 Audited Financial Statements, (c) ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, various Committees and Officers during the year in review, (d) elections of directors, and (e) appointment of external auditors.

Approval of the Management Report constitutes a ratification of the Company's performance during the previous calendar years.

Ratification and confirmation of all the acts, resolutions and proceedings of the Board of Directors, various Committees and officers of the Company. This pertains to all acts resolutions, proceedings and approval made by the Board of Directors, various Committees and Officers of the Company from the last stockholders' meeting on July 30, 2025 up to the date of the meeting (July 31, 2026). This includes, among others, those that involve the day-to-day operations, administration and management of the corporate affairs.

The Minutes of the previous stockholders' meeting is posted on the Company's website. A copy of the Minutes is also attached to the Information Statement.

Item 16: Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17: Amendment of Charter, Bylaws or Other Documents

No amendments to the Company's charter, bylaws or other documents will be made.

Item 18: Other Proposed Action

The following matters will be submitted to a vote at the meeting:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on July 30, 2025
2. Approval of the Management Report and the Audited Financial Statements of the Company for the year ended December 31, 2025
3. Ratification and confirmation of all acts, resolutions and proceedings of the Board of Directors, the various Committees and the Management of the Company from the date of the last annual stockholders' meeting until the date of this meeting
4. Election of Directors for 2026-2027
5. Appointment of External Auditors

Item 19: Voting Procedures

At all elections of Directors, each stockholder may vote the shares registered in his name via remote communication or in absentia or by proxy for as many persons as there are Directors, or he may cumulate said shares and give one candidate as many votes, as the number of Directors to be elected multiplied by the number of his share, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, however, that the

whole number of votes cast by him shall not exceed the number of shares owned by him as shown on the Company's stock transfer books multiplied by the number of Directors to be elected.

The voting procedure for election and approval of corporate action in which Stockholders' approval will be required shall be by "viva voce" unless voting by ballot is decided upon during the meeting. The methods by which vote will be counted, except in cases where voting by ballots is applicable, voting and counting shall be by "viva voce". If by ballot, counting shall be supervised by external auditors.

The Company will not declare stock dividends during the year.

CORPORATE GOVERNANCE

(a) Evaluation System to Measure Compliance with the Manual on Corporate Governance and the Code of Corporate Governance for Publicly- Listed Companies

The Company has monitored its compliance with Securities and Exchange Commission (SEC) Memorandum Circulars as well as all relevant Philippine Stock Exchange (PSE) Circulars on Corporate Governance. It 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 with the Manual on Corporate Governance and the Code of Corporate Governance for Publicly- Listed Companies.

For the period covering the year 2025, the Company has submitted its IACGR on May 18, 2026.

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

In its IACGR, the Company has complied with the majority of the provisions and recommendations in the Manual on Corporate Governance and the Code of Corporate Governance for Publicly- Listed Companies.

(c) Deviation from the Manual on Corporate Governance

Except for a few optional recommendations provided in Manual on Corporate Governance and Code of Corporate Governance for Publicly Listed Companies, which the Company failed to comply (based on the "comply or explain" policy of SEC), the Company committed to comply with the same in 2025. Said items were reflected in the 2025 IACGR submitted on May 18, 2026.

(d) Plans to Improve Corporate Governance

In order to improve the Company's adherence to the leading practices in good corporate governance as well as the Manual on Corporate Governance and the Code of Corporate Governance for Publicly- Listed Companies, the Company's Directors and top Management continuously attends 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 Code of Corporate Governance for Publicly-Listed Companies.

UNDERTAKING

UPON WRITTEN REQUEST OF STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH THE STOCKHOLDERS WITH A COPY OF THE COMPANY'S YEAR 2025 ANNUAL REPORT ON SEC FORM 17-A FREE OF CHARGE. ANY WRITTEN REQUEST FOR A COPY OF SEC 17-A SHALL BE ADDRESSED AS FOLLOWS:

iPeople, inc.

Attention : Office of the Corporate Secretary
Address : 8th Floor Mapúa Makati Building
1191 Pablo Ocampo Sr. Extension, Brgy. Sta. Cruz,
Makati City 1205 Philippines
Tel No. : (632) 8253-3637
Fax No. : (632) 8816-1127
Email : asm2026@ipeople.com.ph

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on JUN 03 2026.

iPeople, inc.

By:

Atty. Denise Jordan P. Arenillo
Compliance Officer

Atty. Samuel V. Torres
Corporate Secretary

Doc No. 670
Page No. 39
Book No. XVI
Series of 20 26

ATTY. CAESAR LEOCADIO P. ACEBEDO

Notary Public City of **Makati**

Appt No 2025-171 (2025-2026)

Roll of Attorney's No 73849

IBP No 579495

PTR No 10764907 1-05-2026

23 L. Garcia St Bo Puso, Punta Sta Ana Manila

MCLE Compliance No. VIII-0025115, 03/27/2025

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING¹
OF
iPEOPLE, INC.

Date : 30 July 2025
Time : 4:15 P.M.
Place : Via Electronic Means of Communication

The Company's Chairman and Chief Executive Officer, Dr. Reynaldo B. Veja, welcomed the Company's stockholders to the 2025 Annual Stockholders' Meeting ("ASM"). The Chairman noted that the Company is conducting its 2025 ASM as an online and recorded video-streaming meeting.

The Chairman proceeded to mention that the information related to, rules of conduct, and voting procedure for the ASM are embodied in the Company's Definitive Information Statement, which has been approved by the Securities and Exchange Commission ("SEC") and uploaded in the Company's website. He also advised that to accord the Stockholders the opportunity to participate in the ASM, the Stockholders were informed that they may register online. Further, they were made aware that only questions and concerns submitted online prior to the given deadline will be addressed during the ASM. As for questions during the ASM, they will be addressed via email after the ASM.

The Chairman proceeded to introduce the following incumbent members of the Board of Directors of the Company while their photos were being shown onscreen:

- | | | |
|---------------------------------|----|-------------------------------------|
| 1. Dr. Reynaldo B. Veja | -- | Chairman & Chief Executive Officer |
| 2. Mr. Alfredo Antonio I. Ayala | -- | President & Chief Operating Officer |
| 3. Mr. Lorenzo V. Tan | -- | Director |
| 4. Ms. Yvonne S. Yuchengco | -- | Director |
| 5. Mr. Medel T. Nera | -- | Director |
| 6. Mr. Gerardo C. Ablaza, Jr. | -- | Director |
| 7. Mr. Renato C. Valencia | -- | Lead Independent Director |
| 8. Ms. Herminia S. Jacinto | -- | Independent Director |
| 9. Mr. William H. Ottiger | -- | Independent Director |

A complete list of the directors and officers that attended the ASM is hereto attached as Annex "A". The list of stockholders that attended the ASM is also attached as Annex "A-1".

I. CALL TO ORDER.

The Chairman, Dr. Reynaldo B. Veja, called the meeting to order.

¹ This draft Minutes of the Company's 2025 Annual Stockholders' Meeting is subject to the approval of the Company's stockholders during the next Stockholders' Meeting.

II. PROOF OF NOTICES.

The Chairman asked the Corporate Secretary, Atty. Samuel V. Torres, whether proper notices of the meeting were sent to the stockholders entitled thereto.

The Corporate Secretary certified that, pursuant to the alternative mode for distributing and providing the notice of meeting for the 2025 ASM, the notice was sent to all stockholders of record as of 30 June 2025 in four (4) ways, as follows:

First, by publication of the Notice of the ASM, including the Agenda, on 08 July 2025 and 09 July 2025 in The Philippine Star and Manila Bulletin, both in print and online editions, for two (2) consecutive days, as evidenced by the Affidavits of Publications executed by the respective representatives of the publishers.

Second, by disclosure to the Philippine Stock and Exchange, Inc.

Third, by posting on the Company's website.

Finally, through email for those who have successfully registered online, consistent with the applicable SEC Rules and the Company's internal guidelines on the holding of the ASM by electronic means of communication.

III. DETERMINATION OF QUORUM.

The Corporate Secretary certified that out of the 1,044,263,197 outstanding shares of stock entitled to participate and vote, a total of 978,855,045 shares are present in the meeting, with 978,755,115 shares represented by proxy and 6,625 shares participating remotely. All of the said shares represent 93.74% of those entitled to participate and vote and constitute more than 2/3 of the outstanding capital stock. The Corporate Secretary then confirmed that there was quorum.

IV. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING.

The Chairman proceeded to present the next item in the Agenda, which is the approval of the Minutes of the last Annual Stockholders' Meeting held on 30 July 2024. He advised that a copy of the Minutes is posted in the Company's website and available to all stockholders for viewing.

There being no objections or abstentions, the Corporate Secretary then stated that a total of 978,855,045 shares, representing 93.74% of the total outstanding capital stock, voted in favor of the following resolution to approve the Minutes of the 2024 Annual Stockholders' Meeting:

“RESOLVED, that the minutes of the last Stockholders' Meeting held on July 30, 2024 be, as it is hereby, noted and approved.”

V. **APPROVAL OF THE MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR 2024.**

The Chairman noted the next item on the Agenda, which is the approval of the Management Report and the 2024 Audited Financial Statements. He mentioned that the Audited Financial Statements is posted in the Company's website.

As the Company's CEO, the Chairman proceeded to present Management Report on the results of the Company's operations in 2024. A copy of the Chairman's Management Report is hereto attached as Annex "B".

After the Chairman concluded the Management Report, the Corporate Secretary noted the proposal to approve the Management Report and the 2024 Audited Financial Statements under the following resolution:

"RESOLVED, that the Management Report and the 2024 Audited Financial Statements, as made available to the Stockholders, be as they are hereby, noted and approved."

There being no objections or abstentions, the Corporate Secretary advised that a total of 978,855,045 shares, representing 93.74% of the total outstanding capital stock, voted in favor of the above resolution.

VI. **RATIFICATION AND CONFIRMATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, THE VARIOUS COMMITTEES AND OFFICERS OF THE COMPANY DURING THE YEAR IN REVIEW.**

The Chairman addressed the next item in the Agenda, which is the ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, the Executive Committee, the Other Committees, and Officers of the Company during the year in review.

The Corporate Secretary noted the proposal that all acts, resolutions and proceedings of the Board of Directors, the Executive Committee, the Other Committees, and Officers of the Company during the year in review be ratified and confirmed under the following resolution:

"RESOLVED, that all acts, resolutions, and proceedings of the Board of Directors, the Executive Committee, the Other Committees, and the Officers of the Company during the year in review be ratified and confirmed."

There being no objections or abstentions, the Corporate Secretary advised that a total of 978,855,045 shares, representing 93.74% of the total outstanding capital stock, voted in favor of the above resolution.

VII. ELECTION OF DIRECTORS FOR 2025-2026.

The Chairman noted the next item in the Agenda, which is the election of directors for the year 2025-2026. He then asked the Corporate Secretary if he has the list of nominees to the Board of Directors. The Corporate Secretary replied in the affirmative and stated that, as of 22 May 2025, the deadline for nominations, there were nine (9) nominees that were evaluated and qualified by the Corporate Governance, Nomination and Related Party Transactions Committee for election as members of the Board of Directors.

The nominees are as follows:

Regular Directors

1. Dr. Reynaldo B. Vea
2. Mr. Alfredo Antonio I. Ayala
3. Mr. Lorenzo V. Tan
4. Ms. Yvonne S. Yuchengco
5. Mr. Medel T. Nera
6. Mr. Gerardo C. Ablaza, Jr.

Independent Directors

7. Mr. Renato C. Valencia
8. Ms. Herminia S. Jacinto
9. Mr. William H. Ottiger

The Corporate Secretary particularly noted that while the Company is guided by the SEC's mandatory term limits for independent directors as provided for in SEC Memorandum Circular No. 4 (Series of 2017), the reelection and retention of Mr. Renato C. Valencia as independent director of the Company is being proposed for stockholders' approval based on the invaluable contribution and guidance that he constantly provides to the Company. He further stated that the meritorious justifications for Mr. Valencia's reelection and retention as Independent Director were provided for in the Company's Definitive Information Statement.

Thereafter, the Corporate Secretary confirmed the results of the election. He advised that all six (6) of the nominees for Regular Director and three (3) nominees for Independent Director received the number of votes required to be elected as members of the Company's Board of Directors for the year 2025-2026.

The details of the votes on the election of the Company's Board of Directors are provided for in Annex "C" hereof.

The Chairman then declared and proclaimed the above-named nominees as elected members of the Company's Board of Directors for 2025-2026.

VIII. APPOINTMENT OF EXTERNAL AUDITOR.

The Chairman proceeded to tackle the next item on the Agenda, which is the appointment of the Company's external auditor.

The Corporate Secretary noted the proposal for SGV & CO. to be reappointed as the Company's external auditor for the calendar year ending 31 December 2025 under the following resolution:

“RESOLVED, that the auditing firm, SGV & CO., be as it is hereby, reappointed as the Company's External Auditor for the calendar year ending December 31, 2025.”

There being no objections or abstentions, the Corporate Secretary advised that a total of 978,855,045 shares, representing 93.74% of the total outstanding capital stock, voted in favor of the above resolution.

IX. OTHER MATTERS.

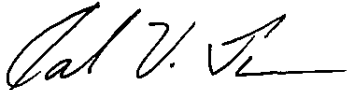
The Chairman inquired if there were any other matters that any of the stockholders wished to discuss. The Corporate Secretary confirmed that there was none.

The Chairman then also asked if there were any comments and questions submitted to the Company within the deadline for submission. The Corporate Secretary replied that no questions were received from the stockholders. The Corporate Secretary then also reiterated that questions submitted during the Annual Stockholders' Meeting will be addressed via email and reflected in the Minutes of the said meeting.

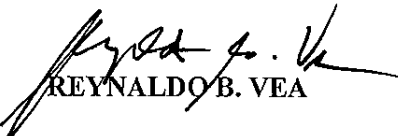
There were no questions submitted during the Annual Stockholders' Meeting.

X. ADJOURNMENT.

There being no other business to transact, the Annual Stockholders' Meeting was adjourned. The Chairman advised that the audio and video recording of the meeting will be posted in the Company's website. Thereafter, he thanked all attendees for participating in and attending the Company's 2025 Annual Stockholders' Meeting.


SAMUEL V. TORRES
Corporate Secretary

ATTEST:


REYNALDO B. VEA

Chairman

ANNEX "A"

Directors Present:

Dr. Reynaldo B. Vea	–	Chairman & Chief Executive Officer
Mr. Alfredo Antonio I. Ayala	–	President & Chief Operating Officer
Mr. Lorenzo V. Tan	–	Director
Ms. Yvonne S. Yuchengco	–	Director
Mr. Medel T. Nera	–	Director
Mr. Gerardo C. Ablaza, Jr.	–	Director
Mr. Renato C. Valencia	–	Lead Independent Director
Mr. William H. Ottiger	–	Independent Director
Ms. Herminia S. Jacinto	–	Independent Director

Officers Present:

Ms. Gema O. Cheng	–	EVP-Chief Finance Officer
Mr. Victor V. Rafael	–	VP-Finance & Investor Relations
Atty. Samuel V. Torres	–	Corporate Secretary
Atty. Ma. Elvira Bernadette G. Gonzalez	–	Asst. Corporate Secretary
Atty. Denise Jordan P. Arenillo	–	Legal and Compliance Officer
Ms. Ruth C. Francisco	–	Chief Risk Officer
Ms. Shirley Q. Earnhart	–	Treasurer
Mr. Alexander Anthony G. Galang	–	Chief Audit Executive
Mr. Jonathan M. Lopez	–	Controller
Mr. Narciso A. Laput	–	VP- Information Technology

ANNEX A-1

Certificated Shares

STOCKHOLDER NAME	SHARES	IN PERSON (Remotely)		BY PROXY	
			SHARES		SHARES
NERA, MEDEL T.	100.00	1	100		-
VEA, REYNALDO B.	5.00	1	5		-
LORENZO V. TAN	5.00	1	5		-
GERARDO C. ABLAZA JR.	5.00	1	5		-
HERMINIA S. JACINTO	5.00	1	5		-
ALFREDO ANTONIO I. AYALA	5.00	1	5		-
YUCHENGCO, YVONNE S.	6,500.00	1	6,500		-
A. SORIANO CORPORATION	93,301,434.00		-	1	93,301,434
AYALA CORPORATION	349,829,961.00		-	1	349,829,961
HOUSE OF INVESTMENTS, INC.	501,940,749.00		-	1	501,940,749

Lodged Shares

STOCKHOLDER NAME	BY PROXY		IN PERSON (Remotely)	
		SHARES		SHARES
HOUSE OF INVESTMENTS, INC.	1	20,158,000		
MALAYAN INSURANCE COMPANY, INC.	1	13,524,971		
William H. Ottiger (Indirect shares)			1	5
Renato C. Valencia (Indirect shares)			1	1,300
YUCHENGCO, YVONNE S. (Indirect shares)			1	92,000

Summary

IN PERSON		BY PROXY			
(Remotely)		(Certificated)		(Lodged - Proxy/Brokers)	
Attendance	No. of Shares	Attendance	No. of Shares	Attendance	No. of Shares
10	99,930	3	945,072,144	2	33,682,971
10	99,930	3	945,072,144	2	33,682,971
INPUT ISSUED & OUTSTANDING					
→		954,701,772	CERTIFICATED		
		89,561,425	LODGED		
		1,044,263,197	TOTAL		
COUNT	15				
TOTAL SHARES	978,855,045				
TOTAL PERCENTAGE	93.736%				
TOTAL PROXY	978,755,115				

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **BENEDICTO C. SISON**, Filipino, of legal age and a resident of Unit 2606, Tower II, Arya Residences, McKinley Parkway, Fort Bonifacio, Taguig City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **iPEOPLE, INC.**
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Sun Life Financial Philippines Holding Company, Inc.	Chairman	July 2018 - Present
Sun Life Financial Philippines Foundation, Inc.	Chairman	July 2018 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **iPEOPLE, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **iPEOPLE, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **iPEOPLE, INC.** of any changes in the abovementioned information within five days from its occurrence.


Done this 16th day of April 2026, at Makati City, Metro Manila, Philippines.

Benedicto C. Sison
BENEDICTO C. SISON
Affiant

APR 20 2026

SUBSCRIBED AND SWORN to before me this _____ day of April 2026 at
MAKATI CITY, affiant personally appeared before me and exhibited to me
his Philippine Passport No. 8268568B, issued at DFA Manila, and valid until 23
November 2031.

Doc. No. 57 ;
Page No. 13 ;
Book No. 284 ;
Series of 2026.


ATTY. CATALINO VICENTE L. ARABIT
Notary Public for Makati City
Appointment No. M-027(2025-2026)
Until 31 December 2026
PTR NO. 10765658;01-05-26;Makati City
IBP INV.NO. 573064 ;12-26-25; Makati City
ROLL NO. 40145
MCLE COMPLIANCE No. VIII-0007518-15 Mar. 2024
21st Floor Yuchengco Tower 2, RCBC Plaza
Ayaia Avenue, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **WILLIAM HARRINGTON OTTIGER**, a Swiss citizen, of legal age and a resident of 21A Lawton Tower, Essensa East Forbes, 5th Avenue corner 21st Drive, Bonifacio Global City, Taguig City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **ipeople, inc.** and have been its independent director since 15 August 2023.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
A. Soriano Corporation	President & Coo	April 17, 2024 - Present
A. Soriano Corporation	EVP & Corporate Development Officer	April 2013 – April 16, 2024
Phelps Dodge International Phils., Inc.	Director	April 2016 – Present
Seven Seas Resorts & Leisure, Inc.	Director	April 2019 – Present
ATR Asset Management, Inc.	Director	April 2019 – Present
Prople, Inc.	Director	2010 -Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ipeople, inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **ipeople, inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **iPEOPLE, INC.** of any changes in the abovementioned information within five days from its occurrence.

APR 27 2026
Done this ___ day of April 2026, at Makati City, Metro Manila, Philippines.

WILLIAM HARRINGTON OTTIGER
Affiant

APR 27 2026

SUBSCRIBED AND SWORN to before me this ___ day of April 2026 at Makati City, affiant personally appeared before me and exhibited to me his Passport No. X0C50P61, issued at DFAE Berne, and valid until September 14, 2033.

Doc. No. 216 ;
Page No. 45 ;
Book No. 66 ;
Series of 2026.

ATTY. DARWIN B. SANTOS
Notary Public for Makati City
Until December 31, 2027
Appointment No. M-009
Roll of Attorney No. 57952
IBP No. 010313-Lifetime Member-December 29, 2011
PTR No. 10765515/Jan. 2, 2026/Makati City
MCLE Compliance VIII No. 0022365/April 14, 2023
Unit 1 A MyHome Residences, 9051 San Nicolas St.
Guadalupe Nuevo, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **HERMINIA S. JACINTO**, Filipino, of legal age and a resident of 75 J.P. Laurel St., BF Homes, East Phase 6, Parañaque City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **iPEOPLE, INC.** and have been its independent director from 06 May 2019 to 04 August 2023, and from 30 July 2024 to the present.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Fortune General Insurance Corp.	Director	8 years
Insurance Institute for Asia and the Pacific	Trustee / Chairman	Effective May 2024
Fortune Life Assurance Co. Inc.	Ind. Director	Eff. April 2024
BDO Insurance Brokers, Inc.	Ind. Director	Eff. April 2024
University of Nueva Caceres	Trustee	Eff. December 2023

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **iPEOPLE, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **iPEOPLE, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.


7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **iPEOPLE, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done this 27th day of April 2026, at Makati City, Metro Manila, Philippines.


HERMINIA S. JACINTO
Affiant

SUBSCRIBED AND SWORN to before me this APR 27 2026 day of April 2026 at CITY OF MAKATI, affiant personally appeared before me and exhibited to me her Philippine Passport No. P7107457B, issued at DFA NCR SOUTH, and valid until 04 July 2031.

Doc. No. 71 ;
Page No. 14 ;
Book No. 15 ;
Series of 2026.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VIII-0040999
valid until April 14, 2028
Appointment No. M-007 (2025-2026)
PTR No. 10765528 Jan. 3, 2026/ Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City



04 June 2026

THE SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City 1209

Attention: **ATTY. OLIVER O. LEONARDO**
Director, Markets and Securities Regulation Department

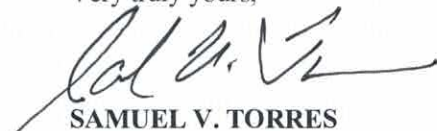
Re: **SEC FORM 20-IS OF iPEOPLE, INC. (SEC Reg. No. 166411)**

Gentlemen:

In compliance with the requirements of the Securities Regulation Code relative to the filing of the SEC Form 20-IS of iPeople, Inc. (the "Company"), we hereby certify that none of the nominees for director and executive officers who may be elected and appointed during the Company's Annual Stockholders' and Organizational Meetings to be held on 31 July 2026 are government employees.

We trust that the foregoing sufficiently complies with this Honorable Commission's requirements.

Very truly yours,


SAMUEL V. TORRES
Corporate Secretary

8/F Mapua University Makati Campus 1191 Pablo Ocampo Sr. Extension Ave., Makati City 1205, Philippines

JUN 04 2026

Doc No 54
Page No 16
Book No. XVII
Series of 2026

ATTY. CAESAR LEOCADIO P. ACEBEDO
Notary Public City of **Makati**
Appt. No. 2025-171 (2025-2026)
Roll of Attorney's No 73849
IBP No 579495
PTR No 10764907 1-05-2026
23 L. Garcia St. Bo Puso, Punta Sta Ana Manila
MCLE Compliance No. VIII-0025115, 03/27/2025



PROXY

I, the undersigned holder of shares of stock of iPeople, inc. (“Corporation”), do hereby constitute, name and appoint the **Chairman of the Meeting**, or in his absence, **the Secretary of the Meeting**, as my attorney and proxy, to represent me and to vote all the shares registered under my name in the Books of the Corporation at the Annual Meeting of the Stockholders of the Corporation on **July 31, 2026** and any adjournment(s) thereof.

In particular, I hereby direct my said proxy to vote on the matters set forth below as I have expressly indicated by marking the same with an “X”. **If I fail to indicate my vote on the items specified below, including the number of votes to be casted, I authorize and grant my proxy full discretion to act on my behalf and I understand that my proxy shall vote in accordance with the recommendation of the Management of the Corporation.**

For Proposal 1, nine (9) directors are to be elected, which shall be composed of six (6) Regular Directors and three (3) Independent Directors.

PROPOSAL	ACTION			
	FOR	AGAINST	ABSTAIN	NO. OF VOTES
1. Election of Directors				
Regular Directors:				
1. Reynaldo B. Vea	_____	_____	_____	_____
2. Gerardo C. Ablaza, Jr.	_____	_____	_____	_____
3. Alfredo Antonio I. Ayala	_____	_____	_____	_____
4. Medel T. Nera	_____	_____	_____	_____
5. Lorenzo V. Tan	_____	_____	_____	_____
6. Yvonne S. Yuchengco	_____	_____	_____	_____
Independent Directors:				
7. Benedicto C. Sison	_____	_____	_____	_____
8. William H. Ottiger	_____	_____	_____	_____
9. Herminia S. Jacinto	_____	_____	_____	_____

For Proposals 2 to 5, Management recommends a “FOR” vote.

PROPOSAL	ACTION		
	FOR	AGAINST	ABSTAIN
2. Approval of the Minutes of the Annual Stockholders’ Meeting held on July 30, 2025			
3. Approval of the Management Report and the Audited Financial Statements for 2025			
4. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, the Various Committees and the Management of the Company from the date of the last annual stockholders’ meeting until the date of this meeting			
5. Appointment of SGV as External Auditor			

THIS PROXY, SOLICITED ON BEHALF OF THE MANAGEMENT OF IPEOPLE, INC., SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 5:00 P.M OF JULY 21, 2026, THE DEADLINE FOR SUBMISSION OF PROXIES.

FOR CORPORATE STOCKHOLDERS, PLEASE ATTACH TO THIS PROXY FORM THE SECRETARY’S CERTIFICATE ON THE AUTHORITY OF THE SIGNATORY TO APPOINT THE PROXY AND SIGN THIS FORM.

REVOCABILITY OF PROXY

THE SHAREHOLDER MAY REVOKE THE PROXY ISSUED BY HIM/HER AT ANY TIME PRIOR TO ITS USE BY THE PARTY WHO IS THEREBY AUTHORIZED TO EXERCISE THE SAME. THE PERSON SIGNING THE PROXY HAS THE RIGHT TO REVOKE THE PROXY BY ATTENDING THE MEETING IN PERSON, OR BY GIVING A WRITTEN NOTICE TO THE SECRETARY PRIOR TO THE MEETING, OR THRU THE EXECUTION OF A PROXY AT A LATER DATE.

PERSONS MAKING THE SOLICITATION

THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT OF IPEOPLE, INC. THE PROXY STATEMENT AND THE ENCLOSED PROXY SHALL BE SENT TO THE SECRETARY OF THE CORPORATION THROUGH ELECTRONIC MEANS ADDRESSED TO ASM2026@IPEOPLE.COM.PH, ON OR BEFORE 5:00 P.M. ON JULY 21, 2026. THE DULY EXECUTED HARD COPY SHOULD ALSO BE MAILED TO THE OFFICE OF THE CORPORATE SECRETARY, IPEOPLE, INC. AT THE 8/F MAPUA UNIVERSITY MAKATI CAMPUS, 1191 PABLO OCAMPO SR. EXTENSION, BRGY. STA. CRUZ, MAKATI CITY.

IN ADDITION TO SOLICITATION OF THE PROXIES BY ELECTRONIC MEANS AND/OR MAIL, OFFICERS AND EMPLOYEES OF THE COMPANY MAY ALSO SOLICIT PROXIES PERSONALLY OR BY TELEPHONE. THE COST OF SOLICITATION, APPROXIMATELY ₱ 250,000 WILL BE BORNE BY IPEOPLE, INC.

THERE IS NO MATERIAL CONSIDERATION CONTRACT OR ARRANGEMENT FOR THE SOLICITATION. THE COMPANY IS NOT A PARTY TO ANY ARRANGEMENT OR UNDERSTANDING WITH ANY PERSON WITH RESPECT TO ANY MATTER TO BE ACTED UPON THE MEETING.

THIS PROXY SHALL BE VALID FOR THE ANNUAL MEETING OF STOCKHOLDERS OF THE CORPORATION ON JULY 31, 2026, UNLESS SOONER WITHDRAWN THROUGH NOTICE IN WRITING DELIVERED TO THE CORPORATE SECRETARY. IN CASE OF ACTUAL PRESENCE AT THE MEETING, THIS PROXY STANDS REVOKED

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE DIRECTIVE AND INSTRUCTIONS OF THE CHAIRMAN OF THE MEETING WITH RESPECT TO ALL ITEMS IN THE AGENDA AND FOR SUCH MATTERS AS MAY PROPERLY COME BEFORE THE MEETING, INCLUDING MATTERS WHICH THE SOLICITOR(S) DO NOT KNOW A REASONABLE TIME BEFORE THE SOLICITATION ARE TO BE PRESENTED AT THE MEETING, IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON:

1. No other current director or officer of the Company, or nominee for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than the election to office.
2. No director has informed the Company in writing that he intends to oppose any action to be taken by the registrant at the meeting.

THIS PROXY SHALL CONFER DISCRETIONARY AUTHORITY TO VOTE WITH RESPECT TO ANY OF THE FOLLOWING MATTERS:

1. MATTERS WHICH THE COMPANY DOES NOT KNOW DURING A REASONABLE TIME BEFORE THIS SOLICITATION ARE TO BE PRESENTED AT THE MEETING.
2. MATTERS INCIDENT TO THE CONDUCT OF THE MEETING.

Signature of Stockholder	Printed Name	No. of Shares	Date
Address and Telephone Number			

THIS PROXY IS BEING SOLICITED ON BEHALF OF THE MANAGEMENT OF IPEOPLE, INC.

Please send this proxy form to:
ATTY. SAMUEL V. TORRES
Corporate Secretary
iPEOPLE, INC.
ADDRESS: 8/F Mapua University Makati Campus
1191 Pablo Ocampo Sr. Extension, Brgy. Sta. Cruz, Makati City
EMAIL: asm2026@ipeople.com.ph

ANNEX 'A'

A. Procedure to Register to be able to Attend and Participate in the Meeting

Stockholders are requested to notify the Company by July 21, 2026, via email at asm2026@ipeople.com.ph, of their intention to participate in the Company's Annual Stockholders' Meeting on 31 July 2026 by remote communication.

For validation purposes, Stockholders shall also provide the Company with the following information: (a) Name; (b) Address; and (c) Contact Number. The Company may also require the submission of certain documents to ascertain and verify the identity of the requesting person.

B. Procedure for Electronic Voting In Absentia

I. Coverage

Stockholders of iPeople, inc. who chose to electronically vote in absentia, upon valid registration.

II. Registration

1. Who may Register - Stockholders of Record as of June 30, 2026
2. When to Register - Registration period shall be from July 14, 2026 at 8:00am until July 21, 2026 at 5:00pm, Philippine time ("Registration Period"). Beyond this date, Stockholders may no longer avail of the option to electronically participate at the Annual Stockholders' Meeting and vote by remote communication or in absentia.
3. How to Register - The Stockholder will be requested to send a notification to asm2026@ipeople.com.ph together with scanned or digital copy of the documents listed below, within the Registration Period, for validation.

Individual Stockholders:

- a. A recent photo of the Stockholder, with the face fully visible,
- b. Front and back portions of the Stockholder's valid government-issued identification card, preferably with residential address, and
- c. Contact number

Stockholders with Joint Accounts:

- a. Authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account,
- b. A recent photo of the authorized Stockholder, with the face fully visible,
- c. Front and back portions of the authorized Stockholder's valid government-issued identification card, preferably with residential address, and
- d. Contact number of the authorized Stockholder

Broker Accounts:

- a. The broker's certification on the Stockholder's number of shareholdings,
- b. A recent photo of the Stockholder, with the face fully visible,
- c. Front and back portions of the Stockholder's valid government-issued identification card, preferably with residential address, and
- d. Contact number

Corporate Stockholders:

- a. Signed Secretary's Certificate attesting to the authority of the representative to vote for and on behalf of the Corporation,
- b. A recent photo of the Stockholder's representative, with the face fully visible,
- c. Front and back portions of the valid government-issued identification card of the Stockholder's representative, preferably with residential address, and
- d. Contact number of the Stockholder's representative

Stockholders with incomplete requirements, and who were not given the link to attend the meeting through remote communication or vote *in absentia*, may still vote by sending a proxy to the Annual Stockholders' Meeting.

4. Validation of Registration

The validation of the Stockholder's registration shall be completed by the Company within three (3) business days from receipt thereof.

The Company will send an email confirming the successful validation of the Stockholder's registration.

Please note that submission of incomplete or inconsistent information may result in an unsuccessful registration and attendance in the meeting through remote communication will not be allowed.

The Company shall allow electronic signature for the required documents, as may be applicable. Notarization requirement shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original signed and notarized copies of these documents at a later date, as it deems necessary.

III. Voting

Please use the form attached as **ANNEX 'B'** to record your vote and then email to: asm2026@ipeople.com.ph on or before July 21, 2026.

Notes & Conduct of Voting:

A. Voting

1. The Stockholder Appointing a Proxy:
Stockholders may give the Proxy the authority to vote in all matters for approval.
2. The Stockholder Voting by Remote Communication or *In Absentia*:
The Stockholder will be asked to fill in the attached Annex "B".
 - a. For items other than the Election of Directors, the registered Stockholder has the option to vote: FOR, AGAINST, or ABSTAIN. The vote is considered cast for all the registered Stockholder's shares.
 - b. For the Election of Directors, the registered Stockholder may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total

number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

The votes cast *in absentia* will have equal effect as votes cast by proxy.

B. Tabulation & Validation of Votes In Absentia or by Proxy

All votes cast through proxy forms or in absentia will be tabulated by the Company, and the RCBC Stock Transfer Office will validate the results.

Validation and final tally of votes through Proxy or in absentia shall be released on or before the meeting date.

C. Determination of Quorum

Only those Stockholders who have notified the Company of their intention to participate in the Annual Stockholders' Meeting by remote communication, and who have successfully registered during the Registration Period, together with the Stockholders who voted by proxy or *in absentia* will be included in the determination of quorum.

D. Access to the Live Meeting

The Company will send the registered Stockholders the link to the live webcast of the Annual Stockholder's Meeting through the email confirming their successful registration no later than two (2) business days prior to the date of the Meeting.

E. Stockholders' Questions/Comments During the Meeting

Stockholders may send their questions and/or comments during the meeting to asm2026@ipeople.com.ph. The Corporate Secretary shall raise these questions on behalf of the Stockholder.

F. Recording of the Annual Meeting

The Company shall post the link to the recorded webcast of the Annual Stockholder's Meeting on the Company's website within two (2) weeks after the conduct of the meeting.



ANNEX 'B'

Electronic Voting In Absentia

PROPOSAL	ACTION			
	FOR	AGAINST	ABSTAIN	NO. OF VOTES
1. Election of Directors				
Regular Directors:				
1. Reynaldo B. Vea	_____	_____	_____	_____
2. Gerardo C. Ablaza, Jr.	_____	_____	_____	_____
3. Alfredo Antonio I. Ayala	_____	_____	_____	_____
4. Medel T. Nera	_____	_____	_____	_____
5. Lorenzo V. Tan	_____	_____	_____	_____
6. Yvonne S. Yuchengco	_____	_____	_____	_____
Independent Directors:				
7. Benedicto C. Sison	_____	_____	_____	_____
8. William H. Ottiger	_____	_____	_____	_____
9. Herminia S. Jacinto	_____	_____	_____	_____

PROPOSAL	ACTION		
	FOR	AGAINST	ABSTAIN
2. Approval of the Minutes of the Annual Stockholders' Meeting held on July 30, 2025			
3. Approval of the Management Report and the Audited Financial Statements for 2025			
4. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, the Various Committees and the Management of the Company from the date of the last annual stockholders' meeting until the date of this meeting			
5. Appointment of SyCip Gorres Velayo & Co. as External Auditor			

DATE: _____

STOCKHOLDER'S NAME: _____

STOCKHOLDER'S SIGNATURE: _____

**Please submit this form on or before the end of the business day of July 21, 2026, and accompanied by any government issued identification.*

MANAGEMENT REPORT

Financial and Other Information

Audited Financial Statements

The Statement of Management's Responsibility and Consolidated Audited Financial Statements of the Group as of December 31, 2025 are attached hereto as **Annex 'D'**.

Changes in and Disagreements with Accountants in Accounting and Financial Disclosure

None

Management Discussion and Analysis of Financial Condition and Plan of Operations

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.

After 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.

On September 6, 2023, the merger between NTC and APEC Schools became effective with NTC as the surviving entity. The merger will mutually strengthen the NTC and APEC Schools brand and will allow the latter to become a feeder school to NTC which will result to increased enrollment.

On October 28, 2025, the merger between NTC and AC College of Enterprise and Technology, Inc. ("ACCET") became effective with NTC as the surviving entity. The merger will allow NTC to expand its campus presence San Jose Del Monte, Bulacan, utilizing ACCET's 6,098 sqm. property to support NTC's expansion growth.

As of December 31, 2025, House of Investments, Inc. and its affiliates together with Ayala Corporation controls 51.3% and 36.3%, respectively, of iPeople, inc.

1.1 Business of the Issuer

The Holding Company

Executive management takes 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.

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), as a holding entity with no direct revenue-generating operations, is inherently dependent on the performance, resilience, and reputation of its subsidiaries. With significant exposure to the education sector, the Group is subject to sector-specific risks that may materially impact stakeholder confidence, operational continuity, and long-term value creation. The Company adopts an integrated enterprise risk management (ERM) approach, recognizing that risk management is a shared responsibility across all levels of the organization. Risk considerations are embedded in strategic planning, decision-making, and day-to-day operations across the Group.

The Board Risk Oversight Committee (BROC) assists the Board in fulfilling its governance responsibilities on risk management and ensures the effectiveness of the ERM framework. The Chief Risk Officer reports directly to the BROC on key developments, emerging risks, and overall risk posture. Management, through the company's Risk Management Council, is accountable for managing the associated risks, implementing risk strategies, and monitoring enterprise-wide risks.

Subsidiary management teams are accountable for identifying, assessing, and managing their respective risk exposures and reporting periodically to the IPO.

The Group conducts periodic enterprise-wide risk assessments to ensure that risks remain current, relevant, and aligned with the evolving business and external environment. 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 Company's reputation is closely linked to the performance and public perception of its subsidiaries, particularly within the education sector. Any negative publicity, service quality issues, or governance lapses at the subsidiary level may adversely affect the Group's brand and stakeholder trust. Reputational risks may arise from academic performance issues and student outcomes, governance concerns, data privacy breaches, or student safety incidents, among others. A reputational incident in one subsidiary may cascade across the Group, affecting investor confidence, enrollment levels, and partnerships.

Competition and Market Risk

The Group operates in a highly competitive and evolving education landscape. Market dynamics are influenced by increasing competition from both public and private institutions, growth of digital and alternative education platforms, changing student preferences and affordability constraints, and economic pressures affecting enrollment and retention. As a holding company, the lack of direct revenue streams heightens dependence on subsidiary performance, making the Group vulnerable to enrollment volatility and economic downturns impacting household spending on education.

Business Resiliency Risk

The Group's ability to maintain operations during disruptions is critical, particularly given its reliance on subsidiaries. Key threats include natural disasters, public health disruptions, system outages and infrastructure failures. Operational disruptions in education can interrupt learning delivery, impact student outcomes, and reduce stakeholder confidence.

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 operate in a highly regulated environment, subject to accreditation and licensing requirements, curriculum and academic standards, data privacy regulations, and environmental and safety compliance. Failure to comply may result in fines and legal sanctions, suspension or revocation of licenses, and reputational damage.

Operational and Cybersecurity Risk

Operational risks arise from failures in internal processes, systems, or human factors, potentially resulting in service and learning disruption and financial loss. Educational institutions are increasingly dependent on digital ecosystems, which expand the attack surface and operational vulnerabilities. The increasing digitization significantly elevates cybersecurity exposure. Cyber incidents may lead to data breaches involving student and employee information, disruption of learning platforms and operations, and legal liabilities and reputational damage.

ESG and Sustainability Risk

Environmental, social, and governance (ESG) considerations are becoming increasingly material to stakeholders, regulators, and investors. The failure to address and manage the ESG risks of the subsidiaries may impact the Company's reputation, financial performance, or result in regulatory fines. Climate risks may affect school infrastructure and disrupt operations.

Geopolitical and External Risk

Global and regional developments may indirectly impact the Group's operations, financial performance, and strategic objectives. These risks may arise from inflationary pressures, supply chain disruptions affecting procurement of educational materials, infrastructure projects, and technology systems, currency volatility, cybersecurity threats, disruptions in international partnerships, including academic collaborations, exchange programs, and research initiatives, enrollment volatility, particularly from foreign students or programs influenced by global mobility constraints and economic uncertainty. The Company continuously monitors geopolitical developments and incorporates these into its enterprise risk assessment, scenario planning, and financial testing, ensuring preparedness and responsiveness to evolving external conditions.

School Operations

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

Founded in 1925 by Don Tomas Mapúa—the first licensed Filipino architect and Cornell University alumnus—Mapúa University (Mapúa) stands as a premier pillar of higher education in the Philippines. The University officially marked its Centennial year in January 2025, celebrating 100 years of academic excellence and its evolution into a comprehensive, research-driven, and nation-leading institution. While rooted in a storied prestige in engineering, architecture, and technology, Mapúa has strategically expanded its academic breadth throughout the years to ensure a holistic and multidisciplinary approach in fulfilling its vision of fostering sustainable socio-economic growth in society through innovation, digital transformation, and lifelong education. The University now offers degrees across disciplines, including Engineering and Sciences, Architecture and Design, Information Technology, Multimedia and Digital Arts, Foundational Studies and Education, Tourism and Hospitality, Health Sciences and Medicine, and Business and Management.

Mapúa's long-standing commitment to world-class standards is validated by rigorous international recognitions and accreditations. In 2010, Mapúa was the first Philippine institution to secure from the US-based Accreditation Board for Engineering and Technology (ABET). Today, it remains the national leader in this regard, with the highest number of ABET-accredited programs on a single campus in the country across Engineering, Computing, and Applied and Natural Science.

The University is part of the Top 6% higher educational institutions globally, evidenced by its most recent notable international rankings, such as the Times Higher Education (THE) World University Rankings 2026 (rank 1501+), THE Asia Rankings 2025 (rank 601+), THE Impact Rankings 2025 (rank 801-1000), and World University Rankings for Innovation 2025 (rank 313). For the prestigious Quacquarelli Symonds (QS) World University Rankings 2026, Mapúa secured the 1401+ rank, placing it at the 544th spot across Asia and at the 103rd spot for Southeast Asia, while also ranking 6th in the country for the QS World University Rankings for Sustainability 2026. It also consistently holds a 4-Star Overall Rating from the QS Stars Rating System, achieving the highest possible 5-Star Ratings in the critical categories of Employability, Social Responsibility, and Inclusiveness.

Locally, the Commission on Higher Education (CHED) recognizes Mapúa as a Center of Excellence (COE) in multiple disciplines, including various Engineering branches and Information Technology. This recognition underscores the University's role as a primary contributor to the nation's technical and professional workforce.

A cornerstone of Mapúa's comprehensive evolution is its groundbreaking collaboration with Arizona State University (ASU), ranked #1 in the U.S. for Innovation. Launched in 2022, this has revolutionized the University's offerings in Business and Health Sciences—including Nursing and Medicine. Starting March 2026, the partnership with ASU now extends across all programs. By scaling the partnership to include its entire academic portfolio, Mapúa ensures that all its students have direct access to ASU's world-class resources, global faculty, and innovative curricula.

Likewise, as part of its efforts of championing digital transformation and sustainability, the University has introduced various initiatives, such as its award-winning ÚOx (fully-online, self-paced) programs, the use of

innovative learning management systems such as the Cardinal EDGE, and the MapúaX, an online marketplace platform facilitating fully online degree courses and programs, making education more accessible. Currently, Mapúa 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.

In 2023, the University furthered its mission of social impact by establishing the Institute for Global Sustainability (Mapúa IGS). This center serves as a hub for interdisciplinary research and collaborative efforts aimed at solving the world's most pressing socio-economic and environmental challenges.

Mapúa University's strong academic foundation translates directly into the success of its graduates. The institution has a proven track record, with 430 students achieving topnotcher status in national professional licensure examinations since 2000. Additionally, global exchange programs, on-the-job training, industry partnerships, research collaborations, and the integration of latest technologies such as artificial intelligence (AI) prepare students to not just excel but have a competitive edge in the international workforce.

With a commitment to providing world-class education through pioneering innovation and building upon its history of academic excellence, Mapúa University cements its dedication of shaping future leaders and empowers its community to thrive and make a lasting impact not just for the nation but for the world.

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 8,813 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 (7) 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 has retained its Autonomous Status until September 2027, allowing for the introduction of new programs such as BS Aeronautical Engineering and BS Nursing starting Academic Year 2024-2025. The institution has also been a frequent recipient of international accolades, including multiple Blackboard and Anthology Catalyst Awards between 2017 and 2024. 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, Blackboard Award for Optimizing Student Experience and the Anthology Catalyst Award under the Teaching and Learning Category in 2021 and 2023, respectively and the 2024 Catalyst Award for Leading Change in 2024. Mapúa MCL is also among the 35 institutions recognized for Excellence in Education and Innovation in the 2024 Anthology Catalyst Awards. The institution also received the Outstanding Digital Activations Award from Cengage in Academic Year 2022-2023.

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 introduced its 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 a 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.

The institution has further strengthened its academic standing by being designated a Tier 1 institution by the Philippine Technological Council (PTC), qualifying its engineering programs for international recognition under the Washington Accord. Additionally, the B.S. Information Technology program received PICAB accreditation in July 2025, and the school was recommended for continued ISO 21001:2018 certification following a successful audit in late 2025. Recent international rankings show continued upward momentum: the school obtained "Reporter Status" in the World University Rankings 2026, rose to 1,044th globally in the 2025 UI GreenMetric Rankings (51st nationally), and climbed to 286th in the WURI Global Top 400 Innovative Universities, with notable rankings in Ethics and Integrity (24th) and Cost-Benefit Management (26th). These achievements culminated in Mapúa MCL being recognized as one of the Most Outstanding HEIs in the region and receiving the 2024 ICONS Award for Internationalization Champions of Nation-Building and Sustainability.

The academic collaboration between Mapúa Malayan Colleges Laguna (Mapúa MCL) and Arizona State University (ASU), which began in 2022 with a focus on Allied Health Sciences and business programs through the Cintana Alliance, has recently undergone a major expansion. This partnership now extends across all programs at Mapúa MCL and other Mapúa schools. This strategic move is designed to further the institution's vision of becoming a global leader in education. By scaling this partnership to include its entire academic portfolio, Mapúa MCL ensures that all its students have access to an internationally aligned curriculum and world-class educational resources.

MAPÚA 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 MMCM to offer 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 recently 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 is working 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, forging 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 is co-implemented by Mapúa MCM and the University of the Philippines Mindanao.

In 2023, Mapúa MCM 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, Mapúa MCM 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 (Mapúa MCM) in 2022 after receiving its amended articles of incorporation from the SEC on April 12, 2022. Additionally, Mapúa MCM 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 Mapúa MCM to recognize and honor the school for its innovation and excellence in advancing learning during the Anthology Together in Orlando, Florida, in July 2022. Mapúa MCM was the global winner of the 2022 Catalyst Award in the Teaching & Learning category for its HyFlex Learning Modality, given by Blackboard-Anthology. Mapúa MCM 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, Mapúa MCM 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, Mapúa MCM, 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 Mapúa MCM 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, Mapúa MCM 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 Mapúa MCM 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, Mapúa MCM 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 Mapúa MCM 49th among HEIs in the Philippines for its sustainability efforts and ranked 1101st among all universities and colleges globally. The efforts of Mapúa MCM to earn global recognition enforce commitment to its vision to be among the world's leading educational institutions.

On November 22, 2024, Mapúa MCM 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 Mapúa MCM's commitment to the previous ISO 21001:2018 certification. It additionally allowed Mapúa MCM 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.

Throughout 2025, Mapúa MCM achieved significant milestones in its academic programs, and awards to its learners, staff, and alumni. In April 2025, Mapúa Malayan Colleges Mindanao (Mapúa MCM) marked key academic achievements as its Bachelor of Science in Real Estate Management was granted Government Recognition No. 002, Series of 2025 by the Commission on Higher Education (CHED), while the Bachelor of Science in Accounting Information Systems received the government permit to offer second-year level effective A.Y. 2025–2026. During the same month, Mapúa MCM posted outstanding licensure examination results, achieving a 100% passing rate in the ECE, ECT, and EE licensure examinations, surpassing national passing rates and strong performance in the Civil Engineering board exams, notably, Engr. Tablizo ranked 4th in ECE and 2nd in ECT.

Meanwhile, the Junior High School (JHS) program received certification from the Private Education Assistance Committee (PEAC) in May 2025 enabling scholarship opportunities for incoming JHS students. Within the same

month, the NSTP010 FOL course achieved Quality Matters certification, underscoring Mapúa MCM's adherence to internationally recognized standards in course design and student-centered learning.

In August 2025, Mapúa MCM students earned international and local recognition winning Gold and Bronze Awards at the CYCU 2025 International Project Design Summer Camp in Taiwan among 19 university teams from Asia and Turkey, while another student team, The Huntrix, emerged champion at the HackEstate: Hackathon 2025 in Davao City. In September, Mapúa MCM student-athletes further distinguished the institution by emerging as champions at the Private Schools Athletic Association (PRISAA) Unit Meet, exemplifying discipline, determination, and teamwork.

Mapúa MCM also demonstrated sustained leadership in academic quality and institutional development throughout 2025. The institution hosted benchmarking engagements with Caraga State University (CSU) on January 2025, and with University of Southern Mindanao (USM) in March 2025. Respectively, these institutions benchmarked Mapúa MCM for its ISO 21001:2018-certified educational management system, and its Outcomes-Based Education (OBE) implementation. To further affirm its commitment to global sustainability, Mapúa MCM became an official signatory of the Sustainable Development Goals (SDGs) Accord on March 11, 2025.

Mapúa MCM also attained significant national and international recognition through its performance in global rankings and sustainability assessments. In June 2025, Mapúa MCM debuted in the overall Times Higher Education (THE) Impact Rankings and earned placements across seven (7) United Nations (UN) SDGs. It also entered the Global Top 400 of the World University Rankings for Innovation (WURI) on July 11, 2025, ranking 295th worldwide and emerging as the leading higher education institution in the Davao Region. Further recognition was conferred through an overall 3-Star rating from QS Stars in November 2025 and improved national and global standings in the UI Green Metric World University Rankings in December 2025, reflecting the institution's strengthened performance in sustainability, education, and research initiatives.

Mapúa MCM further advanced its governance, partnerships, and strategic positioning in 2025. In September 2025, Mapúa MCM's environmental initiatives were recognized through the Dabaw Lunhaw Awards and was formally inducted as a member of the Philippine Association of Colleges and Universities (PACU). Mapúa MCM successfully completed the DNV ISO 21001:2018 P1 Audit on October 3, 2025, and was officially accepted as an Associate Member of the ASEAN University Network–Quality Assurance (AUN-QA) in December 2025. These accomplishments culminated in Mapúa MCM's 10th founding anniversary in December 2025, marking a decade of accelerated growth, institutional maturity, and continued progress toward international standards of academic excellence.

In 2026, the Mapúa Education Group goes comprehensive with Arizona State University, repeatedly ranked #1 in innovation, sustainability, and global impact. The partnership will be evolving from select school collaborations into a full-system, comprehensive global education model — covering not only the College of Health Sciences and the Alfonso T. Yuchengco College of Business, but also the College of Engineering and Architecture, the College of Computer and Information Science, and the College of Arts and Science.

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.

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) and the Commission of Higher Education (CHED). Given the expanding internationalization agenda of Philippine higher education, it has established ties with higher education institutions overseas and organizations such as the British Council and ASEAN Universities Network (AUN).

As a testament to NTC's legacy excellence, it was conferred distinctions such as the Times Higher Education Impact Rankings (2025), CHED Internationalization Champions of Nation-building and Sustainability (ICONS) Award (2025), Global Inclusion Award of the International Forums of Inclusion Practitioners (2024, 2025), and the CHED Excellence in Quality Assurance in Teacher Education (EQUATE) Award (2025).

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 33,000 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 and Cavite.

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 that 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 banner 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 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 77 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 College of Arts and Sciences, eleven (11) in the College of Business and Administration, six (6) in the College of Computer Studies, seventeen (17) in the College of Education, seven (7) in the College of Engineering, one (1) program in the School of Nursing and Allied Health Services, two (2) programs in the Criminal Justice Education, and one (1) program in 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.

The University of Nueva Caceres achieved several major international recognitions in 2025, strengthening its global academic profile. UNC was included for the first time in the UI GreenMetric World University Rankings, becoming the only private HEI in the Bicol Region on the sustainability list, ranking 70th in the Philippines and 1,223rd worldwide. The university also passed the ASEAN University Network–Quality Assurance (AUN-QA) Assessment for its BSBA–Financial Management, MEd–Educational Leadership, and MBA programs, earned ISO 21001:2018 Certification for its Educational Organization Management System, and was included in the Times Higher Education Impact Rankings 2025, highlighting its continued commitment to quality education, sustainability, and global engagement.

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
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
San Jose del Monte City, Bulacan	2019	6,098	School Campus (bldg. under construction)
UNIVERSITY OF NUEVA CACERES			
J. Hernandez Ave., Naga City	2019	49,917	School Campus

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 (3 rd , 4 th and 5 th floors)	V. Luna	865	06/30/2030
3-Storey Building (2 nd and 3 rd floors)	North Fairview	1,174	06/30/2032
4-Storey Building	C. Raymundo	1,928	06/30/2032
4-Storey Building (2 nd 3 rd and 4 th floors)	Marikina Heights	1,247	06/30/2038
3-Storey Building (2 nd and 3 rd floors)	Sta. Rita Sucat	1,500	04/30/2032
4-Storey Building	Dasmariñas	878	04/30/2032
4-Storey Building (2 nd , 3 rd , and 4 th floors)	Bacoor	1,215	06/30/2034
4-Storey Building	Pateros	1230	06/30/2033
3-Storey Building (2 nd and 3 rd floors)	Las Pinas	1,266	06/30/2031
1-Lot Library Grounds and School Building	College of the Holy Spirit, Mendiola, Manila	4,011	05/31/2029

PROPERTY DESCRIPTION	LOCATION	AREA (SQ. M.)	LEASE EXPIRATION
3-Storey Bldg. (G, 2/F, 3/F)	Concepcion Dos, Marikina City	756	06/30/2026
MALAYAN EDUCATION SYSTEM, INC			
Bay City – Rooms 2005 to 2007	SEDA Hotel, Ayala Malls, Paranaque City	2,136	7/31/2035

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.

2. Management Discussion and Analysis of Financial Condition and Results of Operations

CONSOLIDATED RESULTS – Year 2025 vs. Year 2024

Financial Position

Total consolidated assets stood at ₱24.20 billion as of December 31, 2025, reflecting a 9% increase from ₱22.14 billion as of December 31, 2024. The growth was mainly driven by the increase in the appraised value of land, higher receivables and increase in cash balance.

Current assets reached ₱5.58 billion this year, an 18% rise from ₱4.72 billion as of December 31, 2024. This increase was primarily attributable to higher levels of cash and cash equivalents and receivables.

Receivables which mainly consist of matriculation and miscellaneous fees due from students, grew by 12% due to the increase in enrollment. Prepaid expenses and other current assets rose from ₱440 million to ₱502 million, mainly due to higher prepaid expenses.

Total noncurrent assets this year is ₱18.62 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 ₱5.79 billion from ₱5.41 billion last year. The 7% increase in total liabilities is mainly due to the increase in current liabilities, lease liabilities and deferred tax liabilities.

Current liabilities increased to ₱4.04 billion this year from ₱3.80 billion last year primarily due to the 16% increase in accounts payable and accrued expenses.

Accounts payable and accrued expenses pertain largely to obligations to suppliers. Accounts payable and accrued expenses went up by 16% due to higher payable to suppliers.

The ₱7 million (14%) increase in –the current portion lease liabilities is due to the new lease contract of Mapua University for its new campus.

Income tax payable went up by 11% due to the increase in the taxable income of schools in the last quarter of the year.

Noncurrent liabilities went up from ₱1.61 billion last year to ₱1.75 billion this year primarily due to the increase in deferred taxes related to the revaluation increment on land and non-current portion of lease liabilities.

Deferred tax liabilities went up by ₱59 million (7%) due to the additional deferred taxes related to the revaluation increment on land.

The ₱110 million or 32% increase in the non-current portion of lease liabilities is due to the new lease contract of Mapua University for its new campus.

Total consolidated equity increased from ₱16.73 billion in December 2024 to ₱18.41 billion this year reflecting the net income for the year and other comprehensive income related to the revaluation increment on land. Equity attributable to Parent is at ₱18.00 billion, from ₱16.36 billion in December 2024.

Results of Operations

The Group posted a consolidated net income of ₱966 million for the current year, representing a 12% increase from ₱864 million in the prior year. The growth was primarily driven by the stronger performance of the IPO schools, supported by higher student enrollment. Net income growth was partially tempered by a non-recurring expense related to the write-off of damage to the Mapua Malayan Colleges Mindanao (MMCM) campus caused by the October 2025 earthquake. Excluding this one-off item, net income would have grown by 34%.

Revenue from school operations is the primary source of revenue of the Group. Revenues from school operations rose by 17%, reaching ₱6.22 billion from ₱4.41 billion in the previous year. The double-digit revenue growth was mainly attributed to the continued increase in student enrollment across the schools. Increase in revenue was further

augmented by the earlier start of classes for school year 2025–2026, following changes in the academic calendars of some IPO schools.

Costs of school operations (delivery of services) increased by 17% or ₱528 million, while general and administrative (G&A) expenses grew by 23% or ₱268 million, compared to previous year. The increase in expenses was largely due to higher enrollment and campus expansions, which directly drove up operational costs. Higher expenditures were also incurred to support the development and launch of new programs in Business and Health Sciences, as well as higher depreciation expenses. The introduction and expansion of program offerings are part of the Group's affiliation agreement with CINTANA Education, in collaboration with Arizona State University. G&A expenses were impacted by a non-recurring charge related to the write-off of damages to the MMCM campus caused by the October 2025 earthquake. Excluding this one-off item, G&A expenses increased by only 6%.

Interest expense and other finance charges declined by 4%, from ₱121 million last year to ₱116 million this year, reflecting the benefits of lower interest rates and loan repayments.

Provision for income tax in 2025 is 12% higher than last year because of the increase in the current year's taxable income.

CONSOLIDATED RESULTS – Year 2024 vs. Year 2023

Financial Position

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 significant 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 (14%) % 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 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 ₱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 significant payment of MMCM bank loans in July 2023.

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

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 ₱1.38 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 ₱16.16 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 ₱4.88 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 this year from ₱1.62 billion last 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 22% 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 the income tax rate applicable to of schools went back to 10% from 1% effective July 1, 2023 as mandated by the CREATE Act.

Financial Ratios

Below are the financial ratios that are relevant to the Group for the year ended December 31, 2025 and 2024:

Financial ratios		2025	2024
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.38:1	1.24:1
<i>Indicates the Group's ability to pay short-term obligation</i>			
Acid Test Ratio	$\frac{\text{Current Assets – Prepaid Expenses}}{\text{Current Liabilities}}$	1.26:1	1.13:1
<i>Indicates the Group's ability to use its</i>			

quick or near cash assets to pay current liabilities immediately

Solvency Ratio <i>Shows how likely a Group will be continue meeting its debt obligations</i>	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$	0.27:1	0.26:1
Debt-to-equity ratio <i>Measures the Group's leverage</i>	$\frac{\text{Total Debt}}{\text{Equity}}$	0.32:1	0.33:1
Asset to Equity Ratio <i>Shows how the company's leverage (debt) was used to finance the firm</i>	$\frac{\text{Total Assets}}{\text{Equity}}$	1.31:1	1.32:1
Interest Rate Coverage <i>Shows how easily a company can pay interest on outstanding debt</i>	$\frac{\text{EBIT}^*}{\text{Interest Expense Excluding Interest Expense on Lease Liabilities}}$	13.32:1	11.59:1
Return on Average Stockholders' Equity <i>Reflects how much the Group's has earned on the funds invested by the stockholders</i>	$\frac{\text{Net Income}}{\text{Average Equity}}$	5.50%	5.43%
Net Profit Margin <i>Reflects how much net income or profit is generated as percentage of revenue</i>	$\frac{\text{Net Profit Margin}}{\text{Revenue}}$	15.53%	16.24%
Return on Assets <i>Measure the ability to utilize the Group's assets to create profits</i>	$\frac{\text{Net Income}}{\text{Total Assets}}$	3.99%	3.90%

**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 1.24:1 in 2024 to 1.38:1 in 2025, due to the increase in current assets.

Acid test ratio went up from 1.13:1 in 2024 to 1.26:1 in 2025 due to the increase in current assets

Solvency ratio slightly increased from 0.26:1 in 2024 to 0.27:1 in 2025 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 0.32:1 for 2025 and 0.33:1 for 2024. This is because of higher total liabilities.

Asset to Equity ratio decreased from 1.32:1 in 2024 to 1.31:1 in 2025 because of higher equity.

Interest Rate Coverage shows the capability of a company to pay interest on outstanding debt. The interest rate coverage ratio increased from 11.59:1 in 2024 to 13.32:1 in 2025 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 2025 increased to 5.5% from 5.4% in 2024 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 decreased to 15.53% in 2025, from 16.24% in 2024 due to the non-recurring charge related to the write-off of damages to the MMCM campus caused by the October 2025 earthquake.

Return on Assets measures the ability to utilize the Group's assets to create profits. The Group's return on assets for the year 2025 went up to 3.99%, from 3.90% in 2024.

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 iPeople's liquidity 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; and
 - d. iPeople's 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;

MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

a. Market for Issuer's common equity and related stockholder matters

The common stock (PSE: IPO) is traded on the Philippine Stock Exchange. The market price of IPO's common stock as June 4, 2026 (latest practicable trading date) is at 6.70 for high and P6.57 for low.

PERIOD	STOCK PRICE	
	HIGH	LOW
2026 First Quarter	7.20	6.25
2025 Fourth Quarter	6.34	5.39
2025 Third Quarter	7.00	5.55
2025 Second Quarter	6.30	5.61
2025 First Quarter	6.74	5.62
2024 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

Top 20 owners of common stock as of May 31, 2026:

STOCKHOLDER	NUMBER OF SHARES	% OF TOTAL
HOUSE OF INVESTMENTS, INC.	501,940,749 *	48.07%
AYALA CORPORATION	379,069,331	36.30%
PCD NOMINEE CORP - FILIPINO	85,773,830	8.21%
A. SORIANO CORPORATION	64,062,064	6.13%
PCD NOMINEE CORP - NON FILIPINO	3,840,301	0.37%
HYDEE MANAGEMENT & RES. CORP.	653,800	0.06%
YAN, LUCIO	325,000	0.03%
ONG PAC, SALLY C.	299,000	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.	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	1,037,560,013	99.36%
Others	6,703,184	0.64%
TOTAL	1,044,263,197	100.00%

iPeople has 1,990 shareholders owning a total of 1,044,263,197 shares as of May 31, 2026

* 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. Following the Company's dividend policy, common stockholders are entitled to receive 25% of the previous year's net income as cash dividends. 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 company has declared cash dividends as follows:

The company has declared cash dividends as follows:

YEAR	DIVIDEND PER SHARE	TOTAL AMOUNT
2026	₱0.2312727	₱241.51MM
2025	₱0.25	₱258.28MM
2024	₱0.19	₱198.41MM
2023	₱0.19	₱198.41MM

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

b. 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 2025.

Description of Registrant's Securities: Common Stock

The equity capital structure of the firm as of December 31, 2025 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.

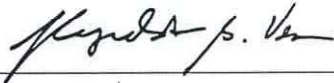
SIGNATURES

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 _____, 2026.

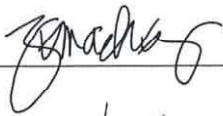
IN WITNESS WHEREOF, we have hereunto affixed our signatures and the seal of the Corporation this 13 day of April, 2026 at Makati City.

By:

DR. REYNALDO B. VEA
Chairman and Chief Executive Officer



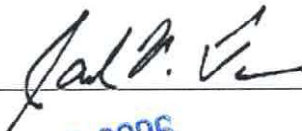
GEMA O. CHENG
EVP and Chief Finance Officer



JONATHAN M. LOPEZ
Controller



ATTY. SAMUEL V. TORRES
Corporate Secretary




APR 13 2026

SUBSCRIBED AND SWORN to before me this ____ day of April 2026, 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. 148 ;
Page No. 31 ;
Book No. 1 ;
Series of 2026


ATTY. ADONAI JAMAR ASLARONA
Notary Public
Until December 31, 2026
IBP O.R. No. 591537/01-07-2026/Pampanga
Appointment No. M-30 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10769145/1-06-2026/Makati City
Unit 1309 Philippine AXA Life Centre, Sen. Gil Puyat
Avenue Corner, Tindalo Street, Makati City 1286

**iPeople, inc. and Subsidiaries
Consolidated Financial Statements
December 31, 2025 and 2024**

and

Report of Independent Auditors

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, 2025 and 2024, 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, 2025, 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 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), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the Philippines. We have also 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, 2025, the carrying value of the Group's land amounted to ₱11,916 million, representing 49.24% 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.

The Group's disclosures relating to land at revalued amount are included in Notes 10 and 11 of the consolidated financial statements.

Audit response

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

Recoverability of Nonfinancial Assets

Under PFRS Accounting Standards, the Group is required to annually test for impairment of nonfinancial assets with indefinite useful lives and for those nonfinancial assets with finite useful lives, if there are indicators of impairment. The Group has intellectual property rights with indefinite life amounting to ₱447.68 million and right-of-use assets of a subsidiary aggregating to ₱202.23 million as of December 31, 2025, 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 due to the current economic conditions. The 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 in relation to nonfinancial assets are included in Notes 6 and 31 to the consolidated financial statements.



Audit response

We involved our internal specialist in evaluating the methodology and assumptions used. These assumptions include revenue based on number of forecasted students and related tuition and other matriculation fees, operating costs, discount rates, long-term growth rates, and royalty rates. We compared the key assumptions used, such as forecasted students and related tuition fees, long-term growth rates, and royalty rates against the historical performance of the CGUs and other relevant published market information. We tested the parameters used in the determination of discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment tests is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of these nonfinancial assets.

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, 2025, 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, 2025 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.

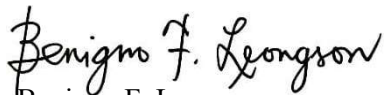


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Partner

CPA Certificate No. 122551

Tax Identification No. 256-013-926

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 122551-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-143-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10765065, January 2, 2026, Makati City

April 8, 2026





**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, 2025, 2024 and 2023, 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

Signed this **APR 13 2026** day of April, 2026

8th Floor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave.,
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ATTY. ADONAJAN R. ASLARONA

Notary Public

Until December 31, 2026

IBP O.R. No. 591537/01-07-2026/Pampanga

Appointment No. M-30 (2025-2026)

Roll of Attorney No. 84603

MCLE Compliance No. VIII-0033436

PTR No. 10769145/1-06-2026/Makati City

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iPEOPLE, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****(Amounts in Thousands)**

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 15)	₱3,177,276	₱2,578,426
Receivables (Notes 8 and 30)	1,890,501	1,695,037
Receivables from related parties (Notes 15 and 30)	269	1,098
Prepaid expenses and other current assets (Note 9)	502,194	440,150
Financial assets at fair value through profit or loss (FVTPL) [Note 30]	11,330	8,022
Total Current Assets	5,581,570	4,722,733
Noncurrent Assets		
Property and equipment at cost - net (Note 10)	5,543,569	5,563,486
Land at revalued amounts (Notes 10 and 11)	11,915,667	10,820,161
Intellectual property rights (Note 6)	447,676	447,676
Goodwill (Notes 6 and 12)	143,531	143,531
Student relationship (Note 6)	743	2,971
Right-of-use assets (Note 31)	446,374	339,121
Net pension assets (Note 25)	3,269	16,997
Deferred tax assets - net (Note 23)	657	651
Other noncurrent assets (Note 13)	117,705	80,992
Total Noncurrent Assets	18,619,191	17,415,586
	₱24,200,761	₱22,138,319
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 30)	₱1,603,769	₱1,386,244
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)	1,283,627	1,290,123
Lease liabilities - current portion (Note 31)	57,941	50,638
Income tax payable	25,543	23,097
Payables to related parties (Notes 15 and 30)	15,179	5,762
Dividends payable (Notes 18 and 30)	18,212	9,642
Total Current Liabilities	4,036,845	3,798,080
Noncurrent Liabilities		
Long-term loans (Note 17)	228,704	261,278
Lease liabilities - net of current portion (Note 31)	454,551	344,314
Net pension liabilities (Note 25)	147,603	137,787
Deferred tax liabilities - net (Note 23)	914,569	855,448
Other noncurrent liabilities (Note 31)	9,492	9,492
Total Noncurrent Liabilities	1,754,919	1,608,319
Total Liabilities	5,791,764	5,406,399

(Forward)

	December 31	
	2025	2024
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)	6,481,455	5,481,723
Remeasurement losses on defined benefit plans (Note 25)	(56,418)	(32,743)
Equity reserve (Note 6)	(230,494)	(230,494)
Retained earnings (Note 18)	7,468,462	6,785,877
Equity attributable to equity holders of the Parent Company	18,001,636	16,342,994
Non-controlling interest in consolidated subsidiaries (Note 27)	407,361	388,926
Total Equity	18,408,997	16,731,920
	₱24,200,761	₱22,138,319

See accompanying Notes to Consolidated Financial Statements.



iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS			
(Note 19)			
Revenue from schools and related operations	₱6,222,195	₱5,321,726	₱4,491,426
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	(3,693,707)	(3,165,945)	(2,853,889)
GROSS PROFIT	2,528,488	2,155,781	1,637,537
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	(1,455,139)	(1,187,354)	(880,275)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	(116,161)	(121,056)	(149,024)
INTEREST INCOME (Note 22)	82,346	68,232	63,488
OTHER INCOME	34,271	44,466	35,320
INCOME BEFORE INCOME TAX	1,073,805	960,069	707,046
PROVISION FOR INCOME TAX (Note 23)	(107,767)	(95,924)	(45,035)
NET INCOME	966,038	864,145	662,011
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Revaluation increment on land - net of tax amounting to ₱112,566 and ₱110,030, and ₱214,623 in 2025, 2024, and 2023, respectively	1,013,095	990,272	1,926,005
Remeasurement gains (losses) on defined benefit plans - net of tax amounting to (₱2,857) and ₱14, and (₱5,000) in 2025, 2024, and 2023, respectively	(25,718)	125	(44,961)
	987,377	990,397	1,881,044
TOTAL COMPREHENSIVE INCOME	₱1,953,415	₱1,854,542	₱2,543,055
Net income attributable to:			
Equity holders of the parent (Note 26)	₱941,828	₱844,472	₱645,325
Non-controlling interest in consolidated subsidiaries (Note 27)	24,210	19,673	16,686
	₱966,038	₱864,145	₱662,011
Total comprehensive income attributable to:			
Equity holders of the parent	₱1,917,885	₱1,809,156	₱2,515,363
Non-controlling interest in consolidated subsidiaries (Note 27)	35,530	45,386	27,692
	₱1,953,415	₱1,854,542	₱2,543,055
Basic/Diluted Earnings Per Share (Note 26)	₱0.9019	₱0.8087	₱0.6180

See accompanying Notes to Consolidated Financial Statements.



iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	Common Stock (Notes 6 and 18)	Additional Paid-in Capital (Note 6)	Revaluation Increment on Land - net of tax (Note 11)	Remeasurement Gains (Losses) on Net Defined Benefit Plans (Note 25)	Equity Reserve (Note 6)	Retained Earnings (Note 18)	Total	Non - controlling Interest (Note 27)
Balances as at January 1, 2025	₱1,044,263	₱3,294,368	₱5,481,723	(₱32,743)	(₱230,494)	₱6,785,877	₱16,342,994	₱388,926
Net income	-	-	-	-	-	941,828	941,828	24,210
Other comprehensive income	-	-	999,732	(23,675)	-	-	976,057	11,320
Total comprehensive income	-	-	999,732	(23,675)	-	941,828	1,917,885	35,530
Dividends declared	-	-	-	-	-	(259,243)	(259,243)	(17,095)
Balances as at December 31, 2025	₱1,044,263	₱3,294,368	₱6,481,455	(₱56,418)	(₱230,494)	₱7,468,462	₱18,001,636	₱407,361
Balances as at January 1, 2024	₱1,044,263	₱3,294,368	₱4,516,945	(₱32,649)	(₱230,494)	₱6,139,815	₱14,732,248	₱352,280
Net income	-	-	964,778	(94)	-	844,472	844,472	19,673
Other comprehensive income	-	-	964,778	(94)	-	844,472	1,809,156	25,713
Total comprehensive income	-	-	964,778	(94)	-	844,472	1,809,156	45,386
Dividends declared	-	-	-	-	-	(198,410)	(198,410)	(8,740)
Balances as at December 31, 2024	₱1,044,263	₱3,294,368	₱5,481,723	(₱32,743)	(₱230,494)	₱6,785,877	₱16,342,994	₱388,926
Balances as at January 1, 2023	₱1,044,263	₱3,294,368	₱2,603,159	₱11,099	(₱230,494)	₱5,692,900	₱12,415,295	₱324,903
Net income	-	-	-	-	-	645,325	645,325	16,686
Other comprehensive income	-	-	1,913,786	(43,748)	-	-	1,870,038	11,006
Total comprehensive income	-	-	1,913,786	(43,748)	-	645,325	2,515,363	27,692
Dividends declared	-	-	-	-	-	(198,410)	(198,410)	(315)
Balances as at December 31, 2023	₱1,044,263	₱3,294,368	₱4,516,945	(₱32,649)	(₱230,494)	₱6,139,815	₱14,732,248	₱352,280

See accompanying Notes to Consolidated Financial Statements.



iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,073,805	₱960,069	₱707,046
Adjustments for:			
Depreciation and amortization (Note 20)	600,895	535,831	507,327
Interest expense and other finance charges (Note 22)	116,161	121,056	149,024
Provision for expected credit losses (Notes 8 and 21)	79,587	68,814	43,997
Provision for impairment of intangible assets (Notes 6, 12, and 21)	–	18,229	32,771
Property and equipment write-off (Notes 10 and 21)	194,517	–	–
Interest income (Note 22)	(82,346)	(68,232)	(63,488)
Loss (gain) on pre-termination of lease (Note 31)	–	(12,772)	(4,920)
Unrealized foreign exchange loss (gain) - net	(447)	(1,676)	406
Unrealized market gain (loss) on financial assets at FVTPL	(518)	1,745	(435)
Operating income before working capital changes	1,981,654	1,623,064	1,371,728
Decrease (increase) in:			
Receivables	(274,222)	(383,671)	(224,032)
Prepaid expenses and other current assets	(64,834)	166,899	(142,112)
Increase (decrease) in:			
Accounts payable and other current liabilities	203,329	213,193	39,730
Unearned income	(6,496)	311,862	182,098
Other noncurrent liabilities	–	(7,623)	5,571
Net pension assets and liabilities	(2,180)	(21,398)	6,242
Net cash generated from operations	1,837,251	1,902,326	1,239,225
Interest paid	(119,147)	(130,193)	(151,393)
Income taxes paid	(120,163)	(92,483)	(29,083)
Interest received	82,346	68,232	63,488
Net cash flows from operating activities	1,680,287	1,747,882	1,122,237
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Notes 10 and 29)	(701,182)	(699,968)	(478,080)
Computer software (Note 13)	(7,434)	(3,352)	(6,190)
Decrease (increase) in:			
Other noncurrent assets	(34,319)	1,921	15,551
Net cash flows used in investing activities	(742,935)	(701,399)	(468,719)

(Forward)



	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM FINANCING			
ACTIVITIES (Note 29)			
Proceeds from short-term loans (Notes 16)	₱-	₱-	₱1,000,000
Payment of lease liabilities (Note 31)	(48,025)	(42,947)	(42,756)
Dividends paid to stockholders	(267,768)	(198,432)	(223,955)
Increase (decrease) in payables to related parties (Note 27)	9,417	(2,944)	(8,091)
Payments of long-term loans (Note 17)	(32,574)	(32,574)	(1,532,574)
Net cash flows used in financing activities	(338,950)	(276,897)	(807,376)
EFFECTS OF EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	448	1,676	(406)
NET INCREASE (DECREASE) IN CASH AND			
CASH EQUIVALENTS	598,850	771,262	(154,264)
CASH AND CASH EQUIVALENTS AT			
BEGINNING OF YEAR	2,578,426	1,807,164	1,961,428
CASH AND CASH EQUIVALENTS AT			
END OF YEAR (Notes 7 and 30)	₱3,177,276	₱2,578,426	₱1,807,164

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).

The Parent Company’s principal office address is at 8th Floor 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 are disclosed in Note 6.

Merger of National Teachers College (NTC) and AC College of Enterprise Technology (ACCET)

In February 2025, the BOD of NTC and ACCET, both subsidiaries of iPeople, Inc., approved the merger of ACCET to NTC, with ACCET as the absorbed entity. The Merger became effective on October 21, 2025, at which point the NTC legally absorbed ACCET. As of the effective date, all assets, liabilities, rights, and obligations of ACCET were transferred to and assumed by NTC.

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, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, 2024 and 2023.



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		
	2025	2024	2023
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. (MCMCI)	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
National Teachers College doing business under the name/s and style/s of The National Teachers College**	99.82	99.79	99.79
University of Nueva Caceres	83.01	83.01	83.01
AC College of Enterprise and Technology, Inc.*	-	100	100
LINC Institute, Inc. doing business under the Name and Style of LINC Academy	100	100	100

**In October 2025, SEC approved the merger of ACCET and NTC, at which point the NTC legally absorbed the Company*

***With NTC and ACCET merger, percentage of ownership has increased from 99.79% to 99.82%*

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, 2025. The adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise indicated.

- 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.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.



The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- 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.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- 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 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. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

- 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

The Group is currently working to identify all impacts and amendments will have on the consolidated financial statements and notes to the financial statements. The initial expected material impacts on Group's financial statements are, as follows:

- Foreign exchange difference will be classified in the category where the related income and expense from the item giving rise to the foreign exchange difference
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the consolidated statements of comprehensive income; and (c) a reconciliation for each line item in the consolidated statements of comprehensive income between the restated amounts presented applying PFRS 18 and the amounts previously presented applying PAS 1.

- 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.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.



- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10 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 FSRSC 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 2025 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.

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.

Bookstore inventories

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.

Advances to Suppliers and Contractors

Advances to suppliers and contractors represent downpayments made for goods or services to be received in the future. These are initially measured at the amount of cash paid and presented in the statement of financial position based on the nature of the underlying asset or expense to which the advances relate. Advances related to the acquisition or construction of property, plant, and equipment are classified as non-current assets and are recognized as part of the related asset upon receipt of the goods or completion of services.

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 (Note 6)	Indefinite
Student relationship (Note 6)	5-7
Software cost (Note 13)	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.

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.

Combination of Entities under Common Control

Business combinations under common control are those in which all of the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method accounted for prospectively from the acquisition date as allowed under PIC Q&A 2012-01. Under the prospective pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets and liabilities, at the date of the combination. No new goodwill is recognized. The adjustments made, if any, are only to the extent to harmonize accounting policies within the Company. The difference between the book value of net asset acquired and the consideration paid or transferred is recognized in equity. The profit and loss of the acquirees are consolidated from the acquisition date. Comparative periods are not restated.



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 is measured at fair value of the consideration received, excluding discounts, scholarship grants, rebates, and value-added tax (VAT).

Revenue from schools and related operations consist of the following:

Revenue from tuition and other matriculation fees

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

Other student-related income

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

Admission, examination and other fees

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

Bookstore income

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

Seminar income

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

Miscellaneous income

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

Sale of goods is recognized as revenue upon delivery of the goods to the buyer (at point in time).

Sale of services is recognized when services are rendered (over time).



Following are contract balances relative to PFRS 15:

Receivables

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

Contract assets

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

Contract liabilities

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

Costs and Expenses

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

Cost of schools and related operations

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

General and Administrative Expenses

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

Interest and Financing Charges

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

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

Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Retirement Benefits

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



Retirement benefits cost comprises the following:

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

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

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

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

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

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

Income Taxes

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.

Contingences

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.

Related Party Transactions

Transactions with related parties are accounted for based on the nature and substance of the agreement, and financial effects are included in the appropriate asset, liability, income and expense accounts.

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, 2025 and 2024. The key assumptions used to determine fair value are disclosed in Note 11.

As at December 31, 2025 and 2024, the fair value of land amounted to ₱11,915.7 million and ₱10,820.2 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 losses arising from the earthquake

The determination of losses arising from the earthquake requires significant management judgment and is based on estimates that may differ from actual outcomes in future periods. The estimation process involves assessing the extent of damage to the Company's assets and operations and certain assumptions and sources of information, including the results of ongoing inspections and investigations, estimated repair or replacement costs, inflation, and the recoverability and timing of related insurance claims.

While management believes that the assumptions applied in estimating the losses are reasonable and appropriate based on information available as of the reporting date, significant differences in actual costs incurred, the outcome of further assessments and evaluation, or changes in other assumptions could materially affect the amount of loss recognized.

As of December 31, 2025, management recognized an estimated loss of ₱194.52 million. Insurance claims related to the earthquake remain under evaluation by the insurer. Any insurance recoveries have been recognized only to the extent that recovery is considered virtually certain as of the reporting date.

Impairment of nonfinancial assets

Impairment of goodwill and intellectual property rights (nonfinancial assets with indefinite useful life) 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.

In 2025, 2024, and 2023, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC aggregating to ₱202.2 million, ₱290.1 million and ₱376.7 million as of December 31, 2025, 2024, and 2023 respectively, due to the continuing losses of APEC. In assessing the impairment, the Group determines the recoverable amount using value in use, with details disclosed in Note 31. As of December 31, 2025, December 31, 2024, and December 31, 2023, 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, 2025 and 2024, the net pension liabilities amounted to ₱147.6 million and ₱137.8 million, respectively, while net pension assets amounted to ₱3.3 million and ₱17.0 million as at December 31, 2025 and 2024, 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
	<u>₱652,584</u>

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, 2025 and 2024, 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 2025 and 2024). 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 (13.7% for 2025 and 14% to 15% for 2024). 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 (5% for 2025 and 2024). 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 nil, ₱10.4 million and ₱32.8 million in 2025, 2024 and 2023, respectively. The carrying value of intellectual property rights as of December 31, 2025 and 2024 amounted to ₱447.7 million for both years.

Sensitivity to changes in assumptions

Management believes that no possible change in any of the above assumptions would cause the carrying value of the intellectual property rights to materially exceed their recoverable amount.



Student Relationship

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

	2025	2024
Cost from business combination	₱116,009	₱116,009
Accumulated amortization:		
Beginning balance	(113,038)	(109,977)
Amortization (Note 20a)	(2,228)	(3,061)
Ending balance	(115,266)	(113,038)
Balance at end of the year	₱743	₱2,971

Amortization amounted to ₱2.2 million in 2025, ₱3.1 million in 2024 and ₱4.7 million 2023.

7. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	₱1,941	₱2,454
Cash in banks (Note 15)	963,638	728,570
Cash equivalents (Note 15)	2,211,697	1,847,402
	₱3,177,276	₱2,578,426

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 ₱82.2 million, ₱68.0 million and ₱63.4 million in 2025, 2024 and 2023, respectively (Note 22).

8. Receivables

This account consists of:

	2025	2024
Tuition and other fees	₱2,200,996	₱1,982,461
Advances to officers and employees	61,479	52,893
Others	106,590	94,781
	2,369,065	2,130,135
Allowance for ECL	(478,564)	(435,098)
	₱1,890,501	₱1,695,037

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 ₱225.4 million and ₱161.7 million as at December 31, 2025 and 2024, 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:

	2025		
	Tuition and other fees	Others	Total
Balance at beginning of year	P426,328	P8,770	P435,098
Provisions for the year (Note 21)	79,587	-	79,587
Write-off	(36,121)	-	(36,121)
Balance at end of year	P469,794	P8,770	P478,564
Gross receivables	P2,200,996	P106,590	P2,307,586

	2024		
	Tuition and other fees	Others	Total
Balance at beginning of year	P375,800	P8,770	P384,570
Provisions for the year (Note 21)	68,814	-	68,814
Write-off	(18,286)	-	(18,286)
Balance at end of year	P426,328	P8,770	P435,098
Gross receivables	P1,982,461	P94,781	P2,077,242

9. Prepaid Expenses and Other Current Assets

	2025	2024
Prepaid expenses	P353,288	P314,595
Short-term investments	67,506	56,332
Bookstore inventories	27,652	25,662
CWT	15,414	16,227
Office supplies	6,994	4,189
Others	31,340	23,144
	P502,194	P440,149

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, materials inventory, other supplies and input VAT.



10. Property and Equipment

The rollforward analysis of this account follows:

	2025				Total
	Buildings and Improvements	Office Furniture and Equipment	Transportation Equipment	Construction In Progress	
Cost					
Balance at beginning of year	₱6,885,670	₱3,529,733	₱90,087	₱90,351	₱10,595,841
Acquisitions	117,776	281,567	17,914	309,538	726,795
Disposals/retirement	(254,303)	–	(15,366)	–	(269,669)
Reclassifications and adjustments	13,507	–	–	(13,507)	–
Balance at end of year	6,762,650	3,811,300	92,635	386,382	11,052,967
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	₱2,225,443	₱2,753,576	₱53,336	–	₱5,032,355
Depreciation (Notes 20 and 21)	245,957	270,293	10,332	–	526,582
Disposals/retirement	(50,179)	–	(8,609)	–	(58,788)
Reclassifications and adjustments	–	9,504	(255)	–	9,249
Balance at end of year	2,421,221	3,033,373	54,804	–	5,509,398
Net book value at cost	4,341,429	777,927	37,831	386,382	5,543,569
Land at revalued amounts (Note 11)	–	–	–	–	11,915,667
Total	₱4,341,429	₱777,927	₱37,831	₱386,382	₱17,459,236
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
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
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

In 2025, MCMI, one of the subsidiaries of the group, experienced an earthquake that caused damage to certain items of property and equipment. As a result, MCMI recognized a loss amounting to ₱194.52, representing management's assessment of the reduction in the recoverable amount of the affected assets (Note 21).

Construction in progress as at December 31, 2025 and 2024 represents buildings improvements under construction. There are no capital commitments related to construction in progress as at December 31, 2025 and 2024.

The total costs of fully depreciated property and equipment that are still in use amounted to ₱697.9 and ₱658.8 million as of December 31, 2025 and 2024, respectively.

Proceeds from sale and disposal of assets amounted to ₱1.2 million as of December 2025, nil in 2024.

No assets were pledged as collateral.



11. Land at Revalued Amounts

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

	2025	2024
Land at cost	₱4,066,906	₱4,066,906
Revaluation increment on land:		
Balance at beginning of year	6,753,255	5,652,133
Change in revaluation increment	1,095,506	1,101,122
Balance at end of year	7,848,761	6,753,255
	₱11,915,667	₱10,820,161

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

These parcels of land were appraised by SEC-accredited independent firms of appraisers to determine the revalued amounts as at December 31, 2025 and 2024.

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

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

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

Location	Range	
	2025	2024
Makati and Intramuros, Manila	₱153,900 to ₱348,970	₱132,098 to ₱261,630
Cabuyao, Laguna	₱15,400 to ₱18,200	₱15,000 to ₱17,700
Davao City, Davao Del Sur	₱46,800 to 64,125	₱40,950 to 63,000
Pandacan, Metro Manila	₱158,400 to ₱167,400	₱132,300 to ₱156,400
San Jose Del Monte City, Bulacan	₱56,745 to 64,890	₱57,915 to 61,506
Naga City, Camarines Sur	₱28,350 to ₱45,000	₱22,658 to ₱42,750
Quiapo, Manila	₱202,500 to ₱297,000	₱211,500 to ₱261,000

Adjustment factors arising from external and internal factors (i.e., location, size and road frontage) affecting the subject properties as compared to the market listing of comparable properties, range from -20% to +15% in 2025 and from -25% to +20% in 2024.



The balance of the revaluation increment presented in equity in the statements of financial position as of December 31, 2025 and 2024 are as follow:

	2025	2024
Appraisal increase	₱7,848,762	₱6,753,255
Less deferred tax liability (Note 23)	1,367,308	1,271,532
	₱6,481,454	₱5,481,723

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 as at December 31, 2025 and 2024 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. Management assessed that there is no impairment loss in 2025. In 2024 an impairment loss amounting to ₱7.8 million was recognized, nil in 2023.

Key assumptions used in the value in use (VIU) calculation

As at December 31, 2025 and 2024, 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 (3.48% for 2025 and 3.05% for 2024). 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 (11.2% for 2025 and 11.8% for 2024). 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:

	2025	2024
Advances to suppliers	₱52,419	₱-
Input VAT - net	-	26,932
Miscellaneous deposits	36,920	31,864
Creditable withholding tax	7,685	9,453
Computer software	8,883	7,795
Books and periodicals	11,798	4,948
	₱117,705	₱80,992

Miscellaneous deposits include rent deposits of the Group amounting to ₱25.0 million and ₱20.6 million as of December 31, 2025 and 2024, respectively. It also includes security deposit amounting to ₱15.1 million and ₱16.9 million as of December 31, 2025 and 2024, respectively.

Advances to suppliers pertains to the downpayments for the construction of building in Bulacan.

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

	2025	2024
Cost		
Balance at the beginning of the year	₱73,574	₱70,222
Additions	7,434	3,352
Balance at the end of the year	81,008	73,574
Accumulated Amortization		
Balance at the beginning of the year	65,779	54,747
Amortization (Notes 20 and 21)	5,040	9,719
Reclassifications	1,306	1,313
Balance at the end of the year	72,125	65,779
Net Book Value	₱8,883	₱7,795

14. Accounts Payable and Other Current Liabilities and Unearned Income

Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consists of:

	2025	2024
Accounts payable	₱588,702	₱599,836
Accrued expenses	407,976	298,825
Funds payable	397,093	351,507
Provisions (Note 31)	124,647	107,963
Other payables	85,351	28,113
	₱1,603,769	₱1,386,244



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 ₱17.7 million and ₱18.5 million as at December 31, 2025 and 2024, respectively, which are expected to be earned the following year.

Accrued expenses consist of:

	2025	2024
Payable to suppliers	₱173,394	₱144,234
Accrued salaries and wages	92,264	27,383
Accrued professional fees	30,950	23,669
Contracted services	29,568	34,234
Withholding taxes and others	23,055	16,731
Output VAT payable	11,406	10,352
Accrued communication expense	8,622	9,551
Accrued utilities	8,496	6,816
SSS and other contributions	4,951	7,251
Accrued interest (Note 18)	3,874	1,347
Insurance	2,172	1,251
Others	19,224	16,007
	₱407,976	₱298,826

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 ₱1,283.6 million and ₱1,290.1 million as at December 31, 2025 and 2024, respectively, which are considered contract liabilities.

Contract Liabilities

As at December 31, 2025, contract liabilities amounted to ₱1,283.6 million and these will be recognized as revenue in the following year. Contract liabilities as of December 31, 2024 amounting to ₱1,290.1 million were recognized as revenue in 2025.

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



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	2025	₱–	(₱12,896)	Noninterest-bearing; unsecured; due and demandable
	2024	–	(5,078)	
Management fee and other professional fees (Notes 20 and 21)	2025	133,203	–	–
	2024	113,437	–	–
	2023	109,660	–	–
b) Receivable from HI	2025	–	–	Noninterest-bearing; unsecured; due and demandable; no impairment
	2024	–	30	
Entities under common control of HI				
c) Receivables from related parties	2025	–	–	Noninterest-bearing; unsecured; due and demandable; no impairment
	2024	–	32	
Rental income	2025	(11,497)	250	–
	2024	(10,458)	1,018	–
	2023	(9,322)	886	–
d) Payables to related parties	2025	–	(1,270)	Noninterest-bearing; unsecured; due and demandable
	2024	–	(684)	
Contracted services (Notes 20 and 21)	2025	78,383	–	–
	2024	127,651	–	–
	2023	84,399	–	–
Entities under common control of PMMIC				
f) Cash and cash equivalents (Note 7)	2025	–	2,058,013	Interest at prevailing deposit and short-term rates; unsecured; no impairment
	2024	–	1,654,330	
Interest income (Note 22)	2025	82,160	–	–
	2024	67,987	–	–
	2023	63,351	–	–
g) Receivables from related parties	2025	–	18	Noninterest-bearing; unsecured; due and demandable; no impairment
	2024	–	18	
h) Insurance expense	2025	29,343	–	–
	2024	17,932	–	–
	2023	21,839	–	–
Financial asset at FVTPL (Note 30)	2025	–	11,330	–
	2024	–	8,022	Carried at fair value; No impairment
Short-term investments (Note 9)	2025	–	67,506	Interest at prevailing deposit and short-term rates; unsecured; no impairment
	2024	–	56,332	
Entities with significant influence				
i) Management fee and other professional fees (Notes 20 and 21)	2025	11,718	–	Due on demand, noninterest-bearing; unsecured; no impairment
	2024	11,907	–	
	2023	11,718	–	
Others				
j) Accounts payable	2025	–	1,840	Noninterest-bearing; unsecured; due and demandable; no impairment
Professional fees	2025	2,124	–	
	2024	–	–	–
	2023	146	–	–



Total due from related parties amounted to ₱0.27 million and ₱1.10 million for the years ended December 31, 2025 and 2024, respectively.

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 ₱0.44 million, ₱0.61 million and ₱0.98 million for the years ended December 31, 2025, 2024 and 2023, respectively.
Compensation of key management personnel of the Group

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

	2025	2024	2023
Short-term benefits	₱197,340	₱180,057	₱159,250
Post-employment benefits	13,982	2,593	2,247
	₱211,322	₱182,650	₱161,497

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, 2025 and 2024, 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, MCMI availed ₱1.0 billion short-term loans from RCBC and BPI at 6.75% and 6.15% interest rate, respectively. The short-term loans were rolled over in November 2025. The loan will mature on January 2026.

Interest expense charged to operations in 2025, 2023 and 2022 amounted to ₱72.7 million, ₱75.7 million and ₱39.9 million, respectively (Note 22).

17. Long-term Loans

This account consists of the following as of December 31:

	2025	2024
Unsecured bank loans	₱261,278	₱293,852
Less: Current portion of unsecured bank loans	32,574	32,574
Noncurrent portion of long-term loans	₱228,704	₱261,278

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, 2025 and 2024, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Interest expense recognized in profit or loss in 2025, 2024 and 2023 amounted to ₱16.3 million, ₱17.4 million and ₱19.5 million, respectively (Note 22).

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, 2025 and 2024, 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, 2025:

Year	Number of shares registered	Number of holders of securities as at year end
January 1, 2024	1,044,263,197	1,992
Add (deduct) movement	—	—
December 31, 2024	1,044,263,197	1,992
Add (deduct) movement	—	(2)
December 31, 2025	1,044,263,197	1,990

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, 2025 and 2024 amounted to ₱1,894.8 million and ₱1,797.6 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 ₱7,577.81 million and ₱6,722.04 million as at December 31, 2025 and 2024, respectively. These are not available for dividends until declared by the subsidiaries.



The BOD declared cash dividends as follows:

	2025	2024	2023
April 8, 2025, (₱0.25 per share) to stockholders of record as of May 8, 2025, payable on or before May 30, 2025	₱259,243	₱-	₱-
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
	₱259,243	₱198,410	₱198,410

On April 8, 2026, the BOD declared ₱241.51 million cash dividends (₱0.23 per share) to stockholders of record as of May 8, 2026, payable on or before May 29, 2026. Dividends payable as of December 31, 2025 and 2024 amounting to ₱18.21 million and ₱9.64 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, 2025 and 2024.

As at December 31, 2025 and 2024, the Group is not subject to externally imposed capital requirements except for the long-term loans of NTC 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.

	2025	2024
Liabilities (a)	₱5,791,764	₱5,406,398
Equity (b)	18,001,636	16,369,144
Debt-to-equity ratio (a/b)	0.32:1.00	0.33:1.00

19. Revenue from Contracts with Customers

Revenue from schools and related operations consists of:

	2025	2024	2023
Tuition and other matriculation fees	₱6,176,235	₱5,344,179	₱4,418,998
Less: Scholarship grants and discounts	(279,228)	(237,049)	(198,991)
	5,897,007	5,107,130	4,220,007
Other student related income and auxiliary services	325,188	214,596	271,419
	₱6,222,195	₱5,321,726	₱4,491,426

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:

	2025	2024	2023
Personnel expenses (Note 24)	₱1,672,663	₱1,449,216	₱1,253,794
Depreciation and amortization	500,485	446,139	449,657
Student-related expenses	311,876	263,382	198,108
IT expense - software license	287,818	214,249	140,149
Management and other professional fees (Note 15)	225,621	183,562	170,567

(Forward)



	2025	2024	2023
Periodicals	₱201,797	₱172,421	₱165,341
Utilities	160,371	149,663	135,265
Membership Fees	53,365	35,794	-
Research and development fund	49,308	45,988	38,289
Accreditation cost	46,351	37,983	40,130
Repairs and maintenance	45,848	39,557	42,444
Tools and library books (Notes 10 and 13)	42,241	46,192	37,380
Seminar	20,655	18,389	12,768
Insurance	20,396	16,155	18,803
Laboratory supplies	12,801	9,436	6,739
Transportation and travel	12,736	8,443	4,640
Office supplies	10,887	5,715	7,180
Advertising	5,214	1,510	102,866
Taxes and licenses	5,105	4,621	9,242
Rent (Note 31)	2,113	10,877	6,872
Entertainment, amusement and recreation	1,850	1,138	548
Miscellaneous	4,207	5,514	13,110
Total	₱3,693,707	₱3,165,944	₱2,853,892

a. Details of depreciation and amortization follows:

	2025	2024	2023
Depreciation (Note 10)	₱526,582	₱468,085	₱445,067
Depreciation - ROU assets (Note 31)	67,045	54,965	51,420
Amortization - Student relationship (Note 6)	2,228	3,061	4,727
Amortization (Note 13)	5,040	9,719	6,113
	₱600,895	₱535,831	₱507,327

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

	2025	2024	2023
Cost of schools and related operations	₱449,019	₱392,855	₱401,117
Cost of schools and related operations - ROU assets (Note 31)	51,466	53,285	48,539
	500,485	446,140	449,656
General and administrative expenses (Note 21)	100,410	89,691	57,670
	₱600,895	₱535,831	₱507,326



21. General and Administrative Expenses

This account consists of:

	2025	2024	2023
Management and other professional fees (Note 15)	₱306,390	₱267,321	₱251,158
Personnel expenses (Note 24)	265,556	236,085	189,348
Advertising	241,311	213,558	89,656
Provision for losses (Note 10 and 31)	233,881	25,275	24,651
Depreciation and amortization (Note 20)	100,410	88,011	57,670
Provisions for expected credit losses (Note 8)	79,587	68,814	43,997
Taxes and licenses	40,075	49,230	25,197
IT expense - software license	33,545	49,593	22,092
Utilities	25,565	26,607	18,231
Repairs and maintenance	20,926	26,107	21,045
Insurance	10,287	9,519	8,408
Transportation and travel	8,993	12,863	13,421
Seminar	6,023	8,044	6,214
Commission	5,496	4,082	3,262
Donations	4,151	3,930	5,580
Office supplies	3,396	5,310	4,033
Investor relations	1,856	1,807	1,605
Entertainment, amusement, and recreation	1,354	4,266	3,662
Rent (Note 31)	55	147	2,600
Provision for impairment of intangible asset (Notes 6 and 12)	—	18,229	32,771
Miscellaneous	66,282	68,556	55,673
	₱1,455,139	₱1,187,354	₱880,274

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

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



22. Interest Income, Interest and Other Finance Charges

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

	2025	2024	2023
Cash in banks and cash equivalents (Note 7)	82,159	₱67,987	₱63,351
Advances to officers and employees (Note 8)	187	245	137
	₱82,346	₱68,232	₱63,488

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

	2025	2024	2023
Short-term loans (Note 16)	₱72,726	₱75,738	₱39,938
Long-term loans (Note 17)	16,315	17,399	79,278
Interest expense on lease liabilities (Note 31)	27,120	27,919	29,808
	₱116,161	₱121,056	₱149,024

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

	2025	2024	2023
Miscellaneous income	₱11,557	₱14,333	₱15,045
Rent income	22,196	15,084	14,920
Gain on pre-termination of lease (Note 31)	–	12,772	4,920
Investment income in UITF	518	2,277	435
	₱34,271	₱44,466	₱35,320

23. Income Tax

Provision for income tax consists of:

	2025	2024	2023
Current	₱122,610	₱96,030	₱43,577
Deferred	(14,843)	(106)	1,458
	₱107,767	₱95,924	₱45,035

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

	2025	2024	2023
Income before income tax at statutory rate	25.00%	25.00%	25.00%
Add (deduct) reconciling items:			
Difference in income tax rate	(11.64)	(14.17)	(15.59)
Others	(3.32)	(0.84)	(3.04)
	10.04%	9.99%	6.37%



MESI, MHSSI, MMCL, MCMI, 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:

	2025	2024
Deferred tax assets - net:		
Allowance for ECL	₱250	₱245
Other provisions	407	406
	657	651
Deferred tax liabilities - net:		
Revaluation increment on land	862,537	802,327
Intellectual property rights and student relationship	44,595	43,505
Other provision	7,437	9,616
	₱914,569	₱855,448

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.

	2025	2024
NOLCO	₱79,558	₱74,996
Allowance for ECL	1,703	4,462
Provision for retirement and others	1,053	333



As at December 31, 2025 and 2024, the details of NOLCO and MCIT, which are available for offset against future taxable income and tax payable, respectively, follow:

	NOLCO		MCIT	
	2025	2024	2025	2024
Beginning balance	₱147,404	₱186,155	₱-	₱2,386
Additions	4,246	13,876	-	-
Application/Expiration	(41,181)	(52,627)	-	(2,386)
Ending balance	₱110,469	₱147,404	₱-	₱-

Year Incurred	Year of Expiration	NOLCO	
		2025	2024
2025	2028	₱4,246	₱-
2024	2027	13,876	13,876
2023	2026	11,602	11,602
2022	2025	8,168	8,168
2021	2026	72,577	72,577
2020	2025	-	41,181
		₱110,469	₱147,404

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:

	2025	2024	2023
Compensation	₱1,483,841	₱1,302,349	₱1,313,220
Retirement benefits (Note 25)	51,894	39,786	22,424
Miscellaneous benefits	402,484	343,166	107,498
	₱1,938,219	₱1,685,301	₱1,443,142

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

b. Personnel expenses as function of expense follows:

	2025	2024	2023
Cost of schools and related operations (Note 20)	₱1,672,663	₱1,449,216	₱1,253,794
General and administrative expenses (Note 21)	265,556	236,085	189,348
	₱1,938,219	₱1,685,301	₱1,443,142



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 2025 for the retirement plan of the Group as at December 31, 2025.

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.

The net pension assets recognized in the consolidated statements of financial position as at December 31, 2025 and 2024 is as follows:

	2025	2024
Fair value of plan assets	₱58,875	₱58,322
Present value of defined benefit obligation	(55,460)	(38,040)
Effect of asset ceiling	(146)	(3,285)
	₱3,269	₱16,997

The net pension liabilities recognized in the consolidated statements of financial position as at December 31, 2025 and 2024 is as follows:

	2025	2024
Fair value of plan assets	₱350,042	₱322,287
Present value of defined benefit obligation	(497,645)	(460,074)
	(₱147,603)	(₱137,787)

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

	2025	2024
Net pension assets	₱3,269	₱16,997
Net pension liabilities	(147,603)	(137,787)

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

	2025	2024
At beginning of year	₱120,790	₱142,313
Contribution paid	(56,563)	(63,112)
Net pension expense	51,894	39,786
Remeasurement losses (gains) recognized in OCI	28,575	(134)
Adjustments and reversals	(362)	4,296
Benefits paid	-	(2,359)
At end of the year	₱144,334	₱120,790



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

	2025	2024
Present value of defined benefit obligation	₱572,635	₱498,245
Fair value of plan assets	(428,447)	(380,740)
Effect of asset ceiling	146	3,285
Net pension liabilities	₱144,334	₱120,790

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

	2025	2024
Beginning balance	₱498,245	₱451,114
Interest cost	18,050	26,269
Current service cost	38,149	32,608
Benefits paid	(26,732)	(22,773)
Remeasurement losses on obligation:		
Experience adjustments	20,453	6,831
Changes in demographic assumptions	23,326	588
Changes in financial assumptions	1,143	3,608
Ending balance	₱572,634	₱498,245

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

	2025	2024
Beginning balance	₱380,740	₱319,367
Interest income	22,613	19,091
Contributions paid	53,658	63,112
Benefits paid	(23,726)	(20,414)
Remeasurement gains (losses) on plan assets	(4,667)	11,161
Adjustment to plan assets	(170)	(11,577)
Ending balance	₱428,448	₱380,740

Remeasurement losses (gains) recognized in OCI follow:

	2025	2024
Remeasurement losses (gains)	₱26,062	(₱1,539)
Return on assets excluding amount included in net interest cost	2,513	1,405
Total remeasurement losses (gains) recognized in OCI	₱28,575	(₱134)

The distribution of plan assets as at December 31, 2025 and 2024 is as follows:

	2025		2024	
	Amount	%	Amount	%
Cash and cash equivalents	₱131,024	30.58%	₱144,624	37.99%
Investments in:				
Government securities	246,102	57.44%	152,552	40.07%
Equity instruments	23,992	5.60%	51,868	13.62%
Interest and other receivables	1,350	0.32%	2,511	0.66%
Accrued trust fees	25,979	6.06%	29,170	7.66%
	₱428,447	100.00%	₱380,725	100.00%



Actual return on plan assets amounted to ₱4.67 million and ₱9.04 million in 2025 and 2024, respectively.

The Group plans to contribute ₱53.95 million in 2026.

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

	2025	2024
Discount rate:		
Beginning	5.01%-6.11%	6.07%-6.15%
End	6.29%-6.58%	5.01%-6.11%
Salary increase rate:		
Beginning	3.48%-5.00%	3.07%-5.00%
End	3.48%-6.00%	3.48%-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, 2025

	Rate	Increase (Decrease)	PVO
Discount rate	6.79%	+100bps	(₱392,514)
	5.84%	-100bps	456,888
Salary rate	4.70%	+100bps	₱458,623
	5.50%	-100bps	(390,888)

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)

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.



The maturity analysis of the undiscounted benefit payments as at December 31 are as follow:

	2025	2024
Less than one year to less than 5 years	₱251,358,713	₱238,611,401
More than 5 years but less than 15 years	591,386,267	523,726,471
More than 15 years	703,483,512	656,266,085

26. Earnings Per Share

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

	2025	2024	2023
Net income attributable to equity holders of Parent Company (a)	₱941,828	₱844,472	₱645,325
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)	₱0.9019	₱0.8087	₱0.6180

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 2025 and 2024 follows:

	2025	2024
University of Nueva Caceres	16.99%	16.99%
National Teachers College	0.18%	0.21%

Non-controlling interests in material subsidiaries as at December 31 follows (in million pesos):

	2025	2024
University of Nueva Caceres	₱400	₱383
National Teachers College	7	6

As at December 31, 2025 and 2024, the summarized financial information attributable to non-controlling interests in material subsidiaries is shown in the next page.



(In million pesos)

	University of Nueva Caceres		National Teachers College	
	2025	2024	2025	2024
Assets				
Current assets	₱561	₱490	₱1,282	₱1,122
Noncurrent assets	1,959	1,874	3,189	2,822
	₱2,520	₱2,364	₱4,471	₱3,944
Liabilities and Equity				
Current liabilities	₱266	₱229	₱478	₱591
Noncurrent liabilities	179	163	692	766
	445	392	1,170	1,357
Equity	2,075	1,972	3,301	2,587
	₱2,520	₱2,364	₱4,471	₱3,944
Attributable to:				
Equity holders of parent	₱1,675	₱1,607	₱3,293	₱2,580
Non-controlling interest	400	365	7	6
Net revenue	594	528	1,094	812
Gross profit	314	286	628	479
Net income	138	113	366	271
Attributable to:				
Equity holders of parent	₱115	₱94	₱366	₱271
Non-controlling interest	23	19	-	-

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, MCMI, 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			
	2025		2024		2025		2024		2023		2025		2024		2023	
	2025	2024	2025	2024	2025	2024	2025	2024	2023	2025	2024	2025	2024	2023	2025	2024
Revenues																
Income from external customers	₱6,222	₱5,322	₱4,491	₱4,491	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱6,222	₱5,322	₱-	₱6,222	₱4,491
Total Revenues	₱6,222	₱5,322	₱4,491	₱4,491	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱6,222	₱5,322	₱-	₱6,222	₱4,491
Net Income attributable to Parent Company	₱1,077	₱876	₱710	₱334	₱368	₱612	(₱469)	(₱400)	(₱676)	₱942	₱844	₱942	₱844	(₱676)	₱942	₱645
Other Information																
Segment assets	₱25,476	₱23,044	₱20,866	₱6,333	₱6,619	₱6,438	(₱7,513)	(₱7,437)	(₱7,340)	₱24,296	₱22,186	₱24,296	₱22,186	(₱7,340)	₱24,296	₱19,964
Segment liabilities	7,342	6,896	6,257	74	116	109	(1,530)	(1,559)	(1,486)	5,887	5,454	5,887	5,454	(1,486)	5,887	4,880
Deferred tax assets	94	47	48	1	1	1	-	-	-	95	48	95	48	-	95	49
Deferred tax liabilities	957	804	695	0	46	44	52	53	55	1,009	903	1,009	903	55	1,009	795
Cash flows arising from:																
Operating activities	493	1,957	750	253	446	43	933	(656)	322	1,679	1,747	1,679	1,747	322	1,679	1,114
Investing activities	(315)	(769)	(316)	(0)	4	(1)	(427)	64	(119)	(742)	(701)	(742)	(701)	(119)	(742)	(436)
Financing activities	(652)	(605)	(336)	(258)	(204)	(201)	571	532	(296)	(339)	(277)	(339)	(277)	(296)	(339)	(832)
Interest expense	155	155	177	1	1	1	(39)	(35)	(29)	116	121	116	121	(29)	116	149
Provision for income tax	107	98	48	2	1	1	(1)	(2)	(5)	108	96	108	96	(5)	108	45
Capital expenditures	483	701	489	2	1	(1)	224	14	(52)	709	716	709	716	(52)	709	436
Depreciation and amortization	590	520	491	5	7	7	6	9	9	601	536	601	536	9	601	507



29. Notes on Consolidated Statements of Cash Flows

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

	Non-cash Changes						
	2024	Declaration of Cash Dividend	Amortization of debt issue cost	Additions on Lease liabilities	Interest Expense	Other Non-Cash	2025
	₱1,000,000	₱-	₱-	₱	₱-	₱-	₱1,000,000
Short-term loans	32,574	-	-	-	-	-	32,574
Current portion of long-term loans	261,278	-	-	-	-	-	228,704
Long-term loans	9,642	276,338	-	-	-	-	18,212
Dividends payable	5,762	-	-	-	-	-	15,179
Payables to related parties	394,952	-	-	138,727	26,837	-	512,491
Lease liabilities	₱1,704,208	₱276,338	₱-	₱138,727	₱26,837	₱-	₱1,807,160

	Non-cash Changes						
	2023	Declaration of Cash Dividend	Amortization of debt issue cost	Additions on Lease liabilities	Interest Expense	Other Non-Cash	2024
	₱1,000,000	₱-	₱-	₱	₱-	₱-	₱1,000,000
Short-term loans	32,574	-	-	-	-	-	32,574
Current portion of long-term loans	293,852	-	-	-	-	-	261,278
Long-term loans	924	207,150	-	-	-	-	9,642
Dividends payable	8,706	-	-	-	-	-	5,762
Payables to related parties	391,598	-	-	18,564	27,737	-	394,952
Lease liabilities	₱1,727,654	₱207,150	₱-	₱18,564	₱27,737	₱-	₱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	2023
	₱-	₱-	₱-	₱	₱-	₱-	₱1,000,000
Short-term loans	1,521,449	-	-	-	-	-	32,574
Current portion of long-term loans	334,569	-	2,982	-	-	2,982	293,852
Long-term loans	26,154	198,725	-	-	-	-	924
Dividends payable	16,797	-	-	-	-	-	8,706
Payables to related parties	429,635	-	-	(25,089)	29,808	-	391,598
Lease liabilities	₱2,328,604	₱198,725	₱2,982	₱(25,089)	₱29,808	₱-	₱1,727,654

- Noncash investing activities in 2025, 2024 and 2023 pertain to the revaluation of land amounting ₱1,013 million, ₱990 million and ₱1,926 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, 2025 and 2024:

	Carrying Amount	2025			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value:					
Financial assets at FVTPL	₱11,330	₱11,330	₱–	₱–	₱11,330

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

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, 2025 and 2024, 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 2025 and 2024. 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, 2025 and 2024, 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, 2025:

	Gross carrying amount at default	Expected credit loss (Impaired)
Cash in banks	₱963,637	₱-
Cash equivalents	2,211,697	-
Receivables from:		
Tuition and other fees	2,200,996	469,306
Related parties	269	-
Others	168,069	9,258
Short-term investments	67,506	-
Financial assets at FVTPL	11,330	-
Deposits	36,919	-
	₱5,660,423	₱478,564



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	56,332	–
Financial assets at FVTPL	8,022	–
Deposits	31,864	–
	₱4,750,530	₱435,098

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:

- Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
- 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.
- 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:

2025

	Days past due			Total
	< 360 days	361 - 720 days	> 721 days	
Expected credit loss rate	0.64%-52.26%	3.45%-100.00%	1.19%-100.00%	
Estimated total gross carrying amount at default	₱1,491,347	₱324,544	₱385,105	₱2,085,468
Expected credit loss	₱50,332	₱190,653	₱237,579	₱478,564

2024

	Days past due			Total
	< 360 days	361 - 720 days	> 721 days	
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

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, 2025 and 2024, 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, 2025. 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.

	2025			Total
	On demand	Less than 1 year	More than 1 year	
Financial assets at amortized cost				
Cash	₱963,637	₱-	₱-	₱963,637
Cash equivalents	2,211,697	-	-	2,211,697
Receivables*	1,727,866	20,918	80,238	1,829,022
Receivables from related parties	269	-	-	269
Financial assets at FVTPL	11,330	-	-	11,330
Deposits	-	-	36,919	36,919
	₱4,914,799	₱20,918	₱117,157	₱5,052,874

*excluding advances to officers and employees amounting to ₱61,479.

	2024			Total
	On demand	Less than 1 year	More than 1 year	
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.

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.

	2025			Total
	On demand	Less than 1 year	More than 1 year	
Accounts payable and accrued expenses*	₱926,290	₱34,663	₱98,020	₱1,058,973
Payables to related parties	15,179	-	-	15,179
Dividends payable	18,212	-	-	18,212
Lease liabilities**	-	695,198	224,603	919,801
Long-term loans***	-	48,278	251,533	299,811
Short-term loans	-	1,000,000	-	1,000,000
	₱959,681	₱1,778,139	₱574,156	₱3,311,976

*excluding payables to regulatory bodies, funds payable and provisions amounting to ₱436,505.

**undiscounted lease payments.

***including future interest payable amounting to ₱38,533.

	2024			Total
	On demand	Less than 1 year	More than 1 year	
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***	-	48,278	299,810	348,088
Short-term loans	-	1,000,000	-	1,000,000
	₱840,172	₱1,499,618	₱424,102	₱2,763,892

*excluding payables to regulatory bodies, funds payable and provisions amounting to ₱555,865.

**undiscounted lease payments.

***including future interest payable amounting to ₱54,236.



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:

	2025	2024
Within one year	₱7,457	₱7,101
More than one year but not more than five years	21,322	21,322
	₱28,779	₱28,423

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, 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 2025 and 2024 (see Note 5).

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

	2025	2024
Net Book Value at January 1	₱339,121	₱335,013
Additions	174,116	115,412
Amortization (Note 20a)	(67,045)	(53,285)
Lease modification	182	-
Pre-termination/expiration	-	(58,019)
Net Book Value at December 31	₱446,374	₱339,121

The following are the amounts recognized in the 2025, 2024 and 2023 statement of comprehensive income (Note 20):

	2025	2024	2023
Depreciation expense of right-of-use assets	₱57,055	₱54,965	₱51,420
Interest expense on lease liabilities	26,837	27,737	29,808
Rent expense on short-term leases (Notes 20 and 21)	2,113	11,024	9,382
Gain on pre-termination of lease	-	(12,772)	(4,920)
Total amount recognized in profit or loss	₱86,005	₱80,954	₱85,690



The rollforward analysis of lease liabilities from APEC follows:

	2025	2024
As at January 1	₱394,952	₱391,596
Additions	165,565	117,092
Interest expense (Note 22)	26,837	27,737
Pre-termination	-	(70,791)
Payments	(74,862)	(70,684)
As at December 31	₱512,492	₱394,950

The balance of lease liabilities as of December 31, 2025 and 2024 are as follows:

	2025	2024
Lease liabilities - current	₱57,941	₱50,638
Lease liabilities - noncurrent	454,551	344,314
	₱512,492	₱394,952

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2025 and 2024:

	2025	2024
Within one year	₱52,787	₱75,420
More than one year but less than five years	642,411	290,645
Five years and more	224,603	124,292
	₱919,801	₱490,357

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 ₱202.2 million and ₱290.1 million as of December 31, 2025 and December 31, 2024, respectively. Key assumptions used are as follows:

- Revenue projections. The revenue projections were based on financial budgets approved by management and BOD.
- Discount rate (10.8% in 2025 and 10.9% in 2024). 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, 2025 and 2024 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, 2025 and 2024 amounted to ₱124.65 million and ₱107.96 million, respectively. Provisions recognized in 2025 and 2024 amounted to ₱17.5 million and ₱25.3 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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the BOD on April 8, 2026.



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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. 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

SEC Partner Accreditation No. 122551-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

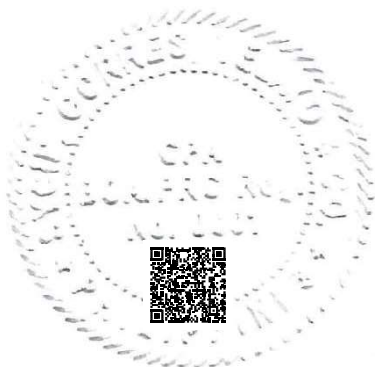
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-143-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10765065, January 2, 2026, Makati City

April 8, 2026



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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. 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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

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

SEC Partner Accreditation No. 122551-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-143-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10765065, January 2, 2026, Makati City

April 8, 2026



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

SUPPLEMENTARY SCHEDULES

Schedule	Content
I	Annex 68-D Reconciliation of Retained Earnings Available for Dividend Declaration
II	Annex 68-J Schedules <ul style="list-style-type: none">• Schedule A. Financial Assets• Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)• Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements• Schedule D. Long-term Debt• Schedule E. Indebtedness to Related Parties• Schedule F. Guarantees of Securities of Other Issuers• Schedule G. Capital Stock
III	Group Structure

SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

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

DECEMBER 31, 2025

Amounts in Thousands

The table below presents the parent retained earnings available for dividend declaration as of December 31, 2025:

Unappropriated Retained Earnings, beginning	₱1,797,575
Add: <u>Category A:</u> Items that are directly credited to	
Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	—
Effect of restatements or prior-period adjustments	—
Others	—
	<hr/>
Less: <u>Category B:</u> Items that are directly debited to	
Unappropriated Retained Earnings	
Dividend declaration during the reporting period	(259,244)
Retained Earnings appropriated during the reporting period	—
Effect of restatements or prior-period adjustments	—
Others	—
	<hr/>
Unappropriated Retained Earnings, as adjusted	1,538,331
Add/(Less): Net Income (loss) for the current year	356,441
Less: <u>Category C.1:</u> 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	—
	<hr/>
Add: <u>Category C.2:</u> 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	—
	<hr/>

Add: <u>Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</u>	–	
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		356,441
Add/(Less): <u>Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</u>		
Depreciation on revaluation increment (after tax)	–	–
Add/(Less): <u>Category E: Adjustments related to relief granted by the SEC and BSP</u>		
Amortization of the effect of reporting relief	–	
Total among reporting relief granted during the year	–	
Others	–	–
Add/(Less): <u>Category F: Other items that should be excluded from the determination of the amount available for dividends distribution</u>		
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		1,894,772
Add: Reversal of Retained Earnings – Appropriation/s approved		–
Unappropriated Retained Earnings available for dividends declaration		₱1,894,772

SCHEDULE II

IPEOPLE, INC. AND SUBSIDIARIES

**ANNEX 68-J: SCHEDULES
DECEMBER 31, 2025**

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, 2025, 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, 2025:

Name	As at December 31, 2024	Additions	Liquidations/ Collections	As at December 31, 2025
Abalos, Mark	₱181,667	₱–	₱24,222	₱157,444
Aberilla, Irish Mae O.	217,694	–	–	217,694
Agbulos, Erlin C.	–	167,654	2,708	164,946
Alcantara, Randy	188,000	16,533	–	204,533
Aleria, Ace Vann Cardiff	154,960	–	–	154,960
Alquino, Kenneth R.	254,503	–	–	254,503
Ambuyoc, Rodel R.	148,119	-560	–	147,559
Aquino, Jesunino, R.	363,458	-	92,808	270,650
Aranas, Joseph Adrian T.	–	219,000	–	219,000
Arenillo Denise Jordan P	442,674	–	84,044	358,629
Austria, Maria Rhodora	269,442	–	86,800	182,642
Azcueta, Crisanta F.	–	116,000	–	116,000
Ba-ang, Marie Gabrielle	168,200	–	–	168,200
Balan Ariel Kelly D.	38,983	419,434	22,500	435,916
Balang, Ernesto Jr.	100,000	–	–	100,000
Ballado, Alejandro Jr.	157,056	119,000	119,000	157,056
Balo, Abeliosre	97,600	10,500	–	108,100
Bandola, Ruby	–	585,000	97,500	487,500
Banlawe, Ivane Ann	203,070	–	–	203,070
Bascuna, Sheryl	–	500,000	118,055	381,945
Bayag Marina B.	465,111	–	–	465,111
Bije, Christian Justine	246,450	–	–	246,450
Bonafe, Eufemia	300,000	–	–	300,000
Cabrera, Allen Rose V.	–	111099	8299	102,800
Calderon, Aldrin Dimayuga	242,095	–	80,800	161,295
Camacho, Margarita V.	412,671	-75,841	32,629	304,201
Camus Rosette Eira E.	–	464,309	28,215	436,094
Caparanga, Alvin R.	350,261	24,016	22,500	351,777
Caramoan, Melanie	200,000	–	–	200,000
Cedo, ,Vida Carminda	–	150,000	–	150,000
Cedo, Vida Carminda	150,000	–	–	150,000
Ciudadano, Maria Leisel	100,000	–	–	100,000

Clarito, Caitlin Ysabel	156,400	—	—	156,400
Comla, Andrian R.	—	223,400	—	223,400
Corpuz, David R.	1170	110000	—	111,170
Crisostomo, Mary Ann	—	126,800	18,047	108,753
Cuanang, Joane Rose	114,000	—	—	114,000
Custodio, Oliver Ryan B.	1,240,205	307,719	15,422	1,532,502
Dadiz, Maricel A.	—	200,000	58,461	141,539
De Los Reyes, Cesar Romeo V.	306,367	—	73,571	232,795
Deang John Jovaniel C.	70,643	463,638	174,320	359,961
Dela Cruz, John Ross	—	275,000	128,916	146,084
Delloza, Christopher Josh L.	250,030	—	—	250,030
Delos Reyes, Marycon	171,440	294,490	163,000	302,930
Dimaunahan Ericson Dalangin	—	810,790	263,233	547,557
Dineros, Rochelle	177,669	—	—	177,669
Dingal, Charlymer	208,462	395,000	299,900	303,562
Dionisio, Anna Rose M.	313,621	—	—	313,621
Divina Melchor P.	91,781	489,800	86,900	494,681
Doma Jr, Bonifacio	213,672	50,358	26,595	237,435
Ebio, Ressian Dhel E.	110,000	—	—	110,000
Eng, Eman Claudette J.	415,850	145,500	425,350	136,000
Estorba, Rhacell	229,245	870,907	963,242	136,910
Estores, Gilford B.	330,000	—	43,885	286,115
Faderogao, Tristan Jake	46,500	104,300	-17,990	168,790
Fajardo, Maria Theresa	133,067	—	—	133,067
Federizo, Rona Lynne A.	290,097	53,290	112,297	231,090
Felices, Elvira V.	—	1,018,500	411,500	607,000
Fermin, Edizon A.	247,871	—	92,785	155,087
Flores, Eira Marie B.	256,900	—	—	256,900
Flores, Flora May L.	18,800	405,300	223,580	200,520
Fortuno, Vivian	300,000	—	—	300,000
Fuliga, Antonio Jr.	139,720	—	—	139,720
Garcia, Bryx William Castelo	0	112700	0	112,700
Garcia, Melanie	146,000	—	—	146,000
Gomez, Marianne Edna	637,978	628,563	224,639	1,041,902
Hadlocon, Jogie L.	51,900	88,000	900	139,000
Heje, Kyna Martine O.	156,400	—	—	156,400
Icamina, Angelica C.	—	139,925	1,925	138,000
Jassel, Jagdeep	163,224	—	—	163,224
Josio, Cesar Glenn A.	197,771	189,430	218,187	169,014
Kikuchi, Khristian	269,442	—	86,800	182,641
Lagunday, Albert P.	153,849	—	—	153,849
Lasa, Sandy	—	250,000	70,000	180,000
Lato, Jayve Lay	320,580	—	—	320,580
Laud, Noel V.	369,750	23,000	194,750	198,000
Liboon, Cristelle Dela Cruz	301,900	—	—	301,900
Lizardo, Glenda P.	—	444,000	62,900	381,100
Lopez, Eva Marie	156,802	—	—	156,802
Lopez, Jonathan	465,541	—	85,051	380,490
Lopez, Liezel S.	694,333	—	—	694,333
Macaballug, Grace D.	—	180,060	14,552	165,508
Macayan, Jonathan V.	1,125,800	—	64,605	1,061,195

Mack, Jose Paolo Y.	196,534	31,750	31,750	196,534
Maestrecampo, Dodjie S.	–	163,763	7,872	155,891
Magana, Marites C.	–	208,000	47,945	160,055
Magon, Sherwin Somo	–	125,000	2,352	122,648
Mejia, Emmillie Joy B.	422,787	–	97,341	325,446
Meris, Paulo Rafael Villaflor	240,750	–	–	240,750
Mesina, James Ronald	455,783	–	94,300	361,483
Mondia, Bai Nyssa Mae S.	127,953	167,000	97,973	196,980
Monteagudo, Marvin	694,403	–	–	694,403
Montero, Vince Jebryl	266,287	–	–	266,287
Nacua, Juliet	185,780	7,500	7,500	185,780
Nano, Francis German D.	150,400	–	–	150,400
Ocmer, Ma. Kristina M.	–	100,000	–	100,000
Ogarte, Joghua	351,927	–	65,172	286,755
Pamintuan, Kristopher Ray	427,500	-56,935	22,500	348,065
Simbulan				
Parra, Francisco	150,000	–	–	150,000
Pasoluhan, Ramil	135,840	–	–	135,840
Quijada, Gertie	162,070	–	–	162,070
Quiñagon, Ramon	496,372	315,370	661,742	150,000
Quinto Edward Jay M.	–	550,838	22,500	528,338
Quisaot, Concordio	111633.62	0	0	111,634
Quiza, Antonio	–	144,900	–	144,900
Rabanes, Cristy	155,300	468,005	355,102	268,203
Rafael, Victor	348,883	–	109,408	239,476
Requillo, Emmy Grace T.	310,200	–	–	310,200
Rodriguez, Annelle	602,500	–	–	602,500
Saavedra, Gerald N.	–	320,000	90,000	230,000
Sabino, Lilibeth	185,025	-60,975	20,325	103,725
Salvacion, Jonathan W.L.	328,675	15,580	35,967	308,288
San Juan, Cloyd	237,000	–	–	237,000
Sandoval, Renzo JamesL.	165,910	–	–	165,910
Santiago, Raymart	–	100,000	–	100,000
Santos, Malaya P.	420,240	-71,221	22,500	326,519
Santos, Mira M. Delos	175,038	–	54,431	120,607
Senoro, Delia B.	3,020,649	536,574	142,762	3,414,462
Sinday, Grace	227,304	254,500	344,884	136,920
Sinoy, Nina Neriza P.	–	291,760	142,246	149,514
Suaybaguio, Zyrah Gwen I.	114,993	476,191	478,184	113,000
Suello, Lito	363,467	–	81,200	282,267
Tablante, Dennis H.	–	222,000	31,450	190,550
Tayo Lemmuel L.	390,000	16,540	22,500	384,039
Tiongco, Danilo R.	310,520	–	118,867	191,653
Tomas Mary Christine A.	–	658,821	115,763	543,058
Ugpay, Rex Michael	196,400	–	–	196,400
Vasquez, Romeo Jr. N.	254,036	–	36,292	217,744
Villalon, Jose Luis Lucas	–	175,246	–	175,246
Young, Michael N.	145,150	36,870	63,880	118,140
	₱29,024,104	₱16,423,688	₱8,832,101	₱36,615,681

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, 2025:

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.	0	22,271,185	(19,157,741)	3,113,444
Malayan Colleges Laguna, Inc.	1,894,708	22,004,120	(19,671,185)	4,227,643
Malayan Colleges Mindanao, Inc.	313,429,692	32,108,027	(35,119,517)	310,418,202
University of Nueva Caceres	379,185	5,571,683	(5,486,685)	464,183
National Teachers College	1,662,604	19,277,461	(19,869,623)	1,070,442
AC College of Enterprise	0	520,922	(520,922)	0

Schedule D. Long-term debt

As at December 31, 2025, the Group has outstanding long-term debts as follow (in thousands):

Unsecured bank loans	₱261,278
Secured bank loans	—
Total	261,278
Less: current portion of unsecured bank loans	32,574
reclassification to current liability of secured loans	—
	32,574
Noncurrent portion of long-term loans	₱228,704

Unsecured

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

Secured

In 2019, the Group, through MCMI, entered into a ten-year secured long-term loan agreement with a third party local bank for ₱1,500.00 million to refinance the construction of MCMI's school buildings and facilities that were initially funded by short-term loans. MCMI made partial drawdowns against this agreement amounting to ₱680.00 million, ₱350.00 million and ₱470.00 million in January, June and July 2019, respectively. The loans were subject to prevailing borrower's rate, plus a minimum spread of 0.50% per annum, but in no case lower than 4% per annum, subject to quarterly repricing. MCMI shall repay the loan in 20 equal quarterly installments to start at the end of 21st quarter from the initial drawdown date. The loans were secured by the land and related improvements owned by MCMI with carrying value of ₱2,376.76 million as of December 31, 2019 and suretyship of MESI. In July 2023, the long-term loan amounting to ₱1.5 billion was fully paid.

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

As at December 31, 2025, the Group has no outstanding long-term debt from/to related parties.

Schedule F. Guarantees of Securities of Other Issuers

As at December 31, 2025, 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	-	14,693,051	99,930	129,470,216

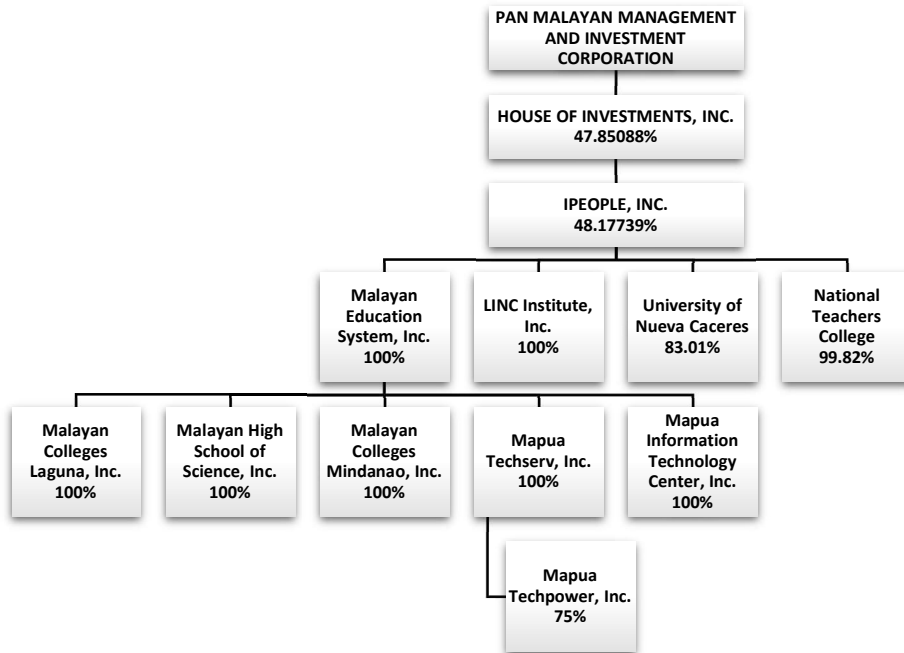
IPEOPLE, INC. AND SUBSIDIARIES

GROUP STRUCTURE

DECEMBER 31, 2025

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, 2025:



IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS DECEMBER 31, 2025 AND 2024

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

Financial ratios		2025	2024
Current ratio <i>Indicates the Group's ability to pay short-term obligation</i>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.38:1	1.24:1
Acid-test ratio <i>Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately</i>	$\frac{\text{Current Assets} - \text{Prepaid expenses}}{\text{Current Liabilities}}$	1.26:1	1.13:1
Solvency Ratio <i>Shows how likely a Group will be to continue meeting its debt obligations</i>	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$	0.27:1	0.26:1
Debt-to-equity ratio <i>Measures the Group's leverage</i>	$\frac{\text{Total Debt}}{\text{Equity}}$	0.32:1	0.33:1
Asset to Equity Ratio <i>Shows how the Group's leverage (debt) was used to finance the firm</i>	$\frac{\text{Total Assets}}{\text{Equity}}$	1.31:1	1.32:1
Interest Rate Coverage <i>Shows how easily a Group can pay interest on outstanding debt</i>	$\frac{\text{EBIT}^*}{\text{Interest Expense Excluding Interest Expense on Lease Liabilities}}$	13.32:1	11.59:1
Return on Average Stockholders' Equity <i>Reflects how much the Group's has earned on the funds invested by the stockholders</i>	$\frac{\text{Net Income}}{\text{Average Equity}}$	5.50%	5.43%
Net profit margin <i>Reflect how much net income or profit is generated as percentage of revenue</i>	$\frac{\text{Net Profit Margin}}{\text{Revenue}}$	15.53%	16.24%
Return on Assets <i>Measure the ability to utilize the Group's assets to create profits</i>	$\frac{\text{Net Income}}{\text{Total Assets}}$	3.99%	3.90%

*Earnings before interest and taxes (EBIT)

IPEOPLE, INC. AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
DECEMBER 31, 2025 AND 2024**

	2025	2024
Total Audit Fees (Section 2.1a)	₱5,453,000	₱5,145,000
Non-audit services fees:		
Tax Services	-	1,690,000
Total Non-Audit Fees (Section 2.1b)	-	1,690,000
Total Audit and Non-Audit Fees	₱5,453,000	₱6,835,000

iPeople, inc. and Subsidiaries

Consolidated Financial Statements
as of March 31, 2026 and December 31, 2025
and
Three Months Ended
March 31, 2026, 2025 and 2024

iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	Unaudited March 2026	Audited December 2025
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 15)	₱2,829,038	₱3,177,276
Receivables (Notes 8 and 30)	1,411,289	1,890,501
Receivables from related parties (Notes 15 and 30)	28	269
Prepaid expenses and other current assets (Note 9)	511,355	502,194
Financial assets at fair value through profit or loss (FVTPL) [Note 30]	11,406	11,330
Total Current Assets	4,763,116	5,581,570
Noncurrent Assets		
Property and equipment at cost - net (Note 10)	5,705,357	5,543,569
Land at revalued amounts (Notes 10 and 11)	11,915,667	11,915,667
Intellectual property rights (Note 6)	447,676	447,676
Goodwill (Notes 6 and 12)	143,531	143,531
Student relationship (Note 6)	186	743
Right-of-use assets (Note 31)	430,144	446,374
Net pension assets (Note 25)	3,314	3,269
Deferred tax assets - net (Note 23)	643	657
Other noncurrent assets (Note 13)	123,365	117,705
Total Noncurrent Assets	18,769,883	18,619,191
	₱23,532,999	₱24,200,761
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 30)	₱1,503,630	₱1,603,769
Short-term loans (Notes 16 and 30)	990,000	1,000,000
Current portion of long-term debt (Note 17)	24,430	32,574
Unearned income (Note 14)	327,916	1,283,627
Lease liabilities - current portion (Note 31)	46,314	57,941
Income tax payable	68,867	25,543
Payables to related parties (Notes 15 and 30)	19,599	15,179
Dividends payable (Notes 18 and 30)	18,212	18,212
Total Current Liabilities	2,998,968	4,036,845
Noncurrent Liabilities		
Long-term loans (Note 17)	228,704	228,704
Lease liabilities - net of current portion (Note 31)	454,551	454,551
Net pension liabilities (Note 25)	134,504	147,603
Deferred tax liabilities - net (Note 23)	913,339	914,569
Other noncurrent liabilities (Note 31)	9,492	9,492
Total Noncurrent Liabilities	1,740,590	1,754,919
Total Liabilities	4,739,558	5,791,764

(Forward)

	Unaudited March 2026	Audited December 2025
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)	6,481,455	6,481,455
Remeasurement losses on defined benefit plans	(56,418)	(56,418)
Equity reserve (Note 6)	(230,494)	(230,494)
Retained earnings (Note 18)	7,844,344	7,468,462
Equity attributable to equity holders of the Parent Company	18,377,518	18,001,636
Non-controlling interest in consolidated subsidiaries (Note 24)	415,923	407,361
Total Equity	18,793,441	18,408,997
	₱23,532,999	₱24,200,761

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	January 1 to March 31		
	2026	2025	2024
REVENUE FROM CONTRACTS WITH CUSTOMERS			
(Note 19)			
Revenue from schools and related operations	₱1,666,025	₱1,478,319	₱1,275,725
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	(941,968)	(837,395)	(733,156)
GROSS PROFIT	724,057	640,924	542,569
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	(287,783)	(276,966)	(209,709)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	(32,020)	(25,907)	(30,491)
INTEREST INCOME (Note 22)	16,844	16,525	15,504
OTHER INCOME	5,789	4,133	4,461
INCOME BEFORE INCOME TAX	426,887	358,709	322,335
PROVISION FOR INCOME TAX (Note 23)	(42,443)	(32,448)	(30,184)
NET INCOME	384,444	326,261	292,151
OTHER COMPREHENSIVE INCOME			
Other comprehensive income (loss):	—	—	—
	—	—	—
TOTAL COMPREHENSIVE INCOME	₱384,444	₱326,261	₱292,151
Net income attributable to:			
Equity holders of the parent (Note 23)	₱375,882	₱323,698	₱289,220
Non-controlling interest in consolidated subsidiaries	8,562	2,563	2,931
	₱384,444	₱326,261	₱292,151
Total comprehensive income attributable to:			
Equity holders of the parent	₱375,882	₱323,698	₱289,220
Non-controlling interest in consolidated subsidiaries	8,562	2,563	2,931
	₱384,444	₱326,261	₱292,151
Basic Earnings Per Share (Note 23)	₱0.3599	₱0.3100	₱0.2770

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	Common Stock (Notes 6 and 18)	Additional Paid-in Capital (Note 6)	Revaluation Increment on Land - net of tax (Note 11)	Remeasurement Gains (Losses) on Net Defined Benefit Plans (Note 6)	Retained Earnings (Note 18)	Non - controlling Interest (Note 24)	Total
Balances as at January 1, 2026	₱1,044,263	₱3,294,368	₱6,481,455	(₱56,418)	₱7,468,462	₱407,361	₱18,408,997
Net income	-	-	-	-	375,882	8,562	384,444
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	375,882	8,562	384,444
Dividends declared	-	-	-	-	-	-	-
Balances as at March 31, 2026	₱1,044,263	₱3,294,368	₱6,481,455	(₱56,418)	₱7,844,344	₱415,923	₱18,793,441
Balances as at January 1, 2025	₱1,044,263	₱3,294,368	₱5,481,723	(₱32,743)	₱6,802,792	₱371,831	₱16,731,920
Net income	-	-	-	-	323,698	2,564	326,261
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	323,698	2,564	326,261
Dividends declared	-	-	-	-	-	-	-
Balances as at March 31, 2025	₱1,044,263	₱3,294,368	₱5,481,723	(₱32,743)	₱7,126,670	₱374,395	₱17,058,182
Balances as at January 1, 2024	₱1,044,263	₱3,294,368	₱4,516,945	(₱32,649)	₱6,165,650	₱326,445	₱15,084,528
Net income	-	-	-	-	289,220	2,931	292,151
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	289,220	2,931	292,151
Dividends declared	-	-	-	-	-	-	-
Balances as at March 31, 2024	₱1,044,263	₱3,294,368	₱4,516,945	(₱32,649)	₱6,454,870	₱329,376	₱15,376,679

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

January 1 to March 31

	2026	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱426,887	₱358,709	₱322,335
Adjustments for:			
Depreciation and amortization (Notes 10, 13, 20 and 21)	150,602	142,576	127,429
Interest expense and other finance charges (Note 22)	32,020	25,907	30,491
Provision for doubtful accounts (Notes 8 and 21)	17,509	17,202	11,905
Interest income (Note 22)	(16,844)	(16,525)	(15,504)
Unrealized foreign exchange loss (gain) - net	(76)	626	(381)
Unrealized market loss (gain) on financial assets at FVTPL	(1,056)	(144)	(100)
Operating income before working capital changes	609,042	528,351	476,175
Decrease (increase) in:			
Receivables	461,703	427,361	140,874
Prepaid expenses and other current assets	(9,160)	(73,823)	(44,849)
Increase (decrease) in:			
Accounts payable and other current liabilities	(100,424)	82,899	(26,526)
Unearned income	(955,712)	(864,938)	(322,360)
Other noncurrent liabilities	-	-	(1,885)
Net pension assets and liabilities	(13,144)	(4,971)	(3,678)
Net cash generated from operations	(7,695)	94,879	217,751
Interest paid	(29,864)	(27,192)	(30,491)
Income taxes paid	16,844	708	(956)
Interest received	(349)	16,525	15,461
Net cash flows from operating activities	(21,064)	84,920	201,764
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 10)	(295,895)	(101,684)	(103,712)
Computer software (Note 13)	(2,085)	-	(934)
Decrease (increase) in:			
Receivables from related parties	240	(1,785)	(826)
Other noncurrent assets	(5,140)	(4,108)	2,491
Net cash flows used in investing activities	(302,880)	(107,577)	(102,981)

(Forward)

	January 1 to March 31		
	2026	2025	2024
CASH FLOWS FROM FINANCING			
ACTIVITIES			
Payment of short-term loans	(₱10,000)	₱-	₱-
Payments of long-term loans	(8,143)	(8,143)	(8,143)
Payment of lease liabilities (Notes 26 and 27)	(11,627)	(14,255)	(12,500)
Increase (decrease) in payables to related parties (Note 26)	4,420	12,219	10,436
Net cash flows used in financing activities	(25,350)	(10,080)	(10,207)
EFFECTS OF EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS			
	1,056	(626)	381
NET INCREASE (DECREASE) IN CASH AND			
CASH EQUIVALENTS			
	(348,238)	(33,362)	88,959
CASH AND CASH EQUIVALENTS AT			
BEGINNING OF YEAR			
	3,177,276	2,578,426	1,807,164
CASH AND CASH EQUIVALENTS AT			
END OF YEAR (Note 7)			
	₱2,829,038	₱2,545,064	₱1,896,123

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).

The Parent Company’s principal office address is at 8th Floor 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 are disclosed in Note 6.

Merger of National Teachers College (NTC) and AC College of Enterprise Technology (ACCET)

In February 2025, the BOD of NTC and ACCET, both subsidiaries of iPeople, Inc., approved the merger of ACCET to NTC, with ACCET as the absorbed entity. The Merger became effective on October 21, 2025, at which point the NTC legally absorbed ACCET. As of the effective date, all assets, liabilities, rights, and obligations of ACCET were transferred to and assumed by NTC.

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 March 31, 2026 and December 31, 2025, and for each of the three years in the period ended March 31, 2026, 2025 and 2024.

The consolidated financial statements are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All significant intercompany balances and transactions, including income, expenses and dividends, are eliminated in full. Below are the Group's subsidiaries and percentage of ownership:

	Percentage of Ownership		
	2026	2025	2024
Malayan Education System, Inc. (MESI) [Operating Under the Name of Mapua University] and subsidiaries	100%	100%	100%
Direct ownership of MESI on its subsidiaries:			
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	100	100	100
Malayan Colleges Mindanao (A Mapua School), Inc. (MCMI)	100	100	100
Malayan High School of Science, Inc. (MHSSI)	100	100	100
Mapua Information Technology Center, Inc. (MITC)	100	100	100
Mapua Techserv, Inc.	100	100	100
Mapua Techpower, Inc.	75	75	75
People eServe Corporation	100	100	100
Pan Pacific Computer Center, Incorporated (PPCCI)	100	100	100
National Teachers College doing business under the name/s and style/s of The National Teachers College**	99.82	99.82	99.79
University of Nueva Caceres	83.01	83.01	83.01
AC College of Enterprise and Technology, Inc.*	—	—	100
LINC Institute, Inc. doing business under the Name and Style of LINC Academy	100	100	100

**In October 2025, SEC approved the merger of ACCET and NTC, at which point the NTC legally absorbed the Company*

***With NTC and ACCET merger, percentage of ownership has increased from 99.79% to 99.82%*

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, 2025. The adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise indicated.

- 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.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- 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.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- 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.

o 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.

o 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 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:

- o A specific adaptation for contracts with direct participation features (the variable fee approach)
- o 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. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

• 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

The Group is currently working to identify all impacts and amendments will have on the consolidated financial statements and notes to the financial statements. The initial expected material impacts on Group's financial statements are, as follows:

- Foreign exchange difference will be classified in the category where the related income and expense from the item giving rise to the foreign exchange difference
 - New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the consolidated statements of comprehensive income; and (c) a reconciliation for each line item in the consolidated statements of comprehensive income between the restated amounts presented applying PFRS 18 and the amounts previously presented applying PAS 1.
- 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.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10 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 FSRSC 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 2025 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.

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.

Bookstore inventories

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.

Advances to Suppliers and Contractors

Advances to suppliers and contractors represent downpayments made for goods or services to be received in the future. These are initially measured at the amount of cash paid and presented in the statement of financial position based on the nature of the underlying asset or expense to which the advances relate. Advances related to the acquisition or construction of property, plant, and equipment are classified as non-current assets and are recognized as part of the related asset upon receipt of the goods or completion of services.

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 (Note 6)	Indefinite
Student relationship (Note 6)	5-7
Software cost (Note 13)	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.

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.

Combination of Entities under Common Control

Business combinations under common control are those in which all of the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method accounted for prospectively from the acquisition date as allowed under PIC Q&A 2012-01. Under the prospective pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets and liabilities, at the date of the combination. No new goodwill is recognized. The adjustments made, if any, are only to the extent to harmonize accounting policies within the Company. The difference between the book value of net asset acquired and the consideration paid or transferred is recognized in equity. The profit and loss of the acquirees are consolidated from the acquisition date. Comparative periods are not restated.

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 is measured at fair value of the consideration received, excluding discounts, scholarship grants, rebates, and value-added tax (VAT).

Revenue from schools and related operations consist of the following:

Revenue from tuition and other matriculation fees

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

Other student-related income

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

Admission, examination and other fees

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

Bookstore income

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

Seminar income

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

Miscellaneous income

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

Sale of goods is recognized as revenue upon delivery of the goods to the buyer (at point in time).

Sale of services is recognized when services are rendered (over time).

Following are contract balances relative to PFRS 15:

Receivables

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

Contract assets

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

Contract liabilities

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

Costs and Expenses

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

Cost of schools and related operations

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

General and Administrative Expenses

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

Interest and Financing Charges

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

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

Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Retirement Benefits

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

Retirement benefits cost comprises the following:

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

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

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

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

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

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

Income Taxes

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.

Contingences

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.

Related Party Transactions

Transactions with related parties are accounted for based on the nature and substance of the agreement, and financial effects are included in the appropriate asset, liability, income and expense accounts.

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, 2025 and 2024. The key assumptions used to determine fair value are disclosed in Note 11.

As at March 31, 2026 and December 31, 2025, the fair value of land amounted to ₱11,915.7 (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 losses arising from the earthquake

The determination of losses arising from the earthquake requires significant management judgment and is based on estimates that may differ from actual outcomes in future periods. The estimation process involves assessing the extent of damage to the Company's assets and operations and certain assumptions and sources of information, including the results of ongoing inspections and investigations, estimated repair or replacement costs, inflation, and the recoverability and timing of related insurance claims.

While management believes that the assumptions applied in estimating the losses are reasonable and appropriate based on information available as of the reporting date, significant differences in actual costs incurred, the outcome of further assessments and evaluation, or changes in other assumptions could materially affect the amount of loss recognized.

As of December 31, 2025, management recognized an estimated loss of ₱194.52 million. Insurance claims related to the earthquake remain under evaluation by the insurer. Any insurance recoveries have been recognized only to the extent that recovery is considered virtually certain as of the reporting date.

Impairment of nonfinancial assets

Impairment of goodwill and intellectual property rights (nonfinancial assets with indefinite useful life) 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.

In 2025, 2024, and 2023, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC aggregating to ₱202.2 million, ₱290.1 million and ₱376.7 million as of December 31, 2025, 2024, and 2023 respectively, due to the continuing losses of APEC. In assessing the impairment, the Group determines the recoverable amount using value in use, with details disclosed in Note 31. As of March 31, 2026 and December 31, 2025 and December 31, 2024, 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 March 31, 2026 and December 31, 2025, the net pension liabilities amounted to ₱134.5 million and ₱147.6 million, respectively, while net pension assets amounted to ₱3.3 million as at March 31, 2026 and December 31, 2025 (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
	<u>₱652,584</u>

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, 2025 and 2024, 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 2025 and 2024). 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 (13.7% for 2025 and 14% to 15% for 2024). 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 (5% for 2025 and 2024). 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 nil, ₱10.4 million and ₱32.8 million in 2025, 2024 and 2023, respectively. The carrying value of intellectual property rights as of March 31, 2026 and December 31, 2025 amounted to ₱447.7 million for both years.

Sensitivity to changes in assumptions

Management believes that no possible change in any of the above assumptions would cause the carrying value of the intellectual property rights to materially exceed their recoverable amount.

Student Relationship

The carrying value and movement of student relationship as of March 31, 2026 and December 31, 2025 follows:

	2026	2025
Cost from business combination	₱116,009	₱116,009
Accumulated amortization:		
Beginning balance	(115,266)	(113,038)
Amortization (Note 20a)	(557)	(2,228)
Ending balance	(115,823)	(115,266)
Balance at end of the year	₱186	₱743

Amortization amounted to ₱0.6 million in 2026, ₱0.6 million in 2025 and ₱0.8 million 2024.

7. Cash and Cash Equivalents

This account consists of:

	Unaudited March 2026	Audited December 2025
Cash on hand	₱3,184	₱1,941
Cash in banks (Note 15)	961,349	963,638
Cash equivalents (Note 15)	1,864,505	2,211,697
	₱2,829,038	₱3,177,276

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 ₱16.34 million, ₱16.48 million and ₱15.46 million in 2026, 2025 and 2024, respectively (Note 22).

8. Receivables

This account consists of:

	Unaudited March 2026	Audited December 2025
Tuition and other fees	₱1,710,062	₱2,200,996
Advances to officers and employees	60,076	61,479
Others	136,125	106,590
	1,906,263	2,369,065
Allowance for ECL	(494,974)	(478,564)
	₱1,411,289	₱1,890,501

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 ₱223.0 million and ₱225.4 million as at March 31, 2026 and December 31, 2025, 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 March 31, 2026 and December 31, 2025 follows:

2026			
	Tuition and other fees	Others	Total
Balance at beginning of year	P469,794	P8,770	P478,564
Provisions for the year (Note 21)	17,509	–	17,509
Adjustments	(1,100)	–	(1,100)
Balance at end of year	P486,204	P8,770	P494,973
Gross receivables	P1,710,062	P136,125	P1,846,187

2025			
	Tuition and other fees	Others	Total
Balance at beginning of year	P426,328	P8,770	P435,098
Provisions for the year (Note 21)	79,587	–	79,587
Write-off	(36,121)	–	(36,121)
Balance at end of year	P469,794	P8,770	P478,564
Gross receivables	P2,200,996	P106,590	P2,307,586

9. Prepaid Expenses and Other Current Assets

	Unaudited March 2026	Audited December 2025
Prepaid expenses	P361,045	P353,288
Short-term investments	68,233	67,506
Bookstore inventories	29,722	27,652
CWT	17,575	15,414
Office supplies	7,022	6,994
Others	27,758	31,340
	P511,355	P502,194

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, materials inventory, other supplies and input VAT.

10. Property and Equipment

The rollforward analysis of this account follows:

	March 2026				Total
	Buildings and Improvements	Office Furniture and Equipment	Transportation Equipment	Construction In Progress	
Cost					
Balance at beginning of year	₱6,762,650	₱3,811,300	₱92,635	₱386,382	₱11,052,967
Acquisitions	115,866	98,087	—	93,846	307,799
Disposals/retirement	—	—	—	—	—
Reclassifications and adjustments	(11,009)	126	(436)	—	(11,319)
Balance at end of year	6,867,507	3,909,513	92,199	480,228	11,349,447
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	2,421,221	3,033,373	54,804	—	5,509,398
Depreciation (Notes 20 and 21)	60,158	71,117	2,832	—	134,107
Disposals/retirement	—	—	—	—	—
Reclassifications and adjustments	3	1,200	(618)	—	585
Balance at end of year	2,481,382	3,105,690	57,018	—	5,644,090
Net book value at cost	4,386,125	803,823	35,181	480,228	5,705,357
Land at revalued amounts (Note 11)	—	—	—	—	11,915,667
Total	₱4,386,125	₱803,823	₱35,181	₱480,228	₱17,621,024

	December 2025				Total
	Buildings and Improvements	Office Furniture and Equipment	Transportation Equipment	Construction In Progress	
Cost					
Balance at beginning of year	₱6,885,670	₱3,529,733	₱90,087	₱90,351	₱10,595,841
Acquisitions	117,776	281,567	17,914	309,538	726,795
Disposals/retirement	(254,303)	—	(15,366)	—	(269,669)
Reclassifications and adjustments	13,507	—	—	(13,507)	—
Balance at end of year	6,762,650	3,811,300	92,635	386,382	11,052,967
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	₱2,225,443	₱2,753,576	₱53,336	₱—	₱5,032,355
Depreciation (Notes 20 and 21)	245,957	270,293	10,332	—	526,582
Disposals/retirement	(50,179)	—	(8,609)	—	(58,788)
Reclassifications and adjustments	—	9,504	(255)	—	9,249
Balance at end of year	2,421,221	3,033,373	54,804	—	5,509,398
Net book value at cost	4,341,429	777,927	37,831	386,382	5,543,569
Land at revalued amounts (Note 11)	—	—	—	—	11,915,667
Total	₱4,341,429	₱777,927	₱37,831	₱386,382	₱17,459,236

In 2025, MCMI, one of the subsidiaries of the group, experienced an earthquake that caused damage to certain items of property and equipment. As a result, MCMI recognized a loss amounting to ₱194.52, representing management's assessment of the reduction in the recoverable amount of the affected assets (Note 21).

Construction in progress as at March 31, 2026 and December 31, 2025 represents buildings improvements under construction. There are no capital commitments related to construction in progress as at March 31, 2026 and December 31, 2025.

The total costs of fully depreciated property and equipment that are still in use amounted to ₱697.9 million as of March 31, 2026 and December 31, 2025.

Proceeds from sale and disposal of assets amounted to nil as of March 31, 2026 and ₱1.2 million as of

December 2025. No assets were pledged as collateral.

11. Land at Revalued Amounts

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

	Unaudited March 2026	Audited December 2025
Land at cost	₱4,066,906	₱4,066,906
Revaluation increment on land:		
Balance at beginning of year	7,848,761	6,753,255
Change in revaluation increment	–	1,095,506
Balance at end of year	7,848,761	7,848,761
	₱11,915,667	₱11,915,667

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

These parcels of land were appraised by SEC-accredited independent firms of appraisers to determine the revalued amounts as at December 31, 2025 and 2024.

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

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

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

Location	Range	
	2025	2024
Makati and Intramuros, Manila	₱153,900 to ₱348,970	₱132,098 to ₱261,630
Cabuyao, Laguna	₱15,400 to ₱18,200	₱15,000 to ₱17,700
Davao City, Davao Del Sur	₱46,800 to 64,125	₱40,950 to 63,000
Pandacan, Metro Manila	₱158,400 to ₱167,400	₱132,300 to ₱156,400
San Jose Del Monte City, Bulacan	₱56,745 to 64,890	₱57,915 to 61,506
Naga City, Camarines Sur	₱28,350 to ₱45,000	₱22,658 to ₱42,750
Quiapo, Manila	₱202,500 to ₱297,000	₱211,500 to ₱261,000

Adjustment factors arising from external and internal factors (i.e., location, size and road frontage) affecting the subject properties as compared to the market listing of comparable properties, range from -20% to +15% in 2025 and from -25% to +20% in 2024.

The balance of the revaluation increment presented in equity in the statements of financial position as of March 31, 2026 and December 31, 2025 are as follow:

	March 2026	December 2025
Appraisal increase	₱7,848,762	₱7,848,762
Less deferred tax liability (Note 23)	1,367,308	1,367,308
	₱6,481,454	₱6,481,454

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 as at March 31, 2026 and December 31, 2025 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. Management assessed that there is no impairment loss in 2025. In 2024 an impairment loss amounting to ₱7.8 million was recognized, nil in 2023.

Key assumptions used in the value in use (VIU) calculation

As at December 31, 2025 and 2024, 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 (3.48% for 2025 and 3.05% for 2024). 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 (11.2% for 2025 and 11.8% for 2024). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

Sensitivity to changes in assumptions

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

13. Other Noncurrent Assets

This account consists of:

	Unaudited March 2026	Audited December 2025
Advances to suppliers	P52,419	P52,419
Miscellaneous deposits	44,724	36,920
Creditable withholding tax	7,221	7,685
Computer software	9,403	8,883
Books and periodicals	9,598	11,798
	P123,365	P117,705

Miscellaneous deposits include rent deposits of the Group amounting to P18.3 million and P25.0 million as of March 31, 2026 and December 31, 2025, respectively. It also includes security deposit amounting to P2.2 million and P15.1 million as of March 31, 2026 and December 31, 2025, respectively.

Advances to suppliers pertains to the downpayments for the construction of building in Bulacan.

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

	Unaudited March 2026	Audited December 2025
Cost		
Balance at the beginning of the year	P81,008	P73,574
Additions	2,085	7,434
Balance at the end of the year	83,094	81,008
Accumulated Amortization		
Balance at the beginning of the year	72,125	65,779
Amortization (Notes 20 and 21)	1,566	5,040
Reclassifications	-	1,306
Balance at the end of the year	73,691	72,125
Net Book Value	P9,403	P8,883

14. Accounts Payable and Other Current Liabilities and Unearned Income

Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consists of:

	Unaudited March 2026	Audited December 2025
Accounts payable	P522,358	P588,702
Accrued expenses	402,019	407,976
Funds payable	364,478	397,093
Provisions (Note 31)	129,318	124,647
Other payables	85,457	85,351
	P1,503,630	P1,603,769

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 ₱15.6 million and ₱17.7 million as at March 31, 2026 and December 31, 2025, respectively, which are expected to be earned the following year.

Accrued expenses consist of:

	Unaudited March 2026	Audited December 2025
Payable to suppliers	₱131,834	₱173,394
Accrued salaries and wages	54,691	92,264
Accrued professional fees	74,215	30,950
Contracted services	21,271	29,568
Withholding taxes and others	27,557	23,055
Output VAT payable	10,215	11,406
Accrued communication expense	9,572	8,622
Accrued utilities	4,454	8,496
SSS and other contributions	17,541	4,951
Accrued interest (Note 18)	6,031	3,874
Insurance	465	2,172
Others	44,172	19,224
	₱402,019	₱407,976

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 ₱327.9 million and ₱1,283.6 million as at March 31, 2026 and December 31, 2025, respectively, which are considered contract liabilities.

Contract Liabilities

As at March 31, 2026, contract liabilities amounted to ₱327.9 million and these will be recognized as revenue in the next period. Contract liabilities as of December 31, 2025 amounting to ₱1,283.6 million were recognized as revenue in 2026.

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

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

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
Controlling entity – HI				
a) Payable to HI				
	2026	₱–	(₱15,112)	Noninterest-bearing; unsecured; due and demandable
	2025	–	(₱13,122)	
Management fee and other professional fees (Notes 20 and 21)				
	2026	37,069	–	–
	2025	30,336	–	–
	2024	30,693	–	–
b) Receivable from HI				
	2026	–	–	Noninterest-bearing; unsecured; due and demandable; no impairment
	2025	–	232	
Entities under common control of HI				
c) Receivables from related parties				
	2026	–	10	Noninterest-bearing; unsecured; due and demandable; no impairment
	2025	–	2,633	
Rental income				
	2026	(2,694)	–	–
	2025	(2,804)	–	–
	2024	(2,771)	–	–

(Forward)

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
d) Payables to related parties				
	2026	₱-	(₱546)	Noninterest-bearing; unsecured; due and demandable
	2025	–	(2,029)	
Contracted services (Notes 20 and 21)				
	2026	26,628	–	–
	2025	17,988	–	–
	2024	3,004	–	–
Entities under common control of PMMIC				
e) Cash and cash equivalents (Note 7)				
	2026	–	2,180,717	Interest at prevailing deposit and short-term rates; unsecured; no impairment
	2025	–	1,242,588	
Interest income (Note 22)				
	2026	16,341	–	–
	2025	16,479	–	–
	2024	15,461	–	–
g) Receivables from related parties				
	2026	–	18	Noninterest-bearing; unsecured; due and demandable; no impairment
	2025	–	18	
Insurance expense				
	2026	4,289	–	
	2025	8,078	–	
	2024	4,726	–	
Financial asset at FVTPL (Note 30)				
	2026	–	11,406	Carried at fair value; No impairment
	2025	–	10,956	
Short-term investments (Note 9)				
	2026	–	68,233	Interest at prevailing deposit and short-term rates; unsecured; no impairment
	2025	–	57,860	

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
Entities with significant influence				
h) Payable to related parties	2026	–	(2,930)	Due on demand, noninterest-bearing; unsecured; no impairment
	2025	–	(2,930)	
Management fee and other professional fees (Notes 20 and 21)	2026	2,930	–	
	2025	2,977	–	–
	2024	2,977	–	–

Total due from related parties amounted to ₱0.28 million and ₱0.30 million as of March 31, 2026 and December 31, 2025, respectively, while due to related parties amounted to P19.6 million and ₱15.2 million as of March 31, 2026 and December 31, 2025, respectively

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.

Terms and conditions of transaction with related parties

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. For the quarters ended March 31, 2026 and 2025, 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, MCMI availed ₱ 1.0 billion short-term loans from RCBC and BPI at 6.5% and 6.35% interest rate, respectively. The short-term loans from RCBC and BPI were rolled over in March 2026 and will mature on June and September 2026, respectively. Last March 2026, partial payment amounting to ₱10 million was made representing the principal amount of the loan.

Interest expense charged to operations in 2026, 2025 and 2024 amounted to ₱15.6 million, ₱15.3 million and ₱19.2 million, respectively (Note 22).

17. Long-term Loans

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

	Unaudited March 2026	Audited December 2025
Unsecured bank loans	₱253,134	₱261,278
Less: Current portion of unsecured bank loans	24,430	32,574
Noncurrent portion of long-term loans	₱228,704	₱228,704

Unsecured

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

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

The loan is subject to certain covenants including maintaining a maximum debt-to-equity (D:E) structure ratio of 3:1. As of March 31, 2026 and December 31, 2025, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Interest expense recognized in profit or loss in 2026, 2025 and 2024 amounted to ₱3.6 million, ₱4.1 million and ₱4.5 million, respectively (Note 22).

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 March 31, 2026 and December 31, 2025, 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 March 31, 2026:

Year	Number of shares registered	Number of holders of securities as at year end
January 1, 2025	1,044,263,197	1,992
Add (deduct) movement	–	(2)
December 31, 2025	1,044,263,197	1,990
Add (deduct) movement	–	-
March 31, 2026	1,044,263,197	1,990

Retained Earnings

In accordance with Revised Securities Regulation Code (SRC) Rule No. 68, the Parent Company's retained earnings available for dividend declaration as at March 31, 2026 and December 31, 2025 amounted to ₱1,900 million and ₱1,894.8 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 ₱7,954.18 million and ₱7,577.81 million as at March 31, 2026 and December 31, 2025, respectively. These are not available for dividends until declared by the subsidiaries.

The BOD declared cash dividends as follows:

	2026	2025	2024
April 8, 2026, (₱0.23 per share) to stockholders of record as of May 8, 2026, payable on or before May 29, 2026	₱241,509	₱ –	₱ –
April 5, 2025, (₱0.25 per share) to stockholders of record as of May 8, 2025, payable on or before May 30, 2025	–	259,243	–
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
	₱241,509	₱259,243	₱198,410

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 as of March 31, 2026 and December 31, 2025.

As at March 31, 2026 and December 31, 2025, the Group is not subject to externally imposed capital requirements except for the long-term loans of NTC 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.

	2026	2025
Liabilities (a)	₱4,739,558	₱5,791,764
Equity (b)	18,377,518	18,001,636
Debt-to-equity ratio (a/b)	0.26:1.00	0.32:1.00

19. Revenue from Contracts with Customers

Revenue from schools and related operations consists of:

	2026	2025	2024
Tuition and other matriculation fees	₱1,688,805	₱1,489,828	₱1,293,654
Less: Scholarship grants and discounts	(84,738)	(55,524)	(57,140)
	1,604,067	1,434,304	1,236,514
Other student-related income and auxiliary services	61,958	44,015	39,211
	₱1,666,025	₱1,478,319	₱1,275,725

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:

	2026	2025	2024
Personnel expenses (Note 24)	₱464,263	₱410,314	₱354,538
Depreciation and amortization	125,485	117,378	98,713
Student-related expenses	69,006	54,520	45,827
IT expense - software license	67,332	60,518	34,063
Management and other professional fees (Note 15)	53,231	45,950	57,844
Periodicals	49,394	41,332	40,172
Utilities	34,275	29,838	33,620
Membership fees	20,465	11,297	-
Research and development fund	12,193	12,959	8,526
Accreditation cost	11,335	13,241	9,471
Repairs and maintenance	7,572	10,845	11,786
Tools and library books	6,840	8,788	10,099
Rent (Note 31)	4,677	991	1,578
Seminar	4,505	4,596	3,450
Laboratory supplies	3,150	3,449	1,853
Insurance	2,149	5,671	3,558
Office supplies	1,874	1,324	1,991
Transportation and travel	1,629	1,717	1,686
Taxes and licenses	1,080	908	688
Advertising	451	169	11,681
Entertainment, amusement and recreation	318	373	506
Miscellaneous	744	1,217	1,509
Total	₱941,968	₱837,395	₱733,156

a. Details of depreciation and amortization follows:

	2026	2025	2024
Depreciation (Note 10)	₱134,107	₱126,018	₱113,215
Depreciation - ROU assets (Note 31)	14,372	14,260	11,841
Amortization - Student relationship (Note 6)	557	557	765
Amortization (Note 13)	1,566	1,741	1,608
	₱150,602	₱142,576	₱127,429

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

	2026	2025	2024
Cost of schools and related operations	₱111,645	₱103,118	₱86,872
Cost of schools and related operations - ROU assets (Note 31)	13,841	14,260	11,841
	125,485	117,378	98,713
General and administrative expenses (Note 21)	25,117	25,198	28,716
	₱150,602	₱142,576	₱127,429

21. General and Administrative Expenses

This account consists of:

	2026	2025	2024
Personnel expenses (Note 24)	₱75,520	₱56,714	₱49,151
Management and other professional fees (Note 15)	68,463	76,970	51,048
Advertising (Note 20)	33,544	46,915	16,787
Depreciation and amortization	25,117	25,198	28,716
Provisions for expected credit losses (Note 8)	17,509	17,202	11,906
Taxes and licenses	13,044	11,326	10,778
Utilities	9,588	9,568	5,594
Repairs and maintenance	6,358	5,524	4,614
Provision for losses	4,671	4,141	3,758
Insurance	4,118	2,234	2,690
IT expense - software license	3,596	6,102	6,355
Rent (Note 31)	2,982	43	5
Transportation and travel	1,985	2,148	2,462
Seminar	578	573	447
Commission	541	269	221
Office supplies	501	746	737
Entertainment, amusement, and recreation	379	634	363
Investor relations	310	321	313
Donations	6	15	5
Miscellaneous	18,973	10,323	13,761
	₱287,783	₱276,966	₱209,709

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

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

22. Interest Income, Interest and Other Finance Charges

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

	2026	2025	2024
Cash in banks and cash equivalents (Note 7)	16,341	₱16,479	₱15,461
Advances to officers and employees (Note 8)	503	46	43
	₱16,844	₱16,525	₱15,504

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

	2026	2025	2024
Short-term loans (Note 16)	₱19,315	₱15,271	₱19,219
Long-term loans (Note 17)	3,557	4,111	4,550
Interest expense on lease liabilities (Note 31)	9,148	6,525	6,722
	₱32,020	₱25,907	₱30,491

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

	2026	2025	2024
Miscellaneous income	₱1,848	₱725	₱825
Rent income	3,865	3,264	3,536
Investment income in UITF	76	144	100
	₱5,789	₱4,133	₱4,461

23. Earnings Per Share

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

	2026	2025	2024
Net income attributable to equity holders of Parent Company (a)	₱375,883	₱323,698	₱289,220
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)	₱0.3599	₱0.3100	₱0.2770

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

24. Non-controlling Interest in Consolidated Subsidiaries

This represents shareholdings in material subsidiaries not held by the Group. Proportion of equity interest held by non-controlling interests (NCI) in material subsidiaries for 2026 and 2025 follows:

	2026	2025
University of Nueva Caceres	16.99%	16.99%
National Teachers College	0.21%	0.21%

Non-controlling interests in material subsidiaries as at March 31, 2026 and December 31, 2025 follows (in million pesos):

	2026	2025
University of Nueva Caceres	₱408	₱400
National Teachers College	8	7

As at March 31, 2026 and December 31, 2025, the summarized financial information attributable to non-controlling interests in material subsidiaries is shown in the next page.

(In million pesos)

	University of Nueva Caceres		National Teachers College	
	2026	2025	2026	2025
Assets				
Current assets	₱601	₱561	₱1,491	₱1,282
Noncurrent assets	2,020	1,959	3,209	3,189
	₱2,621	₱2,520	₱4,700	₱4,471
Liabilities and Equity				
Current liabilities	₱306	₱266	₱521	₱478
Noncurrent liabilities	191	179	747	692
	497	445	1,268	1,170
Equity	2,124	2,075	3,432	3,301
	₱2,621	₱2,520	₱4,700	₱4,471
Attributable to:				
Equity holders of parent	₱1,716	₱1,675	₱3,424	₱3,293
Non-controlling interest	408	400	8	7
Net revenue	₱174	₱594	₱297	₱1,094
Gross profit	101	314	189	628
Net income (loss)	49	138	121	366
Attributable to:				
Equity holders of parent	₱41	₱115	₱121	₱366
Non-controlling interest	8	23	0	-

25. Operating Segment Information

Business Segment

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

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

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statement of financial position which is in accordance with 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, MCMI, 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		
	2026	2025	2024	2026	2025	2024	2026	2025	2024	2026	2025	2024
Revenues												
Income from external customers	P1,666	P1,478	P1,276	P-	P-	P-	P-	P-	P-	P1,666	P1,478	P1,276
Total Revenues	P1,666	P1,478	P1,276	P-	P-	P-	P-	P-	P-	P1,666	P1,478	P1,276
Net Income attributable to Parent Company	P373	P321	P286	P5	P6	P5	(P2)	(P2)	(P3)	P376	P324	P289
Other Information												
Segment assets	P24,696	P22,404	P20,776	P6,322	P6,618	P6,445	(P7,391)	(P7,162)	(P7,187)	P23,627	P21,860	P19,926
Segment liabilities	6,181	5,972	5,763	58	110	111	(1,405)	(1,280)	(1,325)	4,834	4,802	4,549
Deferred tax assets	94	81	50	1	1	1	-	-	-	95	82	51
Deferred tax liabilities	956	831	695	0	46	44	52	53	55	1,008	929	795
Interest expense	34	35	44	-	0	0	(2)	(9)	(14)	32	26	30
Provision for income tax	42	32	29	0	1	1	(0)	(0)	(0)	42	32	30
Depreciation and amortization	147	139	124	1	0	1	3	3	3	151	143	127

27. 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:

	2026	2025
Within one year	₱7,457	₱7,457
More than one year but not more than five years	21,322	21,322
	₱28,779	₱28,779

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, 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 2026 and 2025 (see Note 5).

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

	2026	2025
Net Book Value at January 1	₱446,374	₱339,121
Additions	–	174,116
Amortization (Note 20a)	(14,372)	(67,045)
Lease modification	1,858	182
Pre-termination/expiration	–	–
Net Book Value at December 31	₱430,144	₱446,374

The following are the amounts recognized in the 2026, 2025 and 2024 statement of comprehensive income (Note 20):

	2026	2025	2024
Depreciation expense of right-of-use assets	₱14,372	₱14,260	₱11,841
Interest expense on lease liabilities	9,148	6,524	6,618
Rent expense on short-term leases (Notes 20 and 21)	4,677	991	1,578
Total amount recognized in profit or loss	₱23,520	₱20,784	₱18,459

The rollforward analysis of lease liabilities from APEC follows:

	March 2026	December 2025
As at January 1	₱512,492	₱394,952
Additions	–	165,565
Interest expense (Note 22)	9,148	26,837
Pre-termination	–	–
Payments	(20,775)	(74,862)
	₱500,865	₱512,492

The balance of lease liabilities as of March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
Lease liabilities - current	₱46,314	₱57,941
Lease liabilities - noncurrent	454,551	454,551
	₱500,865	₱512,492

Shown below is the maturity analysis of the undiscounted lease payments as of March 31, 2026 and December 31, 2025:

	2026	2025
Within one year	₱52,787	₱52,787
More than one year but less than five years	642,411	642,411
Five years and more	224,603	224,603
	₱919,801	₱919,801

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 ₱202.2 million and ₱290.1 million as of December 31, 2025 and December 31, 2024, respectively. Key assumptions used are as follows:

- Revenue projections. The revenue projections were based on financial budgets approved by management and BOD.
- Discount rate (10.8% in 2025 and 10.9% in 2024). 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, 2025 and 2024 are not impaired considering that the calculated recoverable amount is higher than the carrying value.

Provisions

The Group is involved in certain claims arising from the ordinary conduct of business which are either pending decision by the courts or are being contested, the outcome of which are not presently determinable. The estimate of the probable costs for the resolution of these claims has been developed in consultation with external counsels handling the defense in these matters and is based upon an analysis of potential results. The ultimate disposition of these matters cannot be determined with certainty. The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings. Provisions disclosed in Note 14 as of March 31, 2026 and December 31, 2025 amounted to ₱129.32 million and ₱124.65 million, respectively. Provisions recognized in 2026 and 2025 amounted to ₱4.7 million and ₱4.1 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.

IPEOPLE, INC. AND SUBSIDIARIES
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AND SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

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III	Group Structure

SCHEDULE II

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-J: SCHEDULES

MARCH 31, 2026

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 March 31, 2026, the Group has no financial assets in Equity Securities.

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

Below is the schedule of advances to officers and employees of the Group with balances above ₱100,000 as at March 31, 2026:

Name	As of December 31, 2025	Additions	Collections/ Liquidations	As of March 31, 2026
Abalos, Mark	181,667	-	24,222	157,444
Aberilla, Irish Mae O.	866,403	276,750	-	1,143,153
Adanza, Carina Victoria	-200	436,500	14,123	422,178
Agbulos, Erlin C.	-0	167,654	2,708	164,946
Alcantara, Randy	188,000	16,533	1,072	203,461
Alfeche, Lalaine Joan	112,358	-	-	112,358
Alquino, Kenneth R.	81,131	40,255	-	121,386
Ambuyoc, Rodel R.	148,119	-560	-	147,559
Aquino, Jesunino, R.	270,650	-	23,202	247,448
Aquino, Leopoldo	200,348	-	6,000	194,348
Aranas, Joseph Adrian T.	-	219,000	-	219,000
Arenillo, Denise Jordan P	442,674	-	106,204	336,469
Astronomo, Cyril Jess	333,422	-	-	333,422
Austria, Maria Rhodora	182,642	-	21,700	160,942
Avila, Claribel P.	484,500	-	-	484,500
Aya-ay, Adorico	716,830	-	-	716,830
Azcueta, Crisanta F.	-	116,000	-	116,000
Ba-ang, Marie Gabrielle	187,358	5,000	-	192,358
Baarde, Larissa Marie	242,769	-	-	242,769
Balan, Ariel Kelly D.	38,983	419,434	30,000	428,416
Balang, Ernesto Jr.	100,000	-	-	100,000
Ballado, Alejandro Jr.	0	596,933	298,466	298,466
Balo, Abeliosre	102,837	-	-	102,837
Bandola, Ruby	-	585,000	97,500	487,500
Banlawe, Ivane Ann	203,070	-	-	203,070
Bascuna, Sheryl	-	500,000	118,055	381,945
Bayag, Marina B.	465,111	-	-	465,111
Bitor, Rolando	420,865	-	-	420,865
Bolonos, Eric John S.	153,612	-	-	153,612
Bonafe, Eufemia	300,000	-	-	300,000
Cabrera, Allen Rose V.	-	111,099	8,299	102,800
Calamba, Michael G.	982,111	38,976	-	1,021,087
Calderon, Aldrin Dimayuga	242,095	6,733	87,533	161,295
CALLO, AILENE JOY	104,365	-	-	104,365
Camacho, Margarita V.	412,671	-75,841	70,099	266,731
Camus, Rosette Eira E.	-	464,309	28,215	436,094

Name	As of December 31, 2025	Additions	Collections/ Liquidations	As of March 31, 2026
Caparanga, Alvin R.	350,261	24,016	22,500	351,777
Caramoan, Melanie	200,000	-	-	200,000
Carbonell, Joyce Jan	157,870	-	-	157,870
Cascaro, Rhodessa	630,107	-	-	630,107
Cedo, ,Vida Carminda	-	150,000	-	150,000
Cedo, Vida Carminda	150,000	-	-	150,000
Ciudadano, Maria Leisel	100,000	-	-	100,000
Coritico, Cheryl Jean D.	22,587	307,700	-	330,287
Crisostomo, Mary Ann	-	126,800	18,047	108,753
Cuanang, Joane Rose	114,000	-	-	114,000
Cuizon, Junneil	905,983	264,000	-	1,169,983
Custodio, Oliver Ryan B.	1,240,205	307,719	101,423	1,446,501
Deang, John Jovaniel C.	70,643	463,638	174,320	359,961
Dela Cruz, John Ross	-	275,000	128,916	146,084
Delos Cientos, Darlene	92,000	152,000	-	244,000
Delos Reyes, Marycon	375,466	-	265,650	109,816
Diez, Freddie	147,877	128,495	-	276,372
Dimaunahan, Ericson Dalangin	-	810,790	263,233	547,557
Dineros, Rochelle	177,669	-	-	177,669
Dionio, Kendrick O.	77,005	31,200	-	108,205
Dionisio, Anna Rose M.	313,621	-	-	313,621
Divina, Melchor P.	91,781	489,800	86,900	494,681
Doma Jr, Bonifacio	213,672	50,358	32,595	231,435
Ebio, Ressian Dhel E.	110,000	-	-	110,000
Española, Ma. Eloisa P.	140,950	-	-	140,950
Estores, Gilford B.	330,000	-	43,885	286,115
Fajardo, Maria Theresa	133,067	-	-	133,067
Federizo, Rona Lynne A.	290,097	53,290	112,297	231,090
Federizo, Rona Lynne A.	290,097	53,290	112,297	231,090
Felices, Elvira V.	-	1,018,500	508,797	509,703
Fermin, Edizon A.	247,871	-	92,785	155,087
Flores, Eira Marie B.	157,774	-	-	157,774
Fortuno, Vivian	300,000	-	-	300,000
Fuliga, Antonio Jr.	172,650	-	-	172,650
Gomez, Marianne Edna	637,978	628,563	224,639	1,041,902
Jassel, Jagdeep	163,224	-	-	163,224
Josio, Cesar Glenn A.	771,406	-	-	771,406
Kikuchi, Khristian	182,641	-	21,700	160,941
Lagunday, Albert P.	355,100	205,350	-	560,450
Lasa, Sandy	-	250,000	70,000	180,000
Laud, Noel V.	394,654	10,000	-	404,654
Liboon, Cristelle Dela Cruz	202,709	3,100	-	205,809
Limpot, Kareen Michelle	777,349	-	-	777,349
Lizardo, Glenda P.	381,100	-	22,200	358,900
Logrosa, Gernelyn T.	142,340	-	-	142,340
Lopez, Jonathan	465,541	-	107,293	358,247
Macaballug, Grace D.	-	180,060	14,552	165,508
Macayan, Jonathan V.	1,125,800	-	64,605	1,061,195
Mack, Jose Paolo Y.	82,603	39,620	-	122,223
Magon, Sherwin Somo	-	125,000	2,352	122,648
Mapua Entries	134,682	-	-	134,682
Mejia, Emmillie Joy B.	422,787	-	148,709	274,079
Mende, Melwin	177,279	-	-	177,279

Name	As of December 31, 2025	Additions	Collections/ Liquidations	As of March 31, 2026
Meris, Paulo Rafael Villaflor	240,750	-	-	240,750
Mesina, James Ronald	361,483	-	23,575	337,908
Miguel, Charisse B.	100,800	-	-	100,800
Mondejar, Jeffrey Jr., B.	301,504	32,370	-	333,874
Mondia, Bai Nyssa Mae S.	123,797	7,500	-	131,297
Monteagudo, Marvin	694,403	-	-	694,403
Nacua, Juliet	194,560	-	-	194,560
Nano, Francis German D.	150,400	-	-	150,400
Ocmer, Ma. Kristina M.	-	100,000	-	100,000
Ogarte, Joghua	351,927	-	65,172	286,755
Otero, Gerlyn D.	137,991	-	-	137,991
Pamintuan, Kristopher Ray Simbulan	427,500	-56,935	22,500	348,065
Paña, Janyssa Mariae B.	147,300	40,000	-	187,300
Parra, Francisco	150,000	-	-	150,000
Pulmon, Eden Leysam	85,385	28,210	-	113,595
Quijada, Gertie	162,070	-	-	162,070
Quiñagon, Ramon	732,617	-	-	732,617
Quiñal, Jeremia	456,500	-	-	456,500
Quinto, Edward Jay M.	-	550,838	22,500	528,338
Quisaot, Concordio	111,634	-	-	111,634
Rafael, Victor	348,883	-	137,798	211,085
Ramirez, Juconz Philip C.	234,200	-	-	234,200
Reyes, Cesar Romeo V. De Los	306,367	-	73,571	232,795
Reyes, Keilah Mari L.	-	130,500	-	130,500
Rodriguez, Annelle	602,500	-	-	602,500
Sabino, Lilibeth	185,025	-60,975	20,325	103,725
Salvacion, Jonathan W.L.	328,675	15,580	35,967	308,288
San Juan, Cloyd	237,000	-	-	237,000
Sandoval, Renzo James	157,424	-	-	157,424
Santiago, Raymart	-	100,000	-	100,000
Santos, Malaya P.	420,240	-71,221	39,715	309,304
Seguritan, Ben Jay-Me G.	73,412	496,410	-	569,822
Senoro, Delia B	3,020,649	536,574	301,024	3,256,199
Sinday, Grace	508,012	10,000	-	518,012
Suaybaguio, Zyrah Gwen I.	128,001	-	-	128,001
Tablante, Dennis H.	190,550	-	11,100	179,450
Taylaran, Jennifer	110,185	-	-	110,185
Tayo, Lemmuel L.	390,000	16,540	22,500	384,039
Tiongco, Danilo R.	310,520	-	157,680	152,840
Tomas, Mary Christine A.	-	658,821	183,655	475,166
Toylo, Anthony	106,103	-	-	106,103
Tupas, Trishia	172,707	-	-	172,707
Ugpay, Rex Michael	103,359	-	-	103,359
Uy, Juval Jake	292,557	-	-	292,557
Valdez, Francis	169,839	-	-	169,839
Villalon, Jose Luis Lucas	-	175,246	-	175,246
Yparraguirre, Flora Mae	344,054	-	-	344,054
TOTAL	35,855,719	12,781,520	4,694,177	43,943,063

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 March 31, 2026:

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.	3,113,444	3,614,887	(6,728,331)	0
Malayan Colleges Laguna, Inc.	4,227,643	3,449,077	(5,896,376)	1,780,344
Malayan Colleges Mindanao, Inc.	310,418,202	80,217,609	(8,283,901)	382,351,910
University of Nueva Caceres	464,183	1,166,725	(903,587)	727,321
National Teachers College	1,070,442	3,814,139	(3,498,445)	1,386,136
RCBC	0	1,197,167	(1,197,167)	0

Schedule D. Long-term debt

As at March 31, 2026, the Group has outstanding long-term debts as follow (in thousands):

Unsecured bank loans	₱253,134
Secured bank loans	–
Total	253,134
Less: current portion of unsecured bank loans	24,430
Noncurrent portion of long-term loans	₱228,704

Unsecured

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

Secured

In 2019, the Group, through MCMI, entered into a ten-year secured long-term loan agreement with a third party local bank for ₱1,500.00 million to refinance the construction of MCMI's school buildings and facilities that were initially funded by short-term loans. MCMI made partial drawdowns against this agreement amounting to ₱680.00 million, ₱350.00 million and ₱470.00 million in January, June and July 2019, respectively. The loans were subject to prevailing borrower's rate, plus a minimum spread of 0.50% per annum, but in no case lower than 4% per annum, subject to quarterly repricing. MCMI shall repay the loan in 20 equal quarterly installments to start at the end of 21st quarter from the initial drawdown date. The loans were secured by the land and related improvements owned by MCMI with carrying value of ₱2,376.76 million as of December 31, 2019 and suretyship of MESI. In July 2023, the long-term loan amounting to ₱1.5 billion was fully paid.

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

As at March 31, 2026, the Group has no outstanding long-term debt from/to related parties.

Schedule F. Guarantees of Securities of Other Issuers

As at March 31, 2026, 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	-	14,693,051	99,930	129,470,216

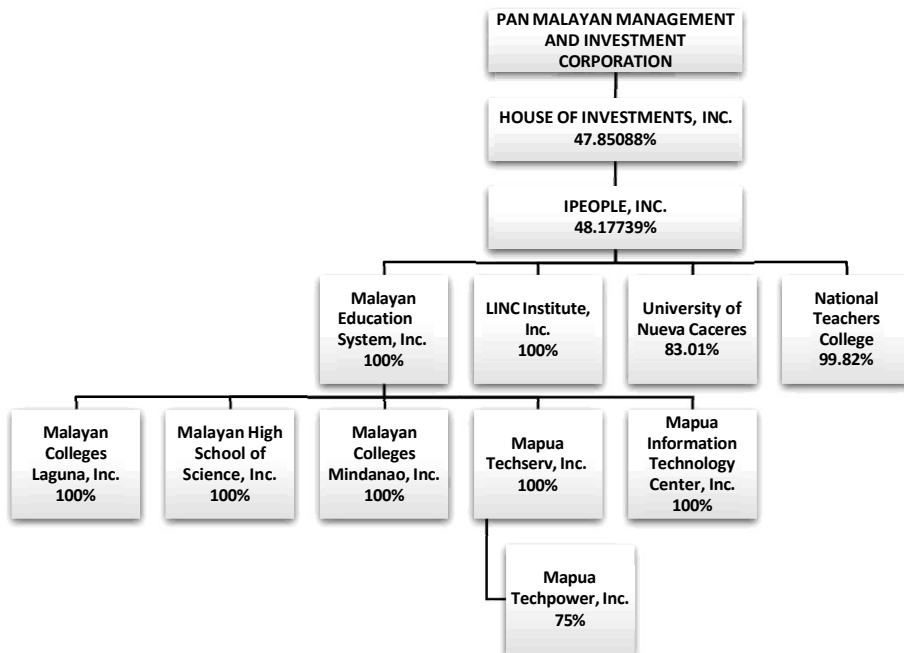
IPEOPLE, INC. AND SUBSIDIARIES

GROUP STRUCTURE

MARCH 31, 2026

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company and subsidiaries as at March 31, 2026:



SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

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

MARCH 31, 2026

Amounts in Thousands

The table below presents the parent retained earnings available for dividend declaration as of March 31, 2026:

Unappropriated Retained Earnings, beginning	₱1,894,771
Add: <u>Category A: Items that are directly credited to Unappropriated Retained Earnings</u>	
Reversal of Retained Earnings Appropriation/s	—
Effect of restatements or prior-period adjustments	—
Others	—
	<hr/>
Less: <u>Category B: Items that are directly debited to Unappropriated Retained Earnings</u>	
Dividend declaration during the reporting period	—
Retained Earnings appropriated during the reporting period	—
Effect of restatements or prior-period adjustments	—
Others	—
	<hr/>
Unappropriated Retained Earnings, as adjusted	1,894,771
Add/(Less): Net Income (loss) for the current year	5,214
Less: <u>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</u>	
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	—
	<hr/>
Add: <u>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)</u>	
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	—
	<hr/>

Add: <u>Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</u>	–	
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	–	–
		<hr/>
Adjust Net Income/Loss		5,214
Add/(Less): <u>Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</u>		
Depreciation on revaluation increment (after tax)	–	–
		<hr/>
Add/(Less): <u>Category E: Adjustments related to relief granted by the SEC and BSP</u>		
Amortization of the effect of reporting relief	–	
Total among reporting relief granted during the year	–	
Others	–	–
		<hr/>
Add/(Less): <u>Category F: Other items that should be excluded from the determination of the amount available for dividends distribution</u>		
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	–	–
		<hr/>
Unappropriated Retained Earnings Available for Dividends Distribution, March 31, 2026		1,899,986
Add: Reversal of Retained Earnings – Appropriation/s approved		–
Unappropriated Retained Earnings available for dividends declaration		₱1,899,986

iPeople, inc. and Subsidiaries
Aging of Accounts Receivable
For the quarter ended March 31, 2026
Amounts in Thousands

	No. of days due			Total
	0-30	31-60	Over 61 days	
Education	₱958,030	₱38,468	₱609,940	₱1,644,283
Others	61,733	7,095	86,154	261,980
Total	1,019,762	45,563	696,094	1,906,263
Less: Allowance for doubtful accounts	(11,594)	-	(454,717)	(494,973)
	₱1,124,349	₱45,563	₱241,377	₱1,411,289

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

MARCH 31, 2026

Below are the financial ratios that are relevant to the Group's as of the period ended March 31, 2026, March 31, 2025 and December 31, 2025

Financial ratios		Unaudited March 2026	Unaudited March 2025	Audited December 2025
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.59:1	1.41:1	1.38:1
<i>Indicates the Group's ability to pay short-term obligation</i>				
Acid-test ratio	$\frac{\text{Current Assets} - \text{Prepaid expenses}}{\text{Current Liabilities}}$	1.42:1	0.22:1	1.26:1
<i>Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately</i>				
Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$	0.11:1	0.10:1	0.27:1
<i>Shows how likely a Group will be to continue meeting its debt obligations</i>				
Debt-to-equity ratio	$\frac{\text{Total Debt}}{\text{Equity}}$	0.26:1	0.28:1	0.32:1
<i>Measures the Group's leverage</i>				
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Equity}}$	1.25:1	1.28:1	1.31:1
<i>Shows how the Group's leverage (debt) was used to finance the firm</i>				
Interest Rate Coverage	$\frac{\text{EBIT}^*}{\text{Interest Expense Excluding Interest Expense on Lease Liabilities}}$	20.06:1	19.84:1	13.32:1
<i>Shows how easily a Group can pay interest on outstanding debt</i>				
Return on Average Stockholders' Equity	$\frac{\text{Net Income}}{\text{Average Equity}}$	2.14%	2.01%	5.50%
<i>Reflects how much the Group's has earned on the funds invested by the stockholders</i>				
Net profit margin	$\frac{\text{Net Profit}}{\text{Revenue}}$	23.08%	22.07%	15.53%
<i>Reflect how much net income or profit is generated as percentage of revenue</i>				
Return on Assets	$\frac{\text{Net Income}}{\text{Total Assets}}$	1.63%	1.50%	3.99%
<i>Measure the ability to utilize the Group's assets to create profits</i>				

*Earnings before interest and taxes (EBIT)

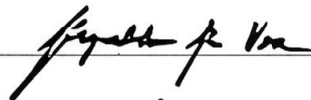
SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in the City of Makati on MAY 14 2026, 2026.

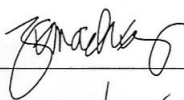
IN WITNESS WHEREOF, we have hereunto affixed our signatures and the seal of the Corporation this ____ day of May 2026 at Makati City.

By: Text

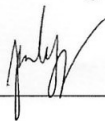
DR. REYNALDO B. VEA
Chairman and Chief Executive Officer



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 MAY 14 2026 day of May 2026, at Makati City.
Affiants exhibited to me their proof of identification as indicated beside each name.

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

Doc. No. 216;
Page No. 46;
Book No. 27;
Series of 2026

ATTY. BERNARDINO O. LAUILLO
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-028 UNTIL DEC. 31, 2027
ROLL NO. 77752 / MCLE Compliance No. VIII-002331 UNTIL APR. 14, 2028
IBP OR. NO. 007000 JAN. 2, 2026 / MAKATI CHAPTER
PTR No. 10765537 - JAN. 5, 2026
UNIT 2-B2 TRANS-PHIL HOUSE, DON CHINO ROCES AVE., COR.
BAGTIKAN ST., SAN ANTONIO, MAKATI CITY