

14 April 2025

SECURITIES AND EXCHANGE COMMISSION

The SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-air, Makati City

Attention: **ATTY. OLIVER O. LEONARDO**
Director
Market Securities Regulation Department

Subject: Definitive Information Statement
(SEC Form 20-IS)

Gentlemen:

In compliance with the Securities and Exchange Commission's ("SEC") SRC Rule 20 and in connection with Annual Stockholders' Meeting of **Paxys, Inc.** ("Company") to be held on 12 May 2026, we submit herewith our Definitive Information Statement ("DIS") and Management Report, including the 2025 Audited Financial Statements.

We further provide our responses to the SEC's comments on the Preliminary Information Statement ("PIS") which we received on 7 April 2026 via iMessage.

Checklist of Requirements	Page No.	Remarks	Response
Non-compliance shall constitute a violation of SRC Rule 20 and shall subject the company to appropriate penalty under the Consolidated Scales of Fines (SEC Memorandum Circular No. 6, Series of 2005).			This is noted.
In addition to the Company's responses to SEC Comments through this Comment Sheet, submit marked up copy highlighting the revisions made to comply with each comment.			Complied.
Submit the DIS before the actual distribution date to facilitate the final review/clearance from MSRD.			Complied.
SRC Rule 20.3.3.5 Information Statement and management Report shall be uploaded to Issuer's Website for downloading by interest parties			We will upload the SEC Form 20-IS and its attachments on the Company's website and submit them to PSE's Edge Submission System. We will send the link of the uploaded DIS to MSRD through email (msrdsubmission@sec.gov.ph)

MC, NO. 3, SERIES 2020 AND SECTION 49 OF THE REVISED RCC (21 DAYS PRIOR TO ASM)	Please see attached signed Notice and Agenda of Annual Stockholders Meeting on page 2 of the DIS.	
Part I.		
B. Control and Compensation Information		
ITEM 4. VOTING SECURITIES & PRINCIPAL HOLDERS		
As to each class entitled to vote, state the number of shares outstanding & the number of votes to which each class is entitled	<p>Update Outstanding common shares as of March 31, 2026</p> <p>(*The SEC letter comments requested to update as of "March 30". We updated the cut-off date to "March 31" to capture the month end.)</p>	Please see page 8 of the DIS for the updated Outstanding Shares as of March 31, 2026.
<i>Furnish information required by Part IV paragraph (C) of "Annex C"</i>		
<i>(1) Security Ownership of Certain Record and Beneficial Owners of more than 5%</i>	<p>Update security ownership as of March 31, 2026</p> <p>(*The SEC letter comments requested to update as of "March 30". We updated the cut-off date to "March 31" to capture the month end.)</p>	Please see pages 8 and 9 of the DIS for the updated Outstanding Shares as of March 31, 2026.
<p><i>(1) Title of class (2) Name, address (3) Name of Beneficial (4) Citizenship (5) No. of Shares (6) Percent of record owner Owner and Relationship Held and relationship with Recor Owner with Issuer</i></p>		
<i>(2) Security Ownership of Management</i>	Update security ownership of Management as of March 31, 2026	Please see pages 9 and 10 of the DIS for the updated security ownership of Management as of March 31, 2026.

	(*The SEC letter comments requested to update as of “March 30”. We updated the cut-off date to “March 31” to capture the month end.)	
<i>(1) Title of class (2) Name of Beneficial (3) Amount and Nature (4) Citizenship (5) Percent</i> <i>Owner of beneficial ownership</i>		
ITEM 5. DIRECTORS & EXECUTIVE OFFICERS		
	Submit a certification that none of directors and officers works in government and if there is, submit a letter consent from the head of the Department/Agency.	Please find the Certification attached as Annex “A”
<i>If action is with respect to election of directors</i>		
<i>Information required by Part IV paragraphs (A), (D)(1) and (D)(3) of Annex “C”</i>		
(A) (1) Identity Directors, including Independent Directors and Executive Officers	The company is advised SEC Memo. Circular No. 7, Series of 2026 re: Term Limit of Independent Directors.	SEC Memo. Circular No. 7, Series of 2026 re: Term Limit of Independent Directors is noted. The Company has two (2) new independent director nominees. Please refer to page 14 of the DIS.
	Submit updated Certification on the Qualifications and Disqualification of Independent Directors pursuant to SEC Memo. Circular No. 5, Series of 2017	Please find the attached Annexes “B” and “C” of the Certification on the Qualifications and Disqualification of Independent Directors executed by nominees Mr. Nelson T. Yap and Mr. Giles R. Katigbak.
	Provide final list of candidates for	

	Independent Directors in the forthcoming Annual Stockholders' Meeting.	
	Identify name of a person/s who nominated the candidates for Independent Directors and their relationship, if any.	
(a) Names, ages and citizenship of all Directors, including independent directors and Executive Officers and all persons nominated or chosen to become such;		
(b) List of positions and offices such persons held or will hold;		
(c) Term of office as a Director and the period which the person has served;		
(d) Brief description of person's business experience (last five years); and		
(e) Identification of other directorship held in reporting companies.		
PART II		
PROXY FORM		Please find the updated Proxy Form attached as Annex "D"
PART III		
MANAGEMENT REPORT		
Market Price of and Dividends required by Part V of Annex C		
(1) Market Information		
(b) If the information called for by paragraph (A) of this Part is being presented, the document shall also include the price information as of the latest practicable trading date, and in the case of securities to be issued in connection with an acquisition, business combination or other reorganization, as of the trading date immediately prior to the public announcement of such transaction.	Comply with highlighted portion re: include the price information as of the latest practicable trading date as of date of filing of the Definitive Information Statement	The last traded price as of 31 March 2026 and April 13, 2026 has been updated. Please refer to page 28 of the DIS.

(2) Holders		
(a) (i) Approximate Number of Holders of Each Class of Common Security as of the latest practicable date but in no event more than 90 days prior to filing of report.	Update information as of 31 March 2026.	Please see page 28 of the DIS for the updated number of holders as of March 31, 2026.
(ii) Names of the Top Twenty (20) Shareholders of Each Class		Please see pages 28 and 29 of the DIS for the Top 20 Stockholders as of March 31, 2026.
<i>Discussion on Compliance with leading practice on Corporate Governance</i>		
<i>a. Evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance</i>	Not complied with	A discussion on the Company's compliance with leading practices on Corporate Governance is provided in the DIS along with the following Annexes which are also found on the Company's website: 1. Charter of the Board of Directors (Annex "E"); 2. Annual Board Assessment Form (Board) (Annex "F"); 3. Annual Board Assessment Form (Member) (Annex "G"); 4. Charters of the Different Committees (Annexes "H" "I" "J" and "K") 5. Assessment of the Committees (Annexes "L" and "M") Please see pages 38 to 39 of the DIS. There was no deviation from the Company's Manual of Corporate Governance.
<i>b. Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance</i>		
<i>c. Any deviation from the Company's Manual of Corporate Governance. Including a disclosure of the name and position of the person/s involved and sanctions imposed on said individual</i>		
<i>D. Any plan to improve corporate governance of the company</i>		
<i>Sec. 49 RCC, required disclosure</i>		
a) A description of the voting and vote tabulation procedures used in the previous meeting;	Not complied with.	In compliance with Section 49 of the Revised Corporation Code, please see the draft Minutes of the previous meeting (7 May 2025) attached as Annex "N" of the DIS, as follows: <u>a) A description of the voting and vote tabulation procedures used in the previous meeting</u> – (page 1, Minutes) "As set out in the Requirements and Procedure for Participation and Voting in the meeting, which was attached to the Company's Definitive Information Statement and posted in the Company's website, stockholders
b) A description of the voting and vote tabulation procedures used in previous meeting; or members to ask questions and a record of the questions asked and answers given;		
c) The matters discussed and resolutions reached;		
d) A record of the voting results of each agenda item;		
e) A list of the directors or trustees, officers and stockholders or members who attended the meeting;		

<p>f) Material information on the current stockholders, and their voting rights;</p>		<p><i>who successfully registered within the prescribed period will be included in the determination of quorum. By voting in absentia or by proxy, a stockholder will be deemed present for purposes of determining quorum.”</i></p>
<p>g) Appraisals and performance report for the board and the criteria and procedure for assessment; and</p>		
<p>h) Directors’ disclosures on self-dealing and related party transactions.</p>		<p>And (page 1 to 2, Minutes) “Participation and Voting During the Annual Meeting. <i>The Corporate Secretary explained participation and voting procedures adopted for the annual meeting. According to her, under the Company’s By-Laws, every stockholder shall be entitled to one vote for each share of stock standing in his/her name in the books of the Corporation. For the election of directors, each stockholder may cumulate his/her votes. XXX”</i></p>
		<p><u>b) A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given –</u> (pages 2, 3 and 5 of the Minutes attached as Annex N) The stockholders were given the opportunity to ask questions, provide comments, or object to the proposed motions. The following statement is stated in the Minutes: “There being no questions or objections, a motion was requested on the matter.”</p> <p>And (page 5, Minutes) “Other Matters/Question and Answer. <i>The Chairman inquired if there were any questions or comments on the agenda. The Assistant Corporate Secretary confirmed that there were no questions or comments received by email prior to the meeting and no questions were raised during the meeting.”</i></p> <p><u>c) The matters discussed and resolutions reached –</u>The Minutes provided for the matters to be discussed and approved during the</p>

		<p>meeting. All the resolutions were also quoted in the Minutes. Please see pages 2, 3 and 5 of the Minutes.</p> <p>d) <u>A record of the voting results of each agenda item</u> –The Minutes provided a tabulation of the votes of each item of the agenda. For (i) the approval of the Minutes of the previous meeting; (ii) the approval of the annual report; (iii) the ratification of corporate acts; and (iv) the appointment of external auditor, the Minutes provide: <i>“The Corporate Secretary noted for the record that stockholders owning at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock, voted in favor of approving the minutes; 0 shares voted against; and 0 shares abstained on the matter. The affirmative votes are sufficient to approve the resolution.”</i></p> <p>Likewise, for the election of directors, the Minutes provide that <i>“The Corporate Secretary noted that based on the tabulation and validation by our stock and transfer agent, stockholders owning at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock, voted to elect all the seven (7) candidates to the Board of Directors. The Corporate Secretary also flashed on the screen is the summary of the votes received by each candidate.</i></p> <p><i>Based on the tabulation and validation by our stock and transfer agent, and there being only seven (7) nominees to the seven (7) available seats for directors, the above nominees were unanimously elected by the stockholders holding at least 85.03% of the outstanding capital stock of the Corporation, as directors for the current year to serve as such for a period of one year and until their</i></p>
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		<p><i>successors are duly elected and qualified.</i></p> <p><i>The Chairman also declared that the independent directors on the Board are Mr. George Edward Y. Sycip and Mr. Jose Antonio A. Lichauco.”</i></p> <p>e) <u>A list of the directors or trustees, officers and stockholders or members who attended the meeting</u>—The Minutes enumerated the directors who were present when the meeting was called to order as follows “<i>The Chairman, Mr. Tarcisio M. Medalla, called the meeting to order and presided over the same. He introduced the members of the Board of Directors who were present, namely, Roger Leo A. Cariño, Christopher B. Maldia, Roberto A. Atendido, and Independent Director Jose Antonio A. Lichauco. The Corporate Secretary, Atty. Mayette H. Tapia, recorded the proceedings.</i>”</p> <p>Likewise, the Minutes provide “<i>The Corporate Secretary announced that there were present, in person and by proxy, at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock. The list of attendees and proxies is available at the office of the Corporation. She therefore certified that there was a quorum for the transaction of business.</i>”</p> <p>f) <u>Material information on the current stockholders, and their voting rights</u> – Please see pages 28-29 of the DIS, which provides for the list of Shareholders of the Company and their voting rights as discussed in page 8 under Item 4 on Voting Securities and Principal Holders Thereof.</p> <p>g) <u>Appraisals and performance report for the board and the criteria and procedure for assessment</u> –Please see</p>
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		<p>pages 38-39 of the DIS, which provides that <i>“The Company continues to have four (4) Board Committees namely the Executive Committee, the Audit and Risk Management Committee, the Nominations Committee, and the Compensation and Remuneration Committee. In keeping with regulatory requirements, each Committee continuously updates its Charter and Performance Assessment Procedures, as needed. Upon review of its respective Charter and evaluation of its respective Committee performance based on defined rating system, the Committees assessed their performance to be satisfactory, able to engage the Board, management and other stakeholders in risk management, control and governance processes to bring about a positive impact while furthering the goals of the Company.”</i></p> <p>Please see attached relevant documents attached as Annexes “E to M” of the DIS.</p> <p><u>h) Directors’ disclosures on self-dealing and related party transactions</u> –This is not applicable as there was no transaction of such nature concerning the directors. Please see page 26 on Related Party Transaction which provides that <i>“Transactions between related parties mainly include billed services and cash advances for working capital and are accounted for at arms-length prices. In 2025, the Group has billed services to related parties and extended cash advances in support of working capital requirements amounting to ₱1.2 million.”</i></p>
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Copies of the Definitive Information Statement (“DIS”) and Management Report, including the 2025 Audited Financial Statements, will be available on the Company’s website. Notice of the Annual Stockholders’ Meeting will be published in the business section of two (2) newspapers of general circulation, in print and online format for two (2) consecutive days starting on 16 April 2026 in compliance

with SEC's Notice dated 11 March 2026 as an alternative mode for distributing and providing copies of the Notice of Meeting.

We trust that you will find the attached documents in order. We hope to receive the SEC's clearance on or before the distribution date.

Very truly yours,

PAXYS, INC.

By:


ANA MARIA A. KATIGBAK-LIM
*Assistant Corporate Secretary and
Assistant Corporate Information Officer*

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To all Stockholders:

Please be advised that the annual meeting of the stockholders of PAXYS, INC., will be held on 12 May 2026 at 10:00 a.m. at Makati City to be conducted virtually and may be accessed through the following link: www.paxys.com/ASM2026.html. The password to attend the meeting shall be provided by the Company to all stockholders of record as of April 10, 2026 or their proxies who have successfully registered to attend the meeting (Please refer to the registration procedure below).

The Agenda is as follows:

1. Call to Order
2. Proof of Notice and Certification of Quorum
3. Approval of Minutes of Previous Stockholders' Meeting
4. Management Report and Audited Financial Statements for the Year Ended December 31, 2025
5. Ratification of Previous Corporate Acts
6. Election of Directors
7. Appointment of External Auditors
8. Other Matters
9. Adjournment

Only stockholders of record as of April 10, 2026 or their proxies shall be entitled to attend and vote at the virtual meeting. Stockholders who wish to attend the virtual meeting by remote communication or *in absentia* must register at www.paxys.com/ASM2026.html to attend and submit the supporting documents not later than the close of business on May 2, 2026.

Individual stockholders who wish to be represented at the virtual meeting by proxy must: (a) upload a copy of duly signed and accomplished proxy form (which may be downloaded from the website) in PDF, JPEG or similar format at the registration portal at www.paxys.com/ASM2026.html AND (b) submit the original of the duly signed and accomplished proxy form, by post or courier to the Office of the Assistant Corporate Secretary at the 15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City not later than May 2, 2026. The Company shall validate the requests and the proxies, and email to the stockholders and/or proxy holders the instructions and password on how to access the virtual stockholders' meeting.

If you own shares through your broker or your shares are lodged, please secure from your broker a duly signed and accomplished proxy form, which you or your broker must upload to the registration portal and submit to the Company in the same manner stated above and not later than May 2, 2026. In accordance with Rule 20.11.2.18 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code, proxies executed by brokers shall be accompanied by a certification under oath stating that before the broker executed the proxy form, he had duly obtained the written consent of the persons in whose account the shares are held. Otherwise, the Company may not recognize you as a stockholder of record.

Corporate shareholders shall likewise be required to submit a secretary's certificate attesting to the authority of the representative or proxy holder to attend and vote at the virtual stockholders' meeting. The same must be uploaded to the registration portal and submitted to the Company in the same manner stated above and not later than May 2, 2026. Otherwise, the Company may likewise not recognize you as a stockholder of record.

Validation of proxies will take place not later than May 7, 2026.

Pursuant to SEC Notice dated 11 March 2026, a copy of this Notice of meeting and accompanying annex containing a brief statement of the rationale and explanation for each item in the agenda, Definitive Information Statement, Management Report, Proxy Form and other documents related to the meeting are available at the Company's website at www.paxys.com.

For any questions about the meeting, you may email to investor_relations@paxys.com.

Makati City, Metro Manila, Philippines, 30 March 2026.


ATTY. ANA MARIA A. KATIGBAK
Assistant Corporate Secretary

AGENDA
Details and Rationale

1. Call to order

The Chairman of the Board of Directors and President, Mr. Tarcisio M. Medalla, will call the meeting to order.

2. Proof of notice and certification of quorum

The Assistant Corporate Secretary, Atty. Ana Maria A. Katigbak, will certify that copies of the Notice have been sent to all stockholders of record as of 10 April 2026, and whether the attendees represented at the meeting hold a sufficient number of shares for quorum to exist for the valid transaction of business.

3. Approval of the Minutes of Previous Stockholders' Meeting

Copies of the draft minutes have been distributed together with the Notice of Stockholders' Meeting and Information Statement.

The stockholders will be requested to approve the draft minutes. The following is the proposed resolution:

“RESOLVED, that the minutes of the Annual Stockholders' Meeting of Paxys, Inc. held on May 7, 2025 be, as it is hereby, approved.”

4. Management Report & Audited Financial Statements for the Year Ended 31 December 2025

The Chairman and President will present the report of Management to the stockholders, discuss initiatives undertaken and challenges faced by the Company in 2025 and share his personal perspective of the Company's future.

The audited financial statements for the year ended 31 December 2025 were prepared by the Company's independent auditors, Reyes, Tacandong & Co., and approved by the Company's Board of Directors. In compliance with regulatory requirements, the audited financial statements were also submitted to the Securities and Exchange Commission and Bureau of Internal Revenue.

Copies of the Management Report together with the audited financial statements for the year ended 31 December 2025 have been distributed with the Information Statement.

Questions will be entertained from the stockholders after the presentation.

The stockholders will be requested to approve the Management Report and the audited financial statements for the year ended 31 December 2025. The following is the proposed resolution:

“RESOLVED, that the Management Report and the Corporation's audited financial statements for year ended December 31, 2025 be, as it is hereby, approved.”

5. Ratification of Previous Corporate Acts

The Company's performance is the result of the acts, contracts, resolutions and actions of the Board of Directors and Management of the Company, and the stockholders will be requested to ratify the same. The following is the proposed resolution:

“RESOLVED, that all acts, contracts, resolutions and actions of the Board of Directors and Management of the Corporation from the date of the last annual stockholders’ meeting up to the present be, as they are hereby, approved, ratified and confirmed.”

6. Election of Directors

The individuals named below have been nominated as regular or independent directors and their respective nominations have been screened by the Nominations Committee.

For Regular Directors

1. TARCISIO M. MEDALLA
2. ROGER LEO A. CARIÑO
3. CHRISTOPHER B. MALDIA
4. LIM GHEE KEONG
5. ROBERTO A. ATENDIDO

For Independent Directors:

6. NELSON T. YAP
7. GILES R. KATIGBAK

Voting may be done in person or by proxy. Proxy forms can be downloaded from the Company’s website at www.paxys.com. Signed and accomplished proxy forms are required to be submitted not later than 5:00 p.m. of 2 May 2026 and shall be validated no later than 7 May 2026. Votes may be cumulated as provided in the Revised Corporation Code.

7. Appointment of External Auditors

The Company’s Audit, Risk Management, and Related-Party Transactions Committee has reviewed the qualifications and performance of its current external auditor, Reyes Tacandong & Co., and has endorsed its reappointment for the current year 2026. The following is the proposed resolution:

“RESOLVED, that the accounting firm of Reyes Tacandong & Co. be reappointed external auditors of the Company for the current year 2026.”

8. Other Matters

Stockholders may propose to discuss other issues and matters.

9. Adjournment

After all matters in the agenda have been taken up, the Chairman shall entertain a motion to adjourn the meeting.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
PRELIMINARY 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: **PAXYS, INC.**
3. Province, country or other jurisdiction of incorporation or organization: **Makati City, Philippines**
4. SEC Identification Number: **6609**
5. BIR Tax Identification Code: **000-233-218-000**
6. Address of principal office: **15th Floor 6750 Ayala Office Tower**
Ayala Avenue,
Makati City
Postal Code **1226**
7. Registrant's telephone number, including area code: **(+632) 8250-3800**
8. Date, time and place of the meeting of security holders:
Date: **May 12, 2026**
Time: **10:00 AM**
Via: **www.paxys.com/ASM2026.html**
9. Approximate date on which the Information Statement is to be first sent or given to security holders:
April 16, 2026
10. Compliance with Section 49 of the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 3, Series of 2020:
- The approximate date when the notice of the annual stockholders' meeting will be first sent to security holders will be on April 16, 2026 through newspaper publications via The Philippine Star and Business World and online publications via One News and Business World. Said date is at least twenty-five (25) calendar days prior to the date of the meeting in compliance with Section 49 of the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 3 Series of 2020.
- Likewise, in compliance with Section 49 of the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 3, Series of 2020, the written notice contains all information and deadlines relevant to the shareholders' participation in the proxy meeting and exercise of the right to vote (in person or through a proxy).
11. In case of Proxy Solicitations:
- Name of Person Filing the Statement/Solicitor: **PAXYS, INC.**
Address and Telephone No.: **15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City**
(+632) 8250-3800
12. Securities registered pursuant to Sections 8 and 12 of the Securities Regulations Code (information on number of shares and amount of debt is applicable only to corporate registrants):

a. No. of Common Shares Outstanding as of 31 March 2026: **1,148,534,866**

b. Amount of Debt Outstanding as of December 31, 2025: **nil**

13. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

The Common Stock of the Company is listed at the Philippine Stock Exchange, Inc. (PSE)

PAXYS, INC. INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The annual stockholders' meeting of PAXYS, INC. (hereafter the “**Registrant**” or “**Company**” or “**Paxys**”) will be held on 12 May 2026 at 10:00 a.m. at Makati City to be conducted virtually and may be accessed through the following link: www.paxys.com/ASM2026.html. The password to attend the meeting shall be provided by the Company to all stockholders of record as of April 10, 2026 or their proxies who have successfully registered to attend the meeting.

The complete mailing address of the principal office of the Registrant is 15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City.

The approximate date when the notice of the annual stockholders' meeting and the information statement will be first sent to security holders is on 16 April 2026 through newspaper publications via The Philippine Star and Business Mirror and online publications via One News and Business World. Said date is at least twenty-five (25) calendar days prior to the date of the meeting in compliance with Section 49 of the Revised Corporation Code of the Philippines and the SEC Memorandum Circular No. 3, Series of 2020.

Likewise, in compliance with Section 49 of the Revised Corporation Code of the Philippines and the SEC Memorandum Circular No. 3, Series of 2020, the written notice contains all information and deadlines relevant to the shareholders' participation in the meeting and exercise of the right to vote.

Item 2. Dissenters' Right of Appraisal

There are no matters to be taken up during the annual stockholders' meeting with respect to which the law allows the exercise of the appraisal right by any dissenting stockholder. The Corporation Code limits the exercise of the appraisal right to the following instances:

- a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 81);
- b. In case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section 81);

- c. In case of merger or consolidation (Section 81);
- d. In case of investments in another corporation, business or purpose (Section 42).

Since the matters to be taken up do not include any of the foregoing, the appraisal right will not be available.

However, if at any time after this Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

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

The directors, officers, nominees for directors and their associates do not have a substantial interest, direct or indirect, in any matter to be acted upon, other than election to office.

The registrant has not been informed in writing by any person that he intends to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of **31 March 2026**, there are 1,148,534,866 outstanding common shares entitled to notice and to vote at the meeting.

The record date for the purpose of determining the stockholders entitled to notice of meeting and to vote at, the Annual Meeting of Stockholders is on 10 April 2026.

The election of the Board of Directors for the current fiscal year will be taken up, and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 24 of the Revised Corporation Code. Section 24 provides that a stockholder, may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected 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 shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

Security Ownership of Certain Record and Beneficial Owners and Management

(1) Persons Known to the Registrant to be Directly or Indirectly the Record or Beneficial Owner of More than 5% of Any Class of the Registrant's Voting Securities:

As of **31 March 2026**, Paxys has no knowledge of any individual or any party who beneficially owns in excess of 5% of Paxys common stock except as set forth in the table below:

Title of Class	Name and Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	All Asia Customer Services Holdings, Ltd. (AACSHL) Room 1918, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	Expac Holdings Ltd. owns 100% of AACSHL. Paxys has neither a corporate relationship nor information about Expac Holdings Ltd.	Hong Kong	630,844,038*	54.93%
Common	Paxys N.V. Kaya W.F.G. (Jombi) Mensing 36, Curaçao	Paxys, Inc. owns 100% equity of Paxys N.V.	Curaçao	345,622,477**	30.09%
Common	PCD Nominee Corp. G/F MSE Bldg., 6767 Ayala Ave., Makati City	Beneficial owners are the clients of the PCD participants' brokers. There are no beneficial owners owning more than 5% of the Registrant's capital stock.	Philippines	170,162,539	14.82%
Total				1,146,629,054	99.84%

*This includes the 9,583,218 lodged shares of AACSHL under PCD Nominee Corporation (Non-Filipino)

**The 345,622,477 shares of Paxys N.V. are currently lodged under PCD Nominee Corporation (Non-Filipino)

The right to vote the shares of AACSHL shall be exercised through its duly appointed proxy. AACSHL has previously appointed Mr. Tarcisio M. Medalla, Chairman and President of Paxys, Inc., as proxy for past stockholders' meetings. It is expected that AACSHL shall reappoint him as proxy for this year's meeting.

The shares held by AACSHL include 3,970,818 shares lodged with AB Capital Securities, Inc. and 5,612,400 shares lodged with S.J. Roxas & Co., Inc.

Paxys N.V., a wholly owned subsidiary of Paxys, owns 30.09% of the Company. As of **31 March 2026**, the public ownership level of Paxys was 14.96%. Paxys N.V. has appointed Mr. Tarcisio M. Medalla, Chairman and President of Paxys, Inc., as proxy for this year's stockholders' meeting.

(2) Security Ownership of Directors and Management (as of **31 March 2026**):

Title of Class	Name of Beneficial Owner	Position	Amount of Beneficial Ownership	Citizenship	Percent Owned
Directors					
Common	Tarcisio M. Medalla	Chairman & President	1,120	Filipino	0.0001%
Common	Christopher B. Maldia	Director	129,520 ¹	Filipino	0.0113%
Common	Ghee Keong Lim	Director	82,800 ²	Malaysian	0.0072%
Common	Roger Leo A. Cariño	Director & Treasurer	1,120	Filipino	0.0001%
Common	Roberto A. Atendido	Director	1,000	Filipino	0.0001%
Common	George Edwin SyCip	Independent Director	1,120	American	0.0001%
Common	Jose Antonio A. Lichauco	Independent Director	1,120	Filipino	0.0001%
Other Named Officers					

¹ Includes 129,400 lodged and uncertificated shares.

² Includes 1,000 lodged and uncertificated shares.

Common	Pablito O. Lim	Group, Chief Financial Officer	-	Filipino	-
Common	Ana Maria A. Katigbak	Assistant Corporate Secretary	-	Filipino	-
Common	Sheri A. Inocencio	Chief Risk Officer	-	Filipino	-
Common	Ruth M. Mariñas	Chief Audit Executive	-	Filipino	-
	Total		217,800		0.019%

(3) Voting Trust Holder of 5% or more

There are no voting trust agreements or any other similar agreement which may result in a change in control of the Company of which the Company has any knowledge.

(4) Changes in control

No change in control of the Registrant has occurred since the previous fiscal year.

Item 5. Directors and Executive Officers

Directors

The following are the names, ages, citizenships, and period of service of the current directors/independent directors:

Name	Age	Citizenship	Period during which individual has served as such
Tarcisio M. Medalla	77	Filipino	Since 2003
Roger Leo A. Cariño	66	Filipino	Since 2003
Christopher B. Maldia	65	Filipino	Since 2003
Lim Ghee Keong	58	Malaysian	Since 2005
Roberto A. Atendido	78	Filipino	Since 2004
George Edwin SyCip (Independent)	69	American	Renominated for year 2025 (after 9 consecutive years and reappointment for another 3 consecutive years)
Jose Antonio A. Lichauco (Independent)	66	Filipino	Renominated for year 2025(after 9 consecutive years and reappointment for 3 years)

The background, experience and positions held of each of the directors/independent directors of the Company is as follows:

Mr. Tarcisio M. Medalla (*Chairman and President*), 77 years old, Filipino, has been a Director and President of the Company since 30 December 2003. He is concurrently a Director of UT Global Services Limited, a privately held company with an RHQ in Manila and affiliated with All Asia Customer Services Holdings Ltd., an investment holding company that owns the controlling equity

interest in Paxys. He has been connected with the Group since 1983. He is also a director of Pacific Online Systems Corporation, a company listed with the Philippine Stock Exchange. He graduated with a BSC degree, major in Accounting, from De La Salle University. He attended the Advanced Management Program (AMP) at the Harvard Business School. He is a Certified Public Accountant.

Mr. Roger Leo A. Cariño (*Director & Treasurer*), 66 years old, Filipino, has been a Director of the Company since 30 December 2003. He is currently the Company's Treasurer, which he also held from 2004 to 2006 and 2009. He is concurrently a Director of UT Global Services Limited, a privately held investment company with an RHQ in Manila and affiliated with All Asia Customer Services Holdings Ltd. He is also the Chairman and President of UT Foundation, Inc. He has been connected with the Group since 1990. He graduated with a BSC degree, major in Accountancy, from Ateneo de Naga University and attended the MBA Program at Murdoch University and the Strategic Business Economics program at the University of Asia and the Pacific. He is a Certified Public Accountant.

Mr. Christopher B. Maldia (*Director*), 65 years old, Filipino, has been a Director of the Company since December 2003. He graduated with a Bachelor of Laws degree from the Ateneo de Manila University. He also has a Master of Laws in International Legal Studies from New York University School of Law. He is a member of the Philippine Bar and the New York Bar.

Mr. Lim Ghee Keong (*Director*), 58 years old, Malaysian, was appointed as Director of the Company on 3 June 2005. He has more than 30 years' experience in financial and general management. Prior to joining Usaha Tegas Sdn. Bhd. ("UTSB") in 1995, he was attached to General Electric Capital Corporation in the USA and Ban Hin Lee Bank in Malaysia. He is a Director and Chief Executive Officer of UTSB and serves on the boards of several companies in which UTSB Group has interests, such as Maxis Berhad (listed on Bursa Malaysia Securities Berhad ("Bursa Securities")) and Astro Malaysia Holdings Berhad (listed on Bursa Securities). He holds a Bachelor of Business Administration degree, majoring in Finance from the University of Hawaii at Manoa, USA.

Mr. Roberto A. Atendido (*Director*), 78 years old, Filipino, has been a Director of the Corporation since 1 October 2004. He is currently the President of Asian Alliance Holdings and Development Corp. and Chairman/Director of Myka Advisory & Consultancy Services, Inc. He is currently a member of the board of the following companies: Philippine Business Bank, Clark Development Corporation and Macay Holdings Inc. He is also an independent Director of Mega Global Corporation. He holds a Master's degree in Business Management from the Asian Institute of Management.

Mr. George Edwin SyCip (*Independent Director*), 69 years old, American, has been a Director of the Company since 1 October 2004. He advises a variety of companies in their cross-border endeavors between the US/Europe and Asia and serves on the corporate Boards of Asian Alliance Holdings and Development Corp., Cityland Development Corporation, and Bank of the Orient in San Francisco. He is also a Trustee of the International Institute for Rural Reconstruction, Chairman Emeritus of Give2Asia, and served 15 years on the Board of Stanford University's Institute for International Studies. He holds a Master's degree in Business Administration from Harvard Business School and a bachelor's degree in International Relations/Economics from Stanford University.

Mr. Jose Antonio Lichauco (*Independent Director*), 66 years old, Filipino, is the Treasurer and a Director of Automated Technology (Philippines), Inc. where he was previously Senior Vice-President and Chief Financial Officer. He was previously the President of Asian Alliance Investment Corp., and specializes in Investment Banking and Corporate Finance. He also held positions at Insular Investment and Trust Corporation and at SGV & Co. He obtained his Master's degree in Business Administration from Columbia University in New York, USA in 1989.

Executive Officers

The following are the names, ages, positions, citizenship and periods of service of the incumbent officers of the Company:

Name	Position	Age	Citizenship	Period during which individual has served as such
Tarcisio M. Medalla	President and CEO	77	Filipino	Since 2003
Roger Leo A. Cariño	Treasurer	66	Filipino	Since 2003
Pablito O. Lim	Group, Chief Financial Officer	67	Filipino	Since 2013
Sheri A. Inocencio	Chief Risk Officer	60	Filipino	Since 2021
Ana Maria A. Katigbak	Assistant Corporate Secretary	57	Filipino	Since 1997
Ruth M. Mariñas	Chief Audit Executive	41	Filipino	Since 2021

The background, experience and positions held of each of the officers of the Company are as follows:

Mr. Pablito O. Lim, 67 years old, Filipino, is the Group Chief Financial Officer since 2013. He was the former CFO of Stellar Philippines, Inc. and Stellar Global Solutions Philippines, Inc. Prior to joining the Group, he was the CFO of Brightpoint Italy and served as an Audit Executive in Sycip Gorres Velayo & Co., a member firm of Ernst & Young. He is also concurrently a Director of some of the Company's subsidiaries such as Simpro Solutions Philippines, Inc., Scopeworks Asia, Inc. and Paxys Realty, Inc. He also completed both the Executive Development Program and the Management Development Program at the Asian Institute of Management. He is a Certified Public Accountant.

Ms. Sheri A. Inocencio, 60 years old, Filipino, is the Group's Chief Risk Officer (CRO). Prior to joining the Group, she was the Vice President for Finance in BA Continuum Philippines, Inc. (a subsidiary of Bank of America) from August 2013 up to February 2015 and in Advanced Contact Solutions, Inc. from March 2003 up to November 2008. She also held several key finance and audit roles in C3/Customer Contact Channels, Inc., Prople, Inc., NGL Pacific Ltd., Pacific Cable & DTU Systems, Inc., and SGV & Co. Ms. Inocencio graduated Cum Laude from University of the Philippines with a degree in Business Administration and Accountancy and is a Certified Public Accountant.

Atty. Ana Maria A. Katigbak, 57 years old, Filipino, is the Assistant Corporate Secretary of the Company and has held the office since 1997. She is a partner in Castillo, Laman, Tan, Pantaleon & San Jose Law Offices and also acts as Corporate Secretary of Alsons Consolidated Resources, Inc., IPM Holdings, Inc. and Mabuhay Holdings, Inc., and Assistant Corporate Secretary of Energy Development Corporation, Solid Group, Inc., and East Coast Vulcan Mining Corporation. She is a member of the Integrated Bar of the Philippines.

Ms. Ruth M. Mariñas, 41 years old, Filipino, is the Chief Audit Executive of the Company. She is a Certified Public Accountant with comprehensive experience in fields of general accounting, financial auditing, and taxation. She is knowledgeable in handling local and international companies of different industries, as well as small and medium enterprises.

Term of Office of Directors

Each director of the Company holds office for a period of one year and until the annual meeting of stockholders is next held after his election and/or his successor shall have been elected and qualified, except in case of death, resignation, disqualification or removal from office.

Directors' Attendance

All directors met the SEC's requirements of more than 50% attendance. Directors' attendance for the board meetings held for the year 2025 are as follows.

√ - Present A - Absent R - Resigned

Directors	Date of Board Meeting				
	21 March 2025 Regular	7 May 2025 Organizational	7 May 2025 Regular	8 August 2025 Regular	10 Nov. 2025 Regular
Tarcisio M. Medalla	√	√	√	√	√
Roger Leo A. Cariño	√	√	√	√	√
Roberto A. Atendido	√	√	√	√	√
Christopher B. Maldia	√	√	√	√	√
Jose Antonio A. Lichauco	√	√	√	√	√
Lim Ghee Keong	√	√	√	√	√
George Edwin SyCip	√	√	√	√	√

Directorships in Other Companies

The following are directorships held by directors and executive officers in other companies during the last five years:

Name of Director	Name of Corporation	Position	Period
Tarcisio M. Medalla	Pacific Online Systems Corporation	Director	2007 to present
Roger Leo A. Cariño	UT Foundation Inc.	Chairman/President	2011 to present
Roberto A. Atendido	Asian Alliance Holdings & Development Corp.	President	1996 to present
	Clark Development Corporation	Director	2025 to present
	Myka Advisory & Consultancy Services, Inc.	Chairman/Shareholder	2010 to present
	Macay Holdings, Inc.	Director	2014 to present
	Philippine Business Bank	Director	2006 to present
	Mega Global Corporation	Independent Director	2021 to present
Jose Antonio A. Lichauco	Automated Technology (Philippines) Inc.	Director and Treasurer	2000 to present
George Edwin Y. SyCip	Asian Alliance Holdings and Development Corp.	Director	November 1995 to present
	Cityland Development Corp.	Director	December 2017 to present

Nominations for Election of Directors

In accordance with the Company's By-Laws and Corporate Governance Manual, nominations for election of directors were submitted to the Company's Corporate Secretary at the Company's principal place of business at least thirty (30) days before the date of the Annual Meeting.

There will be seven (7) nominees for regular and independent directors.

The following incumbent regular directors have been nominated for re-election as regular directors:

Tarcisio M. Medalla
Roger Leo A. Cariño
Christopher B. Maldia
Lim Chee Keong
Roberto A. Atendido

Please refer to the discussion below on the nominations for independent directors.

Nominations for Independent Directors

In accordance with SRC Rule 38, the Company has established a Nomination and Governance Committee with the following as members:

1. Mr. Tarcisio M. Medalla (Chairman)
2. Mr. George Edwin SyCip (Independent Director)
3. Mr. Jose Antonio A. Lichauco (Independent Director)
4. Mr. Roger Leo A. Cariño (non-voting)
5. Mr. Christopher B. Maldia (non-voting)

The Nomination and Governance Committee has pre-screened in accordance with the criteria prescribed under SRC Rule 38 and the Company's Code of Corporate Governance. Nominations were submitted by Mr. Tarcisio M. Medalla, Chairman and President of Paxys, for the following independent director nominees:

1. Mr. Nelson T. Yap (Independent Director)
2. Mr. Giles R. Katigbak (Independent Director)

Mr. Nelson T. Yap (*Independent Director*), 68 years old, Filipino, previously served as Group Chief Finance Officer and Head of Revenue Yield Management of Negros Navigation Company, Inc. (2GO Group), where he was responsible for all financial operations, including accounting, budgeting and planning, tax, treasury, cash management, and information technology, and concurrently served as a member of the Board of Directors. He holds a Bachelor of Science in Accounting, cum laude, from Xavier University, is a Certified Public Accountant, and earned his Master's degrees in Business Administration from Murdoch University, Western Australia and the Ateneo Graduate School of Business. He is also a Registered Financial Consultant and a Chartered Management Consultant.

Mr. Giles R. Katigbak (*Independent Director*), 55 years old, Filipino, is currently the Assistant Vice President for Strategic Planning and Chief Risk Officer of PHINMA Corporation, where he leads the group's enterprise risk management initiatives and oversees strategic planning, including investment management, capital allocation, mergers and acquisitions, and joint venture development. He holds a Master of Business Administration with a concentration in Finance and Corporate Accounting from the University of Rochester's William E. Simon Graduate School of

Business Administration, and a Bachelor of Arts in Management and Economics from Ateneo de Manila University, where he was a Merit Scholar and Dean's List awardee.

The Board of Directors is endorsing the election of the two (2) nominees for independent directors.

None of the independent director nominees are officers nor employees of the Company or any of its subsidiaries, nor related by affinity or consanguinity to the persons who nominated them or other relationships, which could reasonably be perceived to, materially interfere with the exercise of their independent judgment in carrying out their responsibilities as independent directors.

Both nominees have submitted a Certificate of Qualification as required by the Securities and Exchange Commission pursuant to its Notice dated October 20, 2006.

Significant Employees

All the employees are considered important assets of the Company who collectively make significant contributions to the Company.

Family Relationships

None of the directors and executive officers is related to each other by affinity or consanguinity.

Independent Director Nominee, Giles R. Katigbak, is not the spouse, parent, child, brother, sister, nor the spouse of such child, brother of sister of the Company's Assistant Corporate Secretary, Ana Maria A. Katigbak, which is compliant with SRC Rule 38.2.3, 2015 SRC Rules.

Involvement of Directors and Executive Officers in Certain Legal Proceedings

None of the directors and executive officers was involved, during the past five years and as of the date of this report, in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

In any case, its outgoing independent director, George Edwin SyCip is involved in the following legal proceedings:

Offense Charged/Investigated	Tribunal/Agency Involved	Status
Alleged violation of Sections 74 and 75 in relation to Section 144 of the Corporation Code (or alleged violation of the right to inspect) – preliminary investigation	Office the Secretary – Department of Justice (OSEC-PR-DTF-2-010916-001; NPS Docket Nos. XVI-INV-15B-00033 to 00034, titled <i>Harvest All Investment Limited, et al. v. Annsley B. Bangkas, et al./Harvest All Investment Limited, et al. v. George SyCip, et al.</i>)	The Department of Justice (“DOJ”) reversed the dismissal of the cases by the DOJ Prosecution Staff even though there was a finding that the directors, including, Mr. SyCip, had not issued a board resolution that expressly denied the inspection request. Mr. SyCip’s <i>Motion for Reconsideration</i> of the DOJ <i>Resolution</i> is pending to date.

<p>Alleged violation of Sections 74 and 75 in relation to Section 144 of the Corporation Code (or alleged violation of the right to inspect) – filed in court</p>	<p>Metropolitan Trial Court of Pasig, Branch 71 and Office of the City Prosecutor of Pasig (Criminal Case Nos. M-PSG-18-00148-CR to 00149-CR, titled <i>People of the Philippines v. Annsley B. Bangkas, et al.</i>)</p>	<p>This is an offshoot of the case above (e.g., NPS Docket Nos. XVI-INV-15B-00033 to 00034). The case was initially raffled to the Metropolitan Trial Court of Pasig, Branch 71, which issued an <i>Order</i> finding probable cause against Mr. SyCip and his co-accused for the issuance of a warrant of arrest. The <i>Order</i> is the subject of the of a <i>Petition for Certiorari</i> pending with the Regional Trial Court of Pasig.</p> <p>The Metropolitan Trial Court of Pasig, Branch 71 eventually issued a <i>Resolution</i> dated November 11, 2020 (“November 11, Resolution”) dismissing the case for lack of jurisdiction without prejudice to its refiling with the proper Regional Trial Court. The motion for reconsideration filed by the prosecution was denied by the court through a <i>Resolution</i> dated February 22, 2021.</p> <p>The Office of the City Prosecutor of Pasig has issued a Resolution dated May 27, 2021 recommending the refiling of the <i>Information</i> with the Regional Trial Court of Pasig.</p>
<p>Alleged violation of Sections 74 and 75 in relation to Section 144 of the Corporation Code (or violation of the right to inspect) – preliminary investigation</p>	<p>Department of Justice – Office of the Secretary of Justice (NPS Docket No. XVI-INV-15B-00053, titled <i>Hedy S.C. Yap-Chua v. Jonathan Y. Dee, et al.</i>)</p>	<p>The Office of the Prosecutor General of the DOJ, through a <i>Review Resolution</i> dated March 20, 2018 (“March 20 Resolution”) ruled in favor of the complainant even though the inspection request was granted by the board of directors, including Mr. SyCip. Mr. SyCip’s <i>Petition for Review</i> of the March 20 Resolution, as well as Petitions filed by some of my co-respondents, are currently pending with the Secretary of Justice.</p>
<p>Alleged violation of Sections 74 and 75 in relation to Section 144 of the Corporation Code (or alleged violation of the right to inspect) – filed in court</p>	<p>Regional Trial Court of Pasig, Branch 157 (Criminal Case Nos. R-PSG-21-01844-CR to 01845-CR, titled <i>People of the Philippines v. Jonathan Y. Dee, et al.</i>)</p>	<p>This is an offshoot of the case above (e.g., NPS Docket No. XVI-INV-15B-00053). The case was initially raffled to the Metropolitan Trial Court of Pasig, Branch 70, which eventually issued an Order dated March 6, 2020 (“March 6 Order”)</p>

		<p>dismissing the case for lack of subject matter jurisdiction. A motion for reconsideration of the March 6 Order was filed by the prosecution and was denied by the court through a <i>Resolution</i> dated November 12, 2020.</p> <p>The Office of the City Prosecutor of Pasig refiled the <i>Information</i> with the Regional Trial Court of Pasig and the case was raffled to Branch 157.</p>
<p>Alleged violation of Presidential Decree No. 1689, in relation to Article 315(2)(a) of the Revised Penal Code (syndicated <i>estafa</i>) and Article 171(1) of the Revised Penal Code (falsification of public document) – preliminary investigation</p>	<p>Office the Secretary – Department of Justice (NPS Docket Nos. XV-07-INV-16B-01028 & XV-07-INV-16D-01843, titled <i>Victory Fund Limited, et al. v. Jonathan Y. Dee, et al./Jonathan Y. Dee, et al. v. Hedy S.C. Yap-Chua</i>)</p>	<p>The Office of the City Prosecutor – Manila dismissed both <i>Complaints</i>. The complainants’ <i>Appeal</i> to the DOJ was also denied. Through a <i>Resolution</i> dated March 27, 2018 (“March 27 Resolution”), the DOJ partially granted the complainants’ motion for reconsideration by finding probable cause for simple <i>estafa</i> against Mr. SyCip and some co-respondents; the DOJ affirmed its ruling dismissing the syndicated <i>estafa</i> and falsification of public document charges. Several respondents, including Mr. SyCip, have filed <i>Motions for Reconsideration</i> of the March 27 Resolution, which are pending.</p> <p>One of the respondents filed a <i>Petition for Certiorari</i> with the Court of Appeals to challenge the March 27 Resolution.</p>
<p>Alleged violation of Article 315(2)(a) of the Revised Penal Code (<i>estafa</i>) – filed in court</p>	<p>Regional Trial Court of Makati, Branch 143 (Criminal Case Nos. R-MKT-19-01308, titled <i>People of the Philippines v. Jonathan Dee, et al.</i>)</p>	<p>This is an offshoot of the case above (e.g., NPS Docket Nos. XV-07-INV-16B-01028 & XV-07-INV-16D-01843). The prosecution filed the <i>Information</i> in court after the DOJ, in its March 27 Resolution, found probable cause to charge Mr. SyCip and other co-respondents with simple <i>estafa</i>.</p> <p>Though the court has not acquired personal jurisdiction over Mr. SyCip, it is sending notices to his counsel of record in the preliminary investigation for the schedule of the prosecution’s evidence presentation.</p>

Notwithstanding the existence of the legal proceedings involving Mr. SyCip, the Company does not find the same to be material to the evaluation of his ability or integrity to occupy the position of director for the current year.

Certain Relationships and Related Transactions

There has been no transaction during the last five years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any director or executive officer of the Company, or nominee for election as a director, or owner of more than 10% of the Company's voting securities, or voting trust holder of 10% or more of any class of the Company's securities, or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have transactions with other companies in which some of the foregoing persons may have an interest.

Item 6. Compensation of Directors and Executive Officers

Summary of Compensation of Directors and Executive Officers

The table below shows the Company's four most highly compensated executive officers for the last three (3) years and the compensation estimated to be paid for the ensuing fiscal year, as well as the directors of the Company, are as follows:

Name	Position
Tarcisio M. Medalla	President and CEO
Pablito O. Lim	Group, Chief Financial Officer
Sheri A. Inocencio	Chief Risk Officer
Ruth M. Mariñas	Chief Audit Executive

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year of the Company's CEO and four most highly compensated executive officers, as well as the directors of the Company are as follows:

	Year	Total ¹ (In Php Millions)
CEO and the four (4) above-named most highly compensated officers and all other directors unnamed as a group	2024	27.19
	2025	24.09
	2026 (estimated)	24.09

**The Group has a lean organizational structure. There are no other highly compensated officers other than the above. The names are shown in Item 6 in this report.*

Per diem fees of the Group's executive officers and directors amounted to P880,000, P866,000, and P836,000 for the last three years ending December 31, 2025, 2024, and 2023, respectively. Below table provides the details of the total per diem fees received by the directors for the year 2025:

Directors	Per Diem
Medalla	100,000.00
Lichauco	140,000.00
Cariño	140,000.00

¹ Include salaries, bonuses, benefits, per diem and other fees

SyCip	140,000.00
Atendido	140,000.00
Maldia	100,000.00
Katigbak	50,000.00
Lim Ghee Keong	120,000.00
Total	880,000.00

As set by the Compensation and Remuneration Committee of the Company, the following are the key considerations in determining the proper remuneration of the directors and key officers of the Company: (i) the remuneration of the directors and key officers are commensurate to the responsibilities of the role; (ii) no director shall participate in deciding on his remuneration; and (iii) the remuneration should consider long-term interests of the Company.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

There are no agreements between the registrant and its key management personnel providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the law.

Warrants and Options Outstanding: Repricing

The Company has no outstanding warrants and options.

Item 7. Independent Public Accountants

- a) The external auditor of the Company is Reyes, Tacandong & Co. (RT & Co.). The Audit, Risk and Related Party Transactions Committee¹ recommends to the Board of Directors the reappointment of the external auditor and the fixing of the audit fees. The Board of Directors and stockholders approve the reappointment of the external auditor.
- b) Representatives of RT & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions. Pursuant to the general requirements of SRC Rule 68 Par 3(b)(iv) on "Compliance with the Seven (7) Year Rotation of External Auditor", Ms. Michelle M. Cruz is eligible as Partner-in-Charge for 2025 audit.
- c) There are no disagreements with our independent auditors on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.
- d) The consolidated fees billed for the audit of the Company's annual financial statements amounted to ₱1.35 million in 2025 and ₱1.3 million in 2024 and 2023, respectively..
- e) There are no professional services rendered by the external auditor for tax accounting, compliance, advice, planning and any other form of tax services for the last two fiscal years. There is no other assurance and related services rendered by the external auditor. There are no other services provided by the external auditor other than the services reported above.

¹ Audit, Risk, and Related Party Transactions Committee members are: 1) Mr. Jose Antonio Lichauco – Chairman; 2) Mr. George Edwin SyCip; 3) Mr. Roberto A. Atendido; and 4) Mr. Roger Leo A. Cariño.

Item 8. Compensation Plans

No action is to be taken during the Annual Stockholders' Meeting 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 during the Annual Stockholders' Meeting with respect to authorization or issuance of any securities.

Item 10. Modification or Exchange of Securities

No action is to be taken during the Annual Stockholders' Meeting with respect to modification of any class of securities or the issuance or authorization for issuance of one class of securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

A copy of the Company's consolidated financial statements and a discussion by Management of its operations is included in the accompanying Management Report.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken during the Annual Stockholders' Meeting with respect to any transaction involving: (a) merger or consolidation into or with any other person or of any other person into or with Paxys; (b) acquisitions or any of its security holders of securities of another person; (c) acquisition of any other going business or of the assets thereof; (d) sale or other transfer of all or any substantial part of the assets of the Group.

Item 13. Acquisition or Disposition of Property

No action is to be taken during the Annual Stockholders' Meeting with respect to acquisition or disposition of any property.

Item 14. Restatement of Accounts

No action is to be taken during the Annual Stockholders' Meeting with respect to restatement of any asset, capital or surplus account.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The Management Report, as set forth in the Annual Report, will be submitted for stockholder's approval. The Company's Audited Financial Statements as of 31 December 2025 is made part of the Company's 2025 Definitive Information Statement, a copy of which is distributed to the stockholders of the Company at least 15 days prior to the Annual Stockholders' Meeting.

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter that does not require the submission to a vote of security holders.

Item 17. Other Proposed Actions

A. Approval of the Minutes of the 2025 Annual Stockholders' Meeting

The minutes of the previous annual stockholders' meeting which includes the discussion of prior year's Annual and Management Reports will be presented to the stockholders for approval. Approval of the Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes to the events that transpired during the meeting. This does not constitute a second approval of the same matters taken up at the annual stockholders' meeting, which has already been approved.

B. Ratification of Previous Corporate Acts

Among the major corporate acts for ratification by the stockholders in the annual stockholders' meeting are the following which were previously disclosed in the following Current Reports (SEC Form 17-C):

Date Filed	Items Reported
7 May 2025	The Company advised the Exchange of the highlights and results of the Annual Stockholders' Meeting held on 7 May 2025.
05 January 2026	The Company submitted the Directors' Attendance for 2025.
16 March 2026	The Company informed the Exchange that the scheduled annual meeting of the stockholders of Paxys Inc. is on 12 May 2026 to be conducted virtually.

A resolution to ratify the above acts, resolutions and proceedings of the Board of Directors, corporate officers and management shall be presented to the stockholders for approval.

C. Election of directors

In accordance with the Company's Corporate Governance Manual, all nominations for director were reviewed and evaluated by the Nominations and Governance Committee. The final list of nominees for directors including their background information, experiences and positions held are included in the Information Statement.

D. Appointment of External Auditors

A resolution for the reappointment of the Company's external auditor for year 2026 shall be presented to the stockholders for approval.

In line with good corporate governance practices, the Audit, Risk, and Related Party Transactions Committee provides recommendations to the Board of Directors on qualified auditing firms which can best provide assurance to the directors and stockholders on the fairness and integrity of the Company's financial statements and the adequacy of internal controls.

Item 19. Voting Procedures

For the election of directors, the seven (7) nominees receiving the most number of votes will be elected to the Board of Directors. Cumulative voting will be applied.

For all other matters to be taken up, majority vote of the outstanding capital stock present or represented at the meeting where a quorum exists will be sufficient. Voting shall be done by proxy or ballot and the votes cast for or against the matter submitted shall be tallied by the Corporate Secretary in case of a division of the house.

CERTIFICATION


Upon the written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of SEC Form 17-A free of charge. Any written request for a copy of SEC 17A shall be addressed to the following:

**Attention: THE ASSISTANT CORPORATE SECRETARY
15th Floor, 6750 Ayala Office Tower
Ayala Avenue, Makati City**

After reasonable inquiry and to the best of my 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 14 April 2026.

PAXYS, INC.

By: 
Tarcisio M. Medalla
Chairman and President


Ana Maria A. Katigbak
*Assistant Corporate Secretary
and Assistant Corporate Information Officer*

PART II. INFORMATION REQUIRED IN PROXY FORM

Item 1. Identification

This proxy is solicited by the Board of Directors and Management of Paxys, Inc. The solicited proxy shall be exercised by Mr. Tarcisio M. Medalla, President of the Corporation, or the chairman of the meeting, or the stockholder's authorized representative.

Item 2. Instruction

- a. For agenda items other than election of directors, the proxy form shall be accomplished by marking in the appropriate box either "YES", "NO" or "ABSTAIN" according to the stockholder's/proxy's preference.

For election of directors, the stockholder/proxy shall mark with an "X" the space across the name of his chosen nominee for regular and independent director.

If no instructions are indicated on a returned and duly signed proxy form, the shares represented by the proxy will be voted:

FOR the approval of the minutes of the Annual Stockholders' Meeting held on 7 May 2025;
FOR the approval of the Management Report and audited financial statements for year ended 31 December 2025;

FOR the confirmation and ratification of all acts and resolutions of Management and the Board of Directors from the date of the last stockholders' meeting to date as reflected in the books and records of the Company;

FOR the election of the following directors:

For Regular Directors:

1. Tarcisio M. Medalla
2. Roger Leo A. Cariño
3. Christopher B. Maldia
4. Lim Ghee Keong
5. Roberto A. Atendido

For Independent Directors:

6. Nelson T. Yap
7. Giles R. Katigbak

FOR the approval of the reappointment of Reyes Tacandong & Co. as the external auditor of the Company for 2026; and to authorize the Proxy to vote according to discretion of the Company's President or Chairman of the Meeting on any matter that may be discussed under "Other Matters".

A Proxy Form that is returned without a signature shall not be valid.

- b. The matters to be taken up in the meeting are enumerated opposite the boxes on the form. The names of the nominee directors are likewise enumerated opposite an appropriate space.

- c. The proxy forms may be submitted to the Corporation on or before 5:00 p.m. of 2 May 2026 (i) by email to investor_relations@paxys.com or (ii) by delivery or mail to the principal office of the Corporation at 15th Floor, 6750 Ayala Office Tower, Ayala Ave. Makati City. In case a proxy form is emailed to the Corporation, the original signed copies of the proxy form should also be received by the Corporation by delivery or mail not later than 7 May 2026 in time for validation procedures. Proxy forms shall be validated until 7 May 2026, at the Corporation's principal office. Proxy forms not received within the prescribed period shall not be counted as part of the quorum for the meeting and the votes therein shall not be recognized.

PLEASE USE THE ATTACHED PROXY FORM

Item 3. Revocability of Proxy

A stockholder may revoke his proxy on or before the date of the Annual Meeting. The proxy may be revoked by the shareholder's written notice to the Corporate Secretary advising the latter of the revocation of the proxy, or by a shareholder's personal attendance during the meeting.

Item 4. Persons Making the Solicitation

This solicitation is made by the Corporation. No director has informed the Corporation in writing or otherwise of his intention to oppose any action intended to be taken up at the meeting. Solicitation of proxies will be done via email or any online manner. The estimated amount to be spent by the Corporation to solicit proxies for the Board of Directors is Php79,740.00 more or less. The cost of solicitation will be borne by the Corporation.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

No member of the Board of Directors or executive officer since the beginning of the last calendar year, or nominee for election as director, or their associates, has had any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

The Corporation does not intend to bring any matter before the meeting other than those set forth in the notice of the annual meeting of stockholders and does not know of any matter to be brought before the meeting by others. If any other matter does come before the meeting, the proxy shall vote in the manner indicated by the stockholder, or if no such indication is made, in accordance with proxy's discretion.

The Company will provide without charge to each stockholder solicited, upon his written request, a copy of the Company's annual report on SEC Form 17-A duly filed with the Securities and Exchange Commission. At the discretion of Management, a reasonable fee may be charged for the expense incurred in providing a copy of the exhibits. All requests may be sent to the Company's head office and addressed to:

Attention: THE ASSISTANT CORPORATE SECRETARY
PAXYS INC.
15th FLOOR, 6750 AYALA OFFICE TOWER, AYALA AVE., MAKATI
CITY
+632-8250-3800

MANAGEMENT REPORT
Pursuant to RSA Rule 20(B)

For the 2025 Annual Stockholders' Meeting

General Nature and Business of the Company

Paxys, Inc. (“Paxys” or the “Company”) is an investment holding company incorporated in the Philippines and listed on the Philippine Stock Exchange (stock symbol: PAX). It was formerly known as Fil-Hispano Holdings Corporation and registered with the Philippine Securities and Exchange Commission (SEC) on 14 February 1952. Its major shareholders are All Asia Customer Services Ltd (AACSHL), a privately held company incorporated in Hong Kong, and Paxys NV, a wholly owned subsidiary of the Company, with 54.93% and 30.09% interests, respectively.

In 2004, the Company’s principal shareholder undertook a reverse takeover of Paxys by injecting Advanced Contact Solutions, Inc. (“ACS”) in exchange for a controlling stake in the Company. ACS at that time was a major call center in the Philippines. Effectively, Paxys became the first call center firm to be listed on the Philippine Stock Exchange. Thereafter, Paxys made several other investments in the business processes outsourcing (BPO) industry and other related businesses by means of acquisitions and joint ventures. Due to exigencies of the business, Paxys sold all of its equity interests in ACS in January 2011 and henceforth divested most of its BPO assets. At present, the Company’s operating subsidiaries provide general transcription, proofreading, data conversion, contact center, facilities management, and back-office outsourcing services. Previous investments of Paxys include the following:

- The Parent Company expanded its business and made several acquisitions in Australia through Paxys Australia Pty Ltd (“PAU”). The most significant acquisition was made in April 2006 when PAU acquired SmartSalary Pty Ltd (“SmartSalary”), a salary packaging company based in Australia. In 2009, SmartSalary acquired two major Australian providers of in-house salary packaging software solutions, namely, Melbourne System Group Pty Ltd and Seqoya Pty Ltd. In 2010, PAU incorporated a wholly owned subsidiary, Smartfleet Management Pty Ltd (“Smartfleet”), for the purpose of engaging in fleet management-related business. Smartfleet further expanded by acquiring the assets of Webfleet Management Services Pty Ltd, a leading provider of software solutions for online fleet management. Smartfleet also acquired Australian Vehicle Consultants Pty Ltd, a full-service fleet management company and a leading provider of vehicle maintenance services. SmartSalary also acquired PBI Benefit Solutions Pty Ltd, a company engaged in issuing credit card products to employees of public hospitals and public benevolent institutions in Australia. In June 2012, the Company, through Paxys N.V., sold its 100% interest in PAU and its subsidiaries to SmartGroup Investments Pty Ltd.
- In January 2007, Paxys, together with joint venture partner Stellar Global, Inc., established Stellar Global Solutions Philippines, Inc. (“SGSP”). SGSP was organized to provide cost-effective Philippine offshore outsourcing for the Australian and UK clients of the Stellar Community. In April 2011, SGSP formed a wholly owned subsidiary – Stellar Philippines, Inc. (“Stellar Philippines”) to further expand Stellar’s operations in the Philippines. Paxys sold all of its equity interests in SGSP and Stellar Philippines to Stellar Global, Inc. in July 2013.
- In 2008, Paxys partnered with WNS Global Services Netherlands Cooperative U.A. (“WNS Global”) to form WNS Philippines, Inc. Based in Mumbai India, WNS Global is a leading provider of business process outsourcing for various services such as banking, travel, telecommunications, logistics, insurance, and healthcare. In October 2011, Paxys transferred all of its equity interests in WNS Philippines, Inc. to its foreign partner.

- To further improve its IT capabilities and expertise, the Company acquired a majority stake in Ubaldo Reidenbach Solutions, Inc. (“URSI”) in 2008. URSI is a Philippine company engaged in IT consultancy focusing on Linux, Open Source Software and Red Hat Software. In 2008, Paxys acquired majority ownership in Global Idealogy Corporation (“GIC”), a software solutions provider. In October 2012, Paxys transferred all of its equity interests in URSI in favor of URSI’s minority shareholders. In August 2011, Paxys sold all of its equity interests in GIC in favor of GIC’s minority shareholders.

In October 2014, Paxys N.V., a wholly owned subsidiary of the Parent Company, completed a tender offer to acquire 345,622,477 common shares of the Parent Company representing 30.09% of its outstanding capital stock. AACSHL remains the majority shareholder owning 54.93% of the Parent Company’s total issued and outstanding shares as of 31 December 2025. The public ownership level of Paxys is at 14.96% as of 31 December 2025.

The registered office address of the Parent Company is at 15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City, Philippines.

Competition

Philippines is among the top 3 choices for offshore operations due to its strategic business location, steady supply of competent workers and world-class telecom infrastructure.

Competition within the global BPO services industry and facilities management industry includes US-based outsourcing companies and offshore BPO companies.

Sources and Availability of Raw Materials and the Names of Principal Suppliers

Paxys and its subsidiaries obtain equipment and other materials mostly from local suppliers. The Company is not dependent upon one or limited number of suppliers for essential equipment and other materials as it continuously looks for new suppliers that can satisfy the Company’s requirements.

Major Customers

For the past year, the Company’s major customers for facilities management include a global workforce solutions company and local technology-based companies.

Related Party Transactions

Transactions between related parties mainly include billed services and cash advances for working capital and are accounted for at arms-length prices. In 2025, the Group has billed services to related parties and extended cash advances in support of working capital requirements amounting to ₱1.2 million.

Discontinued Operations

On May 6, 2015, Simpro Solutions Philippines, Inc. (SSPI), terminated its Philippine operations due to non-renewal of its revenue contracts. Thereafter, SSPI amended its Articles of Incorporation shortening the term of its existence to June 30, 2018. Said amendment has been approved by the Board of Directors on March 15, 2017 and by the Securities and Exchange Commission on May 24, 2017. By virtue of the Amended Articles of Incorporation, the Corporation has dissolved its corporate existence on June 30, 2018. Paxys has joint control in SSPI through its wholly owned subsidiary, Paxys Ltd.

On April 30, 2022, ScopeWorks Asia, Inc. (SWA), a subsidiary of Paxys, Inc., terminated its data conversion operations due to the cancellation of its contracts effective March 31, 2022.

Licenses

On 25 November 2009, SWA's registration of its expanding business process outsourcing service in the field of data transcription activity was approved by the Board of Investments (BOI). This certification entitles SWA to a three-year Income Tax Holiday (ITH) starting December 2009 until November 2012. The ITH shall be limited only to the revenue generated from the registered expansion project. As a registered entity, SWA is required to export at least 70% of its total services, among other requirements. The ITH incentive expired in November 2012. Thus, starting December 2012, SWA was subjected to 30% regular corporate income tax.

SSPI¹ was previously registered with the Philippine Economic Zone Authority (PEZA) in October 2012 as an Ecozone Information Technology Enterprise. Under SSPI's registration conditions, SSPI's operations shall not be entitled to ITH, but shall be entitled only to the 5% Gross Income Tax (5% GIT) incentive, in lieu of all national and local taxes, including the additional deduction of training expenses, as provided in RA 7916, as amended, and to incentives under Article 77, Book VI of EO 226. To date, however, SSPI is processing the formal deregistration of the company with PEZA.

Need for any government approval of principal products or services

There are no products or services that need any government approval.

Effect of existing or probable governmental regulations on the business

The limitation and conditions on SWA imposed by BOI ended in November 2012. Starting calendar and taxable year 2013, ScopeWorks is subject to government regulations same as a regular business entity.

Likewise, SSPI has terminated its corporate existence as of June 2018 and is currently processing its clearances from BIR and PEZA.

Research and Development

The Company has not spent any amount during the last three fiscal years on research and development activities.

Environmental Matters

The Company is not involved in any action or proceeding involving non-compliance in any material respect with relevant environmental laws and regulations of the Philippines.

Employee and Labor Relations

As of 31 December 2025, the Group has eight (8) regular employees. There are no existing bargaining agreements (CBA) covering the Company's employees nor its subsidiaries. The Group provides its employees with medical insurance and leave benefits. For professional development, the Group provides for team building activities and offers training programs that address the specific needs of employees. To foster work-life balance, the Group sponsors, among others, annual summer and year-end activities.

¹ Please refer to Discontinued Operations

Legal Proceedings

There are no material pending legal proceedings to which the Company or any of its subsidiary or affiliates is a party, or of which any of their property is the subject.

Market Price of and Dividends on Common Equity

Market Information

The Company's common shares are traded on the Philippine Stock Exchange. As of 31 March 2026, last traded price was Php2.22 per share. As of 13 April 2026, last traded price was Php2.10 per share. Trading prices for each quarter within the last two fiscal years are set forth below:

	Closing Prices	
	High	Low
2025		
First quarter	3.55	1.45
Second quarter	3.39	2.54
Third quarter	3.38	2.20
Fourth quarter	2.93	2.50
2024		
First quarter	1.70	1.20
Second quarter	1.38	1.09
Third quarter	1.50	1.04
Fourth quarter	2.09	1.08
2023		
First quarter	1.80	1.80
Second quarter	1.65	1.28
Third quarter	1.26	1.06
Fourth quarter	1.15	1.02

Shareholders

As of 31 March 2026, the number of stockholders of record in the Company's stock and transfer book is 714. The common shares issued is 1,148,534,866 based on the last Report on Number of Shareholders. The list of the top 20 stockholders of Paxys common shares as of 31 March 2026 are as follows:

Name	Class of Securities	No. of Shares Held	Percentage to Total
All Asia Customer Services Holdings Ltd. ¹	Common	621,260,820	54.09%
PCD Nominee Corporation (Non-Filipino)	Common	463,962,506	40.40%
PCD Nominee Corporation (Filipino)	Common	61,405,728	5.34%
Kho, Jimmy Jao	Common	250,000	0.03%
Chua, Carmen	Common	216,276	0.02%
Granados, Juan P.	Common	158,112	0.01%
Yao Shiong Shio	Common	95,184	0.01%
Kaw Sek & Company	Common	86,088	0.01%
Lim, Ghee Keong	Common	81,800 ²	0.01%
Paredes, Antonio	Common	79,728	0.01%

¹ AACSHL 9,583,218 shares are currently lodged under PCD Nominee (Non-Filipino). Total ownership of AACSHL is at 630,844,038 which is 54.93% of the total outstanding shares.

² Does not include the 1,000 lodged and uncertificated shares.

Name	Class of Securities	No. of Shares Held	Percentage to Total
Urrutia, Kevin	Common	75,000	0.01%
Willis, Hugh Warren	Common	63,111	0.01%
Jalandoni, Rodegelio M.	Common	62,052	0.01%
Celis, Angela	Common	55,776	0.00%
Martinez, Emilio G.	Common	55,236	0.00%
Santiago, Eduardo A.	Common	37,920	0.00%
Tangco, Francisco F.	Common	37,896	0.00%
Co, Victor C.	Common	31,536	0.00%
Asiamerit Securities, Inc	Common	24,000	0.00%
Reyes, Leopoldo T.	Common	19,800	0.00%
Hollywood Stars Cosmetics, Inc.	Common	19,788	0.00%
Total		1,148,078,357	99.96%

Dividends

There were no dividends declared to public for the last three (3) years. As of 31 December 2025, there are no restrictions imposed on the Company on the declaration of cash or property dividends. There are no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

Recent Sales of Unregistered or Exempt Securities

- (a) Securities Sold - Not applicable.
- (b) Underwriters and Other Purchasers - Not applicable.
- (c) Consideration - Not applicable.
- (d) Exemption from Registration Claimed - Not applicable.

Management's Discussion and Analysis of Financial Condition and Plan of Operations

The following discussion and analysis of the Company should be read in conjunction with the accompanying audited consolidated financial statements and the related notes as at and for the year ended December 31, 2025, 2024 and 2023. All amounts are in thousand pesos unless otherwise stated.

Year Ended December 31, 2025

Financial and Operational Highlights

Below is a summary of the Group's operations for the year ended 31 December 2025 and 2024:

<i>In Php'000, except percentage</i>	2025	2024	Y25 vs Y24
Service Income	₱3,497	P10,722	-67%
EBITDA ¹	152,827	155,701	-1.8%
Loss from operations ²	(89,429)	(85,442)	4.7%
Net Income attributable to equity holders	137,288	132,372	3.7%

¹ EBITDA is defined as Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization.

² Operating Income (Loss) = Gross Profit - Gen & Admin Expenses

The Group generated ₱3.5 million and ₱10.7 million revenues in 2025 and 2024, respectively, coming from service fees paid to Paxys. Revenues went down by about 67% due to the end of its facilities management contracts with its clients effective May and June 2024.

Cost and expenses went down by about 3.4% due to cost saving initiatives undertaken to mitigate the impact of lower revenues.

The Interest Income from the Group's surplus funds amounted to about ₱229.2 million in 2025. This is higher by 2.5% compared to ₱217.5 million interest income earned in 2024, due to higher interest rates in the market.

Financial Condition

The Group's assets are mainly cash equivalents and investment securities. These funds are invested in various local and international banks. With minimal corporate overhead, the Interest Income earned from these funds are more than enough to cover the Group's expenses.

Following are the highlights of the Group's financial position as at December 31, 2025 and 2024:

<i>In Php'000, except percentage</i>	2025	2024	Y25 vs Y24
Current Assets	₱4,435,211	₱4,402,751	.74%
Noncurrent Assets	193,813	18,129	969%
Assets	4,629,024	4,420,880	4.7%
Current Liabilities	26,210	32,177	-18.5%
Noncurrent Liabilities	29,041	29,309	-91%
Equity	4,573,773	4,359,394	4.9%

Liquidity and Capital Resources

<i>In Php'000, except percentage</i>	2025	2024	Y25 vs Y24
Net Cash provided by Operating Activities	₱146,612	₱134,998	8.6%
Net Cash provided by (used in) Investing Activities	1,416,223	(732,236)	293%
Net Cash used in Financing Activities	(8,444)	(13,312)	-36.5%
Net increase (decrease) in cash and cash equivalents	1,554,391	(610,550)	355%

The net increase in cash pertains mainly to cash provided by investing activities as disclosed in the Group's consolidated financial statements for the year 2025. The total investment of the group at year-end, which consists of investments in time deposits, treasury bills, and securities amounted to ₱4,326.1 and ₱4,225.2 million in 2025 and 2024, respectively, registering an increase of ₱100 million or about 2%. Aside from the higher interest earned on the investments, cash was also received from redemption of certain investment securities.

The Company's management believes that the current level of cash generated from operations and the Company's borrowing capability are sufficient to meet the Company's immediate future cash needs. The Company does not anticipate any liquidity problems that may arise from its operating activities in the near future.

Updates on Operating Subsidiary - ScopeWorks Asia, Inc. (SWA)

The contracts for the data conversion business of SWA ended on March 31, 2022. Upon cessation of this segment of the business, SWA focused on facilities management. SWA operated its managed facility business from 2022 to June 2024. The completion of the facilities management contracts in 2024 resulted in zero revenues for SWA in 2025. Overall, operations resulted in a net loss of ₱ 2 million in 2025.

SWA is continuously exploring other business opportunities.

SWA's financial highlights for the years ended 31 December 2025 and 2024:

<i>In Php '000, except percentage</i>	2025	2024	Y25 vs Y24
Service Income	P-	₱7,038	-%
Gross Profit (Loss)	-	(1,900)	-%
EBITDA ¹	(2,031)	7,070	-129%
Net Income (Loss)	(2,045)	706	-390%

Key Performance Indicators

The following are the major financial ratios of the Company for the years ended 31 December 2025 and 31 December 2024:

	2025	2024	Y25 vs Y24
Current Ratio ²	169.22:1	136.83:1	33%
Debt to Equity Ratio ³	0.01:1	0.01:1	-%
Return on Equity ⁴	3.00%	3.04%	1%
EBITDA Margin	4,370%	1,452%	159%
Net Income Margin	3,926%	1,234%	183%

All KPI ratios are within management's expectation in the periods under review.

Plan of Operation

1. The Group is continuously evaluating other investment opportunities. There are prospects but these are still at the very early stage, and none has been finalized to date. Paxys will continue to provide updates to its shareholders once any of the prospective investment opportunities proceed to the next level.
2. Other than Cash, the Group's main assets consist of cash equivalents and short-term fund. These assets are highly liquid and are convertible to cash as soon as additional cash requirement arises. Management believes that it has sufficient level of funds to meet its cash requirements in the next twelve (12) months. The Group also does not anticipate any liquidity problems that may arise from its operating activities in the near future.
3. There is no expected purchase or sale of plant and significant equipment in the near term.
4. There is no expected product research and development in the near term.
5. There are no expected significant changes in the number of employees in the Group.

Others Matters

In general, there are no material known trends, demands, commitments, events, transactions, arrangements or items of, by or involving the Company that would require a disclosure pursuant to Part III (A)(2)(A)(i) to (vii) of "Annex C" of the Implementing Rules and Regulations Code, to wit:

¹ EBITDA is defined as Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization.

² Current Assets/Current Liabilities

³ Total Liabilities/Total Stockholders' Equity

⁴ Net Income / [(Equity end + Equity beg - Net Income)/2]

1. There are no known trends or any demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group’s liquidity increasing or decreasing in any material way. The Company does not anticipate any cash flow or liquidity problems within the next 12 months. As discussed in the Management’s Discussion and Analysis of Financial Conditions and Results of Operations above, the management believes that the current level of cash generated from Operations and borrowing capability are sufficient to meet the Company’s immediate cash needs.
2. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
3. There were no material commitments for expansion or capital expenditures as of reporting period.
4. There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons during the reporting period.
5. There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management’s Discussion and Analysis of Financial Conditions and Results of Operations.
6. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a material favourable or an unfavourable impact on net sales or revenue or income from continuing operation.
7. The causes for any material change from period to period are stated under Management’s discussion and analysis section “financial condition”.
8. The effects of seasonality or cyclical on the operations of the Company’s business are not material.
9. There were no material changes in estimates of amounts reported in interim periods of the current year or changes in estimates of amounts reported in prior financial years.

Year Ended December 31, 2024

Financial and Operational Highlights

Below is a summary of the Group’s operations for the year ended 31 December 2024 and 2023:

<i>In Php'000, except percentage</i>	2024	2023	Y24 vs Y23
Service Income	₱7,038	₱16,662	-58%
Gross Profit (Loss)	(1,900)	1,055	-280%
EBITDA ¹	155,701	142,091	10%
Loss from operations ²	(89,126)	(81,593)	9%
Net Income attributable to equity holders	132,372	110,725	19%

The Group generated ₱7.0 million and ₱16.7 million revenues in 2024 and 2023, respectively, coming mainly from the managed facility service programs of ScopeWorks Asia, Inc. (SWA), the

¹ EBITDA is defined as Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization.

² Operating Income (Loss) = Gross Profit - Gen & Admin Expenses

remaining operating subsidiary of the Group. Compared to prior year, 2024 revenues went down by about 58% due to the end of its facilities management contracts with its clients effective May and June 2024.

Direct costs of operations also went down by about 43% due to cost saving initiatives undertaken to mitigate the impact of lower revenues. The resulting Gross Loss of ₱1.9 million in 2024 is 280% lower compared to the 2023 Gross Profit of ₱1.1 million.

The Interest Income from the Group's surplus funds amounted to ₱217.5 million in 2024. This is higher by 14% compared to ₱189.9 million interest income earned in 2023, due to higher interest rates in the market.

Financial Condition

The Group's assets are mainly cash equivalents and investment securities. These funds are invested in various local and international bank. With minimal corporate overhead, the Interest Income earned from these funds are more than enough to cover the Group's expenses.

Following are the highlights of the Group's financial position as at December 31, 2024 and 2023:

<i>In Php'000, except percentage</i>	2024	2023	Y24 vs Y23
Current Assets	₱4,402,751	₱4,116,966	7%
Noncurrent Assets	18,129	34,281	-47%
Assets	4,420,880	4,151,247	6%
Current Liabilities	32,177	40,089	-20%
Noncurrent Liabilities	29,309	20,895	-40%
Equity	4,359,394	4,090,263	7%

Liquidity and Capital Resources

<i>In Php'000, except percentage</i>	2024	2023	Y24 vs Y23
Net Cash provided by Operating Activities	₱134,998	₱86,810	55%
Net Cash used in Investing Activities	(732,236)	(526,127)	39%
Net Cash used in Financing Activities	(13,312)	(22,381)	-40%
Net decrease in cash and cash equivalents	(610,550)	(461,698)	32%

The net decrease in cash pertains mainly to additional investment in securities as disclosed in the Group's consolidated financial statements for year 2024. The total investment securities of the group amounted to ₱2,436.4 and ₱1,617.1 million in 2024 and 2023, respectively, registering an increase of ₱819.3 million or about 51%.

The Company's management believes that the current level of cash generated from operations and the Company's borrowing capability are sufficient to meet the Company's immediate future cash needs. The Company does not anticipate any liquidity problems that may arise from its operating activities in the near future.

Updates on Operating Subsidiary - ScopeWorks Asia, Inc. (SWA)

The contracts for the data conversion business of SWA ended on March 31, 2022. Upon cessation of this segment of the business, SWA focused on facilities management. SWA operated its managed facility business from 2022 to June 2024. Revenues in 2024 dropped by 58% compared to the revenue in 2023 as a result of the end of its facilities management agreements. Total direct cost and administrative expenses went down by 43% compared to 2023. Overall, operations resulted in a net profit of ₱ 0.7 million in 2024.

SWA is continuously exploring other business opportunities to further increase its revenues.

SWA's financial highlights for the years ended 31 December 2024 and 2023:

<i>In Php '000, except percentage</i>	2024	2023	Y24 vs Y23
Service Income	₱7,038	₱16,662	-58%
Gross Profit (Loss)	(1,900)	1,055	-280%
EBITDA ¹	7,070	17,351	-59%
Net Income	706	3,159	-78%

Key Performance Indicators

The following are the major financial ratios of the Company for the years ended 31 December 2024 and 31 December 2023:

	2024	2023	Y24 vs Y23
Current Ratio ²	136.83	102.70	33%
Debt to Equity Ratio ³	0.01	0.01	–%
Return on Equity ⁴	3.04%	2.71%	12%
EBITDA Margin	2,212%	853%	159%
Net Income Margin	1,881%	665%	183%

All KPI ratios are within the management's expectation in the periods under review.

Plan of Operation

1. The Group is continuously evaluating other investment opportunities. There are prospects but these are still at the very early stage, and none has been finalized to date. Paxys will continue to provide updates to its shareholders once any of the prospective investment opportunities proceed to the next level.
2. Other than Cash, the Group's main assets consist of cash equivalents and short-term fund. These assets are highly liquid and are convertible to cash as soon as additional cash requirement arises. The Management believes that it has sufficient level of fund to meet its cash requirement in the next twelve (12) months. The Group also does not anticipate any liquidity problems that may arise from its operating activities in the near future.
3. There is no expected purchase or sale of plant and significant equipment in the near term.
4. There is no expected product research and development in the near term.
5. There are no expected significant changes in the number of employees in the Group.

¹ EBITDA is defined as Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization.

² Current Assets/Current Liabilities

³ Total Liabilities/Total Stockholders' Equity

⁴ Net Income / [(Equity end + Equity beg – Net Income)/2]

Others Matters

In general, there are no material known trends, demands, commitments, events, transactions, arrangements or items of, by or involving the Company that would require a disclosure pursuant to Part III (A)(2)(A)(i) to (vii) of “Annex C” of the Implementing Rules and Regulations Code, to wit:

1. There are no known trends or any demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group’s liquidity increasing or decreasing in any material way. The Company does not anticipate any cash flow or liquidity problems within the next 12 months. As discussed in the Management’s Discussion and Analysis of Financial Conditions and Results of Operations above, the management believes that the current level of cash generated from Operations and borrowing capability are sufficient to meet the Company’s immediate cash needs.
2. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
3. There were no material commitments for expansion or capital expenditures as of reporting period.
4. There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons during the reporting period.
5. There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management’s Discussion and Analysis of Financial Conditions and Results of Operations.
6. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a material favourable or an unfavourable impact on net sales or revenue or income from continuing operation.
7. The causes for any material change from period to period are stated under Management’s discussion and analysis section “financial condition”.
8. The effects of seasonality or cyclicity on the operations of the Company’s business are not material.
9. There were no material changes in estimates of amounts reported in interim periods of the current year or changes in estimates of amounts reported in prior financial years.

Year Ended December 31, 2023

Financial and Operational Highlights

Below is a summary of the Group’s operations for the year ended 31 December 2023 and 2022:

<i>In Php’000, except percentage</i>	2023	2022	Y23 vs Y22
Service Income	₱16,662	₱29,044	-43%
Gross Profit	1,055	6,127	-83%
EBITDA ¹	142,091	57,396	148%
Loss from operations ²	(81,593)	(70,807)	-15%
Net Income attributable to equity holders	110,725	31,074	256%

¹ EBITDA is defined as Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization.

² Operating Income (Loss) = Gross Profit - Gen & Admin Expenses

The Group generated ₱16.7 million and ₱29.0 million revenues in 2023 and 2022, respectively, coming mainly from the managed facility service programs of Scopeworks Asia, Inc. (SWA), the remaining operating subsidiary of the Group. Compared to prior year, 2023 revenues went down by about 43% due to the termination of its contract with a major client effective March 31, 2022.

Direct costs of operations also went down by about 32% due to cost saving initiatives undertaken to mitigate the impact of lower revenues. The resulting Gross Profit of ₱1.1 million in 2023 is 83% lower compared to 2022 Gross Profit of ₱6.1 million.

The Interest Income from the Group's surplus funds amounted to ₱189.9 million in 2023. This is higher by 114% compared to ₱88.6 million interest income earned in 2022, due to higher interest rates in the market.

Financial Condition

The Group's assets are mainly cash equivalents and investment securities. These funds are invested in various local and international bank. With minimal corporate overhead, the Interest Income earned from these funds are more than enough to cover the Group's expenses.

Following are the highlights of the Group's financial position as at December 31, 2023 and 2022:

<i>In Php'000, except percentage</i>	2023	2022	Y23 vs Y22
Current Assets	₱4,116,966	₱4,012,167	3%
Noncurrent Assets	34,281	55,539	-38%
Assets	4,151,247	4,067,706	2%
Current Liabilities	40,089	49,373	-19%
Noncurrent Liabilities	20,895	33,053	-37%
Equity	4,090,263	3,985,280	3%

Liquidity and Capital Resources

<i>In Php'000, except percentage</i>	2023	2022	Y23 vs Y22
Net Cash provided by Operating Activities	₱86,810	₱82,645	5%
Net Cash provided by (used in) Investing Activities	(526,127)	511,618	-203%
Net Cash used in Financing Activities	(22,381)	(19,195)	17%
Net increase (decrease) in cash and cash equivalents	(461,698)	575,068	-180%

The net increase in cash pertains mainly to matured funds invested in securities as disclosed in the Group's consolidated financial statements for year 2023. The total investment securities of the group amounted to ₱1,671.1 and ₱1,071.8 million in 2023 and 2022, respectively, registering a decrease of ₱545.3 million or about 51%.

The Company's management believes that the current level of cash generated from operations and the borrowing capability are sufficient to meet the Company's immediate future cash needs. The Company does not anticipate any liquidity problems that may arise from its operating activities in the near future.

Updates on Operating Subsidiary - ScopeWorks Asia, Inc. (SWA)

The contracts for the data conversion business of SWA ended on March 31, 2022. Upon cessation of this segment of the business, SWA focused on its facilities management. Revenues in 2023 dropped by 43% compared to the revenue in 2022 as a result of the termination of the data conversion operations. Direct cost and administrative expenses went down by 32% and 23%, respectively compared to 2022. Overall, operations resulted in a net profit of ₱3.2 million in 2023.

SWA is continuously exploring other business opportunities and expanding its facilities management business to further increase its revenues.

SWA's financial highlights for the years ended 31 December 2023 and 2022:

<i>In Php'000, except percentage</i>	2023	2022	Y23 vs Y22
Service Income	₱16,662	₱29,044	-43%
Gross Profit	1,055	6,127	-83%
EBITDA ¹	17,351	15,431	12%
Net Income	3,159	3,583	-12%

Key Performance Indicators

The following are the major financial ratios of the Company for the year ended 31 December 2023 and year ended 31 December 2022:

	2023	2022	Y23 vs Y22
Current Ratio ²	102.70	81.27	26%
Debt to Equity Ratio ³	0.01	0.02	-50%
Return on Equity ⁴	2.71%	0.78%	247%
EBITDA Margin	853%	198%	331%
Net Income Margin	665%	107%	521%

All KPI ratios are within the management's expectation within the periods under review.

Plan of Operation

1. The Group is continuously evaluating other investment opportunities. There are prospects and potential investment partner but these are still at the very early stage and none has been finalized to date. Paxys will continue to provide updates to its shareholders once any of the prospective investment opportunities proceed to the next level.
2. Other than Cash, the Group's main assets consist of cash equivalents and short-term fund. These assets are highly liquid and are convertible to cash as soon as additional cash requirement arises. The Management believes that it has sufficient level of fund to meet its cash requirement in the next twelve (12) months. The Group also does not anticipate any liquidity problems that may arise from its operating activities in the near future.
3. There are no expected purchase or sale of plant and significant equipment in the near term.
4. There are no expected significant changes in the number of employees in the Group.

Others Matters

In general, there are no material known trends, demands, commitments, events, transactions, arrangements or items of, by or involving the Company that would require a disclosure pursuant to Part III (A)(2)(A)(i) to (vii) of "Annex C" of the Implementing Rules and Regulations Code, to wit:

1. There are no known trends or any demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing

¹ EBITDA is defined as Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization.

² Current Assets/Current Liabilities

³ Total Liabilities/Total Stockholders' Equity

⁴ Net Income / [(Equity end + Equity beg - Net Income)/2]

in any material way. The Company does not anticipate any cash flow or liquidity problems within the next 12 months. As discussed in the Management's Discussion and Analysis of Financial Conditions and Results of Operations above, the management believes that the current level of cash generated from Operations and borrowing capability are sufficient to meet the Company's immediate cash needs.

2. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
3. There were no material commitments for expansion or capital expenditures as of reporting period.
4. There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons during the reporting period.
5. There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income, or cash flows, except those stated in Management's Discussion and Analysis of Financial Conditions and Results of Operations.
6. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a material favourable or an unfavourable impact on net sales or revenue or income from continuing operation.
7. The causes for any material change from period to period are stated under Management's discussion and analysis section "financial condition".
8. The effects of seasonality or cyclicity on the operations of the Company's business are not material.
9. There were no material changes in estimates of amounts reported in interim periods of the current year or changes in estimates of amounts reported in prior financial years.

Compliance with Corporate Governance Practices

The Board of Directors and management, employees and shareholders of Paxys, Inc. firmly believe that good corporate governance is a key component of what constitutes sound strategic business management that will support its pursuit of sustainable long-term shareholder value. Our approach to governance is predicated on the belief that good governance is closely linked to the creation of long-term shareholder value. The basic structures for the Company's corporate governance are primarily contained in its Articles of Incorporation and By-laws, Manual on Corporate Governance and its Code of Ethics. The Board recognizes that it is accountable to the Company's shareholders for good governance.

The Company continues to have four (4) Board Committees, namely the Executive Committee, the Audit and Risk Management Committee, the Nominations Committee, and the Compensation and Remuneration Committee. In keeping with regulatory requirements, each Committee continuously updates its Charter and Performance Assessment Procedures, as needed. Upon review of its respective Charter and evaluation of its respective Committee performance based on a defined rating system, the Committees assessed their performance to be satisfactory, able to engage the Board, management and other stakeholders in risk management, control and governance processes to bring about a positive impact while furthering the goals of the Company. Please find attached the following documents for these purposes, which are also found in the Company's website:

1. Charter of the Board of Directors (Annex “E”);
2. Annual Board Assessment Form (Board) (Annex “F”);
3. Annual Board Assessment Form (Member) (Annex “G”);
4. Charters of the Different Committees (Annexes “H” “I” “J” and “K”)
5. Assessment of the Committees (Annexes “L” and “M”)

Management and the Board continues to assess the Company’s risks and implements measures to curb and address its exposures while at the same time optimizing opportunities relative to these risks. The Company monetized several investments in the past. The Company’s strong liquidity allows financial flexibility and has prepared the group for future growth and business opportunities. Henceforth, the Company’s Directors and management believe it has adequate resources to continue in operation and as such, continue to adopt a going concern basis for the annual report.

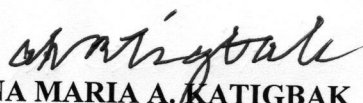
Republic of the Philippines)
Makati City) S.S.

CERTIFICATION

I, **ANA MARIA A. KATIGBAK**, of legal age, Filipino citizen, with office address at The Valero Tower, 122 Valero Street, Salcedo Village, Makati City, Philippines, after having been sworn under oath in accordance with law hereby depose and state that:

1. I am the Assistant Corporate Secretary and Assistant Corporate Information Officer of **PAXYS, INC.** (the "Company"), a corporation duly organized under Philippine law with principal office at 15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City, Philippines;
2. I hereby certify that based on information provided to me, none of the following directors and officers of the Company, as of the date of this certification, are employed by nor work for the Philippine Government:
 - a) Tarcisio M. Medalla
 - b) Roger Leo A. Cariño
 - c) Christopher B. Maldia
 - d) Lim Ghee Keong
 - e) Roberto A. Atendido
 - f) Jose Antonio A. Lichauco
 - g) George Edwin SyCip
 - h) Pablito O. Lim
 - i) Ana Maria A. Katigbak-Lim
 - j) Sheri A. Inocencio
 - k) Ruth M. Mariñas
3. I have executed this Certification to attest to the truth of the foregoing facts as required by the Securities and Exchange Commission.

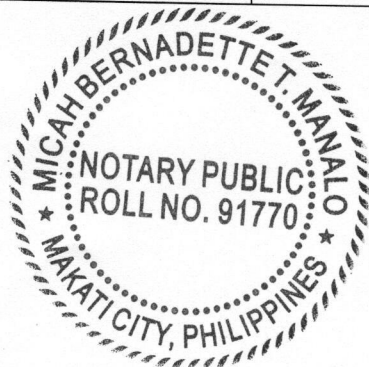
IN WITNESS WHEREOF, I have signed this Certification on this APR 14 2026 at Makati City.



ANA MARIA A. KATIGBAK
Affiant

SUBSCRIBED AND SWORN on this APR 14 2026 at MAKATI CITY affiant exhibiting to me the following competent evidence of identity:

Name	Competent Evidence of Identity	
	Type of ID and Number	Date and Place of Issue
ANA MARIA A. KATIGBAK	[REDACTED]	[REDACTED]

Doc. No. 411 ;
Page No. 84 ;
Book No. 1 ;
Series of 2026.




MICAH BERNADETTE T. MANALO
Appointment No. M-062
Notary Public for Makati City
Until December 31, 2027
Castillo Laman Tan Pantaleon & San Jose Law Firm
The Valero Tower, 122 Valero Street
Salcedo Village, Makati City
PTR No. 10766546 ; 01-02-2026 ; Makati City
IBP No. 535834 ; 12-22-2025 ; Batangas Chapter
MCLE No. VIII-0039062 ; valid from 6-25-2025 ;
valid until 4-14-2028 ; Pasig City
Roll No. 91770

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Nelson T. Yap**, of legal age and a resident of [REDACTED], after having been duly sworn in accordance with law, hereby declare that:


1. I am a nominee for independent director of PAXYS, INC. (the "Company").
2. I am not affiliated with any company or organizations (including Government-Owned and Controlled Corporations ["GOCC"]).
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission ("SEC").
4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 14 APR 2026 in MAKATI CITY, Philippines.


NELSON T. YAP
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in MAKATI CITY Philippines, this 14 APR 2026, by the affiant, whose identity I have confirmed through his Driver's License No. [REDACTED], bearing the affiant's photograph and signature which expires on [REDACTED].

Doc. No. 24
Page No. 6
Book No. XXIII
Series of 2026.


ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 566188 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nueva, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Giles R. Katigbak**, of legal age and a resident of [REDACTED], [REDACTED], after having been duly sworn in accordance with law, hereby declare that:

1. I am a nominee for independent director of PAXYS, INC. (the "Company").
2. I am affiliated with the following company or organizations; I am not affiliated with any government entities (including Government-Owned and Controlled Corporations ["GOCC"]):

Company/Organization	Position/Relationship	Period of Service
PHINMA Corporation	AVP and Chief Risk Officer	December 2011 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission ("SEC").
4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates within the restricted degree of relation.
5. I am not the spouse, parent, child, brother, sister, nor the spouse of such child, brother or sister of the Company's Assistant Corporate Secretary, Ana Maria A. Katigbak, which is compliant with SRC Rule 38.2.3, 2015 Securities Regulation Code Rules.
6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto affixed my signature this
_____ 11 4 APR 2026 in MAKATI CITY, Philippines.



GILES R. KATIGBAK
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in _____
MAKATI CITY, Philippines, this 11 4 APR 2026, by the affiant, whose
identity I have confirmed through his Driver's License No. _____, bearing the
affiant's photograph and signature which expires on _____.

Doc. No. 23;
Page No. 0;
Book No. XXIII;
Series of 2026.



ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 566188 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

PAXYS, INC.
ANNUAL STOCKHOLDERS' MEETING
PROXY FORM

This proxy is being solicited on behalf of the Board of Directors and Management of Paxys, Inc. (the "Company") for voting at the Annual Stockholders' Meeting to be held on May 12, 2026 at 10:00 a.m. at Makati City to be conducted virtually and may be accessed through the following link: www.paxys.com/ASM2026.html.

I, the undersigned stockholder of the Company, do hereby appoint, name and constitute the Company's Chairman and President, Tarcisio M. Medalla, or the chairman of the meeting,

Or

as my attorney-in-fact and proxy, to represent me at the Annual Stockholders' Meeting of the Company to be held on May 12, 2026 at 10:00 a.m. and any postponement(s) and adjournment(s) thereof, as fully and to all intents and purposes as I might or could do if present and voting in person, hereby ratifying and confirming any and all actions taken on matters which may properly come before such meeting or adjournment(s) thereof. In particular, I hereby direct my said proxy to vote on the agenda items set forth below as I have expressly indicated by marking the same with an "X".

AGENDA ITEMS	ACTION		
Item 1. Call to Order.	No action necessary.		
Item 2: Proof of Notice and Certification of Quorum.	No action necessary.		
	FOR	AGAINST	ABSTAIN
Item 3: Approval of the Minutes of the Previous Annual Stockholders' Meeting held on May 7, 2025			
Item 4: Management Report and Audited Financial Statements for the Year Ended December 31, 2025			
Item 5: Ratification of Previous Corporate Acts			
Item 6: Election of Directors			
For Regular Directors:			
1. Tarcisio M. Medalla			
2. Roger Leo A. Cariño			
3. Christopher B. Maldia			
4. Lim Ghee Keong			
5. Roberto A. Atendido			
For Independent Directors:			
1. Nelson T. Yap			
2. Giles R. Katigbak			
Item 7: Appointment of Reyes Tacandong & Co. as External Auditor.			
Item 8: Other Matters.	According to Proxy's Discretion		
Item 9: Adjournment.			

IN CASE A PROXY FORM IS SIGNED AND RETURNED IN BLANK

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous Annual Meeting of the Stockholders held on May 7, 2025;
- FOR the approval of the Management Report and Audited Financial Statements for the Year Ended December 31, 2025;
- FOR the ratification of previous corporate acts of the Board of Directors and Management from the date of the last stockholders' meeting (May 7, 2025) to date as reflected in the books and records of the Company;
- FOR the election of the following directors:
 - For Regular Directors:
 1. Tarcisio M. Medalla
 2. Roger Leo A. Cariño
 3. Christopher B. Maldia
 4. Lim Ghee Keong
 5. Roberto A. Atendido
 - For Independent Directors:
 1. Nelson T. Yap
 2. Giles R. Katigbak
- FOR the approval of the appointment of Reyes Tacandong & Co. as the Company's external auditor;
- and to authorize the Proxy to vote according to discretion of the Company's Chairman of the Meeting, on any matter that may be discussed under "Other Matters".

A Proxy Form that is returned without a signature shall not be valid.

VALIDATION OF PROXIES

If you will not be able to attend the meeting but would like to be represented thereat, you must: (a) upload a copy of duly signed and accomplished proxy form in PDF, JPEG or similar format at the registration portal at www.paxys.com/ASM2026.html AND (b) submit the original of the duly signed and accomplished proxy form, by post or courier to the Office of the Assistant Corporate Secretary at the 15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City not later than May 2, 2026.

If you own shares through your broker or your shares are lodged, please secure from your broker a duly signed and accomplished proxy form, which you or your broker must upload to the registration portal and submit to the Company in the same manner stated above and not later than May 2, 2026.

Corporate shareholders shall likewise be required to submit a secretary's certificate attesting to the authority of the representative or proxy holder to attend and vote at the virtual stockholders' meeting. The same must be uploaded to the registration portal and submitted to the Company in the same manner stated above and not later than May 2, 2026.

Validation of proxies will take place not later than May 7, 2026.

REVOCAION OF PROXIES:

A stockholder giving a proxy has the power to revoke it any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

Signed this _____ 2026 at _____.
(DATE) (PLACE)

Printed Name of Stockholder

Signature of Stockholder
or Authorized Signatory

PLEASE DATE AND SIGN YOUR PROXY

PLEASE MARK, SIGN, AND RETURN YOUR PROXY BY HAND OR MAIL (IN TIME FOR IT TO REACH THE COMPANY) ON OR BEFORE 6:00 P.M. OF MAY 2, 2026.

CHARTER OF THE BOARD OF DIRECTORS

Section 1. INTRODUCTION

The Board of Directors (the “Board”) of Paxys, Inc. (the “Corporation” or “Paxys”) is the supreme authority in matters of governance and in managing the business of the Corporation. Within their authority under the Corporation Code and other applicable laws and the By-laws of the Corporation (the “By-laws”), the Directors, acting as a Board, have the fullest powers to regulate the concerns of the Corporation according to their best judgment.

The Board is responsible to promote and adhere to the principles and best practices of corporate governance, to foster the long-term success of the Corporation and to secure its sustained competitiveness in the global environment in a manner consistent with its fiduciary responsibility.

The Board shall exercise its powers and duties in the best interest of the Corporation, its shareholders, and other stakeholders.

Section 2. COMPOSITION OF THE BOARD

- 1. Number of Directors.** - The Board shall have seven (7) members.
- 2. Board Competencies and Diversity.** - The Board shall be composed of members who possess the necessary knowledge, skills and experience required to properly perform the duties of the Board.

The Board shall encourage the selection of a mix of competent Directors, each of whom can add value and independent judgment in the formulation of sound corporate strategies and policies. Careful attention must be given to ensure that there is independence and diversity, and appropriate representation of women in the Board to the greatest extent possible.

- 3. Review of Board Profile.** - The Board shall regularly review its composition, taking into account the evolving requirements of the Corporation and best practices in corporate governance.
 - 4. Independent Directors** – The Board shall have such number of Independent Directors as may be required by law and the rules of the Securities and Exchange Commission (SEC) and of the Philippine Stock Exchange (PSE) (hereafter, the “Philippine Requirements”) and the standards or criteria set by the Association of Southeast Asian Nations (ASEAN) for the strengthening of the ASEAN capital market development and integration for the establishment of an ASEAN Economic Community (hereafter, the “ASEAN Standards”).
-

To be considered independent, a Director shall, apart from his fees and shareholdings, hold no interests or relationships with the Corporation that may hinder his independence from the Corporation, Management, or shareholders which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director of the Corporation. For this purpose, an Independent Director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Corporation, Management or controlling shareholder at the time of his election or appointment and/or re-election as a Director.

Section 3. BOARD INDEPENDENCE AND CONFLICT OF INTEREST

It is the responsibility of each Director to promote the best interest of the Corporation. Therefore, in making decisions, they should only pursue the interest of the Corporation, and must not consider their personal interest.

- 1. Disclosure of Interest.** - Each Director shall disclose any conflict of interest annually. Director with any material conflict of interest that has been determined to be permanent in nature shall be disqualified from the Board.

Notwithstanding the precautions set by the annual disclosure of conflict of interest, a Director shall abstain from participating in the discussion of, and voting on, any matter where he is in conflict of interest.

- 2. Dealing in Corporation's Shares.** - In line with the insider trading policy of the Corporation, each Director is required to report to the Board within three (3) business days from dealing in the shares of stock of the Corporation (the "Shares").
- 3. Number of Independent Non-executive Directors.** - In line with best practice in corporate governance and in accordance with the ASEAN Standards, it is the Corporation's goal to have Independent Non-executive Directors comprising at least 2/3 of the Board.
- 4. Policy on Multiple Board Seats.** - The Corporation shall ensure that adequate time and attention is given to the fulfilment of the Directors of their duties. The Independent Directors and Non-executive Directors shall hold no more than five board seats in publicly-listed companies.
- 5. Confidentiality Rule** - Directors shall keep confidential all the information contained in the confidential reports or discussions. They shall also ensure that all persons who have access to the same information likewise comply with this rule. The confidentiality rule applicable to incumbent Directors shall continue to apply to former Directors.

Section 4. ELECTION OF DIRECTORS

The Directors shall be elected by the Corporation's stockholders entitled to vote at the annual meeting in accordance with the By-laws and the Voting Procedure for Annual Stockholders' Meeting.

1. **Nomination of Directors.** – Pursuant to the Corporation Code, any shareholder, including minority shareholders, shall have the right to nominate candidates for the Board. The list of names of the nominees to the Board of Directors, together with the written consent of the nominees shall be filed and submitted to the Nomination and Governance Committee through the office of the Corporate Secretary at least thirty (30) business days prior to the date set for the annual meeting wherein they will be elected.
2. **Required Vote.** - For the election of Directors, it is necessary for one-half plus one of the outstanding shares of stock to be present or represented in the annual stockholders' meeting.
3. **Ownership of Corporation Shares.** - No person shall be elected nor be competent to hold the office of Director unless at least one (1) share of stock of the Corporation shall stand in his name in the books of the Corporation at the time of his election.
4. **Ground for Disqualification for Nomination.** - No person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation in accordance with the By-laws.
5. **Term of Office.** - Directors shall hold office for a term of one (1) year, more or less, immediately upon their election and until their successors shall have been elected and qualified in accordance with the By-Laws.
6. **Term Limits for Independent Directors.** - Independent Directors can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the Independent Director position was relinquished or terminated.
7. **Re-election of Independent Directors.** - After completion of the five-year service period, an Independent Director shall be ineligible for election as such in the Corporation unless the Independent Director has undergone a "cooling off" period of two (2) years, provided, that during such period, the Independent Director concerned has not engaged in any activity that under existing rules of the SEC disqualifies a person from being elected as Independent Director of the Corporation.

An Independent Director re-elected as such in the Corporation after the "cooling off" period can serve for another four (4) consecutive years under the conditions mentioned in paragraph 6 above.

8. **Disassociation of Independent Directors.** - After serving as Independent Director for nine (9) years, the Independent Director shall be perpetually barred from being elected as such in the Corporation, without prejudice to being elected as Independent Director in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the rules and regulations of the Securities and Exchange Commission.
9. **Filling of Vacancies/Succession Planning.** - In case any vacancy or vacancies should occur on the Board of Directors other than removal or expiration of term, due to death, resignation or other causes, the remaining Directors, if still consisting a quorum, may fill said vacancies by election from among the stockholders and the stockholders so elected shall act as members of said Board until the new Board of Directors is elected. In case of the vacancy of the position of the Chairman, the appointed Vice-Chairman shall perform his duties and responsibilities. The Board will decide if the same Vice-Chairman may also serve as the President/CEO of the Corporation or if there is a need to appoint another officer for the latter position.

Section 5. BOARD MEETINGS

1. **Frequency of Meetings.** - The Board shall meet at least six (6) times each calendar year. It shall hold meetings before the start of the financial year, immediately after the annual meeting of stockholders, at least once every quarter, and on such other days that it may designate.

It may be convened in special meeting by the Chairman or at least the request majority of the directors.
2. **Quorum.** - Two-thirds (2/3) of the number of Directors as fixed in the articles of incorporation shall constitute a quorum for the transaction of corporate business.
3. **Attendance.** - Directors are encouraged to attend all Board meetings, either in person or via teleconferencing facility. A Director who fails, without any justifiable cause, to attend at least 75% of the total number of Board meetings during any term shall not be eligible for re-election.
4. **Notice of Meeting.** - The Board meetings shall be announced at least two weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda. As a rule, Board materials are to be distributed to all Directors at least five (5) business days prior to each Board meeting.
5. **Chairman of the Meeting.** - Board meetings shall be chaired by the Chairman of the Board or, in his or her absence, by the Vice Chairman.

6. **Matters for Discussion in Meetings.** - In any Board meeting, decisions may be made on matters not included in the distributed meeting agenda only if there are no objections posed by any member of the Board.
7. **Minutes of the Meeting.** - Minutes of the Board meetings shall be taken and recorded by the Office of the Corporate Secretary. Minutes shall be signed by the chairman of the meeting and by the individual who has been appointed to take notes during the meeting.
8. **Executive Sessions.** - At least once a year, the Non-executive Directors must meet without any executives present.

Section 6. RESPONSIBILITIES OF THE BOARD

1. **Duties, Powers and Attributes of the Board.** - The Board of Directors shall have the following duties, powers and attributes, in addition to those assigned to it by the Corporation Code or other applicable law and the By-Laws which are not set forth herein:
 - (a) Adopt, continuously review, monitor the implementation of the corporate strategy;
 - (b) Determine the period, manner and conditions under which the Corporation shall engage in the kinds of business comprised in Article II of the Articles of Incorporation;
 - (c) Review the vision and mission statement of the Corporation every year;
 - (d) Determine the manner in which the corporate capital shall be invested, subject to the provisions of Article II of the Corporation's By-Laws;
 - (e) Make rules for the internal regulation of the Corporation;
 - (f) Create committees and other bodies it may deem advantageous or necessary in running the affairs of the Corporation;
 - (g) Determine the creation of branches, agencies, office departments of any class, under the conditions it may deem convenient;
 - (h) Decide as to the safekeeping of the funds of the Corporation, open current accounts, fixed deposit accounts and savings accounts with any bank authorized to operate in the Philippines and/or abroad;
 - (i) Approve the budgets and general expense accounts of the Corporation each year and each quarter, if necessary;
 - (j) Fix annually the percentage to be written off on all capital expenditures of the Corporation such as buildings, furniture and fixtures, etc. and determine the distribution of profits and dividends;
 - (k) Submit annually to the annual meeting of stockholders the Balance Sheet, profit and Income Statement and Annual Report on the condition of the Corporation;
 - (l) Call special meetings;
 - (m) Authorize any other person or persons it may deem fit to purchase, sell, or mortgage the real or personal properties of the Corporation;
 - (n) Authorize any other person or persons it may deem fit to cancel mortgages or pledges executed as securities for loans and bonds when the mortgages have been repaid to the Corporation and when the bonds have been cancelled;
 - (o) Determine the time and manner of issuance of unissued stocks of the Corporation;

- (p) Settle any doubts that may arise relative to the interpretation of the Corporation's By-Laws and supply any omissions, reporting thereon to the stockholders' general meeting for such action as it may see fit to take;
 - (q) Conduct an annual performance assessment of the Board, the individual Directors, the board committees, the President and CEO, and other key management officials. Attached as Annex "A" Guidelines in Conducting Performance Assessments.
 - (r) Oversee the process of disclosure and communications of relevant corporate information in accordance with applicable laws, rules, and company policies.
2. **Adherence to the Code of Conduct and Ethics.** - The Board shall ensure that all Directors, executives and employees adhere to the Corporation's Code of Conduct and Ethics. The Board shall adopt measures for the strict implementation and monitoring of compliance with the Code.
 3. **Reporting Responsibility of the Management.** - Management shall inform the Board regularly, promptly and comprehensively about any issues concerning the Corporation's strategy, risk management, and compliance. Management shall regularly update the Board of the implementation of the Corporation's strategy and explain variances from the approved plans and targets.
 4. **Approval of the Financial Statements.** - Based on the report by the Audit, Risk and Related Party Transactions Committee, the Board shall, with the help of independent auditors, approve the financial statements of the Corporation.
 5. **Approval of Annual Plans and Budgets.** - The Board shall be responsible in approving the annual plans and budget of the Corporation, as well as the corresponding investments and personnel movements.

Section 7. THE CHAIRMAN OF THE BOARD

1. **Powers of the Chairman.** - The Chairman of the Board is the legal representative of the Corporation and has powers:
 - (a) To preside at all of stockholders' meetings and meetings of the Board;
 - (b) To cast the deciding vote in case of a tie in the stockholders' meetings or in the Board meetings;
 - (c) To exercise such other powers which are given him in the By-laws.
2. **Chairman of Board Meetings.** - The Chairman of the Board shall chair all Board meetings, or in case of his absence, the Vice Chairman shall automatically take his place as Acting Chairman of the Board.

The Chairman of the Board shall ensure that all Board members are allowed to freely express their opinions about any matter being discussed.

Section 8. CORPORATE SECRETARY

It shall be the duty of the Corporate Secretary, who must be a citizen and a resident of the Philippines, to prepare and keep the minutes of all meetings of the Board and stockholders and attend to the correspondence and files of the Corporation, to sign, jointly with the President, all stock certificates, keep and affix the corporate seal, record all transfers of stock and cancellations and keep all stock certificates transferred, likewise, keep a list in alphabetical order of all stockholders of the Corporation and of their residences and the shares owned by each, and to perform all other duties which may be assigned to him by the Board.

Section 9. BOARD COMMITTEES

- 1. Creation of Board Committees.** - The Board may create such committees (each a "Board Committee") as it may deem necessary to support it in the performance of its functions and in accordance with the By-Laws and to aid in good governance.
- 2. Delegation of Rights and Responsibilities to the Board Committees.** - The Board may delegate part of its rights and responsibilities to any of its committees. The committees shall be composed of Board members and key officers of the Corporation specifically chosen for their particular background and areas of expertise that will allow them to adequately perform the functions assigned to their committee. The rights and responsibilities of each Board committee may be defined in greater detail in specific committee charters duly approved by the Board.
- 3. Board Committee Charters.** - The Board shall adopt for each Board Committee a charter providing, among others, the composition of the Board Committee, the qualifications of the members, the powers, duties and responsibilities of the Board Committee and the rules governing the exercise of those powers or performance of the duties and responsibilities.
- 4. Board Committees.** - The Board shall constitute an Executive Committee, an Audit, Risk and Related Party Transaction Committee, a Compensation and Remuneration Committee, and a Nomination and Corporate Governance Committee.

Section 10. COMPENSATION OF THE BOARD

Non-executive Directors shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for their services as Directors. The Board shall have the sole authority, in accordance with a resolution of the stockholders or the By-laws, to determine the amount, form and structure of the fees and other compensation of the Directors.

Section 11. ORIENTATION AND CONTINUING EDUCATION PROGRAMS FOR DIRECTORS

Prior to assuming office, all new Directors shall undergo orientation program on the Corporation's business and corporate structure, its vision, mission and corporate strategy, the By-laws, and Manual of Corporate Governance, and other relevant matters essential for the effective performance of their duties and responsibilities.

Directors shall likewise be required to undergo training and continuing education programs to further their knowledge and assist in their development as Directors.

Section 12. MISCELLANEOUS

- 1. Access to Information.** - The Board shall have reasonably free and full access to all relevant information, data, records, properties and personnel of the Corporation.
- 2. Technical Assistance.** - The Board may invite such members of Management and other persons to its meetings and may secure independent expert advice as it may deem desirable or appropriate.
- 3. Annual Review.** - This Charter shall be reviewed by the Board annually.
- 4. Effectivity.** - This Charter shall take effect when approved by the Board and shall apply prospectively.

Annex A

Guidelines in Conducting Performance Assessments

Annual performance assessments of the Board, the individual Directors, the Board Committees, and the President and CEO and key management officials shall be conducted in accordance with the following guidelines:

I. For the performance assessment of the Board

The Board shall conduct a self-evaluation where all the board members shall participate. An outside consultant may be employed to conduct simultaneous evaluation of the Board's performance. In evaluating the Board's performance, the following criteria/factors shall be considered:

- (i) *Knowledge* – Whether the Board possesses adequate information on industry trends and overall business environment;
- (ii) *Strategy and Implementation* – Whether the Board has adopted appropriate corporate strategy and whether the same has been effectively implemented;
- (iii) *Risk Management* – Whether the Board has a keen understanding of the types of risks to which the Corporation may be exposed and would be vulnerable, and whether it has adopted appropriate systems and processes to manage these risks;
- (iv) *Corporate Ethics* – Whether the Board has taken the lead role to ensure faithful compliance with all the applicable laws and rules, and the Corporation's By-laws, Manual of Corporate Governance, Code of Conduct and Ethics, and other relevant company policies; and
- (v) *Internal Control/Oversight Function* – Whether the Board has taken reasonable steps to ensure that the Corporation is properly managed, including monitoring of the operational and financial results.

II. For the performance assessment of the Directors

The Board shall assess the performance of its individual members. In evaluating the performance of each Director, the following criteria/factors shall be considered:

- (i) *Knowledge* – Whether the Director has an in-depth knowledge of the Corporation's business and strategic direction;
- (ii) *Participation* – Whether the Director attended all, some or only a few of the meetings of the Board and of the committees in which he/she is a member, and whether he/she made valuable contributions in the discussion of matters before the Board and/or the committees; and
- (iii) *Fair Dealing* – Whether the Director conducted fair business transactions with the Corporation and ensured that his/her personal interest did not conflict with the interest of the Corporation

III. For the performance assessment of the Board Committees

The Board Committees shall assess their respective performance. The Board may conduct simultaneous evaluation of the performance of each Board Committee. In evaluating the performance of the Board Committees, the following criteria/factors shall be considered:

- (i) *Committee Organization* – Whether the Committee is composed of appropriate number of Directors with the right balance of skills, experiences and backgrounds to ensure the proper performance of the roles and responsibilities of the Committee;
- (ii) *Committee Meetings* – Whether the Committee had adequate number of meetings to sufficiently focus on significant matters of concern; and
- (iii) *Committee Processes and Procedures* – Whether the Committee adopted processes and procedures to ensure timely resolution of matters before it.

IV. For the performance assessment of the President and CEO, and other key management officials

The Board shall assess the performance of the President and CEO, and other key management officials. In evaluating their performance, the following criteria/factors shall be considered:

- (i) *Compliance* – Whether the President and CEO, and other key management officials have taken steps to ensure the Corporation's compliance with all the legal requirements in the management of its affairs;
- (ii) *Administration* – Whether the President and CEO, and other key management officials have effectively managed the day-to-day operations of the Corporation towards the achievement of the organization's goals and objectives;
- (iii) *Knowledge, Skills and Competence* – Whether the President and CEO, and other key management officials possess appropriate knowledge, skills and competence essential to the due performance of duties;
- (iv) *Corporate Ethics* – Whether the President and CEO, and other key management officials have consistently demonstrated integrity and observed the corporate core values; and
- (v) *Board-Management Relationship* – Whether the President and CEO, and other key management officials have worked closely with the Board and provided the latter with complete, adequate information on the operations and affairs of the Corporation in a timely manner.

Annual Board Assessment Form (Board)

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board and Board Members found under the Company's Manual on Corporate Governance. For each statement, you will be asked to choose from among the following responses:

1-	Disagree
2-	Neutral
3-	Agree

Please be forthright in your responses. This questionnaire aims to determine the Board's strengths and weaknesses. Thank you.

PERFORMANCE OF INDIVIDUAL BOARD MEMBERS		1	2	3
I. Company Policies				
1	The Board effectively represents and protects the interests of the owners of the business, as well as other key external stakeholders.			
2	The Board ensures effective business governance of the various businesses in which the Company has an interest, with the objective of preserving stakeholder value in the long run.			
3	The Board ensures that key financial decisions made related to investments/capital expenditures are governed by appropriate processes and with proper Board approval.			
4	The Board ensures that the strategic business direction of the businesses of the Company is soundly established, and consistent with overall Company goals and strategies.			
5	The Board sets performance measures for the business of the Executive Management, and specific performance measures of the CEO to determine his effectiveness in the role.			
6	The Board ensures that appropriate compensation policies are in place, and that the compensation received by senior managers are at an appropriate level related to his/her contribution to the Company.			
7	The Board receives reports on progress related to the execution of strategic plans, financial performance of the business, and other matters related to the role and responsibilities of the Board from the Executive Management.			
	7.1 The Board has sufficient opportunity to evaluate such reports, and question the Executive Management on any matter of concern or clarification.			
8	If needed, the Board determines what are the additional board committees that should be establish, as well as their roles and composition.			
9	The Board has consistent understanding on and agrees with the Company's strategic business direction and the risks that should be considered therewith.			

II. The Board and the Executive Management				
1	The Board works in close cooperation with the Executive Management to effectively communicate the Company's strategic business direction, as well as to discuss the progress of the projects.			
2	The Board communicates to the Executive Management any perceived stakeholder concerns.			
3	The Board takes a direct interest in leadership succession, for the Company CEO and other key group senior management positions in particular, to ensure that appropriate processes are being effectively adopted to avoid some leadership gaps.			
4	The Board and Executive Management have reached consensus on the overall risk management framework and strategy for the organization.			
5	When communicating strategic direction, the Board and Executive Management includes formal references to defined risk appetite and tolerances.			
III. Board Meetings and Facilities				
1	The Board meets on a regular basis to deliberate, with special emergency meetings held whenever required.			
2	The Board facilitates the conduct of Annual General Meetings, and any other special shareholder meetings that may be required.			
3	The Agenda for the Board meetings are relevant and appropriate			
4	The length of the Board meeting is sufficient to address matters that require Board attention.			
5	The quality of the presentations and/or reports are very satisfactory in form and in substance.			
6	The reporters are competent, articulate, clear, concise, and are responsive to queries from the Board.			
7	The materials are organized, updated, concise, and accurate.			
8	The materials were furnished to the Board before the scheduled Board meeting, giving the members of the Board sufficient time to read the materials.			
9	The venue for the Board meeting is sufficient for the size and needs of the Board and well equipped with video and teleconferencing facilities.			
IV. Board Composition				
1	The size of the Board is appropriate for the size of the Company.			
2	The number of Independent Directors is sufficient.			
3	There is a system of ensuring continuity of the functions of the Board.			
4	The members of the Board are very competent and are fully cognizant of their functions.			
V. Board Committees				
1	The number and kinds of committees are appropriate considering the size and needs of the Company.			
2	The members of the committees are properly assigned based on their expertise and strengths.			
3	The frequency, length, and agenda discussed during committee			

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	meetings are satisfactory.			
	Overall, I am very satisfied with the effectiveness and performance of the Board.			

Others			
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For the next five (5) years, the Board should concentrate on the following issues?

The performance of the Board can be improved by instituting the following measures:

Comments

Annual Board Assessment Form (Member)

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions, and responsibilities of the Board and Board Members found under the Company's Manual on Corporate Governance. For each statement, you will be asked to choose from among the following responses:

1-	Disagree
2-	Neutral
3-	Agree

Please be forthright in your responses. This questionnaire aims to determine the Board's strengths and weaknesses.

PERFORMANCE OF INDIVIDUAL BOARD MEMBERS		1	2	3
I. Company Policies				
1	I take time to understand the Company and its subsidiaries, its goals and strategies, its businesses, its governance, and other key policies.			
2	I represent the Company positively and constructively in all external dealings, seeking to enhance the Company name and reputation.			
II. Attendance and Participation				
1	I regularly attend Board and/or Committee meetings.			
2	I contribute effectively to discussions during Board and Committee meetings.			
3	I willingly offer alternative viewpoints during discussions to reflect own personal experiences and opinions.			
4	I offer any viewpoints objectively, avoiding any comments of a personal nature about another member of the Board or his/her viewpoints.			
5	I listen to the viewpoints of other Board members with full respect and with care, in order to achieve optimal understanding.			
6	I fully support decisions made by the Board in the external arena, even if that decision did not completely reflect my own viewpoints.			
III. Performance				
1	I seek to find ways to continuously improve the efficiency and effectiveness of the Board or any committee that I am a member of, taking any relevant suggestions to the Board Chairman or Committee Chairman, as the case maybe, for his consideration.			
2	I am prepared to receive and act upon any feedback received through the Board or Committee Chairman on ways to improve performance as a Board Director or Committee member.			
3	I maintain complete external confidentiality on details of Board discussions, individual viewpoints and any matters of sensitivity, other than as the Board agrees is to be communicated in a specific manner.			
4	I always exercise independent judgment based on my assessments of			

	the situation or problem, even if my position is unpopular.			
5	I strive to keep myself informed of industry developments and business trends affecting the businesses of the Company.			

For the succeeding questions, please answer those which are applicable to you.

A. For Executive Directors only				
	I maintain a primary identity as a Board member, while dealing with Board matters, at the same time bringing to the Board the benefit of closer knowledge of operational considerations.			
B. For Independent Directors only				
	I bring fully to the Board the benefit of the particular experience or expertise that encouraged the invitation to become a Board member, at the same time not feeling constrained to contribute on matters that may be outside my personal experience and expertise.			
C. For Board Committee members only				
1	I am familiar of the mandate of the committee that I am a member of.			
2	I am familiar with specific areas of concern covered by the committee that I am a member of, and do not seek to divert into other areas not specifically envisioned by the committee mandate.			
3	I engage constructively with the Company CEO and any other senior leader of the Company, who may be consulted for the purpose of the Committee being better informed, or better positioned to offer the Board a more reliable recommendation.			
4	I maintain external confidentiality related to details of Committee discussion, including the individual views of members, other than as agreed for formal communication to the Board and/or Executive Management by the Committee as a whole.			
D. For Board Committee Chairmen only				
1	I oversee the conduct of the Board Committee in line with the Committee mandate including:			
2	I manage the agenda of Committee meetings by taking into consideration the relevant and appropriate issues concerning the Committee.			
3	I effectively chair Committee meetings, ensuring proper consideration of matters for discussion and recommendation to the full Board.			
4	I ensure that each member of the Committee has full opportunity to express views and contribute effectively to discussion.			
5	I draw the attention of a Committee member who, for one reason or another, is not contributing to discussion and recommendations as effectively as he/she could.			
6	I bring the attention of the Board Chairman to any situation where, for one reason or another, a Committee member is failing consistently to honor responsibilities as a Committee member.			
7	I ensure that appropriate record of Committee deliberations and conclusions are maintained.			
8	I lead and facilitate the Committee in reporting back to the Chairman of			

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	the Board, or to the whole Board, considerations and recommendations on any matter, including both majority conclusions and recommendations, as well as minority conclusions and recommendations.			
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What do you think was your best contribution to the Board this year?

What are your suggestions to improve the performance of the Board?

Remarks



Audit, Risk and Related Party Committee Charter

PURPOSE/OBJECTIVES

The principal responsibility of the committee is to assist the board in fulfilling its corporate governance and fiduciary oversight responsibilities in relation to the risk management, internal control systems, accounting policies and practices, internal and external audit functions and financial reporting of Paxys, Inc. and its subsidiaries.

The committee is also tasked to assist the board in ensuring transparency and fairness for all stakeholders by reviewing and approving proposed related party transactions for purposes of determining whether such transactions are within arm's length basis.

AUTHORITY

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. Employees are to cooperate fully with the Audit Committee members.

- The committee is authorized to investigate any matter within the scope of its responsibilities and make appropriate recommendations to the board.
- The committee will have unrestricted access to senior management of Paxys, Inc. and its subsidiaries, and to company records as required.
- The committee is authorized to meet with the external and internal auditors, without any other member of management being present, as the Committee deems appropriate.
- The committee is authorized to obtain any independent legal or other professional advice that it considers necessary to execute its functions.
- The committee is authorized to expend organizational resources whenever necessary to fulfill its responsibilities.

COMPOSITION

The Audit, Risk and Related Party Transactions Committee will comprise of at least three and no more than six members of the Board of Directors. The Board or its nominating committee will appoint committee members and the committee chairman.

The Committee Chairman should be independent (must not be the Chairman of the Board) and members should be financially literate. At least one member shall be a "financial expert", as defined by applicable legislation and regulation. At least one member should have a significant relevant understanding of the business of the Group.

MEETINGS

The committee will meet at least three (3) times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The committee will invite members of management, external auditors, internal auditors and/or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors and executive sessions as necessary. Meeting agendas will be prepared and provided in advance to members, along with executive reports. Minutes will be prepared and to be kept by the corporate secretary and shall be accessible to all members of the board.

Recommendations of the committee are referred to the board for approval, with the exception of the external and internal audit plans.

RESPONSIBILITIES

The scope of its responsibility entails serving as the focal point for communication between and among the:

- Board of Directors
- External Auditors
- Internal Auditors
- Risk Management Group
- Executive Management

The committee will carry out the following responsibilities:

(1) Financial Reporting Process

1. Review with the external and internal auditors, significant accounting and reporting issues, significant adjustments recommended, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
2. Review with management, the external and the internal auditors, the results of the audit, including any difficulties encountered.
3. Review with the General Counsel the status of legal matters that may have an effect on the financial statements.
4. Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
5. Review with the head of the internal audit and the external auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

(2) System of Risk Management

6. The primary purpose of the committee concerning risk management is to assist the Board in defining the group's risk appetite and oversee the group's risk profile and performance against the defined risk appetite.
7. Review and assess the effectiveness of the organization's risk management system, including risks of information technology systems, and that the company is able to optimize its opportunities through its risk management program.
8. Inquire of management, the head of the internal audit, the risk management head, and the external auditor about significant risks or exposures and assess the steps management has taken to minimize such risks to the company.

(3) System of Internal Control

9. Ensure that the organization has a comprehensive policy on internal control and compliance.
10. Consider and review with the external and internal auditors, the effectiveness of the organization's internal control system, including information technology security and control.
11. Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses thereto.
12. Review the role of the internal auditor in the corporate governance process, including corporate governance documentation and training.

(4) Internal Audit Process

13. Oversee the selection process for the Chief audit executive and review and concur in his/her appointment, replacement, or dismissal.
14. Assure and maintain, through the organizational structure of the organization and by other means, the independence of the internal audit process.
15. Ensure that internal auditors have access to all documents, information and systems in the organization.
16. Ensure there are no unjustified restrictions or limitations placed on the Chief Audit Executive and internal audit staff.
17. Review with management and the Chief Audit Executive the charter, objectives, plans, activities, staffing, budget, qualifications and the organizational structure of the Internal Audit Department.

18. Review significant audit findings for the year and management's responses thereto, including the responsiveness and timeliness of management's actions pertaining to any reported findings and recommendations.
19. Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing*.
20. On a need basis, meet separately with the Chief Audit Executive to discuss any matters that the committee or internal audit believes should be discussed privately.

(5) External Audit of the Financial Statements

21. Review the external auditor's proposed audit scope and approach, including coordination of audit effort with internal audit.
22. Recommend the appointment, retention and discharge, and review the performance, of the external auditor.
23. Review and recommend the compensation of the external auditor.
24. Review and recommend for approval of the full board, the audited financial statements, associated management letter, attestation on the effectiveness of the internal control structure and procedures for financial reporting, other required auditor communications, and all other auditor reports and communications relating to the financial statements.
25. Review the responsiveness and timeliness of management's follow-up activities pertaining to any reported findings and recommendations.
26. On a need basis, meet separately with the external auditor to discuss any matters that the committee or auditors believe should be discussed privately.

(6) Related Party Transactions (RPTs)

27. Evaluates on an ongoing basis the existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors.
28. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

- The related party's relationship to the company and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the corporation of the proposed RPT;
- The availability of other sources of comparable products or services; and
- An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

29. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties.

30. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties.

31. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.

32. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

(7) Organization's Processes for Monitoring Compliance

33. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.

34. Review the process for communicating to all affected parties the ethics policy, code of conduct and fraud policy to organization personnel, and for monitoring compliance therewith.

35. Obtain regular updates from management and organization legal counsel regarding compliance matters.

(8) Special Investigations and Whistleblower Mechanism

30. Provide an appropriate confidential mechanism for whistleblowers to provide information on potentially fraudulent transactions and breaches of internal control, without fear of retribution to the employee.

(9) Committee Management and Reporting Responsibilities

37. Prepare an annual report to the board on the activities of the committee, including major governance and control issues and significant risks.
38. Perform other activities related to this charter as requested by the Board of Directors.
39. Confirm annually that all responsibilities outlined in this charter have been carried out. Prepare letter for inclusion in the annual report that describes the committee's composition and responsibilities, and how they were discharged.



Compensation and Remuneration Committee Charter

PURPOSE/OBJECTIVES

This Charter sets out the basis on which the Board has established a Compensation and Remuneration Committee pursuant to its authority. This Charter may be amended by resolution of the Board.

COMPOSITION

The will comprise of at least three and no more than six members of the Board of Directors. The Board or its nominating committee will appoint committee members and the committee chairman.

The Committee Chairman should be independent (must not be the Chairman of the Board) and members should be financially literate..

MEETINGS

The committee will meet at least once (1) a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference.

The Committee may seek the advice of the Company`s auditors, solicitors and other external consultants or specialists as to any matter pertaining to the duties of the Committee.

A notice of each meeting shall be forwarded to members of the Committee at least five working days prior to the date of the meeting. The notice will include relevant supporting papers for the agenda items to be reviewed and discussed.

All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director, provided no conflict of interest exists.

A quorum will comprise any two committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

RESPONSIBILITIES

Without limiting its role, specific duties and responsibilities of the Committee include the following:

- to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to make recommendations to the Board on the remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- to ensure that no director or any of his or her associates is involved in deciding his or her own remuneration;
- to consult the Chairman and/or the Chief Executive Officer about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary;
- to consider salaries paid by comparable companies, time commitment, responsibilities and employment conditions in the Group (which comprises the Company and its subsidiaries); and
- to consider other topics as defined by the Board.

REPORTING

The Committee shall provide a report of the actions of the Committee at the next Board meeting.

The Committee Chairman will also, if requested, provide a brief verbal report to the Board as to any material matters arising out of the Committee meeting.

REVIEW

The Board will review the membership and terms of reference of the Committee annually.

CHARTER OF THE EXECUTIVE COMMITTEE

The Board of Directors ("Board) of Paxys, Inc. (the "Corporation") hereby adopts this Charter of the Executive Committee (the "Committee"):

Section 1. Membership

1. **Composition** – The Committee shall be composed of not less than three (3) but not more than five (5) members, majority of whom shall be citizens of the Philippines, to be appointed by the Board.

The Board shall designate from among the members of the Committee a Chairman and a Vice Chairman.

The Board may from time to time increase the membership of the Committee, and appoint additional members therein, who may or may not be directors.

2. **Term** – The Board shall appoint the members of the Committee at the annual organizational meeting of the Board and each member shall serve upon his election until the next organizational meeting of the Board unless removed or replaced by the Board.
3. **Vacancy** – Any vacancy in the Committee caused by the death, resignation, or disqualification of any member, or by any other cause, may be filled by the Board. The member elected to fill the vacancy shall hold office for the remainder of the term, or until his successor shall have been duly elected and qualified.

Section 2. Powers, Duties and Responsibilities of Committee

The Committee shall exercise the powers and perform the duties of the Board of Directors during the intervening period between the Board's meetings. It shall act by majority vote of all its members on such specific matters within the competence of the Board as provided in the By-laws and applicable laws, rules and regulations, except with respect to:

1. approval of any action for which shareholders' approval is also required;
2. filling of vacancies in the Board;
3. amendment or repeal of By-Laws or the adoption of new By-Laws;

4. amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
5. distribution of cash dividends to the shareholders; and
6. exercise of powers delegated by the Board exclusively to other committees, if any.

Section 3. Specific Powers, Duties and Responsibilities of the Chairman of the Executive Committee

The Chairman of the Committee is the legal representative of the Corporation. He shall:

1. execute the resolutions of the stockholders' General Meetings, of the Board, and of the Committee;
2. sign, in accordance with said resolutions, such contracts, instruments, and powers of attorney as may be necessary;
3. represent the Corporation and vote at the stockholders' meetings all stocks owned by the Corporation in other corporations or companies;
4. manage the business of the Corporation, and for this purpose, he shall have the following additional powers and duties:
 - (a) prepare semi-annually the budget of administration expenses;
 - (b) appoint and discharge the employees occupying the positions authorized by the Board or by the Committee;
 - (c) supervise the accounting and cash, and sign, with the President and the Treasurer, the Balance Sheet, profit and Loss Statement and Annual Reports;
 - (d) attend to the correspondence and sign receipts for incoming monies.
5. preside in all stockholders' meeting in case of absence of the Chairman of the Board.

With the consent of the Board, the Chairman of the Committee may delegate to any of the officers of the Corporation any and all powers granted him under this section; provided, however, that such delegation shall not divest the Chairman of the authority to exercise the same powers; provided further, that any such delegation of powers shall be submitted for ratification and confirmation at the next general meeting of stockholders.

With the consent of the Committee, the Chairman may also delegate powers to the President; provided, however, that any such delegation of powers shall also be submitted for ratification and confirmation by the stockholders.

Section 4. Resolutions and Actions

An act of the Committee which is within the scope of its powers shall not require ratification or approval by the Board for its validity and effectivity; provided, however, that such act shall be subject to revision or alteration by the Board; provided, further, that no rights or acts of third parties shall be affected by such revision or alteration.

Section 5. Meetings

The Committee shall hold meetings as often as may be deemed necessary or desirable at a time and place determined by its Chairman.

The actions of the Committee may also be taken by written consent (in physical, electronic or digital format) by majority of the members when deemed necessary by the Committee or its Chairman.

The minutes of the Committee meeting will be recorded and maintained by the Corporate Secretary and presented to the Committee at the next Committee meeting for approval. The Corporate Secretary or his designated representative shall act as secretary for the meetings.

Section 6. Miscellaneous

- 1) **Access to Information** – The Committee shall have reasonably free and full access to all relevant information, data, records, properties and personnel.
- 2) **Technical Assistance** – The Corporate Secretary, management and personnel of the Corporation shall provide technical assistance and support to the Committee.
- 3) **Reports to the Board** – The Chairman of the Committee or his designated representative shall report to the Board of all actions of the Committee at the meeting of the Board following such actions.
- 4) **Confidentiality of Records** – The Corporate Secretary shall keep and have custody of the records of the Committee. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the records shall be kept confidential.
- 5) **Annual Review** – This Charter shall be reviewed by the Committee annually. Any proposed changes shall be approved by the Board.
- 6) **Effectivity** – This Charter shall take effect when approved by the Board of Directors.



NOMINATION AND GOVERNANCE COMMITTEE CHARTER

COMPOSITION

The Nomination and Governance Committee (the "Committee") of the Board of Directors (the "Board") of the Company shall consist of at least 3 and not more than 6 Directors, with at least one Independent Director. Members of the Committee shall be appointed and may be removed by the Board.

PURPOSE

The purpose of the Committee shall be to assist the Board in identifying qualified individuals to become member of the Board, in determining the composition of the Board and its committees, in monitoring and assessing the Board's effectiveness, and in developing and implementing the Company's corporate governance principles and guidelines.

AUTHORITY and RESPONSIBILITIES

In furtherance of its purpose, the Committee shall have the following authority and responsibilities:

1. To pre-screen and shortlist candidates nominated to become a member of the Board in accordance with the qualifications and disqualifications for Directors set forth in existing laws, relevant regulations and the Corporate Governance Manual;
2. To consider and recommend to the Board the permanent or temporary disqualification or such other appropriate administrative sanction of any Director based on the grounds provided under the Corporate Governance Manual and the Committee Charter.
3. To determine and submit an appropriate recommendation or finding on whether a candidate's directorship in other corporations would affect his capacity to serve and perform his duties as a Director diligently, taking into consideration the following factors: (a) the nature of the Company's business; (b) the number of directorships/active memberships and officerships of a Director in other corporations or organizations; (c) any possible conflict of interest; and (d) such other factors which the Board may consider from time to time.
4. To ensure that the Executive Directors, the Independent Directors and Non-Executive Directors who serve as full-time executives in other corporations shall submit themselves to a low-indicative limit on directorships in other corporations in order that the capacity of said Directors to serve the Company with utmost diligence shall not be compromised.

5. To ensure that the Company shall conform with the requirement to have an Independent Director or such number of Independent Directors as maybe required by law and its Articles of Incorporation and By-Laws;
6. In connection with the qualification and election of Independent Directors for purposes of the stockholder's meeting, to conduct the nomination process for the election of Independent Directors under the procedures/guidelines provided under the Committee's Charter.
7. After the nomination, to prepare a final list of all candidates which shall contain all the information about all the nominees for Independent Directors, which list, shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement. 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. Only nominees whose names appear on the final List of Candidates shall be eligible as Independent Directors. No other nomination shall be entertained after the final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual stockholders' meeting.
8. To identify and recommend the candidates among the incumbent Directors to fill vacancies in any of the Board Committees, taking into consideration the factors set out in the respective Charters of said Committees as well as any other factors it deems appropriate.
9. To identify candidates for any vacancies in the Board.
10. To conduct an annual board evaluation process to assess the effectiveness of the Board.
11. To develop and recommend to the Board for its approval a set of corporate governance principles, standards and guidelines and taking a leadership role in shaping the corporate governance of the Company. The Committee shall review the guidelines at least annually, and recommend changes as necessary.
12. To develop and recommend to the Board for its approval an annual self-evaluation process of the Board and its committees. The Committee shall oversee the annual self-evaluations.
13. Assist the Board by ensuring that appropriate senior leadership succession planning is in place throughout the group and recommending to the Board appropriate potential and actual successors to the chief executive officer and other key senior leadership roles.
14. Monitor the Group's fiduciary and regulatory responsibilities with respect to external reporting; i.e., corporate plan, annual report, and other similar reports.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

The Committee shall have the authority to retain a search firm engaged to assist in identifying candidates for director, and to retain outside counsel and any other advisors as the Committee

may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

REPORTING RESPONSIBILITIES

The Committee shall report its actions and recommendations to the Board after each committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Assessment Form (Audit, Risk and Related Party Transactions Committee)

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Committee found under Committee Charter. For each statement, you will be asked to choose from among the following responses:

1-	Disagree
2-	Neutral
3-	Agree

Please be forthright in your responses. This questionnaire aims to determine the Board's strengths and weaknesses. Thank you.

PERFORMANCE OF THE COMMITTEE		1	2	3
I. Functions of the Committee				
1	The Committee accordingly exercises the powers and perform the duties of the Board of Directors during the intervening period between the Board's meetings.			
2	The Chairman of the Committee accordingly performed his duties and functions as the legal representative of the Corporation			
3	With the consent of the Committee, the Chairman is allowed to delegate powers to the President and such delegation of powers is submitted for ratification and confirmation by the stockholders.			
4	The Committee acts by majority vote of all its members on such specific matters within the competence of the Board as provided in the By-laws and applicable laws, rules and regulations, except for those matters enumerated in the Charter that can only be performed by the Board.			
5	The committee has the authority and resources to conduct and perform the roles and responsibilities as identified in the Committee Charter which includes overseeing and monitoring of the overall financial reporting process, risk management, internal controls, internal/external audits, compliances to laws and regulations, related party transactions, including the mechanisms for special investigations and whistleblowing systems.			
II. The Committee and the Board				
1	The Committee works in close cooperation with the Board to effectively communicate its proposals.			
	With the consent of the Board, the Chairman of the Committee is allowed to delegate to any of the officers of the Corporation any and all powers granted him under the Charter and such delegation did not divest the Chairman of the authority to exercise the same powers, which is also submitted for ratification and confirmation at the next general meeting of stockholders.			

2	The Chairman of the Committee or his designated representative reports to the Board all actions of the Committee at the meeting of the Board following such actions.			
3	The act of the Committee which is within the scope of its powers, no longer required the ratification or approval by the Board for its validity and effectivity, subject only to revision or alteration by the Board when necessary.			
4	When revisions and alternations by the Board on the act of the Committee is made, the Committee ensures that these revisions and alterations same do not affect the rights or acts of third parties.			
III. Committee Meetings and Facilities				
1	The Committee holds meetings as often as may be deemed necessary or desirable.			
2	The Chairman facilitates the conduct of the meeting.			
3	The Agenda for the Committee meetings are relevant and appropriate			
4	The length of the Committee meeting is sufficient to address matters that require Board attention.			
5	The venue for the Board meeting is sufficient for the size and needs of the Board and well equipped with video and teleconferencing facilities.			
6	The minutes of the Committee meeting will be recorded and maintained by the Corporate Secretary and presented to the Committee at the next Committee meeting for approval.			
IV. Committee Composition				
1	The size of the Committee is appropriate for the considering the size and needs of the Company.			
2	The number of Independent Directors is sufficient.			
3	There is a system of ensuring continuity of the functions of the Committee.			
4	The members of the committees are properly assigned based on their expertise and strengths.			
	Overall, I am very satisfied with the effectiveness and performance of the Audit, Risk Management and RPT Committee.			

Others			
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For the next five (5) years, the Committee should concentrate on the following issues?

The performance of the Committee can be improved by instituting the following measures:

Comments

Assessment Form (Executive Committee)

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Executive Committee found under Executive Committee Charter. For each statement, you will be asked to choose from among the following responses:

1-	Disagree
2-	Neutral
3-	Agree

Please be forthright in your responses. This questionnaire aims to determine the Board's strengths and weaknesses. Thank you.

PERFORMANCE OF THE COMMITTEE		1	2	3
I. Functions of the Committee				
1	The Committee accordingly exercises the powers and perform the duties of the Board of Directors during the intervening period between the Board's meetings.			
2	The Chairman of the Committee accordingly performed his duties and functions as the legal representative of the Corporation			
3	With the consent of the Committee, the Chairman is allowed to delegate powers to the President and such delegation of powers is submitted for ratification and confirmation by the stockholders.			
4	The Committee acts by majority vote of all its members on such specific matters within the competence of the Board as provided in the By-laws and applicable laws, rules and regulations, except for those matters enumerated in the Charter that can only be performed by the Board.			
II. The Committee and the Board				
1	The Committee works in close cooperation with the Board to effectively communicate its proposals.			
	With the consent of the Board, the Chairman of the Committee is allowed to delegate to any of the officers of the Corporation any and all powers granted him under the Charter and such delegation did not divest the Chairman of the authority to exercise the same powers, which is also submitted for ratification and confirmation at the next general meeting of stockholders.			
2	The Chairman of the Committee or his designated representative reports to the Board all actions of the Committee at the meeting of the Board following such actions.			
3	The act of the Committee which is within the scope of its powers, no longer required the ratification or approval by the Board for its validity and effectivity, subject only to revision or alteration by the Board when necessary.			

4	When revisions and alternations by the Board on the act of the Committee is made, the Committee ensures that these revisions and alterations same do not affect the rights or acts of third parties.			
III. Committee Meetings and Facilities				
1	The Committee holds meetings as often as may be deemed necessary or desirable.			
2	The Chairman facilitates the conduct of the meeting.			
3	The Agenda for the Committee meetings are relevant and appropriate			
4	The length of the Committee meeting is sufficient to address matters that require Board attention.			
5	The venue for the Board meeting is sufficient for the size and needs of the Board and well equipped with video and teleconferencing facilities.			
6	The minutes of the Committee meeting will be recorded and maintained by the Corporate Secretary and presented to the Committee at the next Committee meeting for approval.			
IV. Committee Composition				
1	The size of the Committee is appropriate for the considering the size and needs of the Company.			
2	The number of Independent Directors is sufficient.			
3	There is a system of ensuring continuity of the functions of the Executive Committee.			
4	The members of the committees are properly assigned based on their expertise and strengths.			
	Overall, I am very satisfied with the effectiveness and performance of the Executive Committee.			
Others				

For the next five (5) years, the Executive Committee should concentrate on the following issues?

The performance of the Executive Committee can be improved by instituting the following measures:

Comments

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS**

OF

PAXYS, INC.

Held at the Manila Golf and Country Club
Harvard Road, Forbes Park, Makati City
on May 7, 2025 at 2:00 p.m.

CALL TO ORDER

The Chairman, Mr. Tarcisio M. Medalla, called the meeting to order and presided over the same. He introduced the members of the Board of Directors who were present, namely, Mr. Jose Antonio A. Lichauco, Mr. Roger Leo A. Cariño, Mr. Roberto A. Atendido, and Atty. Christopher B. Maldia. He also acknowledged the presence of Mr. Emmanuel V. Clarino (Audit Senior Partner), Ms. Belinda B. Fernando (Audit Managing Partner) and Ms. Michelle Mendoza-Cruz (Audit Engagement Partner) of the Company's external auditors, Reyes Tacandong & Co., as well as representatives of the Company's stock and transfer agent, Professional Stock Transfer, Inc.

The Assistant Corporate Secretary, Atty. Ana Maria Margarita A. Katigbak, recorded the proceedings.

PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Assistant Corporate Secretary reported that pursuant to SEC's Notice dated March 12, 2025, the Notice of Meeting was published in the business sections of The Philippine Star and Business World Online, in print and online formats, on April 11 and 12, 2025 or at least 21 days before the meeting. A copy of the Notice and Agenda, together with the Definitive Information Statement, minutes of the previous meeting, management report, audited financial statements, and other documents related to the meeting were also made accessible through the Corporation's website, www.paxys.com, and uploaded on the PSE Edge portal.

As set out in the Requirements and Procedure for Participation and Voting in the meeting, which was attached to the Company's Definitive Information Statement and posted in the Company's website, stockholders who successfully registered within the prescribed period will be included in the determination of quorum. By voting *in absentia* or by proxy, a stockholder will be deemed present for purposes of determining quorum.

The Assistant Corporate Secretary announced that there were present, in person and by proxy, at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock. The list of attendees and proxies is attached as Annex "A." She therefore certified that there was a quorum for the transaction of business.

APPROVAL OF MINUTES OF PREVIOUS STOCKHOLDERS' MEETING

The next item of business was the approval of the minutes of the previous meeting of the stockholders held on May 10, 2024, copies of which had been earlier distributed to the stockholders while an electronic copy was made available at the Company's website.

There being no questions or objections, the reading of the minutes of the previous annual stockholders' meeting was dispensed with. Upon motion made and duly seconded, the following resolution was approved:

"RESOLVED, that the minutes of the Annual Stockholders' Meeting of Paxys, Inc. held on May 10, 2024 be, as it is hereby, approved."

The Assistant Corporate Secretary announced that stockholders owning at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock, voted in favor of approving the minutes, while zero (0) shares voted against and zero (0) shares abstained on the matter. It was noted that the affirmative votes were sufficient to approve the resolution.

MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

The next matter on the agenda was the Annual Report of Management to the stockholders. The Chairman presented the highlights of management report, copies of which had been previously distributed to the stockholders together with the audited financial statements as of calendar year ended December 31, 2024.

The Chairman reported that there was a 58% decrease in total revenues from ₱16.7 Million in 2023 to ₱7 Million in 2024. Revenues were mainly from the business of the Corporation's operating subsidiary, Scopeworks. The major component of the revenue of Scopeworks was Managed Services, and the decrease was due to the end of the term of the facility management contracts in May and June 2024.

The direct cost and expenses for 2024 were 2% lower than the same period in 2023. The reduction was a result of cost savings initiatives undertaken by the Corporation to mitigate the effect of the decrease in revenues for the year.

Other Income, which pertains mainly to interest income from the Company's surplus funds, increased by 14% due to a favorable increase in global interest rates as compared to the previous year.

In summary, the service income decreased from ₱16.7 million to ₱7 million, while costs of services decreased and cost cutting initiatives were undertaken by management. General and administrative expenses increased from ₱82.6 million in 2023 to ₱87.2 million in 2024 but was covered by the increase in Other Income from ₱201.4 million to ₱213.6 million.

The overall result was a Net Income of ₱132.3 Million, which was an increase of more than ₱21 Million or about 20% from 2023 Net Income of ₱110.7 Million.

The Total Assets of the Corporation were mainly cash equivalents and investment securities, in which 85% was in USD denominated instruments. The funds were invested in short term placements and liquidity funds. The improvement in Total Assets were due to better global interest rates and the appreciation of the USD from ₱55.37 in 2023 to ₱57.85 at the end of 2024. Total Equity increased by 6% from the previous year due to the increase in Net Income of over ₱21 million and the increase in equity reserves of ₱ 137 million brought about by the appreciation of the USD.

There being no questions or objections after the report, a motion was requested from the floor. Upon motion made and duly seconded, the following resolution was approved:

“RESOLVED, that the annual Management Report and the Corporation’s audited financial statements for year ended December 31, 2024 be, as it is hereby, approved.”

The Assistant Corporate Secretary announced that stockholders owning at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock, voted in favor of approving the management report and the audited financial statements for the year ended December 31, 2024, while zero (0) shares voted against and zero (0) shares abstained on the matter. It was noted that the affirmative votes were sufficient to approve the resolution.

Thereafter, the Assistant Corporate Secretary was requested to preside over the remainder of the meeting.

RATIFICATION OF PREVIOUS CORPORATE ACTS

The next item on the agenda was the ratification of the acts of the Board of Directors, officers, and management of the Corporation from the last annual stockholders’ meeting to date. A summary of these acts was included in the Definitive Information Statement that was distributed to the stockholders prior to the meeting.

There being no questions or objections, a motion was requested on the matter. Upon motion made and duly seconded, the following resolution was approved:

“RESOLVED, that all acts, contracts, resolutions, and actions of the Board of Directors and Management of the Corporation from the date of the last annual stockholders’ meeting up to the present be, as they are hereby, approved, ratified and confirmed.”

The Assistant Corporate Secretary announced that stockholders owning at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock, voted in favor of ratifying and approving the acts, while zero (0) shares

voted against and zero (0) shares abstained on the matter. It was noted that the affirmative votes were sufficient to approve the resolution.

ELECTION OF DIRECTORS

The next matter on the agenda was the election of the members of the Board of Directors of the Corporation.

The Assistant Corporate Secretary explained that under the SEC rules, nominations for regular and independent directors shall be submitted to and evaluated by the Nominations Committee. No other nominations for independent director shall be entertained after the Final List of Candidates is issued and no further nominations shall be allowed on the floor during the actual annual stockholders' meeting.

The following were nominated as members of the Board of Directors for the term 2025-2026 and until their successors are duly elected and qualified in accordance with the By-Laws:

For Regular Directors:

1. TARCISIO M. MEDALLA
2. ROGER LEO A. CARIÑO
3. CHRISTOPHER B. MALDIA
4. LIM GHEE KEONG
5. ROBERTO A. ATENDIDO

and for Independent Directors:

6. GEORGE EDWIN Y. SYCIP
7. JOSE ANTONIO A. LICHAUCO

The respective profiles of the nominees were included in the Definitive Information Statement distributed to the stockholders before the meeting.

Management also proposed the re-nomination of Mr. SyCip and Mr. Lichauco who have served as independent directors for more than nine years. Management believes that their re-election as independent directors will be beneficial to the continuing growth, strategic direction, and corporate governance of the Company. Management further believes that their industry experience and knowledge would be most valuable in the successful governance of the Company.

There were only 5 nominees for the 5 available seats for regular director, and 2 nominees for the 2 available seats for independent director. It was explained that the nominees who received the highest number of votes for the 5 available seats for regular director, and for the 2 available seats for independent director, would be declared as the duly elected members of the Board of Directors for 2025-2026.

The Assistant Corporate Secretary announced that based on the tabulation and validation by the Company's stock and transfer agent, stockholders owning at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock, voted to elect all the seven (7) candidates to the Board of Directors. The seven (7) candidates were therefore declared as the duly elected members of the Board of Directors of the Company for the term 2025-2026 to act as such until their successors are duly elected and qualified.

The Chairman also declared that the independent directors on the Board are Mr. George Edwin Y. Sycip and Mr. Jose Antonio A. Lichauco.

APPOINTMENT OF EXTERNAL AUDITORS

The meeting proceeded with the appointment of the external auditors of the Corporation for the current year. Following its review of the qualifications and performance of the Corporation's current external auditor, Reyes, Tacandong & Co., the Company's Audit, Risk Management, and Related-Party Transactions Committee endorsed its reappointment for the year 2025.

There being no questions or objections, a motion was requested on the matter. Upon motion made and duly seconded, the following resolution was approved:

"RESOLVED, that the accounting firm of Reyes Tacandong & Co. be, as it is hereby, reappointed external auditors of the Company for the year 2025."

The Assistant Corporate Secretary announced that stockholders owning at least 976,604,750 shares representing at least 85.03% of the outstanding capital stock, voted in favor of the reappointment of Reyes, Tacandong & Co., while zero (0) shares voted against and zero (0) shares abstained on the matter. It was noted that the affirmative votes were sufficient to approve the resolution.

OTHER MATTERS / QUESTION AND ANSWER

The Chairman inquired if there were any questions or comments on the agenda. The Assistant Corporate Secretary confirmed that there were no questions or comments received by email prior to the meeting and no questions were raised during the meeting.

ADJOURNMENT

There being no further business to transact on motion duly made and seconded, the meeting was adjourned.



ANA MARIA MARGARITA A. KATIGBAK
Assistant Corporate Secretary

ANNEX "A"

LIST OF ATTENDEES:

1. TARCISIO M. MEDALLA, as proxy for:	
All Asia Customer Services Holdings Limited	621,260,820
AB Capital Sec., Inc. (PCD) FAO All Asia Customer Services Holdings Limited	3,970,818
S.J. Roxas & Co., Inc. (PCD) FAO All Asia Customer Services Holdings Limited	5,612,400
Deutsche Bank Manila Client AC (PCD) FAO Paxys N.V.	345,622,477
2. TARCISIO M. MEDALLA	1,120
3. ROBERTO A. ATENDIDO	2,200
4. CHRISTOPHER B. MALDIA	129,520
5. ROGER LEO A. CARIÑO	1,120
6. JOSE ANTONIO A. LICHAUCO	120
7. CANDIDO TALOSIG JR. with AFRICA, GRACIELE	750
8. CANDIDO TALOSIG JR. ITF Aikesari Kaneshi A.	1,000
9. CANDIDO TALOSIG JR. ITF Trekkah Kareish A.	1,000
10. CANDIDO TALOSIG JR. ITF Gityahla Kashiema A.	1,000
11. EDWARD BARJA	400
12. VALERIANO PEDRO PLANTILLA III	5



SECURITIES AND EXCHANGE COMMISSION

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The following document has been received:

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Company Information

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Company Name: PAXYS INC.

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

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Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Consolidated, Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

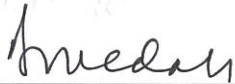
The management of **Paxys, Inc. and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, including the schedules attached therein, 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 the 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 to do so.

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Tarcisio M. Medalla
Chairman of the Board and President



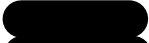
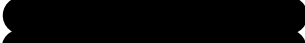


Pablito O. Lim
Group Chief Financial Officer

Signed this 16th day of March 2026.

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S. S.

Before me, a Notary Public for and in Makati City this 16th day of March 2026,
personally appeared the following:

<u>Name</u>	<u>Passport No.</u>	<u>Date/Place of Issue</u>
Mr. Tarcisio M. Medalla		
Mr. Pablito O. Lim		

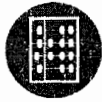
known to me to be the same persons who executed the foregoing instrument and that they
acknowledged to me that the same is their free and voluntary act and deed and that of the
corporation they represent.

IN WITNESS WHEREOF, I have hereunto affixed my notarial seal at the date and place first
above written.



ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 566188 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

Doc. No. 376 ;
Page No. 76 ;
Book No. XXII ;
Series of 2026



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Paxys, Inc.
15th Floor, 6750 Ayala Office Tower
Ayala Avenue, Makati City

Opinion

We have audited the consolidated financial statements of Paxys, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023 and notes to consolidated financial statements, including a summary of 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 the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 (Code of Ethics), as applicable to the audits of financial statements of public entities, together with the ethical requirements that are relevant to the audit of the consolidated financial statements of the 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 Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current year 2025.

This matter was 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 this matter.

Accounting for Financial Assets

The Group has significant amount of financial assets, which mainly consist of cash and cash equivalents and investment securities. This is significant to our audit because the aggregate balance of financial assets amounting to ₱4,580 million as at December 31, 2025, comprise 99% of the Group's total assets. Moreover, the classification and measurement of financial instruments involves judgment in determining the business model to be used in managing the financial instruments to achieve the Group's business objectives and the determination of impairment losses on financial assets are determined based on estimates of expected credit losses. Also, there is a need to verify the existence of the financial assets.



We have assessed the propriety of recognition, classification and measurement, as well as management's assessment of the impairment of financial assets. Our audit procedures included, among others, (a) understanding of the Group's financial asset management and recording process; (b) evaluating the propriety of the classification of financial instruments based on the duly approved business model; (c) testing the reasonableness of recognized interest income and the changes in fair values of financial assets measured at fair value through profit or loss and other comprehensive income; (d) evaluating management's assessment of impairment losses on financial assets based on expected credit losses; and (e) verifying the existence of financial assets by obtaining external confirmations from, banks and financial institutions, the underlying documents.

Necessary disclosures are included in Note 5, *Cash and Cash Equivalents*, Note 6, *Investment Securities*, and Note 22, *Financial Instruments*.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (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 auditors' 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 auditors' 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 in the foregoing 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.



Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the subsidiaries or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We confirm that we have complied with the ethical requirements applicable to the audit of the Company's financial statements as at for the year ended December 31, 2025, including the independence requirements applicable to audits of public interest entities.

In accordance with these requirements, we have communicated to you all relationships and other matters that, in our professional judgement, may reasonably be thought to bear on our independence. Where applicable, we have also communicated the related safeguards applied to eliminate or reduce identified threats to independence.

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 year and are therefore considered key audit matters. We describe these matters in our auditors' 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 auditors' report is Michelle R. Mendoza-Cruz.

REYES TACANDONG & Co.


MICHELLE R. MENDOZA-CRUZ

Partner

CPA Certificate No. 97380

Tax Identification No. 201-892-183-000

BOA Accreditation No. 4782/P-011; Valid until June 6, 2026

SEC Accreditation No. 97380-SEC Group A

Issued April 8, 2021

Valid for Financial Periods 2024 to 2025

BIR Accreditation No. 08-005144-012-2025

Valid until September 10, 2028

PTR No. 10764028

Issued January 2, 2026, Makati City

March 16, 2026

Makati City, Metro Manila

PAXYS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Amounts in Thousands

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	5	P3,357,776	P1,835,357
Investment securities	6	947,709	2,436,422
Trade and other receivables	7	86,518	94,597
Other current assets	8	39,612	36,375
Current portion of right-of-use assets	21	3,596	—
Total Current Assets		4,435,211	4,402,751
Noncurrent Assets			
Investment securities - non-current	6	186,399	—
Property and equipment	10	318	122
Right-of-use assets - net of current portion	21	—	10,789
Other noncurrent assets	11	7,096	7,218
Total Noncurrent Assets		193,813	18,129
		P4,629,024	P4,420,880
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	P23,377	P23,922
Current portion of lease liabilities	21	2,812	8,127
Income tax payable		21	128
Total Current Liabilities		26,210	32,177
Noncurrent Liabilities			
Retirement liability	13	29,041	26,497
Lease liabilities - net of current portion	21	—	2,812
Total Noncurrent Liabilities		29,041	29,309
Total Liabilities		55,251	61,486
Equity			
	14		
Capital stock		1,148,535	1,148,535
Additional paid-in capital		451,364	451,364
Parent shares held by a subsidiary		(1,149,886)	(1,149,886)
Retained earnings		3,298,264	3,160,976
Other equity reserves		825,496	748,405
Total Equity		4,573,773	4,359,394
		P4,629,024	P4,420,880

See accompanying Notes to Consolidated Financial Statements.

PAXYS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Amounts in Thousands, except Basic/Diluted Earnings per Share

		Years Ended December 31		
	Note	2025	2024	2023
SERVICE INCOME		₱3,497	₱10,722	₱20,156
INTEREST INCOME	18	222,928	217,532	189,909
COST AND EXPENSES	16	(92,926)	(96,164)	(98,255)
NET FOREIGN EXCHANGE GAIN (LOSS)		2,624	2,843	(471)
INTEREST EXPENSE ON LEASE LIABILITY	21	(317)	(674)	(1,422)
OTHER INCOME	18	9,319	7,289	9,907
INCOME BEFORE INCOME TAX		145,125	141,548	119,824
PROVISION FOR CURRENT INCOME TAX	19	(7,837)	(9,176)	(9,099)
NET INCOME		₱137,288	₱132,372	₱110,725
BASIC/DILUTED EARNINGS PER SHARE	20	₱0.171	₱0.165	₱0.138

See accompanying Notes to Consolidated Financial Statements.

PAXYS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Amounts in Thousands

	Note	Years Ended December 31		
		2025	2024	2023
NET INCOME		₱137,288	₱132,372	₱110,725
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items to be Reclassified to Profit or Loss</i>				
Translation adjustments		58,249	156,589	(22,703)
Unrealized fair value gain (loss) on investment securities	6	18,842	(1,503)	16,961
<i>Item not to be Reclassified to Profit or Loss</i>				
Remeasurement loss on retirement liability	13	-	(18,327)	-
		77,091	136,759	(5,742)
TOTAL COMPREHENSIVE INCOME		₱214,379	₱269,131	₱104,983

See accompanying Notes to Consolidated Financial Statements.

PAXYS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Amounts in Thousands

	Note	Years Ended December 31		
		2025	2024	2023
CAPITAL STOCK	14	₱1,148,535	₱1,148,535	₱1,148,535
ADDITIONAL PAID-IN CAPITAL	14	451,364	451,364	451,364
PARENT SHARES HELD BY A SUBSIDIARY	14	(1,149,886)	(1,149,886)	(1,149,886)
RETAINED EARNINGS				
Balance at beginning of year		3,160,976	3,028,604	2,917,879
Net income		137,288	132,372	110,725
Balance at end of year		3,298,264	3,160,976	3,028,604
OTHER EQUITY RESERVES				
Cumulative Translation Adjustment				
Balance at beginning of year		839,625	683,036	705,739
Translation gain (loss)		58,249	156,589	(22,703)
Balance at end of year		897,874	839,625	683,036
Cumulative Fair Value Changes on Investment Securities				
	6			
Balance at beginning of year		(72,598)	(71,095)	(88,056)
Net unrealized gain (loss)		18,842	(1,503)	16,961
Balance at end of year		(53,756)	(72,598)	(71,095)
Cumulative Remeasurement Losses on Retirement Liability				
	13			
Balance at beginning of year		(18,622)	(295)	(295)
Remeasurement loss		—	(18,327)	—
Balance at end of year		(18,622)	(18,622)	(295)
		825,496	748,405	611,646
		₱4,573,773	₱4,359,394	₱4,090,263

See accompanying Notes to Consolidated Financial Statements.

PAXYS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Amounts in Thousands

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		P145,125	P141,548	P119,824
Adjustments for:				
Interest income	18	(222,928)	(217,532)	(189,909)
Provision for ECL on receivables		20,764	5,799	6,756
Depreciation and amortization	18	7,385	13,479	20,845
Net unrealized foreign exchange loss (gain)		(2,624)	(2,843)	561
Retirement benefits expense	13	2,544	1,261	572
Interest expense on lease liabilities	21	317	674	1,422
Provision for impairment loss on input VAT	8	25	-	-
Gain on disposal of property and equipment	18	-	(1,429)	-
Operating loss before working capital changes		(49,392)	(59,043)	(39,929)
Decrease (increase) in:				
Trade and other receivables		(4,257)	(2,888)	(13,433)
Other current assets		(3,262)	(3,132)	(2,134)
Other noncurrent assets		174	2,762	336
Decrease in:				
Trade and other payables		(545)	(3,516)	(337)
Other noncurrent liabilities		-	(3,046)	-
Net cash used for operations		(57,282)	(68,863)	(55,497)
Interest received		211,838	212,923	151,512
Income taxes paid		(7,944)	(9,062)	(9,205)
Net cash provided by operating activities		146,612	134,998	86,810
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from:				
Redemption of investment securities	6	1,601,034	427,825	237,532
Disposal of property and equipment	10	-	1,429	-
Additions to:				
Investment securities	6	(195,328)	(1,148,980)	(768,925)
Property and equipment	10	(370)	(89)	(6)
Intangible assets	11	(70)	-	-
Decrease (increase) in due from related parties		10,957	(12,421)	5,272
Net cash provided by (used in) investing activities		1,416,223	(732,236)	(526,127)

(Forward)

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOW FROM A FINANCING ACTIVITY				
Payments of lease liabilities	21	(P8,444)	(P13,312)	(P22,381)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,554,391	(610,550)	(461,698)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(31,972)	73,778	(13,442)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,835,357	2,372,129	2,847,269
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	P3,357,776	P1,835,357	P2,372,129

See accompanying Notes to Consolidated Financial Statements.

PAXYS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025 AND 2024 AND FOR THE
YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

Amounts in Thousands, Except as Indicated

1. Corporate Information

Paxys, Inc. (Paxys or the Parent Company) is an investment holding company incorporated in the Philippines and listed (stock symbol: PAX) in the Philippine Stock Exchange (PSE). The Parent Company was formerly known as Fil-Hispano Holdings Corporation and registered with the Philippine Securities and Exchange Commission (SEC) on February 14, 1952. On June 18, 2001, the SEC approved the extension of the corporate existence of the Parent Company for 50 years until February 2052. However, in accordance with the Revised Corporation Code of the Philippines, effective February 23, 2019, the Parent Company shall have a perpetual existence.

On March 22, 1971, the shares of the Parent Company at ₱1 par value a share were listed with the PSE. As at December 31, 2025 and 2024, 1,148,534,866 common shares of the Parent Company are listed and traded in the PSE at the price of ₱2.61 and ₱1.70 per share, respectively.

As at December 31, 2025 and 2024, the major shareholders of the Parent Company are All Asia Customer Services Holdings Ltd (AACSHL), a company incorporated in Hong Kong, and Paxys N.V., a wholly owned subsidiary of the Parent Company, with 54.93% and 30.09% equity interest, respectively.

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

The registered office address of the Parent Company is at 15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City.

Approval of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were authorized for issue by the Board of Directors (BOD) on March 16, 2026, upon endorsement by the Group's Audit, Risk Management, and Related Party Transactions Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation

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

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, which is the functional currency of the Parent Company. All amounts are rounded to the nearest thousands, unless otherwise stated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for investment securities measured at fair value through other comprehensive income (FVOCI), retirement liability and lease liabilities that are measured at present value of defined benefit obligation less fair value of plan assets and at present value of minimum lease payments, respectively.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset or the fair value of the consideration received in exchange for incurring a liability.

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: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

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

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 and/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 the active market 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 reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

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 discussed in the foregoing.

Information about the assumptions made in measuring fair value is included in the following notes to consolidated financial statements:

Note 3, *Significant Judgments, Accounting Estimates and Assumptions*

Note 22, *Financial Instruments*

Adoption of Amendments to PFRS Accounting Standards

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

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

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

New and Amended PFRS Accounting Standards Issued But Not Yet Effective

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

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

- Amendments to PFRS Accounting Standards 9, *Financial Instruments*, and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvement to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.

- Amendments to PFRS 9, *Financial Instruments* - The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments*, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.
- Amendments to PFRS 10, *Consolidated Financial Statements* – The amendments clarify that when the investor considers its de facto agent’s decision-making rights and its indirect exposure, or rights, to variable returns is only an example in which judgement is required to determine whether a party is acting as a de facto agent.
- Amendments to PAS 7, *Statement of Cash Flows* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.

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

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

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

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries, which it controls as at December 31 of each year. The Parent Company has control when it is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

The wholly-owned subsidiaries of the Parent Company are as follows:

	Line of Business	Principal Place of Business
Paxys N.V.	Investment holding	Curacao
Paxys Ltd.	Investment holding	Hong Kong
Scopeworks Asia, Inc (SWA)	Business process outsourcing	Philippines
Paxys Realty, Inc. (PRI)	Real estate	Philippines
Paxys Global Services Pte. Ltd. (PGSPL)	Business process outsourcing	Singapore
Regional Operating Headquarters of PGSPL (PGS ROHQ)	Shared services	Philippines

SWA, PRI, PGSPL and PGS ROHQ are currently not in operations.

Each entity determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity, and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of all the subsidiaries, except Paxys N.V., Paxys Ltd. and Paxys Global Services Pte. Ltd., is the Philippine Peso. The functional currency of Paxys N.V., Paxys Ltd. and Paxys Global Services Pte. Ltd. is the United States Dollar (US\$). As at reporting date, the assets and liabilities of Paxys N.V., Paxys Ltd and Paxys Global Services Pte. Ltd. have been translated to the functional and presentation currency of the Parent Company (the Philippine Peso) at the closing exchange rate, while the profit and loss accounts are translated using weighted average exchange rate. The exchange differences arising on the translation of these accounts are recorded in the "Cumulative translation adjustment," a separate component of equity included as part of "Other equity reserves."

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control and continue to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of equity interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

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; or
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The separate financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using uniform accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

If the Parent Company loses control over a subsidiary, it:

- Derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position;
- Recognizes any investment retained in the former subsidiary when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRS Accounting Standards. The remaining equity interest is remeasured and the remeasured value is regarded as the fair value on initial recognition of a financial asset, when appropriate, the cost on initial recognition of an investment in an associate or joint venture; and

- Recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset or liability in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of a financial instrument. In the case of a regular way of purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those measured or designated at fair value profit or loss (FVPL), includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

Financial Assets

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of a financial instrument largely depends on the Group’s business model and its contractual cash flow characteristics.

Financial Assets at FVPL. Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not sole payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship.

The Group has no financial assets at FVPL as at December 31, 2025 and 2024.

Financial Assets at FVOCI. For debt instruments, financial assets should be measured at fair value through other comprehensive income if both of the following conditions are met:

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

For equity instruments, the Group irrevocably designates the financial asset to be measured at FVOCI notwithstanding the foregoing conditions.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When debt instruments carried at FVOCI are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in other comprehensive income and presented in the equity section of the consolidated statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent years.

Financial Assets at Amortized Cost. A financial asset should be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized, impaired and through an amortization process.

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

The Group classifies its cash and cash equivalents, investment securities, trade and other receivables, and rental and security deposits under this category.

Financial Liabilities

Classification. The Group classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

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

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost unless either the financial liability is held for trading and is therefore required to be measured at FVPL or the entity elects to measure the liability at FVPL. Financial liabilities are recognized when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. These financial liabilities are initially recognized at fair value less any directly attributable transaction costs.

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

The Group classifies its trade and other payables (excluding statutory payables), and lease liabilities under this category.

Reclassification

The Group reclassifies its financial assets when, and only when, the Group changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting year following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income.

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

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

Impairment of Financial Assets

The Group assesses at the end of each reporting year whether a financial asset or a group of financial assets is impaired.

The Group recognizes impairment loss based on expected credit loss (ECL), which is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Group calculates impairment based on lifetime ECL using a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, which comprise cash equivalents, investment securities, other receivables (including due from related parties) and rental and security deposits, ECL is based on 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date.

However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort and indicative of significant increases in credit risk since initial recognition.

Financial assets are written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition of Financial Assets and Liabilities

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized by the Group when:

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

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

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

Offsetting of Financial Instruments

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

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of financial liability.

Investments in Joint Ventures

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

Interest in a joint venture is initially recognized at cost and subsequently accounted for under the equity method of accounting. Under the equity method of accounting, the interest in a joint venture is carried at cost plus post-acquisition changes in the Group's share in the net assets of the joint venture, less any impairment in value. The share in the results of the operations of the joint venture is recognized in profit or loss. The Group's share of post-acquisition movements in the joint venture's equity reserves is recognized directly in equity.

Profits or losses resulting from the transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the interest. If the Group's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Group discontinues recognizing its share of further losses.

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

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

Property and Equipment

Property and equipment are carried at historical cost less accumulated depreciation, amortization and any impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged to profit or loss in the year these are incurred.

Major renovations that qualify for capitalization are depreciated and amortized over the remaining useful life of the related asset or up to the date of the next major renovation, whichever is shorter.

Depreciation and amortization are calculated using the straight-line method to allocate the cost over the estimated useful lives of the assets as follows:

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

Depreciation and amortization commence when an asset is in its location or condition capable of being operated in the manner intended by management. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale, and the date the asset is derecognized.

The estimated useful lives and depreciation and amortization method of property and equipment are reviewed, and adjusted if appropriate, periodically to ensure that these are consistent with the expected pattern of economic benefits from the items of property and equipment.

Fully depreciated property and equipment are retained in the books until these are no longer being used in the operations.

When an asset is disposed of or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation, amortization and any impairment are derecognized. Gains and losses on disposals or retirement are determined by comparing the proceeds with the carrying amount of the assets and are recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amount of right-of-use (ROU) assets, property and equipment and investments in joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Nonfinancial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized. After such a reversal, the depreciation and amortization are adjusted in future years to allocate the asset's revised carrying amount on a systematic basis over its remaining estimated useful lives.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued.

Additional Paid-in Capital. Additional paid-in capital includes any premium received in the initial issuances of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of tax.

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

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss, dividend distributions, effects of the changes in accounting policy and other capital adjustments.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises items of income and expenses (including items previously presented as other equity reserves under the consolidated statements of changes in equity) that are not recognized in profit or loss for the year. Other comprehensive income (loss), which is presented as "Other equity reserves," includes cumulative translation adjustment, cumulative fair value changes on investment securities and cumulative remeasurement gains or losses on retirement liability.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

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

Service Income. Revenue is recognized as services are rendered.

Interest income is outside the scope of PFRS Accounting Standards 15. Specific recognition criteria is as follows:

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

Other Income. Revenue is recognized when the earning process is complete, and the flow of economic benefit is reasonably assured.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the year in the form of outflows, decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Cost of Services. Cost of services is recognized as expenses when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute the costs of administering the business and costs incurred to sell and market the services. These expenses are recognized in profit or loss as incurred.

Interest Expense. Interest expense is recognized on lease liabilities which are measured at amortized cost using the effective interest method.

Employee Benefits

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

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided. The unpaid portion of the short-term employee benefits is measured on an undiscounted basis and is included as part of "Trade and Other Payables" account in the consolidated statements of financial position.

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

The Group recognizes service costs, comprising of current service costs, and interest cost or income in profit or loss. Net interest is calculated by applying the discount rate to the retirement liability.

Remeasurements of the retirement liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income.

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

Actuarial valuations are made annually so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Termination Benefits. Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Leases

The Group as a Lessee. The Group recognizes ROU assets and lease liabilities at the lease commencement date. The ROU assets are initially measured at cost comprising the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date less any lease incentives received, any initial direct and restoration costs.

The ROU assets are measured subsequently at cost, less amortization and any impairment losses. In addition, the cost is subsequently adjusted for any remeasurement of the lease liabilities resulting from reassessments or lease modifications.

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

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option payment of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liabilities are measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis of accounting as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group as a Lessor. Leases where the Group retains 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 on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which these are earned.

Foreign Currencies

Transactions and Balances. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item.

Foreign Operations. The assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange ruling at financial reporting date and, the profit and loss amounts are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to "Cumulative translation adjustment," a separate component of equity included as part of "Other equity reserves." Upon disposal of a foreign operation, the cumulative translation adjustment relating to that particular foreign operation is recognized in profit or loss.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting year.

Deferred Tax. Deferred tax is provided on all temporary differences at the end of reporting year 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 liability 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 or loss nor taxable profit or loss. Also, deferred tax liabilities are not provided on taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the parent, investor, joint venturer or joint operator is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year 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 tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting year and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

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

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

Deferred tax relating to items recognized outside profit or loss (either in other comprehensive income or directly in equity) is recognized outside profit or loss (either in other comprehensive income or directly in equity).

Related Party Relationship and Transactions

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, by owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Earnings per Share

The Group presents basic and diluted earnings per share. Basic and diluted earnings per share is calculated by dividing the net income by the weighted average number of common shares outstanding during the year, excluding parent shares held by a subsidiary.

There are no potential dilutive common shares as at December 31, 2025 and 2024.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The operating results of an operating segment are reviewed regularly by the chief operating decision maker, which is defined to be the Parent Company's BOD, to determine the resources to be allocated to the segment and assess its performance, and for which financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property and equipment and intangible assets.

Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and 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 pretax 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.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. 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.

Events after the Reporting Year

Post year-end events that provide additional information about the Group's financial position at the end of reporting year (adjusting events) are reflected in the consolidated financial statements when material. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements, when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires the Group to exercise judgments, make accounting estimates and use assumptions that affect the reported amounts of assets, liabilities, income, expenses and related disclosures. The Group makes accounting estimates and uses assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as these become reasonably determinable.

Judgments, accounting estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group believes the following represent a summary of significant judgments, accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, as well as to the related revenues and expenses, within the next year, and related impact and associated risk in the consolidated financial statements.

Judgments

In the process of applying the Group's accounting policies, management exercises judgment on the following items, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Determining the Functional Currency. Based on the economic substance of the underlying circumstances, the Group has determined that its functional currency is the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Parent Company and certain subsidiaries operate. It is the currency that has the greater economic influence to the Group.

Recognizing the Deferred Tax Liability on Undistributed Income of a Foreign Subsidiary. Since Paxys N.V., a company incorporated and domiciled in Curacao, is a wholly owned subsidiary of the Parent Company, management believes that the Parent Company can control the timing of the dividend distribution of Paxys N.V. to the Parent Company and it is probable that the temporary difference will not reverse in the foreseeable future. Thus, no deferred tax liability was recognized on the undistributed income of Paxys N.V. Unrecognized deferred tax liability on undistributed income of a foreign subsidiary amounted to ₱914.0 million and ₱875.8 million as at December 31, 2025 and 2024 (see Note 19).

Determining the Classification of Financial Instruments. Classification of financial instruments under PFRS Accounting Standards 9 depends on the results of the business model test and "sole payment of principal and interest" (SPPI) test performed by the Group. The Group exercises judgment in determining the business model to be used in managing its financial instruments to achieve its business objectives.

The classification of various financial assets and liabilities of the Group are disclosed in Note 2.

Accounting Estimates and Assumptions

The key assumptions concerning future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when these occur.

Determining the Fair Value of Financial Instruments. Certain financial assets are carried at fair value and whose fair values are disclosed, which requires extensive use of accounting estimates. When the fair values of financial assets recorded or disclosed in the consolidated statements of financial position cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair values of financial assets and liabilities are presented in Note 22, *Financial Instruments*.

Assessing Impairment Losses on Financial Assets. Impairment losses on financial assets are determined based on expected credit losses. In assessing the expected credit losses, the Group uses historical loss experience adjusted for forward-looking factors, as appropriate.

The Group's cash and cash equivalents and investments securities are maintained at reputable financial institutions with good industry rating and score.

For investment securities, the Group estimates impairment based on 12-month expected credit loss. Investment securities at amortized cost and FVOCI, which have credit quality equivalent to "high grade" and have low credit risk at reporting date, are presumed to have no significant increase in credit risk since initial recognition.

The Group estimates impairment on trade receivables based on lifetime expected credit loss using a provision matrix that is based on days past due and takes into consideration historical credit loss experience, adjusted for forward-looking factors, as applicable. Management recognizes losses on credit-impaired receivables from related parties considering its ability to pay based on its available assets.

Provision on trade and other receivables in 2025, 2024, and 2023 is disclosed in Note 7 to the consolidated financial statements.

No provision for impairment losses on investment securities classified under financial assets at amortized cost and FVOCI were recognized in 2025, 2024 and 2023.

The carrying amounts of financial assets at amortized cost and FVOCI as at December 31, 2025 and 2024 are disclosed in Notes 5, 6, 7, and 21 to the consolidated financial statements.

Assessing the Impairment of Nonfinancial Assets. The Group assesses at the end of each reporting year whether there is any indication that the nonfinancial assets listed below may be impaired. If such an indication exists, the Group estimates the recoverable amount of the asset, which is the higher of an asset's fair value less costs to sell and its value-in-use. In determining fair value less costs to sell, an appropriate valuation model is used, which can be based on quoted prices or other available fair value indicators. In estimating the value-in-use, the Group is required to make an estimate of the expected future cash flows from the cash generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows.

Determining the recoverable amounts of the nonfinancial assets, which involves the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the use of estimates and assumptions that can materially affect the consolidated financial statements. Future events could indicate that these nonfinancial assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations of the Group.

The carrying amount of nonfinancial assets that are subject to impairment assessment when impairment indicators are present are disclosed in Notes 8, 10 and 21 to the consolidated financial statements.

Allowance for impairment loss as at December 31, 2025 and 2024 is disclosed in the consolidated financial statements (see Note 8).

Investments in joint ventures are fully provided with allowance for impairment losses as at December 31, 2025 and 2024 (see Note 9).

Assessing the Realizability of Deferred Tax Assets. The Group reviews the carrying amounts at the end of each reporting year and reduces the amount of 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.

Deferred tax assets as at December 31, 2025 and 2024 were not recognized because management believes that sufficient future taxable income may not be available against which the carry forward benefits of NOLCO, excess of MCIT over RCIT and other deductible temporary differences may be utilized. Details of unrecognized deferred tax assets are disclosed in Note 19.

4. Segment Information

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

Segment Assets and Liabilities. Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, property and equipment and intangible assets. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

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

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

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. For management purposes, the Group is organized into business units based on the services rendered and has two reportable operating segments as follows:

- Services - This segment pertains to managed services, leasing and subleasing, and other outsourcing services. The services segment is managed and operated in the Philippines.
- Investment Holding - This segment includes holding and investment companies, which consist of the Parent Company, Paxys N.V., and other non-operating subsidiaries with excess funds invested in investment securities and other deposits from various banks.

Business Segment Information

The following table presents the revenue and expenses and certain assets and liabilities information of the Group's business segments as at and for the years ended December 31, 2025, 2024 and 2023.

	2025 (Amounts in Thousands)			
	Services	Investment Holdings	Eliminations	Consolidated
Results of Operations				
Service income	₱3,497	₱-	₱-	₱3,497
Interest income	89	222,839	-	222,928
Cost and expenses	(1,902)	(96,117)	5,093	(92,926)
Interest expense on lease liabilities	-	(317)	-	(317)
Other income (charges)	(217)	14,069	(1,909)	11,943
Provision for income tax	(14)	(7,823)	-	(7,837)
Net income	₱1,453	₱132,651	₱3,184	₱137,288
Assets and Liabilities				
Assets	₱30,910	₱6,237,115	(₱1,639,001)	₱4,629,024
Liabilities	43,297	198,951	(186,997)	55,251
Other Segment Information				
Capital expenditures:				
Property and equipment	₱-	₱370	₱-	₱370
Intangible assets	-	70	-	70
Depreciation and amortization	-	7,385	-	7,385

	2024 (Amounts in Thousands)			
	Services	Investment Holdings	Eliminations	Consolidated
Results of Operations				
Service income	₱10,722	₱-	₱-	₱10,722
Interest income	217	217,315	-	217,532
Cost and expenses	(13,544)	(85,376)	2,756	(96,164)
Interest expense on lease liabilities	(42)	(632)	-	(674)
Other income	7,191	9,458	(6,517)	10,132
Provision for income tax	(153)	(9,023)	-	(9,176)
Net income	₱4,391	₱131,742	(₱3,761)	₱132,372
Assets and Liabilities				
Assets	₱38,417	₱6,050,119	(₱1,667,656)	₱4,420,880
Liabilities	48,759	220,420	(207,693)	61,486
Other Segment Information				
Capital expenditures:				
Property and equipment	₱-	₱89	₱-	₱89
Depreciation and amortization	6,067	7,412	-	13,479

	2023 (Amounts in Thousands)			
	Services	Investment Holdings	Eliminations	Consolidated
Results of Operations				
Service income	₱20,156	₱-	₱-	₱20,156
Interest income	562	189,347	-	189,909
Cost and expenses	(15,607)	(82,648)	-	(98,255)
Interest expense on lease liabilities	(490)	(932)	-	(1,422)
Other income (charges)	10,383	(923)	(24)	9,436
Provision for income tax	(229)	(8,870)	-	(9,099)
Net income	₱14,775	₱95,974	(₱24)	₱110,725
Assets and Liabilities				
Assets	₱50,763	₱5,754,824	(₱1,654,340)	₱4,151,247
Liabilities	61,812	189,546	(190,374)	60,984
Other Segment Information				
Capital expenditures:				
Property and equipment	₱-	₱6	₱-	₱6
Depreciation and amortization	13,155	7,690	-	20,845

5. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	₱165,858	₱46,534
Cash equivalents	3,191,918	1,788,823
	₱3,357,776	₱1,835,357

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

Total interest income earned from cash and cash equivalents amounted to ₱126.2 million in 2025, ₱109.2 million in 2024 and ₱127.9 million in 2023 (see Note 18).

6. Investment Securities

This account consists of financial assets measured at:

	2025	2024
FVOCI	P665,365	P886,793
Amortized cost	468,743	1,549,629
	P1,134,108	P2,436,422

	2025	2024
Current	P947,709	P2,436,422
Noncurrent	186,399	-
	P1,134,108	P2,436,422

Financial Assets at FVOCI

These pertain to investment in fixed income securities held to collect and sell designated as FVOCI.

Movements in financial assets at FVOCI follow:

	2025	2024
Balances at beginning of year	P886,793	P1,245,519
Additions	8,942	-
Redemptions	(265,913)	(416,074)
Unrealized fair value gain (loss)	18,842	(1,503)
Translation adjustment	16,701	58,851
Balances at end of year	P665,365	P886,793

Unrealized fair value gain amounting to P18.8 million in 2025 and unrealized fair value loss amounting to P1.5 million in 2024 were reported in other comprehensive income.

Interest income earned from these financial assets amounted to P34.0 million in 2025, P49.7 million in 2024 and P51.0 million in 2023 (see Note 18).

Financial Assets at Amortized Cost

These consist of bonds intended to be held through maturity with fixed interest rate and maturity date until 2032. Interest income earned from these bonds amounted to P62.7 million in 2025, P58.6 million in 2024 and P11.0 million in 2023 (see Note 18).

Movements in financial assets at amortized cost follow:

	2025	2024
Balances at beginning of year	P1,549,629	P371,569
Redemption	(1,335,121)	(11,751)
Additions	186,386	1,148,980
Discount amortization	41,844	23,447
Translation adjustment	26,005	17,384
Balances at end of year	468,743	1,549,629
Current portion	282,344	1,549,629
Noncurrent portion	P186,399	P-

7. Trade and Other Receivables

This account consists of:

	Note	2025	2024
Trade		₱10,376	₱10,376
Due from related parties	15	102,368	113,325
Accrued interest		74,306	63,216
Others		24,901	20,643
		211,951	207,560
Allowance for impairment losses		(125,433)	(112,963)
		₱86,518	₱94,597

Trade receivables are noninterest bearing with average credit terms of 30 to 60 days.

Accrued interest is normally received within one year after the reporting date.

Other receivables comprise receivables from third parties and employees which are collectible upon demand.

Movements in the allowance for impairment losses are as follows:

	Note	2025	2024
Balance at beginning of year		₱112,963	₱107,426
Provision	16	20,759	5,799
Reversal		(8,289)	(262)
Balance at end of year		₱125,433	₱112,963

Details of allowance for impairment losses as at December 31, 2025 and 2024 are as follows:

	Note	2025	2024
Trade		₱9,616	₱9,616
Due from related parties	15	98,133	85,663
Others		17,684	17,684
		₱125,433	₱112,963

8. Other Current Assets

This account consists of:

	2025	2024
Input VAT	₱83,143	₱80,091
Prepaid expenses	6,101	5,891
	89,244	85,982
Allowance for impairment losses on input VAT	(49,632)	(49,607)
	₱39,612	₱36,375

Prepaid expenses include prepaid insurance, subscriptions and creditable withholding taxes.

Movements in the allowance for impairment losses on input VAT are as follows:

	Note	2025	2024
Balance at beginning of year		₱49,607	₱49,607
Provision	16	25	–
Balance at end of year		₱49,632	₱49,607

9. Investments in Joint Ventures

The Group holds an investment in a joint venture, Simpro Solutions Limited (SSL), which is incorporated in Hong Kong and operates primarily as a call center. The Group owns 50.0% of this joint venture. As of December 31, 2025 and 2024, the total investment in joint ventures has been fully provided with an allowance for impairment losses.

The Group has no outstanding commitments with the joint venture as at December 31, 2025 and 2024. The joint venture has no contingent liabilities or capital investments as at December 31, 2025 and 2024.

10. Property and Equipment

The balances and movements of this account are as follows:

	Note	2025					Total
		Computer Equipment	Communication Equipment	Leasehold Improvements	Office Furniture, Fixtures and Equipment	Transportation Equipment	
Cost							
Balances at beginning of year		₱69,584	₱7,624	₱154,605	₱7,360	₱8,748	₱247,921
Additions		190	–	93	87	–	370
Balances at end of year		69,774	7,624	154,698	7,447	8,748	248,291
Accumulated Depreciation and Amortization							
Balances at beginning of year		69,462	7,624	154,605	7,360	8,748	247,799
Depreciation and amortization	18	91	–	67	16	–	174
Balances at end of year		69,553	7,624	154,672	7,376	8,748	247,973
Net Book Value		₱221	₱–	₱26	₱71	₱–	₱318
2024							
	Note	Computer Equipment	Communication Equipment	Leasehold Improvements	Office Furniture, Fixtures and Equipment	Transportation Equipment	Total
Cost							
Balances at beginning of year		₱110,412	₱7,624	₱158,233	₱13,871	₱9,749	₱299,889
Additions		89	–	–	–	–	89
Disposals		(40,917)	–	(3,628)	(6,511)	(1,001)	(52,057)
Balances at end of year		69,584	7,624	154,605	7,360	8,748	247,921
Accumulated Depreciation and Amortization							
Balances at beginning of year		110,251	7,624	157,984	13,815	9,749	299,423
Depreciation and amortization	18	128	–	249	56	–	433
Disposals		(40,917)	–	(3,628)	(6,511)	(1,001)	(52,057)
Balances at end of year		69,462	7,624	154,605	7,360	8,748	247,799
Net Book Value		₱122	₱–	₱–	₱–	₱–	₱122

As at December 31, 2025 and 2024, fully depreciated property and equipment amounting to ₱18.8 million and ₱18.6 million are still being used by the Group.

In 2024, the Group disposed fully depreciated property and equipment resulting to a gain on disposal of ₱1.4 million (see note 18).

11. Other Noncurrent Assets

This account consists of:

	Note	2025	2024
Creditable withholding tax for tax refund		₱5,137	₱5,137
Rental and security deposits	21	1,905	2,079
Intangible assets		54	2
		₱7,096	₱7,218

Creditable withholding tax for tax refund pertains to unused balance from prior years.

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

Intangible assets pertain to computer software and programs, which are amortized over three to five years. Movements in this account are as follows:

	Note	2025	2024
Cost			
Balance at beginning of year		₱15,624	₱15,624
Additions		70	–
Balance at end of year		15,694	15,624
Accumulated Amortization			
Balance at beginning of year		15,622	15,613
Amortization	18	18	9
Balance at end of year		15,640	15,622
Net Book Value		₱54	₱2

12. Trade and Other Payables

This account consists of:

	Note	2025	2024
Trade		₱893	₱524
Accrued expenses:			
Professional fees		3,441	3,985
Contracted services		3,133	3,293
Taxes and licenses		1,754	1,753
Salaries and wages		401	377
Rent		322	300
Dividends	14	6,554	6,554
Statutory payables		5,884	6,166
Others		995	970
		₱23,377	₱23,922

Trade payables are noninterest-bearing and are normally settled on a 60-day term.

Accrued expenses are normally settled within 30 to 60 days.

Statutory payables represent withholding taxes payable, SSS, HDMF and PhilHealth premiums, and other liabilities to the government agencies which are normally settled in the subsequent month.

13. Retirement Benefits

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

The retirement benefits expense recognized in the consolidated statements of income is as follows (see Note 17):

	2025	2024	2023
Current service costs	₱941	₱993	₱138
Interest costs	1,603	268	434
	₱2,544	₱1,261	₱572

The net cumulative remeasurement gains losses on retirement liability recognized as other comprehensive income follows:

	2025	2024	2023
Balance at beginning of year	(₱18,622)	(₱295)	(₱295)
Remeasurement loss	–	(18,327)	–
Balance at end of year	(₱18,622)	(₱18,622)	(₱295)

Changes in the present value of retirement liability are as follows:

	2025	2024
Balance at beginning of year	₱26,497	₱6,909
Interest costs	1,603	268
Current service costs	941	993
Remeasurement loss	–	18,327
Balance at end of year	₱29,041	₱26,497

The principal assumptions used in determining the retirement liability are shown below:

	2025	2024
Discount rate	6.41%	6.08%
Salary increase rate	2.00%	2.00%

The sensitivity analysis based on reasonably possible changes of the assumptions as at December 31, 2025 is as follows:

	Change in Assumption	Effect on Retirement Liability
Discount rate	+100 bps	(P5,089,614)
	-100 bps	6,264,686
Salary rate	+100 bps	P6,495,237
	-100 bps	(5,333,666)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the defined benefit liability at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The corresponding change in the defined benefit liability was expressed as a percentage change from the base defined benefit liability.

As at December 31, 2025, expected future benefit payments are shown below:

One year	P15,942,521
More than one year	11,748,890
	<u>P27,691,411</u>

The weighted average duration of the defined benefit obligation at the end of the reporting year is at 1.3 years.

14. Equity

Capital Stock

This account consists of the following:

	Number of Shares	Amount
Common Stock "Class A" - P1 par value		
Authorized	1,800,000,000	P1,800,000
Issued and outstanding	1,148,534,866	1,148,535

**Number of shares and par value figures are stated at absolute values.*

Additional Paid-in Capital

This account consists of:

Premium on issuance of shares of stock	P348,213
Premium on forfeited stock option	103,151
	<u>P451,364</u>

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

Parent Shares Held by a Subsidiary

In 2014, Paxys N.V., through a tender offer, purchased 345,622,477 common shares of the Parent Company representing 30.09% of its outstanding capital stock for a total consideration of ₱1,149.9 million.

Retained Earnings

Undistributed retained earnings of a foreign subsidiary amounting to ₱3,656 million and ₱3,503 million as at December 31, 2025 and 2024, respectively, are not available for dividend declaration until these are distributed by the subsidiary to the Parent Company.

Dividends payable of the Parent Company as at December 31, 2025 and 2024 amounted to ₱6.6 million, which pertain to dividends declared in prior years (see Note 12).

15. Related Party Transactions and Balances

In the ordinary course of business, the Group has transactions and balances with related parties pertaining to the following:

Related Parties	Nature of Transaction	Amount of Transactions		Outstanding Balance	
		2025	2024	2025	2024
Trade					
Entity under Common Control	Service fee	₱3,457	₱3,443	₱-	₱-
Due from Related Parties					
Joint Venture	Advances	₱1,218	₱289	₱19,378	₱18,160
Entities with Common Stockholders	Advances (collections)	(12,175)	12,132	82,990	95,165
		(10,957)	12,421	102,368	113,325
Less: allowance for doubtful accounts	Provision for impairment - net of reversal	12,470	5,537	(98,133)	(85,663)
				₱4,235	₱27,662

Service fees charged by the Parent Company to an entity under common control pertain to technical support services.

Due from entities that have common stockholders pertains to advances for working capital purposes.

Outstanding balances are unsecured, noninterest-bearing with no fixed repayment terms and are normally settled in cash. No guarantees have been provided or received for these balances. Impairment assessment is undertaken at each reporting date.

Allowance for impairment losses related to these receivables amounted to ₱98.1 million and ₱85.7 million as at December 31, 2025 and 2024, respectively (see Note 7).

Compensation of Key Management Personnel of the Group

	2025	2024	2023
Salaries and wages	₱11,211	₱13,919	₱13,919
Professional fees	5,988	5,282	5,161
Other short-term benefits	2,474	2,782	3,780
	₱19,673	₱21,983	₱22,860

16. Cost and Expenses

This account consists of:

	Note	2025	2024	2023
Personnel costs	17	₱24,876	₱25,662	₱21,665
Professional fees		22,181	28,499	27,075
Provision for impairment loss on receivables	7	20,764	5,799	6,756
Depreciation and amortization	18	7,385	13,479	20,845
Utilities		3,061	4,268	5,267
Bank charges		3,042	3,598	2,951
Insurance		1,853	1,742	1,559
Security and janitorial services		1,797	1,631	1,540
Communication		1,735	1,739	1,712
Entertainment, amusement and recreation		1,164	1,574	2,306
Membership dues		702	673	660
Rent	21	630	2,190	580
Transportation and travel		351	545	528
Provision for impairment loss on input VAT	8	25	—	—
Others		3,360	4,765	4,811
		₱92,926	₱96,164	₱98,255

Others consist of association dues, taxes and licenses, supplies and repairs and maintenance.

17. Personnel Costs

This account consists of:

	Note	2025	2024	2023
Salaries and wages		₱15,948	₱18,340	₱17,744
Retirement benefits	13	2,544	1,261	572
Trainings		5	14	18
Other employee benefits		6,379	6,047	3,331
		₱24,876	₱25,662	₱21,665

Other employee benefits pertain mainly to statutory contributions, incentives, and health care and insurance benefits of employees.

Personnel costs in 2025, 2024, and 2023 are classified under cost and expenses (see Note 16).

18. Interest Income, Other Income, Depreciation and Amortization

Interest Income

	Note	2025	2024	2023
Cash and cash equivalents	5	₱126,203	₱109,243	₱127,894
Investment securities:	6			
Financial assets at:				
Amortized cost		62,738	58,604	10,969
FVOCI		33,987	49,685	51,046
		₱222,928	₱217,532	₱189,909

Other Income

	Note	2025	2024	2023
Reversal of allowance for impairment loss		₱8,289	₱-	₱-
Realized fair value gain on redemption		1,028	-	-
Rent income		-	4,321	6,890
Gain on disposal of property and equipment	10	-	1,429	-
Income from billed utilities		-	1,252	2,410
Others		2	287	607
		₱9,319	₱7,289	₱9,907

Depreciation and Amortization

This account consists of:

	Note	2025	2024	2023
ROU assets	21	₱7,193	₱13,037	₱20,018
Property and equipment	10	174	433	810
Intangible assets	11	18	9	17
		₱7,385	₱13,479	₱20,845

19. Income Taxes

- a. The components of current income tax expense as presented in the consolidated statements of income are as follows:

	2025	2024	2023
MCIT	₱70	₱309	₱236
Final tax	7,767	8,867	8,863
	₱7,837	₱9,176	₱9,099

- b.

- c. The reconciliation of income tax expense computed at statutory tax rate and provision for income tax as shown in the consolidated statements of income is as follows:

	2025	2024	2023
Income tax at statutory income tax rate	₱36,281	₱35,387	₱29,956
Income tax effects of:			
Nontaxable income	(29,106)	(29,953)	(31,474)
Expired NOLCO	29,127	-	-
Interest income subjected to final tax	(11,203)	(12,570)	(12,223)
Others	-	391	10,897
Net changes in unrecognized net deferred tax assets	(17,679)	15,801	11,744
Expired MCIT	269	171	389
Difference in the tax rates of subsidiaries	148	(51)	(190)
Income tax at the effective tax rate	₱7,837	₱9,176	₱9,099

The Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act or RA No. 11534 was signed into law on March 26, 2021 and took effect on April 11, 2021 which reduced the regular corporate income tax rate from 30% to 25% starting July 1, 2020. For MCIT rate, the prescribed MCIT for the period July 1, 2020 until June 30, 2023 is 1%. Effective July 1, 2023, the MCIT rate reverted to its previous rate of 2% based on the gross income.

- d. Details of unrecognized net deferred tax assets are as follows:

	2025	2024
NOLCO	₱49,731	₱67,647
Allowance for impairment losses on trade and other receivables	9,350	9,318
Retirement liability	7,225	6,589
Excess MCIT over RCIT	573	772
Others	308	540
	₱67,187	₱84,866

Management has assessed that sufficient future taxable income may not be available against which the carry-forward benefits of NOLCO, excess MCIT over RCIT and other deductible temporary differences may be utilized.

As at December 31, 2025 and 2024, the Group did not recognize deferred tax liability on undistributed income of Paxys N.V., a wholly owned subsidiary of the Parent Company, amounting to ₱914.0 million and ₱875.8 million, respectively. Management believes that the Parent Company can control the timing of the dividend distribution of Paxys N.V. to the Parent Company and it is probable that the temporary difference will not reverse in the foreseeable future.

e. Details of carry-forward benefits arising from NOLCO and excess MCIT over RCIT are as follows:

NOLCO

Year Incurred	Balance as at December 31, 2024	Additions	Applied/ Expired	Balance as at December 31, 2025	Available Until
2020	₱62,880	₱-	(₱62,880)	₱-	2025
2021	59,538	-	-	59,538	2026
2022	53,562	-	(53,562)	-	2025
2023	49,404	-	-	49,404	2026
2024	45,423	-	-	45,423	2027
2025	-	46,354	-	46,354	2028
	₱270,807	₱46,354	(₱116,442)	₱200,719	

Under the Republic Act No. 11494, also known as “*Bayanihan to Recover as One Act*,” and Revenue Regulation 25-2020, the Group is allowed to carry-over the NOLCO incurred for taxable year 2020 and 2021 for the next five years immediately following the year of such loss.

MCIT

Year Incurred	Balance as at December 31, 2024	Additions	Applied/ Expired	Balance as at December 31, 2025	Available Until
2022	₱269	₱-	(₱269)	₱-	2025
2023	194	-	-	194	2026
2024	309	-	-	309	2027
2025	-	70	-	70	2028
	₱772	₱70	(₱269)	₱573	

20. Earnings per Share

Basic/diluted earnings per share are computed as follows:

	Note	2025	2024	2023
Net income (a)		₱137,288	₱132,372	₱110,725
Issued and outstanding shares	14	1,148,535	1,148,535	1,148,535
Parent shares held by a subsidiary	14	(345,622)	(345,622)	(345,622)
Number of shares issued and outstanding (b)		802,913	802,913	802,913
Basic/diluted earnings per share (a/b)		₱0.171	₱0.165	₱0.138

There are no potential dilutive common shares as at December 31, 2025, 2024 and 2023.

21. Commitments

Lease Commitments

a. The Group as a Lessee

- i. The Parent Company has an existing lease agreement with a third party for the lease of office space and parking spaces for five years until April 30, 2026. The quarterly rent for parking spaces is subject to escalation rate of 5% per annum. The lease is renewable upon mutual consent of the parties to be covered by a separate lease agreement. As at December 31, 2025 and 2024, refundable security deposit amounted to ₱1.4 million.
- ii. SWA had a non-cancellable five-year agreement with a third party for the lease of an office space in Laguna until October 20, 2024 and was no longer renewed thereafter. The rental rate was subjected to an escalation rate of 7.5% starting January 1, 2024.
- iii. On July 1, 2022, SWA entered into a two-year lease agreement with a third party for the lease of an office space in Cebu until May 17, 2024. The rental rate is subject to an escalation rate of 5% per annum effective on the third year of lease term. The lease was no longer renewed thereafter.
- iv. On June 5, 2024, SWA entered into a one-year lease agreement with a third-party for the lease of an office space in San Pedro, Laguna.

Outstanding rental and security deposits on lease commitments, presented under "Other noncurrent assets" in the consolidated statements of financial position, amounted to ₱1.9 million and ₱2.1 million as at December 31, 2025 and 2024, respectively (see Note 11).

Amounts recognized in the consolidated statements of income follow:

	Note	2025	2024	2023
Amortization of ROU assets	18	₱7,193	₱13,037	₱20,018
Rent expense	16	630	2,190	580
Interest expense on lease liabilities		317	674	1,422
		₱8,140	₱15,901	₱22,020

Rent expenses include rent on low-value asset leases on storage and equipment and short-term leases.

The discount rate of 4% also served as the incremental borrowing rate of the Group.

The movements in the ROU assets are presented below:

	Note	2025	2024
Balance at beginning of year		₱10,789	₱23,826
Amortization	18	(7,193)	(13,037)
Balance at end of year		₱3,596	₱10,789
Current portion		3,596	–
Noncurrent portion		₱–	₱10,789

The movements in the lease liabilities are presented below:

	2025	2024
Balance at beginning of year	₱10,939	₱23,577
Payments	(8,444)	(13,312)
Interest expense	317	674
	2,812	10,939
Current portion	2,812	8,127
Noncurrent portion	₱–	₱2,812

The future minimum lease payments under non-cancellable leases are as follows:

	2025	2024
Within one year	₱2,842	₱8,444
After one year but not more than five years	–	2,842
	₱2,842	₱11,286

b. The Group as a Lessor

SWA also subleased a portion of its office space in Laguna to related parties and third parties, which ended on September 30, 2022. On October 1, 2022, SWA subleased office space to a third party for 21 months from October 1, 2022 to June 30, 2024. The sublease was not renewed upon its expiration on June 30, 2024.

Rent income from subleased portion amounted to nil in 2025, ₱4.3 million in 2024 and ₱6.9 million in 2023 (see Note 18).

Facilities and Support Services Agreement

SWA entered into another agreement with a third party for work-ready seats for a period of two years until May 17, 2024. The service agreement provides outsourced facility services, data connectivity, IT support and power for the leased work seats. Security deposit under this agreement. The service agreement was no longer renewed after May 17, 2024.

Income earned from this agreement amounted to nil in 2025, ₱7.0 million in 2024 and ₱16.7 million in 2023, as part of the revenues in the consolidated statements of income of the Group.

22. Financial Instruments

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, investment securities, trade and other receivables, rental and security deposits, and trade and other payables (excluding statutory payables), and lease liabilities which arise directly from the operations. The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, and liquidity risk. The BOD reviews and agrees policies for managing each of these risks and these are summarized below.

Foreign Currency Risk

The Group's exposure to foreign currency risk results mainly from foreign currency-denominated services rendered by SWA and other business transactions of the Group denominated in foreign currencies. The Group's consolidated financial position and financial performance may be affected by the movements in the U.S. Dollar (US\$) to Philippine Peso exchange rates.

The following rates of exchange have been used by the Group in translating foreign currency consolidated statements of income and consolidated statements of financial position items as at and for the years ended December 31, 2025 and 2024:

	2025		2024	
	Closing	Average	Closing	Average
Philippine Peso to 1 unit of US\$	58.79	57.51	₱57.85	₱57.28

As at December 31, 2025 and 2024, the significant foreign currency-denominated financial assets of the Group are as follows:

	2025		2024	
	In US\$	Philippine Peso Equivalent	In US\$	Philippine Peso Equivalent
Cash and cash equivalents	US\$45,273	₱2,661,618	US\$19,353	₱1,119,428
Trade and other receivables	1,219	71,685	1,067	61,721
Investment securities -				
Financial assets at:				
FVOCI	11,318	665,365	15,329	886,793
Amortized cost	7,973	468,743	26,789	1,549,629
Foreign currency-denominated financial assets	US\$65,783	₱3,867,411	US\$62,538	₱3,617,571

A reasonably possible change of -0.94/+0.94 in 2025 and -2.48/+2.48 in 2024 in the US\$ to Philippine Peso exchange rate based on latest year-on-year movement in the currency, with all other variables held constant, shall result to the following income before tax movements in the Group's consolidated statements of income:

	2025		2024	
	Increase (Decrease) in Exchange Rates	Increase (Decrease) on Income before Tax	Increase (Decrease) in Exchange Rates	Increase (Decrease) on Income before Tax
US\$	0.94 (0.94)	₱2,451,892 (2,451,892)	2.48 (2.48)	₱154,759 (154,759)

Credit Risk

Credit risk is the risk that the Group will incur losses when its counterparties fail to discharge their contractual obligations.

Receivables are monitored on an on-going basis to minimize the Group's exposure to possible losses. The Group trades only with recognized, creditworthy third parties. It is Group policy to subject customers who trade on credit terms to credit verification procedures.

The credit risk for cash and cash equivalents and investment securities is considered negligible because the counterparties are reputable banks and investment institutions with high quality external credit ratings.

The gross maximum exposure of the Group to credit risk corresponds to the total gross amounts of the following financial assets:

	Note	2025	2024
Cash and cash equivalents ^(a)	5	₱3,357,726	₱1,835,307
Investment securities -	6		
Financial assets at:			
FVOCI		665,365	886,793
Amortized cost		468,743	1,549,629
Trade and other receivables	7	211,951	207,560
Rental and security deposits ^(b)	21	1,905	2,079
		₱4,705,690	₱4,481,368

^(a)Excluding cash on hand amounting to ₱50 as at December 31, 2025 and 2024.

^(b)Included under "Other noncurrent assets".

The analysis of the financial assets that were past due but not impaired follows:

	2025						
	Neither Past Due nor Impaired	Past Due but not Impaired			Total	Impaired	Total
		Less than 30 Days	30 to 60 Days	More than 60 Days			
Cash and cash equivalents ^(a)	₱3,357,726	₱-	₱-	₱-	₱3,357,726	₱-	₱3,357,726
Investment securities -							
Financial assets at:							
FVOCI	665,365	-	-	-	665,365	-	665,365
Amortized cost	468,743	-	-	-	468,743	-	468,743
Trade and other receivables:							
Trade	760	-	-	-	760	9,616	10,376
Accrued interest	74,306	-	-	-	74,306	-	74,306
Due from related parties	-	-	-	4,235	4,235	98,133	102,368
Others	7,217	-	-	-	7,217	17,684	24,901
Rental and security deposits ^(b)	1,905	-	-	-	1,905	-	1,905
	₱4,576,022	₱-	₱-	₱4,235	₱4,580,257	₱125,433	₱4,705,690

^(a)Excluding cash on hand amounting to ₱50.

^(b)Included under "Other noncurrent assets."

	2024						
	Neither Past Due nor Impaired	Past Due but not Impaired			Total	Impaired	Total
		Less than 30 Days	30 to 60 Days	More than 60 Days			
Cash and cash equivalents ^(a)	₱1,835,307	₱-	₱-	₱-	₱1,835,307	₱-	₱1,835,307
Investment securities -							
Financial assets at:							
FVOCI	886,793	-	-	-	886,793	-	886,793
Amortized cost	1,549,629	-	-	-	1,549,629	-	1,549,629
Trade and other receivables:							
Trade	760	-	-	-	760	9,616	10,376
Accrued interest	63,216	-	-	-	63,216	-	63,216
Due from related parties	-	-	-	27,662	27,662	85,663	113,325
Others	2,959	-	-	-	2,959	17,684	20,643
Rental and security deposits ^(b)	2,079	-	-	-	2,079	-	2,079
	₱4,340,743	₱-	₱-	₱27,662	₱4,368,405	₱112,963	₱4,481,368

^(a)Excluding cash on hand amounting to ₱50.

^(b)Included under "Other noncurrent assets."

The table below shows the credit quality of the financial assets classified as neither past due nor impaired as at December 31, 2025 and 2024:

	2025			2024		
	High Grade	Standard Grade	Total	High Grade	Standard Grade	Total
Cash and cash equivalents ^(a)	₱3,357,726	₱-	₱3,357,726	₱1,835,307	₱-	₱1,835,307
Investment securities -						
Financial assets at:						
FVOCI	665,365	-	665,365	886,793	-	886,793
Amortized cost	468,743	-	468,743	1,549,629	-	1,549,629
Trade and other receivables	-	86,518	86,518	-	94,597	94,597
Rental and security deposits ^(b)	-	1,905	1,905	-	2,079	2,079
	₱4,491,834	₱88,423	₱4,580,257	₱4,271,729	₱96,676	₱4,368,405

^(a) Excluding cash on hand amounting to ₱50 as at December 31, 2025 and 2024.

^(b)Included under "Other current assets" and "Other noncurrent assets."

For trade receivables, the Group calculates impairment based on lifetime ECL using a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, which comprise cash equivalents, investment securities, other receivables (including due from related parties) and rental and security deposits, ECL is based on 12-month ECL. However, the ECL for certain receivables, which are identified as credit-impaired, is based on lifetime ECL.

The credit quality of financial assets is managed by the Group using high grade and standard grade as internal credit ratings.

High Grade. Financial assets with high credit quality are normally collected within the credit period and without history of default collection.

Cash and cash equivalents and investment securities are placed in or deposited with reputable banks, thus, are fully realizable. The probability of default is close to zero and significant change in credit risk is unlikely for these financial instruments.

Standard Grade. Standard grade financial assets pertain mainly to receivables from counter parties that have a strong capacity to meet contractual obligations in the near term and have acceptable probability of default.

Past due receivables from related parties are not impaired when management assesses that these are fully realizable based on the counter parties' available assets.

Receivables from related parties are considered credit-impaired when the counter parties have no liquid assets and/or available assets to pay the outstanding receivables. Thus, these are provided with allowance for impairment losses.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk may arise primarily from mismatch of the maturities of financial assets and liabilities.

The Group's objective is to maintain continuity of funding. The Group's liquidity risk management policy is to measure and forecast its cash commitments, to match debt maturities with the assets being financed, to maintain a diversity of funding sources with its access to bank financing and the capital market and to hold a sufficient level of cash reserves.

The Group monitors its risk of shortage of funds by considering the maturity of both its financial assets and liabilities projected cash flows.

The table below summarizes the maturity profile of the Group's financial assets and liabilities (excluding statutory payables) used to manage liquidity based on contractual undiscounted payments.

	2025				2024			
	Upon Demand	Within One Year	Over One Year	Total	Upon Demand	Within One Year	Over One Year	Total
Financial Assets								
Cash and cash equivalents	R3,357,726	R-	R-	R3,357,726	R1,835,307	R-	R-	R1,835,307
Investment securities -								
Financial assets at:								
Amortized cost	-	282,344	186,399	468,743	-	1,549,629	-	1,549,629
FVOCI	665,365	-	-	665,365	-	886,793	-	886,793
Trade and other receivables	7,216	79,302	-	86,518	2,959	91,638	-	94,597
Rental and security deposits	-	-	1,905	1,905	-	-	2,079	2,079
Total undiscounted financial assets	4,030,307	361,646	188,304	4,580,257	1,838,266	2,528,060	2,079	4,368,405
Financial Liabilities								
Trade payables	-	893	-	893	-	524	-	524
Accrued expenses	-	9,051	-	9,051	-	9,708	-	9,708
Dividends payable	6,554	-	-	6,554	6,554	-	-	6,554
Other current liabilities	-	995	-	995	-	970	-	970
Lease liabilities	-	2,842	-	2,842	-	8,127	2,812	10,939
Total undiscounted financial liabilities	6,554	13,781	-	20,335	6,554	19,329	2,812	28,695
Net undiscounted financial assets (liabilities)	R4,023,753	R347,865	R188,304	R4,559,922	R1,831,712	R2,508,731	(R733)	R4,339,710

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 competes in an industry where opportunities for growth still abound. Projects are selected if their expected returns are higher than cost of capital. Funding is sourced from a combination of retained earnings, debt and new capital. The Group aims for flexibility in the capital structure to meet changing conditions and adapt with minimum cost and delay. It looks at solvency by keeping its debt capacity within its ability to generate future cash flows.

The Group is not subject to externally imposed capital requirements. The table below summarizes the equity components of the Group.

	2025	2024
Capital stock	₱1,148,535	₱1,148,535
Additional paid-in capital	451,364	451,364
Parent shares held by a subsidiary	(1,149,886)	(1,149,886)
Retained earnings	3,298,264	3,160,976
Other equity reserves	825,496	748,405
	₱4,573,773	₱4,359,394

Fair Values

The following is a comparison by category of carrying amounts and fair values of the Group's financial instruments that are reflected in the consolidated financial statements:

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	₱3,357,726	₱3,357,726	₱1,835,357	₱1,835,357
Investment securities -				
Financial assets at:				
Amortized cost	468,743	468,743	1,549,629	1,549,629
FVOCI	665,365	665,365	886,793	886,793
Trade and other receivables	86,518	86,518	94,597	94,597
Rental and security deposits	1,905	1,905	2,079	2,079
	₱4,580,257	₱4,580,257	₱4,368,455	₱4,368,455
Financial Liabilities				
Trade and other payables*:				
Trade	₱893	₱893	₱524	₱524
Accrued expenses	9,051	9,051	9,708	9,708
Dividends	6,554	6,554	6,554	6,554
Other current liabilities	995	995	970	970
Lease liabilities	2,842	2,842	10,939	10,939
	₱20,335	₱20,335	₱28,695	₱28,695

*Excluding statutory payables amounting to ₱5,884 and ₱6,116 as at December 31, 2025 and 2024, respectively.

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, Financial Assets at Amortized Cost, Trade and Other Receivables and Trade and Other Payables (excluding statutory payables). Due to the relatively short-term maturities of the financial assets and liabilities, the fair values approximate the carrying amounts at initial recognition.

Financial Assets at FVOCI. The fair value of the Group's financial assets at FVOCI is estimated by reference to quoted bid price in an active market at the end of the reporting period and is categorized as Level 1.

Lease Liabilities. The fair value of lease liabilities was determined based on Level 2 in which the inputs are based on the discounted interest rate of the prevailing comparable instrument in the market.

Rental and Security Deposits and Other Noncurrent Liabilities. Fair values of security deposits are based on the present value of the expected future cash flows using discount rates ranging from 1.21% to 1.81%. These are categorized under Level 2 of the fair value measurements hierarchy for financial instruments.

For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurement.



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Paxys, Inc.
15th Floor, 6750 Ayala Office Tower
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Paxys, Inc. (the Parent Company) and Subsidiaries (the Group) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and have issued our report thereon dated March 16, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedules for submission to the Securities and Exchange Commission (SEC) are the responsibility of the Group's management.

The supplementary schedules include the following:

- Schedule Required under Annex 68-E of the Revised Securities Regulation Code (SRC) Rule 68 as at and for the years ended December 31, 2025 and 2024
- Schedules Required under Annex 68-J of the Revised SRC Rule 68 as at and for the year ended December 31, 2025
- Reconciliation of the Parent Company Retained Earnings Available for Dividend Declaration for the year ended December 31, 2025
- Corporate Structure as at December 31, 2025

The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, is 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. 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 the years ended December 31, 2025, 2024 and 2023 and no material exceptions were noted.



The supplementary schedules are presented for purposes of complying with the Revised SRC Rule 68 issued by the SEC, and are not part of the basic consolidated financial statements. The supplementary 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 data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & Co.


MICHELLE R. MENDOZA-CRUZ

Partner

CPA Certificate No. 97380

Tax Identification No. 201-892-183-000

BOA Accreditation No. 4782/P-011; Valid until June 6, 2026

SEC Accreditation No. 97380-SEC Group A

Issued April 8, 2021

Valid for Financial Periods 2024 to 2025

BIR Accreditation No. 08-005144-012-2025

Valid until September 10, 2028

PTR No. 10764028

Issued January 2, 2026, Makati City

March 16, 2026

Makati City, Metro Manila

PAXYS, INC. AND SUBSIDIARIES
LIST OF SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68

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D Long-term Borrowings	*
E Indebtedness to Related Parties	*
F Guarantees of Securities of Other Issuers	*
G Capital Stock	4

Other Required Information

H Reconciliation of the Parent Company Retained Earnings Available for Dividend Declaration for the year ended December 31, 2025	5
I Financial Soundness Indicators as at and for the years ended December 31, 2025 and 2024	6
J Corporate Structure as at December 31, 2025	7

* *Not Applicable*

PAXYS, INC. AND SUBSIDIARIES

FINANCIAL ASSETS

DECEMBER 31, 2025

Amounts in Thousands

Financial Asset/ Name of issuing entity	Number of Shares or Principal Amount of Bonds	Amount Shown in the Consolidated Statement of Financial Position	Income Received and Accrued
Financial Assets at Fair Value through Other Comprehensive Income			
Bank Julius Baer	\$8,444	₱496,467	₱23,293
Hongkong and Shanghai Banking Corporation Limited	2,873	168,897	5,290
J.P Morgan Chase	—	—	5,404
	\$11,317	₱665,364	₱33,987
Financial Assets at Amortized Cost			
Export Import Bank of Malaysia	\$4,780	₱282,320	₱14,358
United Overseas Bank Ltd	3,171	186,423	748
Overseas Chinese banking	—	—	34,745
Petronas Capital	—	—	9,216
DBS Group Holdings Ltd	—	—	3,671
	\$7,951	₱468,743	₱62,738
Trade and Other Receivables – Net			
Due from related parties		₱4,235	₱—
Trade		760	—
Accrued interest		74,306	—
Others		7,217	—
		₱86,518	₱—
Rental and Security Deposits			
		₱1,905	₱—
		₱1,222,530	₱96,725

SCHEDULE B

PAXYS, INC. AND SUBSIDIARIES

AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)

DECEMBER 31, 2025

Amounts in Thousands

	Balance at Beginning of Year	Additions	Amounts Collected	Amounts Written-off	Current	Noncurrent	Balance at end of year
Advances to officers and employees	₱1,214	₱-	₱-	₱-	₱-	₱-	₱1,214

PAXYS, INC. AND SUBSIDIARIES

AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2025

Amounts in Thousands

Related Parties	Balance at Beginning of Year	Additions*	Amounts Collected*	Current	Noncurrent	Balance at end of Year
Due from Related Parties						
Paxys Global Services, Inc.	P67,512	P56	P-	P67,568	P-	P67,568
Scopeworks Asia, Inc.	46,353	126	5,501	40,978	-	40,978
Paxys Global Services Pte. Ltd	41,025	1,647	-	42,672	-	42,672
Paxys N.V.	21,683	69	18,926	2,826	-	2,826
Paxys Global Services Ltd. Regional Operating Headquarters	4,735	281	-	5,016	-	5,016
Paxys Ltd.	27,092	1,571	-	28,663	-	28,663
	P208,400	P3,750	P24,427	P187,723	P-	P187,723

*Inclusive of foreign currency translation adjustments on dollar-denominated receivables

SCHEDULE G

PAXYS, INC. AND SUBSIDIARIES

CAPITAL STOCK
DECEMBER 31, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related consolidated statement of financial position caption	Number of shares reserved for options, warrants, conversion, and other rights held by related parties	Directors and officers	Others
Common shares - "Class A" at \$1 par value	1,800,000,000	1,148,534,866	-	217,800	171,850,551

**PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

PAXYS INC.

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

	Amount
Deficit as at the beginning of reporting period	(P319,966,079)
Add: Net loss for the current year	(1,308,957)
Add/Less: <u>Category F</u> : Other items that should be excluded from the determination of the amount of available for dividend distribution	
Net movement of unrealized foreign exchange	(2,525,877)
Net movement on set-up of ROU assets and lease liabilities	(934,832)
Deficit as at the end of reporting period	(P324,735,745)

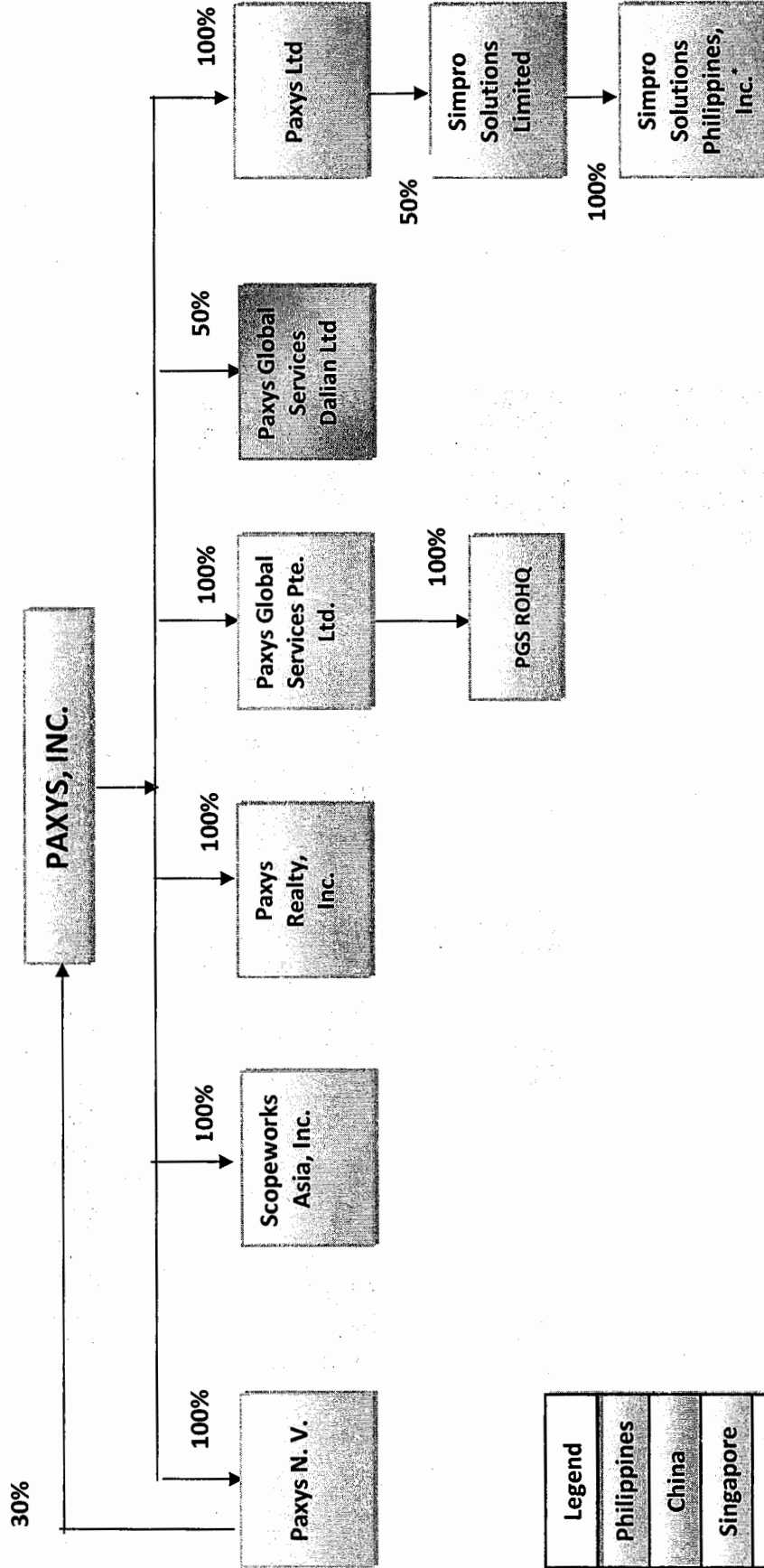
SCHEDULE I

PAXYS, INC. AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2025 AND 2024
Amounts in Thousands

Formula		2025	2024
Liquidity ratio			
Current ratio	Total Current Assets Divide by: Total Current Liabilities Current ratio	₱4,435,211 <u>26,210</u> 169.22	169.22:1 136.83:1
Solvency ratio			
Debt to equity ratio	Total Liabilities Divide by: Total Equity Debt to equity ratio	₱55,251 <u>4,573,773</u> 0.01	0.01:1 0.01:1
Profitability ratio			
Return on equity	Net Income Divide by: Total Equity Return on equity	₱137,288 <u>4,573,773</u> 0.03	3.0% 3.04%
Net income margin	Net Income Divide by: Revenue Net income margin	₱137,288 <u>226,425</u> 0.61	61% 50%
Earnings before interest, tax, depreciation and amortization (EBITDA) margin	Net income before tax Add: Depreciation and amortization Interest expense EBITDA Divided by: Revenue	₱145,125 7,385 317 <u>152,827</u> <u>226,425</u> 0.67	67% 60%

PAXYS, INC. AND SUBSIDIARIES

CORPORATE STRUCTURE
AS AT DECEMBER 31, 2025



Legend
Philippines
China
Singapore
Curacao
Hong Kong

*Currently under dissolution and liquidation. See Notes to Consolidated Financial Statements

PAXYS, INC. AND SUBSIDIARIES

**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
Total Audit Fees	₱1,350,000	₱1,300,000
Total Non-audit Fees	—	—
Total Audit and Non-audit Fees	₱1,350,000	₱1,300,000