

COVER SHEET

SEC Registration Number

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COMPANY NAME

L	B	C		E	X	P	R	E	S	S		H	O	L	D	I	N	G	S	,		I	N	C	.				
(	F	o	r	m	e	r	l	y		F	E	D	E	R	A	L		R	E	S	O	U	R	C	E	S			
I	N	V	E	S	T	M	E	N	T		G	R	O	U	P		I	N	C	.	)								

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

L	B	C		H	A	N	G	A	R	,		G	E	N	E	R	A	L		A	V	I	A	T	I	O	N		
C	E	N	T	R	E	,		D	O	M	E	S	T	I	C		A	I	R	P	O	R	T						
R	O	A	D	,		P	A	S	A	Y		C	I	T	Y	,		M	E	T	R	O		M	A	N	I	L	A

Form Type

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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

N/A

Company's Telephone Number

+632 8856-8510

Mobile Number

N/A

No. of Stockholders

485

Annual Meeting (Month / Day)

2nd Monday of June

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Enrique V. Rey, Jr.

Email Address

evrey@lbcexpress.com

Telephone Number/s

+632 8856-8510

Mobile Number

-

CONTACT PERSON's ADDRESS

LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City, Metro Manila

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **September 30, 2025**
2. SEC Identification Number: **AS93-005277**
3. BIR Taxpayer Identification Number: **002-648-099-000**
4. Exact name of issuer as specified in its charter: **LBC EXPRESS HOLDINGS, INC. (formerly FEDERAL RESOURCES INVESTMENT GROUP INC.)**
5. Province, country or other jurisdiction of incorporation or organization: **Philippines**
6. Industry Classification Code: _____(SEC Use Only)
7. Address of issuer's principal office: **LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City, Metro Manila 1300**
8. Issuer's telephone number, including area code: **(+632) 8856 8510**
9. Former name, former address and former fiscal year, if changed since last report: **n/a**
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

As of September 30, 2025:

<u>Title of each class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Shares	1,425,865,471 ¹

¹ Inclusive of 1,384,966,471 common shares which are exempt from registration.

11. Are any or all of the securities listed on a Stock Exchange?
Yes [**X**] No []

Name of Stock Exchange: **Philippine Stock Exchange**

Class of securities listed: **Common shares**²

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [**X**] No []

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes[**X**] No []

² As of September 30, 2025, 40,899,000 common shares have been listed with Philippine Stock Exchange. The remaining 1,384,966,471 are subject to listing applications filed with the Philippine Stock Exchange.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The Unaudited Interim Financial Statements of the Company as of and for the period ended September 30, 2025 and Notes to Financial Statements are hereto attached as Annex "A".

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

RESULTS OF OPERATIONS

Nine months ended September 30, 2025, compared to the nine months ended September 30, 2024

Service Revenue

The Company's service revenue decreased by 1% to ₱10,472.35 million for the nine months ended September 30, 2025, from ₱10,582.64 million for the nine months ended September 30, 2024, mainly from the retail segment by 9%. This was balanced out by the improvement in revenue from the corporate segment by 25%.

Cost of Services

Cost of services went down by 2% to ₱8,102.29 million for the nine months ended September 30, 2025, from ₱8,300.87 million for the nine months ended September 30, 2024, mainly from lower facilities costs e.g. utilities and supplies of branches, utilities and depreciation equivalent to 4% decrease in aggregate. These were countered by 16% increase in repairs and maintenance which are mostly related to vehicles and transportation and travel costs.

Gross Profit

Gross profit increased to ₱2,370.06 million for the nine months ended September 30, 2025, from ₱2,281.76 million for the nine months ended September 30, 2024, primarily related to cost rationalization.

Operating Expenses

Operating expenses increased by 2% to ₱1,818.77 million for the nine months ended September 30, 2025, from ₱1,791.36 million for the nine months ended September 30, 2024, primarily driven by increases in professional and commission fees, dues and subscriptions incurred for the period. This is offset by the reduction in connectivity costs and improvement in collection effort which lowered the amount of provision for expected credit losses.

Operating Income

Operating income increased to ₱551.29 million for the nine months ended September 30, 2025, from ₱490.40 million for the nine months ended September 30, 2024, mainly due to improvement in gross profit by 4%.

Other Charges, Net

Other charges, net decreased to ₱366.90 million for the nine months ended September 30, 2025, from ₱531.12 million for the nine months ended September 30, 2024, attributable to lower losses on derivative.

Net Income (Loss) after tax

Net income after tax amounted to ₱709.42 million for the nine months ended September 30, 2025, from net loss of ₱121.72 million for the nine months ended September 30, 2024, due to improvement in operating income by 12%, the reduction in non-operating charges by 31% and income tax deferred recognized for the period.

Quarter ended September 30, 2025 compared to the quarter ended September 30, 2024***Service Revenue***

The Company's service revenue increased by 1% to ₱3,493.91 million for the quarter ended September 30, 2025, from ₱3,450.34 million for the quarter ended September 30, 2024 as there was a 9% decline on retail segment which was cushioned by the improvement in corporate segment by 31%.

Cost of Services

Cost of services increased by 2% to ₱2,757.53 million for the quarter ended September 30, 2025, from ₱2,707.42 million for the quarter ended September 30, 2024, aligned with the sales volume. Higher cost of delivery ratio is also contributed by the impact of third quarter promotions on cargo products that offered discounted rates resulting to lower average revenue per unit at the same level of cost.

The increase is offset by decrease in facilities costs such as rental, utilities and supplies and depreciation by 2%.

Gross Profit

Gross profit decreased by 1% to ₱736.36 million for the quarter ended September 30, 2025, from ₱742.92 million for the quarter ended September 30, 2024, primarily related to higher cost of delivery and remittance.

Operating Expenses

Operating expenses decreased by 1% to ₱578.85 million for the quarter ended September 30, 2025, from ₱583.62 million for the nine months ended September 30, 2024, mainly driven by the decreases in professional fees and cost rationalization implemented in manpower and utilities costs. The reductions were offset by the increase in advertising and promotions and commission fees.

Operating Income

Operating income slightly decreased to ₱157.54 million for the quarter ended September 30, 2025, from ₱159.30 million for the quarter ended September 30, 2024, mainly due to lower gross profit by 1%, offset by lower operating expense by 1%.

Other Charges, Net

Other charges, net increased to ₱196.63 million for the quarter ended September 30, 2025, from ₱21.74 million for the quarter ended September 30, 2024, mainly due to higher interest expenses for the quarter, losses on derivative, and foreign exchange.

Net Income after tax

Net income after tax amounted to ₱528.12 million for the quarter ended September 30, 2025, from ₱69.22 million for the quarter ended September 30, 2024, due to the recognized benefit from income tax for the quarter.

FINANCIAL CONDITION

As of September 30, 2025, compared to as of December 31, 2024

Assets

Current Asset

Cash and cash equivalents decreased by 23% to ₱2,102.99 million as of September 30, 2025, from ₱2,733.43 million as of December 31, 2024. Refer also to analysis of cash flows in “Liquidity” section below.

Trade and other receivable, net decreased to ₱2,062.87 million as of September 30, 2025, from ₱2,127.19 million as of December 31, 2024, driven by the lower receivable from outside parties as a result of collections for the period. Further, there is slight increase on the allowance for expected credit losses which contributed to the decline.

Due from related parties increased to ₱1,194.01 million as of September 30, 2025, from ₱1,159.78 million as of December 31, 2024 caused by declaration of dividend of an associate and the business-as-usual transactions for the current period.

Investments at fair value through profit and loss increased to ₱2.44 million as of September 30, 2025, from ₱2.36 million as of December 31, 2024, due to minimal amount of fair value gain recognized during the period.

Prepayments and other current assets increased by 2% to ₱1,169.06 million as of September 30, 2025, from ₱1,144.89 million as of December 31, 2024, primarily attributable to advance payments for guarantee fees and insurance, additional input value-added tax (VAT) from local purchases, and higher level of material and supplies inventories, which were countered by the reduced level of restricted cash in bank and short-term investments and usage of prepaid taxes.

Noncurrent Assets

Property and equipment, decreased by 2% to ₱2,425.70 million as of September 30, 2025, from ₱2,487.77 million as of December 31, 2024, mostly due to depreciation expense recognized during the period and retirement of assets related to closed branches, countered by additional purchases of ₱89.71 million.

Right-of-use assets, net is lower by 22% to ₱1,256.72 million as of September 30, 2025, from ₱1,601.24 million as of December 31, 2024, mainly attributable to amortization amounting to ₱600.88 million as of the period, offset by the net effect of renewals with impact of ₱249.76 million.

Intangible assets decreased by 15% to ₱181.35 million as of September 30, 2025, from ₱212.28 million as of December 31, 2024, mainly attributable to amortization amounting to ₱61.15 million as of the period, as countered by the additions in software and development in progress aggregating ₱30.18 million.

Investment at fair value through other comprehensive income decreased by 3% to ₱96.55 million as of September 30, 2025, from ₱99.48 million as of December 31, 2024, relative to movement in market price from ₱0.51/share to ₱0.49/share.

Investment in associates decreased to ₱356.65 million as of September 30, 2025, from ₱369.94 million as of December 31, 2024, due to receipt of dividend income.

Deferred tax assets - net increased to ₱1,171.50 million as of September 30, 2025, from ₱544.57 million as of December 31, 2024, mainly due to recognition of net operating loss carry over

(NOLCO), additional minimum corporate income tax (MCIT), as countered by lower deferred taxes from retirement liability, accrued employee benefits, and impact of net decrease in right-of-use assets and lease liabilities.

Security deposit decreased by 5% to ₱356.52 million as of September 30, 2025, from ₱375.43 million as of December 31, 2024, mainly due to fapplications to rent expense of closed branches.

Other noncurrent assets slightly decreased to ₱2,088.09 million as of September 30, 2025, from ₱2,093.36 million as of December 31, 2024, because of collection of loans receivable.

Liabilities

Accounts and other payable decreased by 10% to ₱3,157.28 million as of September 30, 2025, from ₱3,518.30 million as of December 31, 2024, due to settlements of trade payables to outside parties and to a related party, net decrease in the accruals, offset by the higher taxes payable.

Due to related parties decreased to ₱3.65 million as of September 30, 2025, from ₱10.72 million as of December 31, 2024, due to settlement of advances from an affiliate.

Notes payable (current and noncurrent) increased to ₱6,118.47 million as of September 30, 2025, from ₱1,914.69 million as of December 31, 2024, mainly from total availment during the period amounting to ₱4,701.22 million, as offset by the settlement of loans amounting to ₱497.44 million.

Transmissions liability decreased to ₱514.44 million as of September 30, 2025, from ₱684.86 million as of December 31, 2024, due to reduction of transactions.

Income taxes payable decreased to ₱13.22 million as of September 30, 2025, from ₱16.60 million as of December 31, 2024, mainly attributable to payment of taxes in overseas.

Lease liabilities (current and noncurrent) is lower by 20% to ₱1,476.08 million as of September 30, 2025, from ₱1,838.04 million as of December 31, 2024, primarily attributable to lease payments during the period.

Bond payable and derivative liability is nil as of September 30, 2025, from ₱2,065.59 million and ₱2,528.53 million, respectively, as of December 31, 2024, due to redemption of convertible instrument.

Retirement benefit obligation increased to ₱1,038.27 million as of September 30, 2025, from ₱1,005.30 million as of December 31, 2024, primarily due to accrual of expense recognized in current period.

LIQUIDITY

Cash Flows

Nine months ended September 30, 2025 compared to the nine months ended September 30, 2024

Cash flows from operating activities

The Company's net cash from operating activities is primarily affected by income before income tax, depreciation and amortization, interest expense, interest income, retirement benefit expense, unrealized foreign exchange gain and losses, gains and losses on derivative, disposal of property and equipment, and redemption of convertible instrument, equity in net earnings of associates and changes in working capital. The Company's net cash inflows from these activities amounted to ₱855.52 million and ₱1,494.85 million for the nine months ended September 30, 2025 and 2024, respectively.

Cash flows from investing activities

Cash used in investing activities for the nine months ended September 30, 2025 and 2024 amounted to ₱113.77 million and ₱53.21 million, respectively. For the nine months ended September 30, 2025, the Company spent ₱159.68 million from the acquisition of property and equipment and intangible assets.

Cash flow from financing activities

Net cash used in financing activities for the nine months ended September 30, 2025 and 2024 amounted to ₱1,444.48 million and ₱1,290.39 million, respectively. Other activities comprise primarily of payments of convertible instrument, lease liabilities, interest expense, and notes payable.

PART II - OTHER INFORMATION

There is no other information not previously reported in SEC Form 17-C that needs to be reported in this section.

SIGNATURE

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

LBC EXPRESS HOLDINGS, INC.



ROSALINDA M. INFANTADO
Chief Finance Officer

November 14, 2025

**LBC Express Holdings, Inc.
and Subsidiaries**

Unaudited Interim Condensed Consolidated
Financial Statements
As at September 30, 2025 and
for the Nine Months Ended
September 30, 2025 and 2024
*(With Comparative Audited Consolidated Statement
of Financial Position as at
December 31, 2024)*

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 23 and 24)	₱2,102,987,377	₱2,733,428,898
Trade and other receivables (Notes 5, 17, 23 and 24)	2,062,869,454	2,127,168,683
Due from related parties (Notes 17, 23 and 24)	1,194,013,812	1,159,775,626
Investments at fair value through profit or loss (Notes 9, 23 and 24)	2,444,269	2,360,759
Prepayments and other current assets (Notes 6, 11, 17, 23 and 24)	1,169,064,898	1,144,894,737
Total Current Assets	6,531,379,810	7,167,628,703
Noncurrent Assets		
Property and equipment (Note 7)	2,425,698,049	2,487,768,051
Right-of-use assets (Note 21)	1,256,724,391	1,601,239,442
Intangible assets (Note 8)	181,353,582	212,276,151
Investment at fair value through other comprehensive income (Notes 9, 23 and 24)	96,554,736	99,480,637
Deferred tax assets - net (Note 20)	1,171,501,453	544,565,012
Security deposits (Note 21)	356,522,583	375,426,973
Investment in associates (Note 10)	356,652,720	369,935,605
Goodwill (Note 3)	287,024,985	287,024,985
Other noncurrent assets (Notes 6, 11 and 17)	2,088,089,534	2,093,359,358
Total Noncurrent Assets	8,220,122,033	8,071,076,214
	₱14,751,501,843	₱15,238,704,917
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 12, 17, 23 and 24)	₱3,157,275,048	₱3,518,304,281
Due to related parties (Notes 17, 23 and 24)	3,645,302	10,721,895
Current portion of notes payable (Notes 14, 23 and 24)	1,211,839,735	1,238,540,861
Transmissions liability (Notes 13, 17, 23 and 24)	514,438,844	684,859,401
Income tax payable	13,222,261	16,602,117
Current portion of lease liabilities (Notes 21, 23 and 24)	667,143,491	763,676,898
Derivative liability (Notes 15, 23 and 24)	–	2,528,532,365
Bond payable (Notes 15, 23 and 24)	–	2,065,585,876
Total Current Liabilities	5,567,564,681	10,826,823,694
Noncurrent Liabilities		
Retirement benefit liability - net (Note 22)	1,038,271,018	1,005,302,601
Notes payable - net of current portion (Notes 14, 23 and 24)	4,906,630,353	676,151,276
Lease liabilities - net of current portion (Notes 21, 23 and 24)	808,933,855	1,074,366,140
Total Noncurrent Liabilities	6,753,835,226	2,755,820,017
	12,321,399,907	13,582,643,711
Equity		
Equity attributable to shareholders of the Parent Company		
Capital stock (Note 16)	1,425,865,471	1,425,865,471
Retained earnings	852,496,391	152,721,270
Accumulated comprehensive gain	148,688,829	90,918,199
	2,427,050,691	1,669,504,940
Non-controlling interests	3,051,245	(13,443,734)
Total Equity	2,430,101,936	1,656,061,206
	₱14,751,501,843	₱15,238,704,917

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30		Three Months Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
SERVICE REVENUE (Note 25)	₱10,472,349,341	₱10,582,635,183	₱3,493,913,442	₱3,450,341,506
COST OF SERVICES (Note 18)	8,102,286,682	8,300,870,698	2,757,527,798	2,707,419,804
GROSS PROFIT	2,370,062,659	2,281,764,485	736,385,644	742,921,702
OPERATING EXPENSES (Note 19)	1,818,772,744	1,791,362,109	578,850,259	583,618,503
OPERATING INCOME	551,289,915	490,402,376	157,535,385	159,303,199
OTHER INCOME (CHARGES)				
Foreign exchange gains - net (Notes 19 and 23)	57,540,949	33,072,615	5,859,712	96,985,932
Equity in net earnings of associates (Note 10)	19,681,051	38,404,788	5,569,175	7,925,719
Interest income (Notes 4, 6 and 11)	8,692,887	10,549,496	3,511,327	3,018,680
Fair value gain on investment at fair value through profit or loss (Note 9)	83,510	68,718	27,148	26,260
Loss on redemption of convertible instrument (Note 15)	(4,708,473)	—	(4,708,473)	—
Loss on derivative (Note 15)	(66,880,574)	(197,672,777)	(98,111,676)	(65,229,966)
Interest expense (Notes 12, 14, 15 and 21)	(407,590,036)	(420,261,353)	(122,760,460)	(69,596,200)
Others - net	26,282,344	4,716,221	13,981,216	5,128,120
	(366,898,342)	(531,122,292)	(196,632,031)	(21,741,455)
INCOME (LOSS) BEFORE INCOME TAX	184,391,573	(40,719,916)	(39,096,646)	137,561,744
BENEFIT FROM (PROVISION FOR) INCOME TAX (Note 20)	525,029,107	(81,004,046)	567,220,113	(68,340,515)
NET INCOME (LOSS) FOR THE PERIOD	709,420,680	(121,723,962)	528,123,467	69,221,229
OTHER COMPREHENSIVE INCOME (LOSS)				
Items not to be reclassified to profit or loss in subsequent periods				
Share in other comprehensive income (loss) of an associate (Note 10)	36,065	(1,012,493)	—	—
Fair value loss on investments in at fair value through other comprehensive income (Note 9)	(2,925,901)	(76,073,428)	(4,876,502)	(31,209,612)
Remeasurement gain (loss) on retirement benefit plan - net of tax	(5,525,848)	—	—	—
Currency translation gain (loss) - net	67,990,535	(32,412,311)	40,221,633	(21,529,208)
	59,574,851	(109,498,232)	35,345,131	(52,738,820)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱768,995,531	(₱231,222,194)	₱563,468,598	₱16,482,409
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Parent Company	₱699,775,121	(₱127,821,348)	₱527,651,755	₱65,612,304
Non-controlling interests	9,645,559	6,097,386	471,712	3,608,925
NET INCOME (LOSS) FOR THE PERIOD	₱709,420,680	(₱121,723,962)	₱528,123,467	69,221,229
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Parent Company	₱757,545,751	(₱240,855,502)	₱562,758,175	₱10,801,847
Non-controlling interests	11,449,780	9,633,308	710,423	5,680,562
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	₱768,995,531	(₱231,222,194)	₱563,468,598	₱16,482,409
EARNINGS (LOSSES) PER SHARE (Note 26)				
Basic	₱0.49	(₱0.09)	₱0.37	₱0.05
Diluted	₱0.49	(₱0.09)	₱0.37	₱0.05

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For the Nine Months Ended September 30, 2025 (Unaudited)					
	Capital Stock (Note 16)	Retained Earnings	Accumulated Comprehensive Income	Total	Non-controlling Interests	Total Equity
Balances at beginning of the period	₱1,425,865,471	₱152,721,270	₱90,918,199	₱1,669,504,940	(₱13,443,734)	₱1,656,061,206
Comprehensive income:						
Net income	—	699,775,121	—	699,775,121	9,645,559	709,420,680
Other comprehensive income	—	—	57,770,630	57,770,630	1,804,221	59,574,851
Total comprehensive income	—	699,775,121	57,770,630	757,545,751	11,449,780	768,995,531
Additional non-controlling interest from equity conversion of a subsidiary (Note 2)	—	—	—	—	7,049,940	7,049,940
Dividend declared (Note 16)	—	—	—	—	(2,004,741)	(2,004,741)
Balances at end of the period	₱1,425,865,471	₱852,496,391	₱148,688,829	₱2,427,050,691	₱3,051,245	₱2,430,101,936

	For the Nine Months Ended September 30, 2024 (Unaudited)					
	Capital Stock (Note 16)	Retained Earnings	Accumulated Comprehensive Income (Loss)	Total	Non-controlling Interests	Total Equity
Balances at beginning of the period	₱1,425,865,471	₱304,563,778	₱215,287,091	₱1,945,716,340	(₱19,636,481)	₱1,926,079,859
Comprehensive income (loss):						
Net income (loss)	—	(127,821,348)	—	(127,821,348)	6,097,386	(121,723,962)
Other comprehensive income (loss)	—	—	(113,034,154)	(113,034,154)	3,535,922	(109,498,232)
Total comprehensive income (loss)	—	(127,821,348)	(113,034,154)	(240,855,502)	9,633,308	(231,222,194)
Balances at end of the period	₱1,425,865,471	₱176,742,430	₱102,252,937	₱1,704,860,838	(₱10,003,173)	₱1,694,857,665

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30	
	(Unaudited)	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱184,391,573	(₱40,719,916)
Adjustments for:		
Depreciation and amortization (Notes 7, 8, 18, 19, 21)	774,266,566	872,746,842
Interest expense (Notes 14, 15, 17 and 21)	407,590,036	420,261,353
Loss on derivative (Note 15)	66,880,574	197,672,777
Retirement expense, net of benefits paid and contribution to retirement plan	27,442,569	87,154,777
Loss on redemption of convertible instrument (Note 15)	4,708,473	—
Fair value gain on investment at fair value through profit or loss (Note 9)	(83,510)	(68,718)
Interest income (Notes 4, 6, and 11)	(8,692,887)	(10,549,496)
Gain on disposal of property and equipment	(12,270,459)	(2,965,415)
Equity in net earnings of associates (Note 10)	(19,681,050)	(38,404,788)
Unrealized foreign exchange gain	(47,966,516)	(5,152,723)
Operating income before changes in working capital	1,376,585,369	1,479,974,693
Changes in working capital:		
Decrease (increase) in:		
Trade and other receivables	71,349,169	(147,883,854)
Prepayments and other current assets	(24,170,161)	(19,633,182)
Security deposits	18,904,390	38,556,005
Other noncurrent assets	5,269,824	51,325,736
Decrease in:		
Accounts and other payables	(325,230,275)	166,145,529
Transmissions liability	(170,420,557)	11,049,948
Net cash generated from operations	952,287,759	1,579,534,875
Interest received	8,692,887	10,549,496
Income tax paid	(105,458,300)	(95,231,657)
Net cash provided by operating activities	855,522,346	1,494,852,714
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Disposal of property and equipment	47,152,659	41,184,328
Payments for acquisitions of:		
Intangible assets (Note 27)	(30,176,384)	(48,249,656)
Property and equipment (Note 27)	(129,506,277)	(81,534,498)
Dividend received	16,500,000	15,000,000
Decrease (increase) in due from related parties	(17,738,186)	20,394,511
Net cash used in investing activities	(113,768,188)	(53,205,315)
<i>(Forward)</i>		

	Nine Months Ended September 30	
	(Unaudited)	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable (Notes 14 and 27)	₱4,701,222,141	₱1,044,864,072
Payment of dividends payable (Note 27)	(2,004,741)	—
Increase (decrease) in due to related parties (Note 27)	(7,076,593)	6,610,886
Interest paid (Note 27)	(128,844,280)	(125,060,406)
Payments of notes payable (Notes 14 and 27)	(497,444,190)	(1,482,828,104)
Payments of principal amount of lease liabilities (Note 27)	(682,120,712)	(733,977,280)
Redemption of convertible bond (Note 15)	(4,828,207,358)	—
Net cash used in financing activities	(1,444,475,733)	(1,290,390,832)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(702,721,575)	151,256,567
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	72,280,054	(29,963,150)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,733,428,898	2,281,855,470
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	₱2,102,987,377	₱2,403,148,887

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

LBC Express Holdings, Inc. (referred to as the “Parent Company” or “LBCH”), formerly Federal Resources Investment Group Inc. (FED), was registered with the Securities and Exchange Commission (SEC) on July 12, 1993.

The ultimate parent of the Parent Company is LBC Development Corporation (LBCDC). The Araneta Family is the ultimate beneficial owner of the Parent Company.

FED, before it was acquired by LBCH, undertook an Initial Public Offering and on December 21, 2001, FED’s shares were listed on the Philippine Stock Exchange (PSE).

The Parent Company invests, purchases or disposes real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities or obligations of any corporation, association, domestic and foreign.

The Parent Company is a public holding company with investments in businesses of messengerial either by sea, air or land of letters, parcels, cargoes, wares, and merchandise; acceptance and remittance of money, bills payment and the like; performance of other allied general services from one place of destination to another within and outside of the Philippines; and foreign exchange trading.

As of September 30, 2025, the Group is in net asset position of ₱961.70 million and has a current ratio of 1.17. The Group’s convertible instrument amounting to ₱4.59 billion as of December 31, 2025, was fully redeemed in 2025. The Group obtained long-term loans from local bank to finance the settlement of convertible instruments.

Management’s plans for future actions to settle the loans include improving operations to raise funds by implementing strategic initiatives to accelerate the recovery of the Group’s operation and sustain the increasing trend. Management has determined that these actions support the Group’s going concern assessment and has therefore prepared the financial statements on a going concern basis.

The Parent Company’s registered office address is at LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City, Metro Manila, Philippines.

2. Summary of Significant Accounting Policies and Significant Accounting Estimates, Judgements and Assumptions

The principal accounting policies applied in the preparation of these interim condensed consolidated financial statements are set out below. These policies have been constantly applied to all the periods presented, unless otherwise stated.

Basis of Preparation

The accompanying interim condensed consolidated financial statements of the Group have been prepared using the historical cost basis, except for investments at fair value through profit or loss (FVPL) and fair value through other comprehensive income (FVOCI), and derivatives which have been measured at fair value until its redemption. The interim condensed consolidated financial statements are presented in Philippine Peso (₱). All amounts are rounded off to the nearest peso, unless otherwise indicated.

Statement of Compliance

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements as at and for the year ended December 31, 2024, which have been prepared in accordance with PFRS.

Difference in accounting periods

The Group consolidated the non-coterminous financial statements of its subsidiaries using their November 30 fiscal year end and the nine months ended September 30 except for QUADX Pte. Ltd and Mermaid Co. Ltd. with December 31 year end which are aligned with the Parent Company since it is impracticable for the said subsidiaries to prepare financial statements as of the same date as the reporting date of the Parent Company.

Except as disclosed below, the Group did not reflect any transactions of entities with non-coterminous financial statements from September 1 to 30 as these are not considered to be significant.

Management exercised judgment in determining whether adjustments should be made in the interim condensed consolidated financial statements of the Group pertaining to the effects of significant transactions or events of its subsidiaries that occur between September 1, 2025 and 2024 and the date of the Parent Company's financial statements which is September 30, 2025 and 2024 and between December 1, 2024 and the comparative date of the Parent Company's financial position which is December 31, 2024.

The interim condensed consolidated financial statements were adjusted to reflect LBC Express, Inc.'s (LBCE) settlements of bank loans on September 30, 2025 amounting to ₱51.32 million and adjustment to reflect the increase in fair value of equity investment at FVOCI by ₱1.95 million.

The interim condensed consolidated financial statements were adjusted to reflect LBCE's availment and settlement of bank loans in September 30, 2024 amounting to ₱166.47 million and ₱271.53 million, respectively, and adjustment to reflect the decrease in fair value of equity investment at FVOCI by ₱5.85 million.

The consolidated financial statements as of December 31, 2024 were adjusted to reflect LBCE's availment and settlement of bank loans in December 2024 amounting to ₱136.78 million and ₱100.16 million, respectively, adjustment to reflect the decrease in fair value of investment at FVOCI by ₱9.75 million, maturity of time deposit amounting ₱100.58 million; and adjustment to reflect equity share in net loss of TBAI amounting to ₱2.67 million for the period December 1 to 31, 2024.

There were no other significant transactions that transpired between September 1, 2025 to September 30, 2025, December 1, 2024 to December 31, 2024 and September 1, 2024 to September 31, 2024.

Basis of Consolidation

The interim condensed consolidated financial statements include the accounts of the Parent Company and all of its subsidiaries where the Parent Company has control. The interim condensed consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions, including income, expenses and dividends, are eliminated in full. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group 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
- the Group's voting rights and potential voting rights

The Group 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary. Non-controlling interests (NCI) represent the portion of profit or loss and net assets in subsidiaries not owned by the Group and are presented separately in the interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and within equity in the interim condensed statement of financial position, separately from the Parent Company's equity. Any equity instruments issued by a subsidiary that are not owned by LBCH are non-controlling interests including preferred shares and options under share-based transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of LBCH and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the interim condensed consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

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

- derecognizes the assets (including goodwill) and liabilities of the subsidiary
- derecognizes the carrying amount of any non-controlling interests
- derecognizes the cumulative translation differences recorded in equity
- recognizes the fair value of the consideration received

- recognizes the fair value of any investment retained
- recognizes any surplus or deficit in profit or loss
- reclassifies LBCH's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

All significant intercompany balances and transactions, including income, expenses and dividends, are eliminated in full. Profit and losses resulting from intercompany transactions that are recognized in assets are eliminated in full.

On September 28, 2023, the Parent Company acquired, through business combination, 100% of the capital of Blue Eagle and LBC Service Ltd., a corporation organized under the laws of Republic of China which is engaged in employment services for a total purchase price of New Taiwan Dollar (NTD) 5.00 million.

On December 1, 2024, the branch of LBCE in Kingdom of Saudi Arabia, with total branch current account of SAR 2.00 million, was converted to a Limited Liability Corporation. The Group acquired, through conversion, 70% of the total capital of LBC Express Inc. Limited (LBC KSA) equivalent to SAR 1.40 million. The remaining 30% non-controlling interest was assigned to third-parties equivalent to SAR 0.60 million.

There were no other acquisitions and disposal nor changes in the Parent Company's ownership interests in its subsidiaries in 2025 and 2024.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Except otherwise stated, the adoption of the new accounting standards, amendments and interpretations which apply for the first time in 2025, do not have an impact on the interim condensed consolidated financial statements of the Group.

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

The amendments clarify:

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

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

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

- Amendments to PAS 7 and PFRS 7, *Disclosures: Suppliers Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Significant Accounting Judgments Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

There were no significant changes in the significant accounting judgments, estimates, and assumptions used by the Group for the interim period ended September 30, 2025.

3. Business Combination and Goodwill

On September 28, 2023, the Parent Company acquired, through business combination, 100% of the capital of Blue Eagle and LBC Service Ltd., a corporation organized under the laws of Republic of China which is engaged in employment services for a total purchase price of New Taiwan Dollar (NTD) 5.00 million.

On December 1, 2024, the branch of LBCE in Kingdom of Saudi Arabia, with total branch current account of SAR 2.00 million, was converted to a Limited Liability Corporation (LLC). The Group acquired, through conversion, 70% of the total capital of LBC KSA equivalent to SAR 1.40 million. The remaining 30% non-controlling interest was assigned to third-parties equivalent to SAR 0.60 million.

Identifiable assets acquired, and liabilities assumed of Blue Eagle and LBC Service Ltd.

PFRS 3, *Business Combinations*, provides that if the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date. The comparative information presented for the periods before the initial accounting for the combination is complete shall be presented as if the initial accounting had been completed from the acquisition date.

The fair values of the identifiable assets acquired and liabilities assumed, including gain on bargain purchase, as at the date of acquisitions are shown below:

Blue Eagle and LBC Service Ltd.	
Percentage of ownership of Parent Company	100%
Assets	
Cash and cash equivalents	₹9,345,875
Receivable from related parties	21,751,584
Trade and other receivables, net	1,054
Prepayments and other current assets	306,731
Total current assets	31,405,244
Property and equipment	364,687
Security deposit	4,333,449
Total noncurrent asset	4,698,136
Total asset	36,103,380
Liabilities	
Accounts and other payables	1,818,368
Transmission liability	7,207,548
Total liabilities	9,025,916
Net assets attributable to Parent Company	27,077,464
Less: Gain on bargain purchase	18,233,464
Purchase consideration	₹8,844,000

Purchase consideration and net cash flows

There were no contingent considerations in the above acquisitions during the period. Net cash related to acquisition of the above entities in 2023 are shown below.

Blue Eagle and LBC Service Ltd.	
Cash paid	₹8,844,000
Cash acquired	9,345,875
Net cash inflow	₹501,875

The purchase considerations are paid in full which was paid in advance by the Parent Company in 2023. The gain on bargain purchase of the acquired company was presented under “Other income (charges)” in the interim condensed consolidated statements of comprehensive income.

Identifiable assets acquired, and liabilities assumed of LBC KSA

Since it is only a conversion of branch to LLC, the fair values of the identifiable assets and liabilities of LBC KSA are the same and already part of the Group’s consolidated financial statements in prior years.

There were no other acquisitions and disposal of subsidiaries for the nine months ended September 30, 2025.

There is no movement in the carrying amount of goodwill from December 31, 2024.

Impairment testing of Goodwill

The Group performs its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group’s impairment test for goodwill is based on value-in-use

calculations. The key assumptions used to determine the recoverable amount for the different significant cash generating units were disclosed in the annual consolidated financial statements for the year ended December 31, 2024.

The Group did not perform impairment test on goodwill for the nine months ended September 30, 2025 since impairment testing is performed every year end. When reviewing for indicators of impairment, the Group considers various external and internal sources of information.

The Group did not recognize impairment losses on goodwill as of September 30, 2025.

4. Cash and Cash Equivalents

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)	September 30, 2024 (Unaudited)
Cash on hand	₱150,911,801	₱167,493,160	₱150,660,144
Cash in banks	1,718,239,499	2,565,921,170	2,210,756,424
Cash equivalents	233,836,077	14,568	41,732,319
	₱2,102,987,377	₱2,733,428,898	₱2,403,148,887

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents include short-term placements made for varying periods of up to nine months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term placement rates.

Cash in banks and cash equivalents earn interest ranging from 0.0625% to 2.75% per annum in 2025 and 2024, respectively. Interest income earned from cash and cash equivalents amounted to ₱0.49 million and ₱0.39 million for the nine months ended September 30, 2025 and 2024, respectively.

5. Trade and Other Receivables

This account consists of:

	September, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables - outside parties	₱1,905,061,069	₱1,985,699,950
Trade receivables - related parties (Note 17)	377,105,657	360,338,701
	2,282,166,726	2,346,038,651
Less allowance for expected credit losses	349,614,614	338,223,650
	1,932,552,112	2,007,815,001
Other receivables:		
Advances to officers and employees	105,912,220	93,510,501
Others	24,405,122	25,843,181
	₱2,062,869,454	₱2,127,168,683

Trade receivables arise from sale of services related to inbound and outbound courier services handling and consolidation services with normal credit terms of 30 to 90 days.

Advances to officers and employees consist mainly of noninterest-bearing advances which are subject to liquidation upon completion of the business transaction and personal advances subject to salary deductions.

Others mainly consist of SSS benefit receivable to be reimbursed within a year.

The Group performed reassessment of the collectability of its receivables and as a result, recognized additional provision for impairment losses. These were recognized under operating expenses in the consolidated statements of comprehensive income.

The movements in allowance for impairment losses of trade receivables follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	₱338,223,650	₱257,482,114
Provision for impairment losses (Note 19)	25,306,171	80,741,536
Write-off	(8,138,640)	—
Recoveries	(5,776,567)	—
Balance at the end of period	₱349,614,614	₱338,223,650

6. Prepayments and Other Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Prepayments:		
Taxes	₱2,064,460,997	₱2,080,621,361
Insurance	78,260,588	53,672,732
Guarantee fee (Note 14)	51,321,461	–
Rent	17,636,947	14,627,985
Software maintenance	13,217,249	5,388,171
Employee benefits	12,208,897	19,781,457
Transportation supplies	5,196,262	7,957,537
Dues and subscriptions	1,332,946	2,994,853
Advertising	235,539	63,905
Others	36,409,450	44,409,884
Creditable withholding taxes (CWTs)	404,481,967	394,967,837
Materials and supplies	207,852,274	198,058,276
Restricted cash in bank	113,414,264	180,330,339
Input value-added tax (VAT)	102,582,840	83,273,389
Loans receivable (Note 11)	72,801,866	76,656,440
Security deposits	37,233,948	27,686,637
Short-term cash investments	28,895,748	29,710,204
Electronic wallet	6,873,277	15,143,278
Others	2,737,912	2,909,810
	3,257,154,432	3,238,254,095
Less: noncurrent portion	2,088,089,534	2,093,359,358
	₱1,169,064,898	₱1,144,894,737

Details of noncurrent portion follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Prepaid Taxes	₱1,786,734,538	₱1,786,734,538
Creditable withholding taxes (CWTs)	242,130,531	242,130,536
Loans receivable (Note 11)	56,962,481	62,308,929
Prepaid rent	2,051,962	1,769,248
Other assets	210,022	416,107
Total noncurrent portion	₱2,088,089,534	₱2,093,359,358

The interest income earned from the short-term cash investments and restricted cash in bank amounted to ₱7.08 million and ₱8.62 million for the nine months ended September 30, 2025 and 2024, respectively.

7. Property and Equipment

The rollforward analysis of this account follows:

	For the Nine Months ended September 30, 2025 (Unaudited)							
	Transportation Equipment	Leasehold Improvements	Furniture, Fixtures and Office Equipment	Computer Hardware	Building	Land	Construction in Progress	Total
Costs								
Balances at beginning of year	₱446,253,365	₱1,113,021,902	₱342,119,532	₱527,463,992	₱1,137,890,150	₱1,031,257,734	₱19,892,625	₱4,617,899,300
Additions	12,362,912	14,005,698	9,088,686	25,912,922	5,677,098	–	22,664,939	89,712,255
Reclassifications	–	903,091	–	–	–	–	(903,091)	–
Disposals	(7,317,888)	(375,124,357)	(92,090,755)	(15,705,345)	–	–	(23,434,727)	(513,673,072)
Effect of changes in foreign currency exchange rates	(3,601,434)	(1,619,917)	(729,122)	(343,970)	–	–	–	(6,294,443)
Balances at end of year	447,696,955	751,186,417	258,388,341	537,327,599	1,143,567,248	1,031,257,734	18,219,746	4,187,644,040
Accumulated depreciation and amortization								
Balances at beginning of year	377,537,152	970,348,216	279,297,638	480,190,440	22,757,803	–	–	2,130,131,249
Depreciation (Notes 18 and 19)	19,105,211	33,472,218	21,018,068	23,652,444	17,267,051	–	–	114,514,992
Disposals	(6,444,091)	(373,382,083)	(90,829,404)	(8,262,527)	–	–	–	(478,918,105)
Effect of changes in foreign currency exchange rates	(4,829,079)	(1,333,801)	(420,977)	2,801,712	–	–	–	(3,782,145)
Balances at end of year	385,369,193	629,104,550	209,065,325	498,382,069	40,024,854	–	–	1,761,945,991
Net book value	₱62,327,762	₱122,081,867	₱49,323,016	₱38,945,530	₱1,103,542,394	₱1,031,257,734	₱18,219,746	₱2,425,698,049

For the year ended December 31, 2024 (Audited)

	Transportation Equipment	Leasehold Improvements	Furniture, Fixtures and Office Equipment	Computer Hardware	Building	Land	Construction in Progress	Total
Costs								
Balances at beginning of year	₱544,846,554	₱1,712,944,342	₱480,575,069	₱911,883,344	₱1,141,380,612	₱1,031,257,734	₱9,815,434	₱5,832,703,089
Additions	1,872,751	3,110,048	5,017,524	41,906,174	—	—	32,005,397	83,911,894
Reclassifications	—	21,928,206	—	—	—	—	(21,928,206)	—
Disposals	(106,830,905)	(628,294,492)	(145,463,133)	(427,229,544)	(3,490,462)	—	—	(1,311,308,536)
Effect of changes in foreign currency exchange rates	6,364,965	3,333,798	1,990,072	904,018	—	—	—	12,592,853
Balances at end of year	446,253,365	1,113,021,902	342,119,532	527,463,992	1,137,890,150	1,031,257,734	19,892,625	4,617,899,300
Accumulated depreciation and amortization								
Balances at beginning of year	439,408,024	1,507,917,188	380,602,992	860,609,857	—	—	—	3,188,538,061
Depreciation (Notes 18 and 19)	38,532,017	71,232,499	40,381,182	44,195,143	22,757,803	—	—	217,098,644
Disposals	(106,652,170)	(611,482,435)	(142,300,159)	(423,217,834)	—	—	—	(1,283,652,598)
Effect of changes in foreign currency exchange rates	6,249,281	2,680,964	613,623	(1,396,726)	—	—	—	8,147,142
Balances at end of year	377,537,152	970,348,216	279,297,638	480,190,440	22,757,803	—	—	2,130,131,249
Net book value	₱68,716,213	₱142,673,686	₱62,821,894	₱47,273,552	₱1,115,132,347	₱1,031,257,734	₱19,892,625	₱2,487,768,051

8. Intangible Assets

The rollforward analysis of this account follows:

For the Nine Months ended September 30, 2025 (Unaudited)			
	Software	Development in Progress	Total
Costs			
Balances at beginning of year	₱591,708,803	₱45,643,832	₱637,352,635
Additions	16,711,491	13,464,893	30,176,384
Disposals	(242,280,218)	—	(242,280,218)
Effect of changes in foreign currency exchange rates	(800,104)	(242,577)	(1,042,681)
Balances at end of year	365,339,972	58,866,148	424,206,120
Accumulated Amortization			
Balances at beginning of year	425,076,484	—	425,076,484
Amortization (Notes 19 and 20)	61,150,667	—	61,150,667
Disposals	(242,152,985)	—	(242,152,985)
Effect of changes in foreign currency exchange rates	(1,221,628)	—	(1,221,628)
Balances at end of year	242,852,538	—	242,852,538
Net book value	₱122,487,434	₱58,866,148	₱181,353,582

For the year ended December 31, 2024 (Audited)			
	Software	Development in Progress	Total
Costs			
Balances at beginning of year	₱663,927,585	₱26,761,878	₱690,689,463
Additions	31,068,843	18,374,204	49,443,047
Disposal	(107,483,520)	—	(107,483,520)
Reclassification	102,500	(102,500)	—
Effect of changes in foreign currency exchange rates	4,093,395	610,250	4,703,645
Balances at end of year	591,708,803	45,643,832	637,352,635
Accumulated Amortization			
Balances at beginning of year	453,804,192	—	453,804,192
Amortization (Notes 19 and 20)	75,022,453	—	75,022,453
Disposal	(106,963,809)	—	(106,963,809)
Effect of changes in foreign currency exchange rates	3,213,648	—	3,213,648
Balances at end of year	425,076,484	—	425,076,484
Net book value	₱166,632,319	₱45,643,832	₱212,276,151

9. Investments at Fair Value through Profit or Loss and through OCI

Investment at FVPL represents the Group's investments in unquoted unit investment trust fund.

Investment at FVOCI represents investment in the quoted shares of stock of Araneta Properties, Inc.

Movement of the investments at fair value follows:

	September 30, 2025	December 31, 2024
FVOCI	(Unaudited)	(Audited)
Balance at beginning of period	₱99,480,637	₱191,158,872
Unrealized fair value loss during the period	(2,925,901)	(91,678,235)
	₱96,554,736	₱99,480,637

	September 30, 2025	December 31, 2024
FVPL	(Unaudited)	(Audited)
Balance at beginning of period	₱2,360,759	₱2,263,568
Unrealized fair value gain during the period	83,510	97,191
	₱2,444,269	₱2,360,759

The unrealized fair value gain related to investment at FVPL is presented under 'Other income (charges)' in the interim consolidated statements of comprehensive income.

Movement in unrealized loss on investment at FVOCI follow:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance at beginning of period	(₱164,631,125)	(₱72,952,890)
Unrealized loss during the period from quoted investments:	(2,925,901)	(91,678,235)
Balance at end of period (Note 16)	(₱167,557,026)	(₱164,631,125)

10. Investment in Associates

Investment in Terra Barbaza Aviation, Inc. (TBAI)

The Group has 20,000,000 non-voting Preferred A Shares and 1,250 common shares which represent 24.762% of the total outstanding common shares as of September 30, 2025 and December 31, 2024. TBAI is engaged in the business of providing flight services by means of helicopters, airplanes and other aircraft to transport executives in the Philippines.

Movement in the investment in TBAI is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Costs		
At acquisition date	₱79,809,022	₱79,809,022
Accumulated Equity on Net Earnings (Loss)		
Balance at beginning of period	11,251,681	2,408,713
Equity share in net income (loss)	(5,324,480)	8,842,968
	5,927,201	11,251,681
Carrying Value	₱85,736,223	₱91,060,703

The summarized statements of financial position of TBAI follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current assets	₱78,257,556	₱98,764,744
Noncurrent assets	398,600,468	408,589,267
Current liabilities	(5,406,834)	(13,395,197)
Noncurrent liabilities	(36,873,025)	(37,878,024)
Equity	434,578,165	456,080,790
Proportion of Group's ownership	24.762%	24.762%
Group's share in identifiable asset	107,610,245	112,934,725
Other adjustments	(21,874,022)	(21,874,022)
Carrying amount of the investment	₱85,736,223	₱91,060,703

The summarized statement of comprehensive income of TBAI follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Revenue	₱56,038,655	₱99,577,885
Cost and expenses	77,541,280	63,866,035
Net income (loss)	(21,502,625)	35,711,850
Group's share in total comprehensive income	(₱5,324,480)	₱8,842,968

Investment in Orient Freight International, Inc. (OFII)

The Parent Company has 30% ownership in OFII, a company involved in freight forwarding, warehousing and customs brokerage businesses operating within the Philippines.

On February 28, 2025, the BOD of OFII declared a stock dividend of 1,214,286 shares equivalent to ₱12.14 million. Subsequently on July 7, 2025, the BOD approved the increase in authorized capital stock from 16.00 million shares to 25.00 million shares. Further, out of the 9.00 million increase in authorized capital stock, a total of 2.25 million shares shall be initially subscribed by stockholders in

proportion to their shareholding through a declaration of stock dividend. On the same date, the stock dividends were declared equivalent to ₱22.5 million.

OFII declared cash dividends amounting to ₱33.00 million in 2025 and ₱30.00 million in 2024. Dividend receivables as of September 30, 2025 and December 31, 2024 amounted to ₱16.50 million and nil, respectively. No impairment loss was recognized for the investment in associate in 2025 and 2024.

Movement in the investment in OFII is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Costs		
At acquisition date	₱227,916,452	₱227,916,452
Accumulated Equity on Net Earnings		
Balance at beginning of period	47,345,117	40,809,602
Equity share in net earnings	25,005,530	36,535,515
Less: Dividend income	(33,000,000)	(30,000,000)
	39,350,647	47,345,117
Other Comprehensive Income		
Balance at beginning of period	3,613,333	4,625,826
Equity share in other comprehensive income	36,065	(1,012,493)
	3,649,398	3,613,333
Carrying Value	₱270,916,497	₱278,874,902

The summarized statements of financial position of OFII follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current assets	₱684,413,459	₱619,467,749
Noncurrent assets	162,131,252	196,606,554
Current liabilities	(280,709,347)	(223,988,556)
Noncurrent liabilities	(103,978,706)	(103,701,073)
Equity	461,856,658	488,384,674
Proportion of Group's ownership	30.00%	30.00%
Group's share in identifiable asset	138,556,997	146,515,402
Implied goodwill	132,359,500	132,359,500
Carrying amount of the investment	₱270,916,497	₱278,874,902

The summarized statement of comprehensive income of OFII follows:

	For the nine months ended September 30, 2025 (Unaudited)	For the year ended December 31, 2024 (Audited)
Revenue	₱726,137,992	₱933,381,150
Cost and expenses	642,786,223	811,596,100
Net income	83,351,769	121,785,050
Other comprehensive income (loss)	120,215	(3,374,977)
Total comprehensive income	83,471,984	118,410,073
Group's share in total comprehensive income	₱25,041,595	₱35,523,022

11. Receivable and Trademark Agreement

On September 25, 2019, LBCH extended a 15-year 2.3% interest-bearing loan to Transtech Co. Ltd. (Transtech) amounting to \$1.80 million. Transtech, an entity incorporated in Japan, is involved in freight forwarding, warehousing, and packing business. Its services include forwarding of Balikbayan boxes from Japan to the Philippines.

Transtech shall pay interests on a quarterly basis. The Loan Agreement also constitutes a pledge by Transtech on its trademark for the benefit of LBCH, to secure LBCH's claims to the repayment of the loaned amount in case of default as defined in the Loan Agreement.

Subsequently, on September 30, 2019, Transtech granted LBCH an exclusive license to use its registered trademark subject to restrictions for a period of 10 years with automatic renewal of 3 years unless otherwise discontinued in writing by either party. LBCH may, in its discretion, use the trademark in combination with any text, graphics, mark, or any other indication. As consideration for the exclusive use of license, LBCH shall pay royalty of \$0.13 million annually.

For the nine months ended September 30, 2025 and 2024, LBCH incurred royalty fee amounting to ₱5.37 million and ₱5.36 million, respectively. The related payable was offset to LBCH's interest receivable from Transtech amounting to ₱1.12 million and ₱1.24 million for the nine months ended September 30, 2025 and 2024, respectively, and to loans receivable amounting to ₱4.24 million and ₱4.12 million for the nine months ended September 30, 2025 and 2024, respectively.

Current and noncurrent portion as at September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current portion*	₱15,839,385	₱14,347,511
Noncurrent portion**	56,962,481	62,308,929
	₱72,801,866	₱76,656,440

*Presented under 'prepayment and other current assets'

**Presented under 'Other noncurrent assets'

Interest income earned amounted to ₱1.12 million and ₱1.24 million for the nine months ended September 30, 2025 and 2024, respectively.

12. Accounts and Other Payables and Other Noncurrent Liabilities

Accounts and other payables account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade payable - outside parties	₱1,102,223,871	₱1,487,433,293
Trade payable - related parties (Note 17)	31,164,851	35,542,042
Accruals:		
Salaries and wages	362,305,112	346,688,822
Claims and losses	114,215,254	201,867,232
Taxes	92,169,377	96,122,244
Contracted jobs	88,377,856	81,312,503
Rent and utilities	82,136,859	114,258,130
Advertising	52,339,468	40,833,849
Outside services	39,526,554	21,126,291
Software maintenance	37,874,425	25,943,477
Professional fees	18,907,993	29,065,510
Others	57,697,835	50,065,050
Taxes payable	777,062,790	644,568,764
Contract liabilities	201,204,504	248,208,450
Government agencies contributions payables	41,368,942	39,968,667
Others	58,699,357	55,299,957
	₱3,157,275,048	₱3,518,304,281

Software maintenance cost includes fees related to an enterprise agreement in which the Group incurred interest expense amounting to ₱0.84 million and ₱0.87 for the nine months ended September 30, 2025 and 2024, respectively.

13. Transmissions Liability

Transmissions liability represents money transfer remittances by clients that are still outstanding and not yet claimed by the beneficiaries as at reporting date. These are due and demandable.

Transmissions liability amounted to ₱514.44 million and ₱684.86 million as at September 30, 2025 and December 31, 2024, respectively, of which liability amounting ₱6.17 million and ₱8.95 million as at September 30, 2025 and December 31, 2024, respectively, is payable to an affiliate (see Note 17).

14. Notes Payable

The Group has outstanding notes payable to various local banks. The details of these notes as at September 30, 2025 and December 31, 2024 are described below:

Bank	Date of Availment	September 30, 2025				Terms
		Outstanding Balance	Maturity	Interest Rate		
a. Unionbank of the Philippines	Aug 2021	110,513,172	Aug 2026	7.84%, subject to repricing	With mortgage; Interest and principal payable every quarter	

September 30, 2025					
Bank	Date of Availment	Outstanding Balance	Maturity	Interest Rate	Terms
Unionbank of the Philippines	Dec 2021	11,161,500	Dec 2031	7.493%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Feb 2022	12,427,692	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Mar 2022	19,567,692	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Apr 2022	16,475,200	Dec 2031	7.990%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	May 2022	17,360,000	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jul 2022	12,264,000	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Aug 2022	3,976,000	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Oct 2022	7,873,895	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Nov 2022	5,115,158	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jan 2023	46,454,270	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jan 2023	33,114,162	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Mar 2023	42,952,000	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Apr 2023	27,118,000	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	May 2023	21,840,000	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jun 2023	38,563,200	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jul 2023	57,720,000	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jul 2023	4,749,316	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jul 2023	3,635,042	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Aug 2023	42,369,538	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter

September 30, 2025						
Bank	Date of Availment	Outstanding Balance	Maturity	Interest Rate	Terms	
	Unionbank of the Philippines	Sep 2023	54,194,665	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Dec 2023	39,360,853	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Dec 2023	43,557,075	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Apr 2024	4,277,813	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	May 2024	6,869,032	Dec 2031	7.835%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Aug 2025	63,593,515	Dec 2031	7.812%, subject to repricing	With mortgage; Interest and principal payable every quarter
b.	Unionbank of the Philippines	July 2025	18,000,000	Jan 2026	8.250%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
c.	Banco de Oro	Oct 2021	63,562,500	May 2026	6.25%, subject to repricing	With mortgage; Interest payable every month, principal payable quarterly
d.	Banco de Oro	May 2025, Sep 2025	100,000,000	Nov 2025, Mar 2026	6.25%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
e.	Banco de Oro	Sep 2025	20,000,000	Mar 2026	6.25%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
f.	Banco de Oro	Apr 2025	45,000,000	Oct 2025	6.25%, subject to repricing	Clean; Interest payable every month, principal to be paid on maturity date
g.	Banco de Oro	May 2025	125,000,000	Nov 2025	6.25%, subject to repricing	Clean; Interest payable every month, principal to be paid on maturity date
i.	Rizal Commercial Banking Corporation	May 2025	63,773,600	Nov 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
k.	Rizal Commercial Banking Corporation	May 2025	58,496,400	Nov 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
l.	Rizal Commercial Banking Corporation	Jun 2025	7,290,000	Dec 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
m.	Rizal Commercial Banking Corporation	May 2024	13,410,000	Nov 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
n.	Rizal Commercial Banking Corporation	Jun 2025	21,800,000	Dec 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
o.	Rizal Commercial Banking Corporation	Jun 2025	22,000,000	Nov 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
p.	Rizal Commercial Banking Corporation	Aug 2025, Sep 2025	47,918,876	Oct 2025, Nov 2025	8.00%, subject to repricing	AR Assignment, Interest deducted in full, Principal payable upon maturity

September 30, 2025					
Bank	Date of Availment	Outstanding Balance	Maturity	Interest Rate	Terms
s. Banco de Oro	Oct 2024	50,000,000	Oct 2025	8.25%, subject to repricing	Clean; Interest payable every month, Principal amount of P50M due on the 6th month and every 2 months thereafter.
t. Unionbank of the Philippines	Jun 2025	50,000,000	Dec 2025	8.25%, subject to repricing	Clean; Interest payable every quarter, principal payable upon maturity
u. Banco de Oro	Aug 2025	4,665,115,922	Aug 2035	6.25%, subject to repricing	With mortgage; Interest payable every month and principal payable semi-annually
Total		₱6,118,470,088			
Current portion		₱1,211,839,735			
Noncurrent portion		₱4,906,630,353			

December 31, 2024					
Bank	Date of Availment	Outstanding Balance	Maturity	Interest Rate	Terms
a. Unionbank of the Philippines	Aug 2021	193,398,052	Aug 2026	7.12%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Dec 2021	12,500,880	Dec 2031	8.21%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Feb 2022	13,919,015	Dec 2031	8.18%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Mar 2022	21,915,815	Dec 2031	8.18%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Apr 2022	18,376,185	Dec 2031	7.15%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	May 2022	19,363,077	Dec 2031	8.18%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jul 2022	13,679,077	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Aug 2022	4,434,769	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Oct 2022	8,782,421	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Nov 2022	5,705,368	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jan 2023	51,814,378	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Jan 2023	36,935,027	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
Unionbank of the Philippines	Mar 2023	47,908,000	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter

December 31, 2024						
Bank	Date of Availment	Outstanding Balance	Maturity	Interest Rate	Terms	
	Unionbank of the Philippines	Apr 2023	30,247,000	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	May 2023	24,360,000	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Jun 2023	43,012,800	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Jul 2023	64,380,000	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Jul 2023	5,297,315	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Jul 2023	4,054,470	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Aug 2023	47,258,331	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Sep 2023	60,447,895	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Dec 2023	43,902,490	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Dec 2023	48,582,892	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	Apr 2024	4,771,406	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
	Unionbank of the Philippines	May 2024	7,661,613	Dec 2031	8.19%, subject to repricing	With mortgage; Interest and principal payable every quarter
b.	Unionbank of the Philippines	Aug 2024	6,100,000	Feb 2025	9.00%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
c.	Banco de Oro	Oct 2021	127,125,000	May 2026	6.63%, subject to repricing	With mortgage; Interest payable every month, principal payable quarterly
d.	Banco de Oro	Sep 2024, Nov 2024	100,000,000	Mar 2025, May 2025	6.63%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
e.	Banco de Oro	Oct 2024	20,000,000	Mar 2025	6.63%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
f.	Banco de Oro	Oct 2024	45,000,000	Apr 2025	6.63%, subject to repricing	Clean; Interest payable every month, principal to be paid on maturity date
g.	Banco de Oro	Nov 2024	125,000,000	May 2025	6.63%, subject to repricing	Clean; Interest payable every month, principal to be paid on maturity date
h.	Banco de Oro	Nov 2024	10,000,000	Mar 2025	6.63%, subject to repricing	Clean; Interest payable every month, principal to be paid on maturity date

December 31, 2024						
Bank		Date of Availment	Outstanding Balance	Maturity	Interest Rate	Terms
i.	Rizal Commercial Banking Corporation	Apr 2024	115,304,000	Apr 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
j.	Rizal Commercial Banking Corporation	May 2024	10,600,000	May 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
k.	Rizal Commercial Banking Corporation	May 2024	64,996,000	May 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
l.	Rizal Commercial Banking Corporation	Jun 2024	7,290,000	Jun 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
m.	Rizal Commercial Banking Corporation	Mar 2024	24,300,000	Mar 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
n.	Rizal Commercial Banking Corporation	Jun 2024	21,800,000	Jun 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
o.	Rizal Commercial Banking Corporation	Jun 2024	22,000,000	Jun 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
p.	Rizal Commercial Banking Corporation	Dec 2024	96,691,000	Jan 2024	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
q.	Rizal Commercial Banking Corporation	May 2024	19,000,000	May 2025	7.75%, subject to repricing	Clean; Interest payable every month, principal payable upon maturity
r.	Rizal Commercial Banking Corporation	Dec 2024	16,777,861	Jan 2025, Feb 2025	8.00%, subject to repricing	AR Assignment, Interest deducted in full, Principal payable upon maturity
s.	Banco de Oro	Oct 2024	200,000,000	Oct 2025	6.63%, subject to repricing	Clean; Interest payable every month, Principal amount of P50M due on the 6th month and every 2 months thereafter. Interest payable monthly
t.	Unionbank of the Philippines	Dec 2024	50,000,000	Jun 2025	9.00%, subject to repricing	Clean; Interest payable every quarter, principal payable upon maturity
Total			₱1,914,692,137			
Current portion			₱1,238,540,861			
Noncurrent portion			₱676,151,276			

- a. On February 10, 2020, LBCE availed a 5-year interest bearing loan from BDO amounting to ₱641.82 million to finance the 70% balance of the acquisition of land, recorded under property and equipment with a carrying amount of ₱1,031.26 million, which served as a collateral for the loan.

On August 5, 2021, the loan was taken out via UBP with principal amounting to ₱552.57 million, a 5-year interest-bearing loan with maturity date of August 2026. The outstanding amount of loan as of September 30, 2025 is ₱110.51 million.

On December 27, 2021, February 21, 2022 and March 4, 2022, LBCE availed 10-year interest bearing loan with maturity date of December 26, 2031, amounting to ₱17.86 million, ₱19.39 million and ₱30.52 million, respectively to finance the construction of warehouse. Additional availments were made on April 22, May 31, July 11 and August 15, 2022 amounting to ₱24.71

million, ₱26.04 million, ₱18.40 million and ₱5.96 million, respectively. In 2025 and 2024, LBCE settled in aggregate ₱10.96 and ₱14.61 million, respectively.

On October 10 and November 10, 2022, LBCE availed another 10-year interest bearing loan with maturity date of December 26, 2031, amounting to ₱11.51 million and ₱7.48, respectively. Settlement made in 2025 and 2024 amounted to ₱1.50 million and ₱2.00 million, respectively.

In 2023, additional availments were made in an aggregate amount of ₱509.30 million and settled ₱52.57 million in 2025 and ₱70.10 million in 2024.

In 2024 and 2025, additional availments were made in an aggregate amount of ₱118.70 million and ₱63.59 million, respectively. Settlement made in 2025 and 2024 amounted to ₱1.29 million and ₱13.78 million., respectively.

While the loan remains unpaid, LBCE shall not, without prior consent of the bank, permit any material change in the character of its business and controlling ownership; shall not undertake corporate reorganization; and amend Articles of Incorporation and By-laws. LBCE shall not participate in merger and consolidation except when it is the surviving corporation, nor sell, lease, mortgage or otherwise encumber or dispose of any asset owned, except (i) in the ordinary course of the business and (ii) to any consolidated subsidiary, person or entity which, upon such disposal, shall become a consolidated subsidiary of LBCE. There shall be no voluntary suspension of operations or dissolution of affairs. No dividend shall be declared to its stockholders other than dividends payable solely in shares of capital stock. In the event of default, LBCE shall not pay any loans or advances from its stockholders, affiliates, subsidiaries, or related entities. Further, LBCE shall ensure, that:

- The ratio of its consolidated debt to equity shall not exceed 4.0x, computed net of lease liabilities; and
- Current ratio shall not be lower than 0.8x.

- b. A short-term loan availed with UBP in July 2023 which was rolled over in January 2024 amounting to ₱25.00 million and settled in August 2024. It was rolled over in August 2024 amounting to ₱7.60 million and settled in February 2025.

Additional availments were made in January 2025 amounting to ₱11.90 million with maturity date of July 2025. The total amount of ₱18.00 million was rolled over in July 2025 with maturity date of January 2026.

- c. The Notes Facility Agreement entered into by LBCE with Banco De Oro (BDO) in 2016 is with a credit line facility amounting to ₱800.00 million. The loan is secured by a real estate mortgage on land owned by LBCE's affiliate (see Note 15). In June 2021, the term was extended up to October 2021 and secured by time deposit hold-out. In October 2021, it was further extended up to May 2026. Settlement made in 2025 and 2024 amounted to ₱63.56 million and ₱84.75 million, respectively.

On April 15, 2021, the Board of Directors of LBCH approved to guarantee the loan and allowed to hold out its time deposit. The current amount of time deposit as of September 30, 2025 is ₱73.04 million. Such guarantee shall substitute the existing real estate mortgage on the affiliate's real estate properties as security.

- d. On October 18, 2021, LBCE availed a short-term interest-bearing loan with BDO amounting to ₱100.00 million to finance other capital expenditures. This was rolled over in April 2022. In October 2022, April 2023, September 2023, April 2024, and September 2024, the loan was rolled over at the amount of ₱90.00 million. The maturity date is in March 2025. On April 11, 2022, LBCE also availed a short-term interest-bearing loan with BDO amounting to ₱10.00 million and

rolled over with maturity date in October 2023, April 2024, November 2024, March 2025, May 2025, and September 2025. The maturity dates are in November 2025 and March 2026.

- e. On October 22, 2021, LBCE availed a short-term loan interest-bearing with BDO amounting to ₱20.00 million to finance other capital expenditures. This was rolled over in April 2022, October 2022, April 2023, October 2023, April 2024, October 2024, March 2025, and September 2025 with maturity date in March 2026.
- f. On November 22, 2021, LBCE availed a short-term loan with BDO to finance working capital requirement amounting to ₱48.00 million. This was rolled over in May 2022 at the amount of ₱45.00 million and further rolled over in November 2022, May 2023, November 2023, May 2024, October 2024 and April 2025 with maturity date in October 2025.
- g. On December 1, 2021, LBCE availed a short-term loan with BDO amounting to ₱130.00 million to finance working capital requirement. This was rolled over in May 2022, November 2022, May 2023, November 2023, May 2024, November 2024 and May 2025 at the amount of ₱125 million, with maturity date in November 2025.
- h. On May 31, 2022, LBCE availed six-month loan with BDO amounting to ₱10.00 million in aggregate to finance working capital requirement. This was rolled over in November 2022, May 2023, November 2023, May 2024 and November 2024 with maturity date in March 2025. This was fully settled in 2025.
- i. On April 21, 2021, LBCE availed a short-term interest-bearing loan with Rizal Commercial Banking Corporation (RCBC) amounting to ₱176.00 million to finance its working capital requirements. This was rolled over in October 2021 and April 2022 with maturity date in April 2023. It was further rolled over at the amount of ₱128.30 million and ₱103.77 million with maturity date of April 2024 and November 2025, respectively. Settlements made in 2025 and 2024 amounted to ₱51.53 million and ₱13.00 million, respectively.
- j. In November 2023, LBCE availed a short-term interest-bearing loan with Rizal Commercial Banking Corporation (RCBC) amounting to ₱11.80 million to finance working capital. ₱10.60 million was rolled over in May 2024 with settlement date of May 2025. It was further rolled over in May 2025 with maturity date of November 2025. This was fully settled in 2025. Total amount paid in 2025 and 2024 amounted to ₱10.6 million and ₱1.20 million, respectively.
- k. On November 18, 2022, LBCE availed a short-term loan with RCBC amounting to ₱100.44 million to finance other capital expenditures with maturity in May 2023. This was rolled over in May 2023, November 2023, May 2024 and May 2025 with maturity date of November 2025. Total amount paid in 2025 and 2024 amounted to ₱6.50 million and ₱7.30 million, respectively.
- l. On December 21, 2022, LBCE availed six-month loan with RCBC amounting to ₱10.00 million in aggregate to finance working capital requirement. This was rolled over in June 2023, December 2023, June 2024, June 2025 with maturity date of December 2025. Settlements in 2025 and 2024 amounted to nil and ₱1.71 million, respectively.
- m. On March 24, 2022, LBCE availed one-year loan with RCBC amounting to ₱30.00 million in aggregate to finance working capital requirement. In March 2023 and March 2024, it was rolled over at the amount of ₱27.00 million for another year. In May 2025, it was rolled over in the amount of ₱21.87 million with maturity date of November 2025. Total amount paid in 2025 and 2024 amounted to ₱10.89 million and ₱2.70 million, respectively.
- n. On June 10, 2023, LBCE availed a short-term loan interest bearing with RCBC amounting to ₱24.3 million to finance working capital. This was rolled over in June 2024 and June 2025 with

outstanding balance amounting to ₱21.80 million and maturity date of December 2025. Settlements made in 2025 and 2024 amounted to nil and ₱2.50 million, respectively.

- o. On June 14, 2023, LBCE availed a short-term loan interest bearing with RCBC amounting to ₱27.3 million to finance working capital. This was rolled over in December 2023, June 2024 and June 2025 with outstanding balance amounting to ₱22.50 million and maturity date of November 2025. Settlements made in 2025 and 2024 amounted to nil and ₱2.50 million, respectively.
- p. In various dates in November 2022, LBCE availed short-term loans with RCBC amounting to ₱185.51 million in aggregate to finance working capital requirement. These are rolled over in 2023. In the same year, LBCE availed additional short-term loans with RCBC amounting to ₱250.20 million. Outstanding balance of these loans as of September 30, 2025 and December 31, 2024 amounted to nil and ₱96.61 million, respectively. This was fully settled in 2025.

In August 2025 and September 2025, LBCE availed additional short-term loans amounting to ₱47.92 million with maturity dates of October 2025 and November 2025.

- q. On May 22, 2024, LBCE availed a one-year loan interest bearing with RCBC amounting to ₱19.00 million to finance working capital. This was fully settled in 2025.
- r. In December 2024, LBCE availed short-term loans interest bearing with RCBC amounting to ₱16.77 million to finance working capital with maturity dates in January 2025 and February 2025. These loan is secured by accounts receivable amounting to ₱200.00 million. This was fully settled in 2025.
- s. In October 2024, LBCE availed a one-year loan interest bearing with BDO amounting to ₱200.00 million to finance working capital. Settlements made in 2025 and 2024 amounted to ₱150.00 million and nil, respectively.
- t. In December 2024, LBCE a short-term loan interest bearing with UBP amounting to ₱50.00 million to finance working capital. It was rolled over in June 2025 with maturity date of December 2025.
- u. On August 20, 2025, the Group entered into a loan agreement with BDO to finance the redemption of the convertible instrument amounting to ₱4.70 billion allocated to LBCH and LBCE at the amount of ₱3.40 billion and ₱1.30 billion, respectively. The interest will be paid monthly while the principal will be paid semi-annually for ten years starting February 2026. Total transaction cost of the loan recognized and amortized over the life of the loan amounted to ₱35.20 million

The loan is secured with real estate mortgage on various properties owned by affiliates. Effective the same date, in consideration of the affiliate's accommodation to the Group's request to use these as loan collateral, the Group agreed to pay the affiliate a guarantee fee of 1% of the face value of the loan and until said assets are released by the bank as loan collateral. The guarantee fee is reported as part of interest expense in the consolidated statements of comprehensive income amounting to ₱4.18 million in 2025.

Interest expense amounted to ₱106.71 million and ₱82.91 million in 2025 and 2024, respectively.

The loans were used primarily for working capital requirements and capital expenditures and are not subject to any loan covenants with the exception to the matters discussed above. As of September 30, 2025 and December 31, 2024, the Group is compliant with its debt covenants.

Movements in the notes payable account follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	₱1,914,692,137	₱2,322,661,373
Availments	4,701,222,141	1,440,802,109
Payments	(497,444,190)	(1,848,771,345)
	₱6,118,470,088	₱1,914,692,137

15. Convertible Instrument

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Derivative liability		
Balances at beginning of year	₱2,528,532,365	₱2,030,069,446
Fair value loss on derivative	66,880,574	218,344,697
Redemption	(2,595,412,939)	—
Modification of maturity date	—	280,118,222
Balances at end of year	₱—	₱2,528,532,365
Bond payable		
Balances at beginning of year	₱2,065,585,876	₱1,979,740,743
Accretion of interest	187,020,306	319,594,107
Unrealized foreign exchange (gain) loss	(24,520,236)	89,504,093
Redemption	(2,228,085,946)	—
Amortization of issuance cost	—	1,049,270
Modification of maturity date	—	(324,302,337)
Balances at end of year	₱—	₱2,065,585,876

On June 20, 2017, the BOD of the Parent Company approved the issuance of convertible instrument. The proceeds of the issuance of convertible instrument will be used to fund the growth of the business of the Parent Company, including capital expenditures and working capital. Accordingly, on August 4, 2017, the Parent Company issued, in favor of CP Briks Pte. Ltd (CP Briks), a seven-year secured convertible instrument in the aggregate principal amount of US\$50.0 million (₱2,518.25 million) convertible at any time into 192,307,692 common shares of the Parent Company at the option of CP Briks initially at ₱13.00 per share conversion price, subject to adjustments and resetting of conversion price in accordance with the terms and conditions of the instrument as follows:

- effective on three years (3) from issuance date (the Reset Date) - if the 30-day Trading Day Weighted Average Price (TDWAP) of the Parent Company's common shares on the Principal Market prior to the Reset Date is not higher than the initial conversion price, the conversion price shall be adjusted on the Reset Date to the 30-day TDWAP prior to Reset Date;
- upon issuance of common shares for a consideration less than the conversion price in effect – the conversion price shall be reduced to the price of the new issuance;
- upon subdivision or combination (i.e., stock dividend, stock split, recapitalization or otherwise) – the conversion price in effect shall be proportionately reduced or increased; and
- other events or voluntary adjustment.

The convertible instrument (to the extent that the same has not been converted by CP Briks as the holder or by the Parent Company) is redeemable at the option of CP Briks, commencing on the 30th month from the issuance date at the redemption price equal to the principal amount of the bond plus an internal rate of 13% (decreasing to 12%, 11% and 10% on the 4th, 5th and 6th anniversary of the issuance date, respectively). The agreement also contains redemption in cash by the Parent Company at a price equal to the principal amount of the bond plus an internal rate of 13% (decreasing to 12%, 11% and 10% on the 4th, 5th and 6th anniversary of the issuance date, respectively) in case of a Change of Control as defined under the agreement.

The Parent Company also has full or partial right to convert the shares subject to various conditions including pre-approval of the PSE of the listing of the conversion shares and other conditions to include closing sale price and daily trading volume of common shares trading on the Principal Market and upon plan of offering, placement of shares or similar transaction with common share price at a certain minimum share price. On August 9, 2021, the Parent Company's stockholders approved the issuance of common shares for potential exercise of conversion rights. As at report date, there has been no conversion of the convertible instrument.

The convertible instrument is a hybrid instrument containing host financial liability and derivative components for the equity conversion and redemption options. The equity conversion and redemption options were identified as embedded derivatives and were separated from the host contract.

On October 3, 2017, the Parent Company entered into a pledge supplement with CP Briks whereby the Parent Company constituted in favor of CP Briks a pledge over all of the Parent Company's shares in LBCE consisting of 1,041,180,504 common shares, representing 100% of the total issued and outstanding capital stock of LBCE.

In the event of default, CP Briks may foreclose upon the pledge over LBCE shares as a result of which LBCE shares may be sold via auction to the highest bidder. The sale of LBCE shares in such public auction shall extinguish the outstanding obligation, whether or not the proceeds of the foreclosure sale are equal to the amount of the outstanding obligation. Under the terms of the pledge agreement, if LBCE shares are sold at a price higher than the amount of the outstanding obligation, any amount in excess of the outstanding obligation shall be paid to the Parent Company.

While CP Briks may participate in the auction of LBCE shares should there be a foreclosure, any such foreclosure of the pledge over LBCE shares and any resulting acquisition by CP Briks of equity interest in LBCE are always subject to the foreign ownership restrictions applicable to LBCE, which may not exceed 40% of the total issued and outstanding capital stock entitled to vote, and 40% of the total issued and outstanding capital stock whether or not entitled to vote, of LBCE.

Covenants

While the convertible instrument has not yet been redeemed or converted in full, the Parent Company shall ensure that neither it or its subsidiaries shall incur, create or permit to subsist or have outstanding indebtedness, as defined in the Omnibus Agreement, or enter into agreement or arrangement whereby it is entitled to incur, create or permit to subsist any indebtedness and that the Parent Company shall ensure, on a consolidated basis, that:

- a. Total Debt to EBITDA for any Relevant Period (12 months ending on the Parent Company's financial year) shall not exceed 2.5:1.
- b. The ratio of EBITDA to Finance Charges for any Relevant Period shall not be less than 5.0:1; and
- c. The ratio of Total Debt on each relevant date to Shareholder's Equity for that Relevant Period shall be no more than 1:1.

The determination and calculation of the foregoing financial ratios are based on the agreement and interpretation of relevant parties subject to the terms of the convertible instrument. The Group is in

compliance with the above covenants as at September 30, 2025 and December 31, 2024, the latest Relevant Period subsequent to the issuance of the convertible instrument. Relevant period means each period of twelve (12) months ending on the last day of the Parent Company's financial year.

In relation to the issuance of the convertible instrument and following the entry of CP Briks as a stakeholder in the Parent Company, the Parent Company entered into the following transactions:

- a. On August 4, 2017, LBCE and LBCDC agreed for LBCE to discontinue royalty for the use of LBC Marks (see Note 18).
- b. On various dates, the Parent Company entered into the following transactions for the acquisition of certain overseas entities:
 - i. Effective January 1, 2019, the Parent Company was granted the regulatory approvals on the purchase of the following entities under LBC USA Corporation:
 - LBC Mundial Corporation (LBC Mundial) which operates as a cargo and remittance company in California. The Parent Company purchased 4,192,546 shares or 100% of the total outstanding shares from LBC Holdings USA Corporation.
 - LBC Mabuhay North America Corporation (LBC North America) which operates as a cargo and remittance company in New Jersey. The Parent Company purchased 1,605,273 shares or 100% of the total outstanding shares from LBC Holdings USA Corporation.
 - ii. Effective July 1, 2019, the Parent Company's purchase of LBC Mabuhay Hawaii Corporation, who operates as a cargo and remittance company in Hawaii, was completed upon the approval by the US regulatory bodies. The Parent Company purchased 1,536,408 shares or 100% of the total outstanding shares from LBC Holdings USA Corporation.
 - iii. On March 7, 2018, the Parent Company acquired 100% ownership of LBC Mabuhay Saipan, Inc. (LBC Saipan) for a total purchase price of US \$207,652 or ₱10.80 million.
 - iv. On June 27, 2018, the BOD of the Parent Company approved the purchase of shares of some overseas entities. The acquisition is expected to benefit the Parent Company by contributing to its global revenue streams. On the same date, the SPAs were executed by the Group and Jamal Limited, as follows:
 - LBC Aircargo (S) PTE. LTD. which operates as a cargo branch in Taiwan. The Parent Company purchased 94,901 shares or 100% of the total outstanding shares of the acquiree at a purchase price of US \$146,013;
 - LBC Money Transfer PTY Limited which operates as a remittance company in Australia. The Parent Company purchased 10 shares or 100% of the total outstanding shares of the acquiree at a purchase price of US \$194,535;
 - LBC Express Airfreight (S) PTE. LTD. which operates as a cargo company in Singapore. The Parent Company purchased 10,000 shares or 100% of the total outstanding shares of the acquiree at a purchase price of US \$2,415,035; and
 - LBC Australia PTY Limited which operates as a cargo company in Australia. The Parent Company purchased 223,500 shares or 100% of the total outstanding shares of the acquiree at a purchase price of US \$1,843,149.
 - v. On August 15, 2018, the Parent Company approved the acquisition of 92.5% equity ownership of LBC Mabuhay (Malaysia) SDN BHD (LBC Malaysia) for a total purchase price of \$461,782 or ₱24.68 million.

- vi. On October 15, 2018, the Parent Company acquired the following overseas entities:
- LBC Mabuhay Remittance Sdn. Bhd. which operates as a remittance company in Brunei. The Parent Company purchased one (1) share which represents 50% equity interest at the subscription price of US \$557,804 per share.
 - LBC Mabuhay (B) SDN BHD which operates as a cargo company in Brunei. The Parent Company acquired 50% of LBC Mabuhay (B) SDN BHD for a total purchase price of US \$225,965.
- vii. On September 28, 2023, the Parent Company acquired 100% equity in Blue Eagle and LBC Service Ltd., a corporation organized under the Republic of China (Taiwan) for NTD 5.00 million.

Upon completion of the acquisitions discussed in (i) to (vi) above, the Parent Company will have acquired equity interests in twelve overseas entities which are affiliated to the Parent Company and LBCDC. In 2021, LBCE and LBCDC entered into amended agreements to extend the payment of consideration for the sale of QUADX shares and the Assignment of Receivables to a date no later than two years from the amendment (see Note 18). On November 29, 2022, a memorandum of agreement was signed between LBCDC and LBCE, whereas LBCDC pledged certain LBCH shares to secure the repayment of its obligation to LBCE amounting to P1,018.66 million (see Note 18).

If an event of default occurred and be continuing, CP Briks may require the Parent Company to redeem all or any portion of the convertible instrument, provided that CP Briks provides written notice to the Parent Company within the applicable period. Each portion of the convertible instrument subject to redemption shall be redeemed by the Parent Company at price equal to 100% of the conversion amount plus an internal rate of return (IRR) equal to 16% (inclusive of applicable tax, which shall be for the account of CP Briks).

On December 29, 2022, US\$11.0 million of the US\$50.0 million convertible instrument was redeemed by CP Briks at a total redemption price of ₱1,084.42 million (US\$19.33 million) and was paid on January 10, 2023. As of December 31, 2022, the Group recognized bond redemption payable amounting to ₱1,014.74 million and deducted the portion of US\$11.0 million from the bond payable and derivative liability. Gain on partial redemption of convertible instrument amounted to ₱7.58 million in 2022.

On August 2, 2024, CP Briks Pte. Ltd (CP Briks) agreed to extend the maturity date from August 4, 2024 to such time CP Briks opts to terminate the instrument upon thirty (30) days prior notice (“Extended Stated Maturity Date”). LBCH acknowledges and agrees that the interest in the instrument shall continue to accrue from the original stated maturity date until the extended maturity date, at the relevant IRR pursuant to Sections 4 and 5 of the instrument. Any reference in the purchase agreement and in the instrument to “due 2024” or “maturity date” or similar terms whether any such term is capitalized or not shall hereafter mean Extended Stated Maturity Date.

In order for CP Briks to exercise its right to terminate the instrument, it shall notify LBCH at least thirty (30) days prior to the day CP Briks opts to terminate and LBCH shall pay all outstanding principal and any accrued interest on such extended stated maturity date.

On August 15, 2025, LBCH received a notice setting the maturity date of the convertible instrument on September 15, 2025. The instrument amounting to \$39.0 million was redeemed on the said date. Total loss on redemption of convertible instrument amounted to ₱4.71 million.

16. Equity

Capital stock

As of September 30, 2025 and December 31, 2024, the details of the Parent Company's common shares follow:

	Number of Shares of Stocks	Amount
Capital stock - ₪1 par value		
Authorized	2,000,000,000	₪2,000,000,000
Issued and outstanding	1,425,865,471	1,425,865,471

The Parent Company's track record of capital stock is as follows:

	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders as of period end
At January 1, 2015	40,899,000	₪1/share		
			July 22, October 16 and October 21, 2015	
Add: Additional issuance	1,384,966,471	₪1/share		
December 31, 2015-2016	1,425,865,471			485
Add: Movement	—			—
December 31, 2017	1,425,865,471			486
Add: Movement	—			1
December 31, 2018-2021	1,425,865,471			487
Less: Movement	—			(2)
December 31, 2022-2023	1,425,865,471			485
Less: Movement	—			—
December 31, 2024-2024	1,425,865,471			485
Less: Movement	—			—
September 30, 2025	1,425,865,471			485

Retained earnings

The unappropriated retained earnings include accumulated equity in undistributed net earnings of the consolidated subsidiaries amounted to ₪1,366.61 million and ₪1,282.91 million as of September 30, 2025 and December 31, 2024, respectively. These are not available for dividend declaration until declared by the BOD of the respective subsidiaries.

In accordance with the Revised Securities Regulation Code Rule 68, the Parent Company has no retained earnings available for dividend declaration as of September 30, 2025 and December 31, 2024.

Cash dividends

On May 10, 2025, the BOD of LBC Express Shipping Company WLL (Kuwait) declared cash dividends of KWD 200 per common share. These were paid in the current year amounting to ₪3.93 million, of which ₪2.00 million is attributable to noncontrolling interest.

On May 4, 2023, the BOD of LBC Express Shipping Company WLL (Kuwait) declared cash dividends of KWD 200 per common share. The record date of entitlement to the said cash dividend is on November 30, 2022. These were paid in March 2023.

On December 1, 2022, the BOD of LBC Mundial Corporation and LBC Mabuhay North America Corporation declared cash dividends of US\$13.0 million and US\$1.0 million, respectively. This was paid in December 2022.

On November 7, 2022, the BOD of LBC Mabuhay (B) Sdn. Bhd. declared cash dividends of BND 500 per share while on November 8, 2022, the BOD of LBC Mabuhay Remittance Sdn. Bhd. declared cash dividends of BND 0.20 million per share, these were paid in November 2022.

The controlling interest of LBCH in LBC Mabuhay (B) Sdn. Bhd. and LBC Mabuhay Remittance Sdn. Bhd. amounted to BND 0.25 million and BND 0.20 million, respectively.

On October 14, 2022, the BOD of LBC Australia Pty Ltd declared cash dividends amounting to AUD 1.80 million, these were paid in October and November 2022.

On October 13, 2022, the BOD of LBC Mabuhay (M) Sdn. Bhd. declared cash dividends of RM 3.00 per outstanding common share, these were paid in November 2022. The controlling interest of LBCH amounted to RM 2.78 million.

On October 13, 2022, the BOD of LBC Mabuhay (Saipan), Inc. approved the issuance of dividends amounting to USD 0.25 million on the outstanding common shares held by the Parent Company, these were paid in October 2022.

On October 14, 2022, the BOD of LBC Express Airfreight (S) PTE Ltd. declared cash dividend of SGD 5.70 million and paid in November 2022.

On March 21, 2022, the BOD of LBC Express Shipping Company WLL (Kuwait) declared cash dividends of KWD 1500 per common share. The record date of entitlement to the said cash dividend is on November 30, 2021. These were paid in March 2022 amounting to ₪27.95 million, of which ₪14.25 million is attributable to noncontrolling interest.

Accumulated comprehensive gain (loss)

Details of accumulated comprehensive gain (loss) as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Remeasurement gain on retirement benefit plan, net of tax	₪236,643,673	₪242,169,521
Currency translation gain	75,478,658	7,488,123
Share in other comprehensive gain of an associate (Note 10)	3,649,398	3,613,333
Unrealized fair value loss on investment at FVOCI (Note 9)	(167,557,026)	(164,631,125)
	₪148,214,703	₪88,639,852
Accumulated comprehensive income (loss) attributable to:		
Controlling interest	₪148,688,829	₪90,918,199
Non-controlling interest	(474,126)	(2,278,347)
	₪148,214,703	₪88,639,852

17. Related Party Transactions

In the normal course of business, the Group transacts with related parties consisting of its ultimate parent, LBCDC, affiliates and its associates. Affiliates include those entities in which the owners of the Group have ownership interests. These transactions include delivery, service and management fees and loans and expense reimbursements. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

Details of related party transactions and balances for the nine months ended September 30, 2025 and for the year ended December 31, 2024 are as follows:

	Transaction amounts for the Nine Months ended September 30, 2025 (Unaudited)	Outstanding receivable (payable) balance as at September 30, 2025 (Unaudited)	Terms	Conditions
<u>Due from related parties (Trade receivables)</u>				
<i>Affiliates</i>				
a.) Delivery fee, management fee, financial Instant Peso Padala (IPP) fulfillment fee (Notes 5 and 25)	₱85,336,501	₱377,105,657	Noninterest-bearing; due and demandable	Unsecured, no impairment
<u>Due from related parties (Non-trade receivables)</u>				
<i>Ultimate parent company</i>				
b.) Receivable in relation to sale of investment in shares of stock of an affiliate including assigned receivables and expense reimbursements	₱—	₱1,020,355,206	Noninterest-bearing; due and demandable	Unsecured, no impairment
<i>Affiliates - under common control</i>				
b.) Advances	—	7,545,048	Noninterest-bearing; due and demandable	Unsecured, no impairment
b.) Receivable under regular trade agreements	18,546,398	85,143,907	Noninterest-bearing; due and demandable	Unsecured, no impairment
b.) Expense reimbursements	1,780,977	26,760,574	Noninterest-bearing; due and demandable	Unsecured, no impairment
<i>Beneficial Owners</i>				
b.) Advances	—	37,709,077	Noninterest-bearing; due and demandable	Unsecured, no impairment
<i>Dividend receivable</i>				
e.) Associate (Note 10)	₱33,000,000	₱16,500,000	Noninterest-bearing; due and demandable	Unsecured, no impairment
		₱1,194,013,812		
<u>Due to related parties (Trade payables)</u>				
<i>Ultimate Parent Company</i>				
c.) Royalty fee (Note 12)	₱—	(₱125,393)	Noninterest-bearing; due and demandable	Unsecured
<i>Associate</i>				
d.) Sea freight and brokerage (Note 12)	430,246,346	(31,039,458)	Noninterest-bearing; due and demandable	Unsecured
f.) Guarantee fee	4,180,289	—	Noninterest-bearing; due and demandable	Unsecured
		(₱31,164,851)		

	Transaction amounts for the Nine Months ended September 30, 2025 (Unaudited)	Outstanding receivable (payable) balance as at September 30, 2025 (Unaudited)	Terms	Conditions
<u>Due to related parties (Non-trade payables)</u>				
<i>Affiliate - under common control</i>				
b.) Payable under regular trade agreement	₱33,954,557	(₱3,129,340)	Noninterest-bearing; due and demandable	Unsecured
<i>Officer</i>				
b.) Advances	—	(515,962)	Noninterest-bearing; due and demandable	Unsecured
		(₱3,645,302)		
<u>Due to a related party (Transmission liability)</u>				
<i>Affiliate - under common control</i>				
a.) Money remittance payable (Note 13)	₱319,232,636	(₱6,174,657)	Noninterest-bearing; due and demandable	Unsecured
		2024		
	Transaction amounts for the Nine Months ended September 30, 2024 (Unaudited)	Receivable (Payable) as at December 31, 2024 (Audited)	Terms	Conditions
<u>Due from related parties (Trade receivables)</u>				
<i>Entities under common control</i>				
a.) Delivery fee, management fee, financial Instant Peso Padala (IPP) fulfillment fee (Notes 6 and 26)	₱93,205,666	₱360,338,701	Noninterest-bearing; due and demandable	Unsecured, no impairment
<u>Due from related parties (Non-trade receivables)</u>				
<i>Ultimate parent company</i>				
b.) Receivable in relation to sale of investment in shares of stock of an affiliate including assigned receivables and expense reimbursements	₱393,092	₱1,018,714,525	Noninterest-bearing; due and demandable	Unsecured, no impairment
<i>Entities under common control</i>				
b.) Advances	—	7,545,048	Noninterest-bearing; due and demandable	Unsecured, no impairment
b.) Receivable under regular trade agreements	19,995,425	67,811,338	Noninterest-bearing; due and demandable	Unsecured, no impairment
b.) Expense reimbursements	—	27,995,638	Noninterest-bearing; due and demandable	Unsecured, no impairment
<i>Beneficial Owners</i>				
b.) Advances	—	37,709,077	Noninterest-bearing; due and demandable	Unsecured, no impairment
		₱1,159,775,626		
<u>Due from related parties (Other noncurrent assets)</u>				
<u>Dividend receivable</u>				
e.) Associate (Note 10)	₱30,000,000	₱—	Noninterest-bearing; due and demandable	Unsecured, no impairment
<u>Due to related parties (Trade payables)</u>				
<i>Ultimate Parent Company</i>				
c.) Royalty fee (Note 13)	₱—	(₱128,915)	Noninterest-bearing; due and demandable	Unsecured
<i>Associate</i>				
d.) Sea freight and brokerage (Note 13)	378,148,838	(35,413,127)	Noninterest-bearing; due and demandable	Unsecured

2024				
	Transaction amounts for the Nine Months ended September 30, 2024 (Unaudited)	Receivable (Payable) as at December 31, 2024 (Audited)	Terms	Conditions
		(P35,542,042)		
<u>Due to a related party (Non-trade payables)</u>				
<i>Entities under common control</i>				
b.) Payable under regular trade agreement <i>Officer</i>	₱31,107,677	(10,214,364)	Noninterest-bearing; due and demandable	Unsecured
b.) Advances	–	(507,531)	Noninterest-bearing; due and demandable	Unsecured
		(10,721,895)		
<u>Due to a related party (Transmissions liability)</u>				
<i>Subsidiaries— under common control</i>				
a.) Money remittance payable (Note 13)	₱390,278,142	(₱8,947,731)	Noninterest-bearing; due and demandable	Unsecured

Compensation of Key Management Personnel:

	For the Nine Months Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Salaries and wages	₱90,921,772	₱87,287,057
Retirement benefits	12,889,717	12,043,365
Other short-term employee benefits	4,495,728	4,636,089
	₱108,307,217	₱103,966,511

- a. In the normal course of business, the Group fulfills the delivery of balikbayan boxes, fulfillment of money remittances and performs certain administrative functions on behalf of its affiliates. The Group charges delivery fees and service fees for the fulfillment of these services based on agreed rates. The Group charged penalties by its affiliate for the Group's failure to meet the maximum period of delivery as contained in the service level agreement. There are no claims and losses recognized as shown as a reduction in 'Service fees' for 2025 and 2024.
- b. The Group provides expense reimbursements, has receivable and payable under regular trade agreements to affiliates. These are non-interest bearing and payable on demand.

In prior years, the Group had outstanding advances of ₱295.00 million to LBC Development Bank, an entity under common control of LBCDC. In 2011, management assessed that these advances are not recoverable. Accordingly, the said asset was written-off from the books in 2011 (see Note 28).

On May 29, 2019, LBCH sold all its 1,860,214 common shares in QUADX Inc. to LBCE for ₱186,021,400 or ₱100 per share payable no later than two years from the execution of deed of absolute sale of share, subject to any extension as may be agreed in writing by the parties.

On July 1, 2019, LBCE sold all its QUADX shares to LBCDC for ₱186.02 million, payable no later than two years from the date of sale, subject to any extension as may be agreed in writing by the parties. On the same date, LBCE, LBCDC and QUADX Inc. entered into a Deed of

Assignment of Receivables whereas LBCE agreed to assign, transfer and convey its receivables from QUADX as of June 30, 2019 amounting to ₱832.64 million to LBCDC which shall be paid in full, from time to time starting July 1, 2019 and no later than two years from the date of the execution of the Deed, subject to any extension as may be agreed in writing by LBCE and LBCDC. In July 2021, LBCE and LBCDC entered into amended agreements to extend the payment of consideration for the sale of QUADX shares and the Assignment of Receivables to a date no later than two years from the amendment. Subsequently, this was further extended for an additional two years in 2023.

In 2022, LBCDC entered into a pledge agreement with LBCE whereby the former pledged portion of its LBCH shares to LBCE as a guarantee to its outstanding receivables amounting to ₱1,018.66 million.

- c. Starting 2007, LBCDC (Licensor), the Ultimate Parent Company, granted to the Group (Licensee) the full and exclusive right to use the LBC Marks within the Philippines in consideration for a continuing royalty rate of two point five percent (2.5%) of the Company's Gross Revenues which is defined as any and all revenue from all sales of products and services, including all other income of every kind and nature directly and/or indirectly arising from, related to and/or connected with Licensee's business operations (including, without limitation, any proceeds from business interruption insurance, if any), whether for cash or credit, wherever made, earned, realized or accrued, excluding any sales discounts and/or rebates, value added tax. Such licensing agreement was amended on August 4, 2017 and was subsequently discontinued effective September 4, 2017 in recognition of the Group's own contribution to the value and goodwill of the trademark.
- d. In the normal course of business, LBCE acquires services from OFII which include sea freight and brokerage mainly for the cargoes coming from international origins. These expenses are billed to the origins at cost.
- e. In July 2025 and June 2024, the BOD of OFII declared cash dividends amounting to ₱110.00 million and ₱100.00 million of which the 30% share of LBCH is equivalent to ₱33.00 million and ₱30.00 million, respectively.
- f. On August 20, 2025, the Group entered into a loan agreement with BDO to finance the redemption of the convertible instrument amounting to P4.70 billion allocated to LBCH and LBCE at the amount of P3.40 billion and P1.30 billion, respectively. The interest will be paid monthly while the principal will be paid semi-annually for ten years starting February 2026.

The loan is secured with real estate mortgage on various properties owned by affiliates. Effective the same date, in consideration of the affiliate's accommodation to the Group's request to use these as loan collateral, the Group agreed to pay the affiliate a guarantee fee of 1% of the face value of the loan and until said assets are released by the bank as loan collateral. The guarantee fee is reported as part of interest expense in the consolidated statements of comprehensive income amounting to ₱4.18 million in 2025.

Aside from required approval of related party transactions explicitly stated in the Corporation Code, the Group has established its own related party transaction policy stating that any related party transaction involving amount or value greater than 10% of the Group's total consolidated assets are deemed 'Material Related Party Transactions'. Such transactions shall be reviewed by the Related Party Transaction Committee (RPTC) prior to its endorsement for the Board's Approval. Moreover, any related party transaction involving less than 10% of the Group's total consolidated assets will be submitted to the President and Chief Executive Officer for review.

18. Cost of Services

This account consists of:

	For the Nine Months Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Cost of delivery and remittance	₱3,301,605,842	₱3,377,993,265
Salaries wages and employee benefits	2,461,903,944	2,492,777,372
Utilities and supplies	776,286,940	871,464,186
Depreciation and amortization (Notes 7, 8 and 21)	657,743,493	758,779,210
Rent (Note 21)	412,979,628	345,531,976
Repairs and maintenance	162,365,859	134,760,136
Transportation and travel	118,605,835	107,472,561
Insurance	83,354,178	84,076,492
Retirement benefit expense	82,186,507	77,952,892
Others	45,254,456	50,062,608
	₱8,102,286,682	₱8,300,870,698

Others include platform subscription, bank fees and software maintenance expenses of subsidiaries involved in online logistics.

19. Operating Expenses and Foreign Exchange Gains - net

Operating expenses consist of:

	For the Nine Months Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Salaries wages and employee benefits	₱461,493,284	₱468,614,211
Professional fees	270,492,893	244,290,498
Commission expense	189,206,924	169,290,901
Taxes and licenses	152,579,808	175,860,495
Advertising and promotion	120,152,720	121,626,464
Depreciation and amortization (Notes 7, 8 and 21)	116,523,073	113,967,632
Utilities and supplies	112,447,450	124,107,073
Dues and subscriptions	104,955,055	87,840,743
Travel and representation	79,754,708	82,508,005
Software maintenance costs	60,114,568	50,880,952
Retirement benefit expense	33,211,345	30,432,192
Losses	26,948,494	3,670,538
Provision for expected credit losses (Note 5)	25,306,171	49,671,543
Insurance	17,814,408	18,108,779
Donations	6,130,000	3,608,863
Royalty	5,365,619	5,363,164
Rent (Note 21)	4,954,837	8,104,399
Repairs and maintenance	4,194,512	4,575,261
Others	27,126,875	28,840,396
	₱1,818,772,744	₱1,791,362,109

Others comprise mainly of bank and finance charges, penalties and other administrative expenses.

Foreign exchange gains (loss) - net arises from the following:

	For the Nine Months Ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Advances to affiliate - net	₱40,653,633	27,503,824
Bond payable	24,520,236	(125,204,654)
Trade receivable	1,576,608	(247,031)
Cash and cash equivalents	(9,209,528)	134,012,463
Trade payables	–	(2,991,987)
	₱57,540,949	₱33,072,615

20. Income Taxes

Provision from income tax consists of:

	For the Nine Months Ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Current	₱102,078,444	₱78,988,523
Deferred	(627,107,551)	2,015,523
	(₱525,029,107)	₱81,004,046

Details of the Group's deferred income tax assets - net as of September 30, 2025 and December 31, 2024 follow:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Deferred tax assets arising from:		
NOLCO	₱622,118,180	₱18,245,156
Lease liabilities	254,626,653	324,007,286
Retirement benefit liability	211,091,260	220,659,921
MCIT	131,882,241	96,678,685
Allowance for impairment losses	73,277,766	71,111,913
Unrealized foreign exchange losses	28,313,468	26,701,038
Contract liabilities	22,495,253	22,435,650
Accrued employee benefits	10,691,011	28,903,168
Others	36,335,551	12,965,622
	1,390,831,383	821,708,439
Deferred tax liability on right of use assets	(219,329,930)	(277,143,427)
	₱1,171,501,453	₱544,565,012

As of September 30, 2025, the Group has MCIT amounting to ₱131.88 million that can be claimed as deduction from income tax liabilities.

21. Lease Commitments

The following are the lease agreements entered into by the Group:

1. Lease agreements for the current corporate office spaces, which include a three-year term starting from November 1, 2023, and another three-year term starting from January 1, 2024, as well as a five-year term that began on May 16, 2020. The lease agreements are renewable upon mutual agreement with the lessor and include rental rate escalations during the terms of the leases. The lease agreements also require the Parent Company to pay advance rental and security deposits.
2. Lease agreements covering various service centers and service points within the Philippines and a foreign branch and subsidiaries located in the Middle East for a period of one (1) to eleven (11) years except for one (1) warehouse which has a lease term of twenty (20) years renewable at the Group's option at such terms and conditions which may be agreed upon by both parties. These lease agreements include provision for rental rate escalations including payment of security deposits and advance rentals.
3. Lease agreement with a local bank covering transportation equipment for a period of three to five years. The lease agreement does not include escalation rates on monthly payments.

There are no contingent rents for the above lease agreements.

(a) Right-of-use assets and related lease liabilities

The amounts recognized in the consolidated statement of financial position and consolidated statement of comprehensive income follow:

Right-of use assets as of September 30, 2025 and December 31, 2024:

	For the period ended September 30, 2025 (Unaudited)			
	Right-of-use assets			
	Office and Warehouses	Vehicles	Equipment	Total
Costs				
Balances at beginning of year	3,350,965,487	126,814,770	81,274,273	3,559,054,530
Additions	395,899,754	12,210,366	7,241,601	415,351,721
End of contracts	(831,159,337)	(55,131,297)	(5,863,214)	(892,153,848)
Effect of changes in foreign currency exchange rates	(22,774,296)	(1,020,651)	(2,228,001)	(26,022,948)
Balances at end of year	2,892,931,608	82,873,188	80,424,659	3,056,229,455
Accumulated amortization				
Balances at beginning of year	1,811,778,306	97,237,477	48,799,305	1,957,815,088
Amortization (Notes 18 and 19)	577,582,764	14,423,585	8,877,206	600,883,555
End of contracts	(666,018,695)	(54,681,728)	(5,863,214)	(726,563,637)
Effect of changes in foreign currency exchange rates	(30,535,050)	(733,562)	(1,361,330)	(32,629,942)
Balances at end of year	1,692,807,325	56,245,772	50,451,967	1,799,505,064
Net book value	₱1,200,124,283	₱26,627,416	₱29,972,692	₱1,256,724,391

	For the year ended December 31, 2024 (Audited)			
	Right-of-use assets			
	Office and Warehouses	Vehicles	Equipment	Total
Costs				
Balances at beginning of year	₱3,664,388,730	₱170,172,744	₱74,528,480	₱3,909,089,954
Additions	537,660,564	25,325,265	27,544,452	590,530,281
End of contracts	(900,871,254)	(74,238,764)	(25,010,822)	(1,000,120,840)
Effect of changes in foreign currency exchange rates	49,787,447	5,555,525	4,212,163	59,555,135
Balances at end of year	3,350,965,487	126,814,770	81,274,273	3,559,054,530

For the year ended December 31, 2024 (Audited)				
	Right-of-use assets			
	Office and Warehouses	Vehicles	Equipment	Total
Accumulated amortization				
Balances at beginning of year	1,778,434,959	108,120,129	42,057,038	1,928,612,126
Amortization (Notes 18 and 19)	833,556,046	34,397,802	12,890,991	880,844,839
End of contracts	(802,958,994)	(73,782,897)	(25,010,824)	(901,752,715)
Effect of changes in foreign currency exchange rates	2,746,295	28,502,443	18,862,100	50,110,838
Balances at end of year	1,811,778,306	97,237,477	48,799,305	1,957,815,088
Net book value	₱1,539,187,181	₱29,577,293	₱32,474,968	₱1,601,239,442

Amortization of right-of-use assets recorded in the consolidated statement of comprehensive income is net of the recognized effect of rent concessions amounting to ₱2.28 million in 2025 and ₱6.48 million in 2024.

End of contracts pertain to lease agreements which reached the end of the lease terms. These were subsequently renewed as short-term leases.

(b) Lease liabilities

	Lease Liabilities	
	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period	₱1,838,043,038	₱2,197,826,675
Additions	415,351,721	590,530,281
Accretion of interest	87,730,386	142,107,397
Rent concessions	(2,282,646)	(6,477,711)
Effect of changes in foreign currency exchange rates	(15,054,231)	35,031,558
Lease modification	(165,590,211)	(98,368,125)
Payments of principal	(682,120,711)	(1,022,607,037)
Balance at end of period	1,476,077,346	1,838,043,038
Less: current portion	667,143,491	763,676,898
Noncurrent portion	₱808,933,855	₱1,074,366,140

The Group recognized rent expense from short-term leases of ₱417.93 million and ₱353.64 million for the nine months ended September 30, 2025 and 2024, respectively. For the nine months ended September 30, 2025, the amortization expense recognized under cost of services and operating expenses in the statement of comprehensive income amounted to ₱412.98 million and ₱4.95 million, respectively. For the nine months ended September 30, 2024, the amortization expense recognized under cost of services and operating expenses in the statement of comprehensive income amounted to ₱592.87 million and ₱48.83 million, respectively.

Interest expense arising from the accretion of lease liability amounted to ₱87.73 million and ₱160.91 million for the nine months ended September 30, 2025 and 2024, respectively, recognized under 'Other income (charges)' in the consolidated statement of comprehensive income.

The following summarizes the maturity profile of the Group's undiscounted lease payments:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Less than 1 year	₱667,143,491	₱763,676,898
More than 1 year to 2 years	592,417,142	527,342,357
More than 2 years to 3 years	405,532,996	280,356,807
More than 3 years to 4 years	374,155,427	194,874,668
More than 5 years	638,674,980	458,982,617
	₱2,677,924,036	₱2,225,233,347

(c) Rent Expenses

The rent expenses recognized under cost of services and operating expenses in the consolidated statement of comprehensive income are considered short-term leases or leases of low value assets where the short-term lease recognition exemption is applied.

	For the Nine Months Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Cost of services (Note 18)	₱412,979,628	₱345,531,976
Operating expenses (Note 19)	4,954,837	8,104,399
	₱417,934,465	₱353,636,375

The Group has security deposits arising from the lease agreements amounting to ₱356.52 million and ₱375.43 million as at September 30, 2025 and December 31, 2024, respectively.

22. Retirement Benefits

The components of liability recognized in the interim consolidated statements of financial position for the existing retirement plan follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Present value of defined benefit obligation	₱1,193,928,488	₱1,085,366,547
Fair value of plan assets	(155,657,470)	(80,063,946)
	₱1,038,271,018	₱1,005,302,601

The Group has no existing transaction either directly or indirectly with its employees' retirement benefit fund.

The pension cost for the interim periods and the present value of the defined benefit obligation as at September 30, 2025 and 2024 were calculated by prorating the 2024 projected retirement expense and by extrapolating the latest actuarial valuation report for the year ended December 31, 2024, respectively.

23. Financial Risk Management Objectives and Policies

The Group has various financial assets such as cash and cash equivalents, restricted cash, trade and other receivables (excluding advances to officers and employees), due from related parties, financial assets at FVPL, financial assets at FVOCI, short-term investments under other current assets, loan receivable and notes receivable.

The Group's financial liabilities comprise of accounts and other payables (excluding statutory liabilities, accrued taxes and contract liabilities), due to related parties, notes payable, transmissions liability, lease liabilities, dividends payable, bonds payable, derivative liability and other noncurrent liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The main risks arising from the Group's financial instruments are price risk, interest rate risk, liquidity risk, foreign currency risk and credit risk. The BOD reviews and approves policies for managing each of these risks which are summarized below.

Price risk

The Group closely monitors the prices of its equity securities as well as macroeconomic and entity-specific factors which could directly or indirectly affect the prices of these instruments. In case of an expected decline in its portfolio of equity securities, the Group readily disposes or trades the securities for replacement with more viable and less risky investments.

Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instruments traded in the market.

The following table shows the effect on comprehensive income should the change in the close share price of quoted equity securities accounted for as FVOCI occur as at September 30, 2025 and 2024 with all other variables held constant.

	Effect on comprehensive income	
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Change in share price		
Increase by 5%	₱4,827,737	₱5,754,272
Decrease by 5%	(4,827,737)	(5,754,272)
Change in NAV		
Increase by 5%	122,213	₱116,614
Decrease by 5%	(122,213)	(116,614)

Interest rate risk and credit spread sensitivity analysis

Since the convertible bond was fully redeemed, the Group is not significantly exposed to interest rate risk as the Group's interest rate on its cash and cash equivalents and notes payable are fixed and none of the Group's financial assets and liabilities carried at fair value are sensitive to interest rate fluctuations. Further, the impact of fluctuation on interest rates on the Group's finance leases will not significantly impact the results of operations.

The value of the Group's convertible redeemable bond in 2024 is driven primarily by two risk factors: underlying stock prices and interest rates. Interest rates are driven by using risk-free rate, which is a market observable input, and credit spread, which is not based on observable market data. The following table demonstrates the sensitivity to a reasonably possible change in credit spread, with all other variables held constant, on the fair value of the Group's embedded conversion option of the convertible redeemable bond.

	Effect in fair value as of September 30, 2024 (Unaudited)
Credit spread	
+1%	₱5,439,666
-1%	(5,453,888)

Liquidity risk

Liquidity risk is the risk from inability to meet obligations when they become due, because of failure to liquidate assets or obtain adequate funding. The Group ensures that sufficient liquid assets are available to meet short-term funding and regulatory capital requirements.

The Group has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management believes that cash generated from operations is sufficient to meet daily working capital requirements.

Management has been continuously engaged in cost rationalization on all its business segments which includes consolidation of facilities, evaluation and rationalization of branches as well as rightsizing of the workforce globally. In addition, management is upgrading its operational touchpoints, websites and applications to be more competitive in the evolving on line logistics industry. These activities are expected to reduce the operational cash outflow requirements and improve liquidity of the Group.

Management is implementing strategic initiatives to accelerate the recovery of the Group's operation, sustain the increasing trend, and be able raise funds. Management is also seeking of various means to address the instrument's timeline which include exploring interested parties to purchase the instrument or refinance the liability. Management believes that the Group is able to address any unplanned obligation in the next twelve months that may arise from the convertible instrument which is presented as current financial liability considering the pledge shares (see Note 15).

Surplus cash is invested into a range of short-dated money time deposits, which seek to ensure the security and liquidity of investment while optimizing yield.

The Group expects to generate cash flows from its operating activities mainly on sale of services. The Group also has sufficient cash and adequate amount of credit facilities with banks to meet any unexpected obligations.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of financial assets and financial liabilities will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to the Group's operating activities when revenue or expenses are denominated in a different currency from the Parent Company and its subsidiaries' functional currencies.

The Group operates internationally through its various international affiliates by fulfilling the money remittance and cargo delivery services of these related parties. This exposes the Group to foreign exchange risk primarily with respect to Euro (EUR), Hongkong Dollar (HKD), Australian dollar

(AUD), US Dollar (USD) and Japanese Yen (JPY). Foreign exchange risk arises from future commercial transactions, foreign currency denominated assets and liabilities and net investments in foreign operations.

The Group enters into short-term foreign currency forwards, if needed, to manage its foreign currency risk from foreign currency denominated transactions.

Information on the Group's foreign currency-denominated monetary assets and liability recorded under cash and cash equivalents, due from related parties and bonds payable in the interim condensed consolidated statements of financial position and their Philippine Peso equivalents follow:

	September 30, 2025 (Unaudited)	
	Foreign currency	Peso equivalent
Assets:		
Euro	4,103,649	273,612,028
Hongkong Dollar	6,900,441	50,540,207
US Dollars	3,767,174	215,049,134
Japanese yen	25,784	10,017

The translation exchange rates used were ₱66.68 to EUR 1, ₱7.32 to HKD 1, ₱57.09 to USD 1, ₱0.39 to JPY 1 in 2025

	December 31, 2024 (Audited)	
	Foreign currency	Peso equivalent
Assets:		
Euro	4,077,780	252,672,705
Hongkong Dollar	8,234,766	62,095,900
US Dollars	2,625,955	151,885,237
Japanese yen	26,010	9,699
Liabilities:		
US Dollars	(35,708,979)	(2,065,585,876)

The translation exchange rates used were ₱61.96 to EUR 1, ₱7.54 to HKD 1, ₱57.84 to USD 1, ₱0.37 to JPY 1 in 2024.

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's income before tax (due to changes in the fair value of monetary assets and liabilities - net position) as at September 30, 2025 and December 31, 2024.

	Increase (decrease) in income before tax	
	September 30,	December 31,
	2025	2024
Reasonably possible change in foreign exchange rate for every two units of Philippine Peso	(Unaudited)	(Audited)
₱2	₱29,594,095	₱41,488,936
(2)	(29,594,095)	(41,488,936)

There is no impact on the Group's equity other than those already affecting profit or loss and other comprehensive income. The movement in sensitivity analysis is derived from current observations on fluctuations in foreign currency exchange rates.

The Group recognized ₱57.54 million gain and ₱33.07 million foreign exchange gain - net, for the nine months ended September 30, 2025 and 2024, respectively, arising from settled transactions and translation of the Group's cash and cash equivalents, equity investments at FVPL, due from related parties, trade payables and bond payable (see Note 19).

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is monitored and actively managed by way of strict requirements relating to the creditworthiness of the counterparty at the point at which the transactions are concluded and also throughout the entire life of the transactions, and also by way of defining risk limits. The maximum credit risk exposure of the Group's financial assets is equal to the carrying amounts in the consolidated statements of financial position.

There are no collaterals held as security or other credit enhancements attached to the Group's financial assets.

The aging analyses of Group's receivables as of September 30, 2025 and as of December 31, 2024 follow:

	September 30, 2025 (Unaudited)				
	Current	Past Due			Total
		1-30 days	31-90 days	Over 90 days	
Trade receivables -					
Estimated total gross carrying amount at default	₱1,434,919,691	₱324,630,789	₱73,899,584	₱448,716,662	₱2,282,166,726
Expected credit loss	18,994,177	14,224,636	4,568,765	311,827,036	349,614,614
	December 31, 2024 (Audited)				
	Current	Past Due			Total
		1-30 days	31-90 days	Over 90 days	
Trade receivables -					
Expected credit loss rate	0.10%-1.60%	0.21%-2.45%	0.41%-6.69%	1.13%-77.63%	
Estimated total gross carrying amount at default	₱1,495,332,877	₱373,191,187	₱69,240,396	₱408,274,191	₱2,346,038,651
Expected credit loss	91,878,591	71,882,764	3,437,918	171,024,377	338,223,650

Capital Management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide shareholder returns and to maintain an optimal capital structure to reduce the cost of capital and thus, increase the value of shareholder investment. In order to maintain a healthy capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. Management has assessed that the Group is self-sufficient based on historical and current operating results.

The capital that the Group manages is equal to the total equity as shown in the interim condensed consolidated statements of financial position as at September 30, 2025 and December 31, 2024 amounting to ₱2,430.10 million and ₱1,656.06 million, respectively.

24. Fair Values

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

The carrying amounts of cash and cash equivalents, trade and other receivables (excluding advances to officer and employees), due from/to related parties, short-term cash investments, restricted cash in bank, notes receivable, loans receivable, accounts and other payables (excluding statutory payables), dividends payable, transmissions liability, and the current portion of notes payable and lease liabilities approximate their fair value because these financial instruments are relatively short-term in nature.

The fair value of equity financial assets at FVOCI is the current published closing price while the financial assets at FVPL is based on the net asset value per unit as of reporting date as provided by the fund manager.

The estimated fair value of the derivative liability in 2024 is based on an indirect method of valuing multiple embedded derivatives. This valuation technique uses binomial pyramid model using stock prices and stock price volatility. This valuation method compares the fair value of the option-free instrument against the fair value of the hybrid convertible instrument. The difference of the fair values is assigned as the value of the embedded derivatives.

The significant unobservable input in the fair value is the stock price volatility of 16.92% in 2024.

In 2024, the plain bond is determined by discounting the cash flow, which is simply the principal at maturity, using a discount rate of 17.80%. The discount rate is composed of the matched to maturity risk free rate and the option adjusted spread (OAS) of 12%.

The fair value of the long-term portion of lease liabilities as at September 30, 2025 and December 31, 2024 is based on the discounted value of future cash flow using applicable interest rates ranging from 5.57% to 5.87% and from 5.93% to 5.96%, respectively.

The estimated fair value of long-term portion of notes payable as at September 30, 2025 and December 31, 2024 is based on the discounted value of future cash flow using applicable rates ranging from 5.27% to 6.03% and 5.93% to 6.03%, respectively.

The discounting used Level 3 inputs such as projected cash flows, discount rates and other market data except for the fair values of financial assets at FVOCI and FVPL which are classified as Level 1 and Level 2, respectively.

The quantitative disclosures on fair value measurement hierarchy for assets and liabilities as at September 30, 2025 and December 31, 2024 follow:

September 30, 2025 (Unaudited)					
Fair value measurements using					
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
FVOCI	₱96,554,736	₱96,554,736	₱96,554,736	₱–	₱–
FVPL	2,444,269	2,444,269	–	–	2,444,269
Liability measured at fair value					
Derivative liability	–	–	–	–	–
Liabilities for which fair value are disclosed					
Long-term notes payable	4,906,630,353	4,730,882,671	–	–	4,730,882,671
Noncurrent lease liabilities	808,933,855	1,649,566,590	–	–	1,649,566,590
December 31, 2024 (Audited)					
Fair value measurements using					
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
FVOCI	₱99,480,637	₱99,480,637	₱99,480,637	₱–	₱–
FVPL	2,360,759	2,360,759	–	–	2,360,759
Liability measured at fair value					

Derivative liability	2,528,532,365	2,528,532,365	—	—	2,528,532,365
Liabilities for which fair value are disclosed					
Bond payable	2,065,585,876	2,044,490,003	—	—	2,044,490,003
Long-term notes payable	676,151,276	663,929,143	—	—	663,929,143
Noncurrent lease liabilities	1,074,366,140	1,200,863,348	—	—	1,200,863,348

During the nine months ended September 30, 2025 and year ended December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

25. Segment Reporting

Management has determined the operating segments based on the information reviewed by the executive committee for purposes of allocating resources and assessing performance.

The Group's two main operating segments comprise of logistics and money transfer services. The executive committee considers the business from product perspective.

The Group's logistics products are geared toward both retail and corporate clients. The main services offered under the Group's logistics business are domestic and international courier and freight forwarding services (by way of air, sea and ground transport).

Money transfer services comprise of remittance services (including branch retail services, prepaid remittance cards and online and mobile remit) and bills payment collection and corporate remittance payout services. Money transfer services include international presence through its branches which comprises international inbound remittance services.

The Group only reports revenue line item for this segmentation. Assets and liabilities and cost and expenses are shared together by these two segments and, as such, cannot be reliably separated.

The Group has no significant customer which contributes 10% or more to the revenue of the Group.

Set below is the disaggregation of the Group's revenue from contracts with customers:

Segments	For the Nine Months ended September 30, 2025		
	Logistics	Money transfer services	Total
Type of Customer			
Retail	₱6,880,899,223	₱339,020,967	₱7,219,920,190
Corporate	3,245,077,831	7,351,320	3,252,429,151
Total revenue from contracts with customer	₱10,125,977,054	₱346,372,287	₱10,472,349,341
Geographic Markets			
Domestic	₱6,294,169,758	₱135,691,627	₱6,429,861,385
Overseas	3,831,807,296	210,680,660	4,042,487,956
Total revenue from contracts with customer	₱10,125,977,054	₱346,372,287	₱10,472,349,341

Segments	For the Nine Months ended September 30, 2024		
	Logistics	Money transfer services	Total
Type of Customer			
Retail	₱7,625,322,658	₱346,124,735	₱7,971,447,393
Corporate	2,603,177,958	8,009,832	2,611,187,790
Total revenue from contracts with customer	₱10,228,500,616	₱354,134,567	₱10,582,635,183

Geographic Markets

Domestic	₱6,346,680,897	₱120,729,206	₱6,467,410,103
Overseas	3,881,819,719	233,405,361	4,115,225,080
Total revenue from contracts with customer	₱10,228,500,616	₱354,134,567	₱10,582,635,183

The Group disaggregates its revenue information in the same manner as it reports its segment information.

The revenue of the Group consists mainly of sales to external customers. Revenue arising from service fees charged to affiliates amounted to ₱85.34 million and ₱93.21 million for the nine months ended September 30, 2025 and 2024, respectively (see Note 17).

Seasonality of Operations

The Group's operation tends to experience increased volume in remittance transmission as well as cargo throughout the second quarter and fourth quarter of the year, particularly during the start of the school year and during the Christmas holiday season.

26. Basic/Diluted Earnings (Losses) Per Share

The following table presents information necessary to calculate earnings (losses) per share on net income (loss) attributable to owners of the Parent Company:

Basic/Diluted Earnings (Losses) per Share:

	For the Nine Months Ended September 30,	
	2025 (Unaudited)	2024 (Unaudited)
Net income (loss) attributable to shareholder of the Parent Company	₱699,775,121	(₱127,821,348)
Weighted average number of common shares outstanding	1,425,865,471	1,425,865,471
Basic earnings (losses) per share	₱0.49	(₱0.09)

In 2024, the Parent Company did not consider the effect of the assumed conversion of convertible debt since these are anti-dilutive. For the nine-month ended September 30, 2025, the diluted EPS presented in the interim condensed consolidated statements of comprehensive income is the same value as basic EPS.

27. Notes to Consolidated Statement of Cash Flows

For the nine months ended September 30, 2025, the Group has the following non-cash transaction under:

Investing Activities

- Unpaid acquisition of property and equipment amounting to ₱39.79 million.
- Offsetting of loans receivable and interest receivable against royalty fee recorded under 'accounts and other payables' (see Note 11) amounting to ₱5.37 million.

Financing Activities

	December 31, 2024 (Audited)	Cash Flows	Leasing arrangements	Interest	Foreign exchange movement	Fair value changes	Dividends declared	Loss on redemption	September 30, 2025 (Unaudited)
Notes payable	₱1,914,692,137	₱4,203,777,951	₱—	₱—	₱—	₱—	₱—	₱—	₱6,128,140,448

Lease liabilities and other noncurrent liabilities	1,838,043,038	(682,120,712)	247,478,869	87,730,386	(15,054,235)	–	–	–	1,476,077,346
Convertible bond (bond and derivative liability)	4,594,118,241	(4,828,207,358)	–	187,020,306	(24,520,236)	66,880,574	–	4,708,473	–
Interest payable	7,953,426	(128,844,280)	–	132,839,344	–	–	–	–	11,948,490
Due to related parties	10,721,895	(7,076,593)	–	–	–	–	–	–	3,645,302
Dividends payable	–	(2,004,741)	–	–	–	–	2,004,741	–	–
Total liabilities from financing activities	₱8,365,528,737	(₱1,444,475,733)	₱247,478,869	₱407,590,036	(₱39,574,471)	₱66,880,574	₱2,004,741	₱4,708,473	₱7,605,432,753

For the nine months ended September 30, 2024, the Group has the following non-cash transaction under:

Investing Activities

- Unpaid acquisition of property and equipment amounting to ₱44.10 million.
- Offsetting of loans receivable and interest receivable against royalty fee recorded under ‘accounts and other payables’ (see Note 11) amounting to ₱2.76 million.

Financing Activities

	December 31, 2023 (Audited)	Cash Flows	Leasing arrangements	Interest	Foreign exchange movement	Fair value changes	September 30, 2024 (Unaudited)
Notes payable	₱2,322,661,373	(437,964,032)	₱–	₱–	₱–	₱–	₱1,884,697,341
Lease liabilities and other noncurrent liabilities	2,197,826,675	(733,977,280)	213,891,515	107,137,587	10,532,986	–	1,795,411,483
Convertible bond (bond and derivative liability)	4,009,810,189	–	–	189,323,936	10,723,321	197,672,777	4,407,530,223
Interest payable	9,214,002	(125,060,406)	–	123,799,830	–	–	7,953,426
Due to related parties	11,480,610	6,610,886	–	–	–	–	18,091,496
Total liabilities from financing activities	₱8,550,992,849	(₱1,290,390,832)	₱213,891,515	₱420,261,353	₱21,256,307	₱197,672,777	₱8,113,683,969

28. Other Matters

Closure of LBC Development Bank, Inc.

On September 9, 2011, the Bangko Sentral ng Pilipinas (BSP), through Monetary Board Resolution No. 1354, resolved to close and place LBC Development Bank Inc.’s (the “Bank”) assets and affairs under receivership and appointed Philippine Deposit Insurance Company (PDIC) as the Bank’s official receiver and liquidator.

On December 8, 2011, the Bank, thru PDIC, demanded LBC Holdings USA Corporation (LBC US) to pay its alleged outstanding obligations amounting to approximately ₱1.00 billion, a claim that LBC US has denied for being baseless and unfounded.

In prior years, the Group has outstanding advances of ₱295.00 million to the Bank, an entity under common control of LBCDC. In 2011, upon the Bank’s closure and receivership, management assessed that these advances are not recoverable. Accordingly, the receivables amounting to ₱295.00 million were written-off.

PDIC’s external counsel sent demand/collection letters to LBC Systems, Inc. [Formerly LBC Mundial Inc.] [Formerly LBC Mabuhay USA Corporation], demanding the payment of various amounts aggregating to ₱911.59 million on March 24 and 29, 2014, and June 17, 2015 and June 24 and June 26, 2015.

On March 17, 2014, PDIC’s external counsel sent a demand/collection letter to LBC Express, Inc. (LBCE), for collection of alleged amounts totaling ₱1.76 billion representing unpaid service fees due from June 2006 to August 2011 and service charges on remittance transactions from January 2010 to September 2011. On March 29, 2014, PDIC’s external counsel also sent demand/collection letters to

LBCE and LBCDC for collection of the additional amounts of ₱27.17 million and ₱30 million, respectively, representing alleged unwarranted reduction of advances made by the Bank.

On November 2, 2015, the Bank, represented by the PDIC, filed a case against LBCE and LBCDC, together with other defendants, before the Makati City Regional Trial Court (RTC) for collection of money in the total amount of ₱1.82 billion. PDIC justified the increase in the amount from the demand letter sent on March 17, 2014 as due to their discovery that the supposed payments of LBCE and LBCDC were allegedly unsupported by actual cash inflow to the Bank, which PDIC sought to collect through the respective demand letters sent on March 29, 2014.

On December 28, 2015, the summons, the Complaint and the writ of preliminary attachment were served on the former Corporate Secretary of LBCE. The writ of preliminary attachment resulted to the (a) attachment of the 1,205,974,632 shares of LBC Express Holdings, Inc. owned by LBCDC and (b) attachment of various bank accounts of LBCE totaling ₱6.90 million. The attachment of the shares of LBC Express Holdings, Inc. in the record of the stock transfer agent had the effect of preventing the registration or recording of any transfers of such shares in the corporate records, until the writ of preliminary attachment is discharged.

On January 12, 2016, LBCE and LBCDC, together with other defendants, filed motions to dismiss the Complaint which was denied by the RTC, and then by the Court of Appeals (CA). LBCE and LBCDC filed an appeal to the Supreme Court on September 2, 2019 assailing the denial of the motions to dismiss. PDIC has already filed its comment on the appeal while LBCE and LBCDC filed its reply on October 14, 2020. The Supreme Court has not resolved the appeal as of today.

On January 21, 2016, LBCE and LBCDC filed its Urgent Motion to Approve the Counterbond and Discharge the Writ of Attachment which was resolved in favor of LBCE and LBCDC.

On February 17, 2016, the RTC issued the order to lift and set aside the writ of preliminary attachment. The order to lift and set aside the writ of preliminary attachment directed the sheriff of the RTC to deliver to LBCE and LBCDC all properties previously garnished pursuant to the said writ. The counterbond delivered by LBCE and LBCDC stands as security for all properties previously attached and to satisfy any final judgment in the case.

From August 10, 2017 to January 19, 2018, LBCE, LBCDC, the other defendants and PDIC were referred to mediation and Judicial Dispute Resolution (JDR) but were unable to reach a compromise agreement. The RTC ordered the mediation and JDR terminated and the case was raffled to a new judge who scheduled the case for pre-trial proceedings.

On or about September 3, 2018, PDIC filed a motion for issuance of alias summons to five individual defendants, who were former officers and directors of the Bank. For reasons not explained by PDIC, it had failed to cause the service of summons upon the five individual defendants and hence, the RTC had not acquired jurisdiction over them. Since PDIC was still trying to serve summons on the five individual defendants and thus, for orderly proceedings, LBCE and other defendants filed motions to defer pre-trial until the RTC had acquired jurisdiction over the remaining defendants.

On January 18, 2019, PDIC filed its Pre-Trial Brief. LBCE, LBCDC and the other defendants, filed their own Pre-Trial Briefs on February 18, 2019 without prejudice to their pending motions to defer pre-trial. In the meantime, the parties have proceeded to pre-mark their respective documentary exhibits in preparation for eventual pre-trial.

On May 2, 2019, at the pre-trial hearing, the RTC released an Order, which, among others, granted LBCE's motion to defer pre-trial proceedings in order to have an orderly and organized pre-trial and deferred the pre-trial hearing until the other defendants have received summons and filed their answers.

Later on, three of the four individual defendants received summons and then filed motions to dismiss the case, all of which were denied by the RTC. The three individual defendants filed motions for reconsideration which were eventually denied by the RTC. Thereafter, the two individual defendants filed their Answers to the Complaint with the RTC, and the third individual defendant filed her Answer with Compulsory Counterclaims on May 24, 2021. On December 15, 2020, PDIC filed a motion to declare the fourth individual defendant in default for failure to file an Answer despite receiving the summons. The fourth individual defendant replied that he has filed his Answer to the Complaint on July 13, 2020. PDIC filed its Reply with motion to show cause against the fourth individual defendant on January 14, 2021 and such defendant filed his Manifestation and Comment/Opposition thereto on January 19, 2021.

Meanwhile, on January 16, 2021, summons, together with a copy of the Complaint were served on LBC Properties, Inc., another defendant in this case. On February 11, 2021, LBC Properties, Inc. filed its Answer to the Complaint.

Later on, the RTC denied the motion for reconsideration of the last remaining individual defendant. Thus, on May 24, 2021, a defendant filed her Answer with Compulsory Counterclaims.

On November 8 2021, the parties completed the pre marking of their respective documentary exhibits.

The RTC then conducted the pre-trial proper from May 26, 2022 until September 29, 2022.

The presentation of PDIC's evidence and witnesses commenced on January 11, 2023. After several postponements, PDIC was supposed to present its last witness during the hearing on 22 February 2023. The RTC directed PDIC to make its oral formal offer of evidence on 8 March 2023.

On March 7, 2023, PDIC filed a Motion for Reconsideration, submitting the Judicial Affidavit of the witness and requesting that the RTC allow the witness to be presented. The defendants have since then filed their Comment/Opposition to the Motion for Reconsideration. The RTC will rule on PDIC's Motion for Reconsideration of the Order dated February 22, 2023 after receipt of PDIC's Reply.

Meanwhile, due to the pendency of the Motion for Reconsideration of the Order dated February 22, 2023, the RTC cancelled the scheduled hearing on March 8, 2023, and reset the same to April 19, 2023.

On April 19, 2023, the RTC allowed PDIC to present its last witness during the hearing. The testimony of the witness was completed on April 19, 2023.

The RTC issued an Order dated April 20, 2023 ruling the defendants' Comment/Opposition to PDIC's Motion for Reconsideration has been rendered moot by the presentation and cross examination of the defendant. The RTC set the case for hearing on May 4, 2023 during which PDIC will formally offer its documentary evidence. The RTC likewise set the case for hearing on May 18, 2023 for the initial presentation of LBC's evidence and witnesses.

LBCE, LBCDC and the other defendants filed a Motion for Reconsideration, Motion to Resolve, and Motion to Defer Plaintiff's Formal Offer of Evidence dated May 4, 2023, which essentially sought to reconsider the RTC on April 20, 2023. Order on the ground that the cross-examination of the last witness was made with express objections to the admissibility of her testimony and with express reservations with respect to the pending Motion for Reconsideration of the PDIC as well as to any remedy against any adverse resolution on the pending Motion for Reconsideration of the PDIC.

LBCE, LBCDC and the other defendants also requested the RTC to resolve the pending Motion for Reconsideration of the PDIC and to defer the Plaintiff's formal offer of evidence scheduled on May 4, 2023.

At the hearing on May 4, 2023, the RTC postponed PDIC's oral formal offer of evidence in light of the defendants' motions and directed PDIC to file a comment or opposition. PDIC filed an Opposition/Comment dated May 9, 2023.

The RTC then issued an Order dated May 18, 2023, whereby the presiding judge voluntarily inhibited from the case. The case was then raffled to Makati RTC, Branch 132 presided by Hon. Rommel O. Baybay.

After conducting a status hearing on July 13, 2023, the new presiding judge issued an Order of the same date, denying the pending motions on the ground that they are moot and academic, seeing that the last witness already testified. The Order further directed PDIC to file a written formal offer of evidence within 30 days from notice and granting the defendants an equal period of time to comment thereto.

On August 15, 2023, LBCE, LBCDC and the other defendants, through counsel, received the written Formal Offer of Evidence of PDIC. LBCE, LBCDC, and the other defendants filed their respective comments thereto.

The judge issued an order dated September 28, 2023, admitting all of the documentary evidence of the PDIC. Since the judge appeared not to consider serious objections raised by the defendants to the documentary evidence, LBCE, LBCDC, and the other defendants filed their respective motions for reconsideration. In the Order dated January 17, 2024, the RTC denied the Motion for Reconsideration.

Accordingly, on January 18, 2024, LBCE filed its Demurrer to Evidence and LBCDC, LBC Properties, Inc. and the individual defendants filed a separate Demurrer to Evidence.

The RTC granted PDIC a period of 30 days to file its comments to the Demurrers and further granted the defendants a period of 30 days to file their replies.

Subsequently, another defendant filed her own Demurrer to Evidence dated February 19, 2024.

LBCE, LBCDC, LBC Properties, Inc. and the other defendants will file their Reply to the PDIC's Comment to the Demurrers to Evidence, which is due on March 20, 2024.

In a Motion for Extension of Time dated February 27, 2024, PDIC requested that it be given until March 23, 2024 to file its Comment to a defendant's Demurrer to Evidence.

Pending the resolution of the Demurrers, the initial presentation of evidence for the Defendants is set on April 19, 2024, April 26, 2024, and May 10, 2024.

At the hearing on April 19, 2024, the RTC noted that the Demurrers were not yet resolved. One of the defendant was given until May 4, 2024 to file a Reply in response to PDIC's Comment to said defendant's Demurrer to Evidence. Upon its request, PDIC was given 30 days from receipt of defendant's Reply to file a Consolidated Rejoinder to defendant's Reply and the Reply filed on behalf of LBCE and others.

The hearing dates on April 26, 2024 and May 10, 2024 were cancelled. The hearing dates for the presentation of Defendants' evidence were rescheduled to July 19, 2024, August 2, 2024, and August 23, 2024.

On May 16, 2024, LBCE received a copy of the Resolution dated May 9, 2024, denying all of the Demurrers. LBCE and the other Defendants filed their respective Motions for Reconsideration dated May 31, 2024. Defendant Berenguer also filed a Motion for Reconsideration dated June 3, 2024. The PDIC filed its oppositions to the three Motions for Reconsideration.

At the hearing last July 19, 2024, the court stated that it needed more time to resolve the pending motions. Hence, the presentation of Defendants' evidence were rescheduled to August 2, 2024 and August 23, 2024.

The court later issued a Resolution dated August 1, 2024, denying all the Motions for Reconsideration. The hearings for presentation of Defendants' evidence were rescheduled to September 20, 2024 and November 15, 2024.

LBCE and the other defendants presented their first witness on September 20, 2024, November 15, 2024, March 6, 2025 and July 17, 2025. LBCE and the other defendants presented their second witness on July 30, 2025.

The presentation of defendants' third witness was initially scheduled on September 17, 2025 but then postponed to December 3, 2025 due to the unavailability of the witness. After the third witness, the Defendants have at least four more witnesses to present. Hence, the trial of the civil case is still on-going at this time.

In relation to the above case, in the opinion of management and in concurrence with its legal counsel, any liability of LBCE is not probable and estimable at this point.

National taxes

LBCE and its certain subsidiaries are currently involved in assessments for national taxes and the outcome is not currently determinable.

The estimate of the probable costs for the resolution of this assessment has been developed in consultation with the Group's tax counsel and based upon an analysis of potential results. The inherent uncertainty over the outcome of this matter is brought about by the differences in the interpretation and application of laws and rulings. Management believes that the ultimate liability, if any, with respect to this assessment, will not materially affect the financial position and performance of the Group.

Without prejudice to the results of the assessment, the Group paid tax advance to the taxation authority amounting to ₱2.03 billion. In 2022, management assessed that it is probable that these tax advance payments will be used to settle tax liabilities, if there's any, and be used as tax credit for tax liabilities in the succeeding years. As such, the Group recognized the tax advance payment as other assets classified between current and noncurrent in consideration of the expected timing of usage in future periods (see Note 7).

The Group does not provide further information required under Philippine Accounting Standards (PAS) 37, *Provisions, Contingent Liabilities and Contingent Assets*, on the ground that it may prejudice the outcome of the assessments.

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

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Schedule C: Amounts Receivables/Payables from/to Related Parties Which are Eliminated During the Consolidation of Financial Statements

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LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE A: FINANCIAL ASSETS****September 30, 2025**

Name of issuing entity and association of each issue	Number of shares	Amount shown in the balance sheet	Income received and accrued	Value Based on Market Quotation and End of Reporting Period
Financial assets at fair value through other comprehensive income - Araneta Properties, Inc.	195,060,074	₱96,554,736	₱—	N/A
Financial assets at fair value through profit or loss	—	2,444,269	—	N/A
		₱98,999,005	₱—	
Financial assets at amortized costs:				
Cash in bank and cash equivalents	—	₱1,952,075,576	₱490,517	N/A
Short term investments	—	28,895,748	—	N/A
Restricted cash in bank	—	113,414,264	7,080,183	N/A
Trade and other receivables	—	1,956,957,234	—	N/A
Due from related parties	—	1,194,013,812	—	N/A
Loans receivable (current and noncurrent)	—	72,801,866	1,122,187	N/A
		₱5,318,158,500	₱8,692,887	
		₱5,417,157,505	₱8,692,887	

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)**

September 30, 2025

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
Santiago G. Araneta, <i>Beneficial owner</i>	₱9,537,587	₱–	₱–	₱–	₱9,537,587	₱–	₱9,537,587
Fernando G. Araneta <i>Beneficial owner</i>	18,821,782	–	–	–	18,821,782	–	18,821,782
Monica G. Araneta <i>Beneficial owner</i>	9,349,708	–	–	–	9,349,708	–	9,349,708
	₱37,709,077	₱–	₱–	₱–	₱37,709,077	₱–	₱37,709,077

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
September 30, 2025

Name of Subsidiaries	Balance at beginning of period	Additions	Amounts collected/paid	Amounts Written Off	Current	Not current	Balance at end of period
LBC Express, Inc.	(P333,779,459)	P2,308,001,725	(P1,430,299,589)	P-	P543,922,678	P-	P543,922,678
LBC Express, Inc. - MM	51,468,793	(180,377,726)	201,435,549	-	72,526,616	-	72,526,616
LBC Express, Inc. - SCC	(2,947,320)	(26,430,552)	27,359,647	-	(2,018,225)	-	(2,018,225)
LBC Express, Inc. - NEMM	(23,487,296)	(100,901,932)	102,394,312	-	(21,994,916)	-	(21,994,916)
LBC Express, Inc. - NWMM	-	(71,408,301)	72,524,083	-	1,115,782	-	1,115,782
LBC Express, Inc. - EMM	7,840,568	(82,106,561)	86,792,857	-	12,526,864	-	12,526,864
LBC Express, Inc. - SMM	(26,041,632)	(70,754,696)	71,876,477	-	(24,919,851)	-	(24,919,851)
LBC Express, Inc. - CMM	(19,136,387)	(72,480,933)	74,777,810	-	(16,839,511)	-	(16,839,511)
LBC Express, Inc. - SL	-	(148,471,827)	150,792,048	-	2,320,221	-	2,320,221
LBC Express, Inc. - SEL	(17,525,785)	(89,214,755)	86,669,155	-	(20,071,384)	-	(20,071,384)
LBC Express, Inc. - CL	(1,774,556)	(120,235,762)	119,955,510	-	(2,054,808)	-	(2,054,808)
LBC Express, Inc. - NL	(16,753,034)	(118,922,276)	118,891,487	-	(16,783,823)	-	(16,783,823)
LBC Express, Inc. - VIS	-	(138,279,278)	134,987,965	-	(3,291,313)	-	(3,291,313)
LBC Express, Inc. - WVIS	(3,454,688)	(117,423,472)	110,950,997	-	(9,927,163)	-	(9,927,163)
LBC Express, Inc. - MIN	(6,057,381)	(123,333,061)	117,169,564	-	(12,220,878)	-	(12,220,878)
LBC Express, Inc. - SEM	-	(79,891,383)	83,138,302	-	3,246,920	-	3,246,920
LBC Express, Inc. - SMCC	(359,656)	(21,153,751)	21,680,778	-	167,372	-	167,372
LBC Express, Inc. - ESI	(7,973,196)	-	406,940	-	(7,566,256)	-	(7,566,256)
LBC Express, Inc. - SCS	(9,706,605)	(125,187,642)	131,432,650	-	(3,461,597)	-	(3,461,597)
LBC Systems, Inc.	(57,570,533)	(12,293,298)	11,264,691	-	(58,599,140)	-	(58,599,140)
LBC Express WLL	5,789,872	(48,006,208)	39,475,683	-	(2,740,653)	-	(2,740,653)
LBC Express Bahrain WLL	(72,061,252)	(5,060,672)	8,262,229	-	(68,859,695)	-	(68,859,695)
LBC Express LLC	(100,634,253)	(17,554,417)	17,519,521	-	(100,669,149)	-	(100,669,149)
LBC Mabuhay Saipan, Inc.	(4,989,050)	(4,622,629)	4,678,486	-	(4,933,193)	-	(4,933,193)
LBC Aircargo (S) Pte. Ltd	(155,311,818)	(1,498,707)	(2,865,585)	-	(159,676,111)	-	(159,676,111)
Blue Eagle and LBC Service Ltd.	1,630,390	(1,636,142)	(6,722,103)	-	(6,727,855)	-	(6,727,855)
LBC Money Transfer PTY Limited	(44,911,676)	(4,006,976)	2,109,537	-	(46,809,115)	-	(46,809,115)
LBC Airfreight (S) Pte. Ltd	42,558,499	(40,726,091)	40,979,685	-	42,812,092	-	42,812,092
LBC Australia PTY Limited	(6,803,498)	(41,254,000)	44,335,401	(41,254,000)	(3,722,097)	-	(3,722,097)
LBC Mabuhay (Malaysia) SDN BHD	(2,059,876)	(14,259,848)	16,455,861	-	136,138	-	136,138
LBC Mabuhay (B) SDN BHD	(784,836)	(3,619,524)	5,518,750	-	1,114,390	-	1,114,390
LBC Mabuhay Remittance SDN BHD	14,914,964	(4,550,163)	(5,189,218)	-	5,175,582	-	5,175,582
LBC Mundial Corporation	83,664,788	(389,902,753)	329,741,973	-	23,504,008	-	23,504,008
LBC Mabuhay North America Corporation	95,781,997	-	(1,670,818)	-	94,111,179	-	94,111,179
LBC Mabuhay Hawaii Corporation	5,346,276	-	(1,769,044)	-	3,577,233	-	3,577,233
QuadX Pte Ltd.	(109,461,104)	-	(18,894,589)	-	(128,355,693)	-	(128,355,693)
Mermaid Co., Ltd.	(37,578,658)	(7,719,487)	7,527,091	-	(37,771,054)	-	(37,771,054)
LBC Express Inc. Limited	-	(46,029,438)	(42,100,277)	-	(88,129,715)	-	(88,129,715)
LBC Express Holdings, Inc.	752,167,402	21,312,535	(731,593,817)	-	41,886,120	-	41,886,120
	P-	P-	P-	P-	P-	P-	P-

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE D: LONG TERM DEBT
September 30, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest Rates	Amount	Number of periodic installments	Maturity Date
Notes payable	110,513,172	110,513,172	—	7.84%, subject to repricing	110,513,172	With mortgage; Interest and principal payable every quarter	Aug 2026
Notes payable	11,161,500	1,785,840	9,375,660	7.493%, subject to repricing	11,161,500	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	12,427,692	1,988,431	10,439,261	7.835%, subject to repricing	12,427,692	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	19,567,692	3,130,831	16,436,861	7.835%, subject to repricing	19,567,692	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	16,475,200	2,534,646	13,940,554	7.990%, subject to repricing	16,475,200	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	17,360,000	2,670,769	14,689,231	7.835%, subject to repricing	17,360,000	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	12,264,000	1,886,769	10,377,231	7.835%, subject to repricing	12,264,000	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	3,976,000	611,692	3,364,308	7.835%, subject to repricing	3,976,000	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	7,873,895	1,211,368	6,662,526	7.835%, subject to repricing	7,873,895	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	5,115,158	786,947	4,328,211	7.835%, subject to repricing	5,115,158	With mortgage; Interest and principal payable every quarter	Dec 2031

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest Rates	Amount	Number of periodic installments	Maturity Date
Notes payable	46,454,270	7,146,811	39,307,459	7.835%, subject to repricing	46,454,270	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	33,114,162	5,094,486	28,019,676	7.835%, subject to repricing	33,114,162	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	42,952,000	6,608,000	36,344,000	7.835%, subject to repricing	42,952,000	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	27,118,000	4,172,000	22,946,000	7.835%, subject to repricing	27,118,000	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	21,840,000	3,360,000	18,480,000	7.835%, subject to repricing	21,840,000	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	38,563,200	5,932,800	32,630,400	7.835%, subject to repricing	38,563,200	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	57,720,000	8,880,000	48,840,000	7.835%, subject to repricing	57,720,000	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	4,749,316	730,664	4,018,652	7.835%, subject to repricing	4,749,316	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	3,635,042	559,237	3,075,805	7.835%, subject to repricing	3,635,042	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	42,369,538	6,518,390	35,851,148	7.835%, subject to repricing	42,369,538	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	54,194,665	8,337,641	45,857,024	7.835%, subject to repricing	54,194,665	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	39,360,853	6,055,516	33,305,338	7.835%, subject to repricing	39,360,853	With mortgage; Interest and principal payable every quarter	Dec 2031

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest Rates	Amount	Number of periodic installments	Maturity Date
Notes payable	43,557,075	6,701,089	36,855,986	7.835%, subject to repricing	43,557,075	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	4,277,813	658,125	3,619,688	7.835%, subject to repricing	4,277,813	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	6,869,032	1,056,775	5,812,257	7.835%, subject to repricing	6,869,032	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	18,000,000	18,000,000	—	8.25%, subject to repricing	18,000,000	Clean; Interest payable every month, principal payable upon maturity	Jan 2026
Notes payable	63,562,500	63,562,500	—	7.812%, subject to repricing	63,562,500	With mortgage; Interest payable every month, principal payable quarterly	May 2026
Notes payable	100,000,000	100,000,000	—	6.25%, subject to repricing	100,000,000	Clean; Interest payable every month, principal payable upon maturity	Nov 2025, Mar 2026
Notes payable	20,000,000	20,000,000	—	6.25%, subject to repricing	20,000,000	Clean; Interest payable every month, principal payable upon maturity	Mar 2026
Notes payable	45,000,000	45,000,000	—	6.25%, subject to repricing	45,000,000	Clean; Interest payable every month, principal to be paid on maturity date	Oct 2025
Notes payable	125,000,000	125,000,000	—	6.25%, subject to repricing	125,000,000	Clean; Interest payable every month, principal to be paid on maturity date	Nov 2025
Notes payable	63,773,600	63,773,600	—	7.75%, subject to repricing	63,773,600	Clean; Interest payable every month, principal payable upon maturity	Nov 2025
Notes payable	58,496,400	58,496,400	—	7.75%, subject to repricing	58,496,400	Clean; Interest payable every month, principal payable upon maturity	Nov 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest Rates	Amount	Number of periodic installments	Maturity Date
Notes payable	7,290,000	7,290,000	—	7.75%, subject to repricing	7,290,000	Clean; Interest payable every month, principal payable upon maturity	Dec 2025
Notes payable	21,800,000	21,800,000	—	7.75%, subject to repricing	21,800,000	Clean; Interest payable every month, principal payable upon maturity	Dec 2025
Notes payable	22,000,000	22,000,000	—	7.75%, subject to repricing	22,000,000	Clean; Interest payable every month, principal payable upon maturity	Nov 2025
Notes payable	47,918,876	47,918,876	—	8.00%, subject to repricing	47,918,876	Clean; Interest payable every month, principal payable upon maturity	Oct 2025, Nov 2025
Notes payable	13,410,000	13,410,000	—	7.75%, subject to repricing	13,410,000	Clean; Interest payable every month, principal payable upon maturity	Nov 2025
Notes payable	50,000,000	50,000,000	—	8.25%, subject to repricing	50,000,000	Clean; Interest payable every month, Principal amount of P50M due on the 6th month and every 2 months thereafter.	Oct 2025
Notes payable	50,000,000	50,000,000	—	8.25%, subject to repricing	50,000,000	Clean; Interest payable every quarter, principal payable upon maturity	Dec 2025
Notes payable	63,593,515	10,174,962	53,418,553	7.81%, subject to repricing	63,593,515	With mortgage; Interest and principal payable every quarter	Dec 2031
Notes payable	4,665,115,922	296,481,398	4,368,634,524	6.25%, subject to repricing	4,665,115,922	With mortgage; Interest payable every month and principal payable semi-annually	Aug 2035
	₱6,118,470,088	₱1,211,839,735	₱4,906,630,353		₱6,118,470,088		

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

September 30, 2025

	Balance at Beginning of Period	Balance at End of Period
Fernando G. Araneta, <i>Beneficial owner</i>	₱43,927	₱43,927
LBC Insurance Agency, Inc.	8,315,859	3,124,017
QUADX Inc.	1,898,506	—
Others	463,603	477,359
	₱10,721,895	₱3,645,303

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS

September 30, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee
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NOT APPLICABLE

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE G: CAPITAL STOCK

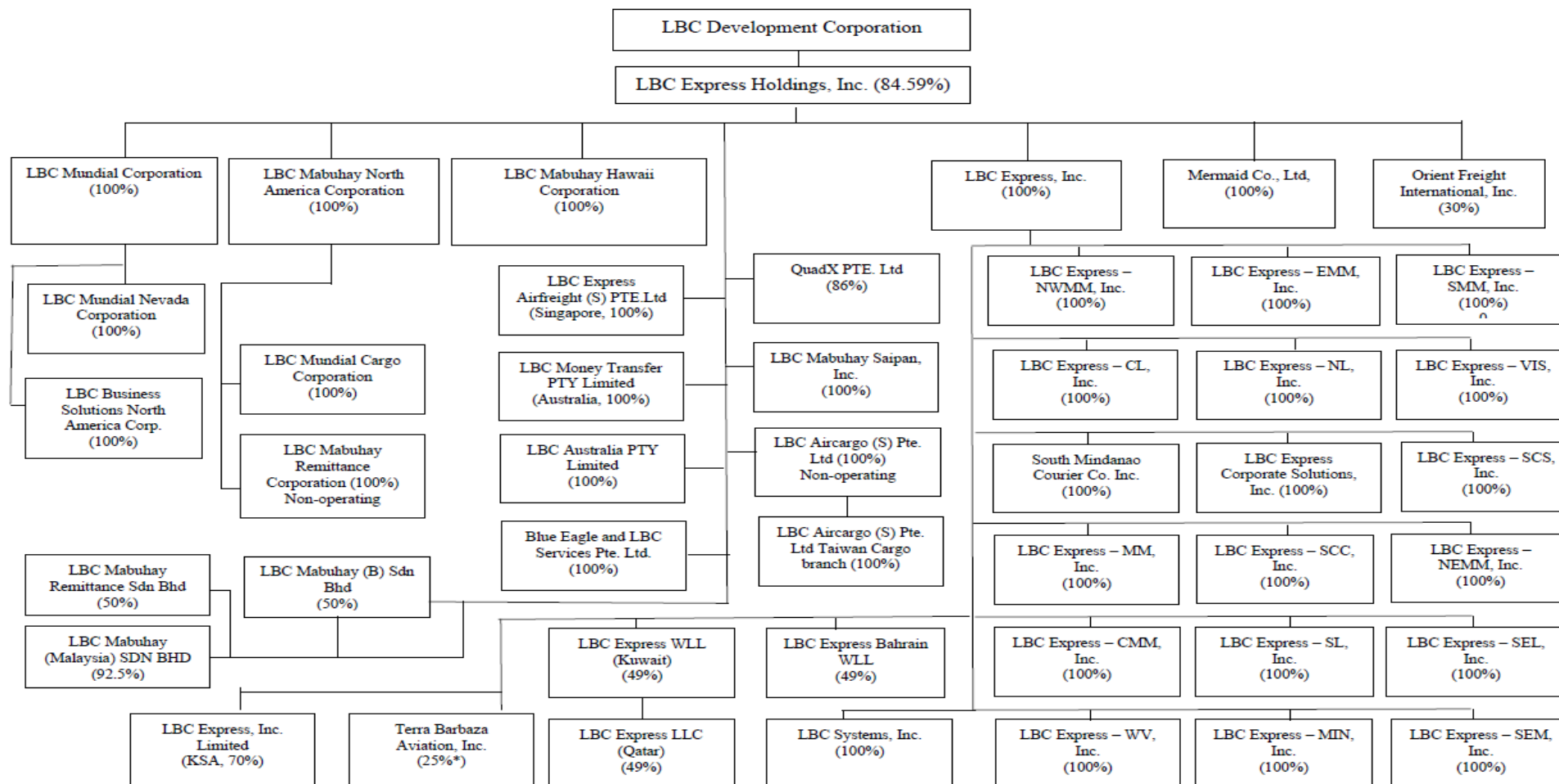
September 30, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related Statement of Financial Position	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock - ₱1 par value	2,000,000,000	1,425,865,471	—	1,206,178,232	230,106	219,457,133

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

September 30, 2025



*25% ownership in Terra Barbaza Aviation, Inc. is based on common stock with voting rights

LBC EXPRESS HOLDINGS, INC.**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION****For the period ended September 30, 2025**

Unappropriated retained earnings, beginning of the year		₱45,561,509
Add: <u>Category A:</u> Items that are directly credited to		
Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	—	
Effect of restatements of prior-period adjustments	—	
Others:	—	
Fair value adjustments in prior year	(605,009,011)	
Unrealized foreign exchange gain in prior year	(110,576,515)	
Less: <u>Category B:</u> Items that are directly debited to		
Unappropriated Retained Earnings		
Dividend declaration during the reporting period	—	
Retained Earnings appropriated during the reporting period	—	
Effect of restatements of prior-period adjustments	—	
Others:		
Reversal of fair value adjustments and unrealized foreign exchange gain in Category A as a result of full redemption of convertible bond	(715,585,524)	
Unappropriated retained earnings, as adjusted		45,561,507
Net loss for the current year		581,456,365
Less: <u>Category C.1:</u> Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	—	
Unrealized fair value gain of Investment Property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	—
Sub-total		—
Add: <u>Category C.2:</u> Unrealized income recognized in the profit or loss in prior periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		—
Add: <u>Category C.3:</u> Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)		

Reversal of previously recorded foreign exchange gain, except those attributable to Cash and cash equivalents	—
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	—
Reversal of previously recorded fair value gain of Investment Property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Sub-total	—
Add: Category D: Non-actual losses recognized in profit or loss during the year (net of tax)	
Depreciation on revaluation increment (after tax)	—
Sub-total	—
Add: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others	—
Sub-total	—
Add: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—
Adjustment due to deviation from PFRS/GAAP – gain (loss)	—
Others	—
Sub-total	—
TOTAL RETAINED EARNINGS, END OF THE PERIOD	
AVAILABLE FOR DIVIDEND DECLARATION	₱627,017,872

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
For the Nine Months Ended September 30, 2025 and 2024

Below are the financial ratios that are relevant to the Group for the nine months ended September 30:

Financial ratios	Formula	September 30, 2025		September 30, 2024	
Current ratio	Total Current Assets	6,531,379,810	1.17	<u>6,923,529,066</u>	0.66
	Total Current Liabilities	5,567,564,681		<u>10,476,028,503</u>	
Acid Test Ratio	Total Current Assets - Prepayments and other current assets	5,362,314,912	0.96	<u>5,637,977,546</u>	0.54
	Current Liabilities	5,568,534,681		<u>10,476,028,503</u>	
Solvency Ratio	Net Income After Tax - Non-Cash Expenses	1,795,045,338	0.15	<u>1,273,796,641</u>	0.10
	Total Liabilities	12,321,399,907		<u>13,253,620,434</u>	
Debt-to-equity ratio	Total Liabilities	12,321,399,907	5.08	<u>13,253,620,434</u>	7.77
	Stockholder's equity attributable to Parent Company	2,427,050,691		<u>1,704,860,838</u>	
Asset-to-equity ratio	Total Assets	14,751,501,843	6.08	<u>14,948,478,098</u>	8.77
	Stockholder's equity attributable to Parent Company	2,427,050,691		<u>1,704,860,838</u>	
Interest rate coverage ratio	Income before interest and tax expense	583,288,722	1.43	<u>368,991,941</u>	0.88
	Interest Expense	407,590,036		<u>420,261,353</u>	
Return on equity	Net income (loss) attributable to Parent Company	699,775,121	0.29	<u>(127,821,348)</u>	(0.07)
	Stockholder's equity attributable to Parent Company	2,427,050,691		<u>1,704,860,838</u>	
Debt to total assets ratio	Total liabilities	12,321,399,907	0.84	<u>13,253,620,434</u>	0.89
	Total assets	14,751,501,843		<u>14,948,478,098</u>	
Return on average assets	Net income (loss) attributable to Parent Company	699,775,121	0.05	<u>(127,821,348)</u>	(0.01)
	Average assets	14,995,103,380		<u>15,161,623,259</u>	
Net profit margin	Net income (loss) attributable to Parent Company	699,775,121	0.07	<u>(127,821,348)</u>	(0.01)
	Service fee	10,472,349,341		<u>10,582,635,183</u>	
Book value per share	Stockholder's equity attributable to Parent Company	2,427,050,691	1.70	<u>1,704,860,838</u>	1.20
	Total number of shares	1,425,865,471		<u>1,425,865,471</u>	
Basic earnings (loss) per share	Net income (loss) attributable to Parent Company	699,775,121	0.49	<u>(127,821,348)</u>	(0.09)
	Weighted average number of common shares outstanding	1,425,865,471		<u>1,425,865,471</u>	
Diluted earnings per share	Net income attributable to Parent Company after impact of conversion of bonds payable	699,775,121	0.49	<u>(127,821,348)</u>	(0.09)
	Adjusted weighted average number of common shares for diluted EPS	1,425,865,471		<u>1,425,865,471</u>	