

From: Philippine Stock Exchange <no-reply@pse.com.ph>
Sent: Thursday, 23 October 2025 12:55 pm

Subject: Quarterly Report

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: Pacific Online Systems Corporation
Reference Number: 0037584-2025
Date and Time: Thursday, October 23, 2025 12:55 PM
Template Name: Quarterly Report
Report Number: CR07486-2025

Best Regards,
PSE EDGE

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The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

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
Sep 30, 2025
2. SEC Identification Number
AS093-008809
3. BIR Tax Identification No.
003-865-392-000
4. Exact name of issuer as specified in its charter
Pacific Online Systems Corporation
5. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
19F West Tower, Tektite Towers, Exchange Road, Ortigas, Pasig City
Postal Code
1605
8. Issuer's telephone number, including area code
+632-8584-1700
9. Former name or 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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	895,330,946

11. Are any or all of registrant's securities listed on a Stock Exchange?
 Yes No
 If yes, state the name of such stock exchange and the classes of securities listed therein:
 The Philippine Stock Exchange Inc.
12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC 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 that the registrant was required to file such reports)

Yes No

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

Yes No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Pacific Online Systems Corporation LOTO

PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Sep 30, 2025
Currency (indicate units, if applicable)	Philippine Peso

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2025	Dec 31, 2024
Current Assets	1,052,547,470	1,082,177,990
Total Assets	1,659,713,681	1,736,525,004
Current Liabilities	321,083,193	353,533,405
Total Liabilities	542,171,888	638,716,791
Retained Earnings/(Deficit)	334,240,866	313,959,794
Stockholders' Equity	1,117,541,793	1,097,808,213
Stockholders' Equity - Parent	1,115,119,017	1,094,837,945
Book Value per Share	1.36	1.33

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	129,464,286	129,464,286	388,392,857	388,392,857
Gross Expense	147,561,314	108,758,539	383,268,317	360,450,372
Non-Operating Income	11,744,907	4,617,238	40,676,983	10,947,981
Non-Operating Expense	5,903,256	19,059,102	19,329,813	28,893,203
Income/(Loss) Before Tax	-12,255,377	6,263,882	26,471,710	9,997,263
Income Tax Expense	-2,985,744	2,274,653	6,738,137	6,234,122
Net Income/(Loss) After Tax	-9,269,633	3,989,229	19,733,573	3,763,141
Net Income Attributable to Parent Equity Holder	-8,138,920	5,065,330	20,281,068	4,504,357
Earnings/(Loss) Per Share (Basic)	-0.01	0.01	0.02	0.01

Earnings/(Loss) Per Share (Diluted)	-0.01	0.01	0.02	0.01
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	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.02	0.01
Earnings/(Loss) Per Share (Diluted)	0.02	0.01

Other Relevant Information
None

Filed on behalf by:

Name	Irene Bautista
Designation	Controller

COVER SHEET

A S 0 9 3 - 0 0 8 8 0 9

SEC Registration Number

P A C I F I C O N L I N E S Y S T E M S
 C O R P O R A T I O N A N D S U B S I D I A R I E S

(Company's Full Name)

1 9 t h F l o o r , W e s t T o w e r , P h i l i p p i n e
 S t o c k E x c h a n g e C e n t r e , E x c h a n g e
 R o a d , O r t i g a s C e n t e r , P a s i g C i t y

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

Dioville M. Villarias 8584-1700

(Contact Person)

(Company Telephone Number)

1 2 3 1
 Month Day
 (Fiscal Year)

1 7 - Q
 (Form Type)

Month Day
 (Annual Meeting)

(Secondary License Type, If Applicable)

CFD
 Dept. Requiring this Doc.

Amended Articles Number/Section

62
 Total No. of Stockholders

Total Amount of Borrowings
 P347.4M n/a
 Domestic Foreign

 To be accomplished by SEC Personnel concerned

 File Number

 LCU

 Document ID

 Cashier

S T A M P S

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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: **AS093-008809** 3. BIR Tax Identification No. **003-865-392-000**
4. Exact name of registrant as specified in its charter: **PACIFIC ONLINE SYSTEMS CORPORATION**
5. **Metro Manila, Philippines** 6. _____ (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code
Incorporation or organization
7. **19/F, West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City** **1605**
Address of principal office Postal Code
8. **(632) 8584-1700**
Registrant's telephone number, including area code
9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱1.00 par value	895,330,946
	Amount of Debt Outstanding
	Php312.7M

11. Are any or all of these securities listed on the Philippine Stock Exchange
Yes [] No []

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 1 (a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes [] No []

(b) has been subject to such filing requirements for the past 90 days.
Yes [] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited financial statements are submitted as part of this report:

- a.) Consolidated Statements of Income for the Nine (9) months ended September 30, 2025 and September 30, 2024;
- b.) Consolidated Statements of Comprehensive Income for the Nine (9) months ended September 30, 2025 and September 30, 2024;
- c.) Consolidated Statements of Financial Position as of September 30, 2025 and Audited Statements of Financial Position as of December 31, 2024;
- d.) Consolidated Statements of Changes in Equity for the Nine (9) months ended September 30, 2025 and September 30, 2024; and
- e.) Consolidated Statements of Cash Flows for the Nine (9) months ended, September 30, 2025 and September 30, 2024.

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

Results of Operations for the Period Ended September 30, 2025 vs. September 30, 2024

Revenues

Pacific Online Systems Corporation (the "Company") consolidated with its subsidiaries (the "Group"), earned total revenues of P388.4 million for the nine months ended September 30, 2025. Revenues in 2025 are the same with revenues of the same period in 2024 amounting to P388.4 million due to the fixed income received from the nationwide lottery system under its joint operation, PinoyLotto Technologies Corp. (PinoyLotto).

Cost and expenses

Cost and expenses covers the operational expenses related to the joint venture Pinoylotto. It increased by P51.5 million (17%) to P347.4 million for the period ended September 30, 2025 from P295.9 million for the same period in 2024 due to software costs development and update, depreciation expense of additional fixed assets purchased, and personnel costs.

General and administrative expenses

Head office - general and administrative expenses represents expenses of POSC Parent. It decreased by 28.7 (44%) to P35.9 million for the period ended September 30, 2025 from P64.6 million for the same period in 2024 mainly due to the manpower rationalization and reduced office space.

Operating income

Due to the foregoing, the Group realized an operating income of P5.1 million for the nine months ended September 30, 2025, which is lower compared to the P27.9 million operating income for the same period in 2024.

Other income (expenses)

Other income (expense) increased by P39.3 million (219%) to P21.3 million other income as of September 30, 2025 compared to P17.9 million net other charges for the period ended September 30, 2024. The increase is mainly due to dividend income of P11.7 million received and lower interest expense in 2025.

Net income

As a result, the Group recognized net income amounting to P19.7 million for the nine months ended September 30, 2025, compared to the P3.8 million net income for the same period in 2024.

Other comprehensive income and Total comprehensive income

Other comprehensive income of the Group pertains to the unrealized valuation gains and losses on its financial assets at fair value through other comprehensive income. In 2024, the valuation gains or losses

were already realized due the availment of Belle Corp's tender offer for Premium Leisure Corp (PLC) shares during the second quarter of 2024. Thus, total other comprehensive income for the nine months ended September 30, 2025 is at P19.7 million, higher by P16.0 million from the P3.8 million other comprehensive income for the same period in 2024.

Financial Condition as of September 30, 2025 vs. December 31, 2024

TOTAL ASSETS

The Group's total assets of P1,659.7 million as of September 30, 2025 decreased by P76.8 million or 4% from P1,736.5 million as of December 31, 2024. The main movements in the asset accounts are as follows:

Cash and cash equivalents

Cash and cash equivalents increased by P20.5 million (4%) to P612.7 million as at September 30, 2025 from P592.2 million as at December 31, 2024 due to collection of receivables and dividend income, less payment of investment in shares of HHRPI.

Investments held for trading

As at September 30, 2025, investments held for trading of the Group consists of investments in listed shares of stock of Vantage Equities, Inc. and APC Group, Inc. The amount of the Group's investments held for trading increased by P5.4 million (13%) as at September 30, 2025 mainly due to the marked-to-market gain for the period.

Trade and other receivables

Trade and other receivables decreased by P40.9 million (22%) to P144.8 million as at September 30, 2025 from P185.7 million as at December 31, 2024 due to collection of nontrade and other receivables.

Creditable withholding taxes (CWTs)

Creditable withholding taxes increased by P12.3 million (10%) to P137.7 million as at September 30, 2025 from P125.3 million as at December 31, 2024 due to additional creditable withholding taxes as a result of collection of revenues.

Other current assets

Other current assets of the Group are composed of supplies, prepayments and input taxes. This account decreased by P27.0 million (20%) to P109.2 million as at September 30, 2025 from P136.2 million as at December 31, 2024 due mainly to the prepayments recognized as expense for the current period.

Property and equipment

The Company's property and equipment is composed of lottery equipment, leasehold improvements, office furniture, fixtures and equipment and transportation equipment. This account decreased by P110.7 million (17%) to P541.4 million as at September 30, 2025 from P652.0 million as at December 31, 2024 mainly due to depreciation expense recognized for the period.

Investment in HHRPI

On January 29, 2025, the Parent Company entered into an Investment Agreement with HHR Philippines, Inc. (HHRPI) together with the latter's principal shareholders. Pursuant to the agreement, the Company shall subscribe to 81,000 common shares translating to 37.50% of the total issued and outstanding capital stock of HHRPI for the amount of P150.0 million, which shall be paid in three tranches. The Parent Company has paid P65M as at September 30, 2025.

Other noncurrent assets

Other noncurrent assets is composed of refundable deposit, it decreased by P1.5 million to P0.8 million as at September 30, 2025 from P2.3 million as at December 31, 2024 mainly due to consumption of rental deposit for the closure of office and warehouse.

LIABILITIES

The Group recorded total liabilities at P542.2 million as at September 30, 2025, lower by P96.5 million (15%) compared to the total liabilities of P638.7 million as at December 31, 2024.

Trade and other current liabilities

Trade and other current liabilities increased by P2.2 million (1%) to P216.7 million as at September 30, 2025 coming from P214.5 million as at December 31, 2024. The increase is mainly due to the accrual of expenses as of September 30, 2025.

Loans Payable

Loans payable of the Company amounted to P312.7 million as at September 30, 2025, decreased by P104.2 million (25%) from the balance of P416.9 million as at December 31, 2024. Loans payable were availed by PinoyLotto to fund its capital expenditures for the nationwide lottery system. The decrease is due to the payment of principal for the period.

Net retirement liability

Net retirement liability increased by P3.1 million (131%) to P5.4 million net retirement liability as at September 30, 2025 from P2.3 million net retirement liability as at December 31, 2024 because of retirement expense accrued for the period.

EQUITY

Total equity of the Company increased by P19.7 million (2%) to P1,117.5 million as at September 30, 2025 from P1,097.8 million as at December 31, 2024. The increase is mainly due to the net income earned during the period.

Cash Flows for the Nine Months Ended September 30, 2025 vs. September 30, 2024

The Group's cash balance as of September 30, 2025 of P612.7 million was higher by P35.4 million (6%) compared to the cash balance of P577.3 million in September 30, 2024, due to collection of other receivables and the proceeds from sale of PLC and Digiplus shares in 2024 which was retained until 2025 earning interest income.

Discussion and Analysis of Material Events and Uncertainties Known to Management

Pacific Online ended its trial run for its PCSO Web-based Application Betting Platform (WABP) or "E-Lotto" last July 12, 2024 to give way to the procurement of an E-Lotto platform which was to run for a period of 5 years. The Company participated in the bidding and on September 19, 2024, it received the PCSO Notice of Award. As at September 30, 2025, PCSO has not yet issued the Notice to Proceed.

On January 29, 2025, the Parent Company entered into an Investment Agreement with HHR Philippines, Inc. (HHRPI) together with the latter's principal shareholders. Pursuant to the agreement, the Company shall subscribe to 81,000 common shares translating to 37.50% of the total issued and outstanding capital stock of HHRPI for the amount of P150.0 million, which shall be paid in three tranches.

The proceeds of the Parent Company's capital infusion will be utilized by HHRPI primarily to fund its expansion program.

HHRPI, a software and professional service provider of electronic gaming platforms for land-based and online gaming operators, is licensed and accredited by the Philippine Amusement and Gaming Corporation (PAGCOR). At the same time, it is a holder of a PAGCOR Gaming License for online gaming (e-Casino) under the brand "Buenas".

Except for what has been noted above, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

1. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
2. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
3. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
4. Significant elements of income or loss that did not arise from the Group's continuing operations;
5. Seasonal aspects that had a material impact on the Group's results of operations;
6. Material changes in the financial statements of the Group for the periods ended December 31, 2024 to September 30, 2025;
7. Any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation; and
8. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

Key Performance Indicators

The Group monitors its performance and benchmarks itself to prior year's results in terms of the following indicators:

Liquidity & Financial Leverage Ratios	The manner by which the Company calculates the performance indicators	30 September 2025	31 December 2024
Current ratio	Current assets over current liabilities	3.28:1	3.06:1
Debt to equity ratio	Total interest-bearing debt over total equity	0.28:1	0.38:1
Asset-to-equity ratio	Total assets over total equity	1.49:1	1.58:1
Solvency ratio	Total assets over total liabilities	3.06:1	2.72:1
Operating income margin	Operating income over revenues	1.32%	7.19%
Net profit (loss) margin	Net income (loss) over revenues	5.08%	0.97%
Return on equity	Net income (loss) over total equity	1.77%	0.34%
Return on assets	Net income (loss) over total assets	1.19%	0.22%

PART II - OTHER INFORMATION

Financial Instruments

Financial Risk Management Objectives and Policies

The financial instruments mainly comprise cash, trade and other receivables (excluding advances to suppliers, officers and employees) and guarantee and refundable deposits (presented as part of "Other current assets" or "Other noncurrent assets"), investment held for trading and financial assets at FVOCI, trade payables and other current liabilities (excluding statutory payables) and lease liabilities. The main purpose of these financial instruments is to finance the Group's projects and operations.

The main risks arising from the financial instruments are credit risk, equity price risk, liquidity risk and foreign currency risk. The BOD reviews and approves policies for managing these risks.

Credit Risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not offer credit terms without the specific approval of the management. There is no significant concentration of credit risk.

With respect to credit risk arising from the financial assets of the Group, which comprise of cash (excluding cash on hand) trade and other receivables (excluding advances to suppliers, officers and employees) and guarantee and refundable deposits (presented as part of "Other current assets" or "Other noncurrent assets"), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these financial assets.

The table below shows the Group's aging analysis of financial assets.

	September 30, 2025						Total
	Neither Past Due nor Impaired	Past Due but not Impaired				Impaired	
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Cash and cash equivalents*	P612,309,210	P-	P-	P-	P-	P-	P612,309,210
Trade and other receivables**	141,851,328	-	-	-	-	117,765,217	259,616,545
Guarantee bonds***	79,000,000	-	-	-	-	-	79,000,000
Refundable deposit***	795,326	-	-	-	-	-	795,326
	P833,955,864	P-	P-	P-	P-	P117,765,217	P951,721,081

*Excluding cash on hand.

**Excluding advances to suppliers, officers and employees.

***Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statement of financial position.

December 31, 2024

	Neither Past Due nor Impaired	Past Due but not Impaired				Impaired	Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Cash and cash equivalents*	P591,843,011	P-	P-	P-	P-	P-	P591,843,011
Trade and other receivables**	181,530,946	-	-	-	-	117,765,218	299,296,164
Guarantee bonds***	79,000,000	-	-	-	-	-	79,000,000
Refundable deposit***	2,291,727	-	-	-	-	-	2,291,727
	P854,665,684	P-	P-	P-	P-	P117,765,218	P972,430,902

*Excluding cash on hand.

**Excluding advances to suppliers, officers and employees.

***Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statement of financial position.

Financial assets are considered past due when collections are not received on due date.

Credit Quality of Financial Assets

The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Group's financial assets are as follows:

	September 30, 2025			Total
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial Assets at Amortized Cost				
Cash and cash equivalents*	P612,309,210	P-	P-	P612,309,210
Trade and other receivables-net**	141,851,328	-	117,765,217	259,616,545
Guarantee bonds***	79,000,000	-	-	79,000,000
Refundable deposit ***	795,326	-	-	795,326
Gross Carrying Amount	P833,955,864	P-	P117,765,217	P951,721,081

*Excluding cash on hand.

**Excluding advances to contractors, suppliers, officers and employees.

***Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statement of financial position.

	December 31, 2024			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Financial Assets at Amortized Cost				
Cash and cash equivalents*	P591,843,011	P-	P-	P591,843,011
Trade and other receivables-net**	181,530,946	-	117,765,218	299,296,164
Guarantee bonds***	79,000,000	-	-	79,000,000
Refundable deposit ***	2,291,727	-	-	2,291,727
Gross Carrying Amount	P854,665,684	P-	P117,765,218	P972,430,902

*Excluding cash on hand.

**Excluding advances to contractors, suppliers, officers and employees.

***Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statement of financial position.

High grade financial assets pertain to receivables from clients or customers who have no history of delayed payment while medium grade includes receivables from clients or customers who have history of delayed payment but is currently updated.

Cash in banks are deposited with the top ten banks in the Philippines; hence, considered high grade.

Quoted marketable securities and financial assets at FVOCI are assessed as high grade based on financial status of the counterparty and its current stock price performance in the market.

Equity Price Risk. Equity price risk is the risk that the fair value of quoted marketable securities and financial assets at FVOCI in listed equities decreases as a result of changes in the value of individual stock. The Group's exposure to equity price risk relates primarily to the Group's marketable securities. The Group monitors the equity investments based on market expectations. Significant movements within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the BOD.

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's 2025 and 2024 consolidated total comprehensive income before income tax:

Increase (Decrease) in Equity Price	Sep. 30, 2025	Dec. 31, 2024
Impact in profit or loss		
5%	P2,409,704	P2,137,226
(5%)	(2,409,704)	(2,137,226)

Liquidity Risk. Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Group considers obtaining borrowings as the need arises.

The table also analyzes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

September 30, 2025					
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	P215,844,585	P-	P-	P-	P 215,844,585
Loan payable	-	-	104,235,294	208,470,588	312,705,882
Lease liabilities	152,076	702,512	-	-	854,588
	P215,996,661	P 702,512	P104,235,294	P208,470,588	P 529,405,055

*excluding statutory payables

December 31, 2024					
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	P208,044,741	P-	P-	P-	P208,044,741
Loan payable	-	-	138,980,392	277,960,784	416,941,176
Lease liabilities	57,445	-	-	-	57,445
	P208,102,186	P-	P138,980,392	P277,960,784	P625,043,362

*excluding statutory payables

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of financial asset or financial liability will fluctuate due to changes in foreign exchange rates.

As at September 30, 2025 and December 31, 2024, foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	Sep. 30, 2025		Dec. 31, 2024	
	USD	Peso Equivalent	USD	Peso Equivalent
Cash and cash equivalents	\$ 24,033	P1,398,617	\$1,088,814	P63,162,106
Accounts payable and other current liabilities	-	-	(2,180,257)	(126,127,922)
Net foreign currency-denominated assets (liabilities)	\$24,033	P1,398,617	(\$1,091,443)	(P62,965,816)

*Presented under "Trade payables and other current liabilities" account.

In translating the foreign currency-denominated financial liabilities into peso amounts, the exchange rate used was P58.20 to US\$1.0 and P57.85 to US\$1.0, as at September 30, 2025 and December 31, 2024, respectively.

It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign currency risk. The Group seeks to mitigate its transactional currency exposure by maintaining its costs at consistently low levels, regardless of any upward or downward movement in the foreign currency exchange rate.

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rates, with all other variables held constant, of the Group's consolidated income before tax as at September 30, 2025 and December 31, 2024. There is no other impact on the Group's equity other than those already affecting the profit or loss in the consolidated statement of comprehensive income.

	Sep. 30, 2025		Dec. 31, 2024	
	Increase in US\$ Rate	Decrease in US\$ Rate	Increase in US\$ Rate	Decrease in US\$ Rate
Change in US\$ rate*	5%	(5%)	5%	(5%)
Effect on income before income tax	₱69,931	(₱69,931)	(₱3,331,160)	₱3,331,160

The increase in US\$ rate means stronger US dollar against peso while the decrease in US\$ means stronger peso against the US dollar.

Capital Management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2025 and 2024.

The Group considers the following as its capital:

	Sep. 30, 2025	Dec. 31, 2024
Common stock	₱895,330,946	₱895,330,946
Additional paid-in capital	254,640,323	254,640,323
Cost of Parent Company common shares held by a subsidiary	(384,595,174)	(384,595,174)
	₱765,376,095	₱765,376,095

Fair Value of Assets and Financial Liabilities

Set out below is a comparison by category and by class of carrying values and fair values of the Group's assets and financial liabilities:

	Sep. 30, 2025		Dec. 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	₱612,718,940	₱612,718,940	₱592,197,741	₱592,197,741
Trade and other receivables*	141,851,328	141,851,328	181,530,946	181,530,946
Refundable security deposits**	795,326	795,326	2,291,727	2,291,727
Guaranteed deposits**	79,000,000	79,000,000	79,000,000	79,000,000
At FVPL				
Investment held for trading	48,194,083	48,194,083	42,744,518	42,744,518
	₱882,559,677	₱882,559,677	₱897,764,932	₱897,764,932
Financial Liabilities				
At amortized cost:				
Trade payables and other current liabilities***	₱215,844,585	₱215,844,585	₱208,044,741	₱208,044,741
Loan payable	312,705,882	312,705,882	416,941,176	404,355,763
Lease liabilities	854,588	854,588	57,445	113,257
	₱529,405,055	₱529,405,055	₱625,043,362	₱612,513,761

*Excluding advances to suppliers, officers and employees.

**Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statements of financial position.

***Excluding statutory payables

The Group has no financial liabilities measured at fair value as at September 30, 2025 and December 31, 2024. There were no transfers between fair value measurements as at September 30, 2025 and December 31, 2024.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash and Cash Equivalents, Trade and Other Receivables (excluding Advances to Suppliers, Officers and Employees), Restricted Cash, Guaranteed Deposits, Refundable Deposits, Trade Payables and Other Current Liabilities (excluding Statutory Payables). The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturities of these financial assets and financial liabilities.

Financial Assets at FVPL and Financial Assets at FVOCI. The fair values of financial assets at FVPL and financial assets at FVOCI in quoted equity shares are based on quoted prices in the PSE or those shares whose prices are readily available from brokers or other regulatory agency as at reporting date. There are no quoted market prices for the unlisted shares and there are no other reliable sources of their fair values, therefore, these are carried at cost, net of any impairment loss.

Loans Payable and Lease Liabilities. The fair values are based on the discounted value of expected future cash flows using the applicable interest rate for similar types of instruments.

As at September 30, 2025 and December 31, 2024, the discount rates used in determining the fair value of financial instruments for which fair values are disclosed are as follows:

	Sep. 30, 2025	Dec. 31, 2024
Liabilities for which fair values are disclosed		
Loans payable	6.05%	6.05%
Lease liabilities	5.89%	5.89%

Other Required Disclosures

1. The attached interim financial reports were prepared in compliance with Philippine Financial Reporting Standards (PFRS).


The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Group entities.
2. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD & A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
3. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
4. Except as disclosed in the MD & A, there were no other issuance, repurchases and repayments of debt and equity securities.
5. Except as disclosed in the MD & A, there were no material events that occurred subsequent to September 30, 2025 and up to the date of this report that need disclosure herein.

6. Except as disclosed in the MD & A, there were no changes in the composition of the Group since September 30, 2025, such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations.
7. There were no changes in contingent liabilities or contingent assets since September 30, 2025.
8. Except as disclosed in the MD & A, there exist no material contingencies and other material events or transactions affecting the current interim period.


SIGNATURES

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 thereunto duly authorized.


Issuer: **PACIFIC ONLINE SYSTEMS CORPORATION**



WILLY N. OCHER
Chairman of the Board
Date: October 23, 2025



ARMIN ANTONIO B. RAQUEL SANTOS
President and Chief Executive Officer
Date: October 23, 2025



DIOVILLE M. VILLARIAS
Chief Financial Officer and Treasurer
Date: Date: October 23, 2025

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Position

	Sep. 30, 2025	Dec. 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	₱612,718,940	₱592,197,741
Investments held for trading	48,194,083	42,744,518
Trade and other receivables	144,801,020	185,727,790
Creditable withholding taxes (CWTs)	137,671,473	125,345,588
Other current assets	109,161,954	136,162,353
Total Current Assets	1,052,547,470	1,082,177,990
Noncurrent Assets		
Property and equipment	541,370,885	652,001,139
Investment in associate	65,000,000	-
Other noncurrent assets	795,326	2,345,875
Total Noncurrent Assets	607,166,211	654,347,014
	₱1,659,713,681	₱1,736,525,004
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	₱216,695,823	₱214,495,568
Current portion of loan payable	104,235,294	138,980,392
Current portion of lease liabilities	152,076	57,445
Total Current Liabilities	321,083,193	353,533,405
Noncurrent Liabilities		
Loan payable - net of current portion	208,470,588	277,960,784
Lease liabilities - net of current portion	702,512	-
Net retirement liability	6,511,936	2,339,801
Net deferred tax liabilities	5,403,659	4,882,801
Total Noncurrent Liabilities	221,088,695	285,183,386
Total Liabilities	542,171,888	638,716,791

(Forward)

	Sep. 30, 2025	Dec. 31, 2024
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	P895,330,946	P895,330,946
Additional paid-in capital	254,640,323	254,640,323
Cost of Parent Company common shares held by a subsidiary	(384,595,174)	(384,595,174)
Other equity reserves	15,502,056	15,502,056
Retained earnings	334,240,866	313,959,794
	1,115,119,017	1,094,837,945
Non-controlling Interest	2,422,776	2,970,268
Total Equity	1,117,541,793	1,097,808,213
	P1,659,713,681	P1,736,525,004

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Unaudited)
For the nine months ended September 30, 2025 and 2024

	Nine Months Ended Sep 30		This Quarter	
	2025	2024	2025	2024
REVENUES				
Equipment rentals	P388,392,857	P388,392,857	P129,464,286	P129,464,286
Total Revenues	P388,392,857	P388,392,857	P129,464,286	P129,464,286
COST AND EXPENSES				
	347,399,079	295,873,188	137,201,791	92,011,440
GENERAL AND ADMINISTRATIVE EXPENSES				
	35,869,239	64,577,184	10,359,523	16,747,100
OPERATING INCOME				
	5,124,540	27,942,485	(18,097,028)	20,705,746
OTHER INCOME (CHARGES)				
Dividend income	11,711,723	-	-	-
Interest income	15,741,741	8,388,355	5,447,924	4,617,238
Finance charges	(19,329,813)	(28,893,203)	(5,903,256)	(8,421,343)
Marked-to-market gain (loss) on marketable securities	5,449,566	144,633	3,604,539	(2,721,754)
Others – net	7,773,953	2,414,993	2,692,444	(7,916,005)
Total Other Income (Charges)	21,347,170	(17,945,222)	5,841,651	(14,441,864)
INCOME BEFORE INCOME TAX				
	26,471,710	9,997,263	(12,255,377)	6,263,882
INCOME TAX EXPENSE (BENEFIT)				
Current	6,738,137	6,234,122	(2,985,744)	2,274,653
Deferred	-	-	-	-
	6,738,137	6,234,122	(2,985,744)	2,274,653
NET INCOME (LOSS)				
	P19,733,573	P3,763,141	(P9,269,633)	P3,989,229
Attributable to:				
Equity holders of the Parent Company	20,281,068	4,504,357	(8,138,920)	5,065,330
Non-controlling interests	583,218	(741,215)	(1,130,713)	(1,076,101)
	P19,733,573	P3,763,141	(P9,269,633)	P3,989,229
Attributable to Equity Holders of the Parent Company				
Basic / diluted earnings (loss) per share	P0.0247	P 0.0053	P0.0206	P 0.0060

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Unaudited)
For the nine months ended September 30, 2025 and 2024

	Nine Months Ended Sep 30		This Quarter	
	2025	2024	2025	2024
NET INCOME (LOSS)	P19,733,573	P3,763,141	(P9,269,633)	P3,989,229
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Fair value gain (loss) on investment in shares of stock	-	-	-	-
Remeasurements of retirement benefits, net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	P19,733,573	P3,763,141	(P9,269,633)	P3,989,229
Attributable to:				
Equity holders of the Parent Company	20,281,068	4,504,357	(8,138,920)	5,065,330
Non-controlling interests	(547,495)	(741,215)	(1,130,713)	(1,076,101)
	P19,733,573	P3,763,141	(P9,269,633)	P3,989,229

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity (Unaudited)

	Sep. 30, 2025	Sep. 30, 2024
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY:		
CAPITAL STOCK	₱895,330,946	₱895,330,946
ADDITIONAL PAID-IN CAPITAL	254,640,323	254,640,323
COST OF PARENT COMPANY SHARES HELD BY SUBSIDIARIES	(384,595,174)	(317,804,998)
OTHER EQUITY RESERVES		
Cumulative Unrealized Valuation Losses on Financial Assets at FVOCI		
Balance at beginning of year	-	(234,391,670)
Unrealized valuation gains (losses)	-	-
Realized portion of the fair value reserve	-	(234,391,670)
Balance at end of period	-	-
Cumulative Remeasurement Gains (Losses) On Retirement Benefits		
Balance at beginning of year	12,891,702	7,728,998
Net remeasurement gains (losses)	-	-
Balance at end of period	12,891,702	7,728,998
Other Reserves	2,610,354	2,610,354
	15,502,056	(148,623,717)
RETAINED EARNINGS		
Balance at beginning of year	313,959,798	530,917,448
Net income (loss)	20,281,068	4,504,357
Dividends declared	-	(83,683,996)
Realized portion of the fair value reserve	-	(151,420,210)
Balance at end of period	334,240,866	300,317,599
NON-CONTROLLING INTEREST		
Balance at beginning of year	2,970,271	4,138,999
Share in net income (loss)	(547,495)	(741,215)
Balance at end of period	2,422,776	3,397,783
	₱1,117,541,793	₱1,079,430,829

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
For the nine months ended September 30, 2025 and 2024

	For the nine months ended September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	₱26,471,710	₱9,997,263
Adjustments for:		
Depreciation and amortization	127,994,197	114,892,200
Retirement benefits	3,063,859	3,285,506
Finance charges	19,329,813	28,893,203
Unrealized foreign exchange loss (gain)	809,212	(690,205)
Interest income	(15,741,741)	(8,388,355)
Marked-to-market losses (gains) on investments held for trading	(5,449,566)	(144,633)
Dividend income	(11,711,723)	-
Gain on sale of property and equipment	(662,740)	(244,667)
Gain on sale of investments held for trading	-	(885,410)
Operating income (loss) before working capital changes	144,103,021	146,714,903
Decrease (increase) in:		
Trade and other receivables	40,926,771	45,862,252
Other current assets	27,000,397	(21,573,878)
Other noncurrent assets	1,496,401	151,756
Increase (decrease) in:		
Trade and other payables	2,200,260	(17,028,853)
Net cash generated from (used for) operations	215,726,850	154,126,180
Interest received	15,741,741	8,388,355
Income tax paid	(17,434,885)	(33,329,569)
Retirement contributions	-	9,383,879
Net cash provided by (used in) operating activities	214,033,706	138,568,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	11,711,723	-
Proceeds from disposal of:		
Investments held for trading	-	57,201,653
Property and equipment	662,740	244,667
Financial assets at FVOCI	-	320,571,550
Investment in HHRPI	(65,000,000)	-
Acquisitions of:		
Treasury Shares	-	(99,327,616)
Property and equipment	(16,200,365)	(52,783,839)
Net cash flows provided by (used in) investing activities	(68,825,903)	225,906,415
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availments	-	80,000,000
Loan payments	(104,235,294)	(98,901,961)
Cash dividend paid	-	(83,683,996)
Payment of lease liabilities	(312,285)	(360,408)
Finance charges paid	(19,329,813)	(28,893,203)
Net cash flows provided by (used in) financing activities	(123,877,392)	(131,839,568)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,330,411	232,635,691
CASH AT BEGINNING OF YEAR	592,197,741	343,945,679
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(809,212)	690,205
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱612,718,940	₱577,271,576

PACIFIC ONLINE SYSTEMS CORPORATION
Attachments to Unaudited Financial Statements
Trade and Other Receivables
As of September 30, 2025

1.) Schedule of Trade and Other Receivables

	Amount
a.) Trade and Nontrade Receivables	
1.) Trade receivables	P50,685,333
2.) Nontrade receivable	92,794,920
	143,480,253
b.) Other Receivables	
1.) Advances to officers and employees	1,142,143
2.) Advances to contractors and suppliers	178,624
3.) Other receivables	-
	1,320,767
Total	P144,801,020

2.) Description of other receivables

<i>Types of Receivables</i>	<i>Nature and Description</i>	<i>Collection / Liquidation Period</i>
1.) Advances to officers and employees	Company loan and other advances granted to officers and employees	Within one (1) year
2.) Advances to contractors and suppliers	Non-interest bearing and are subject to liquidation	Within one (1) year
3.) Other receivables	Other advances	Within one (1) year

3.) Normal operating cycle: 365 days

PACIFIC ONLINE SYSTEMS CORPORATION
Attachments to Unaudited Financial Statements
Segment Information
For the period ended September 30, 2025

The primary segment reporting format is presented based on business segments in which the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Thus, the operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is engaged in the businesses of leasing lottery equipment to PCSO (leasing activities). Revenue generated from the leasing activities account for 100% of the Group's revenue in 2025.


End of Report

Certification


We, **Willy N. Ocier**, Chairman of the Board, **Armin Antonio B. Raquel Santos**, President and Chief Executive Officer, and **Dioville M. Villarias**, Chief Financial Officer and Treasurer of **PACIFIC ONLINE SYSTEMS CORPORATION**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number **AS93008809** and with principal office address at **Unit 1902-C West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City**, on oath state:

- 1) That we have caused this **SEC Form 17-Q (Quarterly Report)** for the period ended **September 30, 2025** to be prepared on behalf of **Pacific Online Systems Corporation**;
- 2) That we have read and understood its contents which are true and correct based on our own personal knowledge and/or authentic records;
- 3) That the company, **Pacific Online Systems Corporation**, will comply with the requirements set forth in SEC Notice dated May 12, 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That we are fully aware that submitted documents which will require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s.2020 shall be used by the company in its submission to CGFD.

IN WITNESS WHEREOF, we have hereunto set our hands this 23rd day of October 2025.



WILLY N. OCIER



ARMIN ANTONIO B. RAQUEL SANTOS



DIOVILLE M. VILLARIAS

SUBSCRIBED AND SWORN to before me this 23rd day of October 2025, In Pasig City, Philippines.

Doc. No. 179 ;
Page No. 37 ;
Book No. 194 ;
Series of 2025.

FERDINAND D. AYAHAO NOTARY PUBLIC
Notary Public
For and in Pasig City and the Municipality of Pateros
Appointment No. 96 (2024-2025) valid until 12/31/2025
MCLE Exemption No. VII-BEP003234, until 04/14/28
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 2831469 A A; 01/03/25; Pasig City
U-5, G/F West Tower Phil. Exchange Road
Ortigas Center, Pasig City Tel.+632-86314090