From: Philippine Stock Exchange <no-reply@pse.com.ph>
Sent: Thursday, 30 July 2026 12:14 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: 0028848-2026
Date and Time: Thursday, July 30, 2026 12:14 PM
Template Name: Quarterly Report
Report Number: CR05796-2026

Best Regards,
PSE EDGE

If verification is required, please request for a hard copy.

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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

CR05796-2026

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
   Jun 30, 2026
2. SEC Identification Number
   ASO93-008809
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

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	Jun 30, 2026
Currency (indicate units, if applicable)	Philippine Peso

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2026	Dec 31, 2025
Current Assets	915,810,100	1,144,790,227
Total Assets	1,574,528,991	1,647,131,054
Current Liabilities	432,986,336	347,742,583
Total Liabilities	434,063,479	487,886,421
Retained Earnings/(Deficit)	388,711,083	371,568,278
Stockholders' Equity	1,140,465,512	1,159,244,633
Stockholders' Equity - Parent	1,138,164,143	1,157,021,338
Book Value per Share	1.39	1.41

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	258,928,571	258,928,571
Gross Expense	133,259,805	121,139,213	249,026,115	235,707,004
Non-Operating Income	2,889,655	7,269,481	24,112,383	28,932,077
Non-Operating Expense	10,399,711	7,691,989	9,548,013	13,426,557
Income/(Loss) Before Tax	-11,305,575	7,902,565	24,466,826	38,727,087
Income Tax Expense	1,004,711	4,234,981	7,245,947	9,723,881
Net Income/(Loss) After Tax	-12,310,286	3,667,584	17,220,879	29,003,206
Net Income Attributable to Parent Equity Holder	-12,404,299	3,919,237	17,142,805	28,419,988
Earnings/(Loss) Per Share (Basic)	-0.02	0	0.02	0.03

Earnings/(Loss) Per Share (Diluted)	-0.02	0	0.02	0.03

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.02	0.03
Earnings/(Loss) Per Share (Diluted)	0.02	0.03

Other Relevant Information
None

Filed on behalf by:

Name	Irene Bautista
Designation	Controller

COVER SHEET

A	S	0	9	3	-	0	0	8	0	9

SEC Registration Number

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES

(Company's Full Name)

19th Floor, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City

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

Dioville M. Villarias	8584-1700
(Contact Person)	(Company Telephone Number)

1 2 / 3 1	1 7 - Q	
Month *Day* (Fiscal Year)	(Form Type)	*Month* *Day* (Annual Meeting)

(Secondary License Type, If Applicable)

CFD	
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

61	P208.5M	n/a
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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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 **June 30, 2026**

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
	Php243.2M

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

    (b) has been subject to such filing requirements for the past 90 days.
    Yes [x] 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 six (6) months ended June 30, 2026 and June 30, 2025;
b.) Consolidated Statements of Comprehensive Income for the six (6) months ended June 30, 2026 and June 30, 2025;
c.) Consolidated Statements of Financial Position as of June 30, 2026 and Audited Statements of Financial Position as of December 31, 2025;
d.) Consolidated Statements of Changes in Equity for the six (6) months ended June 30, 2026 and June 30, 2025; and
e.) Consolidated Statements of Cash Flows for the six (6) months ended, June 30, 2026 and June 30, 2025.

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

Results of Operations for the Period Ended June 30, 2026 vs. June 30, 2025

Revenues
Pacific Online Systems Corporation (the "Company") consolidated with its subsidiaries (the "Group"), earned total revenues of P258.9 million for the six months ended June 30, 2026. Revenues in 2026 are the same with revenues of the same period in 2025 amounting to P258.9 due to the fixed income received from the nationwide lottery system under its joint operation, PinoyLotto Technologies Corp. (PinoyLotto).

Cost of services
Costs of services decreased by P0.6 million (.4%) to P150.4 million for the period ended June 30, 2026 from P151.0 million for the same period in 2025 due to lower personnel costs..

General and Administrative Expenses
General and administrative expenses increased by P13.9 million (16%) to P98.6 million for the period ended June 30, 2026 from P84.7 million for the same period in 2025 due professional fees and other administrative expenses paid for the period.

Other income (expenses)
Other income (expense) decreased by P0.9 million (6%) to P14.6 million other income as of June 30, 2026 compared to P15.5 million other income for the period ended June 30, 2025. The decrease was due to lower interest income and the marked-to-market loss on investment held for trading during the period.

Net income
As a result, the Group recognized net income amounting to P17.2 million for the six months ended June 30, 2026, compared to the P29.0 million net income for the same period in 2025.

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. The Group posted a loss of P36.0 million during the six months period ended June 30, 2026. Thus, total other comprehensive loss for the six months ended June 30, 2026 is at P18.8 million, while the other comprehensive income for the same period in 2025 is at P29.0 million.

Financial Condition as of June 30, 2026 vs. December 31, 2025

TOTAL ASSETS
The Group's total assets of P1,574.5 million as of June 30, 2026 decreased by P72.6 million or 4% from P1,647.1 million as of December 31, 2025. The main movements in the asset accounts are as follows:

Cash and cash equivalents
Cash and cash equivalents decreased by P239.2 million (33%) to P480.4 million as at June 30, 2026 from P719.6 million as at December 31, 2025 mainly due to the purchase of two hundred million (200,000,000) treasury shares of Belle Corporation.

Investments held for trading
As at June 30, 2026, 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 decreased by P1.8 million (4%) as at June 30, 2026 mainly due to its marked-to-market loss for the period.

Trade and other receivables
Trade and other receivables decreased by P22.7 million (11%) to P186.6 million as at June 30, 2026 from P209.3 million as at December 31, 2025 due to collection of non-trade receivables.

Creditable withholding taxes (CWTs)
Creditable withholding taxes increased by P6.0 million (4%) to P146.7 million as at June 30, 2026 from P140.7 million as at December 31, 2025 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 increased by P28.8 million (91%) to P60.5 million as at June 30, 2026 from P31.7 million as at December 31, 2025 due mainly to advance payment for the purchase of new draw machines.

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 P85.5 million (17%) to P412.5 million as at June 30, 2026 from P498.0 million as at December 31, 2025 mainly due to depreciation expense recognized for the period.

Financial assets at fair value through other comprehensive income (FVOCI)
On March 4, 2026, the Parent Company has purchased Two Hundred Million (200,000,000) treasury shares of Belle Corporation (Belle) at the price of P1.40 per share. It decreased by P36.0 million due to unrealized valuation loss for the period.

Other noncurrent assets
Other noncurrent assets is composed of net retirement asset, refundable deposits and ROU assets. It decreased by P2.1 million to P2.2 million as at June 30, 2026 from P4.4 million as at December 31, 2025 mainly due to accrual of retirement expense and ROU assets amortization for the period.

LIABILITIES
The Group recorded total liabilities at P434.1 million as at June 30, 2026, lower by P53.8 million (11%) compared to the total liabilities of P487.9 million as at December 31, 2025.

Trade and other current liabilities
Trade and other current liabilities increased by P15.8 million (8%) to P224.2 million as at June 30, 2026 coming from P208.4 million as at December 31, 2025. The increase is mainly due to the accrual of various expenses incurred as of June 30, 2026.

Loans Payable
Loans payable of the Company amounted to P208.5 million as at June 30, 2026, decreased by P69.5 million (25%) from the balance of P278.0 million as at December 31, 2025. Loans payable were availed by PinoyLotto to fund its capital expenditures for the nationwide lottery system. The decrease in due to the payment of principal for the period.

Lease Liabilities
Lease liabilities decreased by P0.2 million (10%) to P0.6 million as at June 30, 2026 from P0.8 million as at December 31, 2025 due to payment of lease liabilities for the period.

EQUITY
Total equity of the Company decreased by P18.8 million (2%) to P1,140.5 million as at June 30, 2026 from P1,159.2 million as at December 31, 2025. The decrease is mainly due to the total comprehensive loss recognized during the period.

Cash Flows for the Six Months Ended June 30, 2026 vs. June 30, 2025

The Group's cash and cash equivalents balance as of June 30, 2026 of P480.4 million was lower by P101.9 million (18%) compared to the cash and cash equivalents balance of P582.3 million in June 30, 2025, mainly due to the purchase of financial asset at FVOCI, the shares of Belle Corporation.

Discussion and Analysis of Material Events and Uncertainties Known to Management

PinoyLotto, the joint venture operation for the nationwide lottery system, will continue to maintain operations for its 6,500 installed terminals. POSC owns 50% of the joint venture operation, assuring the Parent Company with steady income for the duration of its 5-year term. In addition, Pinoylotto will service the PCSO also through its new contract on draw machines in support of its main lottery operations.

Pacific Online is actively seeking opportunities for growth through profitable investments in the entertainment industry that will increase shareholder value for its various stakeholders.

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, 2025 to June 30, 2026;
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	**June 30, 2026**	December 31, 2025
Current ratio	Current assets over current liabilities	**2.12:1**	3.29:1
Debt to equity ratio	Total interest-bearing debt over total equity	**0.18:1**	0.24:1
Asset-to-equity ratio	Total assets over total equity	**1.38:1**	1.42:1
Solvency ratio	Total assets over total liabilities	**3.63:1**	3.38:1
Operating income margin	Operating income over revenues	**3.82%**	8.97%
Net profit (loss) margin	Net income (loss) over revenues	**6.65%**	11.20%
Return on equity	Net income (loss) over total equity	**1.51%**	2.50%
Return on assets	Net income (loss) over total assets	**1.09%**	1.76%

PART II - OTHER INFORMATION

Financial Instruments

Financial Risk Management Objectives and Policies

The financial instruments mainly comprise cash and cash equivalents, trade and other receivables (excluding advances to contractors, suppliers, officers and employees), guarantee and refundable deposits (presented as part of "Other current assets" or "Other noncurrent assets" account), investments held for trading, financial assets at FVOCI, trade payables and other current liabilities (excluding statutory payables), loans payable 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) 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.

	June 30, 2026						
	Neither Past Due nor Impaired	Past Due but not Impaired					
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Impaired	Total
Cash and cash equivalents*	₱131,821,601	₱–	₱–	₱–	₱–	₱–	₱131,821,601
Trade and other receivables**	177,051,660	–	–	–	–	117,765,217	294,816,877
Guarantee deposit***	5,355,837	–	–	–	–	–	5,355,837
Refundable deposit****	800,449	–	–	–	–	–	800,449
	₱315,029,547	₱–	₱–	₱–	₱–	₱117,765,217	₱ 432,794,764

**Excluding cash on hand.*
***Excluding advances to suppliers, officers and employees.*
****Presented under "Other current assets" account.*
*****Presented under "Other noncurrent assets" account.*

	December 31, 2025						
	Neither Past Due nor Impaired	Past Due but not Impaired					
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Impaired	Total
Cash and cash equivalents*	₱719,159,735	₱–	₱–	₱–	₱–	₱–	₱719,159,735
Trade and other receivables**	193,640,698	–	–	–	–	117,765,218	311,405,916
Guarantee deposit***	5,355,837	–	–	–	–	–	5,355,837
Refundable deposit****	795,326	–	–	–	–	–	795,326
	₱918,951,596	₱–	₱–	₱–	₱–	₱117,765,218	₱1,036,716,814

**Excluding cash on hand.*
***Excluding advances to suppliers, officers and employees.*
****Presented under "Other current assets" account.*
*****Presented under "Other noncurrent assets" account.*

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:

	June 30, 2026			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents*	**₱131,821,601**	**₱–**	**₱–**	**₱131,821,601**
Trade and other receivables-net**	**177,051,660**	**-**	**117,765,217**	**294,816,877**
Guarantee deposit***	**5,355,837**	**-**	**-**	**5,355,837**
Refundable deposit ***	**800,449**	**-**	**-**	**800,449**
Gross Carrying Amount	**₱315,029,547**	**₱–**	**₱117,765,217**	**₱432,794,764**

**Excluding cash on hand.*
***Excluding advances to suppliers, officers and employees.*
****Presented under "Other current assets" account.*
*****Presented under "Other noncurrent assets" account.*

	December 31, 2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents*	₱719,159,735	₱–	₱–	₱719,159,735
Trade and other receivables-net**	193,640,698	–	117,765,218	311,405,916
Guarantee deposit***	5,355,837	–	–	5,355,837
Refundable deposit ****	795,326	–	–	795,326
Gross Carrying Amount	₱918,951,596	₱–	₱117,765,218	₱1,036,716,814

**Excluding cash on hand.*
***Excluding advances to suppliers, officers and employees.*
****Presented under "Other current assets" account.*
*****Presented under "Other noncurrent assets" account.*

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.

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.

	June 30, 2026				
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	₱201,118,813	₱ -	₱–	₱ -	₱201,118,813
Loan payable	34,745,098	34,745,098	138,980,392	-	208,470,588
Lease liabilities	85,907	85,907	85,907	358,488	616,209
	₱ 235,949,818	₱34,831,005	₱139,066,299	₱358,488	₱410,205,610

**Excluding statutory payables*

	December 31, 2025				
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	₱200,814,964	₱–	₱–	₱–	₱200,814,964
Loan payable	34,745,098	34,745,098	69,490,196	138,980,392	277,960,784
Lease liabilities	94,795	94,795	189,591	465,028	844,209
	₱235,654,857	₱34,839,893	₱69,679,787	₱139,445,420	₱479,619,967

**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 June 30, 2026 and December 31, 2025, foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	Jun. 30, 2026		Dec. 31, 2025	
	USD	Peso Equivalent	USD	Peso Equivalent
Cash and cash equivalents	$12,792	₱784,897	$24,027	₱1,413,020
Accounts payable and other current liabilities	(443,733)	(27,227,447)	(1,270,696)	(74,729,216)
Net foreign currency-denominated assets (liabilities)	($430,941)	(₱26,442,550)	($1,246,669)	(₱73,316,196)

**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 ₱61.36 to US$1.0 and ₱58.81 to US$1.0, as at June 30, 2026 and December 31, 2025, 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 June 30, 2026 and December 31, 2025. 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.

	Jun. 30, 2026		Dec. 31, 2025	
	Increase in US$ Rate	**Decrease in US$ Rate**	Increase in US$ Rate	Decrease in US$ Rate
Change in US$ rate*	**3%**	**(3%)**	2%	(2%)
Effect on income before income tax	**(₱2,702,173)**	**₱2,702,173**	(₱1,034,439)	₱1,034,439

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 2026 and 2025.

The Group considers the following as its capital:

	Jun. 30, 2026	Dec. 31, 2025
Common stock	**₱895,330,946**	₱895,330,946
Additional paid-in capital	**264,640,323**	264,640,323
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:

	Jun. 30, 2026		Dec. 31, 2025	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**₱480,360,400**	**₱480,360,400**	₱719,569,465	₱719,569,465
Trade and other receivables*	**177,051,660**	**177,051,660**	193,640,698	193,640,698
Guaranteed deposits**	**5,355,837**	**5,355,837**	5,355,837	5,355,837
Refundable security deposits**	**800,449**	**800,449**	795,326	795,326
At FVPL				
Investment held for trading	**41,660,064**	**41,660,064**	43,462,334	43,462,334
At FVOCI				
Financial Assets at FVOCI	**244,000,000**	**244,000,000**	-	-
	₱949,228,410	**₱949,228,410**	₱962,823,660	₱962,823,660
Financial Liabilities				
At amortized cost:				
Trade payables and other current liabilities***	**₱201,118,813**	**₱201,118,813**	₱200,814,964	₱200,814,864
Loan payable	**208,470,588**	**208,470,588**	277,960,784	294,035,746
Lease liabilities	**616,209**	**616,209**	778,558	823,703
	₱410,205,610	**₱410,205,610**	₱479,554,306	₱495,674,413

**Excluding advances to contractors, 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 June 30, 2026 and December 31, 2025. There were no transfers between fair value measurements as at June 30, 2026 and December 31, 2025.

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.

Investment Held for Trading and Financial Assets at FVOCI. The fair values of investments 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.

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 June 30, 2026 and December 31, 2025, the discount rates used in determining the fair value of financial instruments for which fair values are disclosed are as follows:

	Jun. 30, 2026	Dec. 31, 2025
Liabilities for which fair values are disclosed		
Loans payable	**5.78%**	5.78%
Lease liabilities	**5.80%**	5.80%

<u>**Other Required Disclosures**</u>

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 June 30, 2026 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 June 30, 2026, 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 June 30, 2026.

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. OCIER
Chairman of the Board
Date: July 30, 2026

ARMIN ANTONIO B. RAQUEL SANTOS
President and Chief Executive Officer
Date: July 30, 2026

DIOVILLE M. VILLARIAS
Chief Financial Officer and Treasurer
Date: Date: July 30, 2026

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Position

	Jun. 30, 2026	Dec. 31, 2025
ASSETS		
Current Assets		
Cash and cash equivalents	**₱480,360,400**	₱719,569,465
Investments held for trading	**41,660,064**	43,462,334
Trade and other receivables	**186,580,298**	209,311,438
Creditable withholding taxes (CWTs)	**146,698,498**	140,714,366
Other current assets	**60,510,840**	31,732,624
Total Current Assets	**915,810,100**	1,144,790,227
Noncurrent Assets		
Property and equipment	**412,476,361**	497,951,256
Financial assets at fair value through other comprehensive income (FVOCI)	**244,000,000**	-
Other noncurrent assets	**2,242,530**	4,389,571
Total Noncurrent Assets	**658,718,891**	502,340,827
	₱1,574,528,991	₱1,647,131,054
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	**₱224,258,027**	₱208,428,424
Current portion of loan payable	**208,470,588**	138,980,392
Current portion of lease liabilities	**257,721**	333,767
Total Current Liabilities	**432,986,336**	347,742,583
Noncurrent Liabilities		
Loan payable - net of current portion	**-**	138,980,392
Lease liabilities – net of current portion	**358,488**	444,794
Net deferred tax liabilities	**718,655**	718,655
Total Noncurrent Liabilities	**1,077,143**	140,143,838
Total Liabilities	**434,063,479**	487,886,421

(Forward)

	Jun. 30, 2026	Dec. 31, 2025
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 common shares held by a subsidiary	**(384,595,174)**	(384,595,174)
Other equity reserves	**(15,923,035)**	20,076,965
Retained earnings	**388,711,083**	371,568,278
	1,138,164,143	1,157,021,338
Non-controlling Interest	**2,301,369**	2,223,295
Total Equity	**1,140,465,512**	1,159,244,633
	₱1,574,528,991	₱1,647,131,054

Attachment 2

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Unaudited)
For the six months ended June 30, 2026 and 2025

	Six Months Ended Jun 30		This Quarter	
	2026	2025	2026	2025
REVENUES	P258,928,571	P258,928,571	P129,464,286	P129,464,286
COST OF SERVICES	(150,406,531)	(150,991,048)	(80,784,397)	(77,999,428)
GROSS PROFIT	**108,522,040**	**107,937,523**	**48,679,889**	**51,464,858**
GENERAL AND ADMINISTRATIVE EXPENSES	(98,619,584)	(84,715,956)	(52,475,408)	(43,139,785)
OPERATING INCOME	**9,902,456**	**23,221,567**	**(3,795,519)**	**8,325,073**
OTHER INCOME (CHARGES)				
Dividend income	12,000,000	11,711,723	-	-
Interest income	8,011,572	10,293,818	2,889,655	5,069,919
Finance charges	(7,745,743)	(13,426,557)	(3,777,255)	(6,457,886)
Marked-to-market gains (losses) on investment held for trading	(1,802,270)	1,845,027	(6,390,428)	(1,234,103)
Other income (charges) - net	4,100,811	5,081,509	(232,028)	2,199,562
Total Other Income (Charges)	14,564,370	15,505,520	(7,510,056)	(422,508)
INCOME BEFORE INCOME TAX	**24,466,826**	**38,727,087**	**(11,305,575)**	**7,902,565**
INCOME TAX EXPENSE (BENEFIT)				
Current	7,245,947	9,723,881	1,004,711	4,234,981
Deferred				
	7,245,947	9,723,881	1,004,711	4,234,981
NET INCOME (LOSS)	**P17,220,879**	**P29,003,206**	**(P12,310,286)**	**P3,667,584**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will never be reclassified to profit or loss in subsequent periods:				
Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income (FVOCI)	(36,000,000)	-	(24,000,000)	-
Remeasurement gains (losses) on retirement benefits, net of deferred tax	-	-	-	-
	(36,000,000)	-	(24,000,000)	-
TOTAL COMPREHENSIVE INCOME (LOSS)	**(P18,779,121)**	**P29,003,206**	**(P36,310,286)**	**P3,667,584**
Net income (loss) attributable to:				
Equity holders of the Parent Company	17,142,805	28,419,988	(12,404,299)	3,919,237
Non-controlling interests	78,074	583,218	94,013	(251,653)
	P17,220,879	**P29,003,206**	**(P12,310,286)**	**P3,667,584**
Total comprehensive income (loss) attributable to:				
Equity holders of the Parent Company	(18,857,195)	28,419,988	(36,404,299)	3,919,237
Non-controlling interests	78,074	583,218	94,013	(251,653)
	(P18,779,121)	**P29,003,206**	**(P36,310,286)**	**P3,667,584**
Basic/Diluted Earnings per Share	**P 0.0208**	**P 0.0345**	**(P 0.0151)**	**P 0.0048**

Attachment 3

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

	Jun. 30, 2026	Jun. 30, 2025
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)**	(384,595,174)
OTHER EQUITY RESERVES		
Cumulative Unrealized Valuation Losses on Financial Assets at FVOCI		
Balance at beginning of year	-	-
Unrealized valuation gains (losses)	**(36,000,000)**	-
Realized portion of the fair value reserve	-	-
Balance at end of period	**(36,000,000)**	-
Cumulative Remeasurement Gains (Losses) On Retirement Benefits		
Balance at beginning of year	**17,466,611**	12,891,702
Net remeasurement gains (losses)	-	-
Balance at end of period	**17,466,611**	12,891,702
Other Reserves	**2,610,354**	2,610,354
	(15,923,035)	15,502,056
RETAINED EARNINGS		
Balance at beginning of year	**371,568,278**	313,959,798
Net income (loss)	**17,142,805**	28,419,988
Balance at end of period	**388,711,083**	342,379,786
NON-CONTROLLING INTEREST		
Balance at beginning of year	**2,223,295**	2,970,268
Share in net income (loss)	**78,074**	583,218
Balance at end of period	**2,301,369**	3,553,489
	₱1,140,465,512	₱1,126,811,425

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
For the six months ended June 30, 2026 and 2025

	For the six months ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	₱24,466,827	₱38,727,087
Adjustments for:		
Depreciation and amortization	86,283,106	84,941,806
Retirement benefits	1,981,039	2,456,295
Finance charges	7,745,743	13,426,557
Unrealized foreign exchange loss (gain)	107,569	(238,514)
Interest income	(8,011,572)	(10,293,818)
Marked-to-market losses (gains) on investments held for trading	1,802,270	(1,845,027)
Dividend income	(12,000,000)	(11,711,723)
Gain on sale of property and equipment	(18,733)	(662,740)
Operating income (loss) before working capital changes	102,356,249	114,799,923
Decrease (increase) in:		
Trade and other receivables	22,731,136	26,624,361
Other current assets	(28,778,218)	27,052,136
Other noncurrent assets	(5,123)	479,458
Increase (decrease) in:		
Trade and other payables	15,829,604	(22,054,813)
Net cash generated from (used for) operations	112,133,648	146,901,065
Interest received	8,011,572	10,293,818
Income tax paid	(13,230,077)	(17,067,795)
Net cash provided by (used in) operating activities	106,915,143	140,127,088
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	12,000,000	11,711,723
Proceeds from sale of property and equipment	18,733	662,740
Investment in HHRPI	-	(65,000,000)
Acquisitions of:		
Financial assets through FVOCI	(280,000,000)	-
Property and equipment	(637,084)	(14,532,142)
Net cash flows provided by (used in) investing activities	(268,618,351)	(67,157,679)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan payments	(69,490,196)	(69,490,196)
Payment of lease liabilities	(162,350)	(154,942)
Finance charges paid	(7,745,743)	(13,426,557)
Net cash flows provided by (used in) financing activities	(77,398,289)	(83,071,695)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(239,101,497)**	**(10,102,286)**
CASH AT BEGINNING OF YEAR	P719,569,465	P592,197,740
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(107,569)	238,514
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P480,360,399**	**P582,333,968**

Attachment 5

PACIFIC ONLINE SYSTEMS CORPORATION
Attachments to Unaudited Financial Statements
Trade and Other Receivables
As of June 30, 2026

1.) Schedule of Trade and Other Receivables

Types of Receivables	Amount
Trade receivables	P60,953,779
Nontrade receivable	50,912,396
Receivable from disposal of investment	65,000,000
Advances to:	
Contractors and suppliers	7,872,800
Officers and employees	1,655,838
Other receivables	185,485
Total	**P186,580,298**

2.) Description

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

3.) Normal operating cycle: 365 days

Attachment 6

PACIFIC ONLINE SYSTEMS CORPORATION
Attachments to Unaudited Financial Statements
Segment Information
For the period ended June 30, 2026

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 2026.

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 June 30, 2026** 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 30th day of July 2026.

WILLY N. OCIER

ARMIN ANTONIO B. RAQUEL SANTOS

DIOVILLE M. VILLARIAS

SUBSCRIBED AND SWORN to before me this 30th day of July 2026, In Pasig City, Philippines.

NOTARY PUBLIC

FERDINAND D. AYAHAO
Notary Public
For and in Pasig City and the Municipality of Pateros
Commission No. 122 (2026-2027) valid until 12/31/2027
MCLE Exemption No. VIII-BEP003234, until 04/14/28
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 4018763AA; 01/09/26; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City, NCR, 1605 Philippines.

Doc. No. 514;
Page No. 104;
Book No. 79;
Series of 2026.