

From: Philippine Stock Exchange <no-reply@pse.com.ph>
Sent: Friday, 25 April 2025 4:59 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: 0013578-2025
Date and Time: Friday, April 25, 2025 16:58 PM
Template Name: Quarterly Report
Report Number: CR02877-2025

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
Mar 31, 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
28F East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center,
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	Mar 31, 2025
Currency (indicate units, if applicable)	Philippine Peso

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2025	Dec 31, 2024
Current Assets	1,065,268,051	1,082,177,990
Total Assets	1,724,265,145	1,736,525,004
Current Liabilities	280,585,260	353,533,405
Total Liabilities	601,121,307	638,716,791
Retained Earnings/(Deficit)	338,460,549	313,959,794
Stockholders' Equity	1,123,143,838	1,097,808,213
Stockholders' Equity - Parent	1,119,338,696	1,094,837,945
Book Value per Share	1.37	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	129,464,286	129,464,286
Gross Expense	114,567,791	116,780,178	114,567,791	116,780,179
Non-Operating Income	22,896,700	13,725,553	22,896,698	13,725,552
Non-Operating Expense	6,968,671	11,973,644	6,968,671	11,973,644
Income/(Loss) Before Tax	30,824,522	14,436,016	30,824,522	14,436,016
Income Tax Expense	5,488,900	1,000,633	5,488,900	1,000,633

Net Income/(Loss) After Tax	25,335,622	13,435,383	25,335,622	13,435,383
Net Income Attributable to Parent Equity Holder	24,500,751	13,902,722	24,500,751	13,902,722
Earnings/(Loss) Per Share (Basic)	0.03	0.02	0.03	0.02
Earnings/(Loss) Per Share (Diluted)	0.03	0.02	0.03	0.02

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

Other Relevant Information

None

Filed on behalf by:

Name	Irene Bautista
Designation	Controller

COVER SHEET

AS093-008809
SEC Registration Number

PACIFIC ONLINE SYSTEMS
CORPORATION AND SUBSIDIARIES

(Company's Full Name)

28th Floor, East Tower, Philippine
Stock Exchange Centre, Exchange
Road, Ortigas Center, Pasig City

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

Dioville M. Villarias
(Contact Person)
8584-1700
(Company Telephone Number)
12 31
Month Day
(Fiscal Year)
17-Q
(Form Type)
Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

CFD
Dept. Requiring this Doc.
Amended Articles Number/Section
Total Amount of Borrowings
62
Total No. of Stockholders
P382.2M
Domestic
n/a
Foreign

To be accomplished by SEC Personnel concerned

File Number

Document ID

LCU

Cashier

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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 **March 31, 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**
Province, Country or other jurisdiction of Industry Classification Code
Incorporation or organization
6. _____ (SEC Use Only)
7. **28/F, East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City**
Address of principal office
- 1605
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
Common Stock, ₱1.00 par value

Number of Shares of Common Stock Outstanding
895,330,946

Amount of Debt Outstanding
Php382.2M

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 three (3) months ended March 31, 2025 and March 31, 2024;
- b.) Consolidated Statements of Comprehensive Income for the three (3) months ended March 31, 2025 and March 31, 2024;
- c.) Consolidated Statements of Financial Position as of March 31, 2025 and Audited Statements of Financial Position as of December 31, 2024;
- d.) Consolidated Statements of Changes in Equity for the three (3) months ended March 31, 2025 and March 31, 2024; and
- e.) Consolidated Statements of Cash Flows for the three (3) months ended, March 31, 2025 and March 31, 2024.

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

Results of Operations for the Period Ended March 31, 2025 vs. March 31, 2024

Revenues

Pacific Online Systems Corporation (the "Company") consolidated with its subsidiaries (the "Group"), earned total revenues of P129.5 million for the three months ended March 31, 2025. Revenues in 2025 are the same with revenues of the same period in 2024 amounting to P129.5 due to the fixed income received from the nationwide lottery system under its joint operation, PinoyLotto Technologies Corp. (PinoyLotto).

Cost and expenses

Costs and expenses decreased by P2.2 million (2%) to P114.6 million for the period ended March 31, 2025 from P116.8 million for the same period in 2024 due to the concluded operation of the legacy system.

Operating income

Due to the foregoing, the Group realized an operating income of P14.9 million for the three months ended March 31, 2025, which is lower compared to the P12.7 million operating income for the same period in 2024.

Other income (expenses)

Other income (expense) increased by P14.2 million (809%) to P15.9 million other income as of March 31, 2025 compared to P1.8 million other income for the period ended March 31, 2024. The increase is mainly due to dividend income of P11.7 million and lower interest expense in 2025.

Net income

As a result, the Group recognized net income amounting to P25.3 million for the three months ended March 31, 2025, compared to the P13.4 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 Group posted a gain of P75.4 million during the three months period ended March 31, 2024. Thus, total other comprehensive loss for the three months ended March 31, 2025 is at P25.3 million, lower by P63.5 million (72%) from the P88.9 million other comprehensive income for the same period in 2024.

Financial Condition as of March 31, 2025 vs. December 31, 2024

TOTAL ASSETS

The Group's total assets of P1,724.3 million as of March 31, 2025 decreased by P12.3 million or 0.7% 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 decreased by P10.6 million (2%) to P581.6 million as at March 31, 2025 from P592.2 million as at December 31, 2024 mainly due to the payment of 1st tranche of investment in shares of HHRPI.

Investments held for trading

As at March 31, 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 P3.1 million (7%) as at March 31, 2025 mainly due the sale of its marked-to-market gain for the period.

Trade and other receivables

Trade and other receivables decreased by P2.4 million (1%) to P183.4 million as at March 31, 2025 from P2185.7 million as at December 31, 2024 due to collection of other receivables.

Creditable withholding taxes (CWTs)

Creditable withholding taxes increased by P18.1 million (14%) to P143.4 million as at March 31, 2025 from P125.3 million as at December 31, 2024 due to additional creditable withholding taxes as a result of collection of trade receivables.

Other current assets

Other current assets of the Group are composed of supplies, prepayments and input taxes. This account decreased by P25.0 million (18%) to P111.1 million as at March 31, 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 P61.7 million (9%) to P607.1 million as at March 31, 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.

Other noncurrent assets

Other noncurrent assets is composed of refundable deposit, it decreased by P0.4 million to P1.9 million as at March 31, 2025 from P2.3 million as at December 31, 2024 mainly due to refund of rental deposit from nonrenewal of warehouse contract.

LIABILITIES

The Group recorded total liabilities at P698.4 million as at March 30, 2025, lower by P27.7 million (4%) compared to the total liabilities of P726.1 million as at December 31, 2024.

Trade and other current liabilities

Trade and other current liabilities decreased by P37.6 million (6%) to P601.1 million as at March 31, 2025 coming from P638.7 million as at December 31, 2024. The decrease is mainly due to the payment of advances from joint operators under PinoyLotto.

Loans Payable

Loans payable of the Company amounted to P382.2 million as at March 31, 2025, decreased by P34.7 million (8%) 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 P0.6 million (26%) to P2.9 million net retirement liability as at March 31, 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 P25.3 million (2%) to P1,123.1 million as at March 31, 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 Three Months Ended March 31, 2025 vs. March 31, 2024

The Group's cash balance as of March 31, 2025 of P581.6 million was higher by P265.8 million (84%) compared to the cash balance of P399.9 million in March 31, 2024, due to collection of other receivables and the proceeds from sale of PLC and Digiplus shares in 2024. The cash 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 June 19, 2024, it received the PCSO Notice of Award. As at March 31, 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 March 31, 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	31 March 2025	31 December 2024
Current ratio	Current assets over current liabilities	2.99:1	3.06:1
Debt to equity ratio	Total interest-bearing debt over total equity	0.34:1	0.38:1
Asset-to-equity ratio	Total assets over total equity	1.54:1	1.58:1
Solvency ratio	Total assets over total liabilities	2.87:1	2.72:1
Operating income margin	Operating income over revenues	7.19%	42.19%
Net profit (loss) margin	Net income (loss) over revenues	11.99%	15.93%
Return on equity	Net income (loss) over total equity	2.26%	1.22%
Return on assets	Net income (loss) over total assets	1.47%	0.77%

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.

	Neither Past Due nor Impaired	March 31, 2025 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*	P581,192,856	P–	P–	P–	P–	P–	P581,192,856
Trade and other receivables**	179,341,738	–	–	–	–	117,765,217	297,106,955
Guarantee bonds***	79,000,000	–	–	–	–	–	79,000,000
Refundable deposit***	1,881,809	–	–	–	–	–	1,881,809
	P841,416,403	P–	P–	P–	P–	P117,765,217	P959,181,620

*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*	₱591,843,011	₱—	₱—	₱—	₱—	₱—	₱591,843,011
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
	₱854,665,684	₱—	₱—	₱—	₱—	₱117,765,218	₱972,430,902

*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:

	March 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*	₱581,192,856	₱–	₱–	₱581,192,856
Trade and other receivables-net**	179,341,738	–	117,765,217	297,106,955
Guarantee bonds***	79,000,000	–	–	79,000,000
Refundable deposit ***	1,881,809	–	–	1,881,809
Gross Carrying Amount	₱841,416,403	₱–	₱117,765,217	₱959,181,620

*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				
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
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	Mar. 31, 2025	Dec. 31, 2024
Impact in profit or loss		
5%	P2,291,182	P2,137,226
(5%)	(2,291,182)	(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.

March 31, 2025					
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	₱187,341,511	₱ -	₱ -	₱ -	₱ 187,341,511
Loan payable	-	-	69,490,197	312,705,882	382,196,078
	₱187,341,511	₱ -	₱ 69,490,197	₱312,705,882	₱ 569,537,589

*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*	₱208,044,741	₱ -	₱ -	₱ -	₱208,044,741
Loan payable	-	-	138,980,392	277,960,784	416,941,176
Lease liabilities	57,445	-	-	-	57,445
	₱208,102,186	₱ -	₱138,980,392	₱277,960,784	₱625,043,362

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

	Mar. 31, 2025		Dec. 31, 2024	
	USD	Peso Equivalent	USD	Peso Equivalent
Cash and cash equivalents	\$24,028	₱1,374,619	\$1,088,814	₱63,162,106
Accounts payable and other current liabilities	-	-	(2,180,257)	(126,127,922)
Net foreign currency-denominated assets (liabilities)	\$24,028	₱1,374,619	(\$1,091,443)	(₱62,965,816)

*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 ₱57.21 to US\$1.0 and ₱57.85 to US\$1.0, as at March 31, 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 March 31, 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.

	Mar. 31, 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	P 68,731	(P68,731)	(P3,331,160)	P3,331,160

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:

	Mar. 31, 2025	Dec. 31, 2024
Common 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)
	P765,376,095	P765,376,095

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:

	Mar. 31, 2025		Dec. 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	P581,562,586	P581,562,586	P592,197,741	P592,197,741
Trade and other receivables*	179,341,738	179,341,738	181,530,946	181,530,946
Refundable security deposits**	1,881,809	1,881,809	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	45,823,647	45,823,647	42,744,518	42,744,518
	P887,609,780	P887,609,780	P897,764,932	P897,764,932
Financial Liabilities				
At amortized cost:				
Trade payables and other current liabilities***	P187,341,511	P187,341,511	P208,044,741	P208,044,741
Loan payable	382,196,078	382,196,078	416,941,176	404,355,763
Lease liabilities	-	-	57,445	113,257
	P569,537,589	P569,537,589	P625,043,362	P612,513,761

*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 March 31, 2025 and December 31, 2024. There were no transfers between fair value measurements as at March 31, 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 March 31, 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:

	Mar. 31, 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 March 31, 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 March 31, 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 March 31, 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 M. OCIER
Chairman of the Board
Date: April 25, 2025



ARMIN ANTONIO B. RAQUEL SANTOS
President and Chief Executive Officer
Date: April 25, 2025



DIOVILLE M. VILLARIAS
Chief Financial Officer and Treasurer
Date: Date: April 25, 2025

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Position

	Mar. 31, 2025	Dec. 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	P581,562,586	P592,197,741
Investments held for trading	45,823,647	42,744,518
Trade and other receivables	183,351,896	185,727,790
Creditable withholding taxes (CWTs)	143,397,699	125,345,588
Other current assets	111,132,223	136,162,353
Total Current Assets	1,065,268,051	1,082,177,990
Noncurrent Assets		
Property and equipment	607,115,285	652,001,139
Investment in associate	50,000,000	-
Other noncurrent assets	1,881,809	2,345,875
Total Noncurrent Assets	658,997,094	654,347,014
	P1,724,265,145	P1,736,525,004
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	P211,095,064	P214,495,568
Current portion of loan payable	69,490,196	138,980,392
Current portion of lease liabilities	-	57,445
Total Current Liabilities	280,585,260	353,533,405
Noncurrent Liabilities		
Loan payable - net of current portion	312,705,882	277,960,784
Net retirement liability	2,947,364	2,339,801
Net deferred tax liabilities	4,882,801	4,882,801
Total Noncurrent Liabilities	320,536,047	285,183,386
Total Liabilities	601,121,307	638,716,791

(Forward)

	Mar. 31, 2025	Dec. 31, 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 common shares held by a subsidiary	(384,595,174)	(384,595,174)
Other equity reserves	15,502,056	15,502,056
Retained earnings	338,460,549	313,959,794
	1,119,338,696	1,094,837,945
Non-controlling Interest	3,805,142	2,970,268
Total Equity	1,123,143,838	1,097,808,213
	₱1,724,265,145	₱1,736,525,004

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Unaudited)
For the three months ended March 31, 2025 and 2024

	Three Months Ended Mar 31		This Quarter	
	2025	2024	2025	2024
REVENUES				
Equipment rentals	P129,464,286	P129,464,286	P129,464,286	P129,464,286
Total Revenues	P129,464,286	P129,464,286	P129,464,286	P129,464,286
COSTS AND EXPENSES				
Depreciation and amortization	42,204,203	37,315,764	42,204,203	37,315,764
Personnel costs	18,983,600	19,336,161	18,983,600	19,336,161
Communications	13,540,381	16,648,971	13,540,381	16,648,971
Software and license fees	12,745,738	14,978,156	12,745,738	14,978,156
Repairs and maintenance	12,243,369	10,908,339	12,243,369	10,908,339
Rent and utilities	6,192,635	7,516,921	6,192,635	7,516,921
Travel and accommodation	4,232,342	4,415,438	4,232,342	4,415,438
Taxes and licenses	1,601,729	1,810,672	1,601,729	1,810,672
Operating supplies	1,018,724	1,424,067	1,018,724	1,424,067
Entertainment and representation	648,042	1,030,909	648,042	1,030,909
Professional fees	544,485	725,368	544,485	725,368
Directors fees	433,333	373,856	433,333	373,856
Others	179,209	295,557	179,209	295,557
Total Costs and Expenses	114,567,791	116,780,178	114,567,791	116,780,178
OPERATING INCOME	14,896,495	12,684,107	14,896,495	12,684,107
OTHER INCOME (CHARGES)				
Dividend income	11,711,723		11,711,723	
Interest income	5,223,899	852,091	5,223,899	852,091
Finance charges	(6,968,671)	(11,973,644)	(6,968,671)	(11,973,644)
Marked-to-market gain (loss) on marketable securities	3,079,130	2,279,905	3,079,130	2,279,905
Others – net	2,881,948	10,593,557	2,881,948	10,593,557
Total Other Income (Charges)	15,928,027	1,751,909	15,928,027	1,751,909
INCOME BEFORE INCOME TAX	30,824,522	14,436,016	30,824,522	14,436,016
INCOME TAX EXPENSE (BENEFIT)				
Current	5,488,900	1,000,633	5,488,900	1,000,633
Deferred	-	-	-	-
	5,488,900	1,000,633	5,488,900	1,000,633
NET INCOME (LOSS)	P25,335,622	P13,435,383	P25,335,622	P13,435,383
Attributable to:				
Equity holders of the Parent Company	24,500,751	13,902,722	24,500,751	13,902,722
Non-controlling interests	834,871	(467,339)	834,871	(467,339)
	P25,335,622	P13,435,383	P25,335,622	P13,435,383
Attributable to Equity Holders of the Parent Company				
Basic / diluted earnings (loss) per share	P0.0298	P 0.0165	P0.0298	P 0.0165

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Unaudited)
For the three months ended March 31, 2025 and 2024

	Three Months Ended Mar 31		This Quarter	
	2025	2024	2025	2024
NET INCOME (LOSS)	P25,335,622	P13,435,383	P25,335,622	P13,435,383
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Fair value gain (loss) on investment in shares of stock	-	75,428,600	-	75,428,600
Remeasurements of retirement benefits, net of tax	-	-	-	-
	-	75,428,600	-	75,428,600
TOTAL COMPREHENSIVE INCOME (LOSS)	P25,335,622	P88,863,983	P25,335,622	P88,863,983
Attributable to:				
Equity holders of the Parent Company	24,500,751	89,331,322	24,500,751	89,331,322
Non-controlling interests	834,871	(467,339)	834,871	(467,339)
	P25,335,622	P88,863,983	P25,335,622	P88,863,983

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

	Mar. 31, 2025	Mar. 31, 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)	-	75,428,600
Realized portion of the fair value reserve	-	-
Balance at end of period	-	(158,963,070)
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)	24,500,751	13,902,722
Dividends declared	-	(83,683,996)
Balance at end of period	338,460,549	461,136,174
NON-CONTROLLING INTEREST		
Balance at beginning of year	2,970,271	4,138,999
Share in net income (loss)	834,871	(467,339)
Balance at end of period	3,805,142	3,671,660
	₱1,123,143,842	₱1,148,350,387

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
For the three months ended March 31, 2025 and 2024

	For the three months ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	₱30,824,522	₱14,436,016
Adjustments for:		
Depreciation and amortization	42,258,351	37,315,764
Retirement benefits	607,563	874,392
Finance charges	6,968,671	11,973,644
Unrealized foreign exchange loss (gain)	(159,313)	22,987
Interest income	(5,223,899)	(852,091)
Marked-to-market losses (gains) on investments held for trading	(3,079,130)	(2,279,905)
Dividend income	(11,711,723)	-
Gain on sale of property and equipment	(290,000)	14,333
Gain on sale of investments held for trading	-	(875,410)
Operating income (loss) before working capital changes	60,195,044	60,629,730
Decrease (increase) in:		
Trade and other receivables	2,375,895	5,709,653
Other current assets	25,030,129	(5,459,144)
Other noncurrent assets	409,918	(25,644)
Increase (decrease) in:		
Trade and other payables	(3,400,503)	38,360,992
Net cash generated from (used for) operations	84,610,483	99,215,586
Interest received	5,223,899	852,091
Income tax paid	(23,541,009)	(25,055,566)
Net cash provided by (used in) operating activities	66,293,372	75,012,111
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	11,711,723	-
Proceeds from sale of:		
Investments held for trading	-	56,071,653
Property and equipment	2,971,652	69,000
Investment in HHRPI	(50,000,000)	-
Acquisitions of:		
Treasury Shares	-	(32,537,440)
Property and equipment	-	(1,682,301)
Net cash flows provided by (used in) investing activities	(35,316,626)	21,920,912
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan payments	(34,745,098)	(29,411,765)
Cash dividend paid	-	(83,683,996)
Payment of lease liabilities	(57,445)	-
Finance charges paid	(6,968,671)	(11,973,644)
Net cash flows provided by (used in) financing activities	(41,771,214)	(125,069,405)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,794,468)	(28,136,382)
CASH AT BEGINNING OF YEAR	592,197,740	343,945,679
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	159,313	(22,987)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱581,562,586	₱315,768,309

PACIFIC ONLINE SYSTEMS CORPORATION
Attachments to Unaudited Financial Statements
Trade and Other Receivables
As of March 31, 2025

1.) Schedule of Trade and Other Receivables

	Amount
a.) Trade and Nontrade Receivables	
1.) Trade receivables	P48,333,333
2.) Nontrade receivable	115,470,377
	163,803,710
b.) Other Receivables	
1.) Advances to officers and employees	991,206
2.) Advances to contractors and suppliers	345,257
3.) Other receivables	18,211,723
	19,548,186
Total	P183,351,896

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 March 31, 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

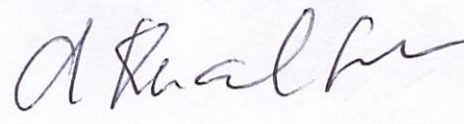
We, **Willy N. Ocier**, Chairman of the Board, **Armin Antonio B. Raquel Santos**, President and Chief Executive Officer, and **Dioville M. Villarias**, Chief Financial Officer and Treasurer of **PACIFIC ONLINE SYSTEMS CORPORATION**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number **AS93008809** and with principal office address at **28th Floor East 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 **March 31, 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 25th day of April 2025.



WILLY N. OCIER



ARMIN ANTONIO B. RAQUEL SANTOS




DIOVILLE M. VILLARIAS

SUBSCRIBED AND SWORN to before me this 25th day of April 2025, In Pasig City, Philippines.

NOTARY PUBLIC

Doc. No. 358 ;
Page No. 72 ;
Book No. 11 ;
Series of 2025.


GAUDENCIO A. BARBOZA, JR.
NOTARY PUBLIC
Cities of Pasig, San Juan and
In the Municipality of Pateros, Metro Manila
Until December 31, 2025
PTR No. 2863251 / 01/02/ 2025 Pasig City
BP No. 461377/10/04/2024 for the year 2025/RSM
Roll No. 41969
MCLE Comp. VII-0028557 / April 19, 2023
No. 11, Unit J, Freemont Arcade Bldg.
Shaw Blvd. Brgy. San Antonio, Pasig City
Appointment No. 29 (2025-2026)