

## MANAGEMENT REPORT AS OF 30 APRIL 2026

### A. DESCRIPTION OF BUSINESS

Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center - Iloilo Inc.) (hereinafter "APMCI" or The Company) is a domestic corporation duly organized under the existing laws of the Republic of the Philippines. The Securities and Exchange Commission granted the Company corporate existence on 10 December 2014.

APMCI has an authorized capital stock of Two Hundred Forty Million Pesos (240,000,000.00) divided into Six Hundred (600) Founders' Shares and Two Hundred Thirty-Nine Thousand Four Hundred (239,400) Common Shares both with a par value of One Thousand Pesos (Php1,000.00) per share. These shares are fully subscribed and paid.

APMCI was organized to maintain, operate, own, and manage hospitals, medical and related healthcare facilities, and businesses such as, but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, condo hospitals, scientific research, and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic, or similar care. Purely professional, medical, or surgical services shall be performed by duly qualified physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

To support the construction of its initial hospital project, the Company applied for and was issued a Permit to Offer Securities on 27 December 2018 thru SEC MSRD Order No. 37 Series of 2018. The company also obtained a loan facility from the Development Bank of the Philippines. The construction of Asia Pacific Medical Center-Iloilo commenced sometime in October 2015.

On 14 April 2023, the Board of Investments approved the registration of the Company as a New Operator of General Hospital Level 2 under Tier I of the 2022 Strategic Investment Priority Plan (SIPP) of R.A. 11534 (CREATE Act). The registration entitles the Company an Income Tax Holiday for six (6) years, enhanced deduction for five (5) years and duty exemption for eleven (11) years.

As of 31 December 2025, the construction of the multi-disciplinary hospital being developed by the Company was **100.00% complete**.

APMCI has not filed for bankruptcy, receivership nor has been a subject of similar proceedings.

Neither has there been a material reclassification, merger, consolidation, or purchase or sale of a significant amount of its assets not in the ordinary course of business.

Asia Pacific Medical Center – Iloilo, Inc. (Formerly: Allied Care Experts (ACE) Medical Center -Iloilo Inc.) is a 9 – storey 100 – bed capacity hospital with helipad and perimeter and basement parking that can accommodate 6 Mini buses, 5 ambulances, 80 cars and 11 motorcycles with total floor area of 28,550.50 sq. meters constructed in a 6,000 sq.m. property located at Brgy. Ungka, Jaro, Iloilo City. It intends to apply for additional authorized bed capacity as soon as hospital admissions exceed the current authorized bed capacity. It provides services to residents of Jaro, Iloilo City, nearby Barangays and Municipalities, the whole of Iloilo and the neighboring provinces which are considered its catchment areas.

The Company is engaged principally in the operation of a hospital business. Its revenues are derived primarily from hospital operations, including patient admissions, outpatient consultations, diagnostic and imaging services, laboratory services, and other ancillary and specialty medical services.

The Company operates under the regulatory supervision of the Department of Health (“DOH”), PhilHealth, local government units, and other government agencies having jurisdiction over hospitals and healthcare facilities.

APMCI is a multidisciplinary specialty medical facility that houses medical specialists who are subscribers to the capital stock of the Corporation. The markets for its shares are mostly medical specialists and individuals who are related to medical specialists and corporate investors who invested their money in the hospital.

The act of purchasing the securities being offered does not automatically entitle such purchaser to practice his profession and use the facilities of APMCI, although it is a prerequisite. Physicians and medical specialists who are subscribers to at least one (1) block or ten (10) shares of the capital stock, whether founder or common shares, and have paid in full may be allowed to practice. Such purchasers have to undergo the required screening process and must possess the minimum requirements as indicated in the Articles of Incorporation, By-Laws, and Internal Rules of the Hospital. After successfully passing this process, the applicant shall then be entitled to the privileges offered by the Hospital. The privilege to practice in the Hospital is subject to restrictions, limitations, and obligations as may be imposed by APMCI pursuant to its rules and duly approved resolutions. Medical Specialists who have been granted the privilege to practice shall continuously possess the required qualifications and may be subjected to post-qualification assessment to ensure the quality of service provided by the hospital.

APMCI collects from each duly admitted medical specialist a one-time "privilege to practice" fee amounting to One Hundred Fifty Thousand Pesos (Php150,000.00) plus monthly fees for maintenance and utilities used for the Clinic.

On 3 November 2023, the Company was issued its License to Operate by the DOH as a Level 2 Hospital. The Company commenced hospital operations on 8 December 2023 upon the start of patient admissions. Prior thereto, on 13 November 2023, the Company opened its Outpatient Departments as part of its initial activities following the issuance of its LTO.

A Tertiary Hospital is a hospital that provides tertiary care, which is health care from specialists in a large hospital after referral from primary care and secondary care. Tertiary Hospitals offer training programs for doctors who want to go into specialization.

Under the Rules and Regulations Governing the New Classification of Hospitals and Other Health Facilities in the Philippines (Effective: August 18, 2012), a tertiary hospital provides health care from specialists in a large hospital after referral from primary care and secondary care. A Level 2 Hospital is required to possess, among others, all Level 1 capabilities and certain additional service capacities. These include:

1. An organized staff of qualified and competent personnel with a Chief of Hospital/Medical Director and appropriate board-certified Clinical Department Heads;
2. Departmentalized and equipped with the service capabilities needed to support board-certified/eligible medical specialists and other licensed physicians rendering services in the specialties of Medicine, Pediatrics, Obstetrics and Gynecology, Surgery; including their subspecialties and ancillary services;
3. A general intensive care unit for critically ill patients;
4. A neonatal intensive care unit;
5. Provision for HRP (High Risk Pregnancy Unit);
6. Provision for respiratory therapy services;
7. A DOH licensed tertiary clinical laboratory; and
8. A DOH licensed level 3 imaging facility with mobile x-ray inside the institution and with capability for contrast examinations.

Asia Pacific Medical Center - Iloilo aspires to become a tertiary hospital in the future in order to further enhance and expand the delivery of quality healthcare services to the people of Iloilo Province and Iloilo City. This vision is anchored not only on serving the Ilonggo community, but also on addressing the healthcare needs of neighboring provinces throughout the Panay Region. Through this endeavor, the institution remains committed to championing excellence in healthcare and contributing to the advancement of accessible, comprehensive, and patient-centered medical services in the region.

## **SERVICES**

The Company provides a range of hospital and medical services through its inpatient, outpatient, diagnostic, therapeutic, and ancillary service units.

Its current diagnostic and imaging services include:

- Magnetic Resonance Imaging (MRI)
- Computed Tomography (CT) Scan
- Mammography
- Echocardiography

The Company also provides or operates the following specialized services and units:

- Regenerative Medicine Center
- Hemodialysis Center
- Blood Bank with expanded functions
- High-Risk Pregnancy Unit
- Endoscopy Center
- Newborn Hearing Screening Test
- Antimicrobial Resistance Surveillance Program

Under the Yakap Program of the Philippine Health Insurance Corporation (“PhilHealth”), the Company provides outpatient cancer screening services, including:

- Mammography
- Breast ultrasound
- Liver ultrasound
- Alpha-fetoprotein (AFP) testing
- Low-dose chest CT scan

## **Planned Services and Expansion**

The Company may expand its service offerings in the future, including the potential addition of bone densitometry and liver elastometry services subject to applicable regulatory approvals, capital expenditure requirements and market conditions.

As part of its business development plans, the Company is evaluating the establishment or expansion of additional specialty and ancillary services, including the following:

- Cardiac Catheterization Laboratory
- Oncology Center and Transfusion Unit
- Infertility Unit
- Research Center
- Ophthalmology Operating Room
- HIV Hub
- Ambulatory Surgical Clinic
- Wellness Center

These proposed initiatives and plans are prospective in nature and remain subject to feasibility review, regulatory compliance, funding availability, demand conditions, and approval by management and, where required, the Board of Directors.

The issuer belongs to an industry which caters to the need of the public and medical specialists for hospital facilities. There are no recognized trends within such industry. The geographic area of competition is in Iloilo City wherein the following Hospitals are operating:

<b>NAME OF HOSPITAL</b>	<b>ADDRESS</b>	<b>BED CAPACITY</b>	<b>CATEGORY</b>	<b>LEVEL CLASSIFICATION</b>
AMOSUP (Associated Marine Officers' and Seamen's Hospital Iloilo)	Onate St., Mandurriao, Iloilo City	42	Private	2
Iloilo Doctors Hospital	Infante St., Molo, Iloilo City	300	Private	3
Iloilo Mission Hospital	Mission Road, Jaro, Iloilo City	261	Private	3
Medicus Medical Center Iloilo	Dr. Rizalina Bernardo Avenue, San Rafael Mandurriao, Iloilo City	150	Private	2
Metro Iloilo Hospital and Medical Center, Inc.	Metropolis Avenue, Brgy. Tagbak, Jaro, Iloilo City	110	Private	2
Qualimed Hospital	Donato Pison Avenue, San Rafael Mandurriao, Iloilo City	104	Private	2
St. Paul's Hospital	General Luna St., Brgy., Danao, Iloilo City	265	Private	3
The Medical City Iloilo	Locsin St., Molo, Iloilo City	108	Private	2
West Visayas State University Medical Center (DOH Facility)	E. Lopez St., Jaro, Iloilo City	300	Public	3 236

Western Visayas Medical Center (DOH Facility)	Q. Abeto St., Mandurriao, Iloilo City	700	Public	3
Western Visayas Sanitarium & General Hospital (DOH Facility)	RG7G+ CQ9, Oton-San Jose Santa Barbara Rd, Santa Barbara, Iloilo	300	Public	2

The strategic location of APMCI primarily influences the decision of the medical specialists to subscribe to the shares of stock in APMCI. Once the Doctor decides where to practice, price and quality of facility management come as the next factors. The good location, proximity to patients, reasonableness of the offer price, and quality of the facilities enable APMCI to effectively compete with its competitors within the area.

APMCI is primarily owned and managed by doctor specialists who have established a medical practice in the locality. This unique setup is a strong strategic factor of the hospital since each doctor-owner has established patient following in their respective fields. APMCI places itself as a center for Clinical Competence and Patient Safety. Among its flagship plans, will be the creation of a High-Risk Pregnancy and Women's Health Center, Male and Female Fertility Center, Health and Aesthetic Centre, Regenerative Medicine, and among other services, the hospital is preparing to build a Cardiac Cath laboratory and Rehabilitation Center, an Eye Center, and Oncology Center.

The hospital is currently working on an international accreditation with an ISO-International Organization for Standardization which is a worldwide federation of national standard bodies and Joint Commission International, standards of which properly define the performance, expectations, structures, and functions of a hospital which seeks accreditation. Its major thrust is in the delivery of quality healthcare and patient safety.

The hospital offers both preventive and medical treatment packages at a very competitive cost, if not lesser than the nearby hospital facilities, without compromising the quality of healthcare service it delivers to its patients. The hospital makes sure that by following the policies of the Credentials and Privileging Committee, the medical staff of APMC Iloilo are clinically competent and certified specialists.

Aside from these, patients find a better ambiance with APMCI due to its carefully planned, designed, and constructed hospital building. Its advantage is not simply its newly built structure, but it also boasts of new facilities and equipment, plus the competency of its Medical Specialists.

## **SUPPLIERS, SERVICE PROVIDERS AND MAJOR CONTRACTORS**

The Company procures medicines, medical supplies, medical equipment, utilities, and support services from various third-party suppliers and service providers. Management believes that alternative sources are generally available for most of its regular supply and service requirements, subject to pricing, quality, availability, and regulatory standards.

Certain specialized medical equipment, supplies, and maintenance support may be sourced from a limited number of qualified suppliers or distributors as follows:

1. Biospectra Marketing
2. BTL Medical Technologies Inc.
3. Endure Medical Inc.
4. Excel Global Inc.
5. Jamesluise Medical Device Enterprises
6. Labsolution Technologies Inc.
7. Oxford Distributions Inc.
8. Scientific Biotech Specialties Inc.
9. UNILAB Inc.
10. Zuellig Pharma Corporation

## TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

The Company has entered into a Memorandum of Agreement for the granting of discounts to its stockholders with the following hospitals and vice versa:

1. Asia Pacific Medical Center - Bacolod, Inc.
2. Allied Care Experts Medical Center - Baliwag, Inc.
3. Allied Care Experts Medical Center - Bayawan, Inc.
4. Allied Care Experts Medical Center - Baypointe, Inc.
5. Allied Care Experts Medical Center - Bohol, Inc.
6. Allied Care Experts Medical Center - Butuan, Inc.
7. Allied Care Experts Medical Center – Cagayan De Oro, Inc.
8. Allied Care Experts Medical Center - Cebu, Inc.
9. Allied Care Experts Medical Center - Dipolog, Inc.
10. Allied Care Experts Dumaguete Doctors, Inc.
11. Allied Care Experts Medical Center - General Santos, Inc.
12. Allied Care Experts Medical Center - Legazpi, Inc.
13. Allied Care Experts Medical Center - Mandaluyong, Inc.
14. Allied Care Experts Medical Center - Palawan, Inc.
15. Allied Care Experts (ACE) Medical Center - Pateros, Inc.
16. Allied Care Experts (ACE) Medical Center - Quezon, Inc.
17. Allied Care Experts (ACE) Medical Center - Tacloban, Inc.
18. Allied Care Experts Medical Center - Valenzuela, Inc.
19. Asia Pacific Medical Center - Aklan, Inc.

The availability of discounts and other privileges shall be subject to the internal policies of the aforementioned hospitals, without prejudice to the financial condition of the referral hospital.

## RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with companies/individuals, which are considered related parties. The following transactions were carried out with related parties as of March 31, 2026, and December 31, 2025:

### Advances to related party:

	<i>For the Period Ended March 31, 2026 and December 31, 2025</i>				Terms and Conditions
	March 31, 2026		December 31, 2025		
	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance	
Endure Medical, Inc. <sup>(a)</sup>					
TIPP Digital Solutions Inc. <sup>(b)</sup>	(P32,079,869)	P -	(P32,079,869)	P -	Non-interest bearing, to be collected in cash, unsecured, unguaranteed, not impaired
Receivable – others (various ACE Hospitals)	-	6,902,784	-	6,902,784	
	-	47,472	-	47,472	
	(P32,079,869)	P6,950,256	(P32,079,869)	P6,950,256	

(a) Advances to related parties – Endure Medical, Inc.

The Company engaged the services of an Indentor (Endure Medical, Inc.) which had relatively significant influence over a key management personnel of the Company. The Indentor facilitates the importation and acquisition of medical equipment, furniture, and fixtures for the hospital allotment.

(b) Advances to related parties – TIPP Digital Solutions Inc.

The account represents payments made for the acquisition of Healthcare Management Information System.

### Advances from related party:

	March 31, 2026		December 31, 2025		Terms	Conditions
	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance		
Loans payable to a related party	-	<b>544,871,969</b>	<b>P1,000,000</b>	<b>P544,871,969</b>	Interest-bearing, to be paid in cash (a)	Unsecured, unguaranteed, not impaired
Accounts Payable - Endure Medical, Inc.	<b>P134,139,564</b>	<b>P194,816,096</b>	<b>(3,091,827)</b>	<b>60,676,532</b>	Non-interest bearing to be paid in cash	Unsecured, unguaranteed, not impaired
	<b>P134,139,564</b>	<b>P739,688,065</b>	<b>P2,091,827</b>	<b>P605,548,501</b>		

Accounts payable – Endure Medical, Inc. is included under accounts payable – contractors and suppliers amounting to ₱194,816,096, ₱60,676,532, and ₱63,768,359 as of March 31, 2026, December 31, 2025, and 2024, respectively.

#### (a) Loans payable to a related party

The account represents an unsecured interest-bearing loan from Phil Pharmawealth, Inc., which has relatively significant influence over a key management personnel of the Company. The loan was incurred for payment of interest with Land Bank of the Philippines (LBP). The loan bears an interest rate ranging from 6.50%-8.50% per annum. Interest incurred for the years ended March 31, 2026, 2025 and 2024 and is reflected in the statements of comprehensive loss amounted to ₱-, ₱72,419,241, and ₱56,927,769, respectively. The Company, however, reserves the right to defer settlement in favor of prioritizing payments relative to hospital construction.

### INVOLVEMENT IN LEGAL PROCEEDINGS

#### **Petition for Certiorari under Rule 65 against the Office of the Insurance Commissioner, Allied Care Experts Medical Center-Valenzuela, Allied Care Experts Medical Center- Pateros, Allied Care Experts Medical Center-Baypointe, Allied Care Experts Medical Center – Quezon City, Allied Care Experts (ACE) Medical Center- Baliwag and Asia Pacific Medical Center- Iloilo (Formerly Allied Care Experts Medical Center- Iloilo)**

The petition dated 04 February 2022 was filed before the Court of Appeals against the Office of the Insurance Commissioner, Allied Care Experts Medical Center - Valenzuela, Allied Care Experts Medical Center - Pateros, Allied Care Experts Medical Center - Baypointe, Allied Care Experts Medical Center – Quezon City, Allied Care Experts Medical Center- Baliwag and Asia Pacific Medical Center - Iloilo (Formerly Allied Care Experts Medical Center- Iloilo).

Almost years after APMC Iloilo received the resolution of the Insurance Commission on the request for investigation of Ferdinand Kionisala declaring that the benefits and privileges enjoyed by him or offered by any of the named respondents he impleaded on his complaint is not a pre-need contract, agreement, deed, nor plan contemplated under the law and that ACEMC – Cebu or any other respondent named on this matter are not engaged in pre-need business hence not required to secure a separate license for such before the insurance Commission, he filed a Motion for Reconsideration dated 25 November 2020. After the denial of the Motion for Reconsideration in a letter dated 29 November 2021 where the IC declared that the Complainant's Motion for Reconsideration is bereft of any novel compelling arguments or new pieces of evidence to consider in order to depart from our previous ruling, Ferdinand Kionisala filed a special civil action for Certiorari under Rule 65 before the Court of Appeals alleging that the Insurance Commission acted with grave abuse of discretion amounting to lack or excess of jurisdiction when it found that the contracts sold or offered for sale to the public are not pre-need contracts or are not processing pre-need plans and when it ignored the evident fact that the benefit and privileges are the cause or consideration of the contracts between private respondents and the members of the general public.

Mr. Kionisala prayed that the Court of Appeals set aside the letter dated December 11, 2018 and letter dated November 29 2021 be nullified and set aside and that the Insurance Commission be ordered to take appropriate action(s) against the private respondents for violating the Pre- Need Code of the Philippines.

In a resolution dated 26 July 2022, the Eighteenth (18th) Division of the Court of Appeals directed the petitioners to rectify the infirmity observed in the petition, within an inextendible period of ten (10) days from notice which is the submission of a mere plain photostatic copy of the assailed letter dated 11 December 2018. Petitioner submitted its compliance on 22 September 2022, a copy of which was received by APMC Iloilo on 19 October 2022.

On 01 September 2025, APMC Iloilo received a Resolution dated 05 March 2025, directing the parties to file their respective Comments on the petitioner's Petition for Certiorari within an inextendible period of ten (10) days from notice. APMC Iloilo subsequently filed its Comment on 11 September 2025.

As of 30 April 2026, to the knowledge and information of the Company, there are no other pending material legal proceedings that involve APMCI or any of its properties aside from the aforementioned case.

## **B. SECURITIES OF THE REGISTRANT**

### **Market Price**

The Company markets and offers the securities through organic employees who are well versed with Hospital operations. Management believes that the strategic location of the Hospital, the facilities and the services it will provide, and the people behind the Hospital, are sufficient to entice medical specialists and prospective investors to consider the offer. The Company greatly relies on these organic employees and satisfied patients to spread the word about the facilities the Hospital can offer. There is no public trading market for the Company's shares.

Asia Pacific Medical Center-Iloilo, Inc. is offering Three Thousand Six Hundred (3,600) blocks of common shares in tranches, through a series of offerings at an offer price in progressive amounts.

The staggered Offer Price per series of shares for sale to the public was arrived at by considering several factors including but not limited to: the timing of purchase relative to the completion of the Hospital and its facilities, the number of applicants the Hospital could serve and accommodate, the total development costs based on cost assessments of the engineers, architects and other professionals hired for the project, comparable price of similarly situated structure with similar facilities, market demand, risk undertaken by the original stockholders, the exclusive and premium nature of the Hospital and its intended patients and the acceptability of the pricing strategy to the current market.

The breakdown of the Offer Price is presented as follows:

<b>Number of Blocks of Common Shares</b>	<b>Maximum Proposed Selling</b>	<b>Price per block</b>
<b>Series 1<sup>st</sup></b>	<b>2,600 blocks</b>	<b>P250, 000 per block</b>
<b>2<sup>nd</sup></b>	<b>500 blocks</b>	<b>P300, 000 per block</b>
<b>3<sup>rd</sup></b>	<b>500 blocks</b>	<b>P400, 000 per block</b>

The first Two Thousand Six Hundred (2,600) blocks had been sold at a maximum price of Two Hundred Fifty Thousand Pesos (Php 250,000. 00) per block by the third quarter of October 2019 and another One Hundred Ten (110) blocks at a maximum price of Three Hundred Thousand Pesos (Php300,000.00) per block were subscribed by December 31, 2019. The remaining Three Hundred Ninety (390) blocks at a maximum price of Three Hundred Thousand Pesos (Php300,000.00) per block were sold in the year 2020. Three (3) blocks at a maximum price of Four Hundred Thousand Pesos (Php400,000.00) per block of the third series shares were also sold by December 2020. An additional three (3) blocks from the same series were sold in the year 2021. In 2022, another Sixty Five (65) blocks of shares were sold at a maximum price of Four Hundred Thousand Pesos (Php400,000.00) per block. For the year 2023, Four Hundred Twenty Five (425) blocks of shares were sold from the 3<sup>rd</sup> series. The last selling price was Four Hundred Pesos (PHP 400,000.00) per block. The 3<sup>rd</sup> series were never offered until the 2<sup>nd</sup> series had been sold out in the same manner that the 2<sup>nd</sup> series were never offered to the public until the shares from the first series had also been sold out. The offered shares are not listed on the Exchange and are issued over the counter only, through the Company's employees acting as sales persons as reflected in its Registration Statement. The percentage of public ownership of the Company as of 30 April 2026 is 15%.

The 3,600 blocks that were offered to the public are sold primarily to Medical Specialists who possess the minimum qualifications and are deemed fit to practice, upon recommendation by the Credentials Committee and approved by the Board and Management of Asia Pacific Medical Center- Iloilo, Inc. Other purchasers are non-medical specialists who are related to medical specialists and those who purchased the shares purely for investment purposes.

There is no amount that is subject to Outstanding Options.

Amount of Equity that has been proposed to the publicly offered by the Registrant is 1B.

## HOLDERS

There are approximately Thirty Four (34) holders of Founder Shares and approximately Three Thousand Sixty Two (3,062) holders of common shares of the company as of 30 April 2026.

Ferjenel G. Biron, Brandt Luke Q. Biron, Braeden John Q. Biron, Bryant Paul Q. Biron, and Maria Regina Isabelle D. Oca-Biron are the only record and/or beneficial owners of more than 5% of any class of registrant’s voting securities as of 30 April 2026.

Class	Names / Address of Record Owner	Name of Beneficial Owner/Relationship with Record Owner	Citizenship	Number of Shares Held	% to Total Outstanding Shares
Common Founder	<b>BIRON, FERJENEL G./</b> 82 Firefly Cor. Butterfly St., Valle Verde VI, Pasig City	BIRON, FERJENEL G./ Record Owner is also Beneficial Owner	Filipino	48,166 240	<b>20.17%</b>
Common Founder	<b>BIRON, BRANDT LUKE</b> Q./ Unit 4403 Trump Tower, Century City, Kalayaan Avenue, Makati City, Metro Manila	BIRON, BRANDT LUKE Q./ Record Owner is also Beneficial Owner	Filipino	21,890 10	17.94%
Common Founder		Trustor: BIRON, BRYANT PAUL Q./ Unit 903, Pacific Place. Pearl Drive, Ortigas Center, Pasig City	Filipino	21,140 10	
Common Founder		Brother of the Record Owner.		<b>TOTAL</b> 43,030 20	
Common	<b>OCA-BIRON, MA.</b> <b>REGINA ISABELLE D.</b> Ilaya 2 <sup>nd</sup> Dumangas, Iloilo	OCA-BIRON, MA. REGINA ISABELLE D./ Record Owner is also Beneficial Owner	Filipino	60	8.84%
Common Founder		Trustor: BIRON, BRAEDEN JOHN Q./ Unit 42C Kirov Tower, Estrella St. Rockwell, Makati, 1210	Filipino	21,140 10	
Common Founder		Spouse of the Record Owner.		<b>TOTAL</b> 21,200 10	

The Top 20 Stockholders as of 30 April 2026 are as follows:

Class	Names / Address of Record Owner	Name of Beneficial Owner/Relationship with Record Owner	Citizenship	Number of Shares Held	% to Total Outstanding Shares
Common Founder	<b>BIRON, FERJENEL G.</b> 82 Firefly Cor. Butterfly St., Valle Verde VI, Pasig City	BIRON, FERJENEL G/ Record Owner is also Beneficial Owner	Filipino	48,166 240	20.17%
Common Founder	<b>BIRON, BRANDT LUKE Q.</b> Unit 4403 Trump Tower, Century City, Kalayaan Avenue, Makati City, Metro Manila	BIRON, BRANDT LUKE Q./ Record Owner is also Beneficial Owner	Filipino	21,890 10	17.94%
Common Founder		Trustor: BIRON, BRYANT PAUL Q./ Unit 903, Pacific Place. Pearl Drive, Ortigas Center, Pasig City	Filipino	21,140 10	
Common Founder		Brother of the Record Owner.		<b>TOTAL</b> 43,030 20	
Common Founder	<b>OCA-BIRON, MA. REGINA ISABELLE</b> Ilaya 2 <sup>nd</sup> , Dumangas, Iloilo	Oca-Biron, Ma. Regina Isabelle D./ Record Owner is also Beneficial Owner	Filipino	60	8.84%
Common Founder		Trustor: BIRON, BRAEDEN JOHN Q. / Ilaya 2nd, Dumangas, Iloilo	Filipino	21,140 10	
Common Founder		Spouse of the Record Owner.		<b>TOTAL</b> 21,200 10	
Common Founder	<b>SAMORO, FREDILYN G./</b> Block 31 Lot 5, Ana Ros Village, Guzman St., Mandurriao, Iloilo City	SAMORO, FREDILYN G./ Record Owner is also Beneficial Owner	Filipino	6,748 20	4.26%
Common Founder	HEIRS OF SAMORO, RONNIE (Fredilyn Samoro, Kim Karolyn Samoro, Karmela Marie Samoro, Katrina Belle Marie Samoro)/ Block 31 Lot 5, Ana Ros Village, Guzman St., Mandurriao, Iloilo City	HEIRS OF SAMORO RONNIE (Fredilyn Samoro, Kim Karolyn Samoro, Karmela Marie Samoro, Katrina Belle Marie Samoro )		3,452 10	
Common Founder	<b>LAVILLA, MERIDE D./</b> Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, MERIDE D./ Record Owner is also Beneficial Owner	Filipino	3,628 10	2.90%
Common Founder	LAVILLA, FRANCIS G./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, FRANCIS G./ Record Owner is also Beneficial Owner		2,430 10	
Common Founder	LAVILLA, LOU VALERIE D./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, LOU VALERIE D./ Record Owner is also Beneficial Owner		300	

Common	LAVILLA, FRANCINE MARIE D./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA,FRANCINE MARIE D./ Record Owner is also Beneficial Owner	300	
Common	LAVILLA, MERYLL FAITH D./ Lot 11 Block 6, Pasacao St., Puerto Real, Subd., Lapaz, Iloilo City	LAVILLA, MERYLL FAITH D./ Record Owner is also Beneficial Owner	300	

Common Founder	RAMIREZ, RUBEN B./ Unit 522 The Uptown Place, General Luna St., Iloilo City	RAMIREZ, RUBEN B./ Record Owner is also Beneficial Owner	Filipino	5,930 20	2.48%
Common Founder	NOLASCO, FELIX P./ 553 Batulao St., Ayala Alabang Village, Muntinlupa City	NOLASCO, FELIX P./ Record Owner is also Beneficial Owner	Filipino	2,340 10	1.96%
Common Founder	NOLASCO, EULENIA P./553 Batulao St., Ayala Alabang Village, Muntinlupa City	NOLASCO, MARIA EULENIA R. / Record Owner is also Beneficial Owner		2,340 10	
Common Founder	LAVALLE, AMADO JR. M./ Lot 8 Block 8, Bankers Village, Tabuc Suba, Iloilo City	LAVALLE,AMADO JR. M./ Record Owner is also Beneficial Owner	Filipino	3,658 10	1.53%
Common Founder	REGOZO, DANILO C./ 185 A. Barangay Bonifacio, Tanza, Iloilo City	REGOZO, DANILO C./ Record Owner is also Beneficial Owner	Filipino	3,658 10	1.53%
Common Founder	VILLAFLO, AGNES JEAN M./ Lot 6 Block 2, Sacred Heart Subd., Hibaoan, Mandurriao, Iloilo City	VILLAFLO, AGNES JEAN M./ Record Owner is also Beneficial Owner	Filipino	2,748 10	1.15%
Common Founder	COMUELO, JERUSHA A./ Metropolis Brgy. Bito-on, Jaro, Iloilo City	COMUELO, JERUSHA A./ Record Owner is also Beneficial Owner	Filipino	3,452 10	1.44%
Common Founder	ONG, MARY FLOR G./ Lot 15 & 16 Blk. 36 Westwood Subd., Dungon-C, Iloilo City	ONG, MARY FLOR G./ Record Owner is also Beneficial Owner	Filipino	3,352 10	1.40%
Common Founder	GALLEGA-PEREZ, MA. GRACE/ 264 Laguda Subd. Lapaz, Iloilo City	GALLEGA-PEREZ, MA. GRACE/ Record Owner is also Beneficial Owner	Filipino	3,432 10	1.43%
Common Founder	DOMINGO, CARMELO JR./ 7 Diamond St., Las Piñas Royole Estate, Pulang Lupa Dos, Las Piñas City 1742	DOMINGO, CARMELO JR. / Record Owner is also Beneficial Owner	Filipino	3,390 10	1.42%
Common Founder	GONZALES, NOEL J./ Muebles Italiano Building, Paseo de Magallanes, SSHW, Makati City	GONZALES, NOEL J./ Record Owner is also Beneficial Owner	Filipino	3,400 10	1.42%
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Common Founder	MINERVA, IKE T./ Brgy. Barroc Tigbauan, Iloilo	MINERVA, IKE T. / Record Owner is also Beneficial Owner	Filipino	3,390 10	1.42%
Common Founder	DIANCO, FELIBERT O./ 05011C Commonwealth Drive Passi City, Iloilo	DIANCO, FELIBERT O. / Record Owner is also Beneficial Owner	Filipino	3,340 10	1.40%
Common Founder	DAULO, SYLVA L./ Mirasol Subd., Nabitasan, Lapaz, Iloilo City	DAULO, SYLVA L. / Record Owner is also Beneficial Owner	Filipino	3,040 10	1.27%
Common Founder	GOMEZ, LUSYL M./ Blk1 Lot 14 Savannah Crest A, Abilay Norte, Oton, Iloilo	GOMEZ, LUSYL M. / Record Owner is also Beneficial Owner	Filipino	2,771 10	1.16%

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stocks. The payment of dividends in the future will depend upon the earnings, cash flow, and financial condition of the Company and other factors.

Cash dividends require the approval by the Company's Board, but not that of the stockholders. Property dividends, which may come in the form of additional shares of stocks are subject to approval by both the Company's Board of Directors and the Company's stockholders. The SEC must also approve the payment of stock dividends.

There are no cash dividends or description of any restrictions that limit the payment of dividends. However, there were no dividends issued for the past two years because the company has no unrestricted retained earnings having commenced operations only last 2023.

#### **Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction**

There are no shares issued by the Company within the past three (3) years, which were not registered with the SEC pursuant to the Securities Regulation Code.

### **C. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) or PLAN OF OPERATION AS OF 30 APRIL 2026**

#### **PLAN OF OPERATION**

Asia Pacific Medical Center–Iloilo, Inc. ("APMC Iloilo" or the "Hospital") incurred net losses during the last two fiscal years. Management attributes such losses primarily to the Hospital's early-stage operating profile following inauguration, the fixed costs inherent in hospital operations, the gradual build-up of patient volumes, and the continuing expenditures necessary to support personnel, equipment, utilities, and other operational requirements.

Management notes that, based on industry experience and as observed by the Hospital's independent auditor, healthcare institutions of similar scale typically require approximately four (4) to five (5) years from inauguration to recover initial capital expenditures and attain more stable operating levels. In this regard, management believes that the Hospital's financial performance to date remains generally consistent with the expected development period of a newly established hospital facility.

During the current year, the Hospital recorded a 47% increase in gross revenues compared to the previous year. Management believes that this growth is aligned with internal projections and reflects continued improvement in patient volumes, service utilization, physician referrals, and market awareness within the City and Province of Iloilo. Although the Hospital has not yet attained profitability, management considers the current revenue growth trend to be a positive indicator of its ongoing operational development.

For the next twelve (12) months, the Hospital's plan of operation shall focus on: (i) increasing patient volumes and revenues, (ii) improving operating efficiency and expense management, (iii) strengthening liquidity and collections, and (iv) supporting operations and future growth through additional capitalization.

Management's principal operating objectives are to:

1. Increase patient volumes in major service lines, including inpatient, outpatient, emergency, surgery, women's health, pediatrics, diagnostics, laboratory, imaging, and ancillary services;
2. Improve utilization of existing facilities, equipment, and manpower;
3. strengthen referral relationships with physicians, clinics, and healthcare providers in Iloilo and nearby areas;
4. Improve billing, claims processing, and collection efforts, particularly for government healthcare programs, HMOs, corporate accounts, and self-pay patients;
5. Implement cost management measures, including tighter control over operating expenses, inventory, manpower, and non-essential expenditures; and
6. Preserve liquidity through internally generated cash flows, working capital management, and, when necessary, capital-raising or financing initiatives.

As part of its capital strengthening measures, management intends to recommend an increase in the Hospital's authorized capital stock, subject to approval by the Board of Directors and stockholders. The Hospital also plans to pursue a second round of public offering of its shares, subject to compliance with the requirements of the Securities and Exchange Commission and other applicable regulatory approvals.

Management believes that, if successfully implemented, these capital measures will provide additional resources to support operations, strengthen the Hospital's balance sheet, and fund priority investments. However, there can be no assurance that such capital-raising initiatives will be completed within the expected timeframe.

The Hospital likewise intends to continue prioritizing the development of its core revenue-generating departments while exercising prudent control over operating costs and limiting capital expenditures to those necessary for patient care, operational continuity, compliance, and selected service improvements. Currently, the Company employs approximately seven hundred fifty six (756) individuals. The decision to hire additional employees will be contingent upon the outcome of the upcoming hospital census.

Management recognizes that the execution of its plan of operation remains subject to various risks and uncertainties, including competitive conditions, cost inflation, staffing constraints, reimbursement and collection delays, regulatory developments, and broader economic conditions. While there can be no assurance that the Hospital will achieve profitability within the next twelve (12) months, management believes that its current revenue growth trend and planned capital measures provide a reasonable basis for the continuation of operations and the gradual improvement of financial performance.

The Company intends to purchase the following equipment to attract more patients:

1. Pet scan
2. Cath lab Machine
3. Mechanical Ventilators (High-End With Advanced Modes) -Avea (3IN1 Ventilator)
4. Cyber Ho Magneto System 152W Holmium: YAG Surgical Laser System
5. Hospital Waste Management Plant
6. Sonomammography
7. M822 Leica Microscope
8. Portable Ultrasound(Ge)
9. Mammo(Ui)2D
10. KW ON-Grid Rooftop Solar
11. Alcon Centurion Phacoemulsification Machine
12. 2D Echo Vivid T9 (GE)
13. Ultrasound LOGIQ P8 (GE)
14. Cardiac Rehab System
15. Polysomnography Machine (Sleep Machine)
16. NCV/EMG

17. EEG
18. Infusion Pump
19. Super Inductive System BTL-6000
20. Syringe Pump
21. Sewage Treatment Plant
22. Bone Densitometry
23. Treadmill (GE)
24. Biosafety Cabinet Class III
25. Calibration Tools
26. ECG Machine (GE)
27. Detecto Weighing Scale
28. Ortho Table
29. Fracture Bed

These are expected to enhance service capacity and support the Hospital's operational and revenue growth objectives, subject to funding availability.

## MANAGEMENT DISCUSSION and ANALYSIS

### STATEMENTS OF RESULT OF OPERATIONS

Results of operation for the periods ended March 31, 2026, December 31, 2025 and 2024

	31-Mar-26	31-Dec-25	31-Dec-24
Revenue	P107,536,458	P452,165,666	P307,910,026
Cost of hospital services	(66,207,525)	(259,501,745)	(268,767,300)
Gross income (loss)	41,328,933	192,663,921	32,142,726
Other income	2,776,785	10,314,981	1,182,734
Gross income (loss)	44,105,718	202,978,902	40,325,460
General and admin expenses	(71,870,856)	(302,289,389)	(282,385,327)
Loss from operations	(27,765,138)	(99,310,487)	(242,059,867)
Finance cost	(35,890,364)	(136,010,583)	(155,699,208)
Net Loss Before Income Tax	(P63,655,502)	(235,321,070)	(397,759,075)
Income Tax Expense	-	-	-
Net Loss	(P63,655,502)	(235,321,070)	(397,759,075)
Other Comprehensive Income for the Year	-	183,531,277	-
<b>Total Comprehensive Loss for the Year</b>	<b>(P63,655,502)</b>	<b>(P51,789,793)</b>	<b>(P397,759,075)</b>

### STATEMENTS OF FINANCIAL CONDITION

#### Statement of Financial Position For Comparable Periods March 31, 2026 and December 31, 2025

	Horizontal Analysis				Vertical Analysis		
	31-March-26	31-Dec-25	Inc./ (Dec.)	%	31-March-26	31-Dec-24	
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	P26,414,935	P23,296,041	3,118,894	13.39%	0.96%	0.86%	[(I)]
Receivables	192,816,543	165,796,569	27,019,974	16.30%	7.04%	6.11%	[(I)]
Advances to contractors and suppliers	89,868,430	72,449,059	17,419,371	24.04%	3.28%	2.67%	[(I)]
Medical and hospital supplies inventories	47,935,244	59,994,528	(12,059,284)	-20.10%	1.75%	2.21%	[(I)]
Prepayments and other current assets	33,109,906	28,714,938	4,394,968	15.31%	1.21%	1.06%	[(I)]
<b>TOTAL CURRENT ASSETS</b>	<b>390,145,058</b>	<b>350,251,135</b>	<b>39,893,923</b>	<b>11.39%</b>	<b>14.24%</b>	<b>12.90%</b>	<b>[(I)]</b>
<b>NON-CURRENT ASSETS</b>							
Property and equipment (net)	2,342,868,883	2,357,222,256	(14,353,373)	-0.61%	85.51%	86.24%	[(I)]
Advances to related parties	6,950,256	6,950,256	-	0.00%	0.25%	0.26%	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,349,819,139</b>	<b>2,364,172,512</b>	<b>(14,353,373)</b>	<b>-0.61%</b>	<b>85.76%</b>	<b>87.10%</b>	<b>[(I)]</b>

<b>TOTAL ASSETS</b>	<b>2,739,964,197</b>	<b>2,714,423,647</b>	<b>25,540,550</b>	<b>0.94%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>(I)</b>
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and other liabilities	717,399,179	689,539,570	27,859,609	4.04%	26.18%	25.40%	(II)
Loans payable to individuals	91,589,939	15,703,226	75,886,713	483.26%	3.34%	0.58%	(II)
Notes payable - current portion	227,010,404	191,558,072	35,452,332	18.51%	8.29%	1.66%	(II)
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,035,999,522</b>	<b>896,800,868</b>	<b>139,198,654</b>	<b>15.52%</b>	<b>37.81%</b>	<b>27.64%</b>	
<b>NON-CURRENT LIABILITIES</b>							
Notes payable - net of current portion	757,790,363	954,351,037	(50,002,602)	-6.19%	27.66%	35.16%	(II)
Loans payable to related party	544,871,969	544,871,969	-	0.00%	19.89%	20.07%	(II)
Deferred tax liability	61,177,093	61,177,093	-	0.00%	2.23%	2.25%	(II)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,363,839,425</b>	<b>1,560,400,099</b>	<b>(50,002,602)</b>	<b>-3.54%</b>	<b>49.78%</b>	<b>55.23%</b>	
<b>TOTAL LIABILITIES</b>	<b>2,399,838,947</b>	<b>2,310,642,895</b>	<b>89,196,052</b>	<b>3.86%</b>	<b>87.59%</b>	<b>82.87%</b>	<b>(II)</b>
<b>EQUITY</b>							
Share Capital (net)	240,000,000	240,000,000	-	0.00%	8.76%	8.84%	
Share Premium	958,532,662	958,532,662	-	0.00%	34.98%	35.31%	
Revaluation surplus	183,531,277	183,531,277	-	0.00%	6.70%	6.76%	
Retained Earnings/(Deficit)	(1,041,938,689)	(978,283,187)	(63,655,502)	6.51%	-38.03%	-36.04%	
<b>TOTAL EQUITY</b>	<b>340,125,250</b>	<b>403,780,752</b>	<b>(63,655,502)</b>	<b>-15.76%</b>	<b>12.41%</b>	<b>17.13%</b>	<b>(III)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P2,739,964,197</b>	<b>2,714,423,647</b>	<b>25,540,550</b>	<b>0.94%</b>	<b>100.00%</b>	<b>100.00%</b>	

**For Comparable Periods March 31, 2026 and 2025**  
**(Revenue, Direct, Cost and Gross Loss)**

	Horizontal Analysis				Vertical Analysis	
	31-March-26	31-March-25	Inc./(Dec.)	%	31-March-26	31-March-25
Net Revenue	P107,536,458	P82,148,885	25,387,573	30.90%	100.00%	100.00%
Direct Cost	(66,207,525)	(63,974,470)	2,233,055	-3.49%	61.57%	77.88%
Gross profit/(loss)	41,328,933	18,174,415	23,154,518	127.40%	38.43%	22.12%
Other income	2,776,785	816,308	1,960,477	240.16%	2.58%	0.99%
Gross income / (loss)	44,105,718	18,990,723	25,114,995	132.25%	41.01%	23.12%
General and admin expenses	(71,870,856)	(64,381,440)	7,489,416	-11.63%	66.83%	78.37%
Loss from operations	(27,765,138)	(45,390,717)	(17,625,579)	38.83%	25.82%	55.25%
Finance cost	(35,890,364)	(42,918,349)	(7,027,985)	16.38%	33.38%	52.24%
<b>Net Income / (loss) for the period</b>	<b>(P63,655,502)</b>	<b>(P88,309,066)</b>	<b>(P24,653,564)</b>	<b>27.92%</b>	<b>59.19%</b>	<b>107.50%</b>

## REVENUE

During the first quarter ending March 31, 2026, Hospital generated Php107.54 million in revenue, net of discounts, representing a 30.90% increase from the previous year's Php82.15 million. This positive trend underscores the hospital's commitment to fostering patient relationships and continuously enhancing its products and services. Hospital's gross revenue of Php122.94 million includes the following services:

- Pharmacy: Php35.91 million (29.21%)
- Room accommodation: Php22.31 million (18.15%)
- Laboratory: Php19.04 million (15.49%)
- Imaging: Php10.96 million (8.91%)
- Central supply room: Php10.69 million (8.70%)
- Pulmonary: Php5.56 million (4.52%)
- Dialysis: Php4.91 million (4.00%)
- Other specialized healthcare services: Php13.56 million (11.03%)

## DIRECT COST

Direct costs, directly attributable to patient care, experienced an increase due to factors such as the procurement of medications and supplies, the surge in patient volume, and the requirement for specialized equipment and personnel. For the third quarter concluded on March 31, 2026, Php66.21 million, comprising Php39.71 million in direct hospital supplies and Php26.50 million in direct overheads.

## GENERAL AND ADMIN EXPENSES

This account consists of:

	For the 1st quarter periods March		Horizontal Analysis	
	2026	2025	Inc./ (Dec.)	%
Salaries and Wages	P23,491,369	P25,710,653	(P2,219,284)	-8.63%
Utilities Expenses	12,563,082	7,829,492	4,733,590	60.46%
Depreciation	11,948,988	11,578,310	370,678	3.20%
Professional Fees	5,761,241	4,561,761	1,199,480	26.29%
SSS, PHIC and HDMF Contributions	3,852,257	4,121,398	(269,141)	-6.53%
Security Services	3,043,597	2,628,907	414,690	15.77%
Office Supplies	2,642,211	1,487,591	1,154,620	77.62%
Housekeeping Expense	1,898,531	2,870,819	(972,288)	-33.87%
Repairs and Maintenance Expenses	883,183	256,136	627,047	244.81%
Taxes and Licenses	643,111	1,620,623	(977,512)	-60.32%
Communication Expenses	393,281	174,399	218,882	125.51%
Training, Workshop, Seminar	277,750	112,694	165,056	146.46%
Transportation and Travel Expenses	112,756	350,658	(237,902)	-67.84%
Entertainment and Representation Expenses	111,836	45,849	65,987	143.92%
Board meetings and conferences	15,000	-	15,000	100.00%
Advertising Expenses	-	9,585	(9,585)	-100.00%
Miscellaneous Expenses	4,232,663	1,022,565	3,210,098	313.93%
<b>TOTAL</b>	<b>P71,870,856</b>	<b>P64,381,440</b>	<b>P7,489,416</b>	<b>11.63%</b>

General and administrative expenses for the 1st quarter ending March 31, 2026, amounted to Php71.87 million, a 11.63% increase from the previous year's Php64.38 million. This substantial increase reflects core business operations expenses, including salaries and wages (Php23.49 million), utilities (Php12.56 million), depreciation (Php11.94 million), professional consultancy fees (Php5.76 million), housekeeping and security services (Php4.94 million), taxes and license fees (Php0.64 million), and other expenses (Php 12.54 million). The significant increase in depreciation expenses is attributed to the building amounting to Php9.19 million as of March 31, 2026.

### Other Income

Other income is mostly derived from interest income earned from bank; affiliation fee and other miscellaneous income amounted to Php2,174; and Php2.77 million, during the first quarter period ending March 31, 2026, respectively.

### Finance Costs

This consists of interest expenses incurred on bank and related party loans. For the 1st quarter ended March 31, 2026, bank loans incurred Php18.98 million in interest, while related party loans incurred Php16.91 million.

### Net Losses for the Period

Despite its financial deficit, the hospital encountered challenges during the first quarter of 2026. To sustain its operations, it requires an increase in patient admissions and collaborates with affiliated physicians for referrals and marketing initiatives. We remain optimistic about overcoming these obstacles and delivering exceptional hospital services.

**For Comparable Periods December 31, 2025 and 2024  
(Revenue, Direct, Cost and Gross Loss)**

Account	For the years ended December 31		Horizontal Analysis		Vertical Analysis		
	2025	2024	Inc./(Dec.)	%	2025	2024	
<b>Revenue</b>	P452,165,666	P307,910,026	P144,255,640	46.85%	100.00%	100.00%	
<b>Direct Cost</b>	259,501,745	268,767,300	9,265,555	(3.45%)	57.39%	87.29%	[A]
<b>Gross Loss</b>	192,663,921	39,142,726	153,521,195	392.21%	42.61%	12.71%	
<b>Other Income</b>	10,314,981	1,182,734	9,132,247	772.13%	2.28%	0.38%	[B]
<b>Gross Income/(Loss)</b>	202,978,902	40,325,460	162,653,442	403.35%	44.89%	13.10%	
<b>General and Admin Expenses</b>	(302,289,389)	(282,385,327)	(19,904,062)	7.05%	66.85%	91.71%	[C]
<b>Loss From Operations</b>	(110,362,625)	(242,059,867)	142,749,380	(58.97%)	21.96%	78.61%	
<b>Finance Cost</b>	(36,970,036)	(155,699,208)	19,688,625	(12.65%)	30.08%	50.57%	[D]
<b>Net Loss</b>	(235,321,070)	(397,759,075)	(162,438,005)	40.84%	52.04%	129.18%	[E]
<b>Other Comprehensive Income</b>	183,531,277	-	183,531,277	100.00%	40.59%	-	
<b>Total Comprehensive Loss</b>	(P51,789,793)	(P397,759,075)	(P345,969,282)	(86.98%)	-11.45%	-129.18%	

[A]	<b>Revenue and Direct Cost</b>	<p><b>Revenue and direct costs have substantially increased since the company commenced its inaugural full year of hospital operations.</b></p> <p><b>Revenue</b> As at December 31, 2025, Hospital generated a revenue, net of discounts and allowances, of Php452.17 million, representing a 46.85% increase from the preceding year's Php307.91 million. This positive trend underscores the hospital's unwavering commitment to fostering patient relationships and enhancing its product and service offerings. Hospital revenue encompasses both inpatient and outpatient services for the following:</p> <ul style="list-style-type: none"> <li>● Pharmacy: Php152.29 million (29.29% of Gross Revenue)</li> <li>● Room accommodation: Php 98.01 million (18.85% of Gross Revenue)</li> <li>● Laboratory Services: Php 83.29 million (16.02% of Gross Revenue)</li> <li>● Central supply room: Php 49.70 million (9.56% of Gross Revenue)</li> <li>● Imaging: Php 46.51 million (8.95% of Gross Revenue)</li> <li>● Pulmonary: Php 20.25 million (3.9% of Gross Revenue)</li> <li>● Cardio/Neuro Services: Php16.15 million (3.11% of Gross Revenue)</li> <li>● Other specialized healthcare services: Php 53.73 million (10.33% of Gross Revenue)</li> </ul> <p><b>Direct Costs</b> Direct costs decreased by Php 9.27 million (3.45%) can be attributed to the hospital's efforts to renegotiate contracts with existing suppliers, identify cost-effective suppliers, utilize bulk purchasing discounts, and optimize procurement strategies. These actions resulted in a reduction in the cost of medicines and medical supplies during the year. For the year ending December 31, 2025, direct costs amounted to P259.50 million, which comprised of direct hospital supplies amounted to P136.03 million and direct overheads amounted to P123.47 million.</p>																																																																																														
[B]	<b>Other Income</b>	Other income is mostly derived from interest income earned from bank; unrealized foreign exchange gain and other miscellaneous income amounted to Php1,002; Php3,505 and Php10,310,474 as at December 31, 2025, respectively.																																																																																														
[C]	<b>General and Admin Expenses</b>	<p>This account consists of:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">For the Years Ended December 31</th> <th colspan="2">Horizontal Analysis</th> <th rowspan="2"></th> </tr> <tr> <th>2025</th> <th>2024</th> <th>Inc./(Dec.)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Salaries and Wages</td> <td>P111,313,162</td> <td>P87,491,420</td> <td>23,821,742</td> <td>27.23%</td> <td>[C1]</td> </tr> <tr> <td>Utilities Expenses</td> <td>54,800,309</td> <td>51,738,090</td> <td>3,062,219</td> <td>5.92%</td> <td>[C2]</td> </tr> <tr> <td>Depreciation</td> <td>48,391,711</td> <td>48,382,415</td> <td>9,296</td> <td>0.02%</td> <td></td> </tr> <tr> <td>Professional Fees</td> <td>25,287,779</td> <td>33,272,069</td> <td>(7,984,290)</td> <td>(24.00%)</td> <td></td> </tr> <tr> <td>SSS, PHIC and HDMF Contributions</td> <td>13,743,882</td> <td>14,586,982</td> <td>(843,100)</td> <td>(5.78%)</td> <td></td> </tr> <tr> <td>Security Services</td> <td>12,334,776</td> <td>8,684,813</td> <td>3,649,963</td> <td>42.03%</td> <td></td> </tr> <tr> <td>Housekeeping Expenses</td> <td>9,322,573</td> <td>8,415,291</td> <td>(681,215)</td> <td>10.78%</td> <td></td> </tr> <tr> <td>Office Supplies</td> <td>7,827,951</td> <td>8,509,166</td> <td>(681,215)</td> <td>(8.01%)</td> <td></td> </tr> <tr> <td>Taxes and Licenses</td> <td>5,802,631</td> <td>6,926,145</td> <td>(1,123,514)</td> <td>(16.22%)</td> <td></td> </tr> <tr> <td>Repairs and Maintenance Expenses</td> <td>4,239,547</td> <td>901,410</td> <td>3,338,137</td> <td>370.32%</td> <td>[C3]</td> </tr> <tr> <td>Insurance Expenses</td> <td>2,465,225</td> <td>2,305,495</td> <td>159,730</td> <td>6.93%</td> <td></td> </tr> <tr> <td>Communication Expenses</td> <td>1,110,669</td> <td>811,393</td> <td>299,276</td> <td>36.88%</td> <td></td> </tr> <tr> <td>Transportation and Travel Expenses</td> <td>1,002,276</td> <td>1,190,229</td> <td>(187,953)</td> <td>(15.79%)</td> <td></td> </tr> <tr> <td>Board Meetings and Conferences</td> <td>341,050</td> <td>4,862,485</td> <td>(4,521,435)</td> <td>(92.99%)</td> <td></td> </tr> </tbody> </table>		For the Years Ended December 31		Horizontal Analysis			2025	2024	Inc./(Dec.)	%	Salaries and Wages	P111,313,162	P87,491,420	23,821,742	27.23%	[C1]	Utilities Expenses	54,800,309	51,738,090	3,062,219	5.92%	[C2]	Depreciation	48,391,711	48,382,415	9,296	0.02%		Professional Fees	25,287,779	33,272,069	(7,984,290)	(24.00%)		SSS, PHIC and HDMF Contributions	13,743,882	14,586,982	(843,100)	(5.78%)		Security Services	12,334,776	8,684,813	3,649,963	42.03%		Housekeeping Expenses	9,322,573	8,415,291	(681,215)	10.78%		Office Supplies	7,827,951	8,509,166	(681,215)	(8.01%)		Taxes and Licenses	5,802,631	6,926,145	(1,123,514)	(16.22%)		Repairs and Maintenance Expenses	4,239,547	901,410	3,338,137	370.32%	[C3]	Insurance Expenses	2,465,225	2,305,495	159,730	6.93%		Communication Expenses	1,110,669	811,393	299,276	36.88%		Transportation and Travel Expenses	1,002,276	1,190,229	(187,953)	(15.79%)		Board Meetings and Conferences	341,050	4,862,485	(4,521,435)	(92.99%)	
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Entertainment and Representation Expenses	313,229	292,075	21,154	7.24%
Training, Workshop, Seminar	255,299	954,891	(699,592)	(73.26%)
Advertising Expenses	104,984	749,906	(644,264)	(57.14%)
Rental Expenses	18,947	44,211	(25,264)	(57.14%)
Miscellaneous Expenses	3,613,389	2,266,841	1,346,548	59.40%
<b>TOTAL</b>	<b>P302,289,389</b>	<b>P282,385,327</b>	<b>P19,904,062</b>	<b>6.58%</b>

**[C.1] Salaries and Wages.** During the year, there was a slight increase in general and administrative expenses amounting to Php19.90 million, or 6.58%. This overall increase reflects significant company-related expenses associated with core business operations, including the salary standardization modifications implemented in the second quarter. However, employee turnover experienced a notable rise towards the end of the period, particularly around October 2025. This increase in turnover effectively mitigated the impact of the salary hike. As of December 31, 2025, salaries and wages amounted to Php 111.31 million. Furthermore, management successfully managed the effects of inflation by implementing cost-cutting measures throughout the period.

**[C.2] Utilities Expense.** Utilities expense, consisting of electricity, water, fuel, and related services, increased in 2025. Electricity represents the largest component, with higher usage observed in May, July, and August in line with increased hospital census. During the year, the electricity charges incurred amounted to Php52.47 million.

**[C.3] Repairs and Maintenance Expenses.** Repairs and maintenance expenses increased due to higher service requirements across hospital equipment and facilities. A significant repair transaction occurred in June 2025 relating to hospital equipment amounted to Php2.22 million, which is the preventive maintenance fee of the Mobile Digital X-ray equipment of the Imaging Department. The increase is operational, with certain transactions considered non-recurring.

**[D] Finance Cost** This account provides an overview of interest expenses incurred by the hospital from bank and related party loans. For the year ended December 31, 2025, interest incurred from bank loans and related party loans amounted to P72.42 million and P63.32 million, respectively. This decline in interest expenses is attributed to LBP's interest rate adjustment. The hospital remains committed to timely payment of its interest and principal obligations to LBP throughout the specified period.

**[E] Other Comprehensive Income** This account pertains to Revaluation Surplus, net of Deferred Tax Liability recognized as at December 31, 2025. The company's land was appraised in 2026 by Cubing Surveying, an SEC-accredited professional valuer. Independent appraisers performed the valuation of its parcels of land, resulting in a report of March 2026 covering December 31, 2025. The Company's revaluation surplus, net of deferred tax liability, was P183,531,277 as of December 31, 2025. Deferred tax liability is measured at the tax rate applied when the liability is recognized, based on the tax regulation rate enacted by the end of the reporting period. It is computed as the product of the 25% tax regulation rate and the total revaluation surplus of P244,708,370. As of December 31, 2025, the deferred tax liability from land revaluation amounted to P61,177,093.

### Changes in Financial Position for Comparative periods March 31, 2026 and December 31, 2025

	Horizontal Analysis				Vertical Analysis		
	31-March-26	31-Dec-25	Inc./(Dec.)	%	31-March-26	31-Dec-25	
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	P26,414,935	P23,296,041	3,118,894	13.39%	0.96%	0.86%	(I.I)
Receivables	192,816,543	165,796,569	27,019,974	16.30%	7.04%	6.11%	(I.I)
Advances to contractors and suppliers	89,868,430	72,449,059	17,419,371	24.04%	3.28%	2.67%	(I.I)
Medical and hospital supplies inventories	47,935,244	59,994,528	(12,059,284)	-20.10%	1.75%	2.21%	(I.I)
Prepayments and other current assets	33,109,906	28,714,938	4,394,968	15.31%	1.21%	1.06%	(I.I)
<b>TOTAL CURRENT ASSETS</b>	<b>390,145,058</b>	<b>350,251,135</b>	<b>39,893,923</b>	<b>11.39%</b>	<b>14.24%</b>	<b>12.90%</b>	<b>(I.I)</b>
<b>NON-CURRENT ASSETS</b>							
Property and equipment (net)	2,342,868,883	2,357,222,256	(14,353,373)	-0.61%	85.51%	86.84%	(I.I)
Advances to related parties	6,950,256	6,950,256	-	0.00%	0.25%	0.26%	(I.I)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,349,819,139</b>	<b>2,364,172,512</b>	<b>(14,353,373)</b>	<b>-0.61%</b>	<b>85.76%</b>	<b>87.10%</b>	<b>(I.I)</b>
<b>TOTAL ASSETS</b>	<b>2,739,964,197</b>	<b>2,714,423,647</b>	<b>25,540,550</b>	<b>0.94%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>(I)</b>
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and other liabilities	717,399,179	689,539,570	27,859,609	4.04%	26.18%	25.40%	(II)
Loans payable to individuals	91,589,939	15,703,226	75,886,713	483.26%	3.34%	0.58%	(II)
Notes payable - current portion	227,010,404	191,558,072	35,452,332	18.51%	8.29%	1.66%	(II)
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,035,999,522</b>	<b>896,800,868</b>	<b>139,198,654</b>	<b>15.52%</b>	<b>37.81%</b>	<b>27.64%</b>	
<b>NON-CURRENT LIABILITIES</b>							
Notes payable - net of current portion	757,790,363	954,351,037	(50,002,602)	-6.19%	27.66%	35.16%	(II)
Loans payable to related party	544,871,969	544,871,969	-	0.00%	19.89%	20.07%	(II)
Deferred tax liability	61,177,093	61,177,093	-	0.00%	2.23%	2.25%	(II)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,363,839,425</b>	<b>1,560,400,099</b>	<b>(50,002,602)</b>	<b>-3.54%</b>	<b>49.78%</b>	<b>55.23%</b>	
<b>TOTAL LIABILITIES</b>	<b>2,399,838,947</b>	<b>2,310,642,895</b>	<b>89,196,052</b>	<b>3.86%</b>	<b>87.59%</b>	<b>82.87%</b>	<b>(II)</b>
<b>EQUITY</b>							
Share Capital (net)	240,000,000	240,000,000	-	0.00%	8.76%	8.84%	(III)
Share Premium	958,532,662	958,532,662	-	0.00%	34.98%	35.31%	(III)
Revaluation surplus	183,531,277	183,531,277	-	0.00%	6.70%	6.76%	(III)
Retained Earnings/(Deficit)	(1,041,938,689)	(978,283,187)	(63,655,502)	6.51%	-38.03%	-36.04%	(III)
<b>TOTAL EQUITY</b>	<b>340,125,250</b>	<b>403,780,752</b>	<b>(63,655,502)</b>	<b>-15.76%</b>	<b>12.41%</b>	<b>17.49%</b>	<b>(III)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P2,739,964,197</b>	<b>2,714,423,647</b>	<b>25,540,550</b>	<b>0.94%</b>	<b>100.00%</b>	<b>100.00%</b>	

[I]	<b>Assets</b>	<p>As of the first quarter period ending March 31, 2026, the Company's assets have exhibited a consistent growth trajectory. This growth is primarily attributed to the strong performance of essential financial assets, including cash, receivables, and hospital supplies. These assets are necessary for ensuring patient care and optimizing operational efficiency.</p> <p>As of March 31, 2026, the Company's total assets were Php2.74 billion, with Php0.39 billion (14.24%) in current assets and Php2.34 billion (85.76%) in non-current assets.</p>
[I.I]	<b>Non-Current Assets</b>	<p>The Company's non-current assets consisted of the following:</p> <p><b>Property and Equipment, Net of Depreciation</b>  As of March 31, 2026, this account consists of the land with revalued carrying amount of Php273.00 million, Building - Php1,753.77 billion, medical equipment - Php238.97 million, hospital equipment - Php50.05 million, kitchen tools - Php15.22 million, hospital vehicles - P5.76 million, and office equipment - Php6.10 million.</p> <p>During the year, the Company had its land appraised. The property was inspected on February 8, 2026, and the appraisal report was issued on March 9, 2026, by Cubing Surveying, an independent professional valuer accredited with the Securities and Exchange Commission (SEC). The valuation was performed using the Sales Comparison Approach, which relies on market evidence of recent transactions for comparable properties in the same area.</p> <p><b>Advances to Related Party</b>  Advances to related parties have no movement as of March 31, 2026</p>
[I.II]	<b>Current Assets</b>	<p><b>The current assets consist of the following:</b></p> <p><b>Cash and Cash Equivalents</b>  The surge in cash and cash equivalents is attributable to collections from its revenue streams. The hospital consistently encounters substantial increments in patient volume and revenue generation. Despite commencing operations, it encountered challenges, including escalating patient admissions to sustain daily operations and relying on its affiliate physicians for referrals. Furthermore, the hospital engaged in marketing and promotional endeavors to attract potential patients. It remains optimistic about overcoming these challenges as it continues to provide hospital services to the public.</p> <p><b>Medical and Hospital Supplies Inventories</b>  As of March 31, 2026, the inventory account comprises general hospital maintenance supplies; medical and laboratory supplies; and drugs and medicines, amounting to Php21.53 million, Php19.26 million, and Php7.15 million, respectively.</p> <p><b>Trade and Other Receivables</b>  The hospital's trade and other receivables indicate a positive financial position, although cash payments have not yet been received. Several factors contribute to this delay, including the billing methods employed for patients, the payment processes of insurance companies, and the payment arrangements made by patients for their medical care.</p> <p>As of March 31, 2026, the hospital's trade and other receivables encompass funds from PHIC (Php72.92 million), HMOs (Php55.10 million), Government Institutions (Php44.23 million), and other sources (Php20.57 million).</p> <p>Refundable deposits, including Php5.00 million to MORE POWER Corporation, Php15,000 to Iloilo Medical Society for office rent, and Php20,000 for drug testing services from the Department of Health, have been reclassified to the other receivable, current assets account. These deposits are expected to be applied for or recovered as per the agreements and regulatory requirements.</p> <p><b>Advances to contractors and suppliers</b>  Advances to contractors and suppliers. Advances to contractors are recognized as a benefit for each project awarded and are liquidated through deduction, on a pro-rata basis, from the contractor's periodic progress billings. As a result of the building's completion, there was no material movement to this account as at March 31, 2026. Advances to suppliers increased by Php17.42 million (24.04%), representing down payments made to various hospital suppliers as at March 31, 2026.</p> <p><b>Prepayments and other Current Assets</b>  The account represents the unutilized cost of insurance amounted to Php0.82 million, Php24.34 million for the excess of input over output VAT and the carryover of input VAT from previous periods, and prepaid income tax of Php7.94 million, as at March 31, 2026.</p>

<p><b>III</b></p>	<p><b>Liabilities</b></p>	<p><b>Accounts Payables and Other Liabilities</b> This account consists of the following: Accounts payable - contractors and suppliers amounting to Php368.59 million; Retention Payable amounting to Php40.56 million; Accrued Interest Payable Php172.20 million; and other payables amounting to Php136.05 million.</p> <p><b>Loans Payable to Related Parties</b> These are loans extended by Phil Pharmawealth, Inc. (PPI) to the Company. As of December 31, 2024, the balance stands at P544.87 million. These loans were granted to help pay off company obligations.</p> <p><b>Loans from Individuals</b> These are loans provided to the Company to help in the construction of the hospital building and sustain its operations. These are gradually liquidated whenever funds are available. As of March 31, 2026, the balance amounted to Php91.59 million.</p> <p><b>Notes Payable (LBP)</b> In 2023, Landbank of the Philippines, approved the restructuring of the total outstanding balance of term loan 1, 3 and 4 in the amount of Php985,594,306 up to seven (7) years from date of effectivity with one (1) quarter grace period on principal and interest. In 2024, it approved Term Loan 6 and a Working Capital Line for P70 million and P30 million, respectively. As at March 31, 2026, the outstanding balance amounted to Php984.80 million and interest expense incurred amounted to Php18.98 million.</p> <p><b>Deferred Tax Liabilities</b> This account represents the recognized deferred tax liability on revaluation resulted from the conducted land appraisal.</p>
<p><b>IIII</b></p>	<p><b>Equity</b></p>	<p>The Company's land was appraised in 2026 by Cubing Surveying, an SEC-accredited professional valuer. The appraisal report, issued on March 9, 2026, used the Sales Comparison Approach based on recent comparable property transactions. As of December 31, 2025, the revaluation resulted in a surplus of Php244,708,370.</p> <p>As of March 31, 2026, the total equity stood at Php340.13 million, a decrease of Php63.66 million (15.76%) resulting from the loss incurred during the quarter.</p>

## **TRENDS, EVENTS and UNCERTAINTIES THAT HAVE HAD OR THAT ARE REASONABLY EXPECTED TO AFFECT REVENUES OR INCOME**

### **1. Challenges in liquidity and cash flow management**

The Company's current ratio slightly decreased to 0.38:1 in the first quarter of 2026 from 0.39:1 in December 2025. Increased patient volume and revenue led to higher receivables, while cash collections were delayed due to billing cycles, insurance claims, patient payments, and government remittances. Current liabilities rose significantly due to the recognition of the current portion of long-term bank loans and stockholder advances. Management implemented measures to strengthen cash collection and improve working capital management. These initiatives aim to enhance liquidity, improve cash flow, and ensure timely obligation settlement.

### **2. No Off-Balance Sheet Transactions or Relationships**

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other people created during the period.

### **3. No Material Impact on Income from Continued Operation**

During the first quarter ending March 31, 2026, Hospital generated Php107.54 million in revenue, a 30.90% increase from the previous year. This growth reflects the hospital's commitment to patient relationships and product/service enhancements. Despite the increase in revenue, operating expenses likewise increased in line with the operational requirements. Further, no material financial obligations are triggered by events, defaults, or accelerations.

#### 4. Significant Capital Expenditures

There were no material commitments to capital expenditure during the period. The increase in Asset to Equity ratio can be attributed to the appraisal of the Company's Land in December 2025. The land is carried at its revalued amount or fair market value of ₱273,000,000 as of December 31, 2025.

#### 5. Seasonal Impact on Financial Performance

Hospitals often experience higher patient admissions during illness outbreaks, while elective surgeries and non-urgent procedures may decline during holidays or adverse weather, temporarily reducing revenue. Natural events like typhoons or floods and global economic uncertainties may indirectly affect the Company through inflationary pressures, increased fuel and transportation costs, fluctuating medical supplies and pharmaceutical prices, and supply chain disruptions. Management monitors performance to mitigate fluctuations and remains optimistic that ongoing service enhancements and operational strategies will address these issues. Other than the above, there are no seasonal aspects that materially impacted the Company's financial condition or results of operations for the period.

#### As of March 31, 2026:

1. The company's improved quick asset and current ratios reflect enhanced liquidity, primarily due to increased collections from patient admissions and receivables from PhilHealth and other government agencies such as DSWD and PCSO. While the hospital remains operational, it continues to face initial challenges, including the need to boost patient admissions, reduce reliance on affiliate doctors for referrals, and strengthen marketing efforts to expand its patient base. Management remains optimistic that these issues will be addressed in the coming quarters through ongoing service enhancements and operational strategies. There are no seasonal aspects that had any material impact on the financial condition or results of operations of the Company.
2. There are no events or any default or acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the Company.
3. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the period.
4. The company has no investment on foreign securities.
5. There were material commitments for capital expenditure during the period.

#### KEY PERFORMANCE INDICATORS (KPIs)

	Definition	31-March-26	31-Dec-25	Remarks
1. Liquidity				
Quick Asset Ratio	$\frac{\text{Cash + Receivables}}{\text{Current Liabilities}}$	0.21:1	0.21:1	During the first quarter of its operations in 2026, the hospital encountered an elevated level of trade and other receivables. This suggests that the hospital has generated revenue but has not yet received cash payments due to billing processes, insurance claims, or patient payment arrangements. Additionally, current liabilities have experienced significant increase. The rise in current liabilities can be attributed to the recognized current portion of the long-term bank loan and advances from the

				stockholders to be utilized for operational purposes. Consequently, strategies have been implemented to optimize cash collection, thereby enhancing the company's access to funds and facilitating its timely payment of debts.
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.38:1	0.39:1	The Company's current ratio slightly decreased to 0.38:1 in the first quarter of 2026 from 0.39:1 in December 2025. Increased patient volume and revenue led to higher receivables, while cash collections were delayed due to billing cycles, insurance claims, patient payments, and government remittances. Current liabilities rose significantly due to the recognition of the current portion of long-term bank loans and stockholder advances. Management implemented measures to strengthen cash collection and improve working capital management. These initiatives aim to enhance liquidity, improve cash flow, and ensure timely obligation settlement.
<b>2. Solvency</b>				
Debt to Equity Ratio	$\frac{\text{Long Term Debt}}{\text{Equity}}$	4.01:1	3.50:1	The rise in long-term debt is attributed to additional loans granted to the hospital, while the revenue generated from sales has not yet been sufficient to cover the expenses incurred in the monthly operations.
<b>3. Profitability</b>				
Net Profit Margin	$\frac{\text{Net Income}}{\text{Total Revenue}}$	0.00	0.00	While sales growth has been favorable, operational expenses have experienced an increase. Undeterred by these challenges, the hospital maintains optimism about surmounting them in the forthcoming years and providing exceptional healthcare services to our community.
Return on Equity	$\frac{\text{Net Income}}{\text{Stockholder's Equity}}$	0.00	0.00	Stockholders can expect to earn returns on their investment after the hospital generates net income.
<b>4. Leverage</b>				
Debt to Total Asset Ratio	$\frac{\text{Total Liabilities}}{\text{Total Asset}}$	0.88:1	0.85:1	There has been a slight increase in total liabilities compared to total assets. The hospital is still in debt to Land Bank for loans used for constructing the building and acquiring state-of-the-art medical equipment. The increase in liabilities also includes current liabilities.
Asset To Equity Ratio	$\frac{\text{Total Asset}}{\text{Equity}}$	8.06:1	6.72:1	This increase in the ratio indicates that a substantial portion of the hospital's assets, including the most recent medical equipment, the hospital's buildings, and its infrastructure, is being financed through loans and borrowing.
5. Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests \& Taxes}}{\text{Interest Expense}}$	0.00	0.00	An increase in the Interest Coverage Ratio (ICR) can be attributed to the company's efforts in timely payments and effective debt management throughout the year.

## EXTERNAL AUDIT FEES (SEC MC No. 14, Series of 2004)

The 2025 Audited Financial Statements of the Company with the External Auditors' PTR, Name of the Certifying partner and Address, and the Statement of Manager's Responsibilities are attached hereto as **Annex E3**.

### THE AGGREGATE FEES BILLED ARE SHOWN BELOW:

The External Auditor has rendered:

Audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years.

Other assurance and related services that are reasonable related to the performance of the audit or review of the registrant's financial statements.

The Audit Committee has approved the above-mentioned services. The aggregate fees billed are shown below:

	2025	2024	2023
Total Audit Fees	200,000	286,570	242,000
Non-audit service fees:			
Other assurance services	-	-	-
Tax services			
All other services			
Total Non-audit fees	-	-	-
Total Audit and Non-audit Fees	200,000	286,570	242,000

Berces-Ocampo, Mendoza and Associates did not render tax or other professional services during the year. Audit service fee is exclusive of 15% which represents out of pocket expenses (OPE), plus 12% VAT in the amount of PHP 200,000 during the year ended December 31, 2025.

Likewise, Dimaculangan and Dimaculangan and Company CPAs did not render tax or other professional services during the years 2024 and 2023. Audit service fees are inclusive of 15% of other fees which represents out of pocket expenses (OPE) and QAR Fees plus 12% VAT amounted to Php 34,410 and Php 26,400 during the years ended December 31, 2024 and 2023, respectively.

#### **D. CERTAIN RELATIONS AND RELATED TRANSACTIONS**

The Company has completed the construction of its hospital facility, which commenced commercial operations in December 2023. Among the visions of the directors and founders of the hospital is to provide Ilonggos the best hospital facility in the region which is at par with those that are in highly urbanized regions as Manila and Cebu. To realize this vision, the directors and founders decided that they should provide state of the art equipment and those that are considered top notch in the medical industry. Anent to this, the company engaged the services of Endure Medical, Inc. an esteemed and trusted importer, to help the company in the importation of its equipment. Endure Medical, Inc. is owned and managed by the family of Dr. Ferjenel Biron, Chairman of APMCI Board.

In 2017, the directors and shareholders of the company were mandated and empowered to contribute resources and make cash advances in favor of the company to augment the development/construction of its medical structures and appurtenances. These advances have been gradually liquidated over the years. As of October 2020, these have all been fully paid.

In June 2021, the company initially borrowed money from Phil Pharmawealth Inc., a pharmaceutical company owned by the family of Dr. Ferjenel Biron, Chairman of the Board of APMC Iloilo. The loan was intended to pay off necessary obligations of the company. Subsequently, additional loans were made after. These are interest bearing loans (4.50% to 6.50%) that are agreed to be paid subject to availability of funds.

Also, the company employed the services of TIPP Plus Digital Solutions for the custom-made Hospital Management Information System that the hospital will be using. TIPP Plus' President is Atty. Maylene Villanueva who is the Compliance Officer of APMC Iloilo, Inc. The engagement of TIPP Plus Digital Solutions was done prior to the latter's appointment.

#### **E. MANAGEMENT AND CERTAIN SECURITY HOLDERS BOARD OF DIRECTORS AND EXECUTIVE OFFICERS**

The overall management and supervision of the Company is undertaken by the Board. The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of its operations for its review. Currently, the Board consists of fifteen (15) members, of which three (3) are independent directors.

The table below set forth the members of the Company's Board as of 30 April 2026.

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Citizenship</b>	<b>Occupation</b>	<b>Business/Clinic</b>
Biron, Ferjenel G.	Director/ Chairman	61	Filipino	Businessman/ Congressman / General Medicine	Aesthetica Manila, Inc., Smartlab Diagnostics and Dialysis Center, Inc., Park3 Realty & Development Corporation, EMI Properties, OPC, Newlife Regenerative & Wellness Center Inc., Obbo Holdings, Inc., Botikang Pinoy, Inc., Super BP Mart Corporation, Endure Medical Laboratories, Inc., Ferj Pharmacy, Inc. Asia-Pacific Medical Center - Aklan, Inc., Asia-Pacific Medical Center - Bacolod Inc., Representative of the Fourth (4 <sup>th</sup> ) District of Iloilo
Belgira, Johanna Marie B.	Independent Director	36	Filipino	Municipal Legal Officer/ Practicing Lawyer/ Businesswoman	Legal Department, 2nd floor, New Municipal Hall, Tabucan, Barotac Nuevo, Iloilo/Lutero, Andutan, Hongco, Bermudo and Gumboc Law Office, No. 38  Fortunata Street, Iloilo City/  Jinsilseong Samgyeopsal Restaurant, General Luna St. Iloilo City

Biron, Brandt Luke Q.	Director	28	Filipino	Businessman	Botikang Pinoy Franchising Corp, Botikang Pinoy Generix, Botikang Pinoy Inc., Bread Kingdom OPC, Endure Medical Laboratories Inc., Endure Medical, Inc., Int'l Apex Pharmaceuticals, Inc., Nori Air Services OPC, Oncolife Corporation, Phil Pharmawealth Inc., Skingen Biotech, Inc., Super BP Mart Corporation Ferj Pharmacy, Inc.
Debuque, Nathalie Ann F.	Independent Director	32	Filipino	Vice Governor	Province of Iloilo
Dianco, Felibert O.	Director	52	Filipino	Internal Medicine/ Cardiologist	Asia Pacific Medical Center- Iloilo, Inc., Iloilo City
Fernandez, Lemuel T.	Director/ Asst. Corporate Treasurer	59	Filipino	Businessman	Daily Guardian, Mandurriao, Iloilo City
Gomez, Lusyl M.	Director/ Asst. Corporate Secretary	67	Filipino	Pediatrics	IpedCare, Qualimed Hospital Iloilo, Asia Pacific Medical Center- Iloilo, Inc., Iloilo City
Lavilla, Meride D.	Director/Vice Chairman	63	Filipino	Pediatrician	St. Paul's Hospital Iloilo City, Iloilo Mission Hospital Iloilo City, West Visayas State University Medical Center Iloilo City, Medicus Medical Center Iloilo City, Qualimed Medical Center Iloilo City, Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
Nolasco, Felix P.	Director	73	Filipino	ENT-HNS Specialist	Asian Hospital Medical Center

Ong, Mary Flor G.	Director/ Corporate Treasurer	53	Filipino	Internal Medicine- Endocrinology, Diabetes and Metabolism	Iloilo Mission Hospital, Iloilo City, Asia Pacific Medical Center- Iloilo, Inc., Iloilo City
Regozo, Danilo C.	Director/ Executive Vice President	63	Filipino	Family Medicine	Farmacia Neo, Tanza Iloilo City (Clinic); Iloilo Doctors' Hospital, Iloilo Mission Hospital, The Medical City Iloilo, Medicus Medical Center Iloilo, Asia Pacific Medical Center- Iloilo, Inc. Iloilo City
Samoro, Fredilyn G.	Director	61	Filipino	Obstetrics and Genecology	Clinic Room 103 Healthlink, Mabini Street, Iloilo City, Asia Pacific Medical Center - Iloilo, Inc. Iloilo City
Silverio Lorna C.	Lead Independent Director	78	Filipino	Businesswoman	Northeast Star Development - OPC, Makati City, Aesthetica Manila, Pasig City, Philippine Development Corporation, San Rafael Bulacan, Prime Site Advertizing- Makati City
Suplico, Rolex T.	Director	67	Filipino	Lawyer/ Businessman	Suplico and Austria Law Office, SP Member, 5th District of Iloilo
Villaflor, Agnes Jean M.	Director/ President	61	Filipino	Nephrologist	M3 Dialysis Center Iloilo, West Visayas State University Medical Center, Iloilo Mission Hospital, St Paul's Hospital Iloilo, Iloilo Doctors Hospital, The Medical City Iloilo, Medicus Medical Center, Asia Pacific Medical Center- Iloilo, Inc.

During the Annual Stockholders Meeting held on 18 June 2025, all the above were elected as Board of Directors and Officers of the Corporation for the year 2025 until their successors are elected.

During the Organizational Meeting on the same date, the newly elected Directors approved the retention of the 2024 set of officers. Other than the aforementioned Directors and Officers, the following persons occupy key management positions.

The Table below sets forth the company's executive officers in addition to its executive directors listed above as of 30 April 2026.

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Citizenship</b>	<b>Occupation</b>	<b>Business</b>
Delos Reyes, Giovanni A.	Director for Admin and Support Services	72	Filipino	Practicing General Surgeon	Health Partners Condo Clinic, Brgy. San Rafael Mandurraio, Iloilo
Fernandez, Toni Dinah Cheer D.	Investor Relations Manager	57	Filipino	Businesswoman	Daily Guardian
Cortes, Cris T.	Chief Finance Officer	38	Filipino	Accountant	None
Villanueva, Maylene B.	Compliance Officer	45	Filipino	Corporate Lawyer	Villanueva Balio and Ariston Law Offices
Gerafil, Therese Marie A.	Corporate Secretary/ Legal Officer / Data Protection Officer	30	Filipino	Lawyer	None

## **INDEPENDENT DIRECTORS**

The independent directors of the Company as of 30 April 2026 are Johanna Marie B. Belgira, Nathalie Ann F. Debuque and Lorna C. Selverio.

## **SIGNIFICANT EMPLOYEES**

The Company has no employee who is not an executive officer but who is expected to make a significant contribution to the business.

## **FAMILY RELATIONSHIPS**

Director and Chairman Ferjenel G. Biron is the father of Director Brandt Luke Q. Biron. Director Lemuel T. Fernandez is the spouse of Investor Relations Officer Toni Dinah Cheer Fernandez. The spouse of Director and Assistant Corporate Secretary Lusyl Gomez is the first cousin of Director and President Agnes Jean Villaflor.

Other than the foregoing, there are no other family relationships either by consanguinity or affinity up to the fourth civil degree between and among Directors, Executive Officers, or persons nominated.

## **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS**

### **A. Civil Case No. R-CEB-18-01248-CV, Branch XI, Cebu City (Complaint for Declaration of Sale in Installment as Subscription Contract, Declaration of Rights of Pre-emption, and for Attorney's Fees) Dax Matthew M. Quijano et.al. v. ACE Medical Center Cebu Inc., Felix P. Nolasco, et.al.**

On 7 March 2018, several complainants (Dax Matthew M. Quijano, et.al.) through counsel filed a civil complaint against the Hospital and its Directors including Felix Nolasco praying the Court to direct the defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase of capital approved by the Board on November 12, 2016. The Defendants (based in Cebu) have already filed their Answer to the Complaint but the Manila based Doctors which include Dr. Nolasco had not been served the summons. On 5 August 2020, a Motion to Dismiss the Complaint was filed for lack of interest of plaintiffs to prosecute the case. The case was scheduled for mediation on 14 July 2021. Since an agreement was not reached, another mediation was scheduled on 29 July 2021. No agreement was reached so it was sent back to court for judicial dispute resolution which was held on 9 February 2022. The JDR failed. The pre-trial conference which was previously scheduled on 13 April 2023 was cancelled and moved to 02 June 2023 at 10:45 am.

During the 13 August 2024 hearing, the Court informed the Parties that it needed time to evaluate the Motion for Partial Summary Judgement filed by complainants and reset the pre-trial conference on 16 October 2024 at 8:30 in the morning without prejudice to the resolution of the motion.

During the 16 October 2024 hearing, the Court informed the parties that it needs more time to resolve plaintiff's Motion for Partial Summary Judgement. The pre-trial conference was set on 05 February 2025 at 9:15 in the morning. On 05 February 2025, the Court set the pre-trial conference on 21 March 2025 at 9:15 in the morning without prejudice to the resolution of the Motion for Partial Summary Judgement.

On 21 March 2025, the pre-trial conference was reset on 23 May 2025 at 10:45 in the morning considering that plaintiffs' motion for partial summary judgment is still to be resolved by the court.

On 23 May 2025, an Order was issued by the Regional Trial Court Branch XI of Cebu City resetting the pre-trial conference to 25 July 2025 at 10:00 in the morning, considering that there is still a pending motion for partial summary judgment, however, the same was cancelled.

Thereafter, the next hearing was scheduled on November 24, 2025, at 9:15 a.m., but this was subsequently reset to June 21, 2026, at 8:00 a.m.

### **B. Civil Case No. R-CEB-18-00601-CV, Branch XI, Cebu City (Complaint for Issuance of Certificate of Stock, Declaration of Sale in Installment as Subscription Contract, Declaration of Rights of Pre-Emption, and/or Attorney's Fees) Ferdinand P. Kionisala vs. Allied Care Experts (ACE) Medical Center- Cebu, Inc., Felix P. Nolasco et.al.**

On 5 February 2018, complainant Ferdinand P. Kionisala filed a civil complaint against the Hospital and its Directors (as stated above) praying the Court to direct defendants ACE Medical Center Cebu and its President and Corporate Secretary to issue the plaintiff's Certificate of Stock and declare the sale in installment as subscription contract, to allow him to exercise pre-emptive rights to the increase in capital approved by the Board on 12 November 2016. The Cebu-based defendants had already filed their Answer to the Complaint and Dr. Kionisala has filed a Motion for Partial Summary Judgement, but the same was opposed by defendants on 2 May 2018. No ruling was made on such motion hence the case had not moved. The Defendants filed a Motion to Dismiss the case for failure of the plaintiff to prosecute for lack of interest. The case was scheduled for mediation on 16 June 2021. Since an agreement was not reached, the pre-trial on 13 August 2021 proceeded as scheduled.

On 5 November 2021, a hearing was held but no resolution was made. Another hearing was scheduled on 4 March 2022 but plaintiffs were unavailable. On 22 April 2022, another hearing was scheduled but plaintiff requested that his previous manifestation be addressed first. The hearing scheduled on 24 June 2022 was postponed.

The Court rendered on 09 August 2022 a partial summary judgement on plaintiff's prayer for issuance of certificates of stock leaving the other issues sought for trial on the merits. However, instead of presenting his evidence, plaintiff filed a motion to submit the case for decision based on legal issues through the filing of memorandum which is still pending resolution.

The Plaintiff submitted a motion to submit the case for decision based on legal issues, which was filed with the Court on October 24, 2022. The Defendant filed a comment on November 7, 2022. An order dated June 30, 2023, was received, in which the Court granted the Plaintiff's motion to submit the case for decision based on legal issues dated October 18, 2022. The Presiding Judge allowed both parties to file their respective memoranda, limited to the issue of the extent of the Plaintiff's preemptive right to purchase or subscribe to shares of stock in view of the Defendant Corporation's increase in capital stock, within 30 days from receipt of the said order.

The Defendant's counsel subsequently filed a Motion for Reconsideration seeking to set aside and deny the Plaintiff's motion to submit the case for decision based solely on the issue of whether the Plaintiff is entitled to the preemptive right to subscribe to one block of shares equivalent to 10 shares or only 3 shares, citing utter lack of merit. The Plaintiff's counsel filed an opposition to the Motion for Reconsideration.

The Defendant's Motion for Reconsideration of the Order dated June 30, 2023, which granted the Plaintiff's motion to submit the case for decision based on legal issues, remains pending resolution by the Court. As a matter of procedure, should the Court grant the Motion for Reconsideration, the case will proceed to pre-trial and trial. Otherwise, both parties will be directed to submit their respective memoranda in support of their respective claims and defenses, after which the case shall be deemed submitted for decision.

As of 30 April 2026, to the knowledge and information of the Company, except for the abovementioned Directors, none of the Company's other Directors or Executive Officers have been involved in any legal proceedings during the last five (5) years that are material to an evaluation of their ability or integrity to act as such.

## **F. CORPORATE GOVERNANCE**

The Company endeavors to comply with the recommendations set forth in SEC Memorandum Circular No. 24 -Series of 2019. It is committed to a strong corporate governance with transparency and accountability as its hallmarks.

On January 27, 2019, during its first meeting after the issuance of the Permit to Offer Securities, the Board of Directors appointed its Compliance Officer as an initial step in ensuring that it will adhere to the highest standards of good governance. The Company submitted its Manual on Corporate Governance on 27 June 2019.

On 30 September 2020, the Company submitted its Revised Manual on Corporate Governance. It substantially adopted in its Manual on Corporate Governance all the recommendations under SEC Memorandum Circular No. 24, Series of 2019, otherwise known as the Code of Corporate Governance for Public Companies and Registered Issuers (CG Code for PCs and RIs).

To comply with the requirement that the Corporate Secretary must not be a member of the Board of Directors, the Board appointed a new Corporate Secretary during its Organizational meeting on 30 June 2023 to allow the Compliance Officer to focus on compliance matters.

The minor deviations from the recommendations of the CG Code for PCs and RI such as the Executive directors being more than non-executive directors and having three (3) Independent Directors instead of five (5) were necessitated by the fact that the company has just commenced operations and there is a need to tighten the purse that is achieved by having a lean manpower in preparation for pre-operation expenses.

To ensure good governance, the Company had its new CEO attend the Strategic Thinking for Board Directors and Leaders conducted by the Center for Global Practices. With the new CEO properly trained, the Board is scheduled to revisit its vision, strategic objectives, key policies, and procedures for the management of the company, as well as the mechanism for monitoring and evaluating Management's performance before it commences operation. The Board also makes certain of the presence and adequacy of internal control mechanisms for good governance.

The Company is taking further steps to strengthen adherence principles and practices of corporate governance by sending its Directors in various trainings and programs conducted by the Institute of Directors and Center for Global Best Practices. The Committee on Corporate Governance is also set to review its Revised Manual on Corporate Governance to ensure compliance with recent regulations and harmonize it with operational requirements.

**The 2025 SEC Form 17-A shall be available at the above stated company website. Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of the said 2025 SEC Form 17-A free of charge, except for exhibits attached which shall be charged at cost. Any written request for a copy of SEC Form 17-A shall be addressed as follows:**

**Asia Pacific Medical Center-Iloilo Inc.  
(Formerly:Allied Care Experts Medical Center-Iloilo, Inc).  
Brgy. Ungka , Jaro Iloilo City 5000**

**Attention : The Corporate Secretary**