

COVER SHEET

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S.E.C. Registration Number

H A U S T A L K , I N C .

(Company's Full Name)

U N I T 7 0 1 O R I E N T S Q U A R E

B L D G . , F . O R T I G A S J R . R D .

O R T I G A S C E N T E R

P A S I G C I T Y

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

Maria Agnes M. Siapno

Contact Person

(632) 8634 8712

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC FORM 17-Q

FORM TYPE

July

Month

Last Wed

Day

Annual Meeting

Secondary License Type, If Applicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel
concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of the period ended March 31, 2026 & 2025 (Unaudited) & December 31, 2025 (Audited)
(In Philippine Peso)

| ASSETS | March 31, | March 31, | December 31, |
|---|----------------------|----------------------|----------------------|
| | 2026 | 2025 | 2025 |
| CURRENT ASSETS | | | |
| Cash | 1,547,041,830 | 79,749,210 | 224,947,372 |
| Receivables | 1,260,051,453 | 1,245,854,645 | 1,115,127,310 |
| Contract asset – current portion | 550,632,253 | 496,679,684 | 674,713,895 |
| Real estate inventories | 4,616,324,993 | 3,024,234,745 | 4,331,635,335 |
| Prepayments and other current assets | 47,048,433 | 8,979,843 | 41,220,978 |
| Total Current Assets | 8,021,098,962 | 4,855,498,127 | 6,387,644,890 |
| NON-CURRENT ASSETS | | | |
| Contract asset - net of current portion | 138,432,301 | 84,260,330 | 90,397,795 |
| Property and equipment - net | 1,063,172,821 | 1,073,003,847 | 1,066,373,564 |
| Other non-current asset | 25,744,403 | 30,565,837 | 27,188,276 |
| Total Non-Current Assets | 1,227,349,525 | 1,187,830,014 | 1,183,959,635 |
| TOTAL ASSETS | 9,248,448,487 | 6,043,328,141 | 7,571,604,525 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts and other payables | 172,730,338 | 166,719,279 | 187,122,128 |
| Contract Liability- current | 7,949,604 | 27,393,409 | 15,536,238 |
| Loans and borrowings - current portion | 1,052,392,289 | 856,045,642 | 1,130,949,924 |
| Income tax payable | 2,011,571 | 115,325 | 4,427,103 |
| Total Current Liabilities | 1,235,083,802 | 1,050,273,655 | 1,338,035,393 |
| NON-CURRENT LIABILITIES | | | |
| Loans and borrowings - net of current portion | 3,707,908,867 | 946,140,804 | 1,945,342,263 |
| Advances from related parties | 169,537,153 | 164,209,429 | 169,946,632 |
| Defined benefit obligation | 15,059,836 | 12,703,551 | 15,059,836 |
| Total Non-Current Liabilities | 3,892,505,856 | 1,123,053,784 | 2,130,348,731 |
| EQUITY | | | |
| Share capital | 2,500,000,000 | 2,500,000,000 | 2,500,000,000 |
| Share premium | 218,849,628 | 218,849,628 | 218,849,628 |
| Retained earnings | 1,390,018,878 | 1,140,140,099 | 1,372,380,450 |
| Actuarial gain on defined benefit obligation | 11,990,323 | 11,010,975 | 11,990,323 |
| Total Equity | 4,120,858,829 | 3,870,000,702 | 4,103,220,401 |
| TOTAL LIABILITIES AND EQUITY | 9,246,436,916 | 6,043,212,816 | 7,567,177,422 |

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
As of the period ended March 31, 2026 & 2025 (Unaudited) & December 31, 2025 (Audited)
(In Philippine Peso)

| | March 31, | March 31, | December 31, |
|--|--------------------|--------------------|----------------------|
| | 2026 | 2025 | 2025 |
| REVENUE | | | |
| Real estate sales | 107,783,016 | 233,772,400 | 1,401,217,951 |
| Other operating income | 2,720,641 | 3,017,949 | 13,192,245 |
| Total Revenue | 110,503,657 | 236,790,349 | 1,414,410,196 |
| COST OF REAL ESTATE SALES | 48,517,536 | 129,443,794 | 764,330,268 |
| GROSS PROFIT | 61,986,121 | 107,346,555 | 650,079,928 |
| OPERATING EXPENSES | | | |
| Selling expenses | 1,565,516 | 13,751,697 | 70,648,760 |
| General and administrative expenses | 34,855,092 | 39,612,223 | 172,549,369 |
| Total Operating Expenses | 36,420,608 | 53,363,920 | 243,198,129 |
| NET OPERATING INCOME | 25,565,513 | 53,982,635 | 406,881,799 |
| FINANCE COST, NET | 3,908,270 | 1,724,669 | 24,439,701 |
| INCOME BEFORE TAX | 21,657,243 | 52,257,966 | 382,442,098 |
| INCOME TAX EXPENSE | (4,018,816) | (105,101) | (23,048,883) |
| NET INCOME | 17,638,427 | 52,152,865 | 359,393,215 |
| OTHER COMPREHENSIVE INCOME | | | |
| Actuarial gain (loss) on retirement plan | | (2,764,286) | 979,348 |
| TOTAL COMPREHENSIVE INCOME (LOSS) | 17,638,427 | 49,388,579 | 360,372,563 |
| BASIC EARNINGS PER SHARE | 0.007 | 0.021 | 0.144 |

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ending March 31, 2026, 2025 & 2024 (Unaudited)
& for the year ended December 31, 2025, 2024 & 2023 (Audited)
(In Philippine Peso)

| | Share Capital | Share Premium | Retained Earnings | Actuarial gain (loss) on defined benefit obligation | Total |
|---|----------------------|--------------------|----------------------|---|----------------------|
| BALANCE AT DECEMBER 31, 2023 | 2,500,000,000 | 218,849,628 | 771,173,738 | 13,775,261 | 3,503,798,627 |
| Net income | | | 41,813,849 | | 41,813,849 |
| BALANCE AT MARCH 31, 2024 | 2,500,000,000 | 218,849,628 | 812,987,586 | 13,775,261 | 3,545,612,474 |
| Dividend declared | | | (50,000,000) | | (50,000,000) |
| Net income | | | 324,999,648 | | 324,999,648 |
| Other comprehensive income | | | | (2,764,286) | (2,764,286) |
| BALANCE AT DECEMBER 31, 2024 | 2,500,000,000 | 218,849,628 | 1,087,987,235 | 11,010,975 | 3,817,847,838 |
| Net income | | | 52,152,865 | | 52,152,865 |
| BALANCE AT MARCH 31, 2025 | 2,500,000,000 | 218,849,628 | 1,140,140,099 | 11,010,975 | 3,870,000,702 |
| Dividend declared | | | (75,000,000) | | (75,000,000) |
| Net income | | | 307,240,351 | | 307,240,351 |
| Other comprehensive income | | | | 979,348 | 979,348 |
| BALANCE AT DECEMBER 31, 2025 | 2,500,000,000 | 218,849,628 | 1,372,380,450 | 11,990,323 | 4,103,220,401 |
| Net income | | | 17,638,427 | | 17,638,427 |
| BALANCE AT MARCH 31, 2026 | 2,500,000,000 | 218,849,628 | 1,390,018,878 | 11,990,323 | 4,120,858,829 |

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HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)

CONSOLIDATED STATEMENTS OF CASH FLOW

As of the period ended March 31, 2026 & 2025 (Unaudited) & December 31, 2025 (Audited)

(In Philippine Peso)

| | March 31, | December 31, | |
|---|----------------------|----------------------|------------------------|
| | 2026 | 2025 | 2025 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Income before tax | 21,657,243 | 52,257,966 | 382,442,098 |
| Adjustments for: | | | |
| Interest expense - bank loans | 3,948,920 | 1,724,669 | 23,706,846 |
| Interest expense - defined benefit obligation | | - | 775,270 |
| Retirement expense | | - | 2,560,363 |
| Interest income earned | (40,650) | (11,641) | (42,415) |
| Provision for expected credit losses | 161,374 | - | 645,495 |
| Reclassification of assets | | - | 8,304,810 |
| Depreciation | 4,023,237 | 3,731,302 | 16,173,656 |
| Operating income before changes in working capital | 29,750,124 | 57,702,296 | 434,566,123 |
| Changes in assets and liabilities: | | | |
| Decrease (Increase) in receivables | (145,085,517) | (136,442,133) | (352,855,950) |
| Decrease (Increase) in real estate inventories | (284,689,658) | (75,608,189) | (1,383,008,779) |
| Decrease (Increase) contract asset | 76,047,136 | - | 152,323,981 |
| Decrease (Increase) in prepayments and other current assets | (5,827,455) | (1,576,162) | (23,817,297) |
| Decrease in other non-current assets | 56,000 | (30,000) | 85,280 |
| Increase (Decrease) in accounts and other payables | (14,391,790) | (41,309,919) | (10,285,304) |
| Increase (Decrease) contract liabilities | (7,586,634) | - | (22,478,937) |
| Defined benefit obligation | | | |
| Cash generated from operations | (351,727,794) | (197,264,107) | (1,205,470,883) |
| Interest received | 40,650 | 11,641 | 42,415 |
| Income taxes paid | (5,046,474) | (115,325) | (15,359,499) |
| Net Cash from Operating Activities | (356,733,618) | (197,367,791) | (1,220,787,967) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property and equipment | (822,494) | (1,164,412) | (15,406,841) |
| Net Cash from Investing Activities | (822,494) | (1,164,412) | (15,406,841) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Additions to loans and borrowings | 1,684,008,969 | 45,347,824 | 1,319,453,565 |
| Additional advances from related parties | (409,479) | (9,719,290) | (3,982,087) |
| Dividends paid | | | (75,000,000) |
| Interest paid | (3,948,920) | (1,724,669) | (23,706,846) |
| Net Cash from Financing Activities | 1,679,650,570 | 33,903,865 | 1,216,764,632 |
| NET INCREASE(DECREASE) IN CASH | 1,322,094,458 | (164,628,338) | (19,430,176) |
| CASH, BEGINNING | 224,947,372 | 244,377,548 | 244,377,548 |
| CASH, ENDING | 1,547,041,830 | 79,749,210 | 224,947,372 |

HAUS TALK, INC. AND ITS SUBSIDIARIES
As of the period ended March 31, 2026 & 2025 (Unaudited) and December 31, 2025 (Audited)
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY
REVISED SRC RULE 68 ANNEX 68-E

| | As of March 31, 2026 | As of March 31, 2025 | As of Dec. 31, 2025 |
|--|-------------------------|-------------------------|------------------------|
| Current Ratio | | | |
| Total current assets | 8,021,098,962 | 4,855,498,127 | 6,387,644,890 |
| Divided by: Total current liabilities | 1,235,083,802 | 1,050,273,655 | 1,338,035,393 |
| Current ratio | 6.49:1 | 4.62:1 | 4.77:1 |
| Acid test ratio | | | |
| Total current assets | 8,021,098,962 | 4,855,498,127 | 6,387,644,890 |
| Less: Other current assets | 4,663,373,426 | 3,033,214,588 | 4,372,856,313 |
| Quick assets | 3,307,725,536 | 1,822,283,539 | 2,014,788,577 |
| Divide by: Total current liabilities | 1,235,083,802 | 1,050,273,655 | 1,338,035,393 |
| Acid test ratio | 2.72:1 | 1.74:1 | 1.51:1 |
| Solvency Ratio | | | |
| Net income | 17,638,427 | 52,152,865 | 359,393,215 |
| Add: Depreciation | 4,023,237 | 3,731,302 | 16,173,656 |
| Total | 21,661,664 | 55,884,167 | 375,566,871 |
| Divide by: Total liabilities | 5,127,589,658 | 2,173,327,439 | 3,468,384,124 |
| Solvency ratio | 0.00:1 | 0.03:1 | 0.11:1 |
| Debt-to-Equity Ratio | | | |
| Total liabilities | 5,127,589,658 | 2,173,327,439 | 3,468,384,124 |
| Divided by: Total Equity | 4,120,858,829 | 3,870,000,702 | 4,103,220,401 |
| Debt-to-equity ratio | 1.24:1 | 0.56:1 | 0.85:1 |
| Asset-to-equity ratio | | | |
| Total assets | 9,248,448,487 | 6,043,328,141 | 7,571,604,525 |
| Divided by: Total equity | 4,120,858,829 | 3,870,000,702 | 4,103,220,401 |
| Asset-to-equity ratio | 2.24:1 | 1.56:1 | 1.85:1 |
| Interest rate coverage ratio | | | |
| Income before income tax | 21,657,243 | 52,257,966 | 382,442,098 |
| Add: Interest expense | 3,948,920 | 647,877 | 24,482,116 |
| Total | 25,606,163 | 52,905,843 | 406,924,214 |
| Divided by: Interest expense | 3,948,920 | 1,724,669 | 24,482,116 |
| Interest rate coverage ratio | 6.48:1 | 31.30:1 | 16.62 |
| Return on average equity | | | |
| Net income | 17,638,427 | 52,152,865 | 359,393,215 |
| Divided by: Average total capital accounts | 3,995,429,766 | 3,707,806,588 | 3,960,534,119 |
| Return on equity | 0.00:1 | 0.01:1 | 0.09 :1 |
| Return on average assets | | | |
| Net income | 17,638,427 | 52,152,865 | 359,393,215 |
| Divided by: Average total assets | 7,645,888,314 | 5,604,572,785 | 6,784,172,931 |
| Return on average assets | 0.00:1 | 0.01:1 | 0.05:1 |
| Net profit margin | | | |
| Net income | 17,638,427 | 52,152,865 | 359,393,215 |
| Net sales | 107,783,016 | 233,772,400 | 1,401,217,951 |
| Net profit margin | 0.16:1 | 0.22 :1 | 0.26:1 |

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

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of the period ended March 31, 2026 (Unaudited) & December 31, 2025 (Audited)
(In Philippine Peso)

| ASSETS | Mar. 31, 2026 | Dec. 31, 2025 | Horizontal Analysis | | Vertical Analysis | |
|---|--------------------------|--------------------------|----------------------------|----------------|--------------------------|----------------|
| | | | Mar '26 vs. Dec '25 | | Mar '26 | Dec '25 |
| CURRENT ASSETS | | | | | | |
| Cash | 1,547,041,830 | 224,947,372 | 1,322,094,458 | 587.74% | 16.73% | 2.97% |
| Receivables | 1,260,051,453 | 1,115,127,310 | 144,924,143 | 13.00% | 13.62% | 14.73% |
| Contract asset – current portion | 550,632,253 | 674,713,895 | (124,081,642) | (18.39%) | 5.95% | 8.91% |
| Real estate inventories | 4,666,324,993 | 4,331,635,335 | 284,689,658 | 6.57% | 49.91% | 57.21% |
| Prepayments and other current assets | 47,048,433 | 41,220,978 | 5,827,455 | 14.14% | 0.51% | 0.54% |
| Total Current Assets | 8,021,098,962 | 6,387,644,890 | 1,633,454,072 | 25.57% | 86.73% | 84.36% |
| NON-CURRENT ASSETS | | | | | | |
| Contract asset - net of current portion | 138,432,301 | 90,397,795 | 48,034,506 | 53.14% | 1.50% | 1.19% |
| Property and equipment - net | 1,063,172,821 | 1,066,373,564 | (3,200,743) | (0.30%) | 11.50% | 14.08% |
| Other non-current asset | 25,744,403 | 27,188,276 | (1,443,873) | (5.31%) | 0.28% | 0.36% |
| Total Non-Current Assets | 1,227,349,525 | 1,183,959,635 | 43,389,890 | 3.66% | 13.27% | 15.64% |
| TOTAL ASSETS | 9,248,448,487 | 7,571,604,525 | 1,676,843,962 | 22.15% | 100.00% | 100.00% |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts and other payables | 172,730,338 | 187,122,128 | (14,391,790) | (7.69%) | 1.87% | 2.47% |
| Contract Liability- current | 7,949,604 | 15,536,238 | (7,586,634) | (48.83%) | 0.09% | 0.21% |
| Loans and borrowings - current portion | 1,052,392,289 | 1,130,949,924 | (78,557,635) | (6.95%) | 11.38% | 14.95% |
| Income tax payable | 2,011,571 | 4,427,103 | (2,415,532) | (54.56%) | 0.02% | 0.06% |
| Total Current Liabilities | 1,233,072,231 | 1,333,608,290 | (100,536,059) | (7.54%) | 13.34% | 17.62% |
| NON-CURRENT LIABILITIES | | | | | | |
| Loans and borrowings - net of current portion | 3,707,908,867 | 1,945,342,263 | 1,762,566,604 | 90.60% | 40.10% | 25.71% |
| Advances from related parties | 169,537,153 | 169,946,632 | (409,479) | (0.24%) | 1.83% | 2.25% |
| Defined benefit obligation | 15,059,836 | 15,059,836 | - | 0.00% | 0.16% | 0.20% |
| Total Non-Current Liabilities | 3,892,505,856 | 2,130,348,731 | 1,762,157,125 | 82.72% | 42.10% | 28.15% |
| EQUITY | | | | | | |
| Share capital | 2,500,000,000 | 2,500,000,000 | - | 0.00% | 27.04% | 33.04% |
| Share premium | 218,849,628 | 218,849,628 | - | 0.00% | 2.37% | 2.89% |
| Retained earnings | 1,390,018,878 | 1,372,380,450 | 17,638,428 | 1.29% | 15.03% | 18.14% |
| Actuarial gain on defined benefit obligation | 11,990,323 | 11,990,323 | - | 0.00% | 0.13% | 0.16% |
| Total Equity | 4,120,858,829 | 4,103,220,401 | 17,638,428 | 0.43% | 44.57% | 54.22% |
| TOTAL LIABILITIES AND EQUITY | 9,246,436,916 | 7,567,177,422 | 1,679,259,494 | 22.19% | 100% | 100% |

Financial position as of March 31, 2026 (Unaudited) vis-à-vis Full Year (FY) of 2025 (Audited)

Cash

Cash increased by 587.74% to Php1.32 billion, primarily driven by net proceeds from the Bond issuance and listing in March 2026.

Current Receivables

Current receivables increased by 13.00%, reaching ₱1.260 billion as of March 31, 2026, driven mainly by higher operational advances mostly to employees, HDMF (Pagibig), and suppliers.

Contract Assets (current)

Contract assets decreased by 18.39% mainly due to lower remaining equity portions of declared sales as these unit's progress toward bank/Pag-ibig take-out.

Real Estate Inventories

Real estate inventories increased by 6.57%, or ₱284.69 million, primarily due to ongoing land development and project development activities of the ongoing projects, which form part of real estate inventories.

Prepayments and Other Current Assets

Prepayments and other current assets increased by 14.14%, or ₱5.83 million, primarily due to higher input VAT, prepaid taxes and licenses, and prepaid insurance, recognized during the period.

Contract Asset – Net of Current Portion

Contract assets - net of current portion increased by 53.14% ₱48.03 mainly due to increase of In-house financing.

Other Non-Current Asset

Other non-current assets decreased by 5.31% or ₱1.44 million, primarily due to the decrease of deferred tax assets.

Accounts and Other Payables

Accounts and other payables decreased by 7.69% or ₱14.39 million mainly due to the settlement of outstanding trade payables and payment of accrued expenses during the period.

Contract Liabilities (Current)

Contract liabilities – current decreased by 48.83% or ₱7.59 million, primarily due to the recognition of sales previously recorded as contract liabilities upon satisfaction of revenue recognition criteria.

Current Loans and Borrowings

Loans and borrowings – current portion declined by 6.95% or ₱78.56 million during the year, primarily due to repayments of maturing loan obligations.

Income tax payable

Income tax payable decreased by 54.56% to ₱2.41 million during the year, primarily due to lower taxable income and corresponding tax provisions recognized for the period.

Non-current Loans and Borrowings

Loans and borrowings, net of current portion, increased by 90.60% during the period, primarily driven by additional loan availments, including the issuance of bonds payable.

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of the period ended December 31, 2025 & 2024 (Audited)
(In Philippine Peso)

| ASSETS | December 31, | | Horizontal Analysis | | Vertical Analysis | |
|---|----------------------|----------------------|----------------------|----------------|-------------------|----------------|
| | 2025 | 2024 | YR. 2025 vs. YR 2024 | | Dec '2025 | Dec '2024 |
| CURRENT ASSETS | | | | | | |
| Cash | 224,947,372 | 244,377,548 | (19,430,176) | (7.95%) | 2.97% | 4.08% |
| Receivables | 1,115,127,310 | 762,916,855 | 352,210,455 | 46.17% | 14.73% | 12.72% |
| Contract asset – current portion | 674,713,895 | 827,156,013 | (152,442,118) | (18.43%) | 8.91% | 13.79% |
| Real estate inventories | 4,331,635,335 | 2,948,626,556 | 1,383,008,779 | 46.90% | 57.21% | 49.17% |
| Prepayments and other current assets | 41,220,978 | 17,403,681 | 23,817,297 | 136.85% | 0.54% | 0.29% |
| Total Current Assets | 6,387,644,890 | 4,800,480,653 | 1,587,164,237 | 33.06% | 84.36% | 80.05% |
| NON-CURRENT ASSETS | | | | | | |
| Contract asset - net of current portion | 90,397,795 | 90,279,658 | 118,137 | 0.13% | 1.19% | 1.51% |
| Property and equipment - net | 1,066,373,564 | 1,075,445,189 | (9,071,625) | (0.84%) | 14.08% | 17.93% |
| Other non-current asset | 27,188,276 | 30,535,837 | (3,347,561) | (10.96%) | 0.36% | 0.51% |
| Total Non-Current Assets | 1,183,959,635 | 1,196,260,684 | (12,301,049) | (1.03%) | 15.64% | 19.95% |
| TOTAL ASSETS | 7,571,604,525 | 5,996,741,337 | 1,574,863,188 | 26.26% | 100.00% | 100.00% |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts and other payables | 187,122,128 | 197,407,432 | (10,285,304) | (5.21%) | 2.47% | 3.29% |
| Contract Liability- current | 15,536,238 | 38,015,175 | (22,478,937) | (59.13%) | 0.21% | 0.63% |
| Loans and borrowings - current portion | 1,130,949,924 | 782,700,538 | 348,249,386 | 44.49% | 14.95% | 13.05% |
| Income tax payable | 4,427,103 | - | 4,427,103 | #DIV/0! | 0.06% | 0.00% |
| Total Current Liabilities | 1,333,608,290 | 1,018,123,145 | 315,485,145 | 30.99% | 17.62% | 16.98% |
| NON-CURRENT LIABILITIES | | | | | | |
| Loans and borrowings - net of current portion | 1,945,342,263 | 974,138,084 | 971,204,179 | 99.70% | 25.71% | 16.24% |
| Advances from related parties | 169,946,632 | 173,928,719 | (3,982,087) | (2.29%) | 2.25% | 2.90% |
| Defined benefit obligation | 15,059,836 | 12,703,551 | 2,356,285 | 18.55% | 0.20% | 0.21% |
| Total Non-Current Liabilities | 2,130,348,731 | 1,160,770,354 | 969,578,377 | 83.53% | 28.15% | 19.36% |
| EQUITY | | | | | | |
| Share capital | 2,500,000,000 | 2,500,000,000 | - | 0.00% | 33.04% | 41.69% |
| Share premium | 218,849,628 | 218,849,628 | (0) | (0.00%) | 2.89% | 3.65% |
| Retained earnings | 1,372,380,450 | 1,087,987,235 | 284,393,215 | 26.14% | 18.14% | 18.14% |
| Actuarial gain on defined benefit obligation | 11,990,323 | 11,010,975 | 979,348 | 8.89% | 0.16% | 0.18% |
| Total Equity | 4,103,220,401 | 3,817,847,838 | 285,372,563 | 7.47% | 54.22% | 63.67% |
| TOTAL LIABILITIES AND EQUITY | 7,567,177,422 | 5,996,741,337 | 1,570,436,085 | 26.19% | 100% | 100.00% |

Financial Position as of December 31,2025 and December 31, 2024

Total Assets

Haus Talk and its Subsidiaries posted total assets of ₱7.57 billion as of December 31, 2025 representing a net increase of 26.26% or ₱1.57, from ₱6.00 billion as of December 31, 2024.

Cash

The Company's cash decreased by 7.95% or ₱19.43 million and had an ending balance of ₱224.95 million. The decrease is mainly attributable to the land acquisition and construction costs.

Current Receivables

Current receivables increased by 46.17%, reaching ₱1.11 billion as of December 31, 2025, driven mainly by higher operational advances mostly to employees, HDMF (Pag-ibig), and contractors.

Contract Assets (current)

Contract assets decreased by 18.43% mainly due to lower remaining equity portions of declared sales as these units' progress toward bank/Pag-ibig take-out.

Real Estate Inventories

Real estate inventories increased by 46.90%, or ₱1.38 billion, primarily due to ongoing land development and project development activities for newly launched projects this year, which form part of real estate inventories.

Prepayments and Other Current Assets

Prepayments and other current assets increased by 136.85%, or ₱23.82 million, primarily due to higher input VAT, prepaid taxes and licenses, prepaid insurance, and prepaid interest recognized during the period.

Other Non-Current Asset

Other non-current assets decreased by 10.96% or ₱3.35 million, primarily due to the utilization and reversal of deferred tax assets, driven by higher taxable income recognized during the period.

Accounts and Other Payables

Accounts and other payables decreased by 5.21% or ₱10.29 million mainly due to the settlement of outstanding trade payables and payment of accrued expenses during the period.

Contract Liabilities (Current)

Contract liabilities – current decreased by 59.13% or ₱22.48 million, primarily due to the recognition of sales previously recorded as contract liabilities upon satisfaction of revenue recognition criteria.

Current Loans and Borrowings

Loans and borrowings – current portion increased by 44.49% during the year primarily due to loans obtained for land acquisition and to support ongoing project developments.

Non-current Loans and Borrowings

Loans and borrowings, net of current portion increased by 99.70% due to loan activities during the year.

Defined Benefit Obligation

The Defined Benefit Obligation increased by 18.55% or ₱2.36 million, primarily due to the higher number of employees, longer service periods, and salary adjustments, which led to an increase in benefits earned during the year.

Retained Earnings

Retained earnings increased by 26.14%, reflecting the Group's positive net income for the year and the continued accumulation of earnings from prior periods.

Actuarial Gain on the Defined Benefit Obligation

The actuarial gain on the defined benefit obligation increased by 8.89% or ₱.98 million, attributable to a change in assumption in actuarial valuation.

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
As of the period ended December 31, 2025 & 2024 (Audited)
(In Philippine Peso)

| | December 31, | | Horizontal Analysis December 31, | | Vertical Analysis December 31, | |
|--|----------------------|----------------------|-------------------------------------|------------------|-----------------------------------|----------------|
| | 2025 | 2024 | 2025 | | 2025 | 2024 |
| REVENUE | | | | | | |
| Real estate sales | 1,401,217,951 | 1,401,027,855 | 190,096 | 0.01% | 99.07% | 99.12% |
| Other operating income | 13,192,245 | 12,491,008 | 701,237 | 5.61% | 0.93% | 0.88% |
| Total Revenue | 1,414,410,196 | 1,413,518,863 | 891,333 | 0.06% | 100.00% | 100.00% |
| COST OF REAL ESTATE SALES | 764,330,268 | 772,604,842 | (8,274,574) | (1.07%) | 54.04% | 54.66% |
| GROSS PROFIT | 650,079,928 | 640,914,021 | 9,165,907 | 1.43% | 45.96% | 45.34% |
| OPERATING EXPENSES | | | | | | |
| Selling expenses | 70,648,760 | 65,274,869 | 5,373,891 | 8.23% | 4.99% | 4.62% |
| General and administrative expenses | 172,549,369 | 181,076,146 | (8,526,777) | (4.71%) | 12.20% | 12.81% |
| Total Operating Expenses | 243,198,129 | 246,351,015 | (3,152,886) | (1.28%) | 17.19% | 17.43% |
| NET OPERATING INCOME | 406,881,799 | 394,563,006 | 12,318,793 | 3.12% | 28.77% | 27.91% |
| FINANCE COST, NET | 24,439,701 | 31,471,214 | (7,031,513) | (22.34%) | 1.73% | 2.23% |
| INCOME BEFORE TAX | 382,442,098 | 363,091,792 | 19,350,306 | 5.33% | 27.04% | 25.69% |
| INCOME TAX EXPENSE | (23,048,883) | 3,721,704 | (26,770,587) | (719.31%) | (1.63%) | 0.26% |
| NET INCOME | 359,393,215 | 366,813,496 | (7,420,281) | (2.02%) | 25.41% | 25.95% |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Actuarial gain (loss) on retirement plan | 979,348 | (2,764,286) | 3,743,634 | (135.43%) | 0.07% | (0.20%) |
| TOTAL COMPREHENSIVE INCOME (LOSS) | 360,372,563 | 364,049,210 | (3,676,647) | (1.01%) | 25.48% | 25.75% |
| BASIC EARNINGS PER SHARE | 0.144 | 0.147 | (0) | (2.02%) | 0.00% | 0.00% |

Results of Financial Operation for the year ended December 31, 2025 & December 31, 2024

Revenue

HTI generated consolidated revenues of ₱1.41 billion for the twelve-month period ended December 31, 2025, reflecting an increase of ₱891 million or 0.06% from ₱1.41 billion in the same period in 2024. The growth was primarily driven by a 5.61% increase in Other operating income from in-house financing activities.

Cost of Real Estate Sales

Cost of real estate sales decreased by 1.07%, resulting in a slight improvement in gross profit margin to 1.43% in 2025 compared to 2024.

Operating Expenses

Selling expenses increased by 8.23%, or ₱5.37 million, primarily due to higher marketing and commission costs recognized during the year.

General and administrative expenses slightly decreased by 4.71 %, or ₱8.53 million, due to the reduced discretionary spending during the period.

Finance Costs, net

Finance costs decreased by 22.34%, or ₱7.03 million, primarily due to lower interest expenses resulting from the settlement of certain loan obligations.

Income Tax Expense

Income tax expense increased by 719.31%, amounting to ₱26.77 million in 2025 compared to the previous year. The increase was primarily driven by higher taxable income arising from home improvement sales, which are not covered by BOI tax incentives. This was partially offset by tax-exempt sales from the Granary project, which remains under BOI incentive coverage during the period.

Net Income

HTI's consolidated net income declined by 2.02% or ₱7.42 million for the year 2025 due to an increase in income tax expense.

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HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
As of the three-months period ended March 31, 2026 & 2025 (Unaudited)
(In Philippine Peso)

| | March 31, | | Horizontal Analysis 3 Mos. Jan to March | | Vertical Analysis 3 Mos. Jan to March | |
|--|--------------------|--------------------|--|-----------------|---|----------------|
| | 2026 | 2025 | Amount | % | 2026 | 2025 |
| REVENUE | | | | | | |
| Real estate sales | 107,783,016 | 233,772,400 | (125,989,384) | (53.89%) | 97.54% | 98.73% |
| Other operating income | 2,720,641 | 3,017,949 | (297,308) | (9.85%) | 2.46% | 1.27% |
| Total Revenue | 110,503,657 | 236,790,349 | (126,286,692) | (53.33%) | 100.00% | 100.00% |
| COST OF REAL ESTATE SALES | 48,517,536 | 129,443,794 | (80,926,258) | (62.52%) | 43.91% | 54.67% |
| GROSS PROFIT | 61,986,121 | 107,346,555 | (45,360,434) | (42.26%) | 56.09% | 45.33% |
| OPERATING EXPENSES | | | | | | |
| Selling expenses | 1,565,516 | 13,751,697 | (12,186,181) | (88.62%) | 1.42% | 5.81% |
| General and administrative expenses | 34,855,092 | 39,612,223 | (4,757,131) | (12.01%) | 31.54% | 16.73% |
| Total Operating Expenses | 36,420,608 | 53,363,920 | (16,943,312) | (31.75%) | 32.96% | 22.54% |
| NET OPERATING INCOME | 25,565,513 | 53,982,635 | (28,417,122) | (52.64%) | 23.14% | 22.80% |
| FINANCE COST, NET | 3,908,270 | 1,724,669 | 2,183,601 | 126.61% | 3.54% | 0.73% |
| INCOME BEFORE TAX | 21,657,243 | 52,257,966 | (30,600,723) | (58.56%) | 19.60% | 22.07% |
| INCOME TAX EXPENSE | (4,018,816) | (105,101) | (3,913,715) | 3723.77% | (3.64%) | (0.04%) |
| NET INCOME | 17,638,427 | 52,152,865 | (34,514,438) | (66.18%) | 15.96% | 22.02% |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Actuarial gain (loss) on retirement plan | | (2,764,286) | 2,764,286 | (100.00%) | 0.00% | (1.17%) |
| TOTAL COMPREHENSIVE INCOME (LOSS) | 17,638,427 | 49,388,579 | (31,750,152) | (64.29%) | 15.96% | 20.86% |
| BASIC EARNINGS PER SHARE | 0.007 | 0.021 | | | | |

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**Financial Operation for the 3 months period January 01, 2026 to March 31, 2026 (Unaudited)
vis-à-vis January 01, 2025 to March 31, 2025 (Unaudited)**

Revenue

HTI generated consolidated revenues of ₱110.50 million for the three-month period ended March 31, 2026, representing a decrease of ₱126.29 million or 53.33% from ₱236.79 million in the same period in 2025. The decline was primarily attributable to a 53.89% decrease in real estate sales, coupled with a 9.85% reduction in other operating income.

Cost of Real Estate Sales

Cost of real estate sales decreased by 62.52% or ₱80.93 million during the period, in line with the lower volume of recognized real estate sales.

Operating Expenses

Selling expenses decreased by 88.62%, or ₱12.19 million, during the period, primarily reflecting reduced marketing and promotional activities in line with the decline in real estate sales.

General and administrative expenses decreased by 12.01%, or ₱4.76 million, mainly due to lower salaries and reduced other operating expenses.

Finance Costs, net

Finance costs increased by 126.61%, or ₱2.18 million, during the period, primarily due to higher interest expense arising from in-house financing arrangements (Contracts to Sell or CTS).

Income Tax Expense

Income tax expense increased significantly by 3,723.77%, or ₱3.91 million, compared to the same period in the previous year, primarily due to the recognition of taxable declared sales during the period, as opposed to the same quarter last year which reported non-taxable sales following the availment of income tax holiday (ITH) incentives.

Net Income

HTI's consolidated net income declined by 66.18%, or ₱34.51 million, for the first quarter of 2026, primarily due to the significant decrease in real estate sales and overall revenues, partially offset by lower operating expenses during the period.

PART II--OTHER INFORMATION

The following items are the material reports filed by the Company using SEC Form 17-C during the first quarter of the year until the date of this report.

| Date Filed | Event / Milestone | Key Disclosure Details |
|-------------------|---|---|
| Jan 5, 2026 | Attendance in Corporate Governance Seminar | Completion of the seminar on “Advance Corporate Governance Training” by Directors and Officers |
| Jan 16, 2026 | Filing of Registration Statement | HTI settled the SEC payment assessment for the registration of a ₱2.0B bond offering (₱1B base + ₱1B oversubscription). Includes 3-year (Series A) and 5-year (Series B) tenors with a PRS A (Stable) rating. |
| Jan 29, 2026 | Certificate of Compliance with Manual on Corporate Governance | Certificate of Compliance with the Manual on Corporate Governance of HTI for the year 2025 |
| Jan 29, 2026 | Certificate on the attendance of the Board of Directors | Attendance of the Board of Directors for 2025 |
| Feb 26, 2026 | Receipt of Pre-Effective Letter | The SEC issued a pre-effective letter dated Feb 24, signaling that the registration of the bonds was nearing approval subject to final conditions. |
| Feb 27, 2026 | Permit to Sell | The SEC declared the Registration Statement for the bonds issuance effective. Interest rates were finalized at 7.0896% p.a. (Series A) and 7.5924% p.a. (Series B). |
| Mar 10, 2026 | Conclusion of Offer and Listing on PDEX | The offer period for the bonds on March 2 to 6 concluded with a total of ₱1.8 Billion raised. Series B (5-year) saw the highest demand, accounting for ₱1.54 Billion of the total. The above-mentioned bonds would be listed and traded through the Philippine Dealing and Exchange Corp. beginning on March 16, 2026. |
| Mar 16, 2026 | Press Release on the Bonds Listing Ceremony | Press release of the bonds listing ceremony at the Philippine Dealing and Exchange Corp. |

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized in Pasig City on May 18, 2026.

HAUS TALK, INC.

Issuer


By:



MARIA RACHEL D. MADLAMBAYAN
President



GLORIA JUDITH D. MADLAMBAYAN
Treasurer



MARIA AGNES M. SIAPNO
Chief Finance Officer

HAUS TALK, INC. AND ITS SUBSIDIARIES
(Formerly Haus Talk Project Managers, Inc. and its Subsidiary)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 3 Months Period ended March 31, 2026 (Unaudited), March 31, 2025 (Unaudited)
and December 31, 2025 (Audited)

General Information

HAUS TALK, INC. (the “Parent Company”) was organized under the laws of the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) per Registration no. CS200409462 on June 21, 2004 under the name of Haus Talk Project Managers, Inc., which was amended on March 15, 2017 under the name of Haus Talk, Inc. Its primary purpose is to invest in real estate, more specifically to acquire land, engage in land and housing development and participate in the government’s mass housing program.

On November 18, 2021 and December 23, 2021, the Securities and Exchange Commission (SEC) and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Company for the listing of up to 2,500,000,000 common shares of the Company, which includes the 500,000,000 common shares subject of the Company’s Initial Public Offering (IPO), under the Small, Medium and Emerging Board (SME Board) of the PSE.

On January 17, 2022, the Company completed its IPO and was listed in the PSE under the stock symbol “HTP”. As a public company, it is covered by the Revised Securities Regulation Code (SRC) Rule 68.1.

The Company was approved by the Board of Investments (BOI) as a New Developer of Economic Housing Project for its Granary - Phase 1, located at Brgy. San Antonio, Biñan City, Laguna. The Income Tax Holiday (ITH) certification bearing the number of 2023-152 valid from August 8, 2023, and four (4) years thereafter provides exemption from income tax on revenue generated and twelve (12) years duty exemption from the said project.

The Company was approved by the Board of Investments (BOI) as an Expanding Developer of Economic Housing Project for its The Granary Phase 2 and The Granary Phase 3, located at Brgy. San Antonio, Biñan City, Laguna. The Income Tax Holiday (ITH) certification bearing the number of 2024-069 and 2024-362 valid from March 22, 2024 and December 16, 2024, respectively, and three (3) years thereafter provides exemption from income tax on revenue generated and twelve (12) years duty exemption from the said projects.

The Parent Company’s current registered address is at Unit 701 Orient Square Building, F. Ortigas Avenue, Ortigas Center, Pasig City.

On March 16, 2026, the Company achieved a significant corporate milestone with the listing of its maiden bond issuance on the Philippine Dealing & Exchange Corp. (PDEX). The issuance consisted of ₱1.8 billion Fixed-Rate Peso Retail Bonds, which was upsized from the base offer of ₱1.0 billion due to strong investor demand. The Bonds were issued in two series: Series A: ₱260.02 million maturing in 2029 (3-year tenor) Series B: ₱1.54 billion maturing in 2031 (5-year tenor). The proceeds from this issuance are earmarked for land banking activities, project developments in Luzon, and general corporate purposes. This issuance represents the Company’s first entry into the local debt capital market following its Initial Public Offering (IPO) in January 2022.

The Parent Company and its subsidiaries are collectively known herein as the “Group”.

Tradition Homes, Inc. (referred to as the “Subsidiary or THI”), formerly known as Tradition Homes Project Managers, Inc. before it was amended on December 11, 2017 as Tradition Homes, Inc., was

incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. CS200700454 on January 16, 2007. The Subsidiary's primary purpose is to invest in real estate, more specifically to acquire land, engage in land and housing development, and participate in the government's mass housing program.

The Subsidiary's current registered address is at Unit 701 Orient Square Building, F. Ortigas Avenue, Ortigas Center, Pasig City.

On January 18, 2018, the Parent Company acquired 100% ownership and control of Tradition Homes, Inc. for an acquisition cost of ₱30,000,000.

THI was approved by the Board of Investments (BOI) as a New Developer of Economic and Low-Cost Housing Project for its Southview Homes – Sta. Rosa, located at Sta. Rosa, Laguna. The Income Tax Holiday (ITH) certification bearing the number of 2019-041 valid from March 6, 2019, and four (4) years thereafter provides exemption from income taxes on revenue generated from the said project.

THI's WINN residences project, a residential condominium project located at Sitio Veterans, Barangay Bagong Silangan, Quezon City, was approved as a Socialized Housing Project by the Housing and Land Regulatory Board (HLURB) and thereby granting the Company exemption from Income Tax, Capital Gains Tax and Value-Added Tax. The certification issued by the HLURB bears the reference number 15-06-038.

Lifestyle Development Corporation (referred to as the "Subsidiary or LDC") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. A199918322 on November 18, 1999. The Subsidiary's primary purpose is to invest in real estate, more specifically to acquire land, engage in land and housing development, and participate in the government's mass housing program.

The Subsidiary's current registered address is at Unit 701 Orient Square Building, F. Ortigas Avenue, Ortigas Center, Pasig City.

On May 26, 2021, the Parent Company acquired 100% ownership and control of Lifestyle Development Corporation for an acquisition cost of ₱105,737,000.

Cash

The account consists of:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|---------------|------------------------|---------------------|----------------------|
| Cash on hand | ₱ 51,014,000 | ₱ 821,000 | ₱ 1,004,000 |
| Cash in banks | <u>1,496,027,830</u> | <u>78,928,210</u> | <u>223,943,372</u> |
| Total | ₱ <u>1,547,041,830</u> | ₱ <u>79,749,210</u> | ₱ <u>224,947,372</u> |

Cash includes cash on hand and in banks which are measured at face value.

Cash funds are set aside for current purposes such as petty cash fund and revolving fund. Cash in banks include demand deposits which are unrestricted as to withdrawal.

Cash in bank earns interest at the respective bank deposit rates.

Receivables-net

The account consists of:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|--|-------------------|------------------|----------------------|
| Receivables from customers | ₱ 920,945,787 | ₱ 1,139,318,957 | ₱ 845,335,547 |
| Receivables at amortized cost from: | | | |
| Contractors | 33,443,302 | 18,986,637 | 33,808,752 |
| Officers and employees | 9,808,399 | 11,374,051 | 9,286,663 |
| Buyer | 5,763,440 | 1,446,234 | 5,541,840 |
| Broker | 4,119,779 | 4,509,779 | 4,499,779 |
| Suppliers | 8,068,982 | 6,805,850 | 475,487 |
| Others | 278,063,139 | 63,413,135 | 216,824,737 |
| Gross receivables | 1,260,212,827 | 1,245,854,645 | 1,115,772,805 |
| Less: Allowance for expected credit losses | (161,374) | - | (645,495) |
| Receivables - current portion | ₱ 1,260,051,453 | ₱ 1,245,854,645 | ₱ 1,115,127,310 |

Receivables from customers

Receivables from customers pertain to receivables from the sale of condominium units and lots which are generally non-interest bearing and financed by the local banks or the home development mutual fund or the Pag-IBIG upon settlement of outstanding balance of at least 80% to 90% of the total contract price, subject to approval of the latter. Upon approval, proceeds are considered as payment of the related receivables and loan balances.

Trade receivables from real estate buyers who availed in-house financing are interest bearing and are collectible in equal monthly installments with various terms up to a maximum of fifteen (15) years.

These are carried at amortized cost. The corresponding titles to the subdivision units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. The installment contracts receivables are interest-bearing. Annual interest rates on installment contracts receivables range from 12.00% to 18.00%.

Receivables from contractors, suppliers, and brokers

These receivables mainly consist of refundable advances, unliquidated billings, and amounts due from brokers arising from commission arrangements in the ordinary course of business. These receivables at amortized cost are non-interest bearing and collectible within one year from reporting date.

Receivables from buyers

These are post sales expenses due on the buyer. Post sales expense like, water meter, electric post, monthly dues, fire extinguisher, smoke detector, etc. The Group will accommodate first the payment on the expenses incurred to suppliers.

Receivables from officers and employees

These are non-interest bearing and to be liquidated within one year from the reporting date.

Others

Receivable others pertain to advances to other projects and housing overhead such as clearance, permits, and other fees, HDMF and home guaranty. These are non-interest bearing and are generally collectible within one year from the reporting date.

None of the receivables were assigned or pledged to secure any of the Group loans.

In case of default, the Group may cancel the contract with customers and find another buyer of the real estate thus, no allowance for expected credit losses was recognized in 2024 and 2023. The Group accounts for sales cancellations as a contract modification under PFRS 15. Upon cancellation, the Group reverses the previously recognized revenue and related costs of sales for the portion of the contract that is no longer enforceable. The repossessed unit is reinstated to 'Real Estate Inventory' at its specific historical cost.

Contract assets

The account consists of:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|--|----------------------|----------------------|----------------------|
| Contract asset | ₱ 689,064,554 | ₱ 580,940,014 | ₱ 765,111,690 |
| Less: Contract assets – non – current portion | <u>138,432,301</u> | <u>84,260,330</u> | <u>90,397,795</u> |
| Contract asset – current portion | <u>₱ 550,632,253</u> | <u>₱ 496,679,684</u> | <u>₱ 674,713,895</u> |

Contract assets are initially recognized for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified as receivable.

Real estate inventories

The account consists of:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|--|------------------------|------------------------|------------------------|
| Beginning balance | ₱ 4,331,635,335 | ₱ 2,948,626,556 | ₱ 2,948,626,556 |
| Land acquired during the year | - | | 1,179,847,795 |
| Construction and development costs incurred during the year | 333,207,194 | 205,051,983 | 969,734,004 |
| Less: Cost of real estate sales | 48,517,536 | 129,443,794 | 764,330,268 |
| Adjustments/ reclassification | - | - | 2,242,752 |
| Ending balance | <u>₱ 4,616,324,993</u> | <u>₱ 3,024,234,745</u> | <u>₱ 4,331,635,335</u> |

Inventories are carried at the lower of cost or net realizable value (NRV).

Land for sale and development represents real estate subdivision projects in which the Group has been granted license to sell by the Housing and Land Use Regulatory Board of the Philippines. It also includes raw land inventories that are under development and those that are about to undergo development.

Prepayments and other current assets

The account consists of:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|----------------------------|-------------------|------------------|-------------------------|
| Input VAT | ₱ 44,862,170 | ₱ 68,182 | ₱ 38,839,733 |
| Prepaid taxes and licenses | 1,392,194 | 131,949 | 575,527 |
| Others | 390,622 | 2,131,526 | 269,672 |
| Prepaid rent | 253,872 | 676,992 | 676,992 |
| Prepaid insurance | 89,466 | 74,478 | 6,673 |
| Prepaid interest | 60,109 | | 852,381 |
| Prepaid income tax | - | 5,176,380 | - |
| Deposits | - | | - |
| Deferred MCIT | - | 720,336 | - |
| Total | ₱ 47,048,433 | ₱ 8,979,843 | ₱ 41,220,978 |

Input VAT is a tax imposed on purchases of goods and services. These are available for offset against output VAT in future periods.

Prepaid income tax represents excess tax payments and credits over tax liabilities of the immediately preceding taxable period which may be refunded, converted to tax credit certificates, or carried over to the next taxable year.

Prepaid taxes and licenses represent prepayment for taxes as well as local business real property taxes.

Deposit is an advance payment, earnest money is a deposit or partial payment in anticipation or commitment to purchase an asset, in this case, the purchase of eight (8) contiguous lots for a total contract price of Php1 Billion.

Others consist of Maxicare health benefit premiums of employees, billboard rent, design, architectural and planning and miscellaneous supplies.

Property and equipment-net

The movements of property and equipment are as follows:

March 31, 2026

| Particulars | Beginning Balances | Additions/ Provisions | Reclassification/ Adjustment | Ending Balances |
|--------------------------|-----------------------|--------------------------|---------------------------------|--------------------|
| Cost: | | | | |
| Land | ₱ 1,021,092,952 | ₱ | | ₱ 1,021,092,952 |
| Office improvement | 3,557,174 | | | 3,557,174 |
| Office equipment | 10,567,618 | 274,561 | | 10,842,179 |
| Construction equipment | 57,292,279 | | | 57,292,279 |
| Transportation equipment | 11,430,451 | | | 11,430,451 |
| Furniture and fixture | 1,983,108 | 547,934 | | 2,531,042 |
| Construction tools | 2,232,509 | | | 2,232,509 |
| Warehouse equipment | 250,589 | | | 250,589 |
| Computer software | 114,850 | | | 114,850 |
| Temporary facilities | 6,996,273 | | | 6,996,273 |

| | | | | |
|---------------------------|------------------------|---|------------------|------------------------|
| Leasehold improvement | 6,117,197 | | | 6,117,197 |
| Right of use Asset | <u>2,419,780</u> | | | <u>2,419,780</u> |
| Total | 1,124,054,780 | ₱ | <u>822,495</u> | <u>1,124,877,275</u> |
| Accumulated depreciation: | | | | |
| Office improvement | 3,445,378 | ₱ | 9,064 | ₱ 3,454,442 |
| Office equipment | 7,835,049 | | 444,452 | 8,279,501 |
| Construction equipment | 30,237,825 | | 2,466,321 | 32,704,146 |
| Transportation equipment | 7,435,368 | | 341,723 | 7,777,091 |
| Furniture and fixture | 676,386 | | 91,287 | 767,673 |
| Construction tools | 2,232,511 | | 0 | 2,232,511 |
| Warehouse equipment | 138,151 | | 10,298 | 148,449 |
| Computer software | | | 5,744 | 5,744 |
| Temporary facilities | 2,443,376 | | 348,490 | 2,791,866 |
| Leasehold improvement | 817,392 | | 305,860 | 1,123,252 |
| Right of use Asset | <u>2,419,780</u> | | | <u>2,419,780</u> |
| Total | 57,681,216 | ₱ | <u>4,023,238</u> | 0 <u>61,704,454</u> |
| Net Book Value | ₱ <u>1,075,445,189</u> | | | ₱ <u>1,063,172,821</u> |

March 31, 2025

| Particulars | Beginning Balances | Additions/ Provisions | Disposals/ Adjustments | Ending Balances |
|---------------------------|------------------------|-----------------------|------------------------|------------------------|
| Cost: | | | | |
| Land | ₱ 1,019,305,440 | ₱ | ₱ - | ₱ 1,019,305,440 |
| Office improvement | 3,557,174 | | | 3,557,174 |
| Office equipment | 7,784,102 | 246,334.82 | | 8,030,437 |
| Construction equipment | 51,323,180 | 778,474 | | 52,101,654 |
| Transportation equipment | 9,078,968 | | | 9,078,968 |
| Furniture and fixture | 1,373,674 | 22,500 | | 1,396,174 |
| Construction tools | 25,598,116 | 3,229,570 | | 28,827,686 |
| Warehouse equipment | 182,732 | | | 182,732 |
| Temporary facilities | 6,996,273 | | | 6,996,273 |
| Leasehold improvement | 3,058,158 | 35,356 | | 3,093,514 |
| Right of use Asset | 2,419,780 | | | 2,419,780 |
| Total | ₱ <u>1,130,677,597</u> | ₱ <u>4,312,235</u> | ₱ | ₱ <u>1,134,989,833</u> |
| Accumulated depreciation: | | | | |
| Office improvement | ₱ 3,409,121 | ₱ 9,065 | ₱ | ₱ 3,418,186 |
| Office equipment | 4,765,691 | 454,436 | | 5,220,127 |
| Construction equipment | 20,746,469 | 2,255,386 | | 23,001,855 |
| Transportation equipment | 6,465,240 | 224,149 | | 6,689,389 |
| Furniture and fixture | 404,258 | 63,707 | | 467,965 |
| Construction tools | 17,286,424 | 2,726,732 | | 20,013,156 |
| Warehouse equipment | 104,309 | 6,905 | | 111,214 |
| Temporary facilities | 841,006 | 556,900 | | 1,397,906 |
| Leasehold improvement | | 153,825 | | 153,825 |
| Right of use Asset | 1,209,890 | 302,473 | | 1,512,363 |
| Total | ₱ <u>55,232,408</u> | ₱ <u>6,753,577</u> | ₱ | ₱ <u>61,985,985</u> |
| Net Book Value | ₱ <u>1,075,445,189</u> | | | ₱ <u>1,073,003,847</u> |

December 31, 2025

| Particulars | Beginning Balances | Additions/ Provisions | Reclassification/ Adjustments | Ending Balances |
|----------------------------------|------------------------|--------------------------|----------------------------------|------------------------|
| Cost: | | | | |
| Land | ₱ 1,019,305,440 | ₱ 1,787,512 | ₱ - | ₱ 1,021,092,952 |
| Office improvement | 3,557,174 | - | - | 3,557,174 |
| Office equipment | 9,120,051 | 1,447,567 | - | 10,567,618 |
| Construction equipment | 51,323,180 | 5,969,098 | - | 57,292,279 |
| Transportation equipment | 9,078,968 | 2,351,484 | - | 11,430,451 |
| Furniture and fixture | 1,373,674 | 609,434 | - | 1,983,108 |
| Construction tools | 25,598,116 | - | (23,365,607) | 2,232,509 |
| Warehouse equipment | 182,732 | 67,857 | - | 250,589 |
| Computer software | - | 114,850 | - | 114,850 |
| Temporary facilities | 6,996,273 | - | - | 6,996,273 |
| Leasehold improvement | 3,058,158 | 3,059,039 | - | 6,117,197 |
| Right of use asset | 2,419,780 | - | - | 2,419,780 |
| Total | ₱ 1,132,013,546 | ₱ 15,406,841 | ₱ (23,365,607) | ₱ 1,124,054,780 |
| Accumulated depreciation: | | | | |
| Office improvement | ₱ 3,409,121 | ₱ 36,257 | ₱ - | ₱ 3,445,378 |
| Office equipment | 6,101,640 | 1,733,409 | - | 7,835,049 |
| Construction equipment | 20,746,469 | 9,491,356 | - | 30,237,825 |
| Transportation equipment | 6,465,240 | 970,128 | - | 7,435,368 |
| Furniture and fixture | 404,258 | 272,128 | - | 676,386 |
| Construction tools | 17,286,424 | 6,884 | (15,060,797) | 2,232,511 |
| Warehouse equipment | 104,309 | 33,842 | - | 138,151 |
| Temporary facilities | 841,006 | 1,602,370 | - | 2,443,376 |
| Leasehold improvement | - | 817,392 | - | 817,392 |
| Right of use asset | 1,209,890 | 1,209,890 | - | 2,419,780 |
| Total | ₱ 56,568,357 | ₱ 16,173,656 | ₱ (15,060,797) | ₱ 57,681,216 |
| Net Book Value | ₱ 1,075,445,189 | ₱ 8,304,810 | ₱ 1,066,373,564 | ₱ 1,066,373,564 |

The Group elected to use the cost model in accounting for property and equipment.

There are no indication of any impairment loss on the carrying amount of property and equipment since its recoverable amount exceeds it carrying amount.

Other non-current assets

The account consists of:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|---------------------|---------------------|---------------------|----------------------|
| Refundable deposits | ₱ 10,062,855 | ₱ 10,234,135 | ₱ 10,118,855 |
| Deferred tax assets | 4,859,250 | 9,509,404 | 6,247,123 |
| Security deposits | 1,414,297 | 1,414,297 | 1,414,298 |
| Other deposits | 9,408,000 | 9,408,000 | 9,408,000 |
| Total | ₱ 25,744,403 | ₱ 30,565,837 | ₱ 27,188,276 |

Refundable deposits pertain to utilities and security deposits which are measured at cost and will be

recovered against future billings.

Other deposit pertains to computer software that is still in development phase.

Accounts and other payables

The account consists of:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|------------------------|----------------------|----------------------|----------------------|
| Trade payables | ₱ 81,372,990 | ₱ 125,186,659 | ₱ 98,229,074 |
| Retention payable | 62,937,053 | 27,823,312 | 54,327,235 |
| Government liabilities | 23,450,206 | 6,930,664 | 31,908,859 |
| Accrued expenses | 3,331,253 | 3,173,887 | 1,018,125 |
| Other liabilities | <u>1,638,836</u> | <u>3,604,756</u> | <u>1,638,835</u> |
| Total | ₱ <u>172,730,338</u> | ₱ <u>166,719,279</u> | ₱ <u>187,122,128</u> |

Trade payables

Trade payables represent payable to suppliers for the purchase of construction materials, marketing collaterals, office supplies and property and equipment ordered and delivered but not due. These are expected to be settled within a year after the financial reporting date.

Retention payable

Retention payable pertains to contract payments is being withheld from the third party as guaranty for any claims against them. These are settled and paid once period has expired.

Government liabilities

Government liabilities include statutory contributions and withholding taxes and are normally settled within one year after the reporting date.

Other liabilities

Other liabilities include payment to buyer for refund of construction bond, Meralco services and installment payment made by the buyer subject to the provision of Republic Act 6552 (Realty Instalment Buyer Protection Act), various non-trade dues from utilities, professional fees and other services.

Contract liabilities

As of March 31, 2026, and 2025, the account amounting to ₱7,949,604 and ₱27,393,409 respectively.

Contract liabilities represent the payments of buyers which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized revenue on sale of real estate inventories. The movement in contract liabilities is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the buyer's equity threshold and from increase in percentage of completion of projects.

Loans and borrowings

Details of loans' principal and interests as of March 31, 2026 are as follows:

| Loan institutions | Principal | | Total |
|--|------------------------|----------------------|------------------------|
| | Capitalized | Outright | |
| Financing (Individual and Corporation) | ₱ 497,000,000 | ₱ 30,000,000 | ₱ 527,000,000 |
| China Banking Corporation | 102,830,065 | 22,655,017 | 125,485,082 |
| Sterling Bank of Asia | 439,919,055 | 170,112,046 | 610,031,101 |
| Security Bank Corporation | 1,550,187,225 | 43,792,012 | 1,593,979,237 |
| Security Bank Corporation (Car loans) | - | 639,307 | 639,307 |
| Land Bank of the Philippines | 100,000,000 | - | 100,000,000 |
| Asia United Bank | - | 1,812,470 | 1,812,470 |
| Asia United Bank (Car loan) | - | 1,353,960 | 1,353,960 |
| Total | ₱ 2,689,936,345 | ₱ 270,364,812 | ₱ 2,960,301,156 |

| Loan institutions | Borrowing Cost | | Total |
|--|---------------------|-----------------------|---------------------|
| | Capitalized | Recognized as expense | |
| Financing (Individual and Corporation) | ₱ 7,675,913 | ₱ 2,644,167 | ₱ 10,320,079 |
| China Banking Corporation | 1,950,138 | 411,883 | 2,362,021 |
| Sterling Bank of Asia | 14,665,290 | 715,226 | 15,380,516 |
| Security Bank Corporation | 32,417,043 | - | 32,417,043 |
| Security Bank Corporation (Car loans) | - | 19,102 | 19,102 |
| Land Bank of the Philippines | 1,602,740 | - | 1,602,740 |
| Asia United Bank | - | 125,608 | 125,608 |
| Asia United Bank (Car loan) | - | 32,934 | 32,934 |
| Total | ₱ 58,311,124 | ₱ 3,948,920 | ₱ 62,260,044 |

As of March 31, 2026, the Parent incurred total borrowing costs amounting to ₱62,260,044. In accordance with PAS 23 Borrowing Costs, a portion of these costs amounting to ₱58,311,124 was capitalized as part of the cost of qualifying assets, which relate primarily to the Parent's land acquisitions and real estate properties under development for sale, where borrowing costs are directly attributable to the acquisition and development of such assets.

The remaining ₱3,948,920 was recognized as interest expense in profit or loss as these borrowing costs were not directly attributable to qualifying assets during the period and therefore did not meet the criteria for capitalization under PAS 23.

Bonds payable

Bond issuance

On March 16, 2026, the Parent Company issued ₱260,020,000 and ₱1,539,980,000 unsecured Series A and B Bond with a term of three (3) and five (5) years and maturity date of March 16, 2029 and March 16, 2031, respectively. The bonds bear interest at a fixed rate of 7.0896% per annum for the Series A Bonds and 7.5924% per annum for the Series B Bonds, payable quarterly.

The bonds were issued at par resulting in net proceeds of ₱1,761,756,870 after deducting transaction costs amounting to ₱38,243,130.

Transaction costs directly attributable to the issuance of the bonds amounting to ₱38,243,130 were deducted from the carrying amount of the bonds and are amortized over the term using the **effective interest method**, in accordance with PFRS 9.

Net proceeds from the issuance were used to partially fund the Company's land banking activities, partially support Company's project development and support the general corporate purposes requirement of the Company in accordance with the prospectus.

Details of Bonds Payable

| <u>Particulars</u> | <u>Amount</u> |
|--------------------------------|-------------------------------|
| Face value of bonds | ₱ 1,800,000,000 |
| Unamortized premium (discount) | - |
| Unamortized transaction costs | <u>38,243,130</u> |
| Carrying amount | ₱ <u>1,761,756,870</u> |

The bonds contain certain covenants requiring the Parent Company to maintain specified financial ratios and comply with other conditions.

Financial covenant are as follows:

From the date of the Trust Agreement and for as long as the Bonds or any portion thereof remains outstanding, and unless the Majority Bondholders shall otherwise consent in writing, the Issuer undertakes to maintain the following financial ratios, with testing to be done on an annual basis, the calculations of which shall be done using the Issuer's year-end consolidated audited financial statements:

- (a) Parent Company shall maintain a Debt-to-Equity Ratio of not more than 1.50x. Debt-to-Equity ratio is computed as total Financial Indebtedness divided by Total Equity.
- (b) Parent Company shall maintain a minimum Current Ratio of 2.00x. Current Ratio means the ratio of Current Assets divided by Current Liabilities.
- (c) Parent Company shall maintain a Debt Service Coverage Ratio of not less than 1.00x. Debt Service Coverage Ratio means the ratio of EBITDA divided by total Debt Service by reference to the immediately preceding 12 months.

As of March 31, 2026, the Company is compliant with all bond covenants.

Related party transactions

In the normal course of business, the Group has transactions and balances with its related parties. All material related party transactions are subject to approval by the BOD. Material related party transactions pertain to those transactions, either individually or in aggregate over a 12-month period, that exceed 10% of the Group's total assets based on the latest audited financial statements. All other related party transactions that are considered not material are approved by management.

Significant transactions with related parties are as follows:

March 31, 2026

| <u>Related Party</u> | <u>Transactions</u> | <u>Outstanding Balance</u> | <u>Nature</u> | <u>Terms and Conditions</u> |
|-----------------------------|---------------------|----------------------------|---|---|
| Advances from related party | | | | |
| Stockholders | <u>(409,479)</u> | <u>169,537,153</u> | Advances for working capital purposes; Deposits for future stock subscription | Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash |
| | <u>₱ (409,479)</u> | <u>₱ 169,537,153</u> | | |

December 31, 2025

| <u>Related Party</u> | <u>Transactions</u> | <u>Outstanding Balance</u> | <u>Nature</u> | <u>Terms and Conditions</u> |
|-----------------------------|----------------------|----------------------------|---|---|
| Advances from related party | | | | |
| Stockholders | <u>(3,982,087)</u> | <u>169,946,632</u> | Advances for working capital purposes; Deposits for future stock subscription | Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash |
| | <u>₱ (3,982,087)</u> | <u>₱ 169,946,632</u> | | |

Receivable from and payable to affiliates and stockholders

Receivable from and payable to affiliates represent trade receivables and payables in ordinary course of business. These are unsecured, non-interest bearing, cash settlement and are payable upon mutual agreement of both parties.

Share capital

The account consists of:

| <u>Particulars</u> | <u>March 31, 2026</u> | | <u>March 31, 2025</u> | |
|---|-----------------------|------------------------|-----------------------|------------------------|
| | <u>No. of shares</u> | <u>Amount</u> | <u>No. of shares</u> | <u>Amount</u> |
| Authorized ₱1.00 par Balance at beginning and end of year | <u>2,500,000,000</u> | <u>₱ 2,500,000,000</u> | <u>2,500,000,000</u> | <u>₱ 2,500,000,000</u> |
| Issued and Outstanding Balance at beginning and end of year | <u>2,500,000,000</u> | <u>₱ 2,500,000,000</u> | <u>2,000,000,000</u> | <u>₱ 2,000,000,000</u> |

Issuance of Capital Stock

On December 23, 2021, the SEC approved the Initial Public Offering of the Company of 500,000,000 common shares at an Offer Price of ₱1.50, with a par value of ₱1.00 per share. Offer shares were approved for listing on January 17, 2022.

Listing Under Small, Medium and Emerging Board (SME) of the PSE

On November 18, 2021 and December 2, 2021, the Securities and Exchange Commission (SEC) and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Company for the listing of up to 2,500,000,000 common shares of the Company, which includes the 500,000,000 common shares subject of the Company's Initial Public Offering (IPO), under the Small, Medium and Emerging Board (SME Board) of the PSE.

On January 17, 2022, the Parent Company completed its IPO and was listed in the PSE under the stock symbol "HTI".

Share premium

The movements of additional paid-in capital are as follows:

| | <u>March 31, 2026</u> | <u>March 31, 2024</u> |
|---|-----------------------|-----------------------|
| At January 1 | ₱ 218,849,628 | ₱ 218,849,628 |
| Share premium on common shares issued during the year | | |
| Gross proceeds | - | - |
| Less: Directly attributable issuance costs | - | - |
| Par value of issued shares | - | - |
| | <u>218,849,628</u> | <u>218,849,628</u> |
| Subtotal | <u>218,849,628</u> | <u>218,849,628</u> |
| End | ₱ <u>218,849,628</u> | ₱ <u>218,849,628</u> |

Share premium arises when the amount subscribed is in excess of nominal value.

Retained earnings

This account consists of cumulative balance of periodic earnings and prior period adjustments, if any.

The account consists of the following:

| <u>Particulars</u> | <u>March 31,</u> <u>2026</u> | <u>March 31</u> <u>2025</u> | <u>December 31,</u> <u>2025</u> |
|-------------------------|---------------------------------|--------------------------------|------------------------------------|
| Beginning balance | ₱ 1,372,380,450 | ₱ 1,087,987,234 | ₱ 1,087,987,235 |
| Dividend declaration | - | - | -75,000,000 |
| Net income for the year | <u>17,638,428</u> | <u>52,152,865</u> | <u>359,393,215</u> |
| Ending balance | ₱ <u>1,390,018,878</u> | ₱ <u>1,140,140,099</u> | ₱ <u>1,372,380,450</u> |

Real estate sales

As of December 31, the Group derives its revenues primarily from the sale of residential units, including customized or constructed goods for retail customers.

Revenue is disaggregated as follows:

| <u>Particulars</u> | <u>March 31,</u> <u>2026</u> | <u>March 31</u> <u>2025</u> | <u>December 31,</u> <u>2025</u> |
|--------------------|---------------------------------|--------------------------------|------------------------------------|
|--------------------|---------------------------------|--------------------------------|------------------------------------|

| | | | |
|-------------------|-----------------------|----------------------|------------------------|
| Residential units | - | ₱ 226,491,000 | ₱ 1,179,594,710 |
| Home improvements | <u>107,783,016</u> | <u>7,281,400</u> | <u>221,623,241</u> |
| Total | <u>107,783,016.00</u> | <u>₱ 233,772,400</u> | <u>₱ 1,401,217,951</u> |

Further disaggregation based on timing of recognition:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|-------------------|-----------------------|----------------------|------------------------|
| Residential units | - | ₱ 226,491,000 | ₱ 1,179,594,710 |
| Home improvements | <u>107,783,016</u> | <u>7,281,400</u> | <u>221,623,241</u> |
| Total | <u>107,783,016.00</u> | <u>₱ 233,772,400</u> | <u>₱ 1,401,217,951</u> |

Other operating income

The account consists of the following:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|-------------------------------|--------------------|--------------------|----------------------|
| Interest - in house financing | ₱ 2,143,183 | ₱ 2,798,893 | ₱ 11,209,696 |
| Forfeiture | 170,000 | 10,000 | 630,000 |
| Miscellaneous | <u>407,458</u> | <u>209,056</u> | <u>1,352,549</u> |
| Total | ₱ <u>2,720,641</u> | ₱ <u>3,017,949</u> | ₱ <u>13,192,245</u> |

Miscellaneous income consists of penalty charges and other fees billed to buyers.

Cost of real estate sales

The account consists of the following:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|-----------------------|-------------------|----------------------|----------------------|
| Land cost development | - | ₱ 40,690,187 | ₱ 204,099,591 |
| Construction cost | <u>48,502,357</u> | <u>83,473,982</u> | <u>529,280,980</u> |
| Other cost | <u>15,179</u> | <u>5,279,626</u> | <u>30,949,697</u> |
| Total | <u>48,517,536</u> | ₱ <u>129,443,794</u> | ₱ <u>764,330,268</u> |

Other cost includes various expenses related to the construction cost and land development.

Finance cost-net

The account consists of the following:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|------------------------|--------------------|--------------------|----------------------|
| Interest income – bank | ₱ <u>40,650</u> | ₱ <u>11,641</u> | ₱ <u>42,415</u> |
| Interest expense: | | | |
| Retirement benefit | | | (775,270) |
| Loans | <u>(3,948,920)</u> | <u>(1,736,310)</u> | <u>(23,706,846)</u> |
| CTS | | | |

| | | | |
|--------------|----------------------|----------------------|-----------------------|
| Right-of-use | | | |
| Subtotal | <u>(3,948,920)</u> | <u>(1,736,310)</u> | <u>(24,482,116)</u> |
| Net | <u>₱ (3,908,270)</u> | <u>₱ (1,724,669)</u> | <u>₱ (24,439,701)</u> |

Finance costs consist of interest expense on borrowings and other financing charges.

Interest expense is recognized using the effective interest method. As of March 31, 2026, and 2025 the total borrowing costs recognized as expense amounting to ₱3,948,920 and ₱647,877, respectively.

The Group capitalize borrowing costs for March 31, 2026 amounting to ₱58,311,124.

Selling expenses

The account consists of the following:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|---------------------------|--------------------|---------------------|----------------------|
| Commissions | ₱ | ₱ 1,859,519 | ₱ 62,531,864 |
| Advertising and promotion | <u>1,565,516</u> | <u>11,892,178</u> | <u>8,116,896</u> |
| Total | <u>₱ 1,565,516</u> | <u>₱ 13,751,697</u> | <u>₱ 70,648,760</u> |

General and administrative expenses

The account consists of the following:

| Particulars | March 31, 2026 | March 31 2025 | December 31, 2025 |
|---|---------------------|---------------------|----------------------|
| Salaries, wages and allowances | ₱ 13,161,512 | ₱ 22,918,568 | ₱ 75,730,107 |
| Depreciation | 4,023,237 | 4,033,774 | 16,173,656 |
| Taxes and licenses | 299,042 | 2,115,933 | 12,563,379 |
| Processing, registration, and certification fee | 8,624,303 | 1,615,912 | 10,770,086 |
| Repairs and maintenance | 657,949 | 359,533 | 10,620,704 |
| Professional fees | 1,558,655 | 1,244,842 | 6,671,616 |
| Insurance expense | 935,381 | 1,025,862 | 4,139,807 |
| Dues, subscriptions and donations | 543,384 | 782,151 | 3,447,243 |
| Utilities | 499,510 | 648,612 | 2,833,857 |
| Retirement expense | - | - | 2,560,363 |
| Rent expense | 844,874 | 1,223,163 | 1,481,845 |
| Stationery and office supplies | 331,509 | 334,137 | 1,386,621 |
| Transportation and travel | 246,598 | 226,367 | 1,103,225 |
| Provision for expected credit losses | 161,374 | - | 645,495 |
| Miscellaneous expenses | <u>2,967,764</u> | <u>3,083,368</u> | <u>22,421,365</u> |
| | <u>₱ 34,855,092</u> | <u>₱ 39,612,223</u> | <u>₱ 172,549,369</u> |

Miscellaneous expenses comprise administrative expenses, other processing, registration and certification fees, notarization fees, bank charges, and other related incidental expenses.

Financial risk management objectives and policies

The Group's principal financial instruments are composed of cash and cash equivalents, receivable and payables. The main purpose of these financial instruments is to raise finances for the Group's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Group's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, and liquidity risk.

32.1 Objectives and policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Credit risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group is cash. This financial instrument is used mainly for working capital management purposes. Trade-related financial assets and financial liabilities of the Group, such as trade and other receivables and trade and other payables, excluding statutory liabilities, arise directly from and are used to facilitate its daily operations.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

32.2 Interest rate risk

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

As at March 31, 2026 and December 31, 2025, only Tradition Homes, Inc. has re-priceable financial instruments subject to variable interest rates but there was no actual repricing that happened in the

current and previous years, thus reducing the interest rate risk exposures. The Groups' interest-bearing loans and borrowings are subject to interest rates ranging from 5.13% to 12.00% and all other financial assets and liabilities are non-interest bearing.

32.3 Liquidity risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the aging analysis or maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

| March 31, 2026 | | | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | <u>Carrying Amount</u> | <u>On demand</u> | <u>Less than 1 Year</u> | <u>Over 1 Year</u> |
| Financial assets at amortized cost: | | | | |
| Cash in bank | ₱ 1,496,027,830 | ₱ 1,496,027,830 | ₱ - | ₱ - |
| Receivables – net | 1,260,051,453 | - | 1,260,051,453 | - |
| Contract assets | 689,064,554 | - | 550,632,253 | 138,432,301 |
| Refundable deposits | <u>10,062,855</u> | <u>-</u> | <u>-</u> | <u>10,062,855</u> |
| Total | ₱ <u>3,455,206,692</u> | ₱ <u>1,496,027,830</u> | ₱ <u>1,810,683,706</u> | ₱ <u>148,495,156</u> |
| Financial liabilities at amortized cost | | | | |
| Accounts and other payables* | ₱ 149,280,132 | ₱ - | ₱ 149,280,132 | ₱ - |
| Contract liabilities | 7,949,604 | - | 7,949,604 | - |
| Loans and borrowings | 4,760,301,156 | - | 1,052,392,289 | 3,707,908,867 |
| Advances from related parties | <u>169,537,153</u> | <u>-</u> | <u>-</u> | <u>169,537,153</u> |
| Total | ₱ <u>5,087,068,045</u> | ₱ <u>-</u> | ₱ <u>1,209,622,025</u> | ₱ <u>3,877,446,020</u> |

*excluding government liabilities

| December 31, 2025 | | | | |
|-------------------------------------|------------------------|------------------|-------------------------|--------------------|
| | <u>Carrying Amount</u> | <u>On demand</u> | <u>Less than 1 Year</u> | <u>Over 1 Year</u> |
| Financial assets at amortized cost: | | | | |
| Cash in bank | ₱ 223,943,372 | ₱ 223,943,372 | ₱ - | ₱ - |
| Receivables – net | 1,115,127,310 | - | 1,115,127,310 | - |
| Contract assets | 765,111,690 | - | 674,713,895 | 90,397,795 |
| Refundable deposits | <u>10,118,855</u> | <u>-</u> | <u>-</u> | <u>10,118,855</u> |

| | | | | | | | | |
|---|---|----------------------|---|--------------------|---|----------------------|---|----------------------|
| Total | ₱ | <u>2,114,301,227</u> | ₱ | <u>223,943,372</u> | ₱ | <u>1,789,841,205</u> | ₱ | <u>100,516,650</u> |
| Financial liabilities at amortized cost | | | | | | | | |
| Accounts and other payables* | ₱ | 155,213,269 | ₱ | - | ₱ | 155,213,269 | ₱ | - |
| Contract liabilities | | 15,536,238 | | - | | 15,536,238 | | - |
| | | | | - | | | | |
| Loans and borrowings | | 3,076,292,187 | | | | 1,130,949,924 | | 1,945,342,263 |
| Advances from related parties | | <u>169,946,632</u> | | <u>-</u> | | <u>-</u> | | <u>169,946,632</u> |
| Total | ₱ | <u>3,416,988,326</u> | ₱ | <u>-</u> | ₱ | <u>1,301,699,431</u> | ₱ | <u>2,115,288,895</u> |

*excluding government liabilities

32.4 Credit risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements).

As at March 31, 2026 and December 31, 2025, the Group has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired.

Credit quality per class of financial assets

The following table show a comparison of the credit quality of the Group's financial assets by class as at the reporting date:

| | As at March 31, 2026 | | | | |
|-------------------------------------|-------------------------------|----------------|---------------------------|------------------|------------------------|
| | Neither past due nor impaired | | Past due but not impaired | Impaired | Total |
| | High Grade | Standard Grade | | | |
| Financial assets at amortized cost: | | | | | |
| Cash in bank | ₱ 1,496,027,830 | ₱ - | ₱ - | ₱ - | ₱ 1,496,027,830 |
| Receivables – net | 1,260,212,827 | - | - | 161,374 | 1,260,051,453 |
| Contract assets | 689,064,554 | - | - | - | 689,064,554 |
| Refundable deposits | <u>10,062,855</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,062,855</u> |
| Total | ₱ <u>3,455,368,065</u> | ₱ <u>-</u> | ₱ <u>-</u> | ₱ <u>161,374</u> | ₱ <u>3,455,368,066</u> |

| | As at December 31, 2025 | | | | |
|-------------------------------------|-------------------------------|----------------|---------------------------|----------|-------|
| | Neither past due nor impaired | | Past due but not impaired | Impaired | Total |
| | High Grade | Standard Grade | | | |
| Financial assets at amortized cost: | | | | | |

| | | | | | |
|-------------------------------|------------------------|------------|------------|------------------|------------------------|
| Cash in bank (Note 8) | ₱ 223,943,372 | ₱ - | ₱ - | ₱ - | ₱ 223,943,372 |
| Receivables – net (Note 9) | 1,115,772,805 | - | - | 645,495 | 1,115,127,310 |
| Contract assets (Note 10) | 765,111,690 | - | - | - | 765,111,690 |
| Refundable deposits (Note 14) | <u>10,118,855</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,118,855</u> |
| Total | ₱ <u>2,114,946,722</u> | ₱ <u>-</u> | ₱ <u>-</u> | ₱ <u>645,495</u> | ₱ <u>2,114,301,227</u> |

The Group evaluates credit quality on the basis of the credit strength of the refundable and/or counterparty/issuer. High grade financial assets are that which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Group determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Group’s management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

Cash in banks

The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Receivables and advances to related parties

These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Contract assets

Contract assets are initially recognized for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified as receivable.

Refundable deposits

Deposits represent refundable deposits to contractors for their services in cash. Deposits are recorded as assets and measured at the amount of cash paid. The amount is presented as current assets if collection is expected in one year or less, if not, they are presented as non-current assets.

Maximum Credit Risk Exposure

Financial information on the Group’s maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below.

| | <u>March 31, 2026</u> | <u>March 31 2025</u> | <u>December 31, 2025</u> |
|-------------------------------------|---------------------------|--------------------------|------------------------------|
| Financial assets at amortized cost: | | | |
| Cash in bank | ₱ 1,496,027,830 | ₱ 78,928,210 | ₱ 223,943,372 |
| Receivables – net | 1,260,051,453 | 1,245,854,645 | 1,115,127,310 |
| Contract assets | 689,064,554 | 580,940,014 | 765,111,690 |
| Refundable deposits | <u>10,062,855</u> | <u>10,234,135</u> | <u>10,118,855</u> |
| Total | ₱ <u>3,455,206,692</u> | ₱ <u>1,915,957,004</u> | ₱ <u>2,114,301,227</u> |

The Group does not hold any collateral as security or other credit enhancements attached to its financial assets.

The credit risk for is considered negligible, since the counterparties are reputable entities with high quality external credit ratings. The Group’s exposure to credit risk arises from default of

counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties. The Group does not execute any credit guarantee in favor of any counterparty.

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