

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- ☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter

STI Education Systems Holdings, Inc.

3. Province, country or other jurisdiction of incorporation or organization

Metro Manila, Philippines

4. SEC Identification Number

1746

5. BIR Tax Identification Code

000-126-853-000

6. Address of principal office

7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City

Postal Code

1226

7. Registrant's telephone number, including area code

0288449553

8. Date, time and place of the meeting of security holders

To be conducted via Remote Communication through Zoom Meeting.

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Nov 19, 2025

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

N/A

Address and Telephone No.

N/A

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding	
Common	9,904,806,924	

13. Are any or all of registrant's securities listed on a Stock Exchange?

☒ Yes ☐ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange / Common Shares

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



STI Education Systems Holdings, Inc. STI

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting *References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules*

Date of Stockholders' Meeting	Dec 12, 2025
Type (Annual or Special)	Annual
Time	2:00 P.M.
Venue	To be conducted via Remote Communication through Zoom Meeting.
Record Date	Nov 14, 2025

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information

Please see attached 2025 Definitive Information Statement of STI Education Systems Holdings, Inc.

Filed on behalf by:

Name	Arsenio Cabrera, Jr.
Designation	Corporate Secretary

COVER SHEET

[illegible][illegible]

(Company's Full Name)

7	T	H		F	L	O	O	R	,		S	T	I		H	O	L	D	I	N	G	S		C	E	N	T	E	R
						6	7	6	4		A	Y	A	L	A		A	V	E	N	U	E							
										M	A	K	A	T	I		C	I	T	Y									

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

ARSENIO C. CABRERA, JR.

Contact Person

(6	3	2)	8	8	4	4	9	5	5	3

Company Telephone Number

0	6

Month

3	0

Day

Fiscal Year

Definitive Information Statement

FORM TYPE

Third Friday of November

Third Friday of November

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stocholders

Total Amount of Borrowings

Total Amount	

Domestic

followings

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMPS



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please be informed that the Annual Stockholders' Meeting of **STI EDUCATION SYSTEMS HOLDINGS, INC.** (the "Company") will be held and conducted virtually via remote communication through Zoom Meeting on **Friday, 12 December 2025, at 2:00 p.m.** for the following purposes:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 18 December 2024
4. Management Report
5. Approval of Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2025
6. Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business since the 18 December 2024 Annual Stockholders' Meeting up to 12 December 2025
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The record date for stockholders entitled to notice and vote at the Annual Stockholders' Meeting is set on 14 November 2025 ("Stockholders of Record").

The 2025 Annual Stockholders' Meeting of STI Holdings will be conducted virtually. Stockholders of Record may attend/participate via proxy, remote communication or vote in absentia. For the detailed registration and voting procedures, please visit <http://www.stiholdings.com/2025ASM> and refer to the "**Guidelines for Participation via Remote Communication and Voting in Absentia and through Proxy**".

Stockholders who wish to participate in the meeting via remote communication and to vote in absentia should notify the Office of the Corporate Secretary through a Letter of Intent to be sent via e-mail to corsec@stiholdings.com.ph OR by clicking the following link for the online registration at <https://forms.cloud.microsoft/r/a7y7w88Aiq> on or before 3 December 2025.

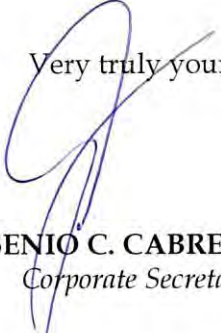
Validated stockholders will be provided access to the live streaming of the meeting through Zoom Meeting and can cast their votes in absentia on or before 9 December 2025 through the Company's secure online voting facility. All votes cast shall be subject to validation.

The Company is not soliciting for proxies. Stockholders who are unable to join the meeting but wish to vote on items in the agenda by proxy must submit their duly accomplished proxy forms via email to corsec@stiholdings.com.ph, not later than **9 December 2025**.

Stockholders of record may send their queries and comments to the Management Report and other items in the Agenda to corsec@stiholdings.com.ph on or before 9 December 2025.

The Definitive Information Statement containing the attendance/voting (via remote communication) and election procedures, along with the Notice, Agenda, Proxy, Management Report, SEC Form 17-A, SEC Form 17-Q [30 September 2025], and other information related to the Annual Stockholders' Meeting can be accessed at <http://www.stiholdings.com/disclosures.php> and the PSE Edge portal.

Very truly yours,


ARSENIO C. CABRERA, JR.
Corporate Secretary



AGENDA OF 2025 ANNUAL STOCKHOLDERS' MEETING

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 18 December 2024
4. Management Report
5. Approval of Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2025
6. Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business since the 18 December 2024 Annual Stockholders' Meeting up to 12 December 2025
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

EXPLANATION AND RATIONALE OF EACH ITEM IN THE AGENDA

1. Call to order

The Chairman of the Board (the “Board”), Mr. Eusebio H. Tanco, will call the meeting to order.

2. Certification of notice and quorum

The Corporate Secretary will certify the date when notice of the Annual Stockholders’ Meeting (“ASM”) was published in the business section of two (2) newspapers of general circulation in print and on-line print for two (2) consecutive days.

A copy of the ASM Notice was also posted at the Company’s website and disclosed to the PSE Edge.

The Corporate Secretary will further certify the presence of a quorum. The stockholders representing a majority of the outstanding voting capital stock of the Company, present in person or by proxy, shall constitute a quorum for the transaction of the business.

All the items in the agenda requiring approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the outstanding voting capital stock of the Company present at the ASM. Each one (1) outstanding share of stock entitles the registered stockholders to one (1) vote.

3. Approval of the Minutes of the Annual Stockholders Meeting held on 18 December 2024

The minutes are available at the Company website:

<http://www.stiholdings.com/disclosures.php>

A motion for the approval of the following resolution will be presented:

“RESOLVED, That the Minutes of the Annual Stockholders’ meeting held on 18 December 2024 as appearing in the Minutes Book of the Corporation be approved.”

The affirmative vote of stockholders representing at least a majority of the outstanding voting capital stock of the Company present at the ASM is necessary to approve the resolution.

4. The Management Report

The President, Mr. Monico V. Jacob, shall render the Management Report, which provides the highlights of the performance of the Company for FY 2024-2025 and the outlook of the Company for FY 2025-2026 and beyond.

The President shall also report on the significant operational and financial performance as well as the milestones and achievements of the Company for FY 2024-2025. The report will also include significant events affecting the Company's performance for FY 2024-2025.

The Annual Report is also posted on the Company's website:

<http://www.stiholdings.com/disclosures.php> and PSE Edge portal. A resolution noting the Management Report will be presented to the stockholders for adoption.

Below is the proposed resolution:

"RESOLVED, that that the Management Report for FY 2024-2025 be noted and approved."

The affirmative vote of stockholders constituting at least a majority of the outstanding voting capital stock of the Company present at the ASM is necessary to approve the resolution.

5. Approval of Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2025

The approval of Parent and Consolidated Audited Financial Statements (FS) of the Company as at and for the fiscal year ended 30 June 2025 prepared by SyCip Gorres Velayo & Co., contained in the Annual Report will be presented to the stockholders. The FS will also be embodied in the Definitive Information Statement. The Audit and Risk Committee has recommended, and the Board has approved, the FS.

A resolution approving the FS will be presented to the stockholders, who will be given opportunity to ask questions on the Annual Report and the FS.

Below is the proposed resolution:

"RESOLVED, that the Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2025 as discussed in the Annual Report be noted and approved."

The affirmative vote of stockholders constituting at least a majority of the outstanding voting capital stock of the Company present at the ASM is necessary to approve the resolution.

6. Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management since the 18 December 2024 Annual Stockholders' Meeting up to 12 December 2025. A list of the corporate acts to be ratified are enumerated in Item 16, page 25 of the Preliminary Information Statement.

A motion for the approval of the following resolution will be presented:

"RESOLVED, that all acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business, since the 18 December 2024 Annual Stockholders' Meeting up to 12 December 2025 be approved, confirmed and ratified."

The affirmative vote of stockholders constituting at least a majority of the outstanding voting capital stock of the Company present at the ASM is necessary to approve the resolution.

7. Election of directors, including independent directors

In accordance with Section 2, Article IV of the Company's By-Laws and the 2017 Manual on Corporate Governance, the deadline for nominations to the Board was on 23 October 2025. After the deadline, the Corporate Governance Committee evaluated the nominees to the Board and determined that all the nominees, including the nominees for independent directors, have all the qualifications of a director pursuant to the By-Laws and applicable laws. Copies of the curriculum vitae and profiles of the candidates to the Board are provided in the Definitive Information Statement.

The election of the directors shall be by plurality of votes. Every stockholder may vote the number of shares owned by him for as many persons as there are directors to be elected or cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or distribute such votes on the same principle among as many candidates as he shall see fit. The eleven (11) directors receiving the highest number of votes will be declared elected as directors of the Company.

In evaluating the nominations to the Board, the Corporate Governance Committee was guided by its established nomination principles and procedures set forth hereafter.

8. Appointment of external auditor

A resolution for the approval of the appointment of the Company's external auditor will be presented to the stockholders. The Audit and Risk Committee has recommended, and the Board has approved the appointment of SyCip Gorres Velayo & Co. as the external auditor of the Company.

The profile of the proposed external auditors will be provided in the Definitive Information Statement.

Below is the proposed resolution:

"RESOLVED, that the auditing firm of SyCip Gorres Velayo & Co. be, as it is hereby appointed as external auditor of the Corporation for the FY 2025-2026."

The affirmative vote of stockholders representing at least a majority of the outstanding voting capital stock of the stock of the Company present at the ASM is necessary to approve the resolution.

9. Consideration of such other business as may properly come before the meeting

Any relevant questions or comments received by the Office of the Corporate Secretary via email within the prescribed period given to registered stockholders shall be properly acknowledged, noted and addressed, accordingly.

10. Adjournment

Upon confirmation by the Corporate Secretary that there are no other matters to be considered, and on motion by a stockholder duly seconded, the Chairman will declare the meeting adjourned. The meeting proceedings shall be recorded in audio and video format to be safekept by the Office of the Corporate Secretary and shall be made available in a secured manner to stockholders upon request by sending an email to corsec@stiholdings.com.ph or info@stiholdings.com.ph.

EDUCATION SYSTEMS HOLDINGS, INC.
2025 ANNUAL STOCKHOLDERS' MEETING
Friday, 12 December 2025 at 2:00 p.m.
Via remote communication through Zoom Meeting

**Guidelines for Participating via Remote Communication through Zoom Meeting
and Voting in Absentia and through Proxy**

A. Attendance by Remote Communication through Zoom Meeting and Voting in Absentia

1. Stockholders intending to participate by remote communication through Zoom Meeting and/or voting in absentia should notify the Office of the Corporate Secretary through a Letter of Intent (LOI) to be sent via e-mail to corsec@stiholdings.com.ph on or before **3 December 2025**, complete with the following requirements for validation purposes:

1.1 Indicate the following required information:

- 1.1.1 Complete Registered Name
- 1.1.2 Complete Registered Residential/Mailing Address
- 1.1.3 Active e-Mail Address
- 1.1.4 Active Mobile No.
- 1.1.5 Active Landline No.

1.2 Attach the following documents (e-copy/scanned copy):

- 1.2.1 Valid government-issued ID with photo and signature (scanned front and back)
- 1.2.2 Proof of Ownership, such as, but not limited to, the following:
 - a) Stockholder's certificate (for certificated shares); or
 - b) Broker's certification (for scripless or uncertificated shares); or
 - c) Secretary's certificate for authorized representative (for corporate)

1.2.3 Other supporting document, as applicable

2. The Office of the Corporate Secretary shall forward the email containing the LOI and its attachments to the Company's stock transfer agent, Professional Stock Transfer, Inc.. The validation process will be completed by the stock transfer agent no later than three (3) business days from its receipt of the LOI. The Company's stock transfer agent reserves the right to request for additional information and documents, as needed/necessary. Moreover, electronic signature for the required documents shall be allowed while notarization requirement shall not be considered for the meantime, as applicable, given the current situation.
3. Once validated/verified, a stockholder shall be provided a confirmation correspondence with secure links for virtual meeting and voting in absentia. For security purposes, the confirmation correspondence which includes access

credentials, links and instructions for participation through remote communication and voting in absentia shall only be sent to the stockholder's email address, and if necessary, notification shall be sent to the stockholder's mobile number provided.

3.1 A verified stockholder shall have to access the corresponding link in order to be able to join the virtual meeting on the ASM day.

3.2 A verified stockholder may cast his vote on each of the agenda items as contained in the link included in the confirmation correspondence. Deadline to vote in absentia through its corresponding link is on **9 December 2025**. Beyond this date, stockholders may no longer avail of the option to vote in absentia. The Office of the Corporate Secretary shall then tabulate all votes, including those casts in absentia and by proxy, to be assisted by the Company's stock transfer agent, Professional Stock Transfer, Inc. The Corporate Secretary shall report the results of voting during the meeting. For information on counting and tabulation of votes, please refer to "Item 19. Voting Procedures" of the Information Statement.

B. Attendance by Proxy

1. In case a stockholder cannot attend the virtual meeting and wishes to be represented, said stockholder shall designate an authorized representative ("Proxy") by submitting a duly-accomplished proxy instrument which may be downloaded at <http://www.stiholdings.com/2025ASM> and submitted on or before **9 December 2025** via email to corsec@stiholdings.com.ph, complete with the following requirements for validation purposes:

1.1 For the stockholder, attach the following documents (e-copy):

- 1.1.1 Valid government-issued ID (with photo)
- 1.1.2 Proof of Ownership, such as, but not limited to, the following:
 - a) Stockholder's certificate (for certificated shares); or
 - b) Broker's certification (for scripless or uncertificated shares); or
 - c) Secretary's certificate for authorized representative (for corporate)
- 1.1.3 Other supporting document, as applicable

1.2 For the Proxy, attach the following document (e-copy):

- 1.2.1 Valid government-issued ID (with photo)

1.3 A stockholder may designate the Chairman of the Meeting as Proxy. Likewise, if no name is indicated, the Chairman of the Meeting will act as the Proxy.

2. The Office of the Corporate Secretary shall forward the email containing the duly-accomplished proxy instrument and its attachments to the Company's stock transfer agent, Professional Stock Transfer, Inc. The validation process will be completed by the stock transfer agent no later than three (3) business days from its receipt of the duly accomplished proxy instrument. The Company's stock transfer agent reserves the right to request for additional information and

documents, as needed/necessary. Moreover, electronic signature for the required documents shall be allowed while notarization requirement shall not be considered for the meantime, as applicable, given the current situation.

3. Once validated/verified, a stockholder shall be provided a confirmation correspondence with secure links for virtual meeting registration. For security purposes, the confirmation correspondence which includes links and instructions for participation through remote communication shall only be sent to the stockholder's email address, and if necessary, notification shall be sent to the stockholder's mobile number provided. It is the duty of the stockholder to securely provide the information on access credentials and instructions to the Proxy.

C. Participation and Determination of Quorum and Votes

1. Only those shareholders who have notified the Company of their intention to participate in the Meeting by remote communication, together with the stockholders who voted in absentia and by proxy, will be included in the determination of quorum at the meeting. By participating remotely and by proxy, a stockholder shall be deemed present for purposes of quorum.
2. Due to logistical limitations of the meeting conducted virtually, voting and open forum/discussion will not be possible during the virtual meeting. However, a stockholder, once verified/ registered, will be given an opportunity to raise any relevant questions or express an appropriate comment limited to the agenda items by sending an email to corsec@stiholdings.com.ph not later than **9 December 2025** to be properly noted and addressed accordingly. Any relevant questions or comments received by the Office of the Secretary via email within the prescribed period given by registered stockholders shall be properly acknowledged, noted and addressed accordingly. Questions and comments not taken up during the meeting shall be addressed directly via email by the Company.
3. The Office of the Corporate Secretary shall take down minutes of the meeting accordingly and shall note all comments and other relevant matters discussed covering the agenda of the meeting. The meeting proceedings shall be recorded in audio and video format to be safekept by the Office of the Corporate Secretary and shall be made available in a secured manner to stockholders upon request by sending an email to corsec@stiholdings.com.ph.
4. The Office of the Corporate Secretary shall ensure confidentiality of all votes for tabulation, including those cast in absentia and by proxy, with assistance from the Company's stock transfer agent, Professional Stock Transfer, Inc. The Corporate Secretary shall report the results of voting during the meeting. For information on counting and tabulation of votes, please refer to "Item 19. Voting Procedures" of this Information Statement.

For ASM-related matters, please go to <http://www.stiholdings.com/2025ASM>. For ASM-related queries, please send an email to corsec@stiholdings.com.ph. For account updating/validation concerns, please get in touch with the Company's Stock Transfer Agent, Professional Stock Transfer, Inc. (Attention: Mr. Crescencio P. Montemayor), via email to info@professionalstocktransfer.com.

Date :
From :
To : The Office of the Corporate Secretary
(corsec@stiholdings.com.ph)
Subject: Letter of Intent (LOI) to Participate in STI EDUCATION SYSTEM HOLDINGS, INC. ("STI HOLDINGS") 2025 Annual Stockholders' Meeting ("ASM")

This is to express my intent to participate in STI HOLDINGS' 2025 ASM to be held virtually on Friday, 12 December 2025 at 2:00 p.m..

Please see my contact information below:

(1) Complete Registered Name : _____
(2) Complete Registered Residential/Mailing Address: _____

(3) Active E-mail Address : _____
(4) Active Mobile No. : _____
(5) Active Landline No. : _____

Attached are the necessary documents (e-copy/scanned copy)¹ for validation purposes²:

(a) Valid government-issued ID³ with photo and signature (scanned front and back)

(b) Proof of Ownership (please put a check on the space provided):

_____ Stockholder's certificate (for certificated shares);
_____ Authorization letter signed by other stockholder(s) indicating the person among them authorized to cast the votes (for joint accounts)
_____ Broker's certification (for scripless or uncertificated shares); or
_____ Secretary's certificate for authorized representative (for corporate)

(c) Other supporting documents (please specify): _____

¹ Please limit file size up to 2MB.

² The Office of the Corporate Secretary shall forward this email LOI with its attachments to STI Holdings' stock transfer agent, Professional Stock Transfer, Inc.. The validation process shall be completed by the Corporation no later than two (2) days from its receipt of the LOI. The stock transfer agent reserves the right to request for additional information and documents, as it deems necessary. Electronic signature for the required documents shall be allowed while notarization requirement shall not be considered for the meantime, as applicable, given the current situation. A confirmation/reply email shall be sent to the stockholder, once successfully verified/validated.

³ Acceptable valid IDs are the following: Driver's License, Passport, Unified Multi-Purpose ID (UMID), GSIS ID, company ID, PRC ID, IBP ID, iDOLE Card, OWWA ID, COMELEC Voter's ID, Senior Citizen's ID, or Alien Certificate of Registration/Immigrant Certificate of Registration.

Looking forward to your favorable response.

Thank you.

(Signature over Printed Name)

PROXY

The undersigned stockholder of **STI EDUCATION SYSTEMS HOLDINGS, INC.** (the “Company”) hereby appoints _____ or in his/her absence, the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote all shares registered in his/her name as proxy of the undersigned stockholder, at the **Annual Stockholders’ Meeting** of the Company to be held via remote communication through Zoom Meeting on **Friday, 12 December 2025 at 2:00 p.m.**, and at any of the adjournments thereof for the purpose of acting on the following matters:

		Votes Taken		
		For	Against	Abstain
1.	Approval of Minutes of Annual Stockholders’ Meeting held on 18 December 2024			
2.	Approval of the Management Report for FY 2024-2025			
3.	Approval of Parent Company and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2025			
4.	Ratification of all acts of Management and the Board of Directors from 18 December 2024 to 12 December 2025			
5.	Election of Directors			
	Eusebio H. Tanco			
	Monico V. Jacob			
	Maria Vanessa Rose L. Tanco			
	Joseph Augustin L. Tanco			
	Martin K. Tanco			
	Paolo Martin O. Bautista			
	Jesli A. Lapus			
	Robert G. Vergara (Independent Director)			
	Ma. Leonora Vasquez-De Jesus (Independent Director)			
	Raymond Anthony N. Alimurung (Independent Director)			
	Justice Antonio T. Carpio (Ret.) (Independent Director)			
6.	Appointment of SyCip Gorres Velayo & Co. as external auditor for FY 2025-2026			

At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.

Date

Printed Name of Stockholder

Signature of Stockholder/
Authorized Signatory

This proxy should be received by the Corporate Secretary **on or before 9 December 2025**, the deadline for submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted “for” the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by management or the board of directors.

A proxy submitted by a corporation should be accompanied by a Corporate Secretary’s Certificate quoting the board resolution designating a corporate officer to execute the proxy. Proxies executed by brokers must be accompanied by a certification under oath stating that the broker has obtained the written consent of the account holder.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

[] Preliminary Information Statement
[x] Definitive Information Statement
2. Name of Registrant as specified in its charter **STI Education Systems Holdings, Inc.**
3. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **1746**
5. BIR Tax Identification Code **000-126-853**
6. **7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City** **1226**
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(632) 8844-9553**
8. **12 December 2025, 2:00 p.m. via Remote Communication through Zoom Meeting**
The presiding officer will preside over the meeting through remote communication at STI Holdings Center, 6764 Ayala Avenue, Makati City.
Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **19 November 2025**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<u>Common Stock</u>	<u>9,904,806,924</u>
11. Are any or all of registrant's securities listed on a Stock Exchange?
Yes X No
- If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange/Common Shares

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

Date of Meeting	:	12 December 2025
Time of Meeting	:	2:00 p.m.
Place of Meeting	:	To be conducted via Remote Communication through Zoom Meeting The presiding officer will preside over the meeting through remote communication at 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City.
Registrant's Mailing Address	:	7/F STI Holdings Center 6764 Ayala Avenue, Makati City
Approximate Date on Which the Information Statement is First Sent Or Given to Security Holders	:	19 November 2025

Item 2. Dissenters' Right of Appraisal

There are no corporate matters or action that will entitle a stockholder to exercise a Right of Appraisal as provided in Title X of the Revised Corporation Code of the Philippines (the "Revised Corporation Code").

However, any Stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in the following instances, as provided by the Revised Corporation Code:

- (1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 80);
- (2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section. 80)
- (3) In case of merger or consolidation (Section 80); and
- (4) In case of investments of corporate funds for any purpose other than the primary purpose of the corporation (Section 80).

The appraisal right may be exercised by a dissenting stockholder who shall have voted against the proposed corporate action in the manner provided below:

- (1) The dissenting stockholder shall make a written demand on the corporation for payment of the fair value of his shares within 30 days after the date on which the vote was taken. The failure of the stockholder to make the demand within the 30-day period shall be deemed a waiver of his appraisal right;

- (2) If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the corresponding certificate(s) of stock within 10 days after demanding payment for his shares, the fair value thereof, provided the Company has unrestricted retained earnings; and
- (3) Upon payment of the agreed or awarded price, the stockholder shall transfer his shares to the corporation.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (1) No director or officer of the Company since the beginning of the last fiscal year, nominee for election as director, or associate of the foregoing persons, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.
- (2) No director of the Company has informed it in writing that he/she intends to oppose any action to be taken by the Company at the meeting.

Market Price and Dividends of Registrant's Common Equity and Related Stockholder Matters

- (1) Market Information

The Company's common stock is traded on the PSE under the stock symbol "STI". As of the date of this Information Statement, the Company has 9,904,806,924 shares outstanding.

As of June 30, 2025, the high share price of the Parent Company was ₱1.66 and the low share price was ₱1.63. As of September 30, 2025, the high share price of the Parent Company was ₱1.41 and the low share price was ₱1.38. As of 17 November 2025, the high share price of the Parent Company was ₱1.45 and the low share price was ₱1.40.

The following table sets forth the Parent Company's high and low prices per share for each quarter of the past two (2) years and the first, second and third quarters of 2025:

	High	Low
2025		
Third Quarter	1.69	1.28
Second Quarter	1.81	1.18
First Quarter	1.52	1.32
2024		
Fourth Quarter	1.38	1.15
Third Quarter	1.35	0.76
Second Quarter	1.00	0.75
First Quarter	0.86	0.46
2023		
Fourth Quarter	0.50	0.39
Third Quarter	0.43	0.36
Second Quarter	0.41	0.34
First Quarter	0.39	0.33

The Parent Company's public float as of June 30, 2025 is 2,981,616,687 shares equivalent to 30.10% and 3,049,740,687 shares equivalent to 30.79% as of June 30, 2024 of the total issued and outstanding shares of the Parent Company.

(2) Holders

As of 14 November 2025, there are 1,258 shareholders of the Company's outstanding capital stock. The Company has common shares only.

The following table sets forth the top 20 shareholders of the Company's common stock, the number of shares held, and the percentage of total shares outstanding held by each as of 14 November 2025:

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP
PCD NOMINEE CORP (FILIPINO)	3,046,266,633	30.76%
TANCO, EUSEBIO H.	1,652,685,444	16.69%
PRUDENT RESOURCES, INC.	1,614,264,964	16.30%
PCD NOMINEE CORP (NON-FILIPINO)	916,329,295	9.25%
EUJO PHILIPPINES, INC.	806,157,130	8.14%
BIOLIM HOLDINGS AND MANAGEMENT CORP. (FORMERLY: RESCOM DEVELOPERS, INC.)	794,343,934	8.02%
TANTIVY HOLDINGS, INC. (FORMERLY: INSURANCE BUILDERS, INC.)	626,776,992	6.33%
EXIMIOUS HOLDINGS, INC.	405,835,332	4.10%
CLASSIC FINANCE, INC.	15,013,155	0.15%
TANCO, ROSIE L.	13,000,000	0.13%
DEL PRADO, EMMANUEL P.	3,500,000	0.04%
VITAL VENTURES MANAGEMENT CORPORATION	2,800,000	0.03%
YU, JUAN G. YU OR JOHN PETER C. YU	1,300,000	0.01%
CASA CATALINA CORPORATION	1,000,000	0.01%
EDAN CORPORATION	861,350	0.01%
MENDOZA, ROSELLER ARTACHO	600,000	0.01%
YU, JUAN G. OR JOHN PHILIP YU	600,000	0.01%
CASTIGADOR, LERIO CABALLERO AND/OR VICTORINA P. CASTIGADOR	399,000	0.00%
TACUB, PACIFICO B.	200,000	0.00%
NOLASCO, MA. CHRISTMAS R.	140,000	0.00%
VICSAL SECURITIES & STOCK BROKERAGE, INC.	129,500	0.00%

(3) Cash Dividends

- (a) On December 18, 2024, cash dividends amounting to ₱0.045 per share or the aggregate amount of ₱445.7 Million were declared by the Board of Directors in favor of all stockholders on record as at January 9, 2025 payable on January 31, 2025.
- (b) On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Board of Directors in favor of all stockholders on record as at January 10, 2023 payable on January 31, 2023.

- (c) On December 19, 2022, cash dividends amounting to ₱0.015 per share or the aggregate amount of ₱148.6 million were declared by the Board of Directors in favor of all stockholders on record as at January 6, 2023 payable on January 31, 2023.

There are no restrictions that limit the payment of dividends on common shares.

- (4) Recent Sales of Unregistered or Exempt Securities

There has been no sale of unregistered or exempt securities for the past three (3) years.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (1) Voting securities entitled to be voted at the meeting as of 15 October 2025

Title of Each Class	Number of Shares Outstanding	Number of Votes
Common Stock	9,904,806,924	One (1) vote per share

- (2) Record date

Only stockholders of record on the books of the Company at the close of business on 14 November 2025 will be entitled to vote at the Annual Meeting.

- (3) Election of directors and voting rights (Cumulative Voting)

In the election of the directors, each stockholder may vote the shares registered in his name in person or by proxy for as many persons as there are directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

- (4) Security Ownership of Certain Record/Beneficial Owners and Management

- (a) Security Ownership of Certain Record/Beneficial Owners as of 14 November 2025

As of 14 November 2025, the following stockholders are the only owners of more than 5% of the Company's voting capital stock, whether directly or indirectly, as record owner or beneficial owner.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation 37/F Tower I, Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City		Filipino	<u>3,046,266,633¹</u>	30.76%
Common	Mr. Eusebio H. Tanco (Chairman of the Board) (Direct and Indirect shares through PCD Nominee Corporation) 543 Fordham Street, Wack-Wack Village, Mandaluyong City	Mr. Eusebio H. Tanco	Filipino (Direct) (Indirect-thru PCD Filipino) Total	1,652,685,444 13,450,000 ----- 1,666,135,444 =====	16.69% 0.13% ----- 16.82% =====
Common	Prudent Resources, Inc. 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the Chairman and President of Prudent Resources, Inc. is authorized to vote its shares in the Company.	Filipino (Direct) (Indirect-thru PCD Filipino) Total	1,614,264,964 6,820,085 ----- 1,621,085,049 =====	16.30% .07% ----- 16.37% =====
Common	PCD Nominee 37/F Tower I, Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City		Non-Filipino	<u>916,329,295</u>	<u>9.25%</u>
Common	Biolim Holdings and Management Corp. (formerly Rescom Developers, Inc.) 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the President of Biolim Holdings and Management Corp. (formerly Rescom Developers, Inc.) is authorized to vote its shares in the Company.	Filipino (Direct) (Indirect-thru PCD Filipino) Total	794,343,934 18,282,861 ----- 812,626,795 =====	8.02% .18% ----- 8.20% =====

² Eusebio H. Tanco is the beneficial owner of 13,450,000 shares. Prudent Resources, Inc. is the beneficial owner of 6,820,085 shares. Biolim Holdings and Management Corp. (Formerly: Rescom Developers, Inc.) is the beneficial owner of 18,282,861 shares. STI Education Services Group, Inc. is the beneficial owner of 247,432,895 shares. Tantivy Holdings, Inc. (Formerly: Insurance Builders, Inc.) is the beneficial owner of 3,000,000 shares. Eximious Holdings, Inc. is the beneficial owner of 20,000,000 shares.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record owner	Citizenship	No. of Shares Held	Percent
Common	Eujo Philippines, Inc. (Direct and Indirect shares through PCD Nominee Corporation) 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the President of Eujo Philippines, Inc. is authorized to vote its shares in the Company.	Filipino (Direct)	806,157,130	8.14%
Common	Tantivy Holdings, Inc. (Formerly, Insurance Builders, Inc.) (Direct and Indirect shares through PCD Nominee Corporation) 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the President of Tantivy Holdings, Inc. (Formerly, Insurance Builders, Inc.) is authorized to vote its shares in the Company.	Filipino (Direct)	626,776,992	6.33%
			(Indirect-thru PCD Filipino)	3,000,000	0.03%
			Total	629,776,992	6.36%
				=====	=====

Note: PCD Nominee Corporation is a wholly owned subsidiary of the Philippine Central Depository, Inc. (PCD), and is the registered owner of the shares in the records of the Parent Company's transfer agent. The participants of the PCD (with respect to securities in the principal accounts) or the clients of such participants (with respect to securities in the participants' client accounts) are, as far as the PCD and PCD Nominee Corporation are concerned, the presumed beneficial owners of such lodged shares. PCD Nominee Corporation merely holds legal title (and not beneficial title) to the Parent Company's lodged shares to facilitate the book-entry trading and settlement of the Parent Company's shares. Except as disclosed above, no natural person or juridical entity whose shares are lodged in the name of PCD Nominee Corporation is known to the Parent Company to be directly or indirectly the record or beneficial owner of more than five percent (5%) of the Parent Company's voting securities.

(b) Security Ownership of Management as of 14 November 2025

The following table sets forth as of 14 November 2025, the beneficial ownership of each director and executive officer of the Company:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Eusebio H. Tanco (Director and Chairman of the Board)	1,652,685,444 13,450,000 ----- 1,666,134,444 =====	Direct Indirect – thru PCD Total	16.69% 0.13% ----- 16.82% =====
Common	Monico V. Jacob (Director, President and CEO)	1 33,784,056 ----- 33,784,057 =====	Direct Indirect – thru PCD Total	0.00% 0.34% ----- 0.34% =====
Common	Ma. Vanessa Rose L. Tanco (Director)	1 40,588,000 ----- 40,588,001 =====	Direct Indirect – thru PCD	0.00% 0.41% ----- 0.41%

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership		Citizenship	Percent of Class
Common	Joseph Augustin L. Tanco (Director and VP for Investor Relations)	1 3,949,000 ----- 3,949,001 =====	Direct Indirect – thru PCD Total	Filipino	0.00% 0.04% ----- 0.04% =====
Common	Martin K. Tanco (Director)	114,491,907	Indirect – thru PCD	Filipino	1.16%
Common	Paolo Martin Bautista (Director and Chief Investment Officer and Head of Corporate Strategy)	4,000,000	Indirect – thru PCD	Filipino	0.04%
Common	Jesli A. Lapus (Non-Executive Director)	6,000,000	Indirect – thru PCD	Filipino	0.06%
Common	Robert G. Vergara (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Ma. Leonora V. De Jesus (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Raymond Anthony N. Alimurung (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Antonio T. Carpio (Independent Director)	10,000	Direct	Filipino	0.00%
Common	Yolanda M. Bautista (Treasurer & Chief Finance Officer)	1 5,000,000 ----- 5,000,001 =====	Direct Indirect – thru PCD Total	Filipino	0.00% 0.05% ----- 0.05% =====
Common	Arsenio C. Cabrera, Jr. (Corporate Secretary)	6,500,000	Indirect – thru PCD	Filipino	0.07%
Common	Directors and Officers as a Group	1,880,550,411	Direct and Indirect	Filipino	18.99%

(c) Voting Trust Holders of 5% Or More

As of 14 November 2025, no person holds at least 5% or more of a class under a voting trust or similar agreement.

(d) Changes in Control

There has been no change of control in the Company since 1 April 2014.

Item 5. Directors and Executive Officers

(1) Certain Relationships and Related Transactions

(a) Directors and Executive Officers

The Company's Articles of Incorporation provides for eleven (11) members of the Board.

The term of office of the directors of the Company is one (1) year and they are to serve as such until the election and qualification of their successors.

The following are the incumbent members of the Board of Directors:

- (1) Eusebio H. Tanco
- (2) Monico V. Jacob
- (3) Joseph Augustin L. Tanco
- (4) Ma. Vanessa Rose L. Tanco
- (5) Martin K. Tanco
- (6) Paolo Martin O. Bautista
- (7) Jesli A. Lapus
- (8) Robert G. Vergara
- (9) Ma. Leonora Vasquez-De Jesus
- (10) Raymond Anthony N. Alimurung
- (11) Justice Antonio T. Carpio (Ret).

All of the foregoing incumbent directors have been nominated to the Board for the ensuing year. Messrs. Robert G. Vergara, Raymond Anthony N. Alimurung and Justice Antonio T. Carpio (Ret.) as well as Ms. Ma. Leonora Vasquez-De Jesus have been nominated as independent directors by Eximious Holdings, Inc. (formerly Capital Managers & Advisors, Inc.) ("EHI"), a stockholder of the Company. EHI has no business or professional relationship with the aforementioned persons nominated as independent directors.

The Certifications of Messrs. Vergara and Alimurung, Ms. Vasquez-De Jesus and Justice Antonio T. Carpio (Ret.) as independent directors are attached hereto as Annexes "A" to "D".

Pursuant to the Certifications of Independent Director submitted by Messrs. Vergara and Alimurung, Ms. Vasquez-De Jesus and Justice Carpio (Ret.), they each possess all of the qualifications and none of the disqualifications to serve as the Company's independent directors for the ensuing year.

In accordance with Section 11, Article II of the Company's By-Laws and the 2017 Manual on Corporate Governance, the nomination of all of the members of the Company's Board of Directors, including independent directors, shall be conducted by the Corporate Governance Committee prior to the annual stockholders' meeting in accordance with the following procedure:

- (1) All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Corporate Governance Committee and the Corporate Secretary.
- (2) The Corporate Governance Committee shall pre-screen the qualifications and prepare a Final List of all Candidates.
- (3) After the nomination, the Corporate Governance Committee shall prepare a Final List of Candidates to be submitted to the Board of Directors, which shall contain all the information regarding the background and experience of the

nominees required to be ascertained and made known under the Securities Regulation Code and relevant rules and regulations.

- (4) Said Final List of Candidates shall be disclosed in the reports required by law, rules and regulations to be submitted to the Securities Exchange Commission, Philippine Stock Exchange and all stockholders.
- (5) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared.

The Chairman of the Corporate Governance Committee is Justice Antonio T. Carpio (Ret). Ms. Ma. Leonora Vasquez-De Jesus and Mr. Raymond Anthony N. Alimurung are the members of the Corporate Governance Committee.

The following are the Final List of Candidates for directors as determined by the Company's Corporate Governance Committee:

Candidate for Nomination as Director	Nominating Stockholder	Relationship	Citizenship
Eusebio H. Tanco	Eximious Holdings, Inc. ("EHI")	Chairman	Filipino
Monico V. Jacob	EHI	President	Filipino
Joseph Augustin L. Tanco	EHI	Director	Filipino
Ma. Vanessa Rose L. Tanco	EHI	N/A	Filipino
Martin K. Tanco	EHI	N/A	Filipino
Paolo Martin O. Bautista	EHI	N/A	Filipino
Jesli A. Lapus	EHI	N/A	Filipino
Robert G. Vergara	EHI	N/A	Filipino
Ma. Leonora Vasquez-De Jesus	EHI	N/A	Filipino
Raymond Anthony N. Alimurung	EHI	N/A	Filipino
Justice Antonio T. Carpio (Ret.)	EHI	N/A	Filipino

The directors and officers of the Company are not connected with any government agency or instrumentality. A Certification to this effect is attached hereto as Annex "E".

Summary of Term of Office of Directors:

- (1) Eusebio H. Tanco – director since 17 March 2010 up to the present
- (2) Monico V. Jacob – director since 17 March 2010 up to the present
- (3) Joseph Augustin L. Tanco – director since 27 October 2010 up to the present
- (4) Ma. Vanessa Rose L. Tanco – director since 27 October 2010 up to the present
- (5) Martin K. Tanco – director since 19 December 2012 up to the present
- (6) Paolo Martin O. Bautista – director since 19 December 2012 up to the present
- (7) Jesli A. Lapus –Independent director from 4 October 2013 up to 19 December 2022 and non-executive director from 19 December 2022 up to the present
- (8) Robert G. Vergara – independent director since 27 July 2017 up to the present
- (9) Ma. Leonora Vasquez-De Jesus – independent director since 20 September 2019 up to the present
- (10) Raymond Anthony N. Alimurung - independent director since 20 September 2019 up to the present

- (11) Justice Antonio T. Carpio (Ret.)- independent director since 19 December 2022 up to the present

The corresponding ages, citizenships, business experiences and directorships held for the past five (5) years of the incumbent directors who have been nominated to the Board for the ensuing year, are set forth below:

Eusebio H. Tanco, 76, Filipino, Chairman of the Board, Executive Director

Mr. Tanco has been Chairman of STI Holdings since March 17, 2010. He is also the Chairman of the Executive Committee of STI Holdings.

Mr. Tanco is a Director of STI ESG. He serves as the Chairman Emeritus of the Executive Committee and the Chairman of the Compensation Committee and Retirement Committee.

Mr. Tanco is Chairman of the Board and President of Prudent Resources, Inc., First Optima Realty Corp, and Prime Power Holdings Corporation. He is the Chairman of the Board of Mactan Electric Company, Venture Securities Inc., GROW Vite Staffing Services, Inc., (Grow Vite), Eximious Holdings, Inc., Philippines First Insurance Co., Inc. (PhilsFirst) and DigiPlus Interactive Corp. (formerly Leisure and Resorts World Corporation). He is the President of Asian Terminals. Inc.

Mr. Tanco is the President of Total Consolidated Asset Management, Inc., Eujo Phils, Inc., Cement Center Inc., Biolim Holdings and Management Corp (formerly Rescom Developers Inc.), Tantivy Holdings, Inc., Bloom with Looms Logistics, Inc. (formerly Southern Textiles Mills, Inc.), Marbay Homes Inc., Amina, Inc., International Hardwood & Veneer Corp. He is the CEO of Classic Finance Inc.

Mr. Tanco is also a director in iACADEMY, STI West Negros University, PhilPlans First, Inc., (PhilPlans), Maestro Holdings, Inc., Philippine Life Financial Assurance Corporation (PhilLife), Manila Bay Spinning Mills, Inc., United Coconut Chemicals, Inc., MB Paseo, PhilhealthCare, Inc., (PhilCare), Philippine Racing Club, Inc.

Mr. Tanco is the Chairman of the Philippine-Thailand Business Council and the Philippines-UAE Business Council. He likewise sits as a member of the Board of Trustees of Philippines, Inc. and member of the Philippine Chamber of Commerce and Industry.

Mr. Tanco earned his Master of Science in Economics degree from the London School of Economics and Political Science and his Bachelor of Science degree in Economics from the Ateneo de Manila University. The Palawan State University also conferred a Doctorate of Humanities degree, honoris causa to Mr. Tanco.

Monico V. Jacob, 80, Filipino, President and CEO, Executive Director

Mr. Jacob has been the President and CEO of STI Holdings since March 17, 2010. He is likewise a member of the Executive Committee of STI Holdings.

Mr. Jacob is the Vice-Chairman and CEO of STI ESG and a member of the Executive Committee, Corporate Governance, Compensation, and Retirement Committees. He is also the Chairman of STI West Negros University.

Mr. Jacob is the President of Eximious Holdings, Inc., Tantivy Holdings, Inc., and Chantilly Nutriment Corporation.

Mr. Jacob is the Chairman of Maestro Holdings, PhilLife, PhilCare, Total Consolidated Asset Management, Inc., Global Resource for Outsourced Workers, Inc. (GROW), Grow Vite, and Rosehills Memorial Phils., Inc.

Mr. Jacob is a non-Executive Director in Asian Terminals, Inc. and Phoenix Petroleum Phils., Inc. and an Independent Director in Rockwell Land Corp. He also serves as a member of the Board of Governors of iACADEMY, and is a member of the board of PhilPlans.

Prior to his present positions, Mr. Jacob was the Chairman and CEO of Petron Corporation, and the Philippine National Oil Company (PNOC) and all of its subsidiaries. He also served as the General Manager of the National Housing Authority (NHA), and Chief Executive Officer of the Home Development Mutual Fund. He was also an Associate Commissioner for the Securities and Exchange Commission in 1986.

Prior to government, he was a Partner of the law firm Jacob Acaban Corvera Valdez and Del Castillo and was an active trial lawyer. Today, he is a partner in the law firm of Jacob & Jacob. His areas of specialization are energy, corporate law, corporate recovery and rehabilitation work, including receivership and restructuring advisory for companies.

Mr. Jacob is a member of the Management Association of the Philippines (MAP) of which he was President for 1998. He is also a member of the Integrated Bar of the Philippines.

Mr. Jacob finished his Bachelor of Arts degree with a Major in Liberal Arts from the Ateneo de Naga University in 1966 and his Bachelor of Laws degree from the Ateneo de Manila University in 1971.

Joseph Augustin L. Tanco, 44, Filipino, Executive Director

Mr. Tanco has been a Director of STI Holdings since October 27, 2010. He is likewise the Vice President for Investor Relations.

Mr. Tanco is the Chairman of the Board of PhilPlans.

Mr. Tanco is currently the President and Chief Executive Officer of Maestro Holdings, PhilLife, PhilCare and Comm&Sense, Inc. He founded Comm&Sense, Inc., an award-winning public relations agency offering comprehensive services in the areas of creative design, event conceptualization and management, public relations and promotions, and its affiliated companies Roar Agile Communicators and Stitch Tech Solutions, where he is likewise the President and Chief Executive Officer.

Mr. Tanco serves as Director and member of the Executive Committee of STI ESG, Director of iACADEMY, STI West Negros University and PhilsFirst.

Mr. Tanco is also a Director of Eximious Holdings, Inc., Biolim Holdings & Management Corporation, Prime Power Holdings Corporation, Venture Securities, Inc., and Bloom with Looms Logistics, Inc., and EujoPhils, Inc.

He is an active member of the American Chamber of Commerce of the Philippines, Inc. (AMCHAM), where he is Co-Chairman of the Healthcare and Wellness Committee since 2019. He was Chapter President of Junior Chamber International Philippines (JCI) in 2012, an Area Director for Metro Area 2 in 2013 and recently, JCI bestowed him a Senatorship role. He was National Chairman for Nothing but Nets in 2013. In 2012, he became a mentor for the Bachelor of Science in Entrepreneurship Program at UA&P, and in 2022 was the first recipient of the UA&P Helm Award for Exemplary Service, the top

honor at the university's inaugural Alumni Achievement Awards, which recognizes the distinct accomplishments of School of Management graduates. He is also an awardee of the Asia CEO Awards 2024.

Mr. Tanco is a graduate of the University of Asia and the Pacific with a Bachelor of Science degree in Entrepreneurial Management. He obtained his Master's in Business Administration from the Ateneo Graduate School of Business.

Ma. Vanessa Rose L. Tanco, 47, Filipino, Executive Director

Ms. Tanco has been a Director of STI Holdings since 27 October 2010.

Ms. Tanco is a Director and the Chairman of the Executive Committee of STI ESG. She also holds directorships at STI West Negros University, PhilPlans, PhilCare, Chantilly Nutriment Corporation and Maestro Holdings. Currently, she is the Chairperson and CEO of iACADEMY.

Ms. Tanco obtained her Master's degree in Business Administration at the University of Southern California. She obtained her Bachelor of Science degree in Legal Management at Ateneo de Manila University.

Martin K. Tanco, 58, Filipino, Non-Executive Director

Mr. Tanco has been a Director of STI Holdings since 19 December 2012. He is likewise a member of the Executive and Audit and Risk Committees of STI Holdings.

Mr. Tanco is also a director of STI ESG.

Mr. Tanco previously worked with Coats LTD from 1991 to 1999 where he was assigned various operational responsibilities in Indonesia, China, South Africa, United States, Portugal and the United Kingdom.

Mr. Tanco is the Director for Investment of Philplans First, Inc. He is the President of the Philfirst Condominium Association and Vice President of Manila Bay Thread Corporation (formerly Coats Manila Bay).

Mr. Tanco earned his Bachelor of Science Degree in Electrical Engineering from the University of Southern California. He obtained his Master of Science degree in Electrical Engineering and Master in Business Administration from the University of Southern California.

Paolo Martin O. Bautista, 56, Filipino, Executive Director

Mr. Bautista has been a Director of STI Holdings since December 19, 2012. He is likewise the Chief Investment Officer and Chief Risk Officer of STI Holdings.

Mr. Bautista is also a director of STI ESG.

Mr. Bautista is an advisor to the Investment Committee of PhilPlans and a member of the board of directors. He is also a member of the board of directors at PhilCare, PhilLife and Maestro Holdings. He has over 20 years of experience in the areas of corporate finance, mergers and acquisitions, debt and equity capital markets, credit risk management, and securities law. Prior to joining STI Holdings, he

was a director at Citigroup Global Markets and a Vice President at the Investment Banking Division of Credit Suisse.

Jesli A. Lapus, 76, Filipino, Non-Executive Director

Mr. Lapus was first elected as an Independent Director of STI Holdings on October 4, 2013. He served as the Chairman of the Audit and Risk Committee as well as a member of the Corporate Governance and Related Party Transactions Committees of STI Holdings. He is a member of the Audit and Risk Committee and Related Party Transaction Committee of STI Holdings.

Mr. Lapus was nominated and first elected as a non-executive director of STI Holdings on 19 December 2022.

Mr. Lapus was first elected as Chairman and Independent Director of STI ESG on 25 September 2013. He also served as a member of the Executive and Corporate Governance Committees as well as the Chairman of the Audit and Risk Committee of STI ESG. He was first elected as a Non-Executive Director of STI ESG on 16 December 2022.

Mr. Lapus is a member of the Board of Governors/Independent Director of iACADEMY. He is a member of the Board of STI West Negros University. He is also an Independent Director of PhilLife, Alliance Global Group, Inc. and Emperador Inc.

Mr. Lapus is also the Chairman of the Board of LSERV Corporation and the AIM-ALT Center for Tourism of the Asian Institute of Management where he previously sat as a Trustee.

A multi-awarded executive in the private sector, Mr. Lapus has successfully managed corporations and banks to industry leaderships. He served as President and CEO of the LandBank of the Philippines, Managing Director of Triumph International (Phils) Inc, and CFO of the Ramcar Group. A Certified Public Accountant, he started his professional career at the SyCip, Gorres, Velayo & Co.

With a solid track record as a professional executive, Mr. Lapus has the distinction of having served in the cabinets of three Philippine Presidents namely: Presidents Corazon Aquino, Ramos and Arroyo. He served as Secretary of Trade and Industry, Secretary of Education, President/CEO of Landbank of the Philippines and Undersecretary of Agrarian Reform.

Mr. Lapus earned his Doctor of Public Administration (honoris causa) from Polytechnic University of the Philippines; Master in Business Management at the Asian Institute of Management and did his Post-Graduate studies at Harvard University (Investment Appraisal and Management); INSEAD (Transfer of Technology); UCLA (Personal Financial Planning and BITS Sweden (Project Management).

Mr. Lapus is an accredited member of the Singapore Institute of Directors (SIDS), Singapore's national association of company directors.

Robert G. Vergara, 63, Filipino, Independent Director

Mr. Vergara has been an Independent Director of STI Holdings since July 27, 2017. He is the Chairman of the Audit and Risk Committee and also serves as a member of the Related Party Transactions Committee of STI Holdings.

Mr. Vergara is also an Independent Director of STI ESG. He is the Chairman of the Audit and Risk Committee and a member of Corporate Governance Committee of STI ESG.

Mr. Vergara is the President of Vergara Advisory Management, Inc. founded in June 2018. He currently sits as an Independent Director of SM Investments Corporation, Metro Pacific Health, AIG Philippines Insurance, Inc., and as Chairman and Member of the Board of Directors of Cabanatuan Electric Corporation.

Mr. Vergara served as the President and General Manager, and Vice-Chairman of the Board of Trustees of the Government Service Insurance System (GSIS) from September 2010 to October 2016. Mr. Vergara also served as Vice Chairman and Director of National Reinsurance Corporation of the Philippines, Manila Hotel Corporation, and Member of the Board of Directors of Philippine Stock Exchange, Philippine Health Insurance Corporation, Philippine National Construction Corporation and Housing and Urban Development Coordinating Council.

Mr. Vergara was the Managing Director and Founding Partner of Cannizaro (Hong Kong) Limited from October 2006 to September 2010. From 2002 to 2006, he was a Director of Lionhart (Hong Kong) Ltd. He was a Principal in Morgan Stanley Asia Ltd. from 1997-2001 and served as the Managing Director of IFM Asia Ltd. from 1990 to 1997.

He obtained his Master in Business Administration from Harvard Graduate School of Business Administration. He graduated magna cum laude from Ateneo De Manila University with Bachelor of Science degrees in Management Engineering and Mathematics.

Ma. Leonora Vasquez- De Jesus, 75, Filipino, Independent Director

Ms. Vasquez-De Jesus has been an independent director of STI Holdings since September 20, 2019. She is the Chairperson of the Related Party Transactions Committee as well as a member of the Audit and Risk and Corporate Governance Committees.

She is also an Independent Director of STI ESG. She is the Chairperson of the Corporate Governance Committee, and a member of the Audit and Risk, and Compensation Committees of STI ESG.

She is currently an Independent Director of BDO Network Bank since 2018. She is presently the Chairperson of the Bank's Board Audit Committee, and a member of the Corporate Governance Committee, and Related Party Transactions Committee.

Ms. De Jesus also serves as Director of Risks, Opportunities Assessment and Management (ROAM), Inc., an accredited SEC trainor on corporate governance.

She is also a member of the New Generation Organization of Women Corporate Directors and Women Corporate Directors since September and November 2023, respectively.

In the past, Ms. De Jesus was an Independent Director of Dominion Holdings, Inc., BDO Leasing and Finance, Inc., Equitable Savings Bank, PCI Capital Corporation, and BDO Elite Savings Bank, Inc. (formerly GE Money Bank, Inc.), and a Director of SM Development Corporation.

She was formerly the University President of the Pamantasan ng Lungsod ng Maynila and was also professorial lecturer at the University of the Philippines-Diliman, Ateneo de Manila University, and at the De La Salle Graduate School of Business and Governance.

She attended a course on Portfolio Management at the New York Institute of Finance; and a Housing Finance course at the Wharton School of Business.

She was also a member of the Board of Governors of the Philippine National Red Cross. Ms. Vasquez-De Jesus was a trustee of the Government Service Insurance System (GSIS) from 1998 until 2004, and also served as a director of the Development Bank of the Philippines.

She was a member of the cabinets of Presidents Corazon C. Aquino, (as Undersecretary in the Office of the President); of Fidel V. Ramos (as Head of the Presidential Management Staff, and concurrently Secretary of the Cabinet; and of Joseph E. Estrada (as Head, Presidential Management Staff and later as Chairman of the Housing and Urban Development Coordinating Council).

She holds Bachelor's (Cum Laude), Master's and Doctorate degrees in Psychology from the University of the Philippines.

Ms. Vasquez-De Jesus was also given several awards: Presidential Medal of Merit – for distinguished and exemplary service rendered to the Republic given by President Fidel V. Ramos, June 23, 1998.; National Awardee – The Outstanding Women in the Nation's Service (TOWNS), 1995; Career Executive Service Officer Plaque of Distinguished Service – in recognition of having been appointed as member of the President's Cabinet as Head of the Presidential Management Staff (the highest recognition of a public manager's competence, performance and commitment to public service), July 28, 1998. First Prize Winner – Thesis/Dissertation Writing Contest in Psychology for 1983-1985, given by the Psychological Association of the Philippines, August 1985; and, UP ROTC Citation for Academic Excellence.

She has likewise authored a book on Completed Staff Work, written a number of academic papers, and worked as an independent consultant for a number of multinational companies and government agencies.

Raymond Anthony N. Alimurung, 51, Filipino, Independent Director

Mr. Alimurung has been an independent director of STI Holdings since September 20, 2019. He is a member of the Audit and Risk, Corporate Governance and Related Party Transactions Committees.

He presently holds the position of a general partner at Kaya Founders, an early-stage investment firm. Before this role, he served as Lazada's first Filipino CEO, overseeing its Philippine expansion from 2018 to 2022. Additionally, Mr. Alimurung held the position of CEO at aCommerce Philippines and gained experience working with Amazon.

Mr. Alimurung obtained his MBA from the Stanford Graduate School of Business. He also holds a Doctor of Medicine from the University of the Philippines College of Medicine where he graduated in the top fifteen percent (15%) of his class. He graduated Cum Laude from the Ateneo De Manila University with a degree in BS Biology.

Justice Antonio T. Carpio (Ret.), 75, Filipino, Independent Director

Justice Antonio T. Carpio has been an independent director of STI Holdings since December 19, 2022. He is the Chairman of the Corporate Governance Committee as well as a member of the Related Party Transactions Committee.

Justice Carpio also serves as an Independent Governor of iACADEMY, Inc.

Justice Antonio T. Carpio was sworn in as member of the Supreme Court of the Philippines on October 26, 2001. He served in the Supreme Court for 18 years, retiring on October 25, 2019 upon reaching the compulsory retirement age of 70. Justice Carpio retired with a zero backlog of cases.

Justice Carpio obtained his law degree from the College of Law of the University of the Philippines where he graduated valedictorian and *cum laude* in 1975. He earned his undergraduate degree in Economics from the Ateneo de Manila University in 1970.

Fresh out of law school, Justice Carpio went into private practice and founded the Carpio Villaraza and Cruz Law firm. He was a Professorial Lecturer of the U.P. College of Law from 1983 until 1992 when he was appointed Chief Presidential Legal Counsel with cabinet rank, Office of the President of the Philippines.

For his "distinguished and exemplary service" to the Republic, Justice Carpio was awarded in 1998 the Presidential Medal of Merit by then President Fidel Ramos. He was conferred a Doctor of Laws, *honoris causa*, by the Ateneo de Davao University in 2009, by the University of the Philippines in 2020, and by the Ateneo de Manila University in 2021.

On October 29, 2011, as Guest Speaker at the 50th Founding Anniversary of the Ateneo de Davao College of Law, Justice Carpio launched his advocacy to challenge the validity of China's nine-dashed line before a tribunal under the United Nations Convention on the Law of the Sea. Ever since, he has been giving lectures all over the country on the invalidity of China's nine-dashed line.

In 2015, the Department of Foreign Affairs sponsored Justice Carpio on a world lecture tour on the West Philippine Sea dispute. Justice Carpio presented the Philippines' perspective on the dispute before think-tanks and universities in 30 cities covering 17 countries.

In May 2017, Justice Carpio published the book titled *The South China Sea Dispute: Philippine sovereign Rights and Jurisdiction in the West Philippine Sea*.

While in the Supreme Court, Justice Carpio served as Chair of the Second Division of the Supreme Court and Chair of the Senate Electoral Tribunal.

Yolanda M. Bautista, 72, Filipino, Treasurer

Ms. Bautista has served as the Treasurer of STI Holdings since March 17, 2010. She is likewise a member of the Executive Committee of STI Holdings.

Ms. Bautista is also the Chief Finance Officer and Treasurer of STI ESG. She is likewise a member of the Compensation and Retirement Committees of STI ESG.

Ms. Bautista is the Chairman and President of Corporate Reference, Inc and Yellow Meadows Business Ventures, Inc.

Ms. Bautista serves as Director and Treasurer of Eximious Holdings, Inc., Banclife Insurance Co., Inc., Tantivy Holdings, Inc., DLS-STI College, Inc., and iACADEMY. She is also the Group Chief Finance Officer of PhilLife and PhilCare as well as the Chief Finance Officer and Treasurer of STI West Negros University. Ms. Bautista is a Director of First United Travel, Inc., Attenborough Holdings Corp., Philippine Healthcare Educators, Inc., GROW, Grow Vite and Bloom with Looms Logistics, Inc. She serves as Treasurer of Total Consolidated Asset Management, Inc., Aberlour Holding Company, Daven

Holdings, Inc., Harbourside Holding Corporation, Maestro Holdings, Inc., Morray Holdings, Inc., Kusang Loob Foundation, Inc., SG Holdings, Inc., Philippines First Condominium Corporation, P & O Management Services Phils., Inc., TechGlobal Data Center, Inc., Techzone Condominium Corporation and Techzone Philippines, Inc.

Ms. Bautista is a Certified Public Accountant. She graduated Magna Cum Laude from the University of Sto. Tomas with a Bachelor of Science degree in Commerce, major in Accounting.

Ms. Bautista has served as the Treasurer of STI Holdings since March 17, 2010. She is likewise a member of the Executive Committee of STI Holdings.

Ms. Bautista is also the Chief Finance Officer and Treasurer of STI ESG. She is likewise a member of the Compensation and Retirement Committees of STI ESG.

Ms. Bautista is the Chairman and President of Corporate Reference, Inc and Yellow Meadows Business Ventures, Inc.

Ms. Bautista serves as Director and Treasurer of Eximious Holdings, Inc. (formerly, Capital Managers and Advisors, Inc.), Banlife Insurance Co., Inc., Tantivy Holdings, Inc., DLS-STI College, Inc., and iACADEMY. She is also the Group Chief Finance Officer of Philippine Life Financial Assurance Corporation and Philhealthcare, Inc. as well as the Chief Finance Officer and Treasurer of STI West Negros University. Ms. Bautista is a Director of Attenborough Holdings Corp., Philippine Healthcare Educators, Inc., Global Resource for Outsourced Workers, Inc., Grow Vite Staffing Services, Inc. and Bloom with Looms Logistics, Inc. She serves as Treasurer of Total Consolidated Asset Management, Inc., Aberlour Holding Company, Daven Holdings, Inc., Harbourside Holding Corporation, Maestro Holdings, Inc., Morray Holdings, Inc., Kusang Loob Foundation, Inc., SG Holdings, Inc., Philippines First Condominium Corporation, Quantum Analytix, Inc., P & O Management Services Phils., Inc., TechGlobal Data Center, Inc., Techzone Condominium Corporation and Techzone Philippines, Inc.

Ms. Bautista is a Certified Public Accountant. She graduated Magna Cum Laude from the University of Sto. Tomas with a Bachelor of Science degree in Commerce, major in Accounting.

Arsenio C. Cabrera, Jr., 65, Filipino, Corporate Secretary, General Counsel, and Corporate Information Officer

Atty. Arsenio C. Cabrera, Jr. is the Corporate Secretary and Corporate Information Officer of STI Holdings.

He is also the Corporate Secretary, General Counsel, and Corporate Information Officer of STI ESG.

Atty. Cabrera is a Managing Partner of Herrera Teehankee & Cabrera Law Offices. He also serves as Corporate Secretary of Agustin Tanco Foundation, Inc., Amina, Inc., Arani Realty Corporation, Asiateleservices, Inc., Attenborough Holdings Corporation, BOIE Drug, Inc., BOIE, Incorporated, BOIE Prime, Inc., Calatagan Bay Realty, Inc., Canlubang Golf and Country Club, Inc., Cement Center, Inc., Citicore Holdings Investment, Inc., Classic Finance, Inc., Comm & Sense, Inc., Digitalme Services, Inc., Drysor, Inc., ESA Group of Companies, Inc., Eximious Holdings, Inc., EUJO Phils. Incorporated, Fieldtech Asia, Inc., First Optima Realty Corporation, GEOGRACE Resources Philippines, Inc., Greener and Partner Properties, Inc., Heritage Park Management, Inc., iACADEMY, International Hardwood & Veneer Company of the Philippines, Juska, Inc., Lasik Surgery, Inc., Maestro Holdings, Manila Bay Hosiery Mills, Inc., Manila Bay Spinning Mills, Inc., Megacore Holdings, Inc., NiHAO Mineral Resources International, Inc., Palisades Condominium Corporation, Pay Philexchange, Inc., Philippine American

Drug Company, Philippine First Condominium Corporation, PhilsFirst, PhilLife, PhilCare, Inc., Philplans., Renaissance Condominium Corporation, Rosehills Memorial Management Philippines, Inc., Sinoma Energy Conservation (Philippines) Waste Heat Recovery Co., Inc., Sinoma Energy Conservation (Cebu) Waste Heat Recovery Co., Inc., Sonak Holdings, Inc., STI WNU, Tantivy Holdings, Inc., Techglobal Data Center, Inc., TechZone Philippines, Inc., Total Consolidated Asset Management, Inc., Trend Developers, Inc., Ujobi Global Philippines, Inc., Venture Securities, Inc., Villa Development Corporation, Vital Ventures Management Corp. and WVC Development Corporation.

He was also elected as Chairman of Bauhinia 17 Equity Holdings, Inc., Excelsior Holdings, Inc., Excelsium, Inc., PlusHomes Communities, Inc. and Rue Bau 17 Holdings, Inc.

Atty. Cabrera holds degrees in Bachelor of Laws (Second Honors) and Bachelor of Science in Legal Management from the Ateneo De Manila University.

Anna Carmina S. Herrera, 50, Filipino, Assistant Corporate Secretary

Atty. Herrera is a Senior Associate of Herrera Teehankee and Cabrera Law Offices. She also performs the role of Corporate Secretary of STI College Batangas, Inc., STI College of Kalookan, Inc., STI Diamond College, Inc., STI College Novaliches, Inc. and STI Tuguegarao, Inc. She also serves as Assistant Corporate Secretary in a number of other corporations: Amica Corporation, Attenborough Holdings Corporation, Banlife Insurance Co., Inc., , Comm & Sense, Inc., JAE Finance Philippines Corp., iACADEMY, Maestro Holdings, Inc., Palisades Condominium Corporation, PhilCare, , PhilLife , Renaissance Condominium Corporation, STI Holdings and Venture Securities, Inc.

Atty. Herrera received her Bachelor of Laws degree from the University of the Philippines in 2000.

(b) Significant Employees

In general, the Company values its human resources. It expects the employees to do their share in achieving the Company's set objectives. There is no person in the Company who is not an executive officer but is expected to make significant contribution in the business of the Company.

(c) Family Relationships

Mr. Joseph Augustin L. Tanco is the son of Mr. Eusebio H. Tanco. Ms. Ma. Vanessa Rose L. Tanco is the daughter of Mr. Eusebio H. Tanco.

Mr. Martin Tanco and Mr. Eusebio H. Tanco are cousins.

There are no other family relationships up to the 4th civil degree, either by consanguinity or affinity among the current Directors other than those already disclosed in this report.

(d) Involvement in Certain Legal Proceedings

None of the above-named directors and executive officers of the Company have been involved in any of the following events for the past five (5) years and up to the date of this SEC Form 20-IS:

- (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (2) any conviction by final judgment;
- (3) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (4) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

(2) Certain Relationships and Related Transactions

The Company has the following major transactions with related parties:

Advisory Agreement with STI ESG

The Parent Company entered into an agreement with STI ESG on the rendering of advisory services starting January 1, 2013.

Advisory Agreement with STI WNU

The Parent Company entered into an agreement with STI WNU on the rendering of advisory services starting January 1, 2015.

Service Level Agreement with Comm & Sense

On March 7, 2018, a Service Level Agreement between the Parent Company and Comm & Sense, Inc. owned by Mr. Joseph Augustin L. Tanco, Director and Vice President for Investor Relations of STI Holdings, was executed. Comm & Sense is in charge of the conceptualization and execution of press releases for the Parent Company's 17-A and 17-Q reports during each fiscal year. Comm & Sense shall provide strategic public relations consultation services, media networking and monitoring and editorial/creative services to the Parent Company.

AHC

The Parent Company became a stockholder owning 40% of AHC in November 2014 following the SEC approval of the increase in the authorized capital stock of AHC. In February 2015, STI Holdings acquired the remaining 60% ownership of AHC from various individuals making it a 100% owned subsidiary.

AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders' Agreement (the "Agreements") among Philippine Women's University (PWU), Unlad Resources Development Corporation (Unlad) and the Benitez Group. Under the Agreements, AHC is set to own

up to 20% of Unlad. AHC is also a party to the Omnibus Agreement it executed with STI Holdings and Unlad.

On March 1, 2016, AHC executed a Deed of Assignment wherein AHC assigned to STI Holdings its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million.

Advisory Agreement with iACADEMY

The Parent Company entered into an agreement with iACADEMY on the rendering of advisory services starting January 1, 2019.

To date, there are no complaints received by the Parent Company regarding related-party transactions.

For further details, refer to Note 31, Related Party Transactions, of the Audited Consolidated Financial Statements.

Transactions with Promoters

There are no transactions with promoters within the past five (5) years.

(3) Disagreement with a Director

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

(1) The directors are paid ₱25,000.00 per Board of Directors/committee meetings attended by them. There is no arrangement for compensation of directors.

From FY 2022-2023 up to 2024-2025, the CEO and top four (4) executive officers as a group, did not receive compensation from the Parent Company. There is no employment contract between the Parent Company and any of its executive officers.

(2) The following table summarizes the aggregate compensation for the fiscal years ended June 30, 2023, 2024 and 2025. The amounts set forth in the table below have been prepared based on what the Parent Company paid its directors and named executive officers as a group and other officers for the fiscal years ended June 30, 2023, 2024 and 2025 what the Parent Company expects to pay for the fiscal year ending June 30, 2026.

The compensation for board members is comprised of per diems. The total per diems received by the Board of Directors for Fiscal Years 2023-2024 and FY 2024-2025 are as follows:

<u>Fiscal Year</u>	<u>Total Per Diems</u>
<u>2023</u>	<u>Php1,577,485</u>
<u>2024</u>	<u>Php3,540,936</u>
<u>2025</u>	<u>Php2,819,831</u>

ANNUAL COMPENSATION

Name and Principal Position	Year Ended	Salary (₱)	Bonus (₱)	Other annual compensation (₱)
All other Officers as a Group	2023	3,411,390	-	-
	2024	5,968,538	-	-
	2025	5,720,998	-	-
	2026 ^a	5,720,998	-	-
All Named Executive Officers ^b and Board of Directors as a Group	2023			1,577,485
	2024			3,540,936
	2025			2,819,831
	2026 ^a			2,819,831

Notes:

^a Figure is an estimated amount

^b Named executives include: Eusebio H. Tanco (Chairman of the Board), Monico V. Jacob (President and CEO), Joseph Augustin L. Tanco (Vice President, Investor Relations), Yolanda M. Bautista (Treasurer and CFO) Paolo Martin O. Bautista (Vice President/Chief Investment Officer and Chief Risk Officer) and Atty. Arsenio Cabrera Jr. (Corporate Secretary).

(3) There are no actions to be taken with regard to any bonus, profit sharing, or other compensation plan, contract or arrangement in which any director, nominee for election as a director, or executive officer of the Company will participate.

(4) There are no actions to be taken with regard to any pension or retirement plan in which any such person will participate.

(5) There are no actions to be taken with regard to the granting or extension to any such person of any option, warrant or right to purchase any securities.

Item 7. Independent Public Accountants

1. The accounting firm of Sycip Gorres Velayo & Co. ("SGV") has been the Company's External Auditors for the past years (2010 up to the present). They were reappointed in the Annual Stockholders' Meeting held on 18 December 2024, as external auditors for the ensuing fiscal year.

A representative of SGV is expected to be present at the Annual Meeting of the Stockholders and will have the opportunity to make a statement if he or she so desires. The representative will also be available to respond to appropriate questions from the stockholders.

Pursuant to SRC Rule 68 Part 1 (3) (B) (ix) (Rotation of External Auditors), the Company has engaged Ms. Loubelle V. Mendoza of SGV as the Partner-in-charge of the Company. This is her fourth year of engagement for STI Holdings.

2. There has not been any disagreement between the Company and said accounting firm with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

As stated in the June 30, 2025 “Statement of Management Responsibility for Financial Statements”, SGV is the appointed independent auditors of STI Holdings. They have examined the financial statements of the Company in accordance with Philippine Standards on Auditing and have expressed their opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.

The Company’s Audit and Risk Committee reviews and approves the scope of audit work of the External Auditor and the amount of audit fees for a given year.

The 2017 Manual on Corporate Governance provides that, the Audit and Risk Committee should evaluate and determine the non-audit work of the External Auditor, and periodically review the non-audit fees paid to him in relation to the total fees paid to the External Auditor and to the Company’s overall consultancy expenses. The Audit and Risk Committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence (As defined by the Code of Ethics for Professional Accountants).

In the Organizational Meeting of the Board of Directors immediately succeeding the stockholders' meeting held on 18 December 2024, the following were elected as the Chairman and Members of the Audit and Risk Committee of the Company to serve as such for the ensuing year and until the election and qualification of their successors:

Chairman: Robert G. Vergara, Independent Director

Members: Ma. Leonora Vasquez-De Jesus, Independent Director
Raymond Anthony N. Alimurung, Independent Director
Jesli A. Lapus, Non-Executive Director
Martin K. Tanco, Non-Executive Director

The following table sets out the aggregate fees for each of the last three (3) years for professional services rendered by SGV & Co.:

	Year ended June 30, 2025	Year ended June 30, 2024	Year ended June 30, 2023
Total audit fees	₱23,114,000	₱21,191,000	₱19,513,500
Non-audit fees			
Tax Services	-	66,000	324,826
All other services ¹	1,265,000	1,263,000	1,210,000
Total non-audit fees	1,265,000	1,329,000	1,534,826
Total audit and non-audit fees	₱24,379,000	₱22,520,000	₱21,048,326

¹Billed fees for Sustainability Reporting advisory services and Corporate Governance seminars

²Fees are exclusive of VAT and out-of-pocket expenses

The Audit and Risk Committee as well as the Board of Directors recommend that SGV be appointed as the external auditor of the Company for the ensuing fiscal year.

Item 8. Compensation Plans

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other Than For Exchange

No action will be taken with respect to the authorization or issuance of any securities otherwise for exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities

There is no action to be taken with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 12. Mergers, Consolidation, Acquisition and Similar Matters

No action will be taken with respect to any of the following: (a) the merger or consolidation of the Company into or with any other person or of any other person into or with the Company; (b) the acquisition by the Company or any of its security holders of securities of another person; (c) the acquisition by the Company of any other ongoing business or of the assets thereof; (d) the sale or other transfer of all or substantially all of the assets of the Company; or (e) the liquidation or dissolution of the Company.

Item 13. Acquisition or Disposition of Property

No action will be taken with respect to the acquisition or disposition by the Company of any property.

Item 14. Restatement of Accounts

No action will be taken with respect to the restatement of any asset, capital or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The Board of Directors of the Company recommends a vote for confirmation, ratification and approval of the minutes of the 18 December 2024 Annual Stockholders' Meeting. The Minutes of the 18 December 2024 Annual Stockholders' Meeting contained the following items:

1. Call to Order
2. Certificate of Notice and Quorum
3. Rules of Conduct and Voting Procedures
4. Declaration of Dividends
5. Approval of the Minutes of the 21 December 2023 Annual Shareholders' Meeting
6. Presentation of Management Report

7. Approval of Parent and Consolidated Audited Financial Statements as at and for the fiscal year ended 30 June 2024
8. Ratification of Legal Acts, Proceedings and Resolutions of the Board of Directors and of Management from 21 December 2023 to 18 December 2024
9. Election of Directors
10. Appointment of External Auditor
11. Adjournment

Item 16. Matters Not Required to be Submitted

The Board of Directors and Management have the power to act as agents of the Company based on statute, charter, by-laws or in delegation of authority to an officer from the acts of the Board, formally expressed or implied from a habit or custom of doing business. In this regard, where an officer has been entrusted with the general management and control of the Company's business, that officer is considered to possess an implied authority to enter into any contract or do any other act which is necessary or appropriate for the conduct of the ordinary business of the Company.

The Board of Directors recommends a vote for approval, confirmation and ratification of all acts and resolutions of the Board of Directors and of Management since the Annual Stockholders' Meeting on 18 December 2024 to 12 December 2025. Said acts and resolutions of the Board of Directors and of Management since the Annual Stockholders' Meeting on 18 December 2024 include, among others: (a) the appointment of officers; (b) the opening of bank accounts and the appointment of signatories; (c) execution of contracts in the ordinary course of business; (d) declaration of cash dividends; and (f) the approval of Audited Financial Statements.

Once the ratification has been given, all acts or transactions entered into by the Board of Directors and of Management since the Annual Stockholders' Meeting on 18 December 2024 up to the present become finally and absolutely binding and neither the Company nor individual stockholders nor strangers can afterwards sue to set them aside or otherwise attack their validity.

Item 17. Amendment of Charter, By-laws or Other Documents

There are no amendments to the Articles of Incorporation or the By-Laws of the Company that will be presented for approval to the stockholders during the Annual Stockholders' Meeting.

Item 18. Other Proposed Action

There are no proposed actions that will be presented for the approval of the shareholders during the Annual Stockholders' Meeting.

Item 19. Voting Procedures

- (1) Vote required

Each common share entitles the holder to one vote. At each meeting of the stockholders, each stockholder entitled to vote on a particular question or matter shall be entitled to vote for each share of stock standing in his name in the books of the Company as of record date. Only those shareholders who have notified the Company of their intention to participate in the meeting by remote communication, together with the stockholders who voted in absentia and by proxy, will be included in the determination of quorum at the meeting. By participating remotely and by proxy, a stockholder shall be deemed present for purposes of quorum. The

vote of stockholders representing a majority of a quorum shall be required to approve any action submitted to the stockholders for approval.

In the election of directors, the eleven (11) nominees garnering the highest number of votes will be elected as members of the Board of Directors, provided that there shall always be at least three (3) independent directors. Each stockholder may vote the shares registered in his name in person or by proxy for as many persons as there are directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

(2) Method

A verified stockholder may cast his vote on each of the agenda items as contained in the link included in the confirmation correspondence. Deadline to vote in absentia through its corresponding link is on 9 December 2025. Beyond this date, stockholders may no longer avail of the option to vote in absentia. The Office of the Corporate Secretary shall then tabulate all votes, including those casts in absentia and by proxy, to be assisted by the Company's stock transfer agent, Professional Stock Transfer, Inc. The Corporate Secretary shall report the results of voting during the meeting.

Due to logistical limitations of the meeting conducted virtually, voting and open forum/discussion will not be possible during the virtual meeting. However, a stockholder, once verified/ registered, will be given an opportunity to raise any relevant questions or express an appropriate comment limited to the agenda items by sending an email to a designated email address not later than 9 December 2025 to be properly noted and addressed accordingly. Any relevant questions or comments received by the Office of the Secretary via email within the prescribed period given by registered stockholders shall be properly acknowledged, noted and addressed accordingly. Questions and comments not taken up during the meeting shall be addressed directly via email by the Company.

The Company will seek the approval of the following:

- (a) Approval of the Minutes of the Annual Stockholders' Meeting held on 18 December 2024
- (b) Approval of Management Report
- (c) Approval of the Parent and Consolidated Audited Financial Statements as at and for the fiscal year ending 30 June 2025
- (d) Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in the ordinary course of business, from 18 December 2024 to 12 December 2025
- (e) Election of Directors
- (f) Appointment of external auditor

Discussion on Compliance with Leading Practices on Corporate Governance

The Company filed the latest version of its Manual on Corporate Governance with the Securities and Exchange Commission (SEC) on May 31, 2017 (the “Revised Manual”).

The Company strives to fully comply with the best practices and principles of good corporate governance contained in the Revised Manual. The Company annually assesses its compliance with the SEC Code of Corporate Governance for Publicly Listed Companies and the Revised Manual through the Integrated Annual Corporate Governance Reports (the “iACGR Reports”) that are submitted to the SEC. Moreover, the Board of Directors of the Company also completes annual Board performance self-assessments. The results of these Board performance self assessments are submitted to the Compliance Officer who prepares and files the iACGR Reports.

On January 27, 2020, the Company submitted to the SEC, a duly notarized Certification issued by the Compliance Officer, stating that it had substantially adopted all the provisions of the Revised Code of Corporate Governance, as prescribed by SEC Memorandum Circular No. 9, Series of 2014, as amended.

The 2024 Integrated Annual Corporate Governance Report of STI Holdings was submitted to the SEC and PSE on May 21, 2025 and posted in the Parent Company’s Official Website <http://www.stiholdings.com> on May 21, 2025.

There have been no deviations from the Revised Manual.

The Company ensures that it has at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the total number of directors on its Board of Directors, whichever is higher but in no case less than two (2) independent directors. There are four (4) incumbent independent directors on the Board of Directors of STI Holdings.

The Company is exerting all efforts to further strengthen compliance to principles and practices of good corporate governance. Once a year, it organizes an in-house corporate governance seminar for all the directors and key officers of the Company and its subsidiaries and affiliate companies.

The Company’s Board of Directors and Management, employees, and Stockholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

The purpose of the Company is to maximize the organization's long-term success, creating sustainable value for its stockholders, stakeholders, and the nation.

Discussion on the Requirements of Section 49 of the Revised Corporation Code and Memorandum Circular No. 3, Series of 2020

In compliance with Section 49 of the Revised Corporation Code, a copy of the Minutes of the 18 December 2024 Annual Stockholders’ Meeting with the directors, officers and stockholders who attended the meeting is attached hereto as Annex “F”.

The attendance of the directors in the Board and stockholders’ meetings held for the calendar year 2025 is as follows:

Board	Name	No. of Meetings held during the year	No. of Meetings Attended	%
Chairman	Eusebio H. Tanco	7	7	100%
Director	Monico V. Jacob	7	7	100%
Director	Joseph Augustin L. Tanco	7	7	100%
Director	Ma. Vanessa Rose L. Tanco	7	7	100%
Director	Martin K. Tanco	7	6	86%
Director	Paolo Martin O. Bautista	7	7	100%
Non-Executive Director	Jesli A. Lapus	7	7	100%
Independent Director	Robert G. Vergara	7	7	100%
Independent Director	Ma. Leonora Vasquez-De Jesus	7	6	86%
Independent Director	Raymond Anthony N. Alimurung	7	7	100%
Independent Director	Justice Antonio T. Carpio (Ret).	7	7	100%

The 2024 Self-Evaluation Performance Report of the Board of Directors was presented during the 13 October 2025 meeting of the Board of Directors.

The Board noted that a rating of 4 indicated that the performance exceeds expectations or that performance is above standard and meets objectives.

The Company adopts a policy of full disclosure with regard to related party transactions. All terms and conditions of related party transactions are reported to the Board of Directors. The Company ensures that the transactions are entered on terms comparable to those available from unrelated third parties. Disclosure of relationship or association is required to be made before entering into related party transactions. None of the Corporation's directors and officers have entered into self-dealing and related party transactions with or involving the Company in 2025.

The Company has also complied with SEC Memorandum Circular No. 3, series of 2020 which requires that written notice of regular meetings shall be sent to all stockholders of record at least twenty-one (21) calendar days prior to the date of the Annual Stockholders' Meeting.

The Company has complied with Section 49 of the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 3, series of 2020 which requires that written notice of regular meetings shall be sent to all stockholders of record at least twenty-one (21) calendar days prior to the date of the Annual Stockholders' Meeting.

UNDERTAKING TO PROVIDE SEC FORM 17-A AND SEC FORM 17-Q

STI EDUCATION SYSTEMS HOLDINGS, INC., AS REGISTRANT, WILL PROVIDE WITHOUT CHARGE, UPON WRITTEN REQUEST, A COPY OF THE REGISTRANT'S ANNUAL REPORT ON SEC FORM 17-A AS OF 30 JUNE 2025 AND INTERIM FINANCIAL STATEMENTS (SEC FORM 17-Q) AS OF 30 SEPTEMBER 2025. SUCH WRITTEN REQUESTS SHOULD BE ADDRESSED TO: ATTY. ARSENIO C. CABRERA, JR., CORPORATE SECRETARY, 5/F SGV II, BUILDING, 6758 AYALA AVENUE, MAKATI CITY 1226, METRO MANILA, PHILIPPINES.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 19 November 2025.

STI EDUCATION SYSTEMS HOLDINGS, INC.

Issuer

ARSENIO C. CABRERA, JR.

Corporate Secretary

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ROBERT G. VERGARA**, Filipino, of legal age, with residence address at 1489 Carissa St. Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of STI Education Systems Holdings, Inc. and have been an independent director since 27 July 2017 to present.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

<u>Company/Organizations</u>	<u>Position/Relationship</u>	<u>Period of Service</u>
AIG Philippines Insurance, Inc.	Independent Director	2 January 2024 to present
Cabanatuan Electric Corporation	Chairman/	August 2022 to present
	Director	26 June 2010 to present
Metro Pacific Health	Independent Director	9 December 2019 to present
SM Investments Corporation	Independent Director	24 April 2019 to present
Vergara Advisory Management, Inc.	President/Director	June 2018 to present
STI Education Services Group, Inc.	Independent Director	27 July 2017 to present
SEA CREST Fund	Director	30 March 2009 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of STI Education Systems Holdings, Inc. as provided for in Section 38 of the Securities and Exchange Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to the directors/officers/substantial shareholders of STI Education Systems Holdings, Inc. other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or GOCC.
7. I shall inform the Corporate Secretary of STI Education Systems Holdings, Inc. of any changes in the abovementioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, I have executed this Certificate of Independent Director this OCT 28 2025 day of October 2025 at Makati City.


ROBERT G. VERGARA

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

OCT 28 2025

SUBSCRIBED AND SWORN to before me this ____ day of October 2025 at Makati City, affiant personally appeared and exhibited to me his Republic of the Philippines Passport No. P5668049B issued on 12 October 2020 at DFA Manila.

Doc. No. 365;
Page No. 74;
Book No. 7;
Series of 2025.




MIGUEL ANTONIO U. TENSUAN
Notary Public for Makati City
Appointment No. M-213
Until 31 December 2025
5/ESGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 87628
PTR No. 10466066 / Makati / 02 January 2025
IBP No. 470792 / Makati / 08 October 2024
MCLE Compliance No. VIII-0013765 /
Pasig City / 27 September 2024

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MA. LEONORA VASQUEZ-DE JESUS**, Filipino, of legal age, with residence address at Unit 2901-A, Ritz Towers, Ayala Avenue, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of STI Education Systems Holdings, Inc. and have been an independent director since 20 September 2019 to present.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

<u>Company/Organizations</u>	<u>Position/Relationship</u>	<u>Period of Service</u>
BDO- One Network Bank, Inc.	Independent Director	September 2018 to present
Risks, Opportunities Assessment and Management Corporation	Director	2011 to present
STI Education Services Group, Inc.	Independent Director	16 December 2022 to present
New Generation Organization of Women Corporate Directors	Member	September 2023 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of STI Education Systems Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to the directors/officers/substantial shareholders of STI Education Systems Holdings, Inc. other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not in government service nor affiliated with a government agency or GOCC.

7. I shall inform the Corporate Secretary of STI Education Systems Holdings, Inc. of any changes in the above-mentioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, I have executed this Certificate of Independent Directors this _____ day of October 2025 at Makati City.

OCT 28 2025



MA. LEONORA VASQUEZ-DE JESUS

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

SUBSCRIBED AND SWORN to before me this _____ day of October 2025 at Makati City, affiant personally appeared to me and exhibited to me her Republic of the Philippines Passport No. P6145077A issued on 22 February 2018 at DFA Manila.

OCT 28 2025

Doc. No. 362;
Page No. 74;
Book No. V;
Series of 2025.




MIGUEL ANTONIO U. TENSUAN

Notary Public for Makati City

Appointment No. M-213

Until 31 December 2025

5/F SCV II Building,

6758 Ayala Avenue, Makati City

Roll of Attorneys No. 87628

PTR No. 10466066 / Makati / 02 January 2025

IBP No. 470792 / Makati / 08 October 2024

MCLE Compliance No. VIII-0013765/

Pasig City / 27 September 2024

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RAYMOND ANTHONY N. ALIMURUNG**, Filipino, of legal age, with residence address at 90 Berlin Avenue, Capitol Homes, Matandang Balara, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of STI Education Systems Holdings, Inc. and have been an independent director since 20 September 2019 to present.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

<u>Company/Organizations</u>	<u>Position/Relationship</u>	<u>Period of Service</u>
Kaya Founders Investment, LLC	General Partner	11 April 2023 to present
Paymongo Philippines, Inc.	Independent Director	2 May 2023 to present
Philippine Seven Corp.	Independent Director	20 July 2023 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of STI Education Systems Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to the directors/officers/substantial shareholders of STI Education Systems Holdings, Inc. other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not in government service nor affiliated with a government agency or GOCC.
7. I shall inform the Corporate Secretary of STI Education Systems Holdings, Inc. of any changes in the above-mentioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, I have executed this Certificate of Independent Directors this OCT 28 2025 day of October 2025 at Makati City.



RAYMOND ANTHONY N. ALIMURUNG

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

OCT 28 2025
SUBSCRIBED AND SWORN to before me this ____ day of October 2025 at Makati City, affiant personally appeared to me and exhibited to me his Tax Identification No. 212-599-852 issued on ____ at ____.

Doc. No. 511;
Page No. 104;
Book No. II;
Series of 2025.




RONALD LUKE T. SARTHOU, JR.

Notary Public for Makati City
Appointment No. M-232
Until 31 December 2026
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 63690
PTR No. 10466058 / Makati / 02 January 2025
IBP No. 488284 / Pangasinan / 27 December 2024
MCLE Compliance No. VIII-0032820 /
Pasig City / 08 May 2025



CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JUSTICE ANTONIO T. CARPIO (RET.)**, Filipino, of legal age, with residence address at 16-B Avignon TWR 144 HV Dela Costa, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of STI Education Systems Holdings, Inc. and have been an independent director since 19 December 2022 to present
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

<u>Company/Organizations</u>	<u>Position/Relationship</u>	<u>Period of Service</u>
Megatron Holdings Inc.	President	2020 to present
Bernardo and Sol Carpio Foundation Inc.	Director	2020 to present
Isambayan Corporation	Chairman	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of STI Education Systems Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to the directors/officers/substantial shareholders of STI Education Systems Holdings, Inc. other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not in government service nor affiliated with a government agency or GOCC.
7. I shall inform the Corporate Secretary of STI Education Systems Holdings, Inc. of any changes in the above-mentioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, I have executed this Certification of Independent Director on this OCT 28 2025 day of October 2025 at Makati City.

JUSTICE ANTONIO T. CARPIO (RET.)

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

OCT 28 2025

SUBSCRIBED AND SWORN to before me this ____ day of October 2025 at Makati City, affiant personally appeared to me and exhibited to me his Republic of the Philippines Passport No. P7249453A issued on 21 May 2018 at DFA Manila.

Doc. No. 364;
Page No. 74;
Book No. V;
Series of 2025.




MIGUEL ANTONIO U. TENSUAN

Notary Public for Makati City

Appointment No. M-213

Until 31 December 2025

5/F SCV II Building,

6758 Ayala Avenue, Makati City

Roll of Attorneys No. 87628

PTR No. 10466066 / Makati / 02 January 2025

IBP No. 470792 / Makati / 08 October 2024

MCLE Compliance No. VIII-0013765/

Pasig City / 27 September 2024

SECRETARY'S CERTIFICATE

I, **ARSENIO C. CABRERA, JR.**, Filipino, of legal age, with office address at 5/F SGV II Building, 6758 Ayala Avenue, Makati City, after having sworn in accordance with law, hereby depose and state that:

1. I am the Corporate Secretary of **STI EDUCATION SYSTEMS HOLDINGS, INC.** (the "Corporation"), a corporation duly organized and existing, under and by virtue of Philippine laws with office address at the 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City.
2. I hereby certify that no director or officer of the Corporation is connected with any government agency or government instrumentalities.
3. The foregoing is in accordance with the records of the Corporation in my possession.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 28th day of October 2025 at Makati City.


ARSENIO C. CABRERA, JR.
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

SUBSCRIBED AND SWORN to before me this 28th day of October 2025 in Makati City, affiant exhibiting to me his Driver's License No. N04-91-174941 valid until 25 June 2034 issued at Land Transportation Office.

Doc. No. 369;
Page No. 75;
Book No. V;
Series of 2025.




MIGUEL ANTONIO U. TENSUAN
Notary Public for Makati City
Appointment No. M-213
Until 31 December 2025
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 87628
PTR No. 10466066 / Makati / 02 January 2025
IBP No. 470792 / Makati / 08 October 2024
MCLE Compliance No. VIII-0013765 /
Pasig City / 27 September 2024

MINUTES OF THE
ANNUAL STOCKHOLDERS' MEETING
OF
STI EDUCATION SYSTEMS HOLDINGS, INC.
Held on 18 December 2024, 3:00 p.m.
Conducted virtually via remote communication

<u>PRESSENT:</u>	<u>NO. OF SHARES</u>
Total Number of Shares Present in Person	1,867,900,111
Total Number of Shares Present by Proxy	5,933,682,525
Total Number of Shares Represented In Person and By Proxy	7,801,582,636
Total Outstanding Shares	9,904,806,924
Attendance Percentage to Total Outstanding Shares	78.77%

I. CALL TO ORDER

The Chairman, Mr. Eusebio H. Tanco, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that:

- (a) In accordance with the Securities and Exchange Commission's Notice dated 20 April 2020 and the provisions of the Securities Regulation Code, notice for this meeting was published in the business section of two (2) newspapers of general circulation, namely: The Philippine Star and The Manila Standard, in print and online format, for two (2) consecutive days at least twenty-one (21) days prior to the date of this meeting;
- (b) Electronic copies of the Definitive Information Statement and its attachments were also made available on the Corporation's website and the PSE Edge portal;
- (c) Accordingly, stockholders of record as of 25 November 2024 were notified of this meeting. The stockholders were also notified of the internal guidelines of the Corporation for participation in this meeting through remote communication in accordance with applicable rules; and
- (d) Present in person and represented in proxy are 7,801,582,636 shares or 78.77% of the total issued and outstanding capital stock of Nine Billion Nine Hundred Four Million Eight Hundred Six Thousand Nine

Hundred Twenty Four (9,904,806,924) shares of the Corporation, and that a quorum existed for the valid transaction of business.

The Affidavit of Publication dated 29 November 2024 executed by The Manila Standard and the Affidavit of Publication dated 3 December 2024 executed by The Philippine Star, respectively, attesting the publication of the notice of this meeting are attached hereto as Annexes "A" and "B", respectively.

III. RULES OF CONDUCT AND VOTING PROCEDURES

Since the Corporation is conducting the meeting through remote communication in a virtual format, the Chairman requested the Corporate Secretary to share the rules of conduct and voting procedure for this meeting.

Thereafter, the Corporate Secretary explained that "Guidelines for Participation via Remote Communication and Voting in Absentia and through Proxy" for this meeting were made available in the Corporation's website, the Definitive Information Statement and in the Explanation of Agenda items which forms part of the Notice of the Annual Stockholders' Meeting. He emphasized the following points:

1. Only stockholders whose Letter(s) of Intent or proxy forms have been validated or verified were allowed to cast their votes for this meeting through the voting portal.
2. Resolutions proposed to be approved by the stockholders under the Agenda will be shown on the screen as each resolution is being taken up.
3. Votes cast as of 13 December 2024 for each proposed resolution have been tabulated and results will be announced during the meeting.
4. A detailed result of the tabulation of the votes cast indicating the affirmative votes, negative votes and abstentions will be reflected in the Minutes of this meeting.
5. Relevant questions which have been submitted on or before 13 December 2024 will be addressed accordingly under the Other Matters item in the Agenda. Questions and comments not taken up during the meeting shall be addressed by the Corporation directly to the stockholder via email.

IV. DECLARATION OF DIVIDENDS

The Chairman stated that the Corporation had disclosed to the Philippine Stock Exchange and the Securities and Exchange Commission that it registered a net income of Php1.6 Billion for the fiscal year ended 30 June 2024, reflecting an 84% increase from the Php873.8 Million posted in the previous year.

The Chairman announced to the stockholders that, at the Meeting of the Board of Directors held earlier that morning, the Board approved the declaration of cash dividends pursuant to the Corporation's dividend declaration policy in the amount of Php0.045 per share or an aggregate amount of Four Hundred Forty Five Million Seven Hundred Sixteen Thousand Three Hundred Eleven Pesos and Fifty Eight Centavos (Php445,716,311.58) (the "Cash Dividends") from the unrestricted retained earnings of the Company as of 30 June 2024 based on the Parent Company Audited Financial Statements as of 30 June 2024.

The Cash Dividends are payable to stockholders of record as of 9 January 2025 and shall be payable on or before 31 January 2025, upon compliance with all necessary regulations.

IV. APPROVAL OF PREVIOUS MINUTES

The Corporate Secretary stated that electronic copies of the Minutes of the Annual Stockholders' Meeting held on 21 December 2023 were uploaded for inspection on the Corporation's website.

The Corporate Secretary presented the resolution proposed by Management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

"RESOLVED, that the Minutes of the Annual Stockholders' Meeting held on 21 December 2023 as appearing in the Minutes Book of the Corporation be approved."

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the Minutes of the Annual Stockholders' Meeting held on 21 December 2023 are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	7,801,582,636	-	
% of Shares of Shareholders Present	100%	-	

V. PRESENTATION OF MANAGEMENT REPORT

The President, Mr. Monico V. Jacob, rendered the Management Report for Fiscal Year 2023-2024. The Management Report for Fiscal Year 2023-2024 is attached hereto as Annex "C".

Thereafter, the Corporate Secretary presented the resolution proposed by Management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

“RESOLVED, that the Management Report for Fiscal Year 2023-2024 be noted and approved.”

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the Management Report for Fiscal Year 2023-2024 are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	7,801,582,636	-	
% of Shares of Shareholders Present	100%	-	

VI. APPROVAL OF PARENT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS AS AT AND FOR THE FISCAL YEAR ENDED 30 JUNE 2024

The Corporate Secretary stated that copies of the Corporation’s Parent and Consolidated Audited Financial Statements for the fiscal year ended 30 June 2024 were included in the Definitive Information Statement which were uploaded on the Corporation’s website.

Thereafter, the Corporate Secretary presented the resolution proposed by the Audit and Risk Committee and Management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

“RESOLVED, that the Parent and Consolidated Audited Financial Statements of the Corporation as at and for the fiscal year ended 30 June 2024 as discussed in the Annual Report be noted and approved.”

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the Parent and Consolidated Audited Financial Statements of the Corporation as at and for the fiscal year ended 30 June 2024 are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	7,801,582,636	-	
% of Shares of Shareholders Present	100%	-	

VII. RATIFICATION OF LEGAL ACTS, PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND OF MANAGEMENT

The Corporate Secretary stated that a summary of the acts, proceedings, and resolutions to be ratified by the stockholders since the 21 December 2023 Annual Stockholders’ Meeting up to today’s meeting has

been included in the Definitive Information Statement which was uploaded on the Corporation’s website.

Thereafter, the Corporate Secretary presented the resolution proposed by Management and, based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

“RESOLVED, that all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in the ordinary course of business, since the 21 December 2023 Annual Stockholders’ Meeting up to 18 December 2024, be approved, confirmed and ratified.”

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in the ordinary course of business, since the Annual Stockholders’ Meeting held on 21 December 2023 up to 18 December 2024 are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	7,801,582,636	-	
% of Shares of Shareholders Present	100%	-	

VIII. ELECTION OF DIRECTORS

The Corporate Secretary stated that the Articles of Incorporation of the Corporation provides for eleven (11) directors, three (3) of which are required to be independent directors.

Under the Corporation’s By-Laws and 2020 Manual on Corporate Governance, the nomination of the Corporation’s directors shall be conducted by the Corporate Governance Committee prior to the annual stockholders’ meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Corporate Governance Committee and the Corporate Secretary at least forty-five (45) days before the date of the actual meeting.

The Corporate Governance Committee shall pre-screen the qualifications and prepare a Final List of all Candidates for directors. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors.

The Final List of Candidates for directors as determined by the Corporation’s Corporate Governance Committee, and as disclosed in the Corporation’s Definitive Information Statement, are:

- Eusebio H. Tanco
- Monico V. Jacob
- Joseph Augustin L. Tanco
- Ma. Vanessa Rose L. Tanco
- Martin K. Tanco
- Paolo Martin O. Bautista
- Jesli A. Lapus

For Independent Directors:

- Robert G. Vergara
- Ma. Leonora Vasquez-De Jesus
- Raymond Anthony N. Alimurung
- Justice Antonio T. Carpio (Ret.)

Thereafter, the Corporate Secretary reported the result of the tabulation of the votes cast as follows:

<i>Nominee</i>	<i>Votes</i>
<i>Eusebio H. Tanco</i>	<i>85,817,408,996</i>
<i>Monico V. Jacob</i>	<i>85,817,408,996</i>
<i>Joseph Augustin L. Tanco</i>	<i>85,817,408,996</i>
<i>Ma. Vanessa Rose L. Tanco</i>	<i>85,817,408,996</i>
<i>Martin K. Tanco</i>	<i>85,817,408,996</i>
<i>Paolo Martin O. Bautista</i>	<i>85,817,408,996</i>
<i>Jesli A. Lapus</i>	<i>85,817,408,996</i>
<i>Robert G. Vergara (Independent Director)</i>	<i>85,817,408,996</i>
<i>Ma. Leonora Vasquez-De Jesus (Independent Director)</i>	<i>85,817,408,996</i>
<i>Raymond Anthony N. Alimurung (Independent Director)</i>	<i>85,817,408,996</i>
<i>Justice Antonio T. Carpio (Ret.) (Independent Director)</i>	<i>85,817,408,996</i>

The Corporate Secretary certified that the eleven (11) nominees mentioned in the Final List of Candidates for directors prepared by the Corporation’s Corporate Governance Committee have received sufficient votes for election to the Board of Directors and they shall serve as such for the ensuing year until the election and qualification of their successors.

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Corporate Secretary stated that the present external auditor of the Corporation is the auditing firm of SyCip Gorres Velayo & Co. (“SGV”). The handling partner of SGV is rotated at least once every 7 years, in compliance with the 7-year limit under the Securities Regulation Code. The Corporate Secretary acknowledged the presence of Ms. Loubelle V. Mendoza, the Handling Partner, as well as the presence of Mr. Wilson P. Tan, the Chairman and Managing Partner of SGV at the Annual Stockholders’ Meeting.

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the appointment of SyCip Gorres Velayo & Co. as the Corporation's external auditor for the fiscal year ended 30 June 2025 are as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Number of Voted Shares	7,801,582,636	-	
% of Shares of Shareholders Present	100%	-	

XI. OTHER MATTERS

The Corporate Secretary stated that, as of 13 December 2024, the cut-off date for submission of questions and/or queries on the Management report for Fiscal Year 2023-2024, no questions and/or queries were submitted to the Corporation.

XII. ADJOURNMENT

There being no other business to transact, the meeting was adjourned upon motion duly made and seconded.


ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:


EUSEBIO H. TANCO
Chairman

Annex "A"



PHILIPPINE MANILA STANDARD PUBLISHING, INC.

AFFIDAVIT OF PUBLICATION

I, Mario R. Policarpio Jr., Chief Accountant of Manila Standard, with office address at 6th Floor Universal Re Building, 106 Paseo de Roxas, Makati City, hereby depose and state that:

Manila Standard is a newspaper of general circulation and is distributed nationwide;

Manila Standard at the same time, publishes its online version through its website <https://manilastandard.net>;

Manila Standard is qualified to publish all kinds of judicial notices.

Manila Standard published on

November 28 & 29, 2024

a Notice:

STI EDUCATION SYSTEMS
HOLDINGS, INC.

RE: NOTICE OF ANNUAL
STOCKHOLDERS' MEETING

IN WITNESS WHEREOF, I hereby affix my signature this 29TH day of NOVEMBER 2024 in Makati City.

MARIO R. POLICARPIO JR.
Authorized Signatory

SUBSCRIBED AND SWORN to before me this 29TH day of NOVEMBER, 2024 in Makati City, affiant exhibiting to me his SSS No. 33-0476897-7.

Doc. No.: 385 ATTY. SHERLOCK JUN C. VILLEGAS
Notary Public for Makati City
Page No.: 28 Appt. No. M-274 until Dec. 31, 2024
Book No.: 67 Unit 3C LTA Building, 118 Paseo St
Legaspi Village, Makati City
Roll No. 70942
Series of 2024. IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020869/April 14, 2025

7th Floor, STI Holdings Center
676A Avenue, Makati City
Philippines 1226
Tel: (02) 844-5553

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please be informed that the Annual Stockholders' Meeting of **STI EDUCATION SYSTEMS HOLDINGS, INC.** (the "Company") will be held and conducted virtually via remote communication through Microsoft Teams on **Wednesday, 18 December 2024, at 3:00 p.m.** for the following purposes:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 21 December 2023
4. Management Report
5. Approval of Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2024
6. Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business since the 21 December 2023 Annual Stockholders' Meeting up to 18 December 2024
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The record date for stockholders entitled to notice and vote at the Annual Stockholders' Meeting is set on 25 November 2024 ("Stockholders of Record").

The 2024 Annual Stockholders' Meeting of STI Holdings will be conducted virtually. Stockholders of Record may attend/participate via proxy, remote communication or vote in absentia. For the detailed registration and voting procedures, please visit <http://www.stiholdings.com/2024ASM> and refer to the "Guidelines for Participation via Remote Communication and Voting in Absentia and through Proxy".

Stockholders who wish to participate in the meeting via remote communication and to vote in absentia should notify the Office of the Corporate Secretary through a Letter of Intent to be sent via e-mail to corsec@stiholdings.com.ph OR by clicking the following link for the online registration at <https://forms.office.com/r/2V9m1ext-HN6> on or before 6 December 2024.

Validated stockholders will be provided access to the live streaming of the meeting through Microsoft Teams and can cast their votes in absentia on or before 13 December 2024 through the Company's secure online voting facility. All votes cast shall be subject to validation.

The Company is not soliciting for proxies. Stockholders who are unable to join the meeting but wish to vote on items in the agenda by proxy must submit their duly accomplished proxy forms via email to corsec@stiholdings.com.ph, not later than **13 December 2024**.

Stockholders of record may send their queries and comments to the Management Report and other items in the Agenda to corsec@stiholdings.com.ph on or before 13 December 2024.

The Definitive Information Statement containing the attendance/voting (via remote communication) and election procedures, along with the Notice, Agenda, Proxy, Management Report, SEC Form 17-A, and other information related to the Annual Stockholders' Meeting can be accessed at <http://www.stiholdings.com/disclosures.php> and the PSE Edge portal.

Very truly yours,

(SGD.) **ARSENIO C. CABRERA, JR.**
Corporate Secretary

MS-NOV-28 & 29, 2024

Annex "B"

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) s.s.

AFFIDAVIT OF PUBLICATION

I, **ARLYN F. SERVAÑEZ**, of legal age, single, Filipino and with office address at c/o **PhilSTAR Daily, Inc.**, Amvel Business Park, A. Santos Avenue, Brgy. San Dionisio, Parañaque City, after being duly sworn to in accordance with law, depose and state:

That I am the **CLASSIFINDER MANAGER** of the **PhilSTAR Daily, Inc.** a domestic corporation duly organized and existing under by virtue of Philippine laws with office and business address at Amvel Business Park, A. Santos Avenue, Brgy. San Dionisio, Parañaque City.

That the said corporation publishes **THE PHILIPPINE STAR**, a daily broadsheet newspaper published in English and of general circulation.

That the order of STI EDUCATION SYSTEMS HOLDINGS, INC.

captioned as follows: NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please see attached printed text which had been published in **The Philippine STAR** in its issues of: November 28 & 29, 2024

FURTHER AFFIANT SAYETH NAUGHT.
Quezon City, Philippines


ARLYN F. SERVAÑEZ
Affiant

SUBSCRIBED AND SWORN to before me this 3rd day of December 2024 affiant exhibited to me her Driver's License No. N01-01-259491 issued by LTO on September 19, 2023 which expiry date is September 24, 2033.

Doc. No. 54
Page No. 12
Book No. XVI
Series of 2024


ATTY. GARY A. SANCIO
Notary Public
Until December 31, 2024
Adm. Matter No. 177
Roll No. 44261

IBP No. 1082447 (LIFETIME) / 06-30-17 / QC
PTR No. 5573890 / 01-04-2024 / QC
MCLE Compliance No. VII-0011638 / 03-01-22



**STI EDUCATION SYSTEMS
HOLDINGS**

7th Floor, STI Holdings Center
6764 Ayala Avenue, Makati City
Philippines 1228
Telefax (632) 8544-9553

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Very truly yours,

(SGD.) ARSENIO C. CABRERA, JR.
Corporate Secretary

MANAGEMENT REPORT

Group History and Structure

STI Education Systems Holdings, Inc.

STI Education Systems Holdings, Inc. (STI Holdings or the Parent Company) was originally established in 1928 as the Philippine branch office of Theo H. Davies & Co., a Hawaiian corporation. It was reincorporated as a Philippine corporation in 1946. After many years of operations as part of the Jardine-Matheson group, STI Holdings was sold to local Philippine investors in 2006. In March 2010, it became part of the Tanco Group of Companies.

STI Holdings is the holding company within the Tanco Group that drives investment in its education business. It is a publicly-listed company on the Philippine Stock Exchange (PSE) and its registered office address and principal place of business is 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City. Unless indicated otherwise or the context otherwise requires, reference to the “Group” are to STI Holdings and its subsidiaries.

In June and August 2012, the Board of Directors and stockholders of the Parent Company, respectively, approved the share-for-share swap transaction (the “Share Swap”) between the shareholders of the Parent Company and the shareholders of STI Education Services Group, Inc. (STI ESG Shareholders) and the corresponding increase in the Company’s authorized capital stock from 1,103,000,000 shares with an aggregate par value of ₱551.5 million to 10,000,000,000 shares with an aggregate par value of ₱5 billion. The Securities and Exchange Commission (SEC) approved both the Share Swap and increase in authorized capital stock in September 2012.

In the latter part of August 2012, the Board of Directors of STI Holdings approved the offering and issuance by way of a follow-on offering of up to a maximum of 3 billion common shares of the Parent Company. The Offer, comprised of Primary Offering, Secondary Offering and the Over Allotment Option were all executed and completed in November 2012 where a total of 2,900,000,000 shares were issued following its listing in the PSE.

As of June 30, 2025 and June 30, 2024, STI Holdings has outstanding shares totaling 9,904,806,924 out of its authorized capital stock of 10 billion shares.

STI Holdings has five (5) subsidiaries as of June 30, 2025, namely: STI Education Services Group, Inc. (STI ESG), STI West Negros University, Inc. (STI WNU), iACADEMY, Inc. (iACADEMY) (Formerly: Information and Communications Technology Academy, Inc.), STI College Novaliches, Inc. and Attenborough Holdings Corporation (AHC).

STI Holdings received a Golden Arrow for the year 2024 from the Institute of Corporate Directors (ICD), a non-stock, not-for-profit national association of corporate directors and other stakeholders engaged in corporate governance. The Golden Arrow is awarded to top-performing Philippine publicly-listed companies and insurance companies based on the ASEAN Corporate Governance Scorecard (ACGS) and Corporate Governance Scorecard (CGS) Assessment Results. This is the fourth straight year STI Holdings has received a Golden Arrow.

Consolidation of STI ESG into STI Holdings

In August 2012, STI Holdings’ shareholders approved an increase in share capital from 1,103,000,000 shares with an aggregate par value of ₱551.5 million to 10,000,000,000 shares with an

aggregate par value of ₱5 billion and a share swap agreement with the STI ESG Shareholders. The SEC approved the agreement and the increase in the authorized capital of the Parent Company in September 2012. By the end of October 2012, the consolidation of the two companies was completed.

In view of the increase in its authorized capital stock and pursuant to the Share Swap, STI Holdings issued 5,901,806,924 shares to STI ESG Shareholders in exchange for 907,970,294 common shares of STI ESG. As a result, immediately after the Share Swap, the STI ESG Shareholders who joined the Share Swap owned approximately 84% interest in STI Holdings while STI Holdings increased its shareholdings to 96.0% of the total issued and outstanding capital stock of STI ESG.

In November and December 2012, STI Holdings subscribed to 2.1 billion STI ESG shares. In July 2013, the Parent Company acquired an additional 328,125 shares. STI Holdings' ownership of STI ESG is at 98.7% as of June 30, 2025 and 2024.

Acquisition of West Negros University

On October 1, 2013, STI Holdings acquired 99.45% of the issued and outstanding common shares and 99.93% of the issued and outstanding preferred shares of West Negros University Corp., now known as STI West Negros University, a leading university in the City of Bacolod in Negros Occidental.

STI WNU offers a wide variety of programs and complements the courses offered by the Parent Company's other subsidiary, STI ESG.

The acquisition is part of the planned expansion of the Parent Company. It not only widened its course offerings at the tertiary level but also provided STI Holdings another entry into basic education which is the focus of the government's K to 12 program, and into the graduate school level which is vital in uplifting the development of human capital in the country.

In May 2015, the SEC approved the change in the corporate name of West Negros University Corp. to STI West Negros University, Inc.

Acquisition of iACADEMY

On September 27, 2016, STI Holdings purchased 100 million iACADEMY shares or 100% of iACADEMY's issued and outstanding capital stock from STI ESG. STI Holdings also subscribed to ₱100 million of the ₱400 million increase in the authorized capital stock of iACADEMY. On November 9, 2016, the SEC approved the increase in the authorized capital stock of iACADEMY. As of said date, the authorized capital stock of iACADEMY is at ₱500 Million with ₱200 million subscribed and fully paid by STI Holdings. As a result, iACADEMY is now a 100% subsidiary of STI Holdings.

Acquisition of STI College Novaliches, Inc.

On June 24, 2024, STI Holdings and STI College Novaliches, Inc., executed a Subscription Agreement wherein STI Holdings subscribed to 75 million common shares of STI College Novaliches, Inc. at ₱1.00 per share or ₱75 million, subject to the SEC's approval of the increase in the authorized capital stock of STI College Novaliches, Inc. from 5 million common shares at ₱1.00 per share or ₱5 million to 300 million common shares at ₱1.00 per share or ₱300 million. The deposit for future stock subscription in the amount of ₱75.0 million was paid by STI Holdings in June 2024. On January 27, 2025, the SEC approved STI College Novaliches, Inc.'s application to increase its authorized capital stock. As a result, STI College Novaliches, Inc. became a direct subsidiary of STI Holdings, with 93.75% ownership while

STI ESG's ownership interest in STI College Novaliches, Inc. was reduced from 100% to 6.25%, effective January 2025.

AHC

The Parent Company became a stockholder owning 40% of AHC in November 2014 following the SEC approval of the increase in the authorized capital stock of AHC. In February 2015, STI Holdings acquired the remaining 60% ownership of AHC from various individuals making it a 100% owned subsidiary.

AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders' Agreement (the "Agreements") among Philippine Women's University (PWU), Unlad Resources Development Corporation (Unlad) and the Benitez Group. Under the Agreements, AHC is set to own up to 20% of Unlad. AHC is also a party to the Omnibus Agreement it executed with STI Holdings and Unlad.

On March 1, 2016, AHC executed a Deed of Assignment wherein AHC assigned to STI Holdings its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million.

Market for Company's Common Equity and Related Stockholder Matters

(1) Market Information

The Company's common stock is traded on the PSE under the stock symbol "STI". As of the date of this Information Statement, the Company has 9,904,806,924 shares outstanding.

As of June 30, 2025, the high share price of the Parent Company was ₱1.66 and the low share price was ₱1.63. As of September 30, 2025, the high share price of the Parent Company was ₱1.41 and the low share price was ₱1.38. As of 17 November 2025, the high share price of the Parent Company was ₱1.45 and the low share price was ₱1.40.

The following table sets forth the Parent Company's high and low prices per share for each quarter of the past two (2) years and the first, second and third quarters of 2025:

	High	Low
2025		
Third Quarter	1.69	1.28
Second Quarter	1.81	1.18
First Quarter	1.52	1.32
2024		
Fourth Quarter	1.38	1.15
Third Quarter	1.35	0.76
Second Quarter	1.00	0.75
First Quarter	0.86	0.46
2023		
Fourth Quarter	0.50	0.39
Third Quarter	0.43	0.36
Second Quarter	0.41	0.34
First Quarter	0.39	0.33

The Parent Company's public float as of June 30, 2025 is 2,981,616,687 shares equivalent to 30.10% and 3,049,740,687 shares equivalent to 30.79% as of June 30, 2024 of the total issued and outstanding shares of the Parent Company.

(2) Holders

As of 14 November 2025, there are 1,258 shareholders of the Company's outstanding capital stock. The Company has common shares only.

The following table sets forth the top 20 shareholders of the Company's common stock, the number of shares held, and the percentage of total shares outstanding held by each as of 14 November 2025:

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP
PCD NOMINEE CORP (FILIPINO)	3,046,266,633	30.76%
TANCO, EUSEBIO H.	1,652,685,444	16.69%
PRUDENT RESOURCES, INC.	1,614,264,964	16.30%
PCD NOMINEE CORP (NON-FILIPINO)	916,329,295	9.25%
EUJO PHILIPPINES, INC.	806,157,130	8.14%
BIOLIM HOLDINGS AND MANAGEMENT CORP. (FORMERLY: RESCOM DEVELOPERS, INC.)	794,343,934	8.02%
TANTIVY HOLDINGS, INC. (FORMERLY: INSURANCE BUILDERS, INC.)	626,776,992	6.33%
EXIMIOUS HOLDINGS, INC.	405,835,332	4.10%
CLASSIC FINANCE, INC.	15,013,155	0.15%
TANCO, ROSIE L.	13,000,000	0.13%
DEL PRADO, EMMANUEL P.	3,500,000	0.04%
VITAL VENTURES MANAGEMENT CORPORATION	2,800,000	0.03%
YU, JUAN G. YU OR JOHN PETER C. YU	1,300,000	0.01%
CASA CATALINA CORPORATION	1,000,000	0.01%
EDAN CORPORATION	861,350	0.01%
MENDOZA, ROSELLER ARTACHO	600,000	0.01%
YU, JUAN G. OR JOHN PHILIP YU	600,000	0.01%
CASTIGADOR, LERIO CABALLERO AND/OR VICTORINA P. CASTIGADOR	399,000	0.00%
TACUB, PACIFICO B.	200,000	0.00%
NOLASCO, MA. CHRISTMAS R.	140,000	0.00%
VICSAL SECURITIES & STOCK BROKERAGE, INC.	129,500	0.00%

(3) Cash Dividends

- (a) On December 18, 2024, cash dividends amounting to ₱0.045 per share or the aggregate amount of ₱445.7 Million were declared by the Board of Directors in favor of all stockholders on record as at January 9, 2025 payable on January 31, 2025.
- (b) On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Board of Directors in favor of all stockholders on record as at January 10, 2023 payable on January 31, 2023.
- (c) On December 19, 2022, cash dividends amounting to ₱0.015 per share or the aggregate amount of ₱148.6 million were declared by the Board of Directors in favor of all stockholders on record as at January 6, 2023 payable on January 31, 2023.

There are no restrictions that limit the payment of dividends on common shares.

(4) Recent Sales of Unregistered or Exempt Securities

There has been no sale of unregistered or exempt securities for the past three (3) years.

Management's Discussion and Analysis of Financial Conditions and Results of Operations

This discussion summarizes the significant factors affecting the financial condition of STI Education Systems Holdings, Inc. ("STI Holdings" or the "Parent Company") and its subsidiaries (hereafter collectively referred to as the "Group") as at June 30, 2025 and 2024 and operating results for the years ended June 30, 2025, 2024 and 2023 and for the three-month periods ended September 30, 2025 and 2024 and financial condition as September 30, 2025 and June 30, 2025.

The following discussions should be read in conjunction with the attached audited consolidated financial statements of the Group as at and for the years ended June 30, 2025 and 2024, and for all the other periods presented.

Financial Condition

The Group's total assets as at September 30, 2025 amounted to ₱19,039.4 million, 12% or ₱2,025.1 million higher than the ₱17,014.3 million balance as at June 30, 2025. This increase was primarily driven by higher levels of cash and cash equivalents and receivables for tuition and other school fees.

Condensed Consolidated Statements of Financial Position

	Sept. 30,	June 30,	Increase (Decrease)	
<i>(Amounts in Peso millions)</i>	2025	2025	Amount	%
Total Current Assets	5,369.0	3,599.7	1,769.3	49%
Total Noncurrent Assets	13,670.4	13,414.6	255.8	2%
Total Assets	19,039.4	17,014.3	2,025.1	12%
Total Current Liabilities	3,386.8	1,954.2	1,432.6	73%
Total Noncurrent Liabilities	2,287.2	2,574.9	(287.7)	(11%)
Total Liabilities	5,674.0	4,529.1	1,144.9	25%

Total Equity	13,365.4	12,485.2	880.2	7%
Total Liabilities and Equity	19,039.4	17,014.3	2,025.1	12%

Cash and cash equivalents increased by 17% or ₱472.6 million from ₱2,732.6 million to ₱3,205.2 million as at June 30, 2025 and September 30, 2025, respectively, primarily attributable to the Group's profitable operations and improved collection efficiency.

The total balance of receivables is up by 244% or ₱1,313.1 million from ₱538.0 million as at June 30, 2025 to ₱1,851.1 million as at September 30, 2025. This balance consists primarily of amounts expected to be collected from students as payment for tuition and other school fees, as well as from DepEd for SHS vouchers that are expected to be received during the related term(s) of the school year.

Property and equipment increased by ₱143.3 million from ₱10,453.5 million as at June 30, 2025 to ₱10,596.8 million as at September 30, 2025, due largely to the recognition of progress billings based on the percentage of completion of the related ongoing projects of both STI ESG and STI WNU during the three-month period ended September 30, 2025.

Goodwill, intangible assets, and other noncurrent assets increased by 13% or ₱105.1 million from ₱786.7 million as at June 30, 2025 to ₱891.8 million as at September 30, 2025, substantially attributed to STI ESG's downpayment for the construction of STI Academic Center Meycauayan, net of advances applied or reclassified to property and equipment.

Total current liabilities increased by 73% or ₱1,432.6 million to ₱3,386.8 million as at September 30, 2025 from ₱1,954.2 million as at June 30, 2025, mainly due to the recognition of ₱1,614.0 million unearned tuition and other school fees as of September 30, 2025 or an increase of ₱1,371.2 million from ₱242.8 million as at June 30, 2025. The balance as at June 30, 2025 represents the tuition and other school fees collected before the fiscal year end but applicable to the coming SY 2025-2026. These unearned revenues will be recognized as income over the remaining months of the related school term(s).

Total noncurrent liabilities decreased by ₱287.7 million to ₱2,287.2 million as at September 30, 2025 from ₱2,574.9 million as at June 30, 2025 attributed to the reclassification of the portion of noncurrent interest-bearing loans and borrowings due within the next twelve months to current interest-bearing loans and borrowings.

Total equity increased by ₱880.2 million substantially due to the net income recognized by the Group for the three-month period ended September 30, 2025. The cost of shares held by a subsidiary posted a ₱184.2 million movement as STI ESG sold a portion of its shares in the Parent Company aggregating to 185 million shares. Consequently, STI ESG's equity interest in STI Holdings has been reduced from 4.37% to 2.50% as at September 30, 2025.

June 30, 2025 vs. June 30, 2024

LIQUIDITY AND CAPITAL RESOURCES

(in ₱ millions except financial ratios)	June 30, 2025	June 30, 2024	June 2025 vs. June 2024	
			Increase (Decrease)	
			Amount	%
Consolidated financial position				
Cash and cash equivalents	2,732.6	1,855.5	877.1	47.3%

Current assets	3,599.7	3,659.0	(59.3)	(1.6%)
Total assets	17,014.3	15,441.8	1,572.5	10.2%
Current liabilities	1,954.2	1,770.5	183.7	10.4%
Total liabilities	4,529.1	4,869.4	(340.3)	(7.0%)
Equity attributable to equity holders of the parent	12,367.1	10,481.1	1,886.0	18.0%
Total equity	12,485.2	10,572.4	1,912.8	18.1%

Financial ratios

Debt-to-equity ratio (D/E)*	0.34	0.44	(0.10)	(22.7%)
Current ratio	1.84	2.07	(0.23)	(11.1%)
Debt service cover ratio (DSCR)**	4.13	2.86	1.27	44.4%
Asset-to-equity ratio	1.36	1.46	(0.10)	(6.8%)
Interest cover ratio (ICR)**	18.19	11.71	6.48	55.4%

**STI ESG monitors its D/E ratio in accordance with the financial covenants prescribed in the loan and trust agreements (see Notes 18 and 19 of the Audited Consolidated Financial Statements). As at June 30, 2025 and 2024, STI ESG is compliant with the D/E ratio requirement of all its loan and trust agreements.*

***DSCR for bank loans purposes is measured as earnings before interest, taxes, depreciation and amortization, and nonrecurring gains/losses (EBITDA) for the last twelve months divided by the total interest-bearing debts and interest due in the next twelve months. The Term Loan Agreement with China Banking Corporation (Chinabank) prescribes that the financial covenants shall be observed and computed based on STI ESG's unaudited interim consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the fiscal year ending June 30 of each year. STI ESG is compliant with the required covenant under the Chinabank Term Loan agreement as at June 30, 2025 and 2024 (see Note 18 of the Audited Consolidated Financial Statements).*

The term loan agreements with Bank of the Philippine Islands (BPI) and Metropolitan Bank & Trust Company (Metrobank) prescribe that the financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the fiscal year ending June 30 of each year. STI ESG is compliant with the DSCR requirement as at June 30, 2025 and 2024, as defined in the term loan agreements (see Note 18 of the Audited Consolidated Financial Statements).

In April 2024, Chinabank-Trust and STI ESG executed a second supplemental agreement to (i) replace the financial covenant on DSCR of not less than 1.05:1.00 with an Interest Coverage Ratio (ICR) of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA (see Note 19 of the Audited Consolidated Financial Statements). STI ESG is compliant with the ICR requirement as at June 30, 2025 and 2024 at 14.95:1.00 and 9.37:1.00, respectively.

The Group's financial position continues to remain strong, with cash resources generated mostly by operating activities. Financial ratios are healthy and well within bank covenants.

The Group's consolidated total assets amounted to ₱17,014.3 million as at June 30, 2025 compared to ₱15,441.8 million as at June 30, 2024. Current assets amounted to ₱3,599.7 million, posting a decline of ₱59.3 million from ₱3,659.0 million while noncurrent assets grew by ₱1,631.8 million to ₱13,414.6 million as at June 30, 2025 from ₱11,782.8 million as at June 30, 2024. The overall increase

in consolidated total assets is the result of another school year of strong operations. The net increase in cash and cash equivalents amounting to ₱877.1 million was primarily driven by the Group's burgeoning profitability and more efficient collection of tuition and other school fees from students, partially offset by its financing and investing cash outflows. The net income after income tax of the Group for the year ended June 30, 2025 is ₱2,215.6 million, 38% higher than the ₱1,608.4 million net income generated for the year ended June 30, 2024.

Cash and cash equivalents increased by ₱877.1 million or 47% from ₱1,855.5 million to ₱2,732.6 million as at June 30, 2024 and 2025, respectively. The Group generated net cash from operating activities amounting to ₱3,000.5 million arising from the collection of tuition and other school fees from students and collection from the Department of Education (DepEd) for the Senior High School (SHS) vouchers and Commission on Higher Education (CHED) for the Tertiary Education Subsidy (TES). These funds were primarily utilized to fund major capital expenditures of STI ESG, including the second installment for the acquisition of a parcel of land located at South Park District, Alabang, Muntinlupa City, the construction of a new school building at the STI Ortigas-Cainta campus, down payment related to the construction of STI Academic Center Tanauan and the related disbursement for the construction of STI Academic Center Alabang. Net cash used in investing activities at ₱1,082.1 million likewise include expenditures related to solar panel installations, classroom expansion projects, and acquisition of various equipment and furniture for the schools owned and operated by STI ESG. The funds were also utilized for the renovation of STI WNU's university gymnasium, construction and renovation of powerhouses and construction of a materials recovery facility.

The Group's net cash used in financing activities amounting to ₱1,041.1 million during the fiscal year ended June 30, 2025 is primarily attributed to (1) principal repayments aggregating to ₱562.2 million for STI ESG's term loans with Chinabank, BPI, and Metrobank, alongside interest and bond coupon payments totaling ₱215.6 million and (2) cash dividends. On December 18, 2024, STI ESG declared cash dividends amounting to ₱0.15 per share or an aggregate amount of ₱462.3 million to stockholders of record as of December 31, 2024, of which ₱456.1 million was paid on January 17, 2025 to the Parent Company and ₱4.2 million was paid to non-controlling interests as at June 30, 2025. Meanwhile, the Parent Company declared cash dividends amounting to ₱0.045 per share or an aggregate amount of ₱445.7 million to stockholders of record as of January 9, 2025. The Parent Company paid the cash dividends on January 31, 2025. These outflows were partially offset by the ₱200.0 million loan drawn from STI ESG's Term Loan Facility with BPI in December 2024.

Total receivables amounted to ₱538.0 million as at June 30, 2025, posting an increase of ₱71.1 million from ₱466.9 million as at June 30, 2024. The receivables balance is composed largely of amounts expected to be collected from students for tuition and other school fees and from DepEd, CHED, and Development Bank of the Philippines (DBP) for SHS vouchers, TES and financial assistance to students, respectively. Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the next fiscal year.

Receivables from students pertaining to tuition and other school fees increased by ₱18.2 million from ₱418.1 million as at June 30, 2024 to ₱436.3 million as at June 30, 2025. Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to School Year (SY) 2024-2025, amounted to ₱19.8 million as at June 30, 2025, compared to ₱16.6 million as at June 30, 2024. The SHS Voucher Program is a financial assistance program wherein subsidies in the form of vouchers are provided to qualified SHS students who enroll in participating institutions. A Qualified Voucher Recipient (QVR) is entitled to a subsidy ranging from ₱14,000 to ₱22,500 annually. DepEd, through the Private Education Assistance Committee, facilitates the transfer of funds to the participating schools.

Accounts receivable from CHED amounted to ₱1.6 million and ₱2.4 million as at June 30, 2025 and 2024, respectively.

The DBP Resources for Inclusive and Sustainable Education Program (DBP RISE) grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that are determined and set by DBP. Receivables related to DBP RISE decreased from ₱2.2 million as at June 30, 2024 to ₱1.9 million as at June 30, 2025.

Receivables from the franchised schools for the educational services rendered by STI ESG and for the sale of educational materials and supplies amounted to ₱89.9 million as at June 30, 2025, higher by 44% or ₱27.5 million from the ₱62.4 million balance as at June 30, 2024. The receivables from franchised schools largely represent the cost of educational services, as well as the educational materials and supplies and network charges for franchised schools of STI ESG. Network charges mainly consist of fees for the use of eLearning Management System (eLMS), Microsoft and Adobe license subscriptions, and other related services. Receivables for educational services are recognized based on the percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED.

Rent and related receivables decreased by ₱14.1 million to ₱58.8 million as at June 30, 2025 from ₱72.9 million as at June 30, 2024 representing collection of rental payments from various lessees, and reimbursements of fit-out costs from STI ESG's lessee during the year ended June 30, 2025.

The Group's allowance for expected credit losses (ECL) recognized in relation to the adoption of Philippine Financial Reporting Standards (PFRS) 9, *Financial Instruments*, decreased from ₱227.4 million as at June 30, 2024 to ₱185.4 million as at June 30, 2025 reflecting the net effect of the write-off of receivables amounting to ₱101.9 million and the ₱59.9 million provision for ECL for the year ended June 30, 2025. The receivables which were written off were largely associated with tuition and other school fees for SYs 2019-2020 to 2021-2022 as well as receivables from students of STI WNU pertaining to SY 2008-2009 up to SY 2012-2013. For the years ended June 30, 2023, and 2022, STI ESG, STI WNU and iACADEMY had adopted an interim policy to defer the write-off of receivables due to the impact of the COVID-19 pandemic.

Inventories rose by 8% or ₱12.2 million from ₱157.1 million as at June 30, 2024 to ₱169.3 million as at June 30, 2025. The increase is substantially due to the purchase of student uniforms during the last quarter of the fiscal year ended June 30, 2025 in preparation for SY 2025-2026.

Prepaid expenses and other current assets decreased by ₱2.3 million from ₱150.6 million to ₱148.3 million as at June 30, 2024 and 2025, respectively. Advances to suppliers registered a decline of ₱7.1 million or 25%, reflecting completion of delivery of goods and/or services acquired. This decrease was partially offset by a ₱3.4 million increase in prepaid subscriptions and licenses, substantially pertaining to eLMS and Adobe license subscriptions. These subscriptions are normally renewed annually and recognized as expense in accordance with the terms of the agreements.

The carrying value of STI ESG's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR), a real estate investment trust (REIT) company listed on the Philippine Stock Exchange, amounted to ₱7.42 and ₱5.25 per share or an aggregate value of ₱11.5 million and ₱8.1 million as at June 30, 2025

and 2024, respectively. STI ESG recognized dividend income from RCR amounting to ₱0.6 million in 2025 and the same amount in 2024.

Noncurrent asset held for sale amounting to ₱1,020.7 million as at June 30, 2024 represents the carrying value of the land, building and land improvements located in Quezon City (the “Quezon City dacion properties”), which were received by the Parent Company through the deeds of dacion executed in 2016. On June 24, 2021, the Parent Company’s BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its conveyance to the Parent Company. With the classification as noncurrent asset held for sale, the Parent Company ceased the accounting for the Quezon City dacion properties as investment properties on June 30, 2021 and carried the said properties at the lower of its carrying amount and fair value less costs to sell. In May and June 2022, the Parent Company issued to several brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City dacion properties to prospective buyers. In 2023, the Parent Company started its negotiation with a real estate group for the sale of the properties. As at June 30, 2024, the said real estate group was still looking for a real estate developer to partner with in the development of the land.

As at June 30, 2025 and October 13, 2025, management remains committed to its plan to sell the Quezon City dacion properties. However, considering that the timing of the sale is highly uncertain, management reclassified the Quezon City dacion properties from “Noncurrent asset held for sale” back to “Investment properties” at the lower of: (a) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had the asset not been classified as held for sale, of ₱1,013.0 million, and (b) its recoverable amount of ₱4,394.5 million based on the latest valuation conducted by independent appraisers on August 28, 2024. Accordingly, management recognized the adjustment to the carrying amount of its Quezon City dacion properties amounting to ₱7.7 million as “Loss on remeasurement of noncurrent asset held for sale” in the consolidated statement of comprehensive income for the year ended June 30, 2025.

Property and equipment, net of accumulated depreciation, amounted to ₱10,453.5 million and ₱9,926.2 million as at June 30, 2025 and 2024, respectively. The increase is substantially attributed to STI ESG’s acquisition of a parcel of land in Alabang, Muntinlupa City, the construction of a new school building at STI Ortigas-Cainta, solar panel installation projects, acquisition of various equipment and furniture, and renovation and expansion of the facilities in schools owned and operated by STI ESG and in STI WNU.

Construction-in-progress as at June 30, 2025 is primarily related to the costs incurred for the construction of STI Academic Center Tanauan and the new school buildings at STI Fairview and STI Batangas. The construction project at STI Academic Center Tanauan is expected to be completed in time for SY 2026-2027 while the new school buildings at STI Fairview and STI Batangas are scheduled for completion within SY 2025-2026. Also included in this account are the costs related to the renovation of STI WNU’s university gymnasium, construction and renovation of powerhouses, and the construction of a materials recovery facility. The renovation and construction projects in STI WNU have been completed by September 2025.

These additions to the “Property and equipment” account were offset by the depreciation expense recognized by the Group for the year ended June 30, 2025, reflecting the allocation of costs of these assets over their respective useful lives.

Investment properties increased by ₱837.6 million, net of depreciation expense for the year, from ₱1,187.0 million as at June 30, 2024 to ₱2,024.6 million as at June 30, 2025, primarily due to the reclassification of the Quezon City dacion properties amounting to ₱1,013.0 million from Noncurrent

asset held for sale to Investment properties as discussed in the preceding paragraphs. This was partially offset by STI ESG's reclassification of its Meycauayan property from "Investment Properties" to "Property and Equipment" as at June 30, 2025, following the preparation for the construction of a new school building for STI Meycauayan.

Investments in and advances to associates and joint venture increased by 17% or ₱3.6 million due to the Group's equity share in the net income of its associate.

Deferred tax assets (DTA), net of the related deferred tax liability (DTL), increased by ₱8.4 million from ₱43.0 million to ₱51.4 million as at June 30, 2024 and 2025, respectively, largely representing taxes due on tuition and other school fees collected in advance. In accordance with statutory regulations, tuition and other school fees which are collected in advance are subject to income tax upon receipt.

Goodwill, intangible and other noncurrent assets increased by ₱257.9 million from ₱528.8 million as at June 30, 2024 to ₱786.7 million as at June 30, 2025. This increase mainly pertains to advances to suppliers, recognized under "Other noncurrent assets" amounting to ₱290.4 million. Downpayments were made for the construction of STI Academic Center Alabang and STI Academic Center Tanauan. Advances were also recorded for iACADEMY's (1) sound room isolation and acoustic treatment, and (2) installation of outdoor LED wall.

Accounts payable and other current liabilities increased by ₱45.5 million from ₱950.6 million to ₱996.1 million as at June 30, 2024 and 2025, respectively. Accounts payable rose by ₱77.8 million from ₱445.2 million to ₱523.0 million as at June 30, 2025. This includes the last installment due to Avida Land Corp. amounting to ₱102.1 million for the parcel of land acquired by STI ESG in South Park District, Alabang which is due in February 2026, partly offset by payments made on short-term obligations during the fiscal year ended June 30, 2025.

Accrued expenses rose by ₱31.5 million from ₱228.4 million as at June 30, 2024 to ₱259.9 million as at June 30, 2025 primarily due to expenses incurred but not yet paid as of June 30, 2025. This increase was partly offset by lower interest payables, resulting from principal repayments on STI ESG's Term Loan Facilities with various local banks.

Excess payments for refund amounted to ₱47.9 million and ₱57.2 million as at June 30, 2024 and 2025, respectively. These represent excess payments made by students, arising from overpayments, sponsorship adjustments, or approved scholarships. These amounts are recognized as a liability and will remain as such until the necessary documentation to initiate the refund process is received. The refunds are expected to be settled within the next fiscal year.

Advance rent decreased by ₱8.1 million from ₱12.5 million as at June 30, 2024 to ₱4.4 million as at June 30, 2025 reflecting the expiration of certain lease agreements. The remaining balance represents amounts received by STI ESG and iACADEMY which will be earned and applied within the next fiscal year.

Unearned tuition and other school fees rose by 42% or ₱71.3 million from ₱171.5 million as at June 30, 2024 to ₱242.8 million as at June 30, 2025. This account refers to the advance payments of tuition and other school fees received for the school year commencing after the financial reporting date and will be recognized as revenues in the related school terms within the next fiscal year.

Income tax payable amounted to ₱43.7 million and ₱25.3 million as at June 30, 2025 and 2024, respectively. The balances as at June 30, 2025 and 2024 represent the income tax obligations of STI ESG and several of its subsidiaries, as well as the income tax payable of STI WNU and iACADEMY for

the related fiscal years. The notable increase in income tax payable is attributed to the increased profitability of the Group. Income tax obligations of the Parent Company and AHC for the years ended June 30, 2025 and 2024 were entirely offset by their respective tax credits.

Current portion of interest-bearing loans and borrowings increased by ₱44.0 million from ₱536.3 million as at June 30, 2024 to ₱580.3 million as at June 30, 2025. The balance as at June 30, 2025 represents the current portion of the Term Loans of STI ESG with BPI, Chinabank and Metrobank amounting to ₱144.4 million, ₱240.0 million, and ₱200.0 million, respectively, net of deferred finance charges aggregating to ₱4.1 million.

The balance as at June 30, 2024 represents the current portion of STI ESG's term loans with Chinabank, BPI and Metrobank. On June 28, 2024, iACADEMY fully paid its term loan with Chinabank. On March 19, 2024, STI ESG settled the amortization due on its Term Loan Facility with Chinabank amounting to ₱120.0 million.

The noncurrent portion of interest-bearing loans and borrowings decreased by ₱403.7 million from ₱1,549.8 million to ₱1,146.1 million as at June 30, 2024 and June 30, 2025, respectively, net of the related deferred finance charges aggregating to ₱7.3 million as at June 30, 2025. The decrease is primarily due to the reclassification from non-current portion to current portion of interest-bearing loans and borrowings of the amounts that are due in the next twelve months. The decrease is net of the long-term portion of the loan drawn from STI ESG's Term Loan Facility with BPI in December 2024 amounting to ₱200.0 million of which ₱44.4 million is classified under current portion as at June 30, 2025.

Current portion of lease liabilities increased by ₱4.5 million from ₱86.9 million as at June 30, 2024 to ₱91.4 million as at June 30, 2025, representing lease obligations which are due within the next twelve months. Noncurrent lease liabilities decreased by ₱33.5 million from ₱403.2 million as at June 30, 2024 to ₱369.7 million as at June 30, 2025. Lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of the initial application. The amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The measurement and presentation of lease liabilities are recognized in the audited consolidated financial statements of the Group following the adoption of PFRS 16, *Leases*.

STI ESG's bonds payable, classified as noncurrent liabilities, amounted to ₱816.7 million and ₱815.0 million as at June 30, 2025 and 2024, respectively. These balances are net of deferred finance charges representing bond issue costs with carrying values of ₱3.3 million and ₱5.0 million as at June 30, 2025 and 2024, respectively. These relate to STI ESG's ₱3.0 billion bond issuance listed on the Philippine Dealing and Exchange Corporation (PDEX), consisting of 7-year bonds due in 2024 and 10-year bonds due in 2027. The Series 7-Year Bonds amounting to ₱2,180.0 million with fixed annual coupon rate of 5.8085% matured and were fully paid in March 2024 while the 10-year Bonds remain outstanding with a coupon rate of 6.3756% per annum.

Pension liabilities decreased by ₱29.7 million from ₱129.8 million to ₱100.1 million as at June 30, 2024 and 2025, respectively. This is mainly due to the recognition made by STI ESG of the past service cost amounting to ₱21.9 million in 2024 associated with the adoption of the STI Education Services Group, Inc. Multi-Employer Retirement Plan (STI ESG Multi-employer Retirement Plan), which was approved by the BOD of STI ESG in June 2024. The revised plan was established to streamline STI ESG's existing retirement programs. Also, the Group recognized favorable remeasurement adjustments on the equity shares forming part of the Group's pension assets. The Group contributed an aggregate of ₱14.5 million to the pension fund during the year ended June 30, 2025.

Other noncurrent liabilities declined by ₱60.4 million from ₱90.7 million to ₱30.3 million as at June 30, 2024 and 2025, respectively. The decrease is primarily due to the forfeiture of the security deposit and advance rentals of iACADEMY's lessee in accordance with the provisions of the sublease agreement and the termination deed, which stipulate that such amounts shall be forfeited in the event of pre-termination of the sublease agreement. The sublease agreement was pre-terminated effective June 30, 2025. Also included in noncurrent liabilities as at June 30, 2024 is the deposit for future stock subscription recognized by STI Training Academy. The deposit for future stock subscription was reclassified by STI ESG from liability to equity section, as part of the "Equity Attributable to Non-controlling Interests", having met the required conditions for classification under the equity section. As at October 13, 2025, the application for increase in STI Training Academy's authorized capital stock is pending approval by the SEC.

Cost of shares held by a subsidiary decreased by ₱67.7 million from ₱498.1 million to ₱430.4 million representing the cost of 68 million shares of stock of the Parent Company previously held by STI ESG which were sold in August and September 2024 and in January 2025.

Additional paid-in capital increased by ₱20.3 million in recognition of the gain on the sale of shares of the Parent Company held by STI ESG, as discussed above.

Cumulative actuarial gain increased by ₱34.1 million from ₱44.4 million to ₱78.5 million as at June 30, 2024 and 2025, respectively, due to the impact of unrealized remeasurement gains for the year ended June 30, 2025 resulting from the improvement in market value of the investments under the Group's pension plan assets.

Unrealized fair value adjustment on equity instruments at FVOCI is down by ₱2.9 million from ₱20.3 million to ₱17.4 million as at June 30, 2024 and 2025, respectively, representing fair value adjustments in the market value of STI ESG's investment in its quoted and unquoted equity instruments.

Retained earnings increased by ₱1,766.9 million from ₱6,529.0 million to ₱8,295.9 million as at June 30, 2024 and 2025, respectively, substantially due to the net income attributable to equity holders of the Parent Company recognized for the year ended June 30, 2025 amounting to ₱2,191.1 million less cash dividends declared by the Group in December 2024 amounting to ₱424.2 million.

June 30, 2024 vs. June 30, 2023

LIQUIDITY AND CAPITAL RESOURCES

(in ₱ millions except financial ratios)

(in millions except financial ratios)	June 30, 2024	June 30, 2023	June 2024 vs. June 2023	
			Increase (Decrease)	
			Amount	%
Consolidated financial position				
Cash and cash equivalents	1,855.5	1,958.8	(103.3)	(5.3%)
Current assets	3,679.2	3,781.6	(102.4)	(2.7%)
Total assets	15,441.8	15,083.2	358.6	2.4%
Current liabilities	1,770.5	3,451.9	(1,681.4)	(48.7%)
Total liabilities	4,869.4	5,873.4	(1,004.0)	(17.1%)
Equity attributable to equity holders of the parent	10,481.1	9,127.9	1,353.2	14.8%
Total Equity	10,572.4	9,209.8	1,362.6	14.8%

Financial ratios

Debt-to-equity ratio	0.44	0.62	(0.18)	(29.0%)
Current ratio	2.08	1.10	0.98	89.1%
Debt service cover ratio (DSCR)*	2.86	0.60	2.26	376.7%
Asset to equity ratio	1.46	1.64	(0.18)	(11.0%)
Interest cover ratio (ICR)*	11.71	7.37	4.34	58.9%

**DSCR for bank loans purposes is measured as earnings before interest, taxes, depreciation and amortization, and nonrecurring gains/losses (EBITDA) for the last twelve months divided by the total interest-bearing debts and interest due in the next twelve months. In August 2022, China Banking Corporation (Chinabank) granted STI ESG's request to waive the DSCR requirement for the year ended June 30, 2023 and the period ended December 31, 2023. The Term Loan Agreement with Chinabank prescribes that the financial covenants shall be observed and computed based on STI ESG's unaudited interim consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the year ending June 30 of each year. With the waiver, STI ESG is compliant with the required covenant under the Chinabank Term Loan agreement as at June 30, 2023. iACADEMY is likewise compliant with Chinabank's DSCR requirement as at June 30, 2023.*

DSCR under STI ESG's bond trust agreement is defined as EBITDA for the last twelve months divided by total interest-bearing debts and interest due in the past twelve months. DSCR under both the Term Loan and Bond Trust Agreements is pegged at 1.05:1.00. STI ESG's DSCR as at June 30, 2023, as defined in the bond trust agreement, is 2.36:1.00. STI ESG is compliant with the required covenants as at June 30, 2023.

The term loan agreements with BPI and Metrobank prescribe that the financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year. STI ESG is compliant with the DSCR requirement as at June 30, 2024, as defined in the term loan agreements (see Note 18 of the Audited Consolidated Financial Statements).

In April 2024, Chinabank-Trust and STI ESG executed a second supplemental agreement to (i) replace the financial covenant on DSCR of not less than 1.05:1.00 with an Interest Coverage Ratio (ICR) of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA (see Note 19 of the Audited Consolidated Financial Statements). STI ESG is compliant with the ICR requirement as at June 30, 2024 at 9.37:1.00.

The Group's financial position continues to remain strong, with cash resources generated mostly by operating activities. Financial ratios are healthy and well within bank covenants.

The Group's consolidated total assets amounted to ₱15,441.8 million as at June 30, 2024 compared to ₱15,083.2 million as at June 30, 2023. Current assets amounted to ₱3,679.2 million, down by ₱102.4 million from ₱3,781.6 million while noncurrent assets grew by ₱461.0 million to ₱11,762.6 million as at June 30, 2024. The overall increase in consolidated total assets is the result of another school year of strong operations. The net decrease in cash and cash equivalents amounting to ₱103.3 million was primarily due to the Group's financing and investing activities, which aggregated to ₱2,835.8 million for the year. The net income after income tax of the Group for the year ended June 30, 2024 is ₱1,608.4 million, 84% higher than the net income generated for the year ended June 30, 2023. The more efficient collection of receivables from students contributed as well to the ₱2,724.5 million net cash generated from operating activities, which funded the Group's capital expenditures and payment of interest bearing loans and borrowings.

Cash and cash equivalents decreased by ₱103.3 million or 5% from last year's ₱1,958.8 million to ₱1,855.5 million as at June 30, 2024. The Group generated net cash from operating activities amounting to ₱2,724.5 million arising from the collection of tuition and other school fees from students and collection from the Department of Education (DepEd) for the Senior High School (SHS) vouchers and Commission on Higher Education (CHED) for the Tertiary Education Subsidy (TES). These

funds were partly utilized to pay the contractors and suppliers for the construction of iACADEMY's Cebu campus and STI WNU's new School of Basic Education (SBE) building, and the renovation of STI WNU's Engineering building. Other investing activities include disbursements related to STI ESG's solar panel installation, classroom expansion projects, and recent construction and other renovation and rehabilitation projects in several STI schools. On June 20, 2024, STI ESG acquired from Total Consolidated Asset Management, Inc. (TCAMI) 100% of the total issued and outstanding capital stock of Clinquant Holdings, Inc. (CHI), a company that owns a real estate in Tanauan, Batangas, in the amount of ₱180.0 million. In addition, STI ESG paid TCAMI a 15% deposit or ₱60.5 million to acquire 100% ownership of Phosphene Holdings, Inc. (PHI), which owns the property adjacent to CHI's property described earlier. STI ESG also made a ₱45.1 million downpayment on June 10, 2024 for the acquisition of a parcel of land with a total area of 3,266 square meters, located at South Park District, Alabang, Muntinlupa City. These properties are intended to be sites of STI schools.

In March 2024, STI ESG received the loan proceeds from its drawdowns from Metropolitan Bank & Trust Company (Metrobank) and Bank of the Philippine Islands (BPI) credit facilities. These loan proceeds were utilized to partially finance the full redemption of STI ESG's series 7-year bonds aggregating to ₱2,180.0 million which matured on March 23, 2024. STI ESG and iACADEMY made principal payments for interest-bearing loans and borrowings, substantially with Chinabank, aggregating to ₱333.0 million and ₱140.0 million, respectively. Interest payments on these loans and on STI ESG's bond issue amounted to ₱212.2 million. STI ESG declared cash dividends amounting to ₱0.20 per share or an aggregate amount of ₱616.4 million to stockholders of record as of January 10, 2024, of which ₱608.1 million was paid on January 12, 2024 to the Parent Company and ₱5.4 million was paid to non-controlling interests. STI WNU declared cash dividends amounting to ₱75.3 million to stockholders of record as of December 31, 2023 paid on January 10, 2024. Meanwhile, the Parent Company declared cash dividends amounting to ₱0.03 per share or an aggregate amount of ₱297.1 million to stockholders of record as of January 10, 2024. The cash dividends were paid on January 31, 2024.

Total receivables amounted to ₱466.9 million as at June 30, 2024, posting a decrease of ₱3.7 million from ₱470.6 million as at June 30, 2023. The receivables balance is composed largely of amounts expected to be collected from students for tuition and other school fees, from DepEd, CHED, and Development Bank of the Philippines (DBP) for the SHS vouchers, TES and financial assistance to students, respectively. Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the next fiscal year.

Receivables from students pertaining to tuition and other school fees decreased significantly by 30% or ₱177.9 million from ₱596.0 million as at June 30, 2023 to ₱418.1 million as at June 30, 2024, reflecting the Group's improved collection efficiency considering the increased number of students. Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to the current school year, amounted to ₱16.6 million as at June 30, 2024, compared to ₱10.0 million as at June 30, 2023. The SHS Voucher Program is a financial assistance program wherein subsidies in the form of vouchers are provided to qualified SHS students who enroll in participating institutions. A Qualified Voucher Recipient (QVR) is entitled to a subsidy ranging from ₱14,000 to ₱22,500 annually. DepEd, through the Private Education Assistance Committee, facilitates the transfer of funds to the participating schools. Accounts receivable from CHED amounted to ₱2.4 million and ₱3.7 million as at June 30, 2024 and 2023, respectively.

The DBP Resources for Inclusive and Sustainable Education Program (DBP RISE) grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers: (1) the total cost

of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. Receivables related to DBP RISE increased from ₱1.6 million as at June 30, 2023 to ₱2.2 million as at June 30, 2024. Receivables from the franchised schools for the educational services rendered by STI ESG amounted to ₱62.4 million as at June 30, 2024, higher by 12% or ₱6.8 million from the ₱55.6 million balance as at June 30, 2023. The receivables from franchised schools largely represent receivables for the sale of uniforms and prowares, network charges for the national youth convention and various software subscriptions during the year. Receivables for educational services are recognized as a percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED.

Rent and related receivables decreased by ₱16.6 million to ₱72.9 million as at June 30, 2024 from ₱89.5 million as at June 30, 2023 representing improved collection efficiency during the year ended June 30, 2024.

The Group's allowance for expected credit losses (ECL) recognized in relation to the adoption of Philippine Financial Reporting Standards (PFRS) 9, Financial Instruments, decreased from ₱382.4 million as at June 30, 2023 to ₱227.4 million as at June 30, 2024 reflecting the write-off of receivables during the year ended June 30, 2024 amounting to ₱185.5 million and ₱30.5 million provision for ECL for the year.

The receivables which were written-off were associated with tuition and other school fees from students for SYs 2019-2020 to 2021-2022. The Boards of Directors (BODs) of STI Caloocan, STI Batangas, and STI Tanauan approved the write-off of receivables from students aggregating to ₱17.4 million for the year ended June 30, 2023. For the fiscal years ended June 30, 2023, and 2022, STI ESG, STI WNU and iACADEMY had adopted an interim policy to defer the write-off of receivables.

Inventories rose by 21% or ₱27.6 million from ₱129.5 million as at June 30, 2023 to ₱157.1 million as at June 30, 2024 due to the receipt of student uniforms during the last quarter of the year ended June 30, 2024 in preparation for SY 2024-2025.

Prepaid expenses and other current assets decreased by ₱22.2 million or 11% from ₱193.0 million as at June 30, 2023 to ₱170.8 million as at June 30, 2024 primarily due to the ₱38.9 million decrease in prepaid taxes as prior years' excess tax credits and creditable withholding taxes were applied to STI ESG and iACADEMY's income tax due for the year ended June 30, 2024. The increase in input VAT is attributed mainly to the acquisition of a parcel of land in South Park District, Alabang, Muntinlupa City, from which STI ESG recognized input VAT amounting to ₱24.7 million. STI WNU's input VAT registered a ₱3.1 million net increase due to the input VAT recognized from payments to contractors for the new SBE building construction. This account also includes input VAT recognized on the purchase of goods and services. Meanwhile, iACADEMY's input VAT decreased by ₱4.6 million upon application of the balance as of June 30, 2023 to its output VAT liabilities. Prepaid subscriptions and licenses, substantially pertaining to Microsoft license and eLMS subscriptions, Adobe Creative Cloud, Sophos Firewall, and Toon Boom Harmony subscriptions, amounted to ₱18.3 million and ₱23.2 million as at June 30, 2023 and 2024, respectively. iACADEMY secured additional software licenses for its Cebu campus. These subscriptions are normally renewed annually and recognized as expense in accordance with the terms of the agreements. The current portion of STI ESG's advances to suppliers as at June 30, 2023, were applied against full payment when the orders for uniforms were completed and delivered in 2024.

The carrying value of STI ESG's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR), a real estate investment trust (REIT) company listed on the Philippine Stock Exchange, amounted to ₱5.25 and ₱5.80 per share or an aggregate value of ₱8.1 million and ₱9.0 million as at June 30, 2024 and 2023, respectively. STI ESG recognized dividend income from RCR amounting to ₱0.6 million in 2024 and 2023.

Noncurrent asset held for sale amounting to ₱1,020.7 million as at June 30, 2024 and 2023 represents the carrying value of the land, building and land improvements located in Quezon City (the "Quezon City dacion properties"), which were obtained by the Parent Company through the deeds of dacion executed in 2016. On June 24, 2021, the Parent Company's BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its receipt. With the classification as noncurrent asset held for sale, the Parent Company ceased the accounting for the Quezon City dacion properties as investment properties on June 30, 2021 and carried the said properties at the lower of its carrying amount and fair value less costs to sell. In May and June 2022, the Parent Company issued to certain brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City dacion properties to prospective buyers. In 2023, the Company started its negotiation with a real estate group for the sale of the properties. As of June 30, 2024, the Group is still in negotiation with the said real estate group who is currently looking for a real estate developer to partner with in the development of the land.

Property and equipment, net of accumulated depreciation, amounted to ₱9,926.2 million and ₱9,684.7 million as at June 30, 2024 and 2023, respectively. The increase primarily reflects ongoing capital expenditures, including the construction of a new building in STI Ortigas-Cainta campus and a new three-storey building in STI Lipa, installation of solar panels, classroom expansions, and various renovation and rehabilitation projects in certain STI ESG wholly-owned schools. Also, STI ESG acquired 100% ownership of CHI from TCAMI, as stated in the previous discussion on the sources and uses of cash. CHI is the registered and beneficial owner of a 10,000-square-meter parcel of land located at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This property will be the future site of STI Academic Center Tanauan. STI WNU's property and equipment increased by ₱270.0 million, net of depreciation expenses, substantially due to the completion of its SBE building in May 2024, along with rehabilitation works on its main building, and ancillary works done in its Engineering building. The Group likewise invested in new computers, school equipment and furniture. The recognition of the right-of-use (ROU) assets on new and renewed lease agreements following PFRS 16, Leases also contributed to the increase in property and equipment. These additions to the "Property and equipment" account were offset by the depreciation expense recognized by the Group for the year ended June 30, 2024, reflecting the allocation of costs of these assets over their respective useful lives.

Investment properties increased by ₱149.5 million, net of depreciation expense for the year, from ₱1,037.5 million as at June 30, 2023 to ₱1,187.0 million as at June 30, 2024. The increase reflects the carrying value of STI ESG's land situated in Diversion Road, Brgy. San Rafael, Mandurriao, Iloilo City which was reclassified from "Property and equipment" to "Investment properties" account as at June 30, 2024.

Deferred tax assets (DTA), net of the related deferred tax liability (DTL), decreased by ₱7.7 million from ₱50.7 million to ₱43.0 million as at June 30, 2023 and 2024, respectively, primarily attributed to changes in the temporary differences related to allowance for expected credit losses (ECL) and application of NOLCO against income tax due recognized during the year ended June 30, 2024. In accordance with Philippine Financial Reporting Standards (PFRS), these temporary differences are accounted for in the calculation of deferred tax assets and liabilities.

Goodwill, intangible and other noncurrent assets increased by ₱72.8 million from ₱435.8 million as at June 30, 2023 to ₱508.6 million as at June 30, 2024. On June 10, 2024, STI ESG and Avida Land Corp. executed a contract to sell for the acquisition of a parcel of land with a total area of 3,266 square meters located at South Park District, Alabang, Muntinlupa City, for a total purchase price of ₱228.8 million. The purchase price is payable in three installments: (i) the amount of ₱45.1 million, inclusive of ₱24.7 million VAT, was settled on June 10, 2024; (ii) the amount of ₱81.6 million was paid by STI ESG on September 30, 2024, upon execution of the Deed of Sale on Installments (the “Deed”); and (iii) the amount of ₱102.1 million shall be paid by STI ESG on the 16th month after the execution of the Deed. STI ESG likewise paid ₱9.2 million for taxes and other charges related to the sale on September 30, 2024. STI ESG shall be entitled to the physical possession and control over the lot upon execution of the Deed. Similarly, the Deed provides that STI ESG shall start the construction within two years from the execution of the Deed. This lot will be the future site of the new STI Academic Center Alabang.

On June 20, 2024, STI ESG and TCAMI executed a Share Purchase Agreement to acquire 100% of the total issued and outstanding capital stock (Subject Shares) of PHI for ₱403.2 million as discussed in a preceding paragraph. On the same date, STI ESG paid the 15% deposit or ₱60.5 million. The remaining balance of ₱342.7 million is due on the third anniversary of the Share Purchase Agreement. The agreement grants STI ESG the right to cancel the purchase of the Subject Shares at any time within the three-year period. If STI ESG opts to cancel, TCAMI shall refund the deposit within thirty (30) days from receipt of the written notice of cancellation. The transfer of the shares shall take place on the third anniversary of the Share Purchase Agreement’s effectivity date or at an earlier date as mutually agreed upon by STI ESG and TCAMI. PHI owns a 25,202-square-meter parcel of land adjacent to the CHI property located at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This lot is likewise planned to be the future site of STI Academic Center Tanauan.

Goodwill, intangible and other noncurrent assets also includes advances to contractors and/or suppliers for the ongoing construction of the new school building at STI Ortigas-Cainta, classroom expansion projects of certain schools, and acquisition of various school equipment and furniture and for additional construction works in STI WNU’s new SBE building. The related costs of these projects will be recognized to “Property and equipment” upon receipt of goods and/or as services are rendered.

Goodwill decreased by ₱14.3 million from ₱266.6 million to ₱252.3 million as at June 30, 2023 and 2024, respectively, due to the recognition of a provision for impairment of goodwill related to NAMEI Polytechnic Institute of Mandaluyong, Inc. (NPIM), which had ceased operations effective June 30, 2022.

Accounts payable and other current liabilities increased by ₱169.2 million from ₱773.2 million to ₱942.4 million as at June 30, 2023 and 2024, respectively. This increase is largely attributed to outstanding obligations as at June 30, 2024 related to the on-going construction of STI Ortigas-Cainta’s new building, recently completed construction projects, and various renovation and rehabilitation projects in several wholly-owned schools of STI ESG. Also included are STI WNU’s payables for the ongoing construction of its new university canteen and a kitchen laboratory for its College of Hotel and Tourism Management, as well as for the rehabilitation of the student lounge and walkway.

Unearned tuition and other school fees increased by 27% or ₱38.5 million from ₱141.1 million as at June 30, 2023 to ₱179.6 million as at June 30, 2024. This account refers to the advance payments of tuition and other school fees received for the school year commencing after the financial reporting date and will be recognized as revenues in the related school terms within the next fiscal year.

Income tax payable amounted to ₱25.3 million and ₱1.1 million as at June 30, 2024 and 2023, respectively. The balance as at June 30, 2024 represents the income tax obligations of STI ESG and several of its subsidiaries, as well as the income tax payable of STI WNU and iACADEMY as at June 30, 2024. The notable increase in income tax payable is attributed to the change in preferential income tax rate for proprietary educational institutions which was reduced from 10% to 1% effective July 1, 2020, up to June 30, 2023. After the expiration of the temporary tax relief provided by the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law for proprietary educational institutions, the income tax rate reverted to its previous rate of 10%. Income tax obligations of STI ESG, iACADEMY, and the Parent Company for the year ended June 30, 2023 were entirely offset by their respective tax credits.

Current portion of interest-bearing loans and borrowings increased by ₱273.5 million from ₱262.8 million as at June 30, 2023 to ₱536.3 million as at June 30, 2024. The balance as at June 30, 2024 represents the current portion of STI ESG's term loans with Chinabank, BPI and Metrobank. On June 28, 2024, iACADEMY had fully paid its term loan with Chinabank. The balance as at June 30, 2023 represents the current portions of the Corporate Notes and Term Loan Facility Agreements of STI ESG with Chinabank amounting to ₱60.0 million and ₱120.0 million, respectively, and the Land Bank of the Philippines (LandBank) ACcess to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Lending Program loan amounting to ₱3.0 million. It also includes iACADEMY's ₱79.8 million Term Loan balance with Chinabank. On March 19, 2024, STI ESG settled the amortization due on its Term Loan Facility with Chinabank amounting to ₱120.0 million.

The noncurrent portion of interest-bearing loans and borrowings increased by ₱741.1 million from ₱808.7 million to ₱1,549.8 million, net of deferred finance cost, as at June 30, 2023 and June 30, 2024, respectively. On March 7, 2024, STI ESG and BPI entered into a five-year term loan agreement up to the amount of ₱1,000.0 million. Of this amount, ₱500.0 million was drawn on March 18, 2024, subject to an interest rate of 8.4211% per annum. On March 8, 2024, STI ESG and Metrobank entered into a five-year term loan agreement of up to the amount of ₱2,000.0 million, of which ₱1,000.0 million was drawn on March 18, 2024, subject to an interest rate of 7.8503% per annum. STI ESG has elected to fix the principal repayments in ten (10) equal installments based on a semi-annual amortization schedule which will commence six (6) months from the date of initial borrowing until the maturity date. The proceeds from these loans were used to partially finance the full redemption of STI ESG's series 7-year bonds amounting to ₱2,180.0 million which matured on March 23, 2024.

On March 23, 2017, STI ESG successfully listed its ₱3.0 billion Series 7-year Bonds due in 2024 and Series 10-year Bonds due in 2027 (collectively, the "Bonds") on the Philippine Dealing and Exchange Corp. (PDEX) secondary market. The Bonds carry coupon rates of 5.8085% and 6.3756% for the 7-year and 10 year tenors, respectively. Interests are payable quarterly in arrears on June 23, September 23, December 23, and March 23 or the next business day if such dates fall on non-banking days, of each year commencing on June 23, 2017, until and including the relevant maturity dates. The Bonds payable is carried in the books at ₱815.0 million and ₱2,988.4 million as at June 30, 2024 and 2023, respectively, net of deferred finance charges representing bond issue costs with carrying values of ₱5.0 million and ₱11.6 million as at June 30, 2024 and 2023, respectively. The Series 7-Year Bonds amounting to ₱2,180.0 million matured in March 2024. On the other hand, the Series 10-Year Bonds maturing in March 2027 with a carrying value of ₱815.0 million as at June 30, 2024 is reported as "Bonds payable, noncurrent portion" under the "Noncurrent Liabilities" category. The proceeds of the bonds have been fully utilized as at March 31, 2019.

As at June 30, 2023, STI ESG is compliant with the covenants under the bond trust agreement, with its debt-to-equity ratio at 0.79:1.00 and DSCR at 2.36:1.00. DSCR, as defined in the bond trust agreement, is computed as EBITDA for the last twelve (12) months over total principal and interest due in the last 12 months. In April 2024, Chinabank-Trust and STI ESG signed a second supplemental agreement that

changed some financial covenants. The previous DSCR requirement of at least 1.05:1.00 has been replaced with an Interest Cover Ratio (ICR) requirement of at least 3.00:1.00. Henceforth, STI ESG is required to maintain a debt-to-equity ratio of not more than 1.50:1.00 and an ICR of not less than 3.00:1.00 computed based on its consolidated financial statements. As at June 30, 2024, STI ESG is compliant with the covenants under the bond trust agreement, with its debt-to-equity ratio at 0.59:1.00 and ICR at 9.37:1.00.

Current portion of lease liabilities decreased by ₱11.6 million from ₱98.5 million as at June 30, 2023 to ₱86.9 million as at June 30, 2024, representing payments made during the year net of reclassification of lease obligations due within the next twelve months. Noncurrent lease liabilities decreased by ₱35.0 million from ₱438.2 million as at June 30, 2023 to ₱403.2 million as at June 30, 2024. Lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of the initial application. The amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The measurement and presentation of lease liabilities are recognized in the audited consolidated financial statements of the Group following the adoption of PFRS 16, Leases.

Pension liabilities decreased by ₱10.0 million from ₱139.8 million to ₱129.8 million as at June 30, 2023 and 2024, respectively. The Board of Directors (BOD) of STI ESG had approved the adoption of a Multi Employer Retirement Plan for STI ESG and its subsidiaries resulting to recognition of pension expense aggregating to ₱34.7 million for the year ended June 30, 2024. STI ESG recognized remeasurement adjustments attributed to the equity shares forming part of STI ESG's pension assets for the same fiscal year amounting to ₱36.7 million. STI ESG likewise contributed ₱6.7 million to the pension fund on June 20, 2024. Pension/retirement expenses of iACADEMY and STI WNU amounted to ₱4.8 million and ₱4.3 million, respectively, for the year ended June 30, 2024.

Other noncurrent liabilities decreased by ₱21.4 million from ₱112.1 million to ₱90.7 million as at June 30, 2023 and 2024, respectively, as advanced rent and security deposits were applied to rent receivables and refunded to lessees of iACADEMY and STI ESG upon termination of lease contracts. Also included in noncurrent liabilities are the deposits for future stock subscription recognized by STI Training Academy. On January 26, 2024, the BOD of STI Training Academy approved a cash call totaling ₱20.0 million to fund the company's capital expenditures and operating expenses. Of this amount, ₱12.0 million was contributed by STI ESG, while an additional ₱8.0 million was provided by another interested party. The latter's contribution was recognized as a "Deposit for future stock subscription" under "Noncurrent liabilities" as at June 30, 2024. As at October 11, 2024, STI Training Academy is in the process of preparing the necessary documentation for its application to increase its authorized capital stock.

Cumulative actuarial gain increased by ₱38.9 million from ₱5.5 million to ₱44.4 million as at June 30, 2023 and 2024, respectively, due to the impact of unrealized remeasurement gains for the year ended June 30, 2024 resulting from the improvement in market value of the investments under the Group's pension plan assets.

Unrealized fair value adjustment on equity instruments at FVOCI is up by ₱5.2 million representing fair value adjustments resulting from the appreciation in the market value of STI ESG's investment in quoted equity shares.

Retained earnings increased by ₱1,309.1 million from ₱5,219.9 million to ₱6,529.0 million as at June 30, 2023 and 2024, respectively, substantially due to the net income attributable to equity holders of the Parent Company recognized for the year ended June 30, 2024 amounting to ₱1,591.2 million, net of cash dividends declared by the Group in December 2023 amounting to ₱282.1 million.

Results of Operations

The Consolidated Statements of Comprehensive Income reflect the Group's operating and financial performance for the years ended June 30, 2025, 2024 and 2023. Comprehensive income includes net income and unrealized income/loss arising from fair value changes in equity instruments at FVOCI as well as remeasurement adjustments on pension plans.

The operating results shown in the Group's consolidated statements of comprehensive income reflect sustained and substantial growth, both in terms of revenue and profitability, over the past three fiscal years.

The discussion below summarizes the significant factors affecting the results of operations for the three-month period ended September 30, 2025 versus the three-month period ended September 30, 2024 and fiscal years ended June 30, 2025, June 30, 2024, and June 30, 2023.

Three-month period ended September 30, 2025 vs. three-month period ended September 30, 2024

For the three-month period ended September 30, 2025, the Group generated gross revenues of ₱1,443.3 million, higher by 39% or ₱405.6 million from the same period last year of ₱1,037.7 million. As discussed in the previous paragraphs, the wide variation is primarily attributable to two factors: (1) the earlier commencement of classes for SY 2025–2026 compared to SY 2024–2025, and (2) the adoption of revenue recognition based on the instructional days within the related term(s). Classes for SY 2025-2026 commenced on July 28, 2025 as compared to August 12, 2024 last year for both STI ESG and STI WNU. Starting FY 2025-2026, STI ESG and STI WNU recognized revenues from tuition and other school fees based on the actual number of school days in a quarter of the applicable school term(s) as against the previous practice of recognizing the same on a monthly basis within each quarter of the school term(s). Total revenues for the school term and for the school year are not affected by this change, only the distribution across the quarters. In addition, the Group enforced adjustments in tuition and other school fees for SY 2025-2026.

Gross profit increased by ₱380.6 year-on-year from ₱706.2 million to ₱1,086.8 million, resulting in a gross profit margin of 75% compared to 68% in the same period last year.

The Group recorded an operating income of ₱657.5 million for the three-month period ended September 30, 2025 as against ₱285.3 million for the same period last year. Net income after income tax amounted to ₱619.1 million this quarter, ₱355.9 million more than the ₱263.2 million recorded for the three-month period ended September 30, 2024.

EBITDA, computed as earnings before interest expense, interest income, provision for/benefit from income tax, depreciation and amortization, gain/loss on foreign exchange differences, equity in net earnings of associates and joint venture, and gain/loss on equity instruments at fair value through profit or loss (FVPL) is ₱877.9 million for the three-month period ended September 30, 2025, an increase of ₱403.8 million from ₱474.1 million registered during the three-month period ended September 30, 2024. Depreciation and interest expenses for purposes of this computation exclude those related to right-of-use (ROU) assets and lease liabilities, respectively. EBITDA margins for the three-month periods ended September 30, 2025 and 2024 are at 61% and 46%, respectively.

Years ended June 30, 2025 vs. 2024

The enrollment figures of the Group for SY 2024-2025 indicate a robust increase of 15% as the Group's student count for SY 2024-2025 reached 138,060 compared to 119,543 enrollees in SY 2023-2024. In

SY 2024-2025, the total number of new students reached 55,052, almost at par with the number of new student enrollees reported for SY 2023-2024. Furthermore, enrollment in programs regulated by CHED registered an impressive 20% increase to more than 100,000 students compared to more than 83,000 enrollees in SY 2023-2024.

The enrollment figures of the schools under STI Holdings are as follows:

	SY 2024-2025	SY 2023-2024	Increase (Decrease)	
			Enrollees	Percentage
STI ESG				
Owned schools	84,122	71,782	12,340	17%
Franchised schools	37,252	32,200	5,052	16%
	121,374	103,982	17,392	17%
STI WNU	14,503	13,328	1,175	9%
iACADEMY	2,183	2,233	(50)	(2%)
Total Enrollees	138,060	119,543	18,517	15%

The grouping of students according to the government regulatory agencies overseeing the programs is outlined as follows:

- CHED - students under this group are enrolled in tertiary programs. This category likewise includes students of STI WNU enrolled in post-graduate studies;
- Technical Education and Skills Development Authority (TESDA) - students under this group are enrolled in technical-vocational programs; and
- DepEd – pertains to students in primary and secondary education, including JHS and SHS.

	SY 2024-2025			
	CHED	TESDA	DEPED*	TOTAL
STI ESG	86,447	1,760	33,167	121,374
STI WNU	11,833	-	2,670	14,503
iACADEMY	1,881	-	302	2,183
Total	100,161	1,760	36,139	138,060
Proportion of CHED:TESDA:DepEd	73%	1%	26%	100%
	SY 2023-2024			
	CHED	TESDA	DEPED*	TOTAL
STI ESG	71,159	1,682	31,141	103,982
STI WNU	10,170	-	3,158	13,328
iACADEMY	1,823	-	410	2,233
Total	83,152	1,682	34,709	119,543
Proportion of CHED:TESDA:DepEd	70%	1%	29%	100%

* STI ESG DepEd count represents 32,501 SHS students and 666 JHS students in SY 2024-2025 and 30,674 SHS students and 467 JHS students in SY 2023-2024. For iACADEMY, this represents SHS students, while for STI WNU, the count represents 1,968 SHS students and 702 students enrolled in pre-elementary to JHS in SY 2024-2025 and 2,490 SHS students and 668 students enrolled in pre-elementary to JHS in SY 2023-2024.

For both STI ESG and STI WNU, classes across all levels started on August 29, 2023 and August 12, 2024 for SY 2023-2024 and SY 2024-2025, respectively. STI WNU's School of Graduate Studies started classes on September 2, 2023 and September 7, 2024 for SY 2023-2024 and SY 2024-2025, respectively. Classes are held onsite across all levels for both school years.

Classes for iACADEMY's SHS and tertiary students started on August 3, 2023 and August 29, 2023, respectively, in SY2023-2024. The academic year for SY 2024-2025 commenced on August 8, 2024 for iACADEMY's SHS and on August 27, 2024 for tertiary students. iACADEMY implemented the Hybrid Learning Format across all levels, combining face-to-face and online remote instructions. Classes and learning activities were conducted in-person, synchronously online, and asynchronously online using various learning technologies while classes for specialized and contextualized subjects like Science and ICT, were held onsite in the laboratories.

The Group remains committed to ensuring adherence to the guidelines set by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information and guidance on the conduct of face-to-face classes.

The consolidated gross revenues of the Group for the year ended June 30, 2025 reached ₱5,559.5 million, reflecting an 18% increase compared to ₱4,700.3 million generated for the year ended June 30, 2024. Net income after income tax rose by 38% to ₱2,215.6 million from ₱1,608.3 million for the fiscal years 2025 and 2024, respectively.

Condensed Consolidated Statements of Comprehensive Income

(in ₱ millions)	Years ended June 30			
	2025	2024	Increase (Decrease)	
Revenues	5,559.5	4,700.3	859.2	18%
Costs and expenses	3,195.8	2,919.5	276.3	9%
Operating income	2,363.7	1,780.8	582.9	33%
Other income (expenses)	87.6	(7.4)	95.0	1,284%
Income before income tax	2,451.3	1,773.4	677.9	38%
Provision for income tax	235.7	165.1	70.6	43%
Net income	2,215.6	1,608.3	607.3	38%
Other comprehensive income	31.6	44.7	(13.1)	(29%)
Total comprehensive income	2,247.2	1,653.0	594.2	36%

Tuition and other school fees increased by ₱791.2 million from ₱4,302.3 million for the year ended June 30, 2024 to ₱5,093.5 million for the year ended June 30, 2025 primarily attributed to the significant 15% growth in enrollment. The student population of the schools under STI Holdings rose by more than 18,000 to 138,060 for SY 2024-2025 compared to 119,543 enrollees for SY 2023-2024. STI ESG's wholly-owned and franchised schools registered an enrollment of 121,374 students, 17% more than the enrollment in SY 2023-2024. The number of new students enrolled in CHED programs increased by 7% from over 34,000 in SY 2023-2024 to almost 37,000 in SY 2024-2025. Furthermore, enrollment in programs regulated by CHED registered an impressive 20% increase from 83,152 in SY 2023-2024 compared to 100,161 students in SY 2024-2025. As CHED programs generate higher revenues per student, this increase further bolstered the Group's financial performance for the period. In addition, STI ESG implemented an average of 5% tuition fee increase for incoming tertiary students for SY 2024-2025 while STI WNU implemented an average of 6.9% increase in tuition and other school fees for new students across all levels, further contributing to the revenue growth.

Revenues from educational services increased by 31% to ₱229.0 million compared to ₱175.2 million for the years ended June 30, 2025 and 2024, respectively, driven by the increase in the student population of franchised schools and improved collection efficiency for SY 2024-2025. Revenues from educational services to STI ESG's franchised schools are recognized based on the percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED. This account also includes management fees amounting to ₱14.1 million arising from the management agreement executed in May 2024 by and among STI ESG, Philippine School of Business Administration (PSBA Manila), and Philippine School of Business Administration, Inc. – Quezon City (PSBA Quezon City). The agreement became effective on July 1, 2024 for PSBA Quezon City and on August 1, 2024 for PSBA Manila. This agreement has a term of three (3) years counting from the respective management commencement dates. PSBA Manila and PSBA Quezon City shall each pay management fees to STI ESG equivalent to 26.0% of their respective gross revenues.

Revenues from royalty fees, which are recognized based on a percentage of the tuition and other school fees collected by the franchised schools from their students in accordance with the terms of the licensing agreements, rose to ₱21.3 million from ₱17.3 million for the years ended June 30, 2025 and 2024, respectively.

Other revenues rose to ₱96.6 million for the year ended June 30, 2025, up by ₱24.1 million or 33% from ₱72.5 million generated for the year ended June 30, 2024. The increase is largely attributed to the growth in student population, which also drove other revenue streams related to school services and activities. The related charges for STI ESG's franchised schools are taken up as part of "Other Revenues" while the related costs are reported as part of "Cost of Educational Service - Other service costs."

The revenues generated from the sale of educational materials and supplies amounted to ₱119.1 million for the year ended June 30, 2025, compared to ₱133.1 million for the same period last year, mainly reflecting timing differences in uniform sales. Sales for both periods were primarily driven by uniform and proware items. The cost of educational materials and supplies sold likewise decreased concomitant with the decrease in the sale of educational materials and supplies.

The cost of educational services registered a 9% or ₱117.8 million increase from ₱1,318.3 million to ₱1,436.1 million for the years ended June 30, 2024 and 2025, respectively.

The cost of instructors' salaries and benefits increased by 14% or ₱80.2 million reflecting the cost of a larger faculty roster concomitant with the increase in student population. Depreciation and amortization costs rose by ₱40.0 million from ₱386.1 million to ₱426.1 million for the years ended June 30, 2024 and 2025, respectively, due to the completion of several construction and renovation projects.

The completion of the new school building at STI Ortigas-Cainta and the new SBE building at STI WNU, major renovation and rehabilitation projects in certain schools, along with the increase in the number of classrooms across several STI ESG-owned and operated schools, contributed to the significant increase in the Group's depreciation expense. The Group likewise recognized the depreciation expense for solar projects across several schools owned and operated by STI ESG which were completed on various dates in 2024. These projects, along with the acquisition of new office and school equipment and furniture, led to higher depreciation charges for the year ended June 30, 2025.

Expenses attributed to student activities, programs and other related expenses decreased by ₱3.0 million from ₱243.1 million to ₱240.1 million for the years ended June 30, 2024 and 2025, respectively.

The decrease was primarily due to costs incurred for the national youth convention held in 2024. The Group has since redirected this activity and bolstered its e-sports and sports activities. The Group likewise has strengthened the implementation of both local activities and national level competitions. These initiatives have proven to be more engaging for students — nurturing talent, leadership, and collaboration across campuses that enhance the overall student experience.

STI ESG transitioned from annual support and maintenance contracts to on-demand engagements with the respective third-party providers for its computerized accounting and enrollment systems during the year ended June 30, 2025. This shift in contracting approach resulted in lower expenses related to infrastructure and software maintenance, reflected under both cost of educational services and general and administrative expenses, relative to fiscal year 2024. Concurrently, STI ESG is in the process of implementing new financial and enrollment systems to streamline the Group's financial and enrollment processes and students' information and records management so as to enhance operational efficiency over the long term.

Gross profit improved by 23% or ₱751.1 million from ₱3,279.4 million to ₱4,030.5 million for the years ended June 30, 2024 and 2025, respectively, primarily due to the increased enrollment. Gross profit margins also improved from 70% to 72% year-on-year reflecting efficiencies and higher operating leverage.

General and administrative expenses increased by 11% or ₱168.3 million from ₱1,498.5 million to ₱1,666.8 million for the years ended June 30, 2024 and 2025, respectively.

Employees' salaries and benefits rose from ₱467.3 million to ₱487.1 million for the years ended June 30, 2024 and 2025, respectively, reflecting merit increases and bonuses granted to deserving employees as well as the onboarding of personnel to fill certain previously vacant plantilla positions. This account also includes pension expenses totaling ₱23.3 million and ₱43.8 million for the years ended June 30, 2025 and 2024, respectively. The Group's pension expense for 2024 includes the past service cost recognized by STI ESG amounting to ₱21.9 million associated with the adoption of the STI ESG Multi-employer Retirement Plan in the same year.

Depreciation and amortization expenses classified under General and Administrative expenses increased by ₱15.6 million from ₱239.1 million to ₱254.7 million for the years ended June 30, 2024 and 2025, respectively, as recognition of depreciation commenced on newly constructed buildings and additional school equipment, furniture and fixtures.

Light and water expenses increased significantly by ₱45.9 million from ₱182.3 million to ₱228.2 million for the years ended June 30, 2024 and 2025, respectively. Of the increase of ₱45.9 million, the amount of ₱20.7 million pertained to the cost of consumption of the lessee of iACADEMY from which the latter recognized utilities income of the same amount in 2025. The related light and water are billed to the lessee at cost plus VAT. The rest of the increase was driven by the higher kilowatt-hour consumption associated with the capacity expansion projects, completion of newly constructed buildings, and higher student population and an increase in the average kilowatt rate being charged by the electricity supplier during the year ended June 30, 2025 compared with the same period last year. This increase in consumption was net of cost savings from the solar power system installed at STI Ortigas-Cainta in 2023, which has a total capacity of 212 kilowatts, and solar panels installed in several other schools owned and operated by STI ESG namely: STI Batangas, STI Pasay-EDSA, STI Novaliches, STI Las Piñas, and STI Sta. Mesa on various dates in 2024 with a combined capacity of 674 kilowatts of electricity.

Outside services including security and janitorial services are higher by ₱19.5 million from ₱154.4 million to ₱173.9 million for the years ended June 30, 2024 and 2025, respectively. Some schools

reported an uptick in security and janitorial personnel to address the heightened operational requirements associated with the capacity expansion projects and growing student population. In addition, the higher minimum wage rates imposed by security and utility service providers contributed to the higher security and janitorial expenses.

Professional fees increased by ₱12.1 million from ₱100.9 million to ₱113.0 million for the years ended June 30, 2024 and 2025, respectively, primarily due to increased fees related to corporate and legal counsel services.

Taxes and licenses expense is higher by ₱20.5 million from ₱45.6 million to ₱66.1 million for the years ended June 30, 2024 and 2025, respectively, reflecting the increase in local taxes concomitant with the increase in revenues.

The Group recognized a provision for ECL, net of reversals, amounting to ₱59.9 million and ₱30.5 million for the years ended June 30, 2025 and 2024, respectively. The provisions for ECL are net of reversals, representing the recovery of expected credit losses recognized in previous fiscal years. The receivables collected by the schools during the year and as at report date improved significantly compared to the previous year. The Group recognized ECL based on the Group's historical credit loss experience adjusted with forward-looking information. The most recent receivables are assigned lower loss rates. Estimated loss rates vary over time and increase as receivables age and as credit risks increase, with the likelihood of the receivables becoming impaired. The Group likewise considered the subsequent collections of receivables from the students for prior years.

The Group recognized a provision for impairment loss on goodwill amounting to nil and ₱14.3 million for the years ended June 30, 2025 and 2024, respectively. The provision for impairment in 2024 is attributed to the impairment of goodwill recognized for NPIM. For SY 2021-2022, NPIM exclusively enrolled students for JHS and SHS. Its former grade school students were advised earlier to transfer to another school or were refunded the fees paid, if any. For SY 2022-2023, the JHS and SHS students of NPIM were given the option to transfer to STI Sta Mesa, another school owned and operated by STI ESG. NPIM ceased operations effective June 30, 2022. The cessation of operations of NPIM did not have a material financial impact on the Group.

STI ESG recognized a provision for impairment of investment and advances to associates and joint venture amounting to nil and ₱1.7 million for the years ended June 30, 2025 and 2024, respectively. The provision in 2024 relates to STI ESG's 40% interest in Philippine Health Educators, Inc. (PHEI) reflecting the net impact after accounting for the estimated book value of the investment. The BOD of PHEI in its October 2023 meeting approved the cessation of PHEI's school operations effective December 31, 2023. The BOD of STI ESG in its February 27, 2024 meeting approved the termination of the joint venture agreement between STI ESG and another stockholder. In a meeting of the BOD and the stockholders of PHEI held on March 3, 2025, it was agreed to shorten the corporate life to June 30, 2026. On June 30, 2025, the SEC approved the amendment of the Articles of Incorporation of PHEI stating that the term of existence of PHEI is until June 30, 2026.

The Group recognized provision for inventory obsolescence amounting to ₱0.3 million and ₱1.0 million for the years ended June 30, 2024 and 2025, respectively, representing outdated school materials and supplies and proware items which are deemed obsolete.

Advertising and promotions expenses slightly decreased from ₱52.6 million to ₱51.8 million for the years ended June 30, 2024 and 2025, respectively, reflecting reduced promotion costs incurred in 2025.

Repairs and maintenance expenses increased by ₱2.9 million from ₱46.8 million to ₱49.7 million for the years ended June 30, 2024 and 2025, respectively. The increase was primarily due to facility refurbishments and maintenance activities carried out during the SY 2024–2025 across various campuses.

Association dues increased by 71% or ₱4.2 million from ₱5.8 million to ₱10.0 million for the years ended June 30, 2024 and 2025, respectively, representing dues paid by STI ESG for its investment properties.

Insurance expense is higher by ₱2.4 million from ₱20.0 million to ₱22.4 million for the years ended June 30, 2024 and 2025, respectively, due to higher premiums arising from the increase in value of insured STI ESG and STI WNU properties following recently completed projects and acquisitions.

Expenses for office supplies, transportation and travel, and meetings and conferences, likewise increased by ₱5.2 million, ₱4.4 million, ₱2.4 million, and ₱0.5 million respectively, due to increased activities resulting from the larger student population.

The Group generated an operating income of ₱2,363.6 million for the year ended June 30, 2025, an improvement of ₱582.8 million or 33% from the operating income of ₱1,780.8 million during the same period last year, due to higher revenues attributed to the increase in the student population and significant rise in the number of students enrolled in CHED programs offered by the Group. Operating margins likewise improved from 38% to 43% for the years ended June 30, 2024 and 2025, respectively. This improvement likewise reflects the Group's effective management of the costs of educational services, general and administrative expenses, alongside the benefits of increased operating leverage.

Interest expenses amounted to ₱293.3 million and ₱247.4 million for the years ended June 30, 2024 and 2025, respectively. This ₱45.9 million reduction is primarily attributed to reduced interest costs due to principal payments made by STI ESG on its Term Loan Facility with Chinabank in March 2024 and September 2024, and the full settlement of STI ESG's loans under its Corporate Notes Facility with Chinabank in September 2023. STI ESG likewise redeemed in full its series 7-year bonds aggregating to ₱2,180.0 million in March 2024. Interest rate on STI ESG's outstanding interest-bearing loans under the Term Loan Facility with Chinabank was adjusted from 6.5789% to 8.0472% per annum effective September 19, 2023. The Term Loan facility of STI ESG with Chinabank is subject to annual interest rate resetting and the loan was repriced at 7.8749% per annum effective September 19, 2024 and again adjusted to 7.1577% per annum effective September 19, 2025. Interest expense also includes interest charges on new drawdowns made in March 2024 amounting to ₱500.0 million from STI ESG's Term Loan Facility with BPI, and ₱1,000.0 million from STI ESG's Term Loan Facility with Metrobank, bearing interest rates of 8.4211% and 7.8503% per annum, respectively. The interest rates for these loans of STI ESG with BPI and Metrobank were repriced effective September 18, 2024 at 7.8735% and 7.8135% per annum, respectively. In addition, the account includes interest incurred on the ₱200.0 million loan drawn by STI ESG from its Term Loan Facility with BPI in December 2024 subject to interest rate of 7.8201% per annum and maturing on March 18, 2029. These loans from BPI and Metrobank are subject to semi-annual interest rate resetting. On the subsequent repricing dates, the interest rates for these loans of STI ESG with BPI and Metrobank were repriced at per annum rates of 7.4395% and 7.4213%, respectively, effective March 18, 2025 and at the rates of 7.0588% per annum and 7.0517% per annum, respectively, effective September 18, 2025.

Rental income increased by ₱17.9 million or 9% year-on-year from ₱197.9 million to ₱215.8 million for the years ended June 30, 2024 and 2025. iACADEMY recognized utilities income amounting to ₱20.7 million for the year ended June 30, 2025. Certain lease agreements in one of STI ESG's investment properties, on the other hand, expired during the year ended June 30, 2025.

A gain on termination of lease amounting to ₱53.3 million was recognized in the Group's consolidated statement of comprehensive income for the year ended June 30, 2025. This was primarily due to the pre-termination of a sublease agreement between iACADEMY and a third-party covering certain units in iACADEMY's leased building along Sen. Gil J. Puyat Ave. in Makati City. The lease term was originally set to expire in 2028. In March 2025, the third party advised iACADEMY of its intention to pre-terminate the sublease agreement effective June 30, 2025. On March 7, 2025, a Termination Deed was executed. Pursuant to the provisions of the sublease agreement, and the termination deed, the security deposit and advance rentals were forfeited in favor of iACADEMY, resulting in the recognition of a gain amounting to ₱51.7 million.

A loss on remeasurement of noncurrent asset held for sale amounting to ₱7.7 million was recognized for the year ended June 30, 2025 arising from STI Holdings management's decision to reclassify its Quezon City properties, being offered for sale to interested parties since June 2021, to "Investment properties" account due to the uncertainty of the timing of the sale. As required by PFRS accounting standards, the properties were measured at the lower of: (a) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had the asset not been classified as held for sale, of ₱1,013.0 million, and (b) its recoverable amount of ₱4,394.5 million based on the latest valuation conducted on August 28, 2024 by independent appraisers.

The Group recognized realized foreign exchange differences in its dollar-denominated cash and cash equivalents amounting to negative ₱5.8 million for the year ended June 30, 2025 as STI ESG converted substantially all its US dollar money market placements to local currency and redeemed its US dollar time deposit placements in August 2024. For the same period last year, the Group recognized unrealized foreign exchange gain of ₱7.7 million. The Group also recognized realized gain on foreign exchange differences in its dollar-denominated cash and cash equivalents amounting to ₱9.6 million for the year ended June 30, 2024.

The Group recognized as income the recovery of previously written-off receivables amounting to ₱9.8 million for the year ended June 30, 2025 compared to ₱6.5 million collected during the year ended June 30, 2024.

Dividend income amounted to ₱4.3 million and ₱2.9 million for the years ended June 30, 2025 and 2024, respectively. For the year ended June 30, 2025, ₱0.6 million, ₱2.2 million and ₱1.5 million were received from RCR, De Los Santos Medical Center, Inc. (DLSMC), and from STI Marikina, an associate of STI ESG, respectively. For the year ended June 30, 2024, STI ESG received ₱0.6 million from RCR, ₱1.1 million from DLSMC, and ₱1.2 million from STI Marikina.

Equity share in net income of associates and a joint venture amounted to ₱3.6 million for the year ended June 30, 2025 compared to ₱2.0 million recognized for the year ended June 30, 2024 reflecting improved results of operations of certain associates of STI ESG.

Fair value gain on equity instruments at FVPL amounting to ₱3.4 million was recognized for the year ended June 30, 2025 compared to fair value loss amounting to ₱0.9 million for the year ended June 30, 2024, representing adjustments in the market value of STI ESG's quoted equity shares.

In September 2023, STI ESG fully paid the outstanding balance of its Corporate Notes Facility with Chinabank aggregating to ₱210.0 million. The loan had a carrying value of ₱213.1 million as at September 19, 2023, inclusive of the unamortized premium amounting to ₱3.1 million. In view of this loan being fully paid, the unamortized premium associated with the Corporate Notes Facility was

derecognized in September 2023 and was taken up as “Gain on early extinguishment of loan” in the audited consolidated statement of comprehensive income for the year ended June 30, 2024.

The Group reported other expenses – net, amounting to ₱0.6 million for the year ended June 30, 2024. This is composed mainly of STI ESG’s bond maintenance fee of ₱2.5 million partially offset by miscellaneous income. For the year ended June 30, 2025, the Group reported other income-net of ₱1.0 million reflecting the reduction in STI ESG’s bond maintenance fee to ₱0.6 million and miscellaneous income from various sources.

Income before income tax for the year ended June 30, 2025 amounted to ₱2,451.3 million, 38% or ₱677.9 million more than amount earned during the immediately preceding year of ₱1,773.4 million.

Provision for income tax amounted to ₱235.7 million and ₱165.1 million for the years ended June 30, 2025 and 2024, respectively.

The Group reported a net income after income tax of ₱2,215.6 million for the year ended June 30, 2025, 38% or ₱607.2 million higher than the ₱1,608.4 million net income earned for the year ended June 30, 2024, attributable to the significant increase in enrollment with enrollees under CHED programs increasing to 73% of total enrollment compared to 70% recorded the previous school year. Net income margin likewise improved from 34% to 40% year-on-year, mainly due to efficient management of costs and higher operating leverage.

Remeasurement gain on pension liability, net of income tax effect, amounted to ₱34.6 million and ₱39.4 million for the years ended June 30, 2025 and 2024, respectively, reflecting the increase in the market value of equity shares forming part of the Group’s pension assets.

The unrealized fair value adjustments on equity instruments at FVOCI amounted to negative ₱3.0 million and ₱5.3 million for the years ended June 30, 2025 and 2024, respectively, due to the movement in the price of quoted and unquoted equity shares held by STI ESG.

Total comprehensive income increased to ₱2,247.2 million from ₱1,653.1 million for the years ended June 30, 2025 and 2024, respectively. This 36% improvement is largely attributed to the higher number of enrollees for SY 2024-2025 compared to that of SY 2023-2024.

Earnings before interest, taxes, depreciation, and amortization (EBITDA), defined as earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, equity in net earnings of associates and joint venture, gain (loss) on foreign exchange differences, fair value gain (loss) on equity instruments at FVPL, and nonrecurring gains (losses) such as gain on early extinguishment of loan, gain on termination of lease, and loss on remeasurement of noncurrent asset held for sale, increased from ₱2,489.3 million for the year ended June 30, 2024 to ₱3,150.1 million for the year ended June 30, 2025. Depreciation and interest expenses for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively. EBITDA margin this year is 57% compared to 53% last year, reflecting the Group’s operational efficiencies and the benefits of economies of scale.

Core income, computed as the consolidated income after income tax derived from the Group’s main business of education and other recurring income, amounted to ₱2,173.4 million for the year ended June 30, 2025 compared to core income of ₱1,587.7 million for the year ended June 30, 2024. As a percentage of gross revenues, core income improved from 34% last year to 39% this year.

Years ended June 30, 2024 vs. 2023

The enrollment figures of the Group for SY 2023-2024 indicate a robust increase of 27% as the Group's student count for SY 2023-2024 reached almost 120,000 compared to 94,312 enrollees in SY 2022-2023. In SY 2023-2024, the total count of new students reached 55,982, marking a 35% growth from 41,565 new students in SY 2022-2023. Furthermore, enrollment in programs regulated by CHED registered an impressive 25% increase to more than 83,000 students compared to more than 66,000 enrollees in SY 2022-2023.

The enrollment figures of the schools under STI Holdings are as follows:

	SY 2023-2024	SY 2022-2023	Increase	
			Enrollees	Percentage
STI ESG				
Owned schools ¹	71,782	54,158	17,624	33%
Franchised schools ¹	32,200	27,539	4,661	17%
	103,982	81,697	22,285	27%
iACADEMY	2,233	2,397	(164)	(7%)
STI WNU	13,328	10,218	3,110	35%
Total Enrollees	119,543	94,312	25,232	14%

The grouping of students according to the supervising government regulatory agencies is as follows:

- CHED pertains to students enrolled in tertiary and post-graduate programs.
- Technical Education and Skills Development Authority (TESDA) students are those enrolled in technical-vocational programs.
- DepEd students are those enrolled in primary and secondary education including Junior High School (JHS) and SHS.

	SY 2023-2024			TOTAL
	CHED	TESDA	DEPED ²	
STI ESG	71,159	1,682	31,114	103,982
iACADEMY	1,823	-	410	2,233
STI WNU	10,170	-	3,158	13,328
Total	83,152	1,682	34,709	119,543

Proportion of CHED:TESDA:DepEd	70%	1%	29%	100%

	SY 2022-2023			TOTAL
	CHED	TESDA	DEPED*	
STI ESG	56,876	1,447	23,374	81,697
iACADEMY	1,917	-	480	2,397
STI WNU	7,516	-	2,702	10,218
Total	66,309	1,447	26,556	94,812

Proportion of CHED:TESDA:DepEd	70%	2%	28%	100%

STI ESG DepEd count includes 30,674 SHS students and 467 JHS students in SY 2023-2024 and 23,077 SHS students and 297 JHS students in SY 2022-2023. For iACADEMY, this represents SHS students, while for STI WNU, the count represents 2,490 SHS students and 668 students enrolled in pre-elementary to JHS in SY 2023-2024 and 2,057 SHS students and 645 students enrolled in pre-elementary to JHS in SY 2022-2023.

For SY 2023-2024, classes across all levels started on August 29, 2023 for both STI ESG and STI WNU, except for STI WNU's School of Graduate Studies (SGS), which started classes on September 2, 2023 for. Classes of iACADEMY's SHS and tertiary students commenced on August 3, 2023 and August 29, 2023, respectively.

For SY 2022-2023, classes for JHS and SHS started on August 30, 2022 while classes for tertiary students commenced on September 5, 2022 for both STI ESG and STI WNU. STI WNU's SGS began classes on September 10, 2022. iACADEMY started classes for SHS and tertiary students on August 2, 2022 and August 30, 2022, respectively.

STI ESG and STI WNU both implemented a flexible learning delivery modality for SY 2022-2023. For tertiary courses, all professional and identified general education courses were delivered onsite while other general education courses were delivered using a blended modality, with a distribution of 50% onsite/face-to-face and 50% asynchronous. As for SHS in STI ESG, classes were all conducted face-to-face since the opening of SY 2022-2023 while SHS classes in STI WNU were on a blended modality with 50% onsite/face-to-face and 50% asynchronous. STI WNU's classes for the National Service Training Program or NSTP were on full face-to-face set up. With the passage of CHED Memorandum Order No. 16 dated November 11, 2022 providing clarity and support to Higher Education Institutions (HEIs) towards progressive transitioning to full onsite learning, STI ESG opted to conduct full face-to-face classes starting on the second semester of SY 2022-2023, while STI WNU continued with its flexible learning modality for tertiary and blended modality for SHS until the end of SY 2022-2023. Classes for SY 2023-2024 of both STI ESG and STI WNU were conducted face-to-face for all levels.

iACADEMY implemented the Hyflex Learning Format for tertiary for SY 2022-2023. Meanwhile, SHS followed the Hybrid Learning setup until the end of SY 2022-2023. This allowed grades 11 and 12 students to alternately attend onsite and online classes throughout the week according to a definite schedule. Both the Hyflex and Hybrid Learning Models combine face-to-face and online remote instructions. Classes and learning activities were conducted in-person, synchronously online, and asynchronously online using various learning technologies while classes for specialized and contextualized subjects like Science and ICT, were held onsite in the laboratories.

Under the Hyflex Learning Model, students had the flexibility to choose between attending in-person or online classes. This flexibility was not available in the Hybrid Learning Format, where students followed a fixed schedule alternating between onsite and online classes. The Hyflex model offered greater adaptability during the peak of the COVID-19 pandemic when stringent measures were in place. For SY 2023-2024, iACADEMY implemented the Hybrid Learning Format for all levels.

The Group is continuously ensuring adherence to the guidelines set by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information and guidance on the conduct of face-to-face classes.

The consolidated gross revenues of the Group for the year ended June 30, 2024 reached ₱4,700.3 million, reflecting a 38% increase compared to ₱3,405.5 million generated for the year ended June 30, 2023.

Tuition and other school fees increased by ₱1,228.7 million from ₱3,073.6 million for the year ended June 30, 2023 to ₱4,302.3 million for the year ended June 30, 2024 attributed to the 27% robust growth in enrollment or the 25,231 increase in the student population for SY 2023-2024 at 119,543 compared to 94,312 enrollees for SY 2022-2023. STI ESG's wholly-owned and franchised schools registered an enrollment of 103,982 students, 22,285 or 27% more than the enrollment in SY 2022-2023. Percentage-wise, STI WNU registered the highest increase at 30% for this SY compared to last SY. The number of new students enrolled in CHED programs increased by 33% or 8,425 from 25,849 to 34,274 for SY 2022-2023 and SY 2023-2024, respectively. Furthermore, enrollment in programs regulated by CHED registered an impressive 25% increase to 83,152 in SY 2023-2024 compared to enrollment in SY 2022-2023 of 66,309 students. CHED-regulated programs generate higher revenues per student. STI ESG implemented an average of 5% tuition fee increase across all tertiary programs, while iACADEMY implemented a 10% tuition fee increase across all levels. STI WNU implemented tuition fee increases of 5% for old or continuing students and 6% to 8% for new students.

Revenues from educational services and royalty fees both increased by 17%, driven by the increase in the student population of franchised schools and improved collection efficiency for SY 2023-2024. Revenues from educational services are derived as a percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED.

Sale of educational materials and supplies increased by 16% or ₱18.1 million from ₱115.0 million for the year ended June 30, 2023 to ₱133.1 million for the year ended June 30, 2024. Sale of educational materials and supplies in the current year largely pertains to the sale of uniforms as enrollment increased. The cost of educational materials and supplies sold likewise increased concomitant with the increase in the sale of educational materials and supplies.

Other revenues increased by ₱19.4 million or 37% compared to the same period last year or from ₱53.1 million to ₱72.5 million for the years ended June 30, 2023 and 2024, respectively, attributed to the higher number of students enrolled in SY 2023-2024.

The cost of educational services increased by 27% or ₱278.2 million from ₱1,040.1 million to ₱1,318.3 million for the years ended June 30, 2023 and 2024, respectively.

The cost of instructors' salaries and benefits increased by ₱139.9 million reflecting the cost of a larger faculty roster concomitant with the increase in student population. Also, merit increases and bonuses were distributed to deserving and qualified faculty members as recognition of their contribution to the positive enrollment outcome for SY 2023-2024, highlighting the Group's appreciation for everyone's dedication and hard work. Rent expense recognized as part of cost of educational services increased by ₱5.0 million due to the rent expense recognized from July 1, 2023 for the building occupied by STI Alabang which became a wholly-owned subsidiary on March 31, 2023. School materials and supplies increased by ₱21.8 million from ₱9.8 million to ₱31.6 million for the years ended June 30, 2023 and 2024, respectively, attributed to expenses associated with conducting students' assessments and examinations and acquisition of other school learning materials and supplies.

Expenses attributed to student activities and programs increased by ₱101.7 million from ₱141.4 million to ₱243.1 million for the years ended June 30, 2023 and 2024, respectively. These expenses substantially include the costs of activities and programs to further the development and test the competencies of the students, which include among others, "Local and National Talent Search," "Tagisan ng Talino at Sining" competitions, educational tours, hotel immersion activities, and the National Youth Convention. The related costs were driven by the increase in the number of graduates/participants, as applicable, concomitant with the increase in the student population. The

related revenues for these student activities and programs are reported as part of tuition and other school fees. Similarly, this account includes subscription costs for the use of eLearning Management System, MS License, Amadeus, and the like, which likewise went up due to the increase in the student population.

The cost of developing courseware decreased from ₱3.7 million to ₱1.7 million for the years ended June 30, 2023 and 2024, respectively. In 2023, STI ESG developed courseware materials for JHS and SHS. The Group continuously reviews and updates all courseware materials, monitoring industry trends and regulatory requirements to align all program curricula and materials with current standards and emerging needs.

Gross profit improved by 44% or ₱1,004.5 million from ₱2,274.9 million to ₱3,279.4 million for the years ended June 30, 2023 and 2024, respectively, primarily due to the increased enrollment. Gross profit margins also improved from 67% to 70% year-on-year.

General and administrative expenses increased by 13% or ₱167.7 million from ₱1,330.8 million to ₱1,498.5 million for the years ended June 30, 2023 and 2024, respectively.

Salaries and benefits are higher by 23% or ₱88.3 million, from ₱379.0 million for the year ended June 30, 2023 compared with ₱467.3 million for the year ended June 30, 2024, reflecting merit increases granted to deserving employees. Bonuses were given to STI ESG's deserving and qualified non teaching and administrative personnel, highlighting the Group's appreciation for everyone's dedication and hard work resulting in the positive enrollment outcome for SY 2023-2024. Also, certain plantilla positions were filled up during the year. This account also includes pension expenses totaling ₱43.8 million for the year ended June 30, 2024, reflecting the cost impact of the adoption of the Multi Employer Retirement Plan for STI ESG and its subsidiaries. The Multi-Employer Retirement Plan was implemented to ensure consistency and unified management of retirement benefits across STI ESG and its subsidiaries. Additionally, the plan is more comprehensive and provides wider benefits to all eligible members, resulting in an increase in the Group's pension expense by ₱25.6 million, from ₱18.2 million for the year ended June 30, 2023 to ₱43.8 million upon implementation of the retirement plan.

Concomitant with the increased enrollment and the conduct of face-to-face classes, expenses for clerical, security and janitorial services increased by ₱30.6 million or 25% from ₱123.8 million to ₱154.4 million for the years ended June 30, 2023 and 2024, respectively. The cost of outside services was likewise affected by the increased minimum wage rate and higher premiums charged by government agencies for employee benefits. Light and water costs increased by ₱19.7 million or 12% year-on-year from ₱162.6 million to ₱182.3 million.

Professional fees are higher by ₱18.7 million at ₱100.9 million for the year ended June 30, 2024 compared to ₱82.2 million for the year ended June 30, 2023 largely attributed to professional fees for external panelists and consultants' fees.

The Group recognized a provision for ECL, net of reversals, amounting to ₱30.5 million from the year ended June 30, 2024, largely representing ECLs on outstanding receivables from students' tuition and other school fees. This is lower by ₱54.7 million or 64% compared to the ₱85.2 million recognized for the year 2023, indicating improved collection efficiencies during the year ended June 30, 2024. The Group recognized ECL based on the Group's historical credit loss experience adjusted with forward looking information. The most recent receivables are assigned lower loss rates. Estimated loss rates vary over time and increase as receivables age and as credit risks increase, with the likelihood of the receivables becoming impaired. The Group likewise considered the subsequent collections of receivables from students pertaining to prior years.

STI ESG recognized a provision for impairment loss on goodwill amounting to ₱14.3 million representing the impairment of goodwill recognized for NPIM. For SY 2021-2022, NPIM exclusively enrolled students for JHS and SHS. Its former grade school students were advised earlier to transfer to another school or were refunded the fees paid, if any. For SY 2022-2023, the JHS and SHS students of NPIM were given the option to transfer to STI Sta. Mesa, another school owned and operated by STI ESG. NPIM ceased operations effective June 30, 2022. The cessation of operations of NPIM did not have a material financial impact on the Group.

On October 2, 2023, the Board of Philippine Healthcare Educators, Inc. (PHEI), a joint venture entity in which STI ESG holds 40% interest, approved the cessation of PHEI's school operations effective December 31, 2023. The BOD of STI ESG, in its February 27, 2024 meeting, approved the termination of the Joint Venture Agreement (JVA) between STI ESG and another stockholder. This JVA, executed in March 2004, led to the establishment of PHEI. Consequently, STI ESG recognized a provision for impairment on its investment in PHEI amounting to ₱1.7 million for the year ended June 30, 2024, reflecting the net impact after accounting for the estimated book value of the investment.

The Group likewise recognized provision for inventory obsolescence amounting to ₱5.6 million and ₱1.0 million for the years ended June 30, 2023 and 2024, respectively, representing outdated School Materials & Supplies (SMS) and proware items which are deemed obsolete.

Advertising and promotions expenses increased by ₱11.5 million from ₱41.1 million to ₱52.6 million for the years ended June 30, 2023 and 2024, respectively, as the marketing campaigns of the schools within the Group were intensified in time for the opening of classes for SY 2024-2025.

Depreciation and amortization expenses classified under General and Administrative expenses increased by ₱10.3 million from ₱228.8 million to ₱239.1 million for the years ended June 30, 2023 and 2024, respectively, as depreciation commenced on newly constructed buildings and additional school equipment, furniture and fixtures. Repairs and maintenance expenses rose by ₱5.9 million to ₱46.8 million from ₱40.9 million for the years ended June 30, 2024 and 2023, respectively, due to the refurbishment of school facilities and cleaning of air-conditioning units.

Taxes and licenses expense is higher by ₱7.9 million from ₱37.6 million to ₱45.6 million for the years ended June 30, 2023 and 2024, respectively, reflecting the increase in local taxes concomitant with the increase in revenues.

Expenses for transportation and travel, entertainment, amusement and recreation, and meetings and conferences likewise increased by ₱5.5 million, ₱5.0 million, and ₱2.3 million, respectively, as a result of increased onsite activities.

Association dues increased by ₱3.7 million from ₱2.1 million to ₱5.8 million for the years ended June 30, 2023 and 2024, respectively, representing dues paid by STI ESG for one of its investment properties, previously covered by its former lessee, whose lease contract ended in May 2023.

Rent expense increased by ₱1.9 million or 18% due to the portion of rent expense recognized from July 1, 2023 for the building occupied by STI Alabang which became a wholly-owned subsidiary on March 31, 2023. Insurance and bonds increased by ₱3.0 million from ₱17.0 million to ₱20.0 million for the years ended June 30, 2023 and 2024, respectively, reflecting higher insurance premiums paid concomitant with the increase in market values of STI ESG's properties.

Expenses related to payment channels and bank charges increased from ₱2.4 million to ₱4.9 million for the years ended June 30, 2023 and 2024, respectively, attributed to service charges on the use of

STI ESG's alternative payment channels. This increase is primarily due to service charges incurred from the use of STI ESG's other online payment channels. This reflects greater awareness of and the students' preference for the use of STI ESG's payment gateways.

The Group generated an operating income of ₱1,780.8 million for the year ended June 30, 2024, an improvement of ₱836.8 million or 89% from the operating income of ₱944.0 million during the same period last year, due to higher revenues attributed to the increase in the student population. Operating margins likewise improved from 28% to 38% for the years ended June 30, 2023 and 2024, respectively. This improvement likewise reflects the Group's optimized operational efficiency, through effective management of the costs of educational services, general and administrative expenses, alongside the benefits of increased operating leverage.

Interest expenses decreased by ₱17.7 million from ₱311.0 million to ₱293.3 million for the years ended June 30, 2023 and 2024, respectively, mainly due to the principal payments made by STI ESG and iACADEMY, full payment made by STI ESG of its Corporate Notes Facility with Chinabank, and redemption of STI ESG's Series 7Y bonds in March 2024. This was partially offset by the increase in the interest rate on STI ESG's outstanding interest-bearing loans under the Term Loan Facility which was adjusted from 6.5789% per annum to 8.0472% per annum effective September 19, 2023. The interest rate on iACADEMY's outstanding interest-bearing loans under its Term Loan Facility likewise increased from 5.6699% per annum to 8.0845% per annum effective September 28, 2023. This account likewise includes the related interests recognized from drawdowns made in March 2024 from STI ESG's Term Loan Facility with BPI and Metrobank amounting to ₱500.0 million and ₱1,000.0 million, which are subject to interest rates of 8.4211% and 7.8503%, per annum, respectively.

Rental income increased by ₱19.8 million or 11% year-on-year from ₱178.1 million to ₱197.9 million mainly due to a new lease agreement entered into by iACADEMY, which commenced on March 15, 2023. Consequently, full-year rental income on this new lease was recognized for the year ended June 30, 2024, while for the year ended June 30, 2023, only three and a half months of rental income was earned.

Interest income increased by ₱35.1 million from the previous year's ₱22.6 million to ₱57.7 million for the year ended June 30, 2024 due to interest earned on the Group's short-term investments and money market placements.

The Group recognized unrealized gain on foreign exchange differences in its dollar-denominated cash and cash equivalents amounting to ₱2.3 million and ₱7.7 million for the years ended June 30, 2023 and 2024, respectively. The Group also recognized realized gain on foreign exchange differences in its dollar-denominated cash and cash equivalents amounting to ₱0.1 million and ₱9.6 million for the years ended June 30, 2023 and 2024, respectively.

The Group recognized as income the recovery of previously written-off receivables amounting to ₱6.5 million for the year ended June 30, 2024 compared to ₱11.3 million collected during the previous year.

In September 2023, STI ESG fully paid the outstanding balance of its Corporate Notes Facility with Chinabank aggregating to ₱210.0 million. The loan had a carrying value of ₱213.1 million as at September 19, 2023, inclusive of the unamortized premium amounting to ₱3.1 million. In view of this loan being fully paid, the unamortized premium associated with the Corporate Notes Facility was derecognized in September 2023 and was taken up as "Gain on early extinguishment of loan" in the audited consolidated statement of comprehensive income for the year ended June 30, 2024.

Dividend income amounted to ₱2.9 million and ₱2.5 million for the years ended June 30, 2024 and 2023, respectively. For the year ended June 30, 2024, STI ESG received ₱0.6 million from RCR, ₱1.1 million from DLSMC, and ₱1.2 million from STI Marikina, an associate of STI ESG. For the year ended June 30, 2023, ₱0.6 million and ₱1.9 million were received from RCR and DLSMC, respectively.

Equity share in net income of associates and a joint venture amounted to ₱2.0 million for the year ended June 30, 2024 compared to ₱2.3 million recognized for the same period last year.

Gain on disposal of property and equipment amounted to ₱485.3 thousand for the year ended June 30, 2024 compared to ₱826.7 thousand for the year ended June 30, 2023. This represents gain on the disposal of property and equipment that are no longer in use. The gain recognized in the year 2023 includes the gain from the disposal of iACADEMY's transportation equipment.

The Group reported other expenses – net, amounting to ₱1.1 million for the year ended June 30, 2024. This is composed mainly of STI ESG's bond maintenance fee of ₱2.5 million partially offset by miscellaneous income. For the year ended June 30, 2023, the Group recognized other income – net, amounting to ₱5.7 million, mostly arising from STI ESG's income of ₱4.7 million representing donation from a third-party institution as part of STI ESG and the third-party institution's partnership program in delivering certification courses, simulation tools, and training materials to eligible students.

Income before income tax for the year ended June 30, 2024 amounted to ₱1,773.4 million, double the amount earned for the same period last year of ₱858.1 million, attributable to the significant increase in enrollment and efficient management of costs, maximizing the benefits of economies of scale.

The Group reported provision for income tax amounting to ₱160.5 million and deferred income tax of ₱4.5 million for the year ended June 30, 2024. For the year ended June 30, 2023, the provision for income tax amounted to ₱10.0 million and benefit from income tax of ₱25.7 million. Pursuant to the provisions of the CREATE Act, the Group adopted the 1% income tax rate effective July 1, 2020 up to June 30, 2023. The special tax rate for proprietary educational institutions reverted to 10% starting July 1, 2023.

The Group reported a net income after income tax of ₱1,608.4 million for the year ended June 30, 2024, 84% higher than the ₱873.8 million net income earned for the same period last year. Net income margin likewise improved from 26% to 34% year-on-year.

Remeasurement gain on pension liability, net of income tax effect, amounted to ₱39.4 million for the year ended June 30, 2024 compared to remeasurement loss on pension liability of ₱16.9 million recognized for the same period last year. These fluctuations reflect the movements in the value of equity shares forming part of the Group's pension assets.

The unrealized fair value adjustments on equity instruments at FVOCI amounted to ₱5.3 million for the year ended June 30, 2024, compared to ₱1.9 million for the year ended June 30, 2023 due to the movement in the price of quoted equity shares held by STI ESG.

Total comprehensive income increased to ₱1,653.1 million from ₱858.8 million for the years ended June 30, 2024 and 2023, respectively. This 92% improvement is attributed to the higher number of enrollees for SY 2023-2024 compared to that of SY 2022-2023.

Earnings before interest, taxes, depreciation, and amortization (EBITDA), defined as earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, equity in net earnings of associates and joint venture, gain on foreign exchange differences, fair value loss on equity instruments at FVPL, and nonrecurring gains (losses) such as gain

on early extinguishment of loan, gain on derecognition of contingent consideration, income on rent concessions, and gain on settlement of receivables (net of provision for impairment of noncurrent asset held for sale) increased from ₱1,637.2 million for the year ended June 30, 2023 to ₱2,489.3 million for the year ended June 30, 2024. Depreciation and interest expenses for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively. EBITDA margin this year is 53% compared to 48% last year, reflecting the Group's operational efficiencies and the benefits of economies of scale.

Core income, computed as the consolidated income after income tax derived from the Group's main business of education and other recurring income, amounted to ₱1,587.7 million for the year ended June 30, 2024 compared to core income for the same period last year of ₱868.9 million. As a percentage of gross revenues, core income improved from 26% last year to 34% this year.

Years ended June 30, 2023 vs. 2022

Enrollment in schools under STI Holdings increased to more than 94,000 students for SY 2022-2023. For the current SY 2022-2023, the total count of new students reached 41,565 compared with the 35,566 new students in SY 2021-2022, showing a 17% increase in the total new student population. The total count of ongoing students for SY 2022-2023 reached 94,312 compared with 82,629 for SY 2021-2022. This represents a 14% or 11,683 increase from the SY 2021-2022 enrollment, with the number of students in the programs regulated by CHED showing a robust 18% increase from 56,342 students in SY 2021-2022.

The enrollment figures at the start of the School Year of the schools under STI Holdings for SY 2022-2023 are as follows:

	SY 2022-2023	SY 2021-2022	Increase	
			Enrollees	Percentage
STI ESG				
Owned schools ¹	54,158	47,230	6,928	15%
Franchised schools ¹	27,539	25,520	2,019	8%
	81,697	72,750	8,947	16%
iACADEMY	2,397	2,299	98	4%
STI WNU	10,218	7,580	2,638	35%
Total Enrollees	94,312	82,629	11,683	14%

Grouping the students in terms of government regulatory agencies supervising the programs, wherein CHED pertains to students enrolled in tertiary and post-graduate programs, Technical Education and Skills Development Authority (TESDA) students are those enrolled in technical-vocational programs while DepEd pertains to primary and secondary education including Junior High School (JHS) and SHS, yields the following numbers:

	SY 2022-2023			TOTAL
	CHED	TESDA	DEPED ²	
STI ESG	56,876	1,447	23,374	81,697
iACADEMY	1,917	-	480	2 397
STI WNU	7,516	-	2,702	10,218
Total	66,309	1,447	26,556	94,312

Proportion of CHED:TESDA:DepEd	70%	2%	28%	100%

	SY 2021-2022			
	CHED	TESDA	DEPED*	TOTAL
STI ESG	49,005	1,040	22,705	72,750
iACADEMY	1,713	-	586	2,299
STI WNU	5,624	-	1,956	7,580
Total	56,342	1,040	25,247	82,629

Proportion of CHED:TESDA:DepEd	68%	1%	31%	100%

¹ Enrollment numbers of STI Alabang are reported as part of owned schools' category effective January 2023.

² STI ESG DepEd count consists of 23,077 SHS and 297 JHS students in SY2022-2023 and 22,497 SHS and 208 JHS students in SY2021-2022. For iACADEMY, this represents SHS students, while for STI WNU, the count represents 2,057 SHS students and 645 students enrolled in basic education in SY 2022-2023 and 1,367 SHS students and 589 students enrolled in basic education in SY 2021-2022.

STI ESG and STI WNU introduced the ONline and ONsite Education at STI (ONE STI) Learning Model in SY 2020-2021. This model was implemented in response to stringent social distancing measures including but not limited to class suspension, prohibition of mass gatherings, and imposition of community quarantine, among others, which were implemented to contain the outbreak of COVID-19. The ONE STI Learning Model is an innovative approach to student development that uses digital tools and online technology combined with invaluable hands-on practice and onsite engagements to achieve the students' academic objectives through a responsive learning experience. For SY 2022-2023, classes of JHS and SHS started on August 30, 2022 while classes of tertiary students commenced on September 5, 2022 for both STI ESG and STI WNU. Classes for STI WNU's School of Graduate Studies (SGS) started on September 10, 2022.

iACADEMY implemented its fully online learning program entitled Guided Online Autonomous Learning (GOAL) in SY 2020-2021. GOAL is iACADEMY's systematic approach to guiding all the activities that involve the delivery of online instruction to the students including online learning workshops, training for teachers on how to create high-quality modules, integrating project-based learning and teaching strategies into online learning and collaborating with parents and guardians. In this setup, all activities or modules are delivered 100% online. Classes for SHS and tertiary students started on August 2, 2022 and August 30, 2022, respectively.

The Group utilizes the electronic Learning Management System (eLMS), a software application running on Amazon cloud, to better manage the delivery of educational courses and/or training programs to its students. It features a built-in support for collaboration through various tools such as wikis, forums, and discussion groups; an internal messaging system with bidirectional support for emails and text messaging; and a built-in portfolio system that students can use to collect works to support learning and/or achievements. eLMS is a world-class and award-winning learning management system that schools and universities across the globe are using. This cloud-based eLearning tool gives teachers and students a twoway platform where they can collaborate, assign and submit homework, take assessments, and track learning progress, among others. The concept of online learning is not new to the Group, as the schools in the network have been implementing a blended learning model for the past eight years in order that the students may continue their studies at home uninterrupted even during physical classroom disruptions.

The faculty members of the Group regularly undergo competency-based certifications and training programs to ensure that they are proficient in the subject matter and able to deliver the required day-to-day lessons. During the SYs 2020-2021 and 2021-2022, the training programs were conducted online while the Group has been holding a combination of in-person and online faculty members' training beginning SY 2022-2023. These training programs are conducted to ensure that the faculty members of the Group possess an acceptable level of competencies and have industry-based experience and credentials necessary to teach the courses assigned to them.

From last school year's gradual transition to face-to-face classes for high-stake courses, STI ESG and STI WNU both implemented a flexible learning delivery modality in the first semester of SY 2022-2023. High-stake tertiary courses refer to subjects or courses with laboratory components where the skills expected to be gained by the students are better acquired in a face-to-face class setup because actual demonstration and practice of competencies are significant in the learning process. For tertiary courses, all professional and identified general education courses are now delivered onsite while other general education courses are delivered using blended modality, with a distribution of 50% onsite/face-to-face and 50% online/asynchronous. With the passage of CHED Memorandum Order No. 16 dated November 11, 2022 providing clarity and support to Higher Education Institutions (HEIs) towards progressive transitioning to full onsite learning, STI ESG opted to conduct full face-to-face classes starting on its second semester of SY 2022-2023. STI WNU continued with its flexible learning delivery modality which it started in the first semester of SY 2022-2023. As for JHS and SHS in STI ESG, classes are all conducted face-to-face since the opening of SY 2022-2023. SHS classes in STI WNU are on a blended modality with 50% onsite/face-to-face and 50% online/asynchronous in the first semester with online classes transitioning to synchronous classes starting in the middle of the first semester up to the present. STI WNU's classes for the National Service Training Program or NSTP are on full face-to-face setup.

iACADEMY implemented the Hyflex Learning Format for tertiary for SY 2022-2023. Hyflex Learning is an instructional approach that combines face-to-face and online remote learning. Class sessions and learning activities are offered in-person, synchronously online, and asynchronously online using various learning technologies. Students can decide how to participate. The Hyflex model demonstrates a commitment to student success by providing flexibility on how students can best participate in the learning activities and also enables institutions to maintain educational activities during a disruption. Meanwhile, SHS implemented the Hybrid setup (blended learning) until the end of SY 2022-2023. This allowed students from grades 11 and 12 to alternately attend onsite and online classes within the week. Courses, particularly specialized and contextualized subjects like Science and Information and Communications Technology (ICT), are conducted onsite in the laboratories. General Education subjects are delivered online using Microsoft Teams, an online classroom teleconferencing platform. Both onsite and online classes use eLMS as the major platform for the repository of learning materials, assessments, and grades.

The Group is continuously ensuring adherence to the guidelines set by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information and guidance on the conduct of face-to-face classes.

The consolidated gross revenues of the Group for the year ended June 30, 2023 amounted to ₱3,405.5 million, reflecting a 27% increase compared to ₱2,677.6 million generated for the year ended June 30, 2022.

Tuition and other school fees increased by ₱636.6 million from ₱2,437.0 million for the year ended June 30, 2022 to ₱3,073.6 million for the year ended June 30, 2023 attributed to the 14% robust growth of enrollment or the 11,683 increase in the student population for SY 2022-2023 at 94,312 compared to 82,629 enrollees for SY 2021-2022. STI ESG's wholly owned and franchised schools registered an enrollment of 81,697 students, 8,947 or 12% more than the enrollment in SY 2021-2022. Percentagewise, STI WNU registered the highest increase at 35% for this SY compared to last SY. Further, the Group's enrollment mix showed consistent improvement with enrollees in programs regulated by CHED comprising 70% of the total student population in SY 2022-2023 compared to 68% for SY 2021-2022 and 57% for SY 2020-2021. CHED programs bring in higher revenues per student. The number of new students enrolled in CHED programs increased by 17% or 3,707 from 22,142 to 25,849 for SY 2021-2022 and SY 2022-2023, respectively.

Revenues from educational services and royalty fees both increased by 19%. This resulted from the higher number of enrollees of franchised schools from 25,520 students in SY 2021-2022 to 27,539 in SY 2022-2023 or an 8% increase as well as an improvement in the collection efficiency of the franchised schools. Revenues from educational services and royalty fees are derived as a percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED.

Sale of educational materials and supplies increased dramatically by 292% or ₱85.7 million to ₱115.0 million for the year ended June 30, 2023 from ₱29.3 million for the same period last year. Sale of educational materials and supplies recognized in the current year largely pertains to the sale of uniforms as face-to-face classes resumed and enrollment increased while sale of SHS textbooks mainly accounted for the sales in the same period last year. The cost of educational materials and supplies sold likewise increased, concomitant with the increase in the sale of educational materials and supplies.

Other revenues decreased by ₱20.4 million from ₱73.5 million for the year ended June 30, 2022 to ₱53.1 million for the year ended June 30, 2023. During SY 2021-2022, the Group extended internet connectivity assistance to its students. The share of data connectivity costs charged to the franchised schools was recognized as part of other revenues for the year ended June 30, 2022. As more face-to-face classes were held, internet connectivity assistance was no longer provided to students during SY 2022-2023.

The cost of educational services rose by ₱84.5 million from ₱955.5 million to ₱1,040.0 million for the years ended June 30, 2022 and 2023, respectively. Instructors' salaries and benefits increased by ₱75.1 million from ₱359.4 million to ₱434.5 million due to the increased number of faculty members, concomitant with the increase in number of students. In addition, favorable adjustments have been made to the salaries of SHS teachers who passed the Licensure Examination for Teachers (LET) and tertiary instructors who have earned a master's degree as part of the faculty members' continuing professional education. Depreciation and amortization expenses included as part of direct costs increased by ₱12.0 million from ₱372.6 million to ₱384.6 million for the years ended June 30, 2022 and 2023, respectively, substantially due to the amortization cost of iACADEMY Cebu's right-of-use asset. Direct costs of software subscriptions and maintenance increased by ₱7.1 million from ₱25.8 million for the year ended June 30, 2022 to ₱32.9 million for the current year, mostly driven by the increased enrollment. Rent expense is higher by ₱3.8 million, from ₱20.9 million to ₱24.7 million for the years ended June 30, 2022 and 2023, respectively, attributed to increase in monthly rental rates of renewed lease agreements. The cost of developing courseware during the year ended June 30, 2023 increased by ₱2.7 million due to STI ESG's streamlining of program curricula in response to market needs and industry developments. Courseware materials for JHS and SHS were likewise developed. Expenses related to student activities and programs rose by ₱52.9 million attributed to the expenses incurred for the resumption of in-person activities and programs for the students, higher subscription

costs for Microsoft, eLMS and Amadeus software primarily driven by higher enrollment for SY 2022-2023, and distribution of laptops to ninety (90) students across the network. Huawei Philippines (Huawei), donated cash which was partly allocated to the provision of laptops distributed to select students who were awarded multiple certificates at the Huawei ICT Academy. STI ESG, in partnership with Huawei, integrated in-demand ICT technologies into some of its programs tackling five technology domains namely, (1) cloud computing (2) big data (3) artificial intelligence (4) routing and switching, and (5) storage. The savings generated from the shift to a more efficient cloud subscription plan partially offset these increases in costs. Also, the internet connectivity assistance provided to students by STI ESG in SY 2021- 2022 amounting to ₱70.0 million was no longer given in SY 2022-2023 as in-person classes were conducted by all schools.

Gross profit improved by 34% from ₱1,698.0 million to ₱2,274.9 million for the years ended June 30, 2022 and 2023, respectively, largely due to the increased enrollment.

General and administrative expenses posted an 18% increase or ₱201.5 million from ₱1,129.3 million to ₱1,330.8 million for the years ended June 30, 2022 and 2023, respectively, largely due to the increased enrollment and the resumption of face-to-face classes.

Light and water expenses increased by ₱87.3 million from ₱75.3 million to ₱162.6 million for the years ended June 30, 2022 and 2023, respectively, as more face-to-face classes were held and electric power consumption increased. Salaries and benefits are higher by ₱61.2 million for the year ended June 30, 2023 compared to the same period last year as salary adjustments were implemented this year. Also, certain plantilla positions were filled up during the year in line with the face-to-face classes in SY 2022-2023. Expenses for outside services such as clerical, security and janitorial services increased by ₱41.6 million year-on-year as the Group conducted more in-person classes and activities in SY 2022-2023 while classes for SY 2021-2022 were mostly held online. This also resulted in increases in other administrative expenses such as repairs and maintenance, transportation, and office supplies, which rose by ₱16.3 million, ₱4.8 million, and ₱4.5 million, respectively.

The Group recognized a provision for ECL amounting to ₱85.2 million for the year ended June 30, 2023, largely representing ECLs on outstanding receivables from students' tuition and other school fees as at June 30, 2023. This is lower by ₱27.5 million compared to ₱112.7 million for the year ended June 30, 2022 due mainly to the improvement of the Group's collection efficiencies. The Group recognized ECL based on the Group's historical credit loss experience adjusted with forward-looking information. The most recent receivables are assigned with lower loss rates. Estimated loss rates vary over time and increase as receivables age and as credit risks increase, with the likelihood of the receivables becoming impaired. The Group likewise considered the subsequent collections of receivables from students relating to prior years. The provision for impairment of goodwill amounting to ₱3.8 million which was recognized during the year ended June 30, 2022 is linked to the cessation of operations of STI Iloilo. The Group likewise recognized provision for inventory obsolescence amounting to ₱5.6 million and ₱2.0 million for the years ended June 30, 2023 and 2022, respectively.

The Group generated an operating income of ₱944.0 million for the year ended June 30, 2023, an improvement of ₱375.4 million or 66% from the operating income of ₱568.6 million during the same period last year, due to higher revenues attributed to the increase in the student population and improvement in the enrollment mix with the 18% increase in the number of students enrolled in CHED programs, as well as strict control of direct and administrative expenses. Operating margins likewise improved from 21% to 28% for the years ended June 30, 2022 and 2023, respectively.

Interest expense decreased by ₱2.3 million year-on-year from ₱313.3 million to ₱311.0 million mainly due to the partial principal prepayments made by STI ESG and iACADEMY on their loans with China Bank. The reduction in principal balances outstanding partially mitigated the increases in interest rates

on the bank loans. Interest rate on the outstanding balance of the Term Loan and Corporate Notes Facilities of STI ESG was repriced at 6.5789% per annum effective September 20, 2022 compared to 5.7895% per annum in the previous year. Interest rate on the ₱280.0 million balance of iACADEMY's Term Loan with China Bank was repriced at an interest rate of 5.6699% per annum effective on September 28, 2022 compared to 3.2068% per annum in the previous year.

Rental income increased by ₱107.1 million year-on-year from ₱71.0 million to ₱178.1 million due to new lease agreements entered into by STI ESG and iACADEMY during the year ended June 30, 2023 in some of their investment properties.

Interest income earned during the year ended June 30, 2023 amounted to ₱22.6 million, down by ₱15.5 million from last year's ₱38.1 million. The interest income recorded for the year ended June 30, 2022 is substantially attributed to the accrued interests and default charges on the assigned loans of STI Tanay. This covers interests and penalty charges from the execution of the deed of assignment by and between DBP and STI ESG in 2019 up to the date of the extrajudicial foreclosure sale of the properties, mortgaged as collateral to STI Tanay's loans, situated in Pasig City and Tanay, Rizal on March 16, 2021 and March 15, 2022, respectively. This account also includes interest income on the Group's investments in short-term placements.

Collection efficiencies resulted in the recovery of previously written-off receivables amounting to ₱11.3 million for the year ended June 30, 2023 compared to ₱9.7 million collected during the previous year.

STI ESG recorded dividend income from RCR and DLSMC amounting to ₱2.5 million and ₱1.2 million for the years ended June 30, 2023 and 2022, respectively.

The Group recognized unrealized gain on foreign exchange rate differences amounting to ₱2.3 million and ₱44.6 million for the years ended June 30, 2023 and 2022, respectively. The Group also recognized realized gain on foreign exchange differences amounting to ₱0.1 million and ₱1.3 million for the years ended June 30, 2023 and 2022, respectively. These are attributed to STI ESG's and iACADEMY's dollar-denominated cash and cash equivalents.

Equity share in net income of associates and a joint venture amounted to ₱2.3 million for the year ended June 30, 2023 compared to equity in net losses of associates and a joint venture of ₱20.2 million recognized for the same period last year.

Derecognition of contingent consideration amounting to ₱25.0 million was recorded for the year ended June 30, 2022. The Parent Company and the Agustin family, former STI WNU shareholders, reached a Compromise Agreement on September 6, 2021 for the full and final settlement of the latter's claim against the former amounting to ₱50.0 million in the cases filed in various courts as stated in the Compromise Agreement. The amount of ₱50.0 million had been set up as contingent consideration in prior years. With the full and final settlement in the amount of ₱25.0 million, the balance of ₱25.0 million has been derecognized.

STI ESG recognized a gain on settlement of receivables, net of provision for impairment of noncurrent asset held for sale, amounting to ₱10.8 million for the year ended June 30, 2022. The gain on settlement of receivables from STI Tanay amounted to ₱45.1 million while the provision for impairment of noncurrent asset held for sale was recognized at ₱34.3 million, net of depreciation recognized on the Pasig property from the date of the annotation on the property's title up to June 30, 2022 (see preceding discussions).

The Group recognized a gain on sale amounting to ₱0.8 million for the year ended June 30, 2023 due to the disposal of STI ESG's obsolete and fully depreciated equipment and furniture and iACADEMY's transportation equipment. For the year ended June 30, 2022, gain on sale of STI ESG's transportation equipment largely accounted for the ₱1.6 million income recorded.

The Group applied the practical expedient approach for some rent concessions granted to the Group following the amendments to PFRS 16, COVID-19-related Rent Concessions resulting in recognition of other income aggregating to ₱6.1 million for the year ended June 30, 2022, presented as part of "Other income (expenses) - net" in the audited consolidated statements of comprehensive income. Also included in the account "Other income (expenses) – net" is the reversal of interest income from past due accounts of consolidated subsidiaries of STI ESG in the amount of ₱15.9 million.

The Group also recognized other income amounting to ₱4.7 million, presented as part of "Other income (expenses) – net" for the year ended June 30, 2023. This represents a donation from Huawei as part of the partnership program between STI ESG and Huawei. The proceeds from this donation were used to purchase Ideahub equipment which was eventually used to put up a Huawei Smart Classroom in STI Academic Center Ortigas-Cainta. The smart classroom is equipped with Huawei Smart TVs together with an intelligent board, digital blackboard and all the related software and cameras. The Ideahub board combines smart writing, wireless projection, and open applications into a single board. The board is also equipped with premium anti-blue light protection. This project is part of STI ESG and Huawei's partnership program in delivering certification courses, simulation tools, and training materials to eligible students.

Benefit from income tax amounting to ₱15.7 million was recognized by the Group for the year ended June 30, 2023 compared to ₱10.8 million income tax provision for the same period last year. Income tax rate for proprietary educational institutions was reduced from 10% to 1% following the enactment of the CREATE Act in April 2021. The reduced income tax rate had a retroactive effect beginning July 1, 2020 and would be effective up to June 30, 2023. Upon expiration of the temporary tax relief provided by the CREATE Act for proprietary educational institutions, the Group remeasured its deferred tax assets and liabilities which resulted in an increase in deferred tax assets as at June 30, 2023.

The Group reported a net income of ₱873.8 million for the year ended June 30, 2023, more than double the ₱416.2 million net income earned for the same period last year.

Remeasurement loss on pension liability, net of income tax effect, amounted to ₱16.9 million for the year ended June 30, 2023 compared to remeasurement gain on pension liability of ₱8.5 million recognized for the same period last year. These fluctuations reflect the movements in the value of equity shares forming part of the Group's pension assets.

The unrealized fair value adjustments on equity instruments at FVOCI amounted to ₱1.9 million for the year ended June 30, 2023, compared to ₱1.1 million for the year ended June 30, 2022 due to the movement in the price of quoted equity shares held by STI ESG.

Total comprehensive income increased to ₱858.8 million from ₱425.8 million for the years ended June 30, 2023 and 2022, respectively. This improvement is attributed to the higher number of enrollees and an improvement in the enrollment mix in favor of CHED programs for SY 2022-2023 compared to that of SY 2021-2022.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) which is defined as earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and

amortization, equity in net earnings (losses) of associates and joint venture and nonrecurring gains (losses) such as gain on sale of noncurrent asset held for sale (net of capital gains tax), income on rent concessions, gain on derecognition of contingent consideration, gain on settlement of receivable (net of provision for impairment of noncurrent asset held for sale), gain on foreign exchange differences, fair value loss on equity instruments at FVPL and loss on loan modification increased from ₱1,128.6 million for the year ended June 30, 2022 to ₱1,628.4 million for the year ended June 30, 2023. Depreciation and interest expenses for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively. EBITDA margin is 48% compared to 42% last year.

Core income, computed as the consolidated income after income tax derived from the Group's main business of education and other recurring income, amounted to ₱868.9 million for the year ended June 30, 2023 compared to core income for the same period last year of ₱330.8 million

Key Performance Indicators

The top five key performance indicators (KPIs) of the Group include tests of profitability, liquidity and solvency. Profitability refers to the Group's earning capacity and ability to earn income for its stockholders. This is measured by profitability ratios analyzing margins and returns. Liquidity refers to the Group's ability to pay its short-term liabilities as and when they fall due. Solvency refers to the Group's ability to pay all its debts as and when they fall due, whether such liabilities are current or noncurrent.

		As at/Three months ended September 30		Remarks
		2025	2024	
EBITDA margin	EBITDA divided by total revenues	61%	46%	EBITDA margin increased in 2025 compared to the same period in 2024 mainly due to the higher revenues recognized during the three-month period ended September 30, 2025.
Gross profit margin	Gross profit divided by total revenues	75%	68%	Gross profit margin went up as higher revenues were recognized this first quarter.
Return on equity (ROE)	Net income attributable to equity holders of the Parent Company (annualized) divided by average equity attributable to equity holders of the Parent Company	19%	10%	ROE is higher as a result of the bigger revenues recognized for the quarter even as direct costs and operating expenses increased at a lower rate.

**As at/Three
months ended
September 30**

		2025	2024	Remarks
Current Ratio	Current assets divided by current liabilities	1.59	1.46	Current ratio improved due to the Group's profitable operations and improved collection efficiency.
Debt-to-equity ratio (D/E ratio)	Total liabilities, net of unearned tuition and other school fees, divided by total equity	0.30	0.41	D/E ratio improved due to principal payments made by STI ESG on its Term Loans.

STI ESG monitors its financial covenants in accordance with the provisions under its loans and trust Agreements.

		June 2025	Remarks
D/E ratio ¹	Total liabilities, net of unearned tuition and other school fees, divided by total equity	0.44	D/E ratio improved from 0.59 in June 2024 due to principal payments made by STI ESG on its Term Loans.
Debt service coverage ratio (DSCR) ²	EBITDA for the last twelve months divided by total principal and interest due in the next twelve months.	3.40	The minimum DSCR set by management, and the lender banks is 1.05 of cash income (EBITDA) for every peso of loans and interest due within the next 12 months (see note below).
Interest coverage ratio (ICR) ³	EBITDA for the immediately preceding twelve months divided by interest due in the next twelve months	14.95	ICR is well within the threshold set under the Second Supplemental Trust Agreement.

¹ D/E ratio under the Term Loan Agreement with Chinabank must not exceed 1.50:1.00, while D/E ratio under the Term Loan Agreements with BPI and Metrobank must not be more than 2.50:1.00.

² DSCR under the Term Loan Agreements with Chinabank, BPI and Metrobank must not be lower than 1.05:1.00. For Chinabank, DSCR is tested every December 31 and June 30 of each year while for BPI and Metrobank, this is tested on June 30 of each year

³ ICR under the Trust Agreement must not be lower than 3.00:1.00

The Term Loan Agreement with Chinabank prescribes that the financial covenants shall be observed and computed based on STI ESG's unaudited consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the year ending June 30 of each year. The term loan agreements with BPI

and Metrobank prescribe that the financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year.

As at September 30, 2025 and June 30, 2025, STI ESG is compliant with the aforementioned financial covenants, following the respective agreements, (see Notes 16 and 17 of the unaudited interim condensed consolidated financial statements).

Material Changes in Balance Sheet Accounts

Cash and cash equivalents increased by 17% or ₱472.6 million from ₱2,732.6 million to ₱3,205.2 million as at June 30, 2025 and September 30, 2025, respectively, primarily attributable to the Group's profitable operations and improved collection efficiency. The Group generated cash from operating activities aggregating to ₱955.3 million during the three-month period ended September 30, 2025. The collection of tuition and other school fees was the primary contributor to the net cash generated from operating activities. These funds were utilized mainly to pay the contractors for the construction of new buildings for STI Tanauan, STI Meycauayan, STI Fairview and STI Batangas. Cash outflows for investing activities likewise include expenditures related to building rehabilitation works and acquisition of various equipment and furniture for the schools owned and operated by STI ESG. STI WNU installed solar panels in its SBE and Engineering buildings, as well as a new speaker system in its gymnasium, and constructed a covered parking lot in the three-month period ended September 30, 2025. Net cash outflows for investing activities amounted to ₱345.2 million. The Group registered ₱137.6 million cash used in financing activities, substantially representing scheduled principal payments of STI ESG Term Loans with Chinabank, BPI and Metrobank aggregating to ₱292.2 million. Disbursements aggregating to ₱81.1 million were also made for interest payments on STI ESG's Term Loans and for coupon payments for STI ESG's bond issue during the three-month period ended September 30, 2025. These cash disbursements were partially offset by the ₱277.5 million proceeds from STI ESG's disposal of STI ESH shares in August 2025.

The total balance of receivables is up by 244% or ₱1,313.1 million from ₱538.0 million as at June 30, 2025 to ₱1,851.1 million as at September 30, 2025. This balance consists primarily of amounts expected to be collected from students as payment for tuition and other school fees, as well as from DepEd for SHS vouchers that are expected to be received during the related term(s) of the school year.

Receivables from students increased by ₱977.4 million from ₱436.3 million to ₱1,413.7 million, reflecting tuition and other school fees that are expected to be collected from the students over the remaining months of the related school term(s).

Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to the current school year, amounted to ₱328.3 million as at September 30, 2025 compared to ₱19.8 million as at June 30, 2025. The SHS Voucher Program is a financial assistance program wherein subsidies in the form of vouchers are provided to qualified SHS students who are enrolled in a "non-DepEd SHS." A non-DepEd SHS refers to an educational provider not directly operated by DepEd but granted by DepEd with a permit or government recognition to operate SHS. This includes private schools, private colleges and universities; state universities and colleges (SUCs), local universities and colleges (LUCs); and technical and vocational institutions offering SHS. A Qualified Voucher Recipient (QVR) in participating private institutions is entitled to a subsidy ranging from ₱14,000 to ₱22,500 annually. DepEd, through the Private Education Assistance Committee (PEAC), facilitates the transfer of funds to the participating schools.

Receivables related to DBP Resources for Inclusive and Sustainable Education Program (DBP RISE) amounted to ₱0.8 million and ₱1.9 million as at September 30, 2025 and June 30, 2025, respectively. DBP RISE covers the following: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program; and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP.

Receivables from CHED for the Tertiary Education Subsidy (TES) amounted to ₱5.2 million and ₱1.6 million as at September 30, 2025 and June 30, 2025, respectively. Under the Universal Access to Quality Tertiary Education Act (UAQTEA) or RA No. 10931, and its Implementing Rules and Regulations (IRR), students enrolled in select Private Higher Education Institutions (PHEIs) and are qualified to receive the TES are entitled to ₱60,000 per school year. The TES sharing agreement states that ₱40,000 goes to the TES student grantee and ₱20,000 goes to the PHEI. The subsidy is for tuition and other related school fees and should cover the living allowance, books, supplies, transportation, and miscellaneous expenses. Additional benefits are likewise given to persons with disabilities (PWDs) and graduates of programs with licensure exams amounting to ₱30,000 and ₱10,000, respectively, per annum. Under the TES Program, CHED directly pays the schools where these students enrolled. In July 2023, CHED Unified Student Financial Assistance System for Tertiary Education Board (UniFAST) issued Memorandum Circular No. 5 for the allocation of funds for new TES grants. The circular provides, among others, that the new TES grantees for the first semester of SY 2023-2024 shall receive ₱20,000 per school year or ₱10,000 per semester to cover the full or partial cost of tuition and other school fees. New TES grantees who are PWDs shall receive an additional subsidy of ₱10,000 per school year or ₱5,000 per semester.

Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the school year.

Receivables related to educational services and sale of educational materials and supplies amounted to ₱125.1 million as at September 30, 2025, higher by ₱35.2 million from the ₱89.9 million balance as at June 30, 2025. This account represents STI ESG's receivables from franchised schools for educational services, educational materials and supplies sold, and network charges. These receivables are expected to be settled within 30 days from the invoice date.

Rent, utilities and other related receivables declined by ₱6.4 million to ₱52.4 million as at September 30, 2025, from ₱58.8 million as at June 30, 2025 representing collection of rental payments from various lessees during the three-month period ended September 30, 2025.

The Group's allowance for expected credit losses (ECL) recognized in relation to the adoption of Philippine Financial Reporting Standards (PFRS) 9, *Financial Instruments*, increased from ₱185.4 million as at June 30, 2025 to ₱230.0 million as at September 30, 2025. This increase represents the Group's provision for ECL amounting to ₱44.6 million during the three-month period ended September 30, 2025.

Inventories decreased by ₱26.3 million or 16%, from ₱169.3 million as at June 30, 2025 to ₱143.0 million as at September 30, 2025, substantially attributed to the sale of uniforms and prowares during the three-month period ended September 30, 2025, partially offset by purchases made during the quarter.

Prepaid expenses and other current assets went up by 7% or ₱10.2 million from ₱148.3 million to ₱158.5 million as at September 30, 2025 largely due to the ₱10.7 million increase in iACADEMY's recently renewed licenses for Adobe Enterprise, Sophos, Neo LMS, and IBM Statistical Product and

Service Solution (IBMSPSS), used both in its Makati and Cebu branches. IBMSPSS is a data analysis and statistical tool developed by IBM and used by iACADEMY's Psychology, Data Science, and all SHS students.

Property and equipment increased by ₱143.3 million from ₱10,453.5 million as at June 30, 2025 to ₱10,596.8 million as at September 30, 2025. STI ESG's property and equipment increased by ₱119.6 million, net of depreciation expenses for the period, due largely to the recognition of progress billings for the percentage of construction completed of new school buildings for STI Batangas, STI Fairview, STI Meycauayan, and STI Tanauan, as well as the installation of solar panels and various renovation and rehabilitation works in schools owned and operated by STI ESG.

STI WNU's property and equipment increased by ₱27.3 million, net of depreciation expenses for the period, substantially due to the installation of solar panels for the new SBE and Engineering buildings, and a new sound system in the university gymnasium. Various school and office equipment, furniture and fixtures were likewise purchased during the three-month period ended September 30, 2025.

Deferred tax assets (DTA) increased by ₱18.1 million from ₱51.4 million as at June 30, 2025 to ₱69.5 million as at September 30, 2025, representing taxes due on tuition and other school fees collected in advance. Following statutory regulations, tuition and other school fees which are collected in advance are subject to income tax upon receipt.

Goodwill, intangible assets, and other noncurrent assets increased by 13% or ₱105.1 million from ₱786.7 million as at June 30, 2025 to ₱891.8 million as at September 30, 2025, substantially attributed to STI ESG's downpayment of ₱147.7 million in August 2025 for the construction of STI Academic Center Meycauayan. The reported increase is net of the reclassification of certain advances to suppliers to "Property and equipment" corresponding to the progress completion of ongoing construction projects, full delivery and/or installation of other capital assets.

Total current liabilities increased by ₱1,432.6 million to ₱3,386.8 million as at September 30, 2025 from ₱1,954.2 million as at June 30, 2025, mainly due to the recognition of ₱1,614.0 million unearned tuition and other school fees as of September 30, 2025 or an increase of ₱1,371.2 million from ₱242.8 million as at June 30, 2025. The balance as at June 30, 2025 represents the tuition and other school fees collected before the fiscal year-end but applicable to the coming SY 2025-2026. These unearned revenues will be recognized as income over the remaining months of the related school term(s).

Accounts payable and other current liabilities decreased by ₱11.6 million, mainly attributed to interest payments for STI ESG's loans and borrowings in September 2025 and payments for commencement-related expenses for SY 2024-2025 made subsequent to fiscal year ended June 30, 2025.

Unearned tuition and other school fees increased substantially by ₱1,371.2 million from ₱242.8 million as at June 30, 2025 to ₱1,614.0 million as at September 30, 2025. These unearned revenues will be recognized as income over the remaining months of the related school term(s).

Current portion of interest-bearing loans and borrowings amounted to ₱580.4 million as at September 30, 2025, net of deferred finance charges amounting to ₱4.0 million. This balance represents the current portion of the Term Loans of STI ESG with China Bank, Metrobank and BPI amounting to ₱240.0 million, ₱200.0 million and ₱144.4 million, respectively, gross of related deferred finance costs aggregating to ₱4.0 million. On the other hand, the noncurrent portion of interest-bearing loans and borrowings decreased by ₱291.4 million from ₱1,146.1 million to ₱854.7 million, net of deferred finance cost, as at June 30, 2025 and September 30, 2025, respectively, due to the reclassification

from noncurrent to current portion of interest-bearing loans and borrowings that are due in the next twelve months.

Current portion of lease liabilities amounted to ₱92.6 million and ₱91.4 million as at September 30, 2025 and June 30, 2025, respectively. Noncurrent portion of lease liabilities decreased by ₱21.8 million from ₱369.7 million as at June 30, 2025 to ₱347.9 million as at September 30, 2025 due to the reclassification of lease obligations which are due within the next twelve months. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of the initial application. The amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The measurement and presentation of lease liabilities were recognized in the consolidated financial statements of the Group following the adoption of PFRS 16, *Leases*.

Income tax payable amounted to ₱115.3 million and ₱43.7 million as at September 30, 2025 and June 30, 2025, respectively. The balance as at September 30, 2025 represents income tax due on the taxable income for the three-month period ended September 30, 2025 of STI WNU, iACADEMY, STI ESG and some of its subsidiaries as well as the income tax payable as at June 30, 2025, which was duly settled in October 2025. Income tax due on the taxable income of the Parent Company was covered by its tax credits.

Pension liabilities increased by 22% or ₱21.6 million from ₱100.1 million to ₱121.7 million as at June 30, 2025 and September 30, 2025, respectively. The increase is mainly attributable to the recognition of pension expense and remeasurement adjustments forming part of the Group's pension assets for the three-month period ended September 30, 2025.

Other noncurrent liabilities rose by 8% or ₱2.6 million from ₱30.3 million as at June 30, 2025 to ₱32.9 million as at September 30, 2025, mainly due to the advance rent and refundable deposits paid by iACADEMY's new lessee.

Total equity increased by ₱880.2 million substantially due to the ₱611.5 million net income recognized by the Group for the three-month period ended September 30, 2025. The increase includes a ₱184.2 million adjustment in the carrying value of the cost of shares held by a subsidiary and the recognition of additional paid-in capital amounting to ₱93.3 million resulting from the disposal by STI ESG of 185 million Parent Company shares in August 2025. This increase is net of the remeasurement loss on pension liabilities recognized for the three-month period ended September 30, 2025 amounting to ₱15.5 million, net of tax, reflecting changes in the market value of the equity investments held within the pension plan assets of the Group for the three months ended September 30, 2025.

Material Changes in Income Statement Accounts

Total revenues reached ₱1,443.3 million during the three-month period ended September 30, 2025, ₱405.6 million more than the ₱1,037.7 million generated during the same period last year.

Condensed Consolidated Statements of Comprehensive Income

(Amounts in Peso millions)	Three-month periods ended September 30			
			Increase (Decrease)	
	2025	2024	Amount	%
Revenues	1,443.3	1,037.7	405.6	39%

Costs and expenses	785.8	752.4	33.4	4%
Operating income	657.5	285.3	372.2	130%
Other income (expenses)	31.5	6.9	24.6	357%
Income before income tax	689.0	292.2	396.8	136%
Provision for income tax	69.9	29.0	40.9	141%
Net income	619.1	263.2	355.9	135%
Other comprehensive income (loss)	(16.0)	21.3	(37.3)	-175%
Total comprehensive income	603.1	284.5	318.6	112%

Tuition and other school fees amounted to ₱1,277.8 million for the three-month period ended September 30, 2025, ₱399.8 million more than the ₱878.0 million tuition fees generated for the same period last year. Revenues from tuition and other school fees are recognized proportionately throughout the related school term(s) to which they pertain, consistent with the time frame in which educational services are delivered. As such, revenue distribution across quarters may vary depending on the timing of the school calendar. The wide variance reflects the earlier start of classes for both STI ESG and STI WNU for SY 2025–2026 on July 28, 2025, compared to the August 12, 2024 start of classes last SY. Since tuition and related fees are recognized as revenue over the duration of the related school term(s), the earlier start of classes led to a greater share of revenues earned for the three-month period ended September 30, 2025, compared to the same quarter of the previous year. In addition, starting this fiscal year, STI ESG and STI WNU have recognized revenues based on the actual number of days within the school calendar in contrast with the monthly recognition done in prior years. This approach affects the timing of revenue recognition across quarters but does not affect total revenues for the full fiscal year.

In addition, the Group implemented adjustments in tuition and other school fees for SY 2025-2026. STI ESG implemented tuition and other school fee adjustments for new tertiary students, as well as the other school fees for continuing tertiary students, ranging from 2.1% to 6.7%. STI WNU implemented an average of 6.6% increase in tuition and other school fees for all students across all levels while iACADEMY implemented an average of 5.0% tuition fee increase for new SHS and tertiary students.

Revenues from educational services increased by 26% from ₱57.6 million to ₱72.9 million for the three-month periods ended September 30, 2024 and 2025, respectively, primarily due to the improved collection efficiency of STI ESG's franchised schools for SY 2025-2026.

Royalty fees, which are likewise derived from STI ESG's franchised schools, improved by 19% from ₱6.1 million to ₱7.2 million year-on-year. Revenues from educational services and royalty fees are derived as a percentage of the tuition and other school fees collected by the franchised schools from their students, or through DepEd and CHED.

Revenues from educational services include management fees from Philippine School of Business Administration, Inc. (PSBA Manila) and Philippine School of Business Administration, Inc.–Quezon City (PSBA Quezon City) amounting to ₱4.3 million and ₱1.6 million for the three-month periods ended September 30, 2025 and 2024, respectively. The management agreement, executed in May 2024 between the two schools and STI ESG, became effective on July 1, 2024 for PSBA Quezon City and on August 1, 2024 for PSBA Manila. The agreement has a term of three (3) years counting from the respective management commencement dates. PSBA Manila and PSBA Quezon City pay management fees to STI ESG equivalent to 26% of their respective gross revenues.

Other revenues amounted to ₱39.2 million and ₱36.0 million for the three-month periods ended September 30, 2025 and 2024, respectively. The increase is mainly driven by the higher number of college graduates in iACADEMY during the current period, which led to slightly higher commencement-related income following the August 2025 graduation ceremony. The related costs for graduation are reported as part of the student activities and programs under “Cost of educational services.”

The revenues generated from the sale of educational materials and supplies amounted to ₱46.2 million for the three-month period ended September 30, 2025, compared to ₱60.1 million for the same period last year, consistent with the enrollment levels for SY 2025-2026. Sales for both periods were mainly attributable to uniforms. The cost of educational materials and supplies sold amounted to ₱40.9 million and ₱50.1 million for the three-month periods ended September 30, 2025 and 2024, respectively, aligned with the movement in sales.

The cost of educational services increased by ₱34.3 million from ₱281.3 million for the three-month period ended September 30, 2024 to ₱315.6 million for the three-month period ended September 30, 2025. This increase is primarily attributed to higher instructors’ salaries and benefits as well as higher depreciation expenses for the three-month period ended September 30, 2025.

Instructors' salaries and benefits are up by ₱13.5 million from ₱129.2 million to ₱142.7 million for the three-month periods ended September 30, 2024 and 2025, respectively, primarily due to the earlier start of classes for SY 2025–2026 compared to SY 2024-2025.

The completion of the new school building at STI Ortigas-Cainta, STI Lipa, and the new SBE building at STI WNU, major renovation and rehabilitation projects in certain STI ESG-owned schools, along with the acquisition of new equipment and furniture, contributed to the ₱15.1 million increase in the depreciation expense recognized by the Group. The increase is reported both under the cost of educational services and the general and administrative expense sections of the unaudited interim condensed consolidated statement of comprehensive income.

STI ESG transitioned from annual support and maintenance contract to on-demand engagements with the third-party providers for its computerized accounting and enrollment systems during SY 2024-2025. This resulted in lower expenses related to infrastructure and software maintenance incurred by STI ESG, from ₱2.6 million to ₱1.2 million for the three-month period ended September 30, 2024 and 2025, respectively. Concurrently, STI ESG is in the process of implementing new financial and enrollment systems to streamline its financial and enrollment processes and students’ information and records management so as to enhance operational efficiency over the long term. On the other hand, STI WNU reported higher costs related to infrastructure and software maintenance for the three-month period ended September 30, 2025 at ₱3.6 million compared to the amount incurred for the three-month period ended September 30, 2024 of ₱0.08 million due the earlier start of classes and the increase in number of students.

Expenses attributed to student activities, programs and other service costs rose by ₱4.2 million from ₱29.5 million for the three-month period ended September 30, 2024 to ₱33.7 million for the same period this year. This account includes subscription costs for the use of eLearning Management System, MS License, and eBooks, among others. These subscriptions are renewed annually, and the related costs are spread over the contract periods which are usually aligned with the school calendar.

Gross profit increased from ₱706.2 million to ₱1,086.8 million for the three-month periods ended September 30, 2024 and 2025, respectively, primarily due to the higher revenues reported this period

driven by the earlier start of classes and the use of actual number of instructional days in the revenue recognition.

General and administrative expenses increased by ₱8.4 million from ₱420.9 million to ₱429.3 million for the three-month periods ended September 30, 2024 and 2025, respectively, largely attributed to increases in expenses related to depreciation, salaries and benefits, professional fees, and janitorial and security services. These increases were partially offset by lower provisions for ECL and reduced advertising and promotional spending for the three-month period ended September 30, 2025.

Salaries and benefits amounted to ₱118.0 million for the three-month period ended September 30, 2025 compared with ₱109.9 million for the same period last year, due to merit-based salary adjustments granted to deserving employees in the second quarter of the fiscal year ended June 30, 2025. Also, certain plantilla positions were filled up during the three-month period ended September 30, 2025.

Depreciation expenses went up to ₱74.5 million from ₱64.5 million for the three-month periods ended September 30, 2025 and 2024, respectively, due to additional depreciation costs on the new buildings completed and on other capital projects as discussed in previous paragraphs.

Light and water expenses amounted to ₱53.5 million for the three-month period ended September 30, 2025 compared to ₱52.8 million for the same period last year, primarily due to the earlier start of classes for SY 2025-2026. The increased power consumption was mitigated by the cost savings from the solar power systems installed at several wholly-owned schools of STI ESG.

The Group recognized a provision for ECL amounting to ₱44.6 million for the three-month period ended September 30, 2025, largely representing ECLs on outstanding receivables from students' tuition and other school fees as at September 30, 2025. This provision is lower by ₱7.7 million compared to ₱52.3 million provision recognized for the three-month period ended September 30, 2024 reflecting the Group's improved collection efficiency. The Group recognized ECL based on the Group's historical credit loss experience adjusted with forward-looking information. The most recent receivables are assigned lower loss rates. Estimated loss rates vary over time and increase as receivables age and as credit risks increase, with the likelihood of the receivables becoming impaired. The Group likewise considered the subsequent collections of receivables from students pertaining to prior years.

Outside services including security and janitorial services increased by ₱3.5 million to ₱44.4 million from ₱40.9 million for the three-month periods ended September 30, 2025 and 2024, respectively, mainly due to higher minimum wage rates imposed by security and utility service providers.

Professional fees increased by ₱3.7 million to ₱23.5 million for the three-month period ended September 30, 2025 from ₱19.8 million for the same period last year, primarily due to increased fees related to corporate and legal counsel services.

Taxes and licenses expense increased by ₱1.4 million from ₱13.3 million to ₱14.7 million for the three-month periods ended September 30, 2024 and 2025, respectively, largely due to higher local business taxes recorded for calendar year 2025.

Repairs and maintenance expenses amounted to ₱12.1 million for the three-month period ended September 30, 2025, slightly higher than the ₱11.3 million incurred for the same period last year, mainly due to higher corrective maintenance activities made for certain equipment and school facilities.

Advertising and promotions expenses amounted to ₱9.3 million from ₱21.1 million for the three-month periods ended September 30, 2025 and 2024, respectively. The decline was primarily due to timing differences in the implementation of advertising and marketing campaigns. For SY 2025–2026, classes commenced earlier, resulting in a shift of a significant portion of marketing activities to the last quarter of fiscal year ended June 30, 2025, whereas for SY 2024–2025, the marketing campaigns through social media channels were largely executed during the three-month period ended September 30, 2024.

Association dues amounted to ₱2.1 million from ₱1.7 million for the three-month periods ended September 30, 2025 and 2024, respectively, representing office condominium dues paid by STI ESG for its investment properties which were not occupied.

Communication expenses, infrastructure and software maintenance, and insurance expenses registered increases, driven by the Group’s growing business activities.

The Group generated an operating income of ₱657.5 million for the three-month period ended September 30, 2025, an increase of ₱372.2 million from the ₱285.3 million operating income earned during the same period last year, primarily due to higher revenues recognized for the period.

Rental income amounted to ₱62.9 million for the three-month period ended September 30, 2025, posting a ₱14.0 million increase from the ₱48.9 million rental income generated for the three-month period ended September 30, 2024. This increase is related to the pre-termination of a sublease agreement between iACADEMY and a third party covering certain units in iACADEMY’s leased building along Sen. Gil J. Puyat Ave. in Makati City. The lease term was originally set to expire in 2028. In March 2025, the third party advised iACADEMY of its intention to pre-terminate the sublease agreement effective June 30, 2025. On March 7, 2025, a Termination Deed was executed. Pursuant to the provisions of the termination deed, the third party paid the rentals for the period July to December 2025 on July 31, 2025.

Interest expenses decreased by ₱9.6 million from ₱66.5 million for the three-month period ended September 30, 2024 to ₱56.9 million for the same period this year mainly due to the principal payments made by STI ESG on its Term Loans with BPI, Chinabank and Metrobank. Interest rates per annum improved effective September 2025 for the BPI, Chinabank, and Metrobank loans at 7.0588%, 7.1577%, and 7.0517%, respectively, compared to 7.8735%, 7.8749%, and 7.8135% for the same period of the previous year.

Interest income increased by ₱6.7 million from the previous year’s ₱14.7 million to ₱21.4 million for the three-month period ended September 30, 2025 earned from the Group’s short-term investments.

The Group recognized as income the recovery of previously written-off accounts amounting to ₱3.1 million for the three-month period ended September 30, 2025 compared to ₱4.2 million for the same period the previous year.

Equity in net earnings of associates and joint venture amounted to ₱0.4 million for the three-month period ended September 30, 2025 compared to ₱1.6 million recognized for the same period last year, reflecting the decline in net income reported by some of the Group’s associates.

STI ESG redeemed and converted to Philippine peso substantially all its dollar money market and time deposit placements in 2024, resulting in a realized foreign exchange loss amounting to ₱5.8 million for the three-month period ended September 30, 2024. The Group recognized an unrealized gain on

foreign exchange differences in its dollar-denominated cash and cash equivalents amounting to ₱0.07 million for the three-month period ended September 30, 2025.

Fair value loss on equity instruments at FVPL amounting to ₱0.2 million was recognized for the three-month period ended September 30, 2025, compared to fair value gain amounting to ₱1.0 million for the three-month period ended September 30, 2024, representing adjustments in the market value of STI ESG's quoted equity shares.

The Group recognized other income aggregating to ₱8.6 million for the three-month period ended September 30, 2024. This account includes ₱6.8 million in utilities cost charged by iACADEMY to its lessee at the Sen. Gil J. Puyat Ave., Makati City building. STI ESG recognized a ₱1.6 million gain on the termination of a contract of lease accounted for under PFRS 16. Other income is presented net of bond maintenance fees amounting to ₱0.1 million and ₱0.2 million for the three-month periods ended September 30, 2025 and 2024, respectively.

The Group reported provision for income tax amounting to ₱69.9 million and ₱29.0 million for the three-month periods ended September 30, 2025 and 2024, respectively.

Net income after tax of ₱619.1 million was recorded for the three-month period ended September 30, 2025, as against ₱263.2 million for the same period last year, an increase of ₱355.9 million. Net income margin stood at 43%, from 25% for the same period of the previous year, resulting from the higher revenues recognized this quarter due to the early start of classes and the change in the revenue recognition discussed in earlier paragraphs.

The Group recognized a remeasurement loss on pension liabilities amounting to ₱15.7 million and a remeasurement gain of ₱21.4 million, both net of income tax effect, for the three-month periods ended September 30, 2025 and 2024, respectively, due to adjustments in the market value of equity shares forming part of STI ESG's pension assets.

The unrealized fair value adjustments on equity instruments designated at FVOCI amounted to negative ₱0.3 million and ₱0.1 million for the three-month periods ended September 30, 2025 and 2024, respectively, due to the movements in the market price of quoted equity shares held by STI ESG.

Total comprehensive income of ₱603.1 million was generated for the three-month period ended September 30, 2025, compared to ₱284.5 million for the same period last year, an increase of ₱318.6 million.

EBITDA is up by ₱403.8 million from ₱474.1 million to ₱877.9 million for the three-month periods ended September 30, 2024 and 2025, respectively. EBITDA margin for the three-month period ended September 30, 2025 is at 61% compared to 46% for the same period last year.

Core income, computed as the consolidated income after income tax derived from the Group's main business of education and other recurring income, amounted to ₱618.9 million for the three-month period ended September 30, 2025 compared to ₱262.9 million core income for the same period last year.

Financial Risk Disclosure

The Group's present activities expose it to liquidity, credit, interest rate and capital risks.

Liquidity risk – Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet its currently maturing commitments. The Group's liquidity profile is managed to

be able to finance its operations and capital expenditure and other financial obligations. To cover its financing requirements, the Group uses internally generated funds and interest-bearing loans and borrowings. As part of its liquidity risk management program, the Group regularly evaluates the projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives.

Any excess funds are primarily invested in short-dated and principal-protected bank products that provide the flexibility of withdrawing the funds anytime. The Group regularly evaluates available financial products and monitors market conditions for opportunities to enhance yields at acceptable risk levels.

The Group's current liabilities as at June 30, 2025 are mostly made up of trade liabilities with 30 to 60-day payment terms and the current portion of interest-bearing loans and borrowings that are expected to mature within one year after reporting date. On the other hand, the biggest components of the Group's current assets are cash and cash equivalents and receivables from students and franchisees with credit terms of up to ten (10) months for installment payments and thirty (30) days, respectively.

As at September 30, 2025 and June 30, 2025, the Group's current assets amounted to ₱5,369.0 million and ₱3,599.7 million, respectively, while current liabilities amounted to ₱3,386.8 million and ₱1,954.2 million, respectively. Current liabilities include unearned tuition and other school fees amounting to ₱1,614.0 million and ₱242.8 million as at September 30, 2025 and June 30, 2025, respectively. Unearned tuition and other school fees represent performance obligations related to revenues from tuition and other school fees, which will be satisfied over time as the students receive the services provided by the Group.

As part of the Group's liquidity risk management program, the management continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives.

The Group regularly monitors both the debt service coverage ratio (DSCR) for STI ESG's interest-bearing loans from local banks and the ICR for its series 10-year bonds. The ratios are based on the audited consolidated financial statements of STI ESG. The DSCR is equivalent to the EBITDA divided by the total principal and interests due for the next twelve months while the ICR is computed as EBITDA divided by the total interests due for the next twelve months. STI ESG manages its DSCR to keep it at a level acceptable to the Group and the lender banks. Similarly, the Group monitors its ICR to keep it at a level acceptable to the Group and the bondholders.

The Term Loan Agreement with Chinabank prescribes that the financial covenants shall be observed and computed based on STI ESG's unaudited interim consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the fiscal year ending June 30 of each year. The term loan agreements with BPI and Metrobank prescribe that the financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the fiscal year ending June 30 of each year. STI ESG is compliant with the DSCR requirement as at June 30, 2025 and 2024, as defined in the term loan agreements, (see Note 18 of the Audited Consolidated Financial Statements).

The Second Supplemental Trust Agreement replaced the DSCR measure with ICR, as discussed in Note 19 of the Audited Consolidated Financial Statements.

The Group's policy is to keep the DSCR not lower than 1.05:1.00 and the ICR not lower than 3.00:1.00. DSCRs, as defined in the loan agreements, as at June 30, 2025 and 2024 are 3.40:1.00 and 2.39:1.00,

respectively. ICRs, as defined in the bond trust agreement, as at June 30, 2025 and 2024 are 14.95:1.00 and 9.37:1.00, respectively. STI ESG is compliant with the financial covenants imposed under the loan and bond trust agreements.

Credit risk – Credit risk is the risk that the Group will incur a loss arising from students, franchisees or counterparties who fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk that the Group is willing to accept for each counterparty and by monitoring expenses in relation to such limits.

It is the Group's policy to require students to pay all their tuition and other incidental fees before they can get their report cards and other credentials. In addition, receivable balances are monitored on an ongoing basis such that exposure to bad debts is not significant.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow 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 loans and bonds. While the Group's long-term debt has a floating interest rate, the Group elected to have the interest rate repriced every six months on its new loans and every year on the old loans, thus minimizing the exposure to market changes in interest rates. STI ESG's 7-year bonds, which had a fixed interest rate, were fully redeemed in March 2024 while the 10-year bonds, maturing in 2027, continue to carry a fixed interest rate.

The Group's exposure to interest rate risk also includes its cash and cash equivalents balance. Interest rates for the Group's cash deposits are at prevailing interest rates. Due to the magnitude of the deposits, significant changes in interest rates may also affect the statements of comprehensive income of the Group.

Capital Risk - The Group aims to achieve an optimal capital structure to reduce its cost of capital in pursuit of its business objectives, which include maintaining healthy capital ratios and strong credit ratings, maximizing shareholder value and providing benefits to other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group is not subject to externally imposed capital requirements.

The Group monitors capital using the D/E ratio, which is computed as the total of current and noncurrent liabilities, net of unearned tuition and other school fees, divided by total equity. The Group monitors its D/E ratio to keep it at a level acceptable to the Group, the lender banks and the STI ESG bondholders. The Group's policy is to keep the debt-to-equity ratio at a level not exceeding 1.50:1.00. STI ESG is compliant with the D/E ratio requirement as at June 30, 2025, as defined in the term loan and trust agreements, (see Notes 16 and 17 of the unaudited interim condensed consolidated financial statements).

Agreements/Commitments and Contingencies/Other Matters

- a. There are no changes in accounting estimates used in the preparation of the audited consolidated financial statements for the current and prior financial periods.
- b. Except as provided in Note 34 of the Notes to the Audited Consolidated Financial Statements attached as part of "Exhibits and Schedules," and in Note 26 of the Notes to the Unaudited Interim

Consolidated Financial Statements attached as Annex “A” to the Quarterly Report for the Period ended 30 September 2025, the Group has no other financial and capital commitments.

- c. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- d. There are no material events and uncertainties known to management that would address the past and would have an impact on the future operations of the Group.
- e. There are no known trends, demands, commitments, events or uncertainties that will have an impact on the Group’s liquidity except for the contingencies and commitments enumerated in Note 34 of the Notes to the Audited Consolidated Financial Statements and Note 26 of the Notes to the Unaudited Interim Consolidated Financial Statements attached as Annex “A” to the Quarterly Report for the Period ended 30 September 2025.
- f. The various loan agreements entered into and the issuance of fixed-rate bonds by STI ESG provide certain restrictions and conditions with respect to, among others, change in majority ownership and management and maintenance of financial ratios. STI ESG is fully compliant with all the covenants in the loan agreements. Please see Notes 18, 19 and 35 in the Notes to the Audited Consolidated Financial Statements and Notes 16 and 17 of the Notes to the Unaudited Interim Consolidated Financial Statements attached as Annex “A” to the Quarterly Report for the Period ended 30 September 2025 for a more detailed discussion. There are no other events that will trigger direct or contingent financial obligations that are material to the Group, including any default or acceleration of an obligation.
- g. There are no significant elements of income or loss that did not arise from the Group’s continuing operations.
- h. The Group’s business is linked to the academic cycle. For SY 2025-2026, the academic year for STI ESG and STI WNU began in late July 2025 and will end in June 2026. For SY 2024-2025, the academic year for STI ESG and STI WNU began around mid-August 2024 and ended in June 2025. For iACADEMY, classes start in August and end in May of the following year for SHS while classes start in August and end in July of the following year for the tertiary level. The core business and revenues of the Group, which are mainly from tuition and other school fees, are recognized as income over the corresponding school term(s) to which they pertain. As such, revenue distribution across quarters may vary depending on the timing of the school calendar. This information is provided to facilitate a comprehensive understanding and informed analysis of the results of operations of the Group. However, management has concluded that the Group’s operation is not highly seasonal.
- i. On March 23, 2017, STI ESG listed its ₱3.0 billion Series 7-year Bonds due 2024 and Series 10-year Bonds due 2027 on the PDEX secondary market. The ₱3.0 billion bond issue is the first tranche of STI ESG’s ₱5.0 billion fixed-rate bonds program under its 3-year shelf registration with the SEC. The 3-year shelf registration ended on March 9, 2020. STI ESG’s 7-year which had a fixed interest rate of 5.8085% per annum, were fully redeemed in March 2024 while the 10-year bonds, maturing in 2027, continue to carry a fixed interest rate of 6.3756% per annum. Interests are payable quarterly in arrears on June 23, September 23, December 23, and March 23 or the next business day if such dates fall on non-banking days, of each year commencing on June 23, 2017, until and including the relevant maturity dates (see Note 17 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements).

- j. On February 27, 2024, the BODs of Philippine School of Business Administration (PSBA Manila) and Philippine School of Business Administration, Inc. – Quezon City (PSBA Quezon City) or collectively referred to as “PSBA,” and STI Holdings (the “Company”), its affiliates, assignees, or successors-in-interest ratified the execution of a term sheet which covers the takeover by STI Holdings of the operations of PSBA as well as the acquisition of licenses, trademarks, trade names, and school-related assets owned by PSBA (the “transaction”).

The term sheet and the implementation of the transaction are subject to several conditions including, among others, the execution of mutually acceptable definitive agreements, the fulfillment of the conditions precedent, the approval of the stockholders of PSBA, and regulatory approvals.

On May 2, 2024, STI Holdings disclosed to the SEC and the PSE the developments regarding the transactions by and among STI Holdings and PSBA involving the following: (a) the acquisition by the Company or its affiliates, assignees or successors-in-interest of a 3,000 square meter parcel of land located at Aurora Boulevard, Quezon City which forms part of the properties owned by PSBA Manila (the "Subject Property"); (b) the acquisition by the Company or its affiliates, assignees or successors-in-interest of the tangible and intangible assets of PSBA (collectively, the "School Related Assets") used or relating to the operation by PSBA of its schools located in Manila and Quezon City (collectively, the "PSBA Schools"); and (c) the grant by PSBA of a right of first refusal over the properties owned by PSBA Manila located in Manila (the "PSBA Manila Property") and Quezon City, net of the Subject Property (the "Remaining PSBA Quezon City Properties").

On May 2, 2024, STI ESG entered into a Contract to Sell with PSBA Manila for the sale and purchase of the Subject Property. The purchase price of the Subject Property is less than ten percent (10%) of the total assets of the Company. The sale and purchase of the Subject Property is subject to regulatory approvals and the fulfillment of certain conditions precedent. Subject to regulatory approvals and upon fulfillment of such conditions precedent, STI ESG and PSBA Manila shall execute a Deed of Absolute Sale over the Subject Property.

On the same date, STI College Novaliches, Inc. entered into an Asset Purchase Agreement with PSBA for the acquisition by STI College Novaliches, Inc. of the tangible and intangible assets of PSBA (collectively, the “School Related Assets”) used or relating to the operation by PSBA of its schools located in Manila and Quezon City. The sale and purchase of the School Related Assets is subject to regulatory approvals and the fulfillment of certain conditions. Subject to regulatory approvals and the fulfillment of certain conditions, STI College Novaliches, Inc. and PSBA shall execute a Deed of Assignment for the sale and purchase of the School Related Assets. In January 2025, STI College Novaliches, Inc. became a subsidiary of STI Holdings.

As at November 19, 2025, the conditions precedent and regulatory approvals for the aforementioned agreements have not been fulfilled.

On May 30, 2024, STI ESG and PSBA executed a Management Agreement appointing STI ESG to manage the operations of PSBA schools with the goal of increasing enrollment as well as promoting PSBA as one of the leading educational institutions in the Philippines for accountancy and business programs. The management services commenced on July 1, 2024 for PSBA Quezon City and on August 1, 2024 for PSBA Manila. The agreement has a term of three (3) years counting from the respective management commencement dates.

The agreement provides that STI ESG shall perform the following obligations, among others: (1) provide management services including, but not limited to, marketing and advertising efforts,

administering teaching and non-teaching staff deployed in each of the PSBA schools, maintaining school records and providing such other administrative and support services required for the effective operations of PSBA schools; (2) enter into contracts for and on behalf of PSBA with third parties without need of consent of PSBA; (3) liaise with local government units and government agencies in relation to the management and operations of PSBA schools; and (4) apply for and obtain permits and licenses for PSBA schools.

PSBA Manila and PSBA Quezon City shall each pay management fees to STI ESG equivalent to 26% of the gross revenues of PSBA Manila and PSBA Quezon City, respectively.

PSBA Manila and PSBA Quezon City shall each pay management fees to STI ESG equivalent to 26% of the gross revenues of PSBA Manila and PSBA Quezon City, respectively.

The management agreement may be extended provided that (i) such extension shall be subject to mutual agreement of the Parties, (ii) STI ESG shall be entitled to use the PSBA Manila and Quezon City properties rent-free during the extended management period, and (iii) the same terms and conditions shall apply during the extended management period unless otherwise agreed upon by the Parties in writing.

On September 23, 2024, PSBA informed STI Holdings that a third party had offered to purchase the PSBA Manila Property. On October 2, 2024, STI Holdings informed PSBA that it intended to exercise its right of first refusal over the PSBA Manila Property under the same terms and conditions offered by the third party. As at October 13, 2025, STI Holdings has yet to receive the reply of PSBA.

On July 31, 2025, the SEC approved the amendments to the Articles of Incorporation of STI College Novaliches, Inc., which include, among others, the following:

- Change in corporate name to “Philippine School of Business Administration - Manila, Inc.”;
- Revision of the primary purpose to include the offering of primary and post-graduate education;
- Modification of the secondary purpose to allow the purchase, acquisition, ownership, lease, sale, and conveyance of intangible assets as may be necessary or incidental to its operations; and
- Extension of the corporate term to perpetual existence.

On August 29, 2025, the SEC approved the amended By-Laws of Philippine School of Business Administration-Manila, Inc. (formerly “STI College Novaliches, Inc.”) which include, among others, the change in its fiscal year from April 1 of each year to March 31 of the following year to July 1 of each year to June 30 of the following year.

UNDERTAKING TO PROVIDE SEC FORM 17-A AND SEC FORM 17-Q

A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A AS OF 30 JUNE 2025 AND INTERIM FINANCIAL STATEMENTS (SEC FORM 17-Q) AS OF 30 SEPTEMBER 2025, WILL BE PROVIDED WITHOUT CHARGE, TO ANY STOCKHOLDERS OF THE COMPANY UPON WRITTEN REQUEST ADDRESSED TO: ATTY. ARSENIO C. CABRERA, JR., CORPORATE SECRETARY, 5/F SGV II, BUILDING, 6758 AYALA AVENUE, MAKATI CITY 1226, METRO MANILA, PHILIPPINES.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STI EDUCATION SYSTEMS HOLDINGS, INC.

Issuer

ARSENIO C. CABRERA, JR.

Corporate Secretary

Date: 19 November 2025



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **STI Education Systems Holdings, Inc. and subsidiaries (the Group)** is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at June 30, 2025 and 2024 and for the years ended June 30, 2025, 2024, and 2023, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

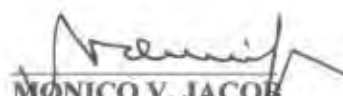
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

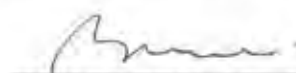
The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with the Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


EUSEBIO H. TANCO
Chairman of the Board


MONICO V. JACOB
President and Chief Executive Officer


YOLANDA M. BAUTISTA
Treasurer and Chief Financial Officer

Signed this 13th day of October 2025

REPUBLIC OF THE PHILIPPINES
(CITY OF MAKATI CITY) S.S.

OCT 13 2025

MAKATI CITY

SUBSCRIBED AND SWORN to me this _____ day of _____, 2025 at _____ City. Affiants exhibited to me their respective Passport/SSS Numbers as follows:

Name	Number
Eusebio H. Tanco	Passport No. PO992946B
Monico V. Jacob	Passport No. P6179864B
Yolanda M. Bautista	SSS No. 03-2678038-9

Doc. No. 300
Page No. 61
Book No. V
Series of 2025




MIGUEL ANTONIO U. TENSUAN
Notary Public for Makati City
Appointed by the Department of Justice
Until 31 December 2025
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 87628
PTR No. 10466066 / Makati / 02 January 2025
IBP No. 470792 / Makati / 08 October 2024
MCLC Compliance No. VIII-0013765/

C O V E R S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	0	0	0	1	7	4	6

COMPANY NAME

S	T	I	E	D	U	C	A	T	I	O	N	S	Y	S	T	E	M	S	H	O	L	D	I	N	G	S	
I	N	C	.	A	N	D	S	U	B	S	I	D	I	A	R	I	E	S									

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

7	t	h	F	l	o	o	r	,	S	T	I	H	o	l	d	i	n	g	s	C	e	n	t	e	r	
,	6	7	6	4	A	y	a	l	a	A	v	e	n	u	e	,	M	a	k	a	t	i	C	i		
t	y	1	2	2	6																					

Form Type

1	7	-	A

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

N	A

C O M P A N Y I N F O R M A T I O N

Company's Email Address

info@stiholdings.com.ph

Company's Telephone Number

(632) 8844 9553

Mobile Number

N/A

No. of Stockholders

1,258

Annual Meeting (Month / Day)

Third Friday of November

Fiscal Year (Month / Day)

June 30

C O N T A C T P E R S O N I N F O R M A T I O N

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Arsenio C. Cabrera, Jr.

Email Address

accabrera@htc-law.com.ph

Telephone Number/s

(632) 8813-7111

Mobile Number

-

C O N T A C T P E R S O N ' s A D D R E S S

5/F SGV-II BUILDING, 6758 AYALA AVENUE, MAKATI CITY

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

Opinion

We have audited the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended June 30, 2025 and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended June 30, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Adequacy of Allowance for Expected Credit Losses on Receivables

The Group's application of the expected credit loss (ECL) model in calculating the allowance for doubtful accounts is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures, defining default, determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts and incorporating forward-looking information (called overlays) in calculating ECL. The Group's allowance for ECL and provision for ECL on receivables as of and for the year ended June 30, 2025 amounted to ₱185.4 million and ₱59.9 million, respectively.

The disclosures on allowance for expected credit losses are included in Notes 4 and 6 to the consolidated financial statements.

Audit response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (c) tested historical loss rates by inspecting historical recoveries and write-offs; (d) checked the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios.

Further, we checked the data used in the ECL models, such as the historical aging analysis and default and recovery data, by reconciling data from source system reports to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated impairment provisions on a sample basis. We reviewed the disclosures made in the consolidated financial statements based on the requirements of PFRS 9.

Recoverability of Goodwill

Under PFRS, the Group is required to annually test the amount of goodwill for impairment. As at June 30, 2025, the Group's goodwill attributable to each of the Group's cash-generating units (CGUs) that are expected to benefit from the business combination (i.e., each school operation) amounted to ₱252.3 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgments and is based on assumptions, specifically forecasted revenue growth, long-term growth rate and discount rate.

The Group's disclosures about goodwill are included in Notes 4 and 16 to the consolidated financial statements.



Audit response

We involved our internal specialist in evaluating the methodology and assumptions used. These assumptions include forecasted revenue growth, long-term growth rate and discount rate. We compared the key assumptions used, such as forecasted revenue growth and long-term growth rate against the historical performance of the CGUs and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of the goodwill.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended June 30, 2025 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended June 30, 2025, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

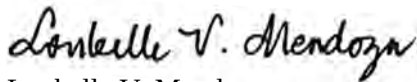


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10465344, January 2, 2025, Makati City

October 13, 2025



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱2,732,620,639	₱1,855,500,909
Receivables (Note 6)	538,014,530	466,906,156
Inventories (Note 7)	169,265,266	157,140,374
Prepaid expenses and other current assets (Note 8)	148,265,064	150,603,906
Equity instruments at fair value through profit or loss (FVPL) (Note 9)	11,501,000	8,137,500
	3,599,666,499	2,638,288,845
Noncurrent asset held for sale (Notes 10 and 12)	–	1,020,728,064
Total Current Assets	3,599,666,499	3,659,016,909
Noncurrent Assets		
Property and equipment (Notes 11 and 29)	10,453,454,936	9,926,170,807
Investment properties (Note 12)	2,024,612,385	1,187,012,953
Investments in and advances to associates and joint venture (Notes 13 and 14)	24,718,223	21,108,679
Equity instruments at fair value through other comprehensive income (FVOCI) (Note 15)	73,649,156	76,670,624
Deferred tax assets - net (Note 30)	51,456,164	43,029,099
Goodwill, intangible and other noncurrent assets (Note 16)	786,701,221	528,812,775
Total Noncurrent Assets	13,414,592,085	11,782,804,937
TOTAL ASSETS	₱17,014,258,584	₱15,441,821,846
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 17)	₱996,072,327	₱950,593,453
Current portion of interest-bearing loans and borrowings (Note 18)	580,267,162	536,274,021
Unearned tuition and other school fees (Note 22)	242,773,837	171,447,943
Current portion of lease liabilities (Note 29)	91,386,106	86,894,606
Income tax payable	43,674,659	25,297,811
Total Current Liabilities	1,954,174,091	1,770,507,834
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Note 18)	1,146,065,668	1,549,840,391
Bonds payable (Note 19)	816,706,013	814,967,275
Lease liabilities - net of current portion (Note 29)	369,663,874	403,178,658
Pension liabilities - net (Note 28)	100,097,662	129,780,991
Deferred tax liabilities - net (Note 30)	112,048,993	110,477,037
Other noncurrent liabilities (Note 20)	30,330,757	90,693,651
Total Noncurrent Liabilities	2,574,912,967	3,098,938,003
Total Liabilities (Carried Forward)	4,529,087,058	4,869,445,837



	June 30	
	2025	2024
Total Liabilities (<i>Brought Forward</i>)	₱4,529,087,058	₱4,869,445,837
Equity Attributable to Equity Holders of the Parent Company (Note 21)		
Capital stock	4,952,403,462	4,952,403,462
Additional paid-in capital	1,139,438,468	1,119,127,301
Cost of shares held by a subsidiary	(430,454,088)	(498,142,921)
Cumulative actuarial gain (Note 28)	78,504,031	44,378,717
Unrealized fair value adjustment on equity instruments at FVOCI (Note 15)	17,367,840	20,349,810
Other equity reserve	(1,686,369,660)	(1,686,369,660)
Share in associates' other comprehensive income (Note 13)	321,455	321,455
Retained earnings	8,295,847,265	6,529,002,580
Total Equity Attributable to Equity Holders of the Parent Company	12,367,058,773	10,481,070,744
Equity Attributable to Non-controlling Interests (Note 21)	118,112,753	91,305,265
Total Equity	12,485,171,526	10,572,376,009
TOTAL LIABILITIES AND EQUITY	₱17,014,258,584	₱15,441,821,846

See accompanying Notes to Consolidated Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30		
	2025	2024	2023
REVENUES (Note 22)			
Sale of services:			
Tuition and other school fees	₱5,093,513,784	₱4,302,280,455	₱3,073,613,413
Educational services	228,996,954	175,161,712	149,075,492
Royalty fees	21,297,396	17,314,956	14,736,299
Others	96,553,155	72,480,280	53,066,737
Sale of educational materials and supplies	119,100,518	133,086,265	114,976,012
	5,559,461,807	4,700,323,668	3,405,467,953
COSTS AND EXPENSES			
Cost of educational services (Note 24)	1,436,121,252	1,318,252,381	1,040,010,599
Cost of educational materials and supplies sold (Note 25)	92,855,594	102,702,452	90,603,824
General and administrative expenses (Note 26)	1,666,841,359	1,498,548,715	1,330,808,026
	3,195,818,205	2,919,503,548	2,461,422,449
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	2,363,643,602	1,780,820,120	944,045,504
OTHER INCOME (EXPENSES)			
Interest expense (Notes 18, 19, 23 and 29)	(247,432,256)	(293,301,395)	(311,019,124)
Rental income (Notes 12, 29 and 31)	215,828,795	197,888,955	178,082,749
Interest income (Notes 5, 6 and 23)	57,394,348	57,677,714	22,595,338
Gain on:			
Termination of lease (Note 29)	53,291,007	—	—
Early extinguishment of loan (Note 18)	—	3,076,465	—
Recovery of accounts written off (Note 6)	9,790,490	6,526,844	11,326,257
Loss on remeasurement of noncurrent asset held for sale (Note 10)	(7,703,800)	—	—
Foreign exchange gain (loss) – net	(5,777,233)	17,257,709	2,455,311
Dividend income (Notes 9, 13 and 15)	4,295,391	2,890,090	2,495,044
Equity in net earnings of associates and joint venture (Note 13)	3,609,544	2,009,402	2,258,739
Fair value gain (loss) on equity instruments at FVPL (Note 9)	3,363,500	(852,500)	(620,000)
Other income (expenses) - net	1,007,937	(574,027)	6,490,801
	87,667,723	(7,400,743)	(85,934,885)
INCOME BEFORE INCOME TAX	2,451,311,325	1,773,419,377	858,110,619
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 30)			
Current	246,405,979	160,530,048	10,017,458
Deferred	(10,690,517)	4,538,331	(25,741,122)
	235,715,462	165,068,379	(15,723,664)
NET INCOME (Carried Forward)	2,215,595,863	1,608,350,998	873,834,283



	Years Ended June 30		
	2025	2024	2023
NET INCOME <i>(Brought Forward)</i>	₱2,215,595,863	₱1,608,350,998	₱873,834,283
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss in subsequent years:			
Remeasurement gain (loss) on pension liabilities (Note 28)	38,476,481	43,734,635	(18,793,451)
Income tax effect	(3,835,407)	(4,346,024)	1,885,573
Fair value change in equity instruments at FVOCI (Note 15)	(3,021,468)	5,315,161	1,872,852
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	31,619,606	44,703,772	(15,035,026)
TOTAL COMPREHENSIVE INCOME	₱2,247,215,469	₱1,653,054,770	₱858,799,257
Net Income Attributable To			
Equity holders of the Parent Company	₱2,191,076,517	₱1,591,191,183	₱870,268,404
Non-controlling interests	24,519,346	17,159,815	3,565,879
	₱2,215,595,863	₱1,608,350,998	₱873,834,283
Total Comprehensive Income Attributable To			
Equity holders of the Parent Company	₱2,222,219,861	₱1,635,333,005	₱855,341,131
Non-controlling interests	24,995,608	17,721,765	3,458,126
	₱2,247,215,469	₱1,653,054,770	₱858,799,257
Basic/Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company (Note 32)	₱0.22	₱0.16	₱0.09

See accompanying Notes to Consolidated Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED JUNE 30, 2025, 2024 AND 2023

	Equity Attributable to Equity Holders of the Parent Company (Note 21)									
				Unrealized Fair Value Adjustment on Equity Instruments at FVOCI (Note 15)	Share in Associates' Other Comprehensive Income (Note 13)	Retained Earnings	Total	Equity Attributable to Non-controlling Interests (Note 21)	Total Equity	
Balance at July 1, 2024	Capital Stock	Additional Paid-in Capital	Cost of Shares Held by a Subsidiary	Cumulative Actuarial Gain (Note 28)	Other Equity Reserve					
	P4,952,403,462	P1,119,127,301	(P498,142,921)	P44,378,717	P20,349,810	(P1,686,369,660)	P321,455	P6,529,002,580	P10,481,070,744	
Net income	-	-	-	34,125,314	(2,981,970)	-	-	2,191,076,517	2,191,076,517	
Other comprehensive income	-	-	-	34,125,314	(2,981,970)	-	-	31,143,344	31,143,344	
Total comprehensive income	-	-	-	34,125,314	(2,981,970)	-	-	2,191,076,517	2,222,219,861	
Dividend declaration	-	-	-	-	-	-	-	(424,231,832)	(424,231,832)	
Partial disposal of the Parent Company's shares held by a subsidiary (Note 21)	-	20,311,167	67,688,833	-	-	-	-	88,000,000	88,000,000	
Share of non-controlling interest on dividends declared by a subsidiary (Note 21)	-	-	-	-	-	-	-	-	-	
Deposit for future stock subscription from non-controlling interest holder (Notes 20 and 21)	-	-	-	-	-	-	-	-	-	
Balance at June 30, 2025	P4,952,403,462	P1,139,438,468	(P430,454,089)	P78,504,031	P17,367,840	(P1,686,369,660)	P321,455	P8,295,847,265	P12,367,058,773	
Balance at July 1, 2023	P4,952,403,462	P1,119,127,301	(P498,142,921)	P5,481,945	P15,104,760	(P1,686,369,660)	P321,455	P5,219,942,618	P9,127,868,960	
Net income	-	-	-	-	-	-	-	1,591,191,183	1,591,191,183	
Other comprehensive income	-	-	-	38,896,772	5,245,050	-	-	-	44,141,822	
Total comprehensive income	-	-	-	38,896,772	5,245,050	-	-	1,591,191,183	1,635,333,005	
Dividend declaration	-	-	-	-	-	-	-	(282,131,221)	(282,131,221)	
Share of non-controlling interest on dividends declared by a subsidiary (Note 21)	-	-	-	-	-	-	-	-	-	
Balance at June 30, 2024	P4,952,403,462	P1,119,127,301	(P498,142,921)	P44,378,717	P20,349,810	(P1,686,369,660)	P321,455	P6,529,002,580	P10,481,070,744	
Balance at July 1, 2022	P4,952,403,462	P1,119,127,301	(P498,142,921)	P27,664,542	P13,255,113	(P1,686,369,660)	P321,455	P4,485,334,148	P8,413,593,440	
Net income	-	-	-	-	-	-	-	870,268,404	870,268,404	
Other comprehensive income	-	-	-	(16,776,920)	1,849,647	-	-	(14,927,273)	(14,927,273)	
Total comprehensive income	-	-	-	(16,776,920)	1,849,647	-	-	870,268,404	855,341,131	
Dividend declaration	-	-	-	-	-	-	-	(141,065,611)	(141,065,611)	
Transfer of remeasurement gain on pension liabilities to retained earnings	-	-	-	(5,405,677)	-	-	-	5,405,677	-	
Share of non-controlling interest on dividends declared by a subsidiary (Note 21)	-	-	-	-	-	-	-	-	-	
Balance at June 30, 2023	P4,952,403,462	P1,119,127,301	(P498,142,921)	P5,481,945	P15,104,760	(P1,686,369,660)	P321,455	P5,219,942,618	P9,127,868,960	
							</			

See accompanying Notes to Consolidated Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended June 30		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P2,451,311,325	P1,773,419,377	P858,110,619
Adjustments to reconcile income before income tax to net cash flows:			
Depreciation and amortization (Notes 11, 12, 16, 24 and 26)	680,788,886	625,124,560	613,400,100
Interest expense (Notes 18, 19, 23 and 29)	247,432,256	293,301,395	311,019,124
Interest income (Notes 5, 6 and 23)	(57,394,348)	(57,677,714)	(22,595,338)
Net change in net pension liabilities (Note 28)	8,793,152	33,716,304	12,350,444
Dividend income (Notes 9, 13 and 15)	(4,295,391)	(2,890,090)	(2,495,044)
Unrealized foreign exchange loss (gain) - net	97,392	(7,993,470)	(2,338,828)
Equity in net earnings of associates and joint venture (Note 13)	(3,609,544)	(2,009,402)	(2,258,739)
Fair value loss (gain) on equity instruments at FVPL (Note 9)	(3,363,500)	852,500	620,000
Gain on:			
Termination of lease (Note 29)	(53,291,007)	-	-
Early extinguishment of loan (Note 18)	-	(3,076,465)	-
Sale of property and equipment	-	(485,335)	(826,707)
Loss on remeasurement of noncurrent asset held for sale (Note 10)	7,703,800	-	-
Provision for impairment of:			
Goodwill (Notes 16 and 26)	-	14,268,891	-
Investments in and advances to associates and joint venture (Notes 13 and 26)	-	1,650,340	-
Operating income before working capital changes	3,274,173,021	2,668,200,891	1,764,985,631
Decrease (increase) in:			
Receivables	25,089,593	(41,220,119)	33,687,911
Inventories	(12,124,892)	(27,642,073)	29,647,945
Prepaid expenses and other current assets	(17,198,073)	(37,353,753)	(87,582,686)
Increase (decrease) in:			
Accounts payable and other current liabilities	(92,057,631)	122,795,331	(8,434,772)
Unearned tuition and other school fees	(20,566,462)	81,844,568	44,988,021
Other noncurrent liabilities	(2,301,241)	(21,390,354)	88,727,969
Net cash generated from operations	3,155,014,315	2,745,234,491	1,866,020,019
Income tax paid	(208,492,216)	(76,745,411)	(3,101,596)
Interest received	53,942,046	56,033,045	22,402,910
Net cash provided by operating activities	3,000,464,145	2,724,522,125	1,885,321,333
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Notes 11 and 37)	(775,727,708)	(931,528,841)	(332,240,724)
Investment properties (Notes 12 and 37)	(4,510,732)	(742,694)	(147,999,761)
Subsidiary, net of cash received (Note 39)	-	27,652	9,232,049
Acquisition of/payments for intangible and other noncurrent assets (Notes 16 and 37)	(306,179,699)	(108,399,492)	(49,262,888)
Proceeds from:			
Sale of property and equipment	-	508,916	826,964
Sale of noncurrent asset held for sale (Note 10)	-	-	19,000,000
Dividends received (Notes 9, 13 and 15)	4,295,391	2,890,090	2,495,944
Net cash used in investing activities	(1,082,122,748)	(1,037,244,369)	(497,948,416)

(Forward)



	Years Ended June 30		
	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from availment of long-term loans (Note 18)	₱198,500,000	₱1,488,750,000	₱–
Proceeds from partial disposal of the Parent Company's shares held by a subsidiary (Note 21)	88,000,000	–	–
Payments of:			
Long-term loans (Note 18)	(562,222,222)	(473,050,208)	(459,544,756)
Dividends (Note 21)	(428,326,765)	(287,597,966)	(142,953,699)
Interests	(215,551,280)	(224,187,598)	(263,727,425)
Lease liabilities (Note 29)	(121,524,008)	(122,452,098)	(133,436,395)
Bonds (Note 19)	–	(2,180,000,000)	–
Net cash used in financing activities	(1,041,124,275)	(1,798,537,870)	(999,662,275)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(97,392)	7,993,470	2,338,828
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	877,119,730	(103,266,644)	390,049,470
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,855,500,909	1,958,767,553	1,568,718,083
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱2,732,620,639	₱1,855,500,909	₱1,958,767,553

See accompanying Notes to Consolidated Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

a. General

STI Education Systems Holdings, Inc. (STI Holdings or the Parent Company) and its subsidiaries (hereafter collectively referred to as the “Group”) are all incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). STI Holdings was originally established in 1928 as the Philippine branch office of Theo H. Davies & Co., a Hawaiian corporation. It was reincorporated as a Philippine corporation and registered with the SEC on June 28, 1946. STI Holdings’ shares were listed on the Philippine Stock Exchange (PSE) on October 12, 1976. The primary purpose of the Parent Company is to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, pledge, exchange, or otherwise dispose of real properties as well as personal and movable property of any kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned, but not to act as dealer in securities, and to invest in and manage any company or institution. STI Holdings aims to focus on education and education-related activities and investments.

STI Holdings’ registered office address, which is also its principal place of business, is 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226.

b. STI Education Services Group, Inc. and Subsidiaries (collectively referred to as “STI ESG”)

In September 2012, STI ESG became a subsidiary of the Parent Company through a share-for-share swap agreement with the shareholders of STI ESG. STI Holdings’ ownership of STI ESG is at 98.7% as at June 30, 2025 and 2024.

STI ESG is involved in establishing, maintaining, and operating educational institutions to provide pre-elementary, elementary, secondary, including Senior High School (SHS), and tertiary as well as post-graduate courses, post-secondary and lower tertiary non-degree programs. The Group also develops, adopts and/or acquires, entirely or in part, such curricula or academic services as may be necessary in the pursuance of its main activities, relating but not limited to information technology services, information technology-enabled services, education, hotel and restaurant management, engineering, business studies, psychology and criminology.

STI ESG has investments in several entities which own and operate STI schools. STI schools may be operated either by: (a) STI ESG; (b) its subsidiaries; or (c) independent entrepreneurs (referred to as the “franchisees”) under the terms of licensing agreements with STI ESG.

Other features of the licensing agreements are as follows:

- Exclusive right to use proprietary marks and information including but not limited to courseware programs, operational manuals, methods, standards, systems, that are used exclusively in the STI network of schools;
- Continuing programs for faculty and personnel development, including evaluation and audit of pertinent staff;
- Development and adoption of the enrollment and registration system;



- Assistance on matters pertaining to financial and accounting procedures, faculty recruitment and selection, marketing and promotion, record keeping and others.

Merger with Several Majority and Wholly-owned Subsidiaries

On December 9, 2010, STI ESG's stockholders approved the following mergers:

- Phase 1: The merger of three (3) majority owned schools and fourteen (14) wholly-owned schools with STI ESG, with STI ESG as the surviving entity. The Phase 1 merger was approved by the Commission on Higher Education (CHED) and the SEC on March 15, 2011 and May 6, 2011, respectively.
- Phase 2: The merger of one (1) majority owned school and eight (8) wholly-owned pre-operating schools with STI ESG, with STI ESG as the surviving entity. The Phase 2 merger was approved by CHED and the SEC on July 18, 2011 and August 31, 2011, respectively.
- Phase 3: On August 30, 2017, the SEC approved the application for merger of STI College Taft, Inc. (STI Taft) and STI College Dagupan, Inc. (STI Dagupan) with STI ESG as the surviving entity.

On September 25, 2013, STI ESG's BOD approved an amendment to the Phase 1 and 2 mergers whereby STI ESG would issue shares, at par value, to the stockholders of the non-controlling interests. In 2014, STI ESG issued 1.9 million additional shares at par value to the stockholders of one of the merged schools. As at October 13, 2025, the amendment is still pending approval by the SEC.

STI ESG also requested for confirmatory ruling on the tax-free mergers covered by Phase 1 and Phase 3 from the Bureau of Internal Revenue (BIR). As a response to the request made for the Phases 1 and 3 mergers, the BIR informed STI ESG through letters dated November 25, 2022 and September 28, 2022, respectively, that Section 40 C.2 of the Tax Code, as amended by Republic Act (RA) No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, now mandates that for purposes of availing the tax exemption, prior BIR confirmatory ruling is no longer required. In this regard, STI ESG applied for the issuance of the Certificates Authorizing Registration (CAR) for the tax-free transfers of real estate in exchange for shares pursuant to the provisions of Section 40. C.2 of the Tax Code. As of October 13, 2025, STI ESG has not received the CARs from the BIR.

On August 5, 2022, CHED approved the transfer of school operations of STI College Quezon Avenue, Inc. (STI Quezon Avenue) to Tanay, Rizal subject to compliance with certain requirements. In September 2022, CHED granted STI Quezon Avenue government recognitions to offer Bachelor of Science (BS) in Business Administration, BS in Tourism Management and BS in Hospitality Management. The government recognition to offer BS in Information Technology was issued in October 2022. The government recognitions received in 2022 replaced the government recognitions issued by CHED in 2009 due to the transfer of location of STI Quezon Avenue from Quezon City to Tanay, Rizal. STI Quezon Avenue has resumed operations on its new site in Tanay, Rizal beginning SY2022-2023.

In separate meetings held on November 29, 2022, the BOD and stockholders of STI Quezon Avenue approved the amendments in its Articles of Incorporation (AOI) and By-Laws as follows: (1) change of corporate name from "STI College Quezon Avenue, Inc." to "STI Colleges of Rizal, Inc.", (2) have perpetual existence, (3) change of fiscal year beginning July 1 of each year and ending on June 30 of the following year, among others. On November 12, 2024, the SEC approved the change of corporate name from "STI College Quezon Avenue, Inc." to "STI Colleges of Rizal, Inc. (STI Tanay)," along with the other aforementioned amendments in its AOI and By-Laws. On September 10, 2025, the BIR approved the change in its fiscal year.



On March 16, 2023, STI ESG and the majority owners of STI College Alabang, Inc. (STI Alabang) entered into a deed of absolute sale whereby STI ESG acquired 60.0% of the issued and outstanding capital stock of STI Alabang from the former franchisee for ₱1.00. Prior to this, STI ESG owned 40.0% of STI Alabang's issued and outstanding capital stock. With the acquisition of the 60.0% ownership, STI Alabang became a wholly-owned subsidiary of STI ESG (see Note 39).

As at June 30, 2025, STI ESG's network of operating schools totals 63 schools with 37 owned schools and 26 franchised schools comprising 60 colleges and 3 education centers.

c. STI West Negros University, Inc. (STI WNU)

In October 2013, the Parent Company acquired majority ownership interest in STI WNU. The consideration for the acquisition of STI WNU includes contingent consideration amounting to ₱151.5 million. As at June 30, 2025 and 2024, liability for contingent consideration recognized as "Nontrade payable" amounted to ₱17.0 million (see Notes 17 and 34). As at June 30, 2025 and 2024, the Parent Company owns 99.9% of STI WNU.

STI WNU owns and operates STI West Negros University in Bacolod City. It offers primary, JHS and SHS, tertiary and post-graduate programs. It also provides technical-vocational education training services under TESDA and/or operates a Training Center as well as an Assessment Center in relation to the said services.

On September 16, 2024, CHED granted STI WNU its Autonomous status by virtue of CHED Memorandum Order No. 7 Series of 2024. Autonomous schools have the freedom to open new programs without securing prior approval from CHED, priority in the grant of subsidies, and other financial incentives from CHED, and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among other benefits.

d. iACADEMY, Inc. (iACADEMY) (Formerly: Information and Communications Technology Academy, Inc.)

iACADEMY is a premier school offering specialized programs in SHS and college that are centered on Computing, Business and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, and Cloud Computing. iACADEMY also offers programs in Accountancy, Marketing Management, Psychology, and Digital Media Management. It started in 2002 as a wholly-owned subsidiary of STI ESG until its acquisition by STI Holdings on September 30, 2016, thus making iACADEMY a wholly-owned subsidiary of STI Holdings. iACADEMY conducts its classes in two strategically located facilities: the Nexus building along Yakal Street in Makati City and the 5th Floor of Filinvest Cebu Cyberzone Tower Two, Cebu IT Park, Apas, Cebu City.

On September 7, 2017, the Board of Governors (BOG) of iACADEMY approved the merger of iACADEMY and Neschester Corporation (Neschester), with iACADEMY as the surviving entity. The stockholders of both companies confirmed, ratified and approved the merger on the same date. The Plan of Merger between iACADEMY and Neschester was filed with the SEC on January 24, 2018 and was approved on April 10, 2018. In addition, on September 7, 2017, the stockholders and BOG of iACADEMY approved the increase in its authorized capital stock from ₱500.0 million (with a par value of ₱1.00 per share) to ₱1,000.0 million (with a par value of ₱1.00 per share). The increase in authorized capital stock was likewise approved by the SEC on April 10, 2018. On May 11, 2018, iACADEMY issued 494,896,694 shares to STI Holdings in exchange for the net assets of Neschester as a result of the merger.



On December 4, 2018, iACADEMY and Neschester requested for a confirmatory ruling on the tax-free merger from the BIR. On October 13, 2022, iACADEMY received a letter from the BIR in response to the request made for the merger. In the said letter, the BIR informed iACADEMY that Section 40.C.2 of the Tax Code, as amended by RA No. 11534 or the CREATE Act, now mandates that for purposes of availing the tax exemption, prior BIR confirmatory ruling is no longer required. In this regard, iACADEMY and Neschester can implement the said transaction, including, but not limited to the issuance of CAR by the concerned Revenue District Office (RDO). On February 8, 2023, iACADEMY applied for the CAR with the concerned RDO. The BIR issued the CAR to iACADEMY on February 8, 2024. On September 4, 2024, iACADEMY settled the applicable transfer taxes and Registry of Deeds fees associated with the transfer of title from Neschester to iACADEMY. The Registry of Deeds officially issued the Transfer Certificate of Title in the name of iACADEMY in October 2024.

On June 1, 2022, the BOG and stockholders of iACADEMY, at separate meetings, approved the amendments in its AOI as follows: (1) amendment of its primary purpose to include (a) establishment of educational institutions in Metro Manila and a branch in Cebu City; and (b) that iACADEMY shall have all the express powers of a corporation under Section 35 of the Revised Corporation Code, including the establishment and maintenance of branches and school campuses within the Philippines, subject to the rules and regulations of DepEd, CHED and TESDA. The SEC approved the amendments on July 28, 2022.

On February 7, 2023, the BOG and stockholders of iACADEMY, at separate meetings, approved the change in its corporate name from Information and Communications Technology Academy, Inc. to iACADEMY, Inc. iACADEMY applied for the amendment of its AOI and By-Laws with the SEC on February 23, 2023. The SEC approved the change in corporate name on April 3, 2024.

e. STI College Novaliches, Inc.

On June 24, 2024, STI Holdings and STI College Novaliches, Inc. executed a Subscription Agreement wherein STI Holdings subscribed to 75.0 million common shares of STI College Novaliches, Inc. at ₱1.0 per share or ₱75.0 million, subject to the SEC's approval of the increase in authorized capital stock of STI College Novaliches, Inc. from 5.0 million common shares at ₱1.0 per share or ₱5.0 million to 300.0 million common shares at ₱1.0 per share or ₱300.0 million. The deposit for future stock subscription in the amount of ₱75.0 million was paid by STI Holdings in June 2024. On January 27, 2025, the SEC approved STI College Novaliches, Inc.'s application to increase its authorized capital stock. As a result, STI College Novaliches Inc. became a direct subsidiary of STI Holdings, with 93.75% ownership. STI ESG's ownership interest in STI College Novaliches, Inc. was reduced from 100.0% to 6.25% effective January 2025.

On March 31, 2025, STI Holdings, STI ESG, and STI College Novaliches, Inc. executed a Deed of Assignment (the Deed) where STI College Novaliches, Inc. unconditionally and irrevocably assigned and transferred its identified assets and liabilities, including its permits and licenses, to STI ESG for a total consideration of ₱4.2 million. The Novaliches campus of STI ESG has continued to operate as an STI ESG branch in Novaliches, Quezon City, effective January 2025.

On June 9, 2025, STI ESG informed CHED that STI ESG, STI College Novaliches, Inc., and STI Holdings have executed a Deed of Assignment to assign and transfer the assets and liabilities of STI College Novaliches, Inc. to STI ESG. The assets acquired by STI ESG consist of, but are not limited to, the permits issued by CHED, DepEd and TESDA in favor of STI College Novaliches, Inc. With the acquisition of the assets of STI College Novaliches, Inc., STI ESG will continue to operate the programs offered by STI Novaliches, as a branch of STI ESG, at its current campus in



Novaliches, Quezon City. As at October 13, 2025, the application for issuance of a Certificate of Confirmation in favor of STI ESG is still pending review of CHED.

On July 31, 2025, the SEC approved the amendments to the AOI of STI College Novaliches, Inc., which include, among others, the following, a) change in corporate name to “Philippine School of Business Administration-Manila, Inc.”; b) revision of the primary purpose to include the offering of primary and post-graduate education; c) modification of the secondary purpose to allow the purchase, acquisition, ownership, lease, sale, and conveyance of intangible assets as may be necessary or incidental to its operations; and d) extension of the corporate term to perpetual existence.

On August 29, 2025, the SEC approved the amended By-Laws of Philippine School of Business Administration-Manila, Inc. (formerly, “STI College Novaliches, Inc.”), which include, among others, the change in its fiscal year from April 1 of each year to March 31 of the following year to July 1 of each year to June 30 of the following year.

f. Attenborough Holdings Corp. (AHC)

AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders’ Agreement among the Parent Company, Philippine Women’s University (PWU) and Unlad Resources Development Corporation (Unlad). Under the Agreements, AHC is set to own up to 20.0% of Unlad. AHC is also a party to the Omnibus Agreement it executed with the Parent Company and Unlad (see Note 34).

Since February 2015, STI Holdings owns 100.0% of AHC.

On March 1, 2016, AHC executed a Deed of Assignment wherein AHC assigned to STI Holdings its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Parent Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad have been transferred to STI Holdings (see Note 34).

The establishment, operation, administration and management of schools are subject to the existing laws, rules and regulations, policies, and standards of DepEd, TESDA and CHED pursuant to Batas Pambansa Bilang 232, otherwise known as the “Education Act of 1982,” RA No. 7796, otherwise known as the “TESDA Act of 1994,” and RA No. 7722, otherwise known as the “Higher Education Act of 1994,” respectively.

The accompanying consolidated financial statements were approved and authorized for issuance by the BOD of STI Holdings on October 13, 2025.



2. Basis of Preparation and Material Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for noncurrent asset held for sale which has been measured at fair value less costs to sell and equity instruments at FVOCI and equity instruments at FVPL which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional and presentation currency, and all values are rounded to the nearest peso, except when otherwise indicated.

Seasonality of Operations

The Group's business is linked to the academic cycle which spans one academic year. The academic cycle for STI ESG and STI WNU is one academic year that starts in August and ends in June of the following year. For iACADEMY, classes start in August and end in May and July of the following year for SHS and tertiary level, respectively. In SY2022-2023, the Group gradually transitioned from remote learning to full conduct of face-to-face classes while classes for SY2023-2024 and SY2024-2025 were all conducted face-to-face for STI ESG and STI WNU, whereas iACADEMY implemented the Hybrid Learning Format.

The Group utilizes the electronic Learning Management System (eLMS), a cloud-based software application, to manage the delivery of educational courses and/or training programs for its students. eLMS supports collaboration through integrated tools such as wikis, forums, and discussion groups. It also includes an internal messaging system with bidirectional support for emails and text messaging, as well as a portfolio system that enables students to compile work that supports their learning and achievements. eLMS is a world-class and award-winning learning management system that schools and universities across the globe are using. This platform facilitates two-way interaction between teachers and students where they can collaborate, assign, and submit homework, take assessments, and track learning progress, among others. The Group has extensive experience with online learning, having utilized eLMS since 2016. This platform was crucial during the pandemic when online learning became the predominant modality. The Group continues to leverage the use of eLMS to enhance students' learning experiences through courseware content, performance tasks, and digital resources, among others, thereby ensuring continuity of education even amidst potential physical classroom disruptions.

The faculty members of the Group regularly undertake competency-based certifications and training programs. The Group adopts a hybrid approach, combining in-person and online training sessions. These training programs are essential to maintaining an acceptable level of competency among faculty members, ensuring they possess the industry-based experience and credentials necessary to effectively teach their assigned courses.

STI ESG and STI WNU implemented a flexible learning delivery modality in the first semester of SY2022-2023. For tertiary courses, all professional and identified general education courses were delivered onsite while other general education courses were delivered using blended modality, with a distribution of 50.0% onsite/face-to-face to 50.0% asynchronous. With the passage of CHED Memorandum Order No. 16 dated November 11, 2022 providing clarity and support to Higher Education Institutions (HEIs) towards progressive transitioning to full onsite learning, STI ESG opted to conduct full face-to-face classes for tertiary enrollees starting on its second semester of SY2022-2023 while STI WNU continued with its flexible learning delivery modality for tertiary and blended modality for SHS until the end of SY2022-2023. STI ESG conducted all classes face-to-face for SHS and JHS since the opening of SY2022-2023. Classes of SHS and JHS students of STI ESG and STI WNU for SY2022-2023 started on August 30, 2022 while classes of tertiary students started on September 5, 2022, except for STI WNU's School of Graduate Studies (SGS) which started classes on September 10, 2022. Face-to-face classes across all levels for SY2023-2024 and SY2024-2025 started



on August 29, 2023 and August 12, 2024, respectively, except for the School of Graduate Studies of STI WNU which started classes on September 2, 2023 and September 7, 2024, respectively.

iACADEMY implemented the Hyflex Learning Format for tertiary for SY2022-2023. Meanwhile, SHS followed the Hybrid Learning setup until the end of SY2022-2023. This allowed grades 11 and 12 students to alternately attend onsite and online classes throughout the week according to a definite schedule. Both the Hyflex and Hybrid Learning Models combine face-to-face and online remote instructions. Classes and learning activities were conducted in-person, synchronously online, and asynchronously online using various learning technologies while classes for specialized and contextualized subjects like Science and Information and Communications Technology (ICT), were held onsite in the laboratories. Under the Hyflex Learning Model, students had the flexibility to choose between attending in-person or online classes. This flexibility was not available in the Hybrid Learning Format, where students followed a fixed schedule alternating between onsite and online classes. The Hyflex model offered greater adaptability during the peak of the COVID-19 pandemic when stringent measures were in place. Classes for SHS and tertiary started on August 2, 2022 and August 30, 2022, respectively in SY2022-2023. For SY2023-2024 and SY2024-2025, iACADEMY implemented the Hybrid Learning Format across all levels. Classes for iACADEMY's SHS and tertiary students started on August 3, 2023 and August 29, 2023, respectively, in SY2023-2024. The academic year for SY2024-2025 commenced on August 8, 2024 for iACADEMY's SHS and on August 27, 2024 for tertiary students.

The Group remains committed to ensuring adherence to the guidelines set by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information and guidance on the conduct of face-to-face classes.

The revenues of the Group, which are mainly from tuition and other school fees, are recognized as income over the corresponding academic year to which they pertain. Accordingly, the revenue of the Group is expected to be lower during the first quarter of the fiscal year compared to the other quarters if the number of enrollees remains constant. This information is provided to allow for a proper appreciation of the results of operations of the Group. However, management has concluded that the Group's operation is not highly seasonal.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include Philippine Accounting Standards (PAS) and Philippine Interpretations based on equivalent interpretations from the International Financial Reporting Interpretations Committee (IFRIC) adopted by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at June 30, 2025 and 2024 and for the years ended June 30, 2025, 2024 and 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.



Specifically, the Parent Company controls an investee, if and only if, the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights

The subsidiaries of STI Holdings, which are all incorporated in the Philippines, are as follows:

Subsidiaries	Principal Activities	Effective Percentage of Ownership					
		2025		2024		2023	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
STI ESG	Educational Institution	99	–	99	–	99	–
STI WNU	Educational Institution	99	–	99	–	99	–
iACADEMY	Educational Institution	100	–	100	–	100	–
STI College Novaliches, Inc. ^(a)	Educational Institution	94	6	–	99	–	99
AHC	Holding Company	100	–	100	–	100	–
STI College Batangas, Inc. (STI Batangas)	Educational Institution	–	99	–	99	–	99
STI College of Kalookan, Inc. (STI Caloocan) ^(b)	Educational Institution	–	99	–	99	–	99
STI College of Santa Maria, Inc. (STI Sta. Maria)	Educational Institution	–	99	–	99	–	99
STI College Tanauan, Inc. (STI Tanauan)	Educational Institution	–	99	–	99	–	99
STI College Iloilo, Inc. (STI Iloilo)	Educational Institution	–	99	–	99	–	99
STI Lipa, Inc. (STI Lipa)	Educational Institution	–	99	–	99	–	99
STI College Pagadian, Inc. (STI Pagadian)	Educational Institution	–	99	–	99	–	99
STI Training Academy, Inc. (STI Training Academy)	Educational Institution	–	99	–	99	–	99
STI College Tuguegarao, Inc. (STI Tuguegarao)	Educational Institution	–	99	–	99	–	99
NAMEI Polytechnic Institute, Inc. (NAMEI)	Educational Institution	–	93	–	93	–	93
NAMEI Polytechnic Institute of Mandaluyong, Inc. (NPIM) ^(c)	Educational Institution	–	99	–	99	–	99
De Los Santos-STI College, Inc. (De Los Santos-STI College) ^(d)	Educational Institution	–	99	–	99	–	99
STI Colleges of Rizal, Inc. (STI Tanay) ^(e)	Educational Institution	–	99	–	99	–	99
STI-College Alabang, Inc. (STI Alabang)	Educational Institution	–	99	–	99	–	99
Clinquant Holdings, Inc (CHI) ^(f)	Investment Company	–	99	–	99	–	–

^(a) STI College Novaliches, Inc. became a direct subsidiary of STI Holdings pursuant to the subscription agreement, executed on June 24, 2024, between STI Holdings and STI College Novaliches, Inc. wherein STI Holdings subscribed to 75.0 million common shares of STI College Novaliches, Inc. at ₱1.00 per share. The increase in the authorized capital of STI College Novaliches, Inc. was approved by the SEC on January 27, 2025 (see Note 13).

^(b) A subsidiary of STI ESG through a management contract

^(c) NPIM ceased operations effective June 30, 2022.

^(d) In June 2016, De Los Santos-STI College advised CHED of the suspension of its operations for SYs 2016-2017 and 2017-2018 as a result of the implementation of the Government's K to 12 program. De Los Santos-STI College became a wholly-owned subsidiary of STI ESG effective August 4, 2021 (see Note 21). De Los Santos-STI College has not resumed its school operations as at October 13, 2025.

^(e) A wholly-owned subsidiary of De Los Santos-STI College; formerly STI College Quezon Avenue, Inc.

^(f) CHI became a wholly owned subsidiary of STI ESG as at June 30, 2024 (see Notes 11 and 39).

Accounting Policies of Subsidiaries. The separate financial statements of subsidiaries are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements include the accounts of STI ESG and its subsidiaries as at June 30, except for the accounts of STI Tuguegarao and STI Iloilo whose financial reporting date ends on December 31, and STI Batangas, STI Tanauan, STI Lipa, STI Pagadian, STI Sta. Maria, De Los Santos-STI College, STI Alabang, and STI Tanay whose financial reporting date ends on March 31. Adjustments are made for the effects of significant transactions or events that occur between the financial reporting date of the aforementioned subsidiaries and the financial reporting date of the Group's consolidated financial statements.



Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not wholly-owned by the Parent Company but rather held by minority interests. These are presented in profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

On transactions with non-controlling interests without loss of control, the difference between the fair value of the consideration and the book value of the share in the net assets acquired or disposed is treated as an equity transaction and is presented as part of “Other equity reserve” within the equity section in the consolidated statement of financial position.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards effective July 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The adoption of these new standards and amendments did not have any significant impact on the consolidated financial statements except otherwise stated.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability’s classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective as at July 1, 2024 are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective for fiscal year 2026

- Amendments to PAS 21, *Lack of exchangeability*



Effective for fiscal year 2027

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective for fiscal year 2028

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group has not early adopted the previously mentioned standards. The Group continues to assess the impact of the above new, amended and improved accounting standards and interpretations that are effective subsequent to June 30, 2025 on its consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Business Combination Involving Entities under Common Control

Where there are business combinations in which all the combining entities within the Group are ultimately controlled by the same ultimate parent before and after the business combination and that the control is not transitory (business combinations under common control), the Group may account such business combinations under the acquisition method of accounting or pooling of interests method, if the transaction was deemed to have substance from the perspective of the reporting entity. In determining whether the business combination has substance, factors such as the underlying purpose of the business combination and the involvement of parties other than the combining entities such as the non-controlling interest, shall be considered.

In cases where the business combination has no substance, the Group shall account for the transaction similar to a pooling of interests. The assets and liabilities of the acquired entities and that of the Group are reflected at their carrying values. The difference in the amount recognized and the fair value of the consideration given, is accounted for as an equity transaction, i.e., as either a contribution or distribution of equity. Further, when a subsidiary is disposed in a common control transaction, the difference in the amount recognized and the fair value of the consideration received, is also accounted for as an equity transaction. The Group records the difference as excess of consideration over carrying amount of disposed subsidiary and presents as separate component of equity in the consolidated statement of financial position.

Comparatives shall be restated to include balances and transactions of the entities that had been acquired at the beginning of the earliest period presented as if the companies had always been combined.



Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI and FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or



commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. It is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
 - Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
 - Financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments), and
 - Financial assets at FVPL
- a. *Financial assets at amortized cost (debt instruments).* The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As at June 30, 2025 and 2024, the Group's financial assets at amortized cost include cash and cash equivalents, receivables (except for receivables from officers and employees) and deposits under "Prepaid expenses and other current assets" and "Goodwill, intangible and other noncurrent assets" accounts.

- b. *Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).* Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading nor are contingent consideration recognized in a business combination in accordance with PFRS 3. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments at FVOCI are not subject to impairment assessment.

As at June 30, 2025 and 2024, the Group's listed and non-listed equity investments are classified as financial assets at FVOCI.



- c. *Financial assets at FVPL.* Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition as at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model.

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

As at June 30, 2025 and 2024, the Group's listed equity investments for trading are classified as financial assets at FVPL.

Impairment of Financial Assets. The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs for receivables from students. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. As for the other financial assets, the Group applied a general approach in the calculation since these accounts had no significant deterioration in credit risk since their initial recognition.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and
- The Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of ownership of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.



b. Financial liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, or as other financial liabilities.

The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and in the case of other financial liabilities, net of directly attributable transaction costs which include STI ESG's bond issuance costs, such as, taxes and various fees paid to investment banks, law firms, auditors, regulators, and so on.

As at June 30, 2025 and 2024, the Group does not have financial liabilities at FVPL. The Group's financial liabilities as at June 30, 2025 and 2024 are measured at amortized cost.

Subsequent Measurement. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statement of comprehensive income.

Other financial liabilities include interest-bearing loans and borrowings, bonds payable, accounts payable and other current liabilities (excluding government and other statutory liabilities), lease liabilities, and other noncurrent liabilities (excluding advance rent and deferred lease liability).

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least ten percent (10.0%) different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined by using the weighted average method. The NRV of educational materials is the selling price in the ordinary course of business, less estimated costs necessary to make the sale. The NRV of promotional materials and school materials and supplies is the current replacement cost.

Prepaid Expenses and Other Current Assets

Prepaid expenses are carried at cost and are amortized on a straight-line basis over the period of expected usage, which is equal to or less than 12 months or within the normal operating cycle.



Creditable Withholding Taxes (CWT). CWT represents the amount of tax withheld by counterparties from the Group. These are recognized upon collection and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWT is presented as part of “Prepaid taxes” under the “Prepaid expenses and other current assets” account in the consolidated statement of financial position. CWT is stated at its estimated NRV.

Noncurrent Asset Held for Sale

The Group classifies a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such noncurrent asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale.

The criteria for held for sale classification are regarded as met only when the asset is available for immediate sale in its present condition and the sale is highly probable. Management must be committed to a plan to sell, which is expected to be completed within one year from the date of the classification, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the plan to sell should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Investment properties are not depreciated or amortized once classified as held for sale. Noncurrent asset held for sale is presented separately as part of current assets in the consolidated statement of financial position.

Property and Equipment

The Group’s property and equipment consists of land, buildings, equipment, furniture and fixtures, leasehold improvements, library holdings, construction in-progress and right-of-use (ROU) assets that do not qualify as investment properties.

Property and equipment, except land, are stated at cost less accumulated depreciation, amortization and any impairment in value, excluding the costs of day-to-day servicing. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred and the recognition criteria are met. Land is stated at cost less any impairment in value.

The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling or removing the underlying asset.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.



Depreciation and amortization are computed using the straight-line method over the following estimated useful lives or lease term (in the case of ROU assets), whichever is shorter:

Asset Type	Number of Years
Buildings	20 to 25 years
Office and school equipment	3 to 15 years
Office and school furniture and fixtures	2 to 5 years
Leasehold improvements	5 years or term of the lease agreement, whichever is shorter
Transportation equipment	3 to 5 years
Computer equipment and peripherals	3 years
Library holdings	5 years
Renewable energy equipment	5 years
Right-of-use asset – land	25 years or term of the lease agreement, whichever is shorter
Right-of-use asset - building	2 to 10 years
Right-of-use asset - transportation equipment	3 to 5 years

The estimated useful lives and the depreciation and amortization method are reviewed periodically to ensure that the periods and depreciation and amortization method are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is charged to current operations.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognized.

Construction-in-progress represents structures under construction and is stated at cost less any impairment in value. This includes cost of construction and other direct costs, including any interest on borrowed funds during the construction period. Construction-in-progress is not depreciated until the relevant assets are completed and become available for operational use.

Investment Properties

Investment properties include land, office condominium units and buildings held by the Group for capital appreciation and rental purposes. Investment properties also include a right-of-use asset involving a building that is being subleased. Office condominium units and buildings are carried at cost less accumulated depreciation and any impairment in value, while land is carried at cost less any impairment in value. The carrying amount includes the cost of constructing a significant portion of an existing investment property if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Depreciation of office condominium units and buildings is computed on a straight-line basis over 20 to 25 years. Unless the Group is reasonably certain to obtain ownership of the leased building at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and lease term. The asset's useful life and method of depreciation are reviewed and adjusted, if appropriate, at each financial year-end.



Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of the property for subsequent accounting is its carrying value at the date of the change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

Asset Acquisition

When property is acquired through corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business.

When such an acquisition is not judged to be an acquisition of a business, it is not treated as a business combination. Rather, the cost to acquire the entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.

Investments in Associates and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The Group has interest in Philippine Healthcare Educators, Inc. (PHEI) a joint venture company. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's interests in associates and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in the OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions



between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of associates and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit.

The financial reporting dates of the associate, joint venture and the Parent Company are identical, except for Global Resource for Outsourced Workers, Inc. (GROW) and PHEI which follow December 31 and March 31, as their financial reporting dates, respectively, and the associates' and joint venture's accounting policies conform to those used by the Group for like transactions and events in similar circumstances. Adjustments are made for the Group's share in the effects of significant transactions or events that occur between the financial reporting date of the above-mentioned associates and joint venture and the financial reporting date of the Group's consolidated financial statements.

After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss on its investment in associates and joint venture. The Group determines at each financial reporting date whether there is any objective evidence that the investment in associates and joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and joint venture and its carrying value and recognizes the amount in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The associates of STI ESG, which are all incorporated in the Philippines, are as follows:

Associate	Principal Activities	Effective Percentage of Ownership		
		2025	2024	2023
Accent Healthcare/STI-Banawe, Inc. (STI Accent) ^(a)	Medical and related services	48	48	48
STI – College Marikina, Inc. (STI Marikina)	Educational Institution	24	24	24
GROW	Recruitment Agency	20	20	20

^(a)Dormant entity

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.



Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group has assessed the useful life of intangible assets having a finite useful life to be the shorter of its contractual term or economic life. Amortization is on a straight-line basis over the estimated useful lives of three (3) years.

Impairment of Nonfinancial Assets

The carrying values of investments in and advances to associates and joint ventures, property and equipment, investment properties, intangible assets and advances to suppliers are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of the recoverable amount. Recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU). In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators.

Provisions for impairment are recognized in the consolidated statement of comprehensive income in the expense categories consistent with the function of the impaired asset, except for assets previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

For nonfinancial assets, excluding goodwill and intangible assets with indefinite useful life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGUs to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which the goodwill has been allocated, an impairment loss is recognized in the consolidated statement of comprehensive income. Impairment losses relating to goodwill cannot be reversed for subsequent



increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill at the end of each reporting period.

Capital Stock and Additional Paid-in Capital

Common stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of consideration received in excess of par value are recognized as additional paid-in capital.

Cost of Shares Held by a Subsidiary

Cost of shares held by a subsidiary is accounted for similar to treasury shares which are recorded at cost. Own equity instruments which are reacquired are deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or the cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital.

Retained Earnings and Dividend on Common Stock of the Parent Company

The amount included in retained earnings includes profit attributable to the Parent Company's equity holders and is reduced by dividends on capital stocks. Dividends on capital stocks are recognized as a liability and deducted from equity when approved by the BOD of the Parent Company. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting period.

Earnings Per Share Attributable to the Equity Holders of the Parent Company

Earnings per share (EPS) is computed by dividing net income attributed to equity holders of the Parent Company for the year by the weighted average number of shares issued and outstanding after giving retroactive effect to stock split and stock dividend declaration, if any.

Diluted EPS is calculated by dividing the net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year adjusted for the effects of any dilutive convertible common shares.

Revenue Recognition

Revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses whether it is acting as a principal or an agent in every revenue arrangement. It is acting as a principal when it has the primary responsibility for providing the goods or services. The Group also acts as a principal when it has the discretion in establishing the prices and bears inventory and credit risk. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value-added tax (VAT).

The following specific recognition criteria must also be met before revenue is recognized:

Tuition and Other School Fees. Revenue from tuition and other school fees is satisfied over time and is recognized as income over the corresponding school term to which they pertain on the basis of the time lapsed over the service period. Fees received pertaining to the school year commencing after the financial reporting date are recorded under the "Unearned tuition and other school fees" account in the consolidated statement of financial position. Unearned tuition and other school fees are amortized over the related school term.

Educational Services and Royalty Fees. Revenues from educational services and royalty fees are satisfied over time based on a percentage of monthly franchise receipts and is recognized on an accrual basis in accordance with the terms of the licensing agreements.



Sale of Educational Materials and Supplies. Revenue is satisfied at a point in time and is recognized at the time of sale when control of the goods is transferred to the customer.

Other Revenues. Other revenues include income related to the software license subscriptions provided to franchised schools. These revenues are satisfied at a point in time and are recognized at the time of sale when control or rights to the goods or services are transferred to the customer.

The following are the revenue streams outside the scope of PFRS 15:

Rental Income. Rental income is recognized on a straight-line basis over the term of the lease agreement.

Interest Income. Interest income is recognized as the interest accrues considering the effective yield on the asset.

Dividend Income. Revenue is recognized when the Group's right to receive the payment is established.

The following are contract balances relative to PFRS 15, *Revenue from Contracts with Customers*:

Receivables. Receivables represent the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract. The Group's "Unearned tuition and other school fees" account represents contract liabilities which will be recognized as revenue when the related educational services are rendered. This includes advance payment for tuition and other school fees for the school year commencing after the financial reporting date.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in profit or loss in the year these are incurred.

Pension Cost

The Group has the following pension plans (Plan) covering substantially all of its regular and permanent employees:

Entity	Type of Plan
STI ESG	Funded, noncontributory defined benefit plan
STI WNU	Funded, noncontributory defined benefit plan
iACADEMY	Unfunded, noncontributory defined benefit plan
STI ESG's subsidiaries	Unfunded, noncontributory defined benefit plan

Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.



The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs, which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Leases

The determination whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement. A reassessment is made after the inception of the lease only if one of the following applies: (a) there is a change in contractual terms, other than a renewal or extension of the agreement; (b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term; (c) there is a change in the determination of whether the fulfillment is dependent on a specified asset; or (d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and the date of renewal or extension period for scenario (b).



Right-of-use Assets. The Group classifies its ROU assets as part of property and equipment and investment properties. Refer to the accounting policies for property and equipment and investment properties.

Lease Liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term Leases and Leases with Low-value Assets. The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

The Group shall account for a modification to a lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. A lessee recognizes the effect of a rent concession by recognizing the reduction in payment as other income in profit or loss in the consolidated statement of comprehensive income.

Group as a Lessor. The Group has lease agreements for the lease of its investment properties. Leases where the Group does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the financial reporting date.



Deferred Tax. Deferred tax is provided using the liability method on temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefit of net operating loss carryover (NOLCO), unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of NOLCO and MCIT can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint venture, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the financial reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; or
- receivables and payables that are stated with the amount of VAT included.



The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of “Prepaid taxes” under the “Prepaid expenses and other current assets” account or “Accounts payable and other current liabilities” account in the consolidated statement of financial position.

Operating Segments

For management purposes, the Group is organized into business units based on the geographical location of the students and assets. Financial information about operating segments is presented in Note 3 to the consolidated financial statements.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provide additional information about the Group’s financial position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Segment Information

For management purposes, the Group is organized into business units based on the geographical location of the students and assets, and has five reportable segments as follows:

- a. Metro Manila
- b. Northern Luzon
- c. Southern Luzon
- d. Visayas
- e. Mindanao

Management monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with profit and loss in the consolidated financial statements.

On a consolidated basis, the Group’s performance is evaluated based on consolidated net income and EBITDA, defined as earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, loss (gain) on foreign exchange differences, equity in net earnings of associates and joint venture, fair value loss (gain) on equity instruments at FVPL and nonrecurring gains/loss such as gain on termination of lease, gain on early extinguishment of loan and loss on remeasurement of noncurrent asset held for sale. Depreciation and interest expense for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively.



The following table shows the reconciliation of the consolidated net income to consolidated EBITDA:

	Year Ended June 30		
	2025	2024	2023
Consolidated net income	₱2,215,595,863	₱1,608,350,998	₱873,834,283
Depreciation and amortization ⁽¹⁾ (see Notes 11, 12, 16, 24 and 26)	591,006,900	536,371,580	527,925,632
Interest expense ⁽¹⁾ (see Notes 18, 19 and 23)	211,983,393	258,635,208	277,879,376
Provision for (benefit from) income tax	235,715,462	165,068,379	(15,723,664)
Interest income (see Notes 5, 6 and 23)	(57,394,348)	(57,677,714)	(22,595,338)
Foreign exchange loss (gain) - net	5,777,233	(17,257,709)	(2,455,311)
Equity in net earnings of associates and joint venture (see Note 13)	(3,609,544)	(2,009,402)	(2,258,739)
Fair value (gain) loss on equity instruments at FVPL (see Note 9)	(3,363,500)	852,500	620,000
Gain on:			
Termination of lease (see Note 29)	(53,291,007)	—	—
Early extinguishment of loan (see Note 18)	—	(3,076,465)	—
Loss on remeasurement of noncurrent asset held for sale (see Note 10)	7,703,800	—	—
Consolidated EBITDA	₱3,150,124,252	₱2,489,257,375	₱1,637,226,239

⁽¹⁾Depreciation and interest expense exclude those related to ROU assets (presented under "Property and equipment" and "Investment properties" accounts) and lease liabilities, respectively.

Inter-Segment Transactions

Segment revenue, segment expenses and operating results include transfers among geographical segments. The transfers are accounted for at market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.



Geographical Segment Data

The following tables present revenue and income information regarding geographical segments for the years ended June 30, 2025, 2024 and 2023:

June 30, 2025						
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱2,879,240,368	₱330,860,794	₱1,471,393,016	₱741,503,553	₱136,464,076	₱5,559,461,807
Results						
Income before other income (expenses) and income tax	1,100,748,503	145,446,016	752,551,547	320,752,381	44,145,155	2,363,643,602
Equity in net earnings of associates and joint venture	3,609,544	–	–	–	–	3,609,544
Interest expense	(231,893,516)	(4,997,974)	(6,655,104)	(928,855)	(2,956,807)	(247,432,256)
Interest income	49,405,231	30,414	4,792,903	3,157,780	8,020	57,394,348
Other income	263,642,803	1,993,792	4,994,855	2,916,711	547,926	274,096,087
Provision for income tax	(197,131,775)	(3,160,846)	(4,190,200)	(31,232,641)	–	(235,715,462)
Net Income	₱988,380,790	₱139,311,402	₱751,494,001	₱294,665,376	₱41,744,294	₱2,215,595,863
EBITDA						₱3,150,124,252
June 30, 2024						
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱2,513,519,589	₱287,297,914	₱1,165,127,321	₱656,552,012	₱77,826,832	₱4,700,323,668
Results						
Income before other income (expenses) and income tax	790,050,745	110,244,141	588,827,547	269,910,116	21,787,571	1,780,820,120
Equity in net earnings of associates and joint venture	2,009,402	–	–	–	–	2,009,402
Interest expense	(279,429,495)	(3,719,018)	(6,390,653)	(1,313,970)	(2,448,259)	(293,301,395)
Interest income	52,313,851	26,102	3,074,077	2,256,891	6,793	57,677,714
Other income	221,397,021	349,570	2,618,648	1,511,745	336,552	226,213,536
Provision for income tax	(132,141,408)	(2,212,353)	(5,150,583)	(25,564,035)	–	(165,068,379)
Net Income	₱654,200,116	₱104,688,442	₱582,979,036	₱246,800,747	₱19,682,657	₱1,608,350,998
EBITDA						₱2,489,257,375



	June 30, 2023					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱1,795,363,020	₱239,585,468	₱835,133,394	₱468,767,206	₱66,618,865	₱3,405,467,953
Results						
Income before other income (expenses) and income tax	347,641,458	59,994,011	345,144,878	189,083,546	2,181,611	944,045,504
Equity in net earnings of associates and joint venture	2,258,739	–	–	–	–	2,258,739
Interest expense	(298,316,780)	(3,865,002)	(5,278,958)	(1,501,233)	(2,057,151)	(311,019,124)
Interest income	21,174,847	29,320	123,621	1,260,017	7,533	22,595,338
Other income	191,111,066	1,159,502	5,667,640	1,896,181	395,773	200,230,162
Benefit from (provision for) income tax	11,158,774	577,047	(355,163)	4,343,006	–	15,723,664
Net Income	₱275,028,104	₱57,894,878	₱345,302,018	₱195,081,517	₱527,766	₱873,834,283
EBITDA						₱1,637,226,239

The following tables present certain assets and liabilities information regarding geographical segments as at June 30, 2025 and 2024:

	June 30, 2025					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Assets and Liabilities						
Segment assets ^(a)	₱12,396,640,965	₱705,773,459	₱2,097,123,917	₱1,352,853,550	₱133,381,884	₱16,685,773,775
Investments in and advances to associates and joint venture	24,718,223	–	–	–	–	24,718,223
Goodwill	236,629,190	–	–	15,681,232	–	252,310,422
Deferred tax assets – net	21,531,889	2,873,776	15,428,588	9,894,584	1,727,327	51,456,164
Total Assets	₱12,679,520,267	₱708,647,235	₱2,112,552,505	₱1,378,429,366	₱135,109,211	₱17,014,258,584
Segment liabilities^(b)	₱642,583,079	₱78,183,632	₱425,501,855	₱134,174,368	₱32,408,646	₱1,312,851,580
Interest-bearing loans and borrowings	1,726,332,830	–	–	–	–	1,726,332,830
Bonds payable	816,706,013	–	–	–	–	816,706,013
Pension liabilities – net	39,045,129	4,837,257	16,913,459	36,163,913	3,137,904	100,097,662
Lease liabilities	268,914,516	40,005,514	106,275,671	11,185,930	34,668,349	461,049,980
Deferred tax liabilities – net	112,048,993	–	–	–	–	112,048,993
Total Liabilities	₱3,605,630,560	₱123,026,403	₱548,690,985	₱181,524,211	₱70,214,899	₱4,529,087,058

Other Segment Information

Capital expenditure -
Property and equipment and investment properties
Depreciation and amortization^(c)
Noncash expenses other than depreciation and amortization

₱967,884,766
591,006,902
83,473,865

^(a) Segment assets exclude investments in and advances to associates and joint venture, goodwill and net deferred tax assets.

^(b) Segment liabilities exclude interest-bearing loans and borrowings, bonds payable, net pension liabilities, lease liabilities and net deferred tax liabilities.

^(c) Depreciation and amortization excludes those related to ROU assets.



	June 30, 2024				
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao
Assets and Liabilities					
Segment assets ^(a)	₱10,443,965,112	₱682,262,822	₱1,792,286,647	₱1,114,551,083	₱71,579,918
Noncurrent asset held for sale	1,020,728,064	-	-	-	-
Investments in and advances to associates and joint venture	21,108,679	-	-	-	-
Goodwill	236,629,190	-	-	15,681,232	-
Deferred tax assets – net	13,185,635	2,797,372	12,557,491	13,192,004	1,296,597
Total Assets	₱11,735,616,680	₱685,060,194	₱1,804,844,138	₱1,143,424,319	₱72,876,515
					₱15,441,821,846
Segment liabilities ^(b)	₱766,131,191	₱57,008,678	₱251,954,267	₱137,836,962	₱25,101,760
Interest-bearing loans and borrowings	2,086,114,412	-	-	-	-
Bonds payable	814,967,275	-	-	-	-
Pension liabilities – net	68,782,774	5,921,760	13,681,541	39,964,238	1,430,678
Lease liabilities	297,847,771	42,466,080	101,690,258	18,828,574	29,240,581
Deferred tax liabilities – net	110,477,037	-	-	-	-
Total Liabilities	₱4,144,320,460	₱105,396,518	₱367,326,066	₱196,629,774	₱55,773,019
					₱4,869,445,837

Other Segment Information

Capital expenditure -

Property and equipment and investment properties

Depreciation and amortization^(c)

Noncash expenses other than depreciation and amortization

^(a) Segment assets exclude noncurrent asset held for sale, investments in and advances to associates and joint venture, goodwill and net deferred tax assets.

^(b) Segment liabilities exclude interest-bearing loans and borrowings, bonds payable, net pension liabilities, lease liabilities and net deferred tax liabilities.

^(c) Depreciation and amortization excludes those related to RDU assets.

₱961,101,989

536,371,580

91,147,657



4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRSs requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. The estimates used are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements, giving due consideration to materiality. Actual results could differ from such estimates.

The Group believes the following represents a summary of these significant judgments, estimates and assumptions and related impact and associated risks in its consolidated financial statements.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Recognition of Revenue from Tuition and Other School Fees, Educational Services and Royalty Fees over time. The Group concluded that tuition and other school fees, educational services and royalty fees are to be recognized over time on the basis of time lapsed over the service period. This approach reflects the principle that revenue should be recognized as the Group satisfies its performance obligations in rendering its services to students and franchisees. Since the students and franchisees receive and consume the benefits of the services as they are provided, there is no need for another entity to re-perform the services that the Group has provided to date. This demonstrates that students simultaneously receive and consume the benefits of the Group's performance as it is performed. This likewise demonstrates that STI ESG's franchisees simultaneously receive and consume the benefits of STI ESG's performance as it is performed.

Recognition of revenue from the sale of educational materials and supplies at the point in time. Revenue from the sale of educational materials and supplies is recognized at the point in time when the control of the asset is transferred to the customer, generally upon receipt of the goods by franchisees and students. It is also the point at which the customer is obliged to pay for the asset without any further conditions or actions and the Group has transferred physical possession of the asset.

Asset Acquisition. On June 20, 2024, STI ESG and Total Consolidated Asset Management, Inc. (TCAMI), a related party, executed a deed of absolute sale for STI ESG's acquisition of 100.0% of the total issued and outstanding capital stock of TCAMI's wholly-owned subsidiary, CHI. Management considered the substance of the assets and activities of the acquired entity and assessed that the acquisition of a subsidiary does not represent a business, but rather an acquisition of the land, the primary asset of the subsidiary at the date of acquisition. The cost of the acquisition is allocated to the assets acquired based upon their relative fair values and no goodwill or deferred tax is recognized (see Notes 11 and 39).

Determination of Control Arising from a Management Contract. STI ESG has a management contract with STI Caloocan. Management has concluded that STI ESG, in substance, has the power to direct its relevant activities and has the means to obtain majority of the benefits of STI Caloocan, a non-stock corporation, through the management contract. Management has assessed that it has control over STI Caloocan and accordingly, classifies the entity as subsidiary effective from the date control was obtained.



Noncurrent Asset Held for Sale. Quezon City Dacion Properties - On June 24, 2021, the Parent Company's BOD approved the sale to an interested buyer of the Parent Company's properties located in Quezon City ("Quezon City dacion properties") which were received by the Parent Company through the deeds of dacion in 2016 as these properties have not been used in business since its conveyance to the Parent Company. Management considered these properties to meet the criteria to be classified as held for sale for the following reasons:

- The BOD approved the disposition of the Quezon City dacion properties
- The Quezon City dacion properties are available for immediate sale in its present condition
- Negotiations with an interested buyer have been initiated
- The properties will be sold at a price approximating its current fair value
- Management expects to complete the sale within one year from the date of classification

With the classification as noncurrent asset held for sale, the Parent Company carried the said properties at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognized for the years ended June 30, 2024, 2023 and 2022 as a result of such classification.

In May and June 2022, the Parent Company issued to several brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City dacion properties to prospective buyers. In 2023, the Parent Company started its negotiation with a certain real estate group for the sale of the properties.

As at June 30, 2024, the Parent Company was still in negotiation with the said real estate group who was looking for a real estate developer to partner with in the development of the land. With this, the properties were presented as "Noncurrent asset held for sale" and carried at the lower of carrying amount and fair value less cost to sell.

As at June 30, 2025 and October 13, 2025, management remains committed to its plan to sell the Quezon City dacion properties. However, considering that the timing of the sale is highly uncertain, management reclassified the Quezon City dacion properties from "Noncurrent asset held for sale" back to "Investment properties as at June 30, 2025, adjusted for the depreciation that would have been recognized had the asset not been classified as held for sale (see Note 10).

Contingencies. The Group is currently a party in a number of cases involving claims and disputes related to collection of receivables and labor cases. The Group's estimate of the probable costs for the resolution of these claims has been developed in consultation with outside legal counsels handling defense in these matters and is based upon an analysis of potential results. Management and its legal counsels believe that the Group has substantial legal and factual bases for its position and are of the opinion that losses arising from these legal actions, if any, will not have a material adverse impact on the consolidated financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings (see Note 34).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



Measurement of the Expected Credit Losses. ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the credit-adjusted effective interest rate.

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), defined as follows:

- *Probability of Default.* The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD.
- *Loss Given Default.* LGD represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money.
- *Exposure at Default.* EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

Simplified Approach for Receivables from Students. The Group applies the simplified approach in calculating ECLs of receivables from students. The Group develops loss rates based on days past due for each grouping of receivables per school term. The methodology is initially based on the Group's historically observed default rates. The Group then adjusts the historical credit loss experience using forward-looking information. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The Group's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Group's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;
- Determination of relationships between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and



- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The amount and timing of the ECLs, as well as the probability assigned thereto, have been based on the available information as at report date.

Incorporation of Forward-looking Information. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates and GDP growth rate. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of a default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

The Group recognized provision for ECL (net of reversal) amounting to ₱59.9 million, ₱30.5 million and ₱85.2 million for the years ended June 30, 2025, 2024 and 2023, respectively. Allowance for ECL on receivables amounted to ₱185.4 million and ₱227.4 million as at June 30, 2025 and 2024, respectively.

In June 2025 and 2024, the BOD of STI ESG approved the write-off of receivables amounting to ₱54.9 million and ₱159.4 million for the years ended June 30, 2025 and 2024, respectively. In June 2025 and 2024, the BOD of STI WNU approved the write-off of receivables amounting to ₱42.9 million and ₱24.1 million for the years ended June 30, 2025 and 2024, respectively. The BOG of iACADEMY authorized the write-off of receivables totaling ₱4.1 million in June 2025 and ₱2.0 million in April 2024.

The carrying amounts of receivables as at June 30, 2025 and 2024 are disclosed in Note 6 to the consolidated financial statements.

Valuation of Noncurrent Asset Held for Sale. PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, requires noncurrent assets held for sale to be carried at the lower of fair value less costs to sell and its carrying amount.

Noncurrent asset held for sale amounting to ₱1,020.7 million as at June 30, 2024 represents the carrying value of the land, building and land improvements located in Quezon City ("Quezon City dacion properties") which were obtained by the Parent Company through the deeds of dacion in 2016 (see Notes 10 and 34).

Estimating Useful Lives of Nonfinancial Assets. Management determines the estimated useful lives and the related depreciation and amortization charges for its property and equipment, investment properties (excluding land) and intangible assets based on the period over which the property and equipment,



investment properties and intangible assets are expected to provide economic benefits. Management's estimation of the useful lives of property and equipment, investment properties and intangible assets is based on a collective assessment of industry practice, internal technical evaluation, and experience with similar assets while for intangible assets with a finite life, estimated useful life is based on economic useful benefit of the intangible assets. These estimations are reviewed periodically and could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. A reduction in the estimated useful lives of property and equipment, investment properties and intangible assets would increase recorded expenses and decrease nonfinancial assets.

There were no changes in the estimated useful lives of the Group's property and equipment, investment properties and intangible assets as at June 30, 2025 and 2024. The carrying values of nonfinancial assets subject to depreciation and amortization are as follows:

	2025	2024
Property and equipment (excluding land and construction in-progress) (see Note 11)	P6,474,996,956	P6,227,889,335
Investment properties (excluding land) (see Note 12)	483,289,149	510,205,636
Intangible assets (see Note 16)	34,157,601	40,778,815

Impairment of Nonfinancial Assets. PFRS Accounting Standards require nonfinancial assets, excluding goodwill and intangible assets with indefinite useful life, to be tested for impairment when certain impairment indicators are present, irrespective of whether there are any indications of impairment. Nonfinancial assets include property and equipment, investment properties, investment in and advances to associates and joint venture and intangible assets and other noncurrent assets.

Management is required to make estimates and assumptions to determine the future cash flows to be generated from the continued use and ultimate disposition of these assets in order to determine the value of these assets. While the Group believes that the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the consolidated financial statements. Future adverse events may cause management to conclude that the affected assets are impaired and may have a material impact on the financial condition and results of operations of the Group.

The carrying values of property and equipment, investment properties, investment in and advances to associates and joint venture and intangible assets and other noncurrent assets are disclosed in Notes 11, 12, 13, 14 and 16, respectively.

The Group recognized a provision for impairment of its investment in a joint venture amounting to P1.7 million for the year ended June 30, 2024. No impairment was recognized for the years ended June 30, 2025 and 2023. As at June 30, 2025 and 2024, the carrying value of the investments in and advances to associates and joint venture amounted to P24.7 million and P21.1 million, respectively (see Notes 13 and 26).

Impairment of Goodwill and Intangible Assets with Indefinite Useful Life. Acquisition method requires extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets, liabilities and contingent liabilities at the acquisition date. It also requires the acquirer to recognize any goodwill as the excess of the acquisition cost over the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The Group's business acquisitions have resulted in goodwill and intangible assets with indefinite useful life which are subject to an annual impairment testing. This requires an estimation of the value in use of the CGUs to which the goodwill and intangible assets with indefinite useful life are allocated. Estimating the value in use



requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Using the updated information and various scenarios of future financial performance and cash flows, an assessment of the recoverability of certain assets as at reporting period was conducted.

The recoverable amounts of CGUs have been determined based on value in use calculations using cash flow projections covering a five-year period based on long-range plans approved by management. The significant assumptions used in the value in use calculations are forecasted revenue growth, long-term growth rate and discount rate.

Management used an appropriate discount rate for cash flows equal to the prevailing rates of return for a group having substantially the same risks and characteristics. Management used the weighted average cost of capital (WACC) wherein the costs of equity and debt financing are weighted. The weighted average cost of capital is the overall required return on the CGUs. A pre-tax discount rate of 11.9% to 13.2% and 13.2% to 13.4% were used as at June 30, 2025 and 2024, respectively. The growth rate used in extrapolating cash flows beyond the five-year period covered by the CGUs' recent budgets was 5.0%.

Impairment testing showed that the CGUs' recoverable amounts were greater than their carrying amounts, except for NPIM (2024). The Group recognized a provision for impairment of goodwill amounting to ₱14.3 million for the year ended June 30, 2024, representing impairment of goodwill assigned to NPIM. No impairment was recognized for the years ended June 30, 2025 and 2023. Goodwill amounted to ₱252.3 million as at June 30, 2025 and 2024; while intangible assets with indefinite useful life amounted ₱27.6 million as at June 30, 2025 and 2024 (see Note 16).

Realizability of Deferred Tax Assets. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of NOLCO and MCIT to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and MCIT can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax assets recognized on deductible temporary differences and unused NOLCO for which no deferred tax assets have been recognized as at June 30, 2025 and 2024 are disclosed in Note 30 to the consolidated financial statements.

Measurement of Lease Liabilities. The Group's lease liabilities are measured based on the present value of lease payments over the lease term using the Group's IBR.

▪ *Determination of Lease Term*

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements).



The Group determined that renewal periods of leases with longer periods are not included as part of the lease term as these are not reasonably certain to be exercised.

▪ *Estimating the Incremental Borrowing Rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Group's lease liabilities as at June 30, 2025 and 2024 are disclosed in Note 29 to the consolidated financial statements.

Determining Pension Liabilities. The determination of the obligation for and cost of pension benefits is dependent on the selection of certain assumptions provided by the Group to its actuaries in calculating such amounts. Those assumptions are described in Note 28 and include, among others, discount rate and future salary increases. In accordance with Revised PAS 19, *Employee Benefits*, actual results that differ from the Group's assumptions are included in OCI and are not reclassified to profit or loss in subsequent periods. While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's pension and other pension obligations.

The carrying value of net pension liabilities as at June 30, 2025 and 2024 are disclosed in Note 28 to the consolidated financial statements.

5. **Cash and Cash Equivalents**

	2025	2024
Cash on hand and in banks	₱1,002,817,715	₱1,054,977,974
Cash equivalents	1,729,802,924	800,522,935
	₱2,732,620,639	₱1,855,500,909

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

Interest earned from cash in banks and cash equivalents for the years ended June 30, 2025, 2024 and 2023 amounted to ₱50.2 million, ₱51.2 million and ₱16.7 million, respectively (see Note 23).



6. Receivables

	2025	2024
Tuition and other school fees	₱515,275,821	₱491,275,539
Educational services (see Note 31)	89,866,574	62,356,116
Rent, utilities and other related receivables (see Note 31)	58,844,713	72,890,694
Receivables from officers and employees (see Note 31)	26,393,220	36,078,187
Interest receivables (see Notes 5 and 23)	5,016,384	1,564,082
Others	28,005,162	30,124,713
	723,401,874	694,289,331
Less allowance for expected credit losses	185,387,344	227,383,175
	₱538,014,530	₱466,906,156

The terms and conditions of the receivables are as follows:

- a. Tuition and other school fees receivables include receivables from students, DepEd, CHED and Development Bank of the Philippines (DBP).

On March 17, 2021, STI ESG executed a Memorandum of Agreement (MOA) with DBP for the implementation of the DBP Resources for Inclusive and Sustainable Education Program (DBP RISE). The program grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fees structure which is determined at the beginning of the first term of the course or program starting SY2020-2021, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. STI ESG and DBP executed a similar MOA in November 2021 and May 2023 covering the implementation of DBP RISE for deserving students enrolled beginning SY2021-2022, SY2022-2023 and SY2023-2024. Receivables from DBP amounted to ₱1.9 million and ₱2.2 million as at June 30, 2025 and 2024, respectively.

These receivables are noninterest bearing. Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the next fiscal year.

- b. Educational services receivables pertain to receivables from STI ESG's franchisees arising from educational services, royalty fees, sale of educational materials and supplies, and other charges. These receivables are generally noninterest-bearing and are normally collected within 30 days. Interest is charged on past due accounts.

This account also includes outstanding receivables of STI ESG from Philippine School of Business Administration, Inc. (PSBA Manila) and Philippine School of Business Administration Inc.-Quezon City (PSBA Quezon City), collectively referred to as "PSBA", in the total amount of ₱31.6 million as at June 30, 2025.

On May 30, 2024, STI ESG and PSBA executed a Management Agreement appointing STI ESG to manage the operations of PSBA schools with the goal of increasing enrollment as well as promoting PSBA as one of the leading educational institutions in the Philippines for accountancy and business programs. STI ESG provided the management services starting July 1, 2024 for PSBA



Quezon City and starting August 1, 2024 for PSBA Manila. The management services would be for a period of three (3) years counting from the management commencement date (see Note 40).

Interest earned from past due accounts amounted to ₱7.0 million, ₱6.4 million and ₱5.8 million for the years ended June 30, 2025, 2024 and 2023, respectively (see Note 23).

- c. Rent, utilities and other related receivables are expected to be collected in full within the next fiscal year (see Note 29).
- d. Receivables from officers and employees substantially represent advances for official business expenses which are necessary and reasonable to carry out the operations of the entities within the Group. These advances are normally liquidated within one month from the date the advances are obtained (see Note 31).
- e. Others mainly include receivables from vendors, former employees, and receivables from Social Security System amounting to ₱7.2 million, ₱3.7 million, and ₱8.5 million, respectively, as at June 30, 2025; and amounting to ₱11.3 million, nil, and ₱7.6 million, respectively, as at June 30, 2024. The balance as at June 30, 2024 included a receivable from a former franchisee amounting to ₱1.4 million. All outstanding receivables are expected to be collected within the next fiscal year.

The movements in allowance for expected credit losses are as follows:

	2025		
	Tuition and Other School Fees	Others	Total
Balance at beginning of year	₱218,972,699	₱8,410,476	₱227,383,175
Provisions - net (see Note 26)	54,427,641	5,438,116	59,865,757
Write-off	(94,825,864)	(7,035,724)	(101,861,588)
Balance at end of year	₱178,574,476	₱6,812,868	₱185,387,344

	2024		
	Tuition and Other School Fees	Others	Total
Balance at beginning of year	₱370,760,197	₱11,677,881	₱382,438,078
Provisions (reversal) - net (see Note 26)	30,669,950	(206,178)	30,463,772
Write-off	(182,457,448)	(3,061,227)	(185,518,675)
Balance at end of year	₱218,972,699	₱8,410,476	₱227,383,175

The COVID-19 pandemic has significantly affected the school operations since SY2020-2021, hence, the Group considered the COVID-19 impact in its judgments and estimates, particularly in assessing the recoverability of receivables from students. In response, the BODs of STI ESG and STI WNU, and the BOG of iACADEMY, approved an interim policy in June 2023 and July 2022, of deferring the write-off of certain receivables for the years ended June 30, 2023 and 2022, respectively. Subsequently, in June 2024, the BODs of STI ESG and STI WNU approved the write-off of receivables, amounting to ₱159.4 million and ₱24.1 million, respectively, for the year ended June 30, 2024. These receivables largely pertain to outstanding tuition and other school fees as at June 30, 2024 arising from SY2019-2020 to SY2021-2022 for STI ESG and SY2017-2018 to SY2019-2020 for STI WNU. In June 2025, the BODs of STI ESG and STI WNU approved the write-off of receivables aggregating to ₱54.9 million



and ₱42.9 million, respectively, for the year ended June 30, 2025. These receivables largely cover outstanding tuition and other school fees for SY2022-2023 for STI ESG and SY2020-2021 and SY2008-2009 up to SY2012-2013 for STI WNU.

In April 2024, the BOG of iACADEMY authorized the write-off of receivables from students amounting to ₱2.0 million. These receivables pertain to outstanding balances as of June 30, 2024, arising from SY2018–2019 for College students and SY2018–2019, SY2019–2020, and SY2020–2021 for SHS students. In June 2025, the BOG of iACADEMY approved the write-off of receivables from students amounting ₱4.1 million, corresponding to balances from SY2019–2020 for College students and SY2021–2022 for SHS students.

Recovery of accounts pertaining to tuition and other school fees which were previously written off amounted to ₱9.8 million, ₱6.5 million and ₱11.3 million for the years ended June 30, 2025, 2024 and 2023, respectively. These amounts are reported in the “Other income (expenses)” section in the consolidated statements of comprehensive income.

7. Inventories

	2025	2024
At cost:		
Educational materials:		
Uniforms	₱133,683,070	₱118,251,924
Textbooks and other education-related materials	7,158,545	7,392,150
	140,841,615	125,644,074
Promotional materials:		
Proware materials	18,833,992	19,680,220
Marketing materials	1,197,512	1,199,015
	20,031,504	20,879,235
School materials and supplies	8,392,147	10,617,065
	₱169,265,266	₱157,140,374

Inventories recognized as obsolete, substantially composed of old tertiary uniforms and textbooks, are fully provided with allowance for inventory obsolescence. Accordingly, the carrying value of these inventories carried at net realizable value is nil as at June 30, 2025 and 2024. Allowance for inventory obsolescence amounted to ₱25.4 million and ₱25.1 million as at June 30, 2025 and 2024, respectively. Provision for inventory obsolescence resulting from the excess of cost over the net realizable value of these obsolete inventories recognized for the years ended June 30, 2025, 2024 and 2023 amounted to ₱0.3 million, ₱1.0 million and ₱5.6 million, respectively (see Note 26).

Inventories charged to cost of educational materials and supplies sold amounted to ₱92.9 million, ₱102.7 million and ₱90.6 million for the years ended June 30, 2025, 2024 and 2023, respectively (see Note 25).



8. Prepaid Expenses and Other Current Assets

	2025	2024
Input VAT – net	₱70,116,861	₱69,665,004
Prepaid subscriptions and licenses	26,545,057	23,159,013
Advances to suppliers	21,294,449	28,421,208
Prepaid taxes	19,207,303	18,553,248
Prepaid insurance	5,752,569	6,257,333
Software and infrastructure maintenance	329,932	984,218
Others	5,018,893	3,563,882
	₱148,265,064	₱150,603,906

Net input VAT represents the remaining balance after application against output VAT and is recoverable in future periods. As at June 30, 2025, the balance of this account is primarily attributed to input VAT recognized related to (1) the rehabilitation of STI WNU's gym and the repair and rehabilitation of its existing powerhouse as well as the construction of another powerhouse to house the generators, and (2) the purchase of goods and services by the Group during the year. The balance as at June 30, 2024 includes the input VAT related to (1) STI ESG's acquisition of a parcel of land in South Park District, Alabang, Muntinlupa City (see Note 16), (2) construction of STI WNU's School of Basic Education (SBE) building, and (3) input VAT recognized from the Group's purchase of goods and services.

Prepaid subscriptions and licenses substantially pertain to Microsoft licenses and eLearning Management System (eLMS) subscriptions which were paid in advance in preparation for the succeeding school year. These subscriptions are normally renewed annually and are recognized as expense in accordance with the terms of the respective agreements.

Advances to suppliers primarily relate to prepayments for commencement related expenses, procurement of students' school uniforms and advance payments for ongoing repair and maintenance works for schools within the Group.

Prepaid taxes primarily pertain to creditable withholding taxes and prepayments for local business taxes and real property taxes. Prepayments for local business taxes and real property taxes are recognized as expense over the applicable period, typically within the next fiscal year. Creditable withholding taxes pertain to taxes withheld by counterparties on the income payments received by the Group which will be applied against income tax due for the following period.

Prepaid insurance primarily represents vehicle insurance coverage, life, accident, and health insurance coverage of employees, and fire and other risks insurance on buildings, which are paid in advance and are recognized as expense over the period of coverage which is within one year.

Software and infrastructure maintenance as at June 30, 2025 substantially pertain to firewall and web application cost. The balance as at June 30, 2024 substantially pertains to the annual support and maintenance charges for the use of STI ESG's accounting system. These software maintenance costs and licenses are recognized as expense over time in accordance with the terms of the respective agreements.

Other prepaid expenses mainly represent advance payments by STI ESG for social media marketing services and recruitment platform, and advance rental payments of iACADEMY Cebu for its office space as at June 30, 2025 and billboard rental as at June 30, 2024.



9. Equity Instruments at Fair Value through Profit or Loss (FVPL)

Equity instruments at FVPL represents the Group's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR) held for trading amounting to ₱11.5 million and ₱8.1 million as at June 30, 2025 and 2024, respectively.

STI ESG acquired 1,550,000 quoted equity shares of RCR at ₱6.45 per share or an aggregate amount of ₱10.0 million in 2021. STI ESG recognized fair value gain on equity instruments at FVPL amounting to ₱3.4 million for the year ended June 30, 2025 and fair value loss on equity instruments at FVPL amounting to ₱0.9 million and ₱0.6 million for the years ended June 30, 2024 and 2023, respectively.

STI ESG recognized dividend income from RCR amounting to ₱0.6 million in 2025 and the same amount in 2024 and 2023.

10. Noncurrent Asset Held for Sale

Quezon City Dacion Properties

Noncurrent asset held for sale amounting to ₱1,020.7 million as at June 30, 2024 represents the carrying value of the land, building and land improvements located in Quezon City ("Quezon City dacion properties") which were received by the Parent Company through the deeds of dacion in 2016 (see Notes 12 and 34).

On June 24, 2021, the Parent Company's BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its conveyance to the Parent Company. With the classification as noncurrent asset held for sale, the Parent Company carried the said properties at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognized for the years ended June 30, 2025, 2024 and 2023.

In May and June 2022, the Parent Company issued to several brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City dacion properties to prospective buyers. In 2023, the Parent Company started its negotiation with a certain real estate group for the sale of the properties.

As at June 30, 2024, the Parent Company was still in negotiation with the said real estate group who was looking for a real estate developer to partner with in the development of the land. With this, the properties were presented as "Noncurrent asset held for sale" and carried at the lower of carrying amount and fair value less cost to sell.

As at June 30, 2025 and October 13, 2025, management remains committed to its plan to sell the Quezon City dacion properties. However, considering that the timing of the sale is highly uncertain, management reclassified the Quezon City dacion properties from "Noncurrent asset held for sale" back to "Investment properties" as at June 30, 2025. Consequently, management remeasured its Quezon City dacion properties at the lower of: (a) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had the asset not been classified as held for sale, of ₱1,013.0 million, and (b) its recoverable amount of ₱4,394.5 million based on the latest valuation conducted by independent appraisers on August 28, 2024 (see Note 12).



Accordingly, management recognized the adjustment to the carrying amount of its Quezon City dacion properties amounting to ₱7.7 million as “Loss on remeasurement of noncurrent asset held for sale” in the consolidated statement of comprehensive income for the year ended June 30, 2025. As at June 30, 2025, the carrying value of the Quezon City dacion properties, presented under “Investment properties,” amounted to ₱1,013.0 million (see Note 12).

Property Acquired through Extrajudicial Foreclosure

In 2019, STI ESG acquired from DBP, without recourse, receivables from STI Tanay for a consideration of ₱75.5 million, secured by properties in Tanay and Pasig. The Pasig Property was foreclosed in 2021. In June 2022, STI Tanay and the mortgagors sought its redemption. Pending the actual tender of the redemption price, STI ESG executed the Certificate of Redemption and the release and cancellation of the third-party mortgage and accordingly reclassified the Pasig Property from “Investment properties” to “Noncurrent asset held for sale” as of June 30, 2022. The Pasig property was later on redeemed by STI Tanay on July 29, 2022 for ₱19.0 million. Accordingly, STI ESG derecognized said noncurrent asset held for sale.



11. Property and Equipment

Cost, Net of Accumulated Depreciation and Amortization														
	Land	Buildings	Office and School Equipment	Office and School Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Computer Equipment and Peripherals	Library Holdings	Renewable Energy Equipment	Construction In-Progress	Right-of-use Asset – Land	Right-of-use Asset – Building	Right-of-use Asset – Transportation Equipment	Total
Balance at beginning of year	P3,393,880,053	P5,573,215,322	P120,195,782	P51,486,397	P41,465,646	P11,440,548	P87,496,264	P14,943,478	P9,244,638	P304,401,419	P106,374,068	P200,020,251	P12,006,941	P9,926,170,807
Additions	216,525,190	258,018,883	88,359,431	43,543,116	6,587,604	12,323,782	43,810,369	5,113,526	6,464,848	282,627,285	-	64,058,375	7,972,597	1,035,405,006
Reclassification from investment properties (see Note 12)	140,143,382	-	-	-	-	-	-	-	-	-	-	-	-	140,143,382
Reclassification of completed construction in-progress	-	284,212,122	59,245,748	-	-	-	-	-	15,661,479	(359,119,349)	-	-	-	-
Lease termination (see Note 29)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,888,769)
Depreciation and amortization (see Notes 24 and 26)	-	(410,459,068)	(47,591,393)	(19,548,582)	(16,368,746)	(5,053,696)	(48,541,867)	(4,155,954)	(5,974,248)	-	(8,079,506)	(60,186,923)	(8,415,507)	(634,375,490)
Balance at end of year	P3,750,548,625	P5,704,987,259	P220,209,568	P75,480,931	P31,684,504	P18,710,634	P82,764,766	P15,901,050	P25,396,717	P227,909,355	P98,294,562	P190,002,934	P11,564,031	P10,453,454,936
At June 30, 2025:														
Cost	P3,750,548,625	P9,069,691,602	P1,098,044,081	P423,238,137	P283,649,337	P42,962,933	P596,138,897	P233,089,178	P32,680,993	P227,909,355	P148,107,223	P401,660,063	P64,806,208	P16,372,526,632
Accumulated depreciation and amortization	-	(3,364,704,343)	(877,834,513)	(347,757,206)	(251,964,833)	(24,252,299)	(513,374,131)	(217,188,128)	(7,284,276)	-	(49,812,661)	(211,657,129)	(53,242,177)	(5,919,071,696)
Net book value	P3,750,548,625	P5,704,987,259	P220,209,568	P75,480,931	P31,684,504	P18,710,634	P82,764,766	P15,901,050	P25,396,717	P227,909,355	P98,294,562	P190,002,934	P11,564,031	P10,453,454,936
Cost, Net of Accumulated Depreciation and Amortization														
	Land	Buildings	Office and School Equipment	Office and School Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Computer Equipment and Peripherals	Library Holdings	Renewable Energy Equipment	Construction In-Progress	Right-of-use Asset – Land	Right-of-use Asset – Building	Right-of-use Asset – Transportation Equipment	Total
Balance at beginning of year	P3,398,447,562	P5,519,063,199	P124,266,616	P45,109,721	P49,148,012	P1,499,010	P71,945,622	P15,559,610	P-	P110,255,779	P114,453,562	P219,374,326	P15,584,899	P9,684,707,918
Additions	182,873,095	118,374,468	46,774,273	26,658,510	10,775,238	11,890,276	57,219,192	3,587,157	10,554,665	491,652,421	-	38,527,512	7,624,742	1,006,511,549
Reclassification to investment properties (see Note 12)	(187,440,604)	-	-	-	-	-	-	-	-	-	-	-	-	(187,440,604)
Reclassification of completed construction in-progress	-	291,706,615	5,800,166	-	-	-	-	-	-	(297,506,781)	-	-	-	-
Reclassification in-progress	-	-	-	-	-	-	-	-	-	-	-	-	(570,000)	-
Disposal	-	-	(23,416)	(36)	-	-	(129)	-	-	-	-	-	-	(23,581)
Depreciation and amortization (see Notes 24 and 26)	-	(355,928,960)	(56,621,857)	(20,281,798)	(18,457,604)	(2,518,738)	(41,668,421)	(4,203,288)	(1,310,027)	-	(8,079,494)	(57,881,587)	(10,632,700)	(577,584,475)
Balance at end of year	P3,393,880,053	P5,573,215,322	P120,195,782	P51,486,397	P41,465,646	P11,440,548	P87,496,264	P14,943,478	P9,244,638	P304,401,419	P106,374,068	P200,020,251	P12,006,941	P9,926,170,807
At June 30, 2024:														
Cost	P3,393,880,053	P8,533,545,274	P1,022,470,939	P430,483,368	P275,139,636	P93,758,152	P620,127,822	P228,245,341	P10,554,666	P304,401,419	P148,107,223	P372,273,014	P65,760,255	P15,438,747,162
Accumulated depreciation and amortization	-	(2,960,329,952)	(902,275,157)	(378,996,971)	(233,673,990)	(22,317,604)	(532,631,558)	(213,301,863)	(1,310,028)	-	(41,733,155)	(172,252,763)	(53,753,314)	(5,512,576,355)
Net book value	P3,393,880,053	P5,573,215,322	P120,195,782	P51,486,397	P41,465,646	P11,440,548	P87,496,264	P14,943,478	P9,244,638	P304,401,419	P106,374,068	P200,020,251	P12,006,941	P9,926,170,807



The cost of fully depreciated property and equipment still used by the Group amounted to ₱2,094.8 million and ₱1,975.2 million as at June 30, 2025 and 2024, respectively. There were no idle property and equipment as at June 30, 2025 and 2024.

Additions and Reclassifications

Land Acquired via Deed of Sale on Installments. On June 10, 2024, STI ESG and Avida Land Corp. (Avida) executed a contract to sell for STI ESG's acquisition of a parcel of land with a total area of 3,266 square meters, located at South Park District, Alabang, Muntinlupa City, for a total purchase price of ₱228.8 million, inclusive of taxes. The purchase price is payable in three installments: (i) the amount of ₱45.1 million, inclusive of ₱24.7 million VAT, was settled on June 10, 2024; (ii) the amount of ₱81.6 million was paid by STI ESG upon the execution of the Deed of Sale on Installments (the "Deed"); and (iii) the amount of ₱102.1 million shall be paid by STI ESG on the 16th month after the execution of the Deed.

On September 30, 2024, STI ESG and Avida executed the Deed. On the same date, STI ESG settled the second installment amounting to ₱81.6 million. STI ESG likewise paid ₱9.2 million for taxes and other charges related to the sale. In view of this, STI ESG recognized this acquisition as "Land" under "Property and equipment" on September 30, 2024. On the same date, the related installment payments for the asset acquisition were applied to the total purchase price, and STI ESG recognized the remaining balance of the purchase price liability amounting to ₱102.1 million as liability under "Accounts payable" (see Note 17).

STI ESG is entitled to physical possession and control over the lot upon execution of the Deed. Further, the Deed also provided that STI ESG should start the construction within two years from its execution. As at October 13, 2025, the construction of the new STI Academic Center Alabang is ongoing (see Notes 16 and 34).

Land Acquired through Acquisition of Shares. On June 20, 2024, STI ESG and TCAMI, a related party, executed a Deed of Absolute Sale for the acquisition of 76.0 million common shares, with a par value of ₱1.0/share, representing 100% of the total issued and outstanding capital stock of CHI, for ₱180.0 million. CHI is the registered and beneficial owner of a 10,000-square-meter parcel of land located on President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This property is the site for STI Academic Center Tanauan, where construction of the building is ongoing. The land is valued at ₱182.9 million, after allocating the acquisition cost to other identifiable assets and liabilities of CHI which has a net liability carrying amount of ₱2.9 million (see Notes 16, 34 and 39).

Reclassification from Investment Properties to Property and Equipment. On October 1, 2022, STI ESG acquired two parcels of land with improvements in Meycauayan City, Bulacan, with a total area of 2,459 square meters for ₱140.1 million, inclusive of taxes and transfer fees. The Group assumed lease agreements on the property, the last of which expired in July 2025. Following the preparation for the construction of a new school building for STI Meycauayan, STI ESG reclassified the property from "Investment properties" to "Property and equipment" as at June 30, 2025.

The STI Academic Center Meycauayan project has a total cost of approximately ₱731.7 million, inclusive of materials, cost of labor and overhead, equipment and furniture, and all other costs necessary for the completion of the project. The ten-storey building which will include a service deck is expected to serve up to 7,500 students, with completion scheduled in the first quarter of 2027. As at October 13, 2025, the construction of the new STI Academic Center Meycauayan is ongoing.



Solar Project. STI ESG conducted roof deck waterproofing activities and installed solar panels at its head office building located in the STI Ortigas-Cainta campus during the fiscal year ended June 30, 2024. The solar panels have a total capacity of 212 kilowatts and have yielded cost savings for both administrative and school energy consumption. The associated contract cost for the solar panel project is ₱10.6 million, while the roof deck waterproofing activities have a total project cost of ₱6.1 million. These projects were completed in November 2023.

The Group has likewise completed the solar panel installation projects in several schools owned and operated by STI ESG namely: STI Pasay-EDSA, STI Novaliches, STI Las Piñas, STI Sta. Mesa, and STI Batangas. The solar panel installation project at STI Novaliches was completed in July 2024 while the rest of the projects were completed on various dates in September 2024. These projects have a combined cost of ₱22.8 million, including the costs for roofing repairs in preparation for the solar panel installation, and have an aggregate capacity of 674 kilowatts of electricity.

Renovation and Rehabilitation Projects. STI ESG has undertaken renovation works at its Tanay property. The initial phase, which addressed exterior facilities, has a total contract cost of ₱14.5 million and was completed in January 2024. The subsequent phase, which focused on interior improvements, has a total project cost of ₱14.6 million, and was completed in August 2024.

Classroom Expansion Projects. STI ESG, in anticipation of growing student population, has undertaken classroom expansion projects for several schools, namely, STI Las Piñas, STI Cubao, STI Sta Mesa, STI Caloocan, STI Lucena, STI San Jose del Monte, STI Global City, and STI Lipa. These expansion projects, with an aggregate cost of ₱140.9 million, primarily involve the partitioning of vacant or multi-purpose areas and were all completed, except for STI Lucena, as at June 30, 2025. The classroom expansion project for STI Lucena is expected to be completed by the end of October 2025. These additional classrooms can accommodate an aggregate of approximately 7,000 students.

New Buildings. The new three-storey building at STI Lipa has a total cost of ₱40.0 million, which includes all costs of materials, labor, tools, equipment, furniture, and incidental expenses. The construction of the new building at STI Lipa was completed in December 2024.

The five-storey school building at the STI Ortigas-Cainta campus with a total construction cost of ₱217.3 million was designed to accommodate approximately up to 4,500 students. The first and second floors of this building with aggregate cost of ₱86.9 million were completed in September 2024 while the remaining sections of the building were completed in January 2025. The first and second floors of the building were opened for use at the start of SY2024–2025 to accommodate the increasing student population at the STI Ortigas-Cainta campus. The outstanding works related to this project, particularly the construction of the sewage treatment plant, is expected to be completed by end of December 2025.

Property and Equipment under Construction. STI ESG continued to invest in the expansion of its educational infrastructure, with total construction-in-progress as at June 30, 2025, primarily related to the costs incurred for putting up STI Academic Center Tanauan and new school buildings at STI Fairview and STI Batangas.

The construction of STI Academic Center Tanauan is currently underway, with a total project cost of approximately ₱558.4 million. This amount covers costs for materials, labor, overhead, equipment and furniture, and other expenses necessary to complete the project. The eight-storey building, which will include a service deck, is designed to house up to 6,000 students and will be situated on a 10,000 square-meter property at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This project is expected to be completed in time for SY2026-2027.



In addition, the construction-in-progress account includes the costs related to new school buildings for STI Fairview and STI Batangas. A four-storey building with a roof deck is under construction at STI Fairview with a total project cost of ₱91.0 million, covering all costs of materials, labor, equipment, furniture, and incidental expenses to complete the project. This building is designed to accommodate 1,800 additional students. At the same time, the construction of a three-storey building is ongoing at STI Batangas with a total project cost of ₱32.0 million. This will serve approximately 900 more students. Both projects are scheduled for completion within SY2025-2026.

Additional solar projects are underway at STI Lipa, STI San Jose del Monte, and STI Calamba, with a combined capacity of 314 kilowatts. The total project cost is ₱13.8 million. These projects are expected to be completed by the end of October 2025, and are projected to generate significant energy savings for the respective campuses while contributing to the Group's sustainability initiatives.

STI ESG has also undertaken the construction of additional classrooms and an activity hall at the penthouse of STI Lucena, in anticipation of a growth in student enrollment. The total project cost amounts to ₱15.1 million. The project was completed as at October 13, 2025 and is expected to accommodate approximately 400 students.

The Group also has ongoing building upgrade and refurbishment projects across several schools owned and operated by STI ESG. These projects aggregate to ₱101.0 million, covering all costs of materials, labor, and incidental expenses. The projects were substantially completed as at October 13, 2025, with the remaining works expected to be completed by the end of October 2025.

Likewise included in the construction-in-progress balance as at June 30, 2025 are STI WNU's costs of renovation of the university gymnasium with a total project cost of ₱66.3 million, repair and rehabilitation of the existing powerhouse as well as the construction of another powerhouse to house the generators with a total project cost of ₱3.7 million, construction of a Materials Recovery Facility (MRF) for proper waste disposal with a total cost of ₱1.95 million, and the replacement of air-conditioning units (ACUs) for its college buildings with a total project cost of ₱4.3 million. The renovation of the university gymnasium and installation of the new ACUs for its college buildings were all completed in September 2025. The repair and rehabilitation of the existing powerhouse and the construction of the new powerhouse, including the construction of the MRF have likewise been completed in September 2025.

As at June 30, 2024, STI ESG reported costs of construction-in-progress aggregating to ₱236.9 million mainly pertaining to (1) construction of the new building in STI Ortigas-Cainta campus, (2) class room expansion projects (3) renovation and rehabilitation project of STI ESG's Tanay property, (4) construction of a three-storey building at STI Lipa, (5) roof deck waterproofing activities and installation of solar panels, and (6) renovation and rehabilitation projects. As at June 30, 2025, all of these projects have been completed and were recognized as part of "Property and equipment" (see Notes 16 and 34).

The construction-in-progress account as at June 30, 2024 also includes the construction of STI WNU's new university canteen, the construction of another kitchen laboratory for its College of Hotel and Tourism Management, and the rehabilitation of a student lounge and walkway, aggregating to ₱67.5 million. The construction of the kitchen laboratory for the College of Hotel and Tourism Management and the rehabilitation of the student lounge and walkway were both completed in January 2025, while the new university canteen was completed in June 2025.



Collaterals

Transportation equipment, recognized as right-of-use assets, are pledged as security for the related lease liabilities as at June 30, 2025 and 2024 (see Note 29). The net book value of these equipment items amounted to ₱11.6 million and ₱12.0 million as at June 30, 2025 and 2024, respectively.

12. Investment Properties

	2025			
	Land	Condominium Units and Buildings	Right-of-Use Asset - Building	Total
Cost:				
Balance at beginning of year	₱676,807,317	₱780,307,090	₱133,183,838	₱1,590,298,245
Additions	–	4,510,732	–	4,510,732
Reclassification from noncurrent asset held for sale (see Note 10)	1,004,659,301	8,364,963	–	1,013,024,264
Reclassification to property and equipment (see Note 11)	(140,143,382)	–	–	(140,143,382)
Balance at end of year	1,541,323,236	793,182,785	133,183,838	2,467,689,859
Accumulated depreciation:				
Balance at beginning of year	–	335,601,702	67,683,590	403,285,292
Depreciation (see Note 26)	–	26,692,132	13,100,050	39,792,182
Balance at end of year	–	362,293,834	80,783,640	443,077,474
Net book value	₱1,541,323,236	₱430,888,951	₱52,400,198	₱2,024,612,385

	2024			
	Land	Condominium Units	Right-of-Use Asset - Building	Total
Cost:				
Balance at beginning of year	₱489,366,713	₱779,564,396	₱133,183,838	₱1,402,114,947
Additions	–	742,694	–	742,694
Reclassification from property and equipment (see Note 11)	187,440,604	–	–	187,440,604
Balance at end of year	676,807,317	780,307,090	133,183,838	1,590,298,245
Accumulated depreciation:				
Balance at beginning of year	–	309,052,401	55,524,391	364,576,792
Depreciation (see Note 26)	–	26,549,301	12,159,199	38,708,500
Balance at end of year	–	335,601,702	67,683,590	403,285,292
Net book value	₱676,807,317	₱444,705,388	₱65,500,248	₱1,187,012,953

As discussed in Note 10, the Quezon City dacion properties, ownership of which were obtained by the Parent Company in 2016 through Deeds of Dacion, were reclassified back to investment properties as at June 30, 2025 from the previous classification as noncurrent asset held for sale as at June 30, 2024. As at June 30, 2025, the carrying value of the Quezon City dacion properties, presented under “Investment properties”, amounted to ₱1,013.0 million (see Note 10). These properties are still intended for sale.

Investment properties also include a parcel of land and land improvements located in Davao City currently held by the Parent Company for capital appreciation and are not used in business. These properties (including the Quezon City dacion properties) were obtained by the Parent Company from Unlad through the Deeds of Dacion executed on March 31, 2016 (pursuant to a Memorandum of Agreement discussed in Note 34) for a total dacion price of ₱911.0 million as settlement of the outstanding obligations of Unlad and PWU to the Parent Company, arising from the loans extended by the Parent Company to PWU and Unlad when the Parent Company acceded, in November 2011, to the Joint Venture Agreement and Shareholders’ Agreement (the “Agreements”) by and among PWU, Unlad, an Individual and Mr. Eusebio H. Tanco (EHT), STI Holdings’ BOD Chairman, for the formation of a strategic arrangement with regard to the efficient management and operation of PWU (see Note 34). PWU is a private non-stock, non-profit educational institution, which provides basic, secondary, and tertiary education, including post graduate studies, to its students while Unlad is a real estate company



controlled by the Benitez Family and has some assets which are used to support the educational thrust of PWU. The Quezon City dacion properties and the Davao property were initially recognized as “Investment properties” at fair value aggregating to ₱1,280.5 million at dacion date.

As at June 30, 2025 and 2024, investment properties also include right-of-use asset - building and condominium units of the Group which are held for office or commercial lease.

Renovation and fit-out works. STI ESG recorded additions amounting to ₱4.5 million, mainly related to fit-out works carried out in one of STI ESG’s investment properties during the year ended June 30, 2025.

Reclassification from Property and Equipment. In 2024, STI ESG reclassified the vacant lot located on Diversion Road, Brgy. San Rafael, Mandurriao, Iloilo City to “Investment properties” following the cessation of STI Iloilo’s operations in the area. The carrying value of the property at the time of reclassification is at ₱187.4 million. In 2023, STI ESG reclassified the parcels of land, including the improvements thereon, located in Las Piñas City as part of “Investment properties”. The carrying value at the time of reclassification is ₱40.5 million. These properties, a part of which being is rented as warehouse, have existing leases with varying terms expiring in 2026 up to 2029 (see Note 11).

Right-of-use Asset - Building. On May 2, 2014, iACADEMY entered into a lease agreement with Metrobank Trust and Banking Group for a building along Sen. Gil J. Puyat Avenue in Makati City for a period of 15 years and three months subject to renewal upon mutual agreement. The annual rental is subject to 5.0% escalation every three years or the average of the Consumer Price Index for the last three years, whichever is higher. iACADEMY subleases the building to third parties (see Note 29).

Description of valuation techniques used and key inputs to valuation of investment properties

The fair values of the Group’s investment properties were determined by an independent professionally qualified appraiser accredited by the SEC. The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Land

Level 3 fair value of land was derived using the market approach. The market approach is a comparative approach to value which considers the sale of similar or substitute properties and related market data and establishes a value estimate by a process involving comparison. Listings and offerings may also be considered. Sales price of comparable land in close proximity (external factor) are adjusted for differences in key attributes (internal factors) such as location and size.

Using the latest available valuation report as at June 30, 2025 and 2024, the following shows the valuation technique used in measuring the fair value of the land, as well as the significant unobservable inputs used:

Quezon City properties	₱4,372,578,000
Davao property	486,226,400
Fair value per square meter:	
Quezon City properties	14,357 sq. m. at ₱288,000 per sq. m. and 918 sq. m. at ₱259,000
Davao property	40,184 sq. m. at ₱12,100 sq. m.
Valuation date	August 28, 2024/August 30, 2024
Valuation technique	Market approach
Unobservable input	Internal factors – location, size, depth, influence, and time element
Relationship of unobservable inputs to fair value	The higher the price per square meter, the higher the fair value



	2025	2024
Fair value of STI ESG's land	₱570,917,000	₱667,106,385
Valuation date	June 2025/June 2023	June 2023/May 2022
Valuation technique	Market approach	Market approach
Unobservable input	Net price per square meter	Net price per square meter
	The higher the price per square meter,	The higher the price per square meter,
Relationship of unobservable inputs to fair value	the higher the fair value	the higher the fair value

These refer to several parcels of land owned by STI ESG located in various locations which are primarily held for capital appreciation and rental purposes. These properties are not utilized by the Group in the conduct of its operations.

Condominium Units and Buildings and Right-of-use Asset - Building

Level 3 fair values of STI ESG's condominium units have also been derived using the market approach.

Using the latest available valuation report as at June 30, 2025 and 2024, the following table shows the valuation technique used in measuring the fair value of STI ESG's condominium units, as well as the significant unobservable inputs used:

	2025	2024
Fair value	₱1,591,386,000	₱1,597,923,000
Valuation Date	June 2025/June 2023	June 2023/May 2022
Valuation technique	Market approach	Market approach
Unobservable input	Net price per square meter	Net price per square meter
	The higher the price per square meter, the higher	The higher the price per square meter, the higher the fair
Relationship of unobservable inputs to fair value	the fair value	value

Level 2 fair values of right-of-use asset - building, and buildings and improvements have been derived using the cost approach. The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence. As at June 30, 2025 and 2024, the fair value of right-of-use asset – building amounted to ₱230.1 million while the fair value of other buildings and improvements amounted to ₱21.9 million. Management has determined that the fair value of these investment properties did not significantly change from the last valuation date.

The highest and best use of Quezon City properties is high rise mixed-use residential and commercial land development, while the highest and best use of Davao property is institutional land development. The highest and best use of STI ESG's land and condominium units and iACADEMY's "Right-of-use Asset - Building" is commercial utility.



Rental

Rental income earned from investment properties amounted to ₱197.2 million, ₱178.7 million and ₱161.9 million for the years ended June 30, 2025, 2024 and 2023, respectively (see Note 29). Expenses directly attributable to the rented properties, including real property taxes, insurance, janitorial, security services, depreciation, interest expense on lease liability, and repairs and maintenance, for the years ended June 30, 2025, 2024 and 2023 amounted to ₱105.9 million, ₱75.5 million and ₱77.9 million, respectively.

13. Investments in and Advances to Associates and Joint Venture

	2025	2024
Investments		
Acquisition costs	₱46,563,409	₱46,563,409
Accumulated equity in net earnings (losses):		
Balance at beginning of year	(24,133,696)	(26,143,098)
Equity in net earnings of associates and joint venture	3,609,544	2,009,402
Balance at end of year	(20,524,152)	(24,133,696)
Accumulated share in associates' other comprehensive income:		
Balance at beginning and end of year	329,306	329,306
	26,368,563	22,759,019
Less allowance for impairment loss	1,650,340	1,650,340
	24,718,223	21,108,679
Advances (see Note 31)	48,134,540	48,134,540
Less allowance for impairment loss	48,134,540	48,134,540
	—	—
	₱24,718,223	₱21,108,679

The carrying values of the Group's investments in and advances to associates and joint venture are as follows:

	2025	2024
Associates:		
STI Accent*	₱48,134,540	₱48,134,540
GROW	22,457,345	18,814,679
Joint venture - PHEI (see Note 14)	3,911,218	3,944,340
	74,503,103	70,893,559
Allowance for impairment loss	(49,784,880)	(49,784,880)
	₱24,718,223	₱21,108,679

*The share in equity of STI Accent for the years ended June 30, 2025 and 2024 is not material to the consolidated financial statements.

As at June 30, 2025 and 2024, the carrying amount of the investments in STI Marikina and STI Accent amounted to nil. The Group received dividends from STI Marikina which were recognized as income amounting to ₱1.5 million and ₱1.2 million for the years ended June 30, 2025 and 2024, respectively.



Provision for impairment of investment in joint venture for the year ended June 30, 2024 amounted to ₱1.7 million (see Notes 14 and 26). There were no movements in allowance for impairment in value of investments in and advances to associates and joint venture for the years ended June 30, 2025 and 2023.

Information about the associates is discussed below:

STI Accent. STI Accent is engaged in providing medical and other related services. It ceased operations on June 20, 2012 after the contract of usufruct between STI Accent and Dr. Fe Del Mundo Medical Center Foundation Philippines, Inc. to operate the hospital and its related healthcare service businesses was rescinded in May 2012. As at June 30, 2025 and 2024, allowance for impairment loss on STI ESG's investment in STI Accent and related advances amounted to ₱48.1 million which fully cover the said investment and advances.

Others. The carrying amount of the Group's investments in GROW and PHEI represents the aggregate carrying values of individually immaterial associates.

The aggregate financial information of individually immaterial associates are as follows:

	2025	2024	2023
Current assets	₱225,645,221	₱188,843,745	₱51,770,628
Noncurrent assets	39,536,165	36,129,515	62,726,577
Current liabilities	(114,288,787)	(101,648,317)	(68,142,818)
Noncurrent liabilities	(18,376,458)	(12,207,467)	(1,590,507)
Equity	₱132,516,141	₱111,117,476	₱44,763,880

	2025	2024	2023
Revenues	₱495,713,767	₱389,594,161	₱313,535,150
Expenses	(473,231,266)	(377,531,625)	(299,621,317)
Total comprehensive income	22,482,501	12,062,536	₱13,913,833
Share in total comprehensive income	₱3,609,544	₱2,009,402	₱2,258,739

Terms and conditions relating to advances to associates and joint venture are disclosed in Note 31 to the consolidated financial statements.

14. Interest in Joint Venture

On March 19, 2004, STI ESG, together with the University of Makati (UMak) and another shareholder, incorporated PHEI in the Philippines. STI ESG and UMak each owns 40.0% of the equity of PHEI with the balance owned by another shareholder. PHEI was envisioned as the College of Nursing of UMak.

The following were certain key terms under the agreement signed in 2003 by STI ESG and UMak:

- STI ESG shall be primarily responsible for the design of the curriculum for the Bachelor's Degree in Nursing (BSN) and Master's Degree in Nursing Informatics, with such curriculum duly approved by the University Council of UMak;
- UMak will allow the use of its premises as the campus of BSN while the premises of iACADEMY will be the campus of the post graduate degree; and



- c. STI ESG will recruit the nursing faculty while UMak will provide the faculty for basic courses that are non-technical in nature.

On October 2, 2023, the BOD of PHEI approved the cessation of its school operations effective December 31, 2023.

The BOD of STI ESG, in its February 27, 2024 meeting, approved the termination of the Joint Venture Agreement (JVA) between STI ESG and the University of Makati. The BOD of STI ESG also directed the amendment of the Articles of Incorporation of PHEI for the purpose of shortening the corporate life of PHEI.

In a meeting of the BOD and the stockholders of PHEI held on March 3, 2025, it was agreed to shorten the corporate life to June 30, 2026. On June 30, 2025, the SEC approved the amendment of the Articles of Incorporation of PHEI stating that the term of existence of PHEI is until June 30, 2026.

STI ESG recognized a provision for impairment of its investment in a joint venture amounting to ₱1.7 million for the year ended June 30, 2024. No impairment was recognized for the years ended June 30, 2025 and 2023. The cost of STI ESG's investment in PHEI amounted to ₱5.0 million while its carrying value amounted to ₱2.3 million as at June 30, 2025 and 2024.

The Group's share in the net losses of its joint venture amounted to ₱33.1 thousand, ₱71.7 thousand and ₱185.4 thousand for the years ended June 30, 2025, 2024 and 2023, respectively.

15. Equity Instruments at Fair Value through Other Comprehensive Income (FVOCI)

	2025	2024
Quoted equity shares	₱12,428,646	₱10,197,060
Unquoted equity shares	61,220,510	66,473,564
	₱73,649,156	₱76,670,624

a. Quoted Equity Shares

The quoted equity shares above pertain to shares listed in the PSE, as well as traded club shares. These are carried at fair value with cumulative changes in fair values presented as a separate component in equity under the "Unrealized fair value adjustment on equity instruments at FVOCI" account in the consolidated statements of financial position. The fair values of these shares are based on the quoted market price as at the financial reporting date.

b. Unquoted Equity Shares

Unquoted equity shares pertain to shares which are not listed in a stock exchange.

STI ESG owns 57,971 shares of De Los Santos Medical Center, Inc. (DLSMC). The carrying value of the investment in DLSMC amounted to ₱35.1 million and ₱32.3 million as at June 30, 2025 and 2024, respectively.

STI ESG recognized dividend income from unquoted equity shares at FVOCI amounting to ₱2.2 million, ₱1.1 million and ₱1.8 million for the years ended June 30, 2025, 2024 and 2023, respectively.



The rollforward analysis of the “Unrealized fair value adjustment on equity instruments at FVOCI” account as shown in the equity section of the consolidated statements of financial position follows:

	2025	2024
Balance at beginning of year	₱20,639,320	₱15,324,159
Unrealized fair value adjustment on equity instruments at FVOCI	(3,021,468)	5,315,161
Balance at end of year (see Note 21)	₱17,617,852	₱20,639,320

16. Goodwill, Intangible and Other Noncurrent Assets

	2025	2024
Advances to suppliers	₱377,556,593	₱87,176,799
Goodwill	252,310,422	252,310,422
Deposit for purchase of shares	60,484,800	60,484,800
Intangible assets	34,157,601	40,778,815
Rental and utility deposits (see Note 29)	33,098,754	33,584,837
Prepaid taxes - net of current portion	22,613,470	20,190,970
Deposit for asset acquisition	–	20,412,500
Deferred input VAT	–	10,824,959
Others	6,479,581	3,048,673
	₱786,701,221	₱528,812,775

Advances to Suppliers

As at June 30, 2025, advances to suppliers primarily represent payments made in advance for the (1) design and construction of the STI Academic Center Alabang, (2) design and construction of the STI Academic Center Tanauan, (3) construction of new school buildings at STI Fairview and STI Batangas, (4) design and set-up of the new enrollment system, (5) rehabilitation of STI WNU’s university gymnasium, solar panels for SBE and Engineering buildings, (6) isolation and acoustic treatment of iACADEMY’s sound room, and (7) installation of iACADEMY’s outdoor LED wall. The related costs for these projects, except for the enrollment system, will be recognized under “Property and Equipment” when the goods are received, or services are completely rendered (see Note 11).

Advances to suppliers as at June 30, 2024 relate substantially to advance payments made for various transactions, including the (1) construction of the new school building at STI Ortigas-Cainta, (2) learning classroom expansion project in certain STI ESG wholly-owned schools, (3) acquisition of equipment and furniture, (4) various ongoing major renovation and rehabilitation projects of the other schools owned and operated by STI ESG, (5) design and set-up of STI ESG’s new enrollment system, (6) construction of STI WNU’s new university canteen, (7) construction of a kitchen laboratory in STI WNU College of Hotel and Tourism Management, and (8) rehabilitation of STI WNU’s student lounge. The aforementioned projects, except for the sewage treatment plant project at STI Ortigas Cainta, were completed as at June 30, 2025. The outstanding works related to the sewage treatment plant project are expected to be completed by end of December 2025 and will be recognized as “Property and equipment” when the services are completely rendered (see Note 11).

STI ESG’s enrollment system is currently in the pilot testing phase at select schools, with a phased rollout to begin within SY2025-2026. The deployment will occur in stages across the entire STI ESG network. The related costs for this project will be recognized as “Intangible assets” upon completion of the project.



The new STI Academic Center Alabang project has a total cost of approximately ₱950.4 million, inclusive of materials, cost of labor and overhead, equipment and furniture, and all other costs necessary for the completion of the project. The eight-storey building, which will include a service deck, will rise on a 3,266 square meter property located at South Park District, Alabang, Muntinlupa City. This building is expected to accommodate up to 10,000 students and is expected to be completed in time for SY2026-2027 (see Notes 17 and 34). The related costs for this project will be recognized as “Property and equipment” upon completion of the project.

Goodwill

As at June 30, 2025 and 2024, the Group’s goodwill acquired through business combinations have been allocated to certain schools which are considered as separate CGUs:

	Amount
STI Caloocan	₱64,147,877
STI Cubao	28,327,670
STI Alabang (see Note 39)	23,023,960
STI Pasay-EDSA	22,292,630
STI Novaliches	21,803,322
STI WNU	15,681,232
STI Global City	11,360,085
STI Sta. Mesa	11,213,342
STI Lipa	8,857,790
STI Ortigas-Cainta	7,476,448
NAMEI	6,962,343
STI Dagupan	6,835,818
STI Meycauayan	5,460,587
STI Tanauan	4,873,058
STI Las Piñas	2,922,530
STI Batangas	2,585,492
STI Kalibo	2,474,216
STI Naga	2,305,368
STI Sta. Maria	1,776,696
STI Calbayog	1,325,721
STI Dumaguete	604,237
	<u>₱252,310,422</u>

Management performs its impairment test at the end of each reporting period for all the CGUs. The recoverable amounts are computed based on value-in-use calculations using cash flow projections. Future cash flows are discounted using a pre-tax rate ranging from 11.90% to 12.70% and from 13.20% to 13.40% as at June 30, 2025 and 2024, respectively. The cash flow projections are based on a five-year financial planning period as approved by senior management. Management used forecasted revenue increase ranging from 1.53% to 54.19% and 0.33% to 56.62% in June 2025 and 2024, respectively, for the next five years. For certain CGUs, management used forecasted revenue decreases ranging from 1.05% to 23.49% in June 2025 for the next two years. The long-term growth rate applied beyond the five-year forecast is 5.00% in June 2025 and 2024. The Group recognized a provision for impairment on goodwill amounting to ₱14.3 million for the year ended June 30, 2024 (see Note 26). No impairment was recognized for the years ended June 30, 2025 and 2023.



Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Forecasted revenue growth – Revenue forecasts are management’s best estimates considering factors such as historical/industry trends, target market analysis, government regulations and other economic factors. Revenue forecast of each CGU is primarily dependent on the number of students enrolled and tuition fee rates, which vary for each school.
- Long-term growth rate – Rates are based on published industry research.
- Discount rate – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC. The Group used the WACC rate as affected by the beta of companies with similar activities and capital structure with the CGUs. WACC is driven by cost of equity and debt which consider lending rates with a tenor of 10 years to consider both liquidity and risk.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the CGUs, management believes that a reasonably possible change in the assumptions would not cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Deposit for Purchase of Shares

On June 20, 2024, STI ESG and TCAMI executed a Share Purchase Agreement (SPA) for STI ESG’s acquisition of 190.0 million common shares with par value of ₱1.0 per share, representing 100.0% of the total issued and outstanding capital stock (Subject Shares) of TCAMI’s wholly-owned subsidiary, Phosphene Holdings, Inc. (PHI), for ₱403.2 million. A 15.0% deposit, equivalent to ₱60.5 million, was paid on the effective date of the SPA. The remaining balance of ₱342.7 million would be due on the third anniversary of the SPA.

The agreement granted STI ESG the right to cancel the purchase of the Subject Shares at any time within the three-year period. Should STI ESG opt to cancel, TCAMI shall refund the deposit within thirty (30) days from receipt of the written notice of cancellation. The transfer of the shares would take place on the third anniversary of the SPA’s effective date or at an earlier date mutually agreed upon by STI ESG and TCAMI.

PHI owns a 25,202-square-meter parcel of land located at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas which is adjacent to the property owned by CHI (see Note 11).

Intangible Assets

Intangible assets substantially pertain to the license to operate a maritime school which the Group identified as intangible assets for purposes of estimating the fair value of the net assets acquired. Such intangible assets with indefinite useful life, representing the fair value of the license and agreements, amounted to ₱27.6 million as at June 30, 2025 and 2024.

This account also includes the Group’s accounting and payroll software as at June 30, 2025 and 2024.



The rollforward analyses of this account follow:

	2025	2024
Cost, net of accumulated amortization:		
Balance at beginning of year	₱40,778,815	₱48,483,245
Additions	–	1,127,155
Amortization (see Notes 24 and 26)	(6,621,214)	(8,831,585)
Balance at end of year	₱34,157,601	₱40,778,815
Cost	₱114,969,334	₱114,969,334
Accumulated amortization	(80,811,733)	(74,190,519)
Net carrying amount	₱34,157,601	₱40,778,815

Rental and Utility Deposits

This account includes security deposits paid to utility companies and for warehouse, school and office space rentals in accordance with the respective lease agreements.

Prepaid Taxes

Noncurrent portion of prepaid taxes pertains to the creditable withholding taxes of the Parent Company which are not expected to be utilized in the near term and will be deductible from income tax due beyond one year from the end of the fiscal year (see Note 8).

Deposit for Asset Acquisition

Pursuant to the Deed of Sale on Installments executed by STI ESG and Avida in September 2024 and the settlement of the second installment amounting to ₱81.6 million, STI ESG reclassified this deposit made in June 2024 and recognized the payments made as “Land” under “Property and equipment” and the related liability corresponding to the last installment in the amount of ₱102.1 million as “Accounts payable” (see Notes 11 and 17).

Deferred Input VAT

This account represents input VAT which is expected to be recovered beyond one year (see Note 8).

17. Accounts Payable and Other Current Liabilities

	2025	2024
Accounts payable (see Note 31)	₱523,015,333	₱445,228,132
Accrued expenses:		
School activities, programs and other related expenses	69,383,802	63,307,426
Contracted services	59,931,816	49,288,035
Salaries, wages and benefits	61,681,330	39,866,784
Interest	38,606,956	49,507,925
Utilities	17,943,317	20,281,193
Advertising and promotion	5,369,064	3,058,569
Rent (see Note 29)	203,108	515,965
Others	6,756,579	2,558,624
Excess payments for refund	57,159,921	47,919,656
Statutory payables	33,797,160	30,172,258
Dividends payable (see Note 21)	32,395,700	30,302,513

(Forward)



	2025	2024
Network events fund	₱24,387,481	₱21,150,343
Student organization fund	20,970,989	31,689,869
Nontrade payable (see Notes 1 and 34)	17,000,000	17,000,000
Current portion of refundable deposits (see Note 20)	7,670,529	10,084,051
Current portion of advance rent (see Note 20)	4,382,575	12,476,599
Due to an affiliate (see Note 31)	–	59,511,839
Others	15,416,667	16,673,672
	₱996,072,327	₱950,593,453

The terms and conditions of the above liabilities are as follows:

- a. Accounts payable are noninterest-bearing and are normally settled within a 30 to 60-day term.

As at June 30, 2025, this account includes the remaining balance of ₱102.1 million for the acquisition of a parcel of land in Alabang, Muntinlupa City (see Notes 10 and 16).

- b. Accrued expenses, student organization fund, network events fund and other payables are expected to be settled within the next fiscal year.
- c. Excess payments for refund represent excess payments made by students, arising from overpayments, sponsorship adjustments, or approved scholarships. These amounts are recognized as a liability and will remain as such until the necessary documentation to initiate the refund process is received. The refund is expected to be settled within the next fiscal year.
- d. Statutory payables primarily include taxes payable and other payables to government agencies which are normally settled on or before the respective due dates, typically within 5 to 30 days following the end of the taxable month or quarter, in accordance with BIR regulations.
- e. Dividends payable pertain to dividends declared which are unclaimed as at reporting date and are due on demand.
- f. Nontrade payable pertains to a contingent consideration in relation to the acquisition of STI WNU. As at June 30, 2025, the remaining balance of nontrade payable amounting to ₱17.0 million pertains to the portion of the contingent consideration to be released upon collection of STI WNU's trade receivables guaranteed as collectible by the Agustin family. As part of the Compromise Agreement between the Parent Company and the Agustin Family executed in 2021, the parties agreed to review the financial records of STI WNU to determine the status of collection (see Note 34). As at October 13, 2025, STI WNU has not been able to collect the said receivables and no feedback has been received from the Agustin Family.
- g. Current portion of refundable deposits pertain to security deposits from existing lease agreements which are expected to be settled within the next fiscal year.
- h. Current portion of advance rent pertains to amount received by the Group which will be earned and applied within the next fiscal year.
- i. Terms and conditions of payables to related parties are disclosed in Note 31 to the consolidated financial statements.



18. Interest-bearing Loans and Borrowings

	2025	2024
Term loans ^(a)	₱1,726,332,830	2,086,114,412
Less current portion	580,267,162	536,274,021
Noncurrent portion	₱1,146,065,668	₱1,549,840,391

^(a)Net of unamortized debt issuance costs of ₱11.4 million and ₱13.9 million as at June 30, 2025 and 2024, respectively.

Term Loan Agreement with Bank of the Philippine Islands (BPI)

STI ESG. On March 7, 2024, STI ESG and BPI entered into a five-year term loan agreement for a credit facility up to the amount of ₱1,000.0 million. This credit facility is unsecured and was originally available and ending on the earliest of (i) December 31, 2024, (ii) the date the total facility is fully drawn by STI ESG, or (iii) the date the total facility is terminated or cancelled in accordance with the terms of the Term Loan Agreement. The proceeds of this loan could be used to (i) partially refinance STI ESG's bonds due in March 2024, (ii) finance the campus expansion projects, and (iii) for other general corporate requirements.

On March 18, 2024, STI ESG availed a ₱500.0 million loan from this facility at an interest rate of 8.4211% per annum. The proceeds from this loan were used to partially finance the 7-year bonds which were redeemed in full upon maturity on March 23, 2024.

Principal repayments are to be made in ten (10) equal installments based on a semi-annual amortization schedule which commences six (6) months from the date of initial borrowing until the maturity date. Each such installment shall be paid by STI ESG on a repayment date occurring semi-annually from the date of initial borrowing until the maturity date. Interest and principal payment for the succeeding borrowings are to be adjusted to coincide with that of the initial borrowing.

STI ESG has elected to fix the interest on each drawdown on a semi-annual basis equivalent to the higher of (i) the base rate-floating plus margin; and (ii) the applicable Bangko Sentral ng Pilipinas (BSP) Target Reverse Repurchase Rate (TRRP) plus margin, payable and reprisable semi-annually. Base Rate means the PHP Bloomberg Valuation (BVAL) or PHP BVAL Reference Rates (or in the event of its elimination or discontinuance, its replacement as may be determined by the Bankers' Association of the Philippines (BAP) or BSP, as displayed on Bloomberg (or such applicable platform) at approximately 5:00 PM on the relevant Interest Rate Setting Date or Interest Rate Repricing Date. BSP TRRP means the monetary policy interest rate of the BSP as published daily in the BSP website. On May 10, 2024, BPI agreed to STI ESG's request to amend the Term Loan Agreement with respect to the basis of floating interest rate at each drawdown equivalent to the higher of (i) the base rate-floating plus margin; and (ii) the applicable BSP TRRP plus 50 basis points, payable and reprisable semi-annually. The amendment to the Term Loan Agreement was executed on May 17, 2024. The amendment provides that the basis of the floating interest rate will take effect on the next drawdown or on the next repricing date, whichever comes first.

Interest Period commences on the date of the Borrowing and has a duration of six (6) months with each six (6)-month period thereafter commencing upon the expiry of the immediately preceding Interest Period; provided that, in case of multiple Borrowings, for each Borrowing subsequent to the initial Borrowing, the first Interest Period for that subsequent Borrowing shall commence on the date of such Borrowing and shall end on the last day of the current Interest Period for the initial Borrowing as established above in order to synchronize the interest periods of all Borrowings. Interest Rate Setting Date means two (2) Business Days prior to each Borrowing Date or, if that is not a Business Day, on the immediately preceding Business Day. Interest Rate Repricing Date shall mean two (2) Business Days prior to each semi-annual date coinciding with the Interest Payment Date. Interest rate for the outstanding loans under this Term Loan Facility with BPI was repriced effective March 18, 2025 and



September 18, 2024 at the rates of 7.4395% per annum and 7.8735% per annum, respectively. Subsequently, interest rate for the Term Loan Facility with BPI was repriced effective September 18, 2025 at 7.0588% per annum.

STI ESG shall have the option to prepay the loan, wholly or partially, at any time during the term of the loan. Each partial prepayment shall be in integral multiples of ₱10.0 million. The amount payable in respect of any prepayment of the loan shall comprise of (i) any accrued interest on the principal amount of the loan to be prepaid; and (ii) the principal amount of the Loan to be prepaid; and (iii) prepayment penalty equivalent to 1.0% of the amount prepaid if the prepayment is done on any date other than the Interest Rate Setting Date.

The embedded floating interest rate and prepayment option on the loan drawdowns with BPI was assessed as clearly and closely related to the loan, thus, not for bifurcation.

On December 4, 2024, STI ESG availed an additional ₱200.0 million loan from this facility at an interest rate of 7.8201% per annum. The proceeds from this loan were used to settle the downpayment for the construction of STI Academic Center Alabang. STI ESG capitalized the related loan transaction costs amounting to ₱1.5 million.

These outstanding loans are unsecured and are due based on the following schedule as at June 30, 2025:

Fiscal Year	Amount
2026	₱144,444,444
2027	144,444,444
2028	144,444,444
2029	144,444,446
	₱577,777,778

Breakdown of STI ESG's Term Loan with BPI follows:

	2025	2024
Balance at beginning of year	₱500,000,000	₱—
Proceeds	200,000,000	500,000,000
Payments	(122,222,222)	—
Balance at end of year	577,777,778	500,000,000
Deferred finance cost	(4,086,412)	(3,536,184)
Balance at end of year	573,691,366	496,463,816
Less current portion	143,344,193	99,249,589
Noncurrent portion	₱430,347,173	₱397,214,227

In January 2025, STI ESG and BPI executed the second amendment to STI ESG's Term Loan Agreement with BPI extending its availability period. Following the amendment, the availability period was extended to conclude on the earliest of (i) June 30, 2025, (ii) the date the total facility is fully drawn by STI ESG, and (iii) the date the total facility is terminated or cancelled in accordance with the terms of the Term Loan Agreement.

STI ESG settled the principal payments due under STI ESG's Term Loan facility with BPI amounting to ₱50.0 million on September 18, 2024. In addition, on March 18, 2025 and September 18, 2025, STI ESG settled principal payments of ₱72.2 million each under the same facility.



In July 2025, STI ESG and BPI executed the third amendment to STI ESG's Term Loan Agreement with BPI further extending its availability period. Following the amendment, the availability period was further extended to conclude on the earliest of (i) December 31, 2025, (ii) the date the total facility is fully drawn by STI ESG, and (iii) the date the total facility is terminated or cancelled in accordance with the terms of the Term Loan Agreement.

Financial Covenants. The Agreement prescribes that the following financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio not exceeding 2.50:1.00, computed by dividing Total Debt over total Equity of STI ESG.
2. Debt Service Cover Ratio (DSCR) of at least 1.05x, which is the ratio between (a) the EBITDA based on the latest Financial Statements, and (b) Debt Service.

The term "Total Debt" means the aggregate (as of the relevant date for calculation) of all interest-bearing indebtedness of STI ESG, and the term "Equity" means the sum of capital stock (common and preferred stocks), additional paid-in capital, deposit for future subscriptions, retained earnings (appropriated and unappropriated) and shareholders' advances that are intended to be infused as capital stock, as shown in the applicable financial statements of STI ESG, provided that preferred stocks shall only be considered as part of capital stock if the said preferred stocks do not earn interest.

Debt Service means the principal amortizations, interest payments and financing fees and charges falling due for the next twelve (12) months following the end of STI ESG's fiscal year. Debt Service and EBITDA shall be based on the latest audited consolidated financial statements of STI ESG and its subsidiaries.

STI ESG's D/E ratio and DSCR, as defined in the Term Loan Agreement with BPI are as follows:

	2025	2024
Total liabilities ^(a)	₱2,543,038,843	₱2,901,081,687
Total equity	8,390,859,797	6,996,687,341
D/E ratio	0.30:1.00	0.41:1.00

^(a) Including only all interest-bearing Indebtedness

	2025	2024
EBITDA (see Note 3) ^(b)	₱2,589,109,533	₱1,992,058,511
Total interest-bearing liabilities ^(c)	762,528,616	834,054,745
DSCR ^(d)	3.40:1.00	2.39:1.00

^(b) EBITDA for the last twelve months

^(c) Total interest-bearing debts and interests due in the next twelve months

As at June 30, 2025 and 2024, STI ESG is in compliance with the BPI loan covenants.

Term Loan Agreement with Metropolitan Bank & Trust Company (Metrobank)

STI ESG. On March 8, 2024, STI ESG and Metrobank entered into an unsecured five-year term loan agreement of up to the amount of ₱2,000.0 million. The credit facility was originally available up to December 31, 2024. The proceeds of this loan could be used to (i) partially refinance STI ESG's bonds due in March 2024, (ii) finance the campus expansion projects, and (iii) for other general corporate requirements. Principal repayments are to be made in equal or nearly equal consecutive ten (10) installments based on a semi-annual amortization schedule which commences six (6) months from the date of initial borrowing until the maturity date, with the last installment in an amount sufficient to fully



pay the loan. Each such installment shall be paid by STI ESG on a repayment date occurring semi-annually from the date of borrowing or initial borrowing, until the maturity date. In case there is more than one (1) borrowing, the repayment date is to be adjusted to coincide with the interest payment date occurring in the same calendar month.

STI ESG has elected to fix the interest on each drawdown on a semi-annual basis based on the higher of the aggregate of the six (6) month reference rate plus 1.50% per annum, and the aggregate of the BSP TRRP Rate plus 0.50% per annum. Reference rate is defined as the relevant tenor of the Bloomberg Valuation Curve for Philippine government securities, currently referred to as BVIS0923 Index in Bloomberg, as published on the PDS market page and PDS official website.

Interest Period commences on the date of borrowing or initial borrowing, in case there is more than one (1) borrowing, and having a duration of six months and each semi-annual period thereafter commencing upon the expiry of the immediately preceding interest period, provided, that the first interest period with respect to a borrowing subsequent to the initial borrowing shall commence on the date of such subsequent borrowing and shall end on the last day of the current interest period of the initial borrowing within which such subsequent borrowing was made to synchronize all subsequent interest periods. Interest Rate Setting Date is the business day immediately preceding the date of borrowing and each semi-annual period occurring after such business day but coinciding with the interest payment date.

On March 18, 2024, STI ESG made a drawdown amounting to ₱1,000.0 million subject to an interest rate of 7.8503% per annum. Interest rate for this outstanding loan with Metrobank was repriced at the rates of 7.4213% per annum and 7.0517% per annum effective March 18, 2025 and September 18, 2025, respectively, compared to 7.8135% per annum effective September 18, 2024. The proceeds of this loan were used to partially finance the full redemption of STI ESG's 7-year bonds on March 23, 2024.

STI ESG may, at its option, prepay the loan in part or in full, together with accrued interest thereon. Each partial prepayment shall be in whole multiples of ₱10.0 million. Each prepayment shall be made on an interest payment date, otherwise prepayment shall be subject to a prepayment penalty of 1.0% of the amount prepaid.

The embedded floating interest rate and prepayment option on the loan drawdown with Metrobank was assessed as clearly and closely related to the loan, thus, not for bifurcation.

These loans are unsecured and are due based on the following original schedule:

Fiscal year	Amount
2025	₱200,000,000
2026	200,000,000
2027	200,000,000
2028	200,000,000
2029	200,000,000
	₱1,000,000,000



Breakdown of STI ESG's Term Loan with Metrobank as at June 30, 2025 and 2024 follows:

	2025	2024
Balance at beginning of year	₱1,000,000,000	₱–
Proceeds	–	1,000,000,000
Payments	(200,000,000)	–
Balance at end of year	800,000,000	1,000,000,000
Deferred finance cost	(5,571,546)	(7,072,368)
Balance at end of year	794,428,454	992,927,632
Less current portion	198,499,178	198,499,178
Noncurrent portion	₱595,929,276	₱794,428,454

On September 18, 2024 and March 18, 2025, STI ESG settled principal payments aggregating to ₱200.0 million under its Term Loan facility with Metrobank. In addition, on September 18, 2025, STI ESG made a principal payment amounting to ₱100.0 million under the same facility.

In January 2025, STI ESG and Metrobank executed an amendment to STI ESG's Term Loan Facility agreement with Metrobank, introducing the following changes:

- The availability period of the Term Loan Facility was extended from December 31, 2024, to June 30, 2025.
- The Debt-to-Equity Ratio covenant was adjusted from 1.50:1.00 to 2.50:1.00.
- The maturity date of the loan shall be five (5) years from the date of each borrowing.

In July 2025, the availability period of the Term Loan Agreement with Metrobank was further extended from June 30, 2025 to December 31, 2025. All other provisions of the Term Loan Agreement with Metrobank continue to be in full force and effect.

Financial Covenants. The Agreement, as amended above, prescribes that the following financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio of not greater than 2.50x, shall mean the proportion of the Total Debt to Equity, and
2. Debt Service Cover Ratio (DSCR) of at least 1.05x, shall mean the proportion of EBITDA to Debt Service.

The term "Total Debt" shall mean all obligations of STI ESG which, in accordance with generally accepted accounting principles and practices in the Philippines, are required to be included as liabilities of STI ESG in its statement of financial position, including accrued income taxes and other proper accruals, but excluding "Unearned tuition and other school fees" and "Lease liabilities", as computed based on PFRS 16, and the term "Equity" shall mean the equity interest of the owners of the capital stock of STI ESG computed and determined in accordance with generally accepted accounting principles and practices in the Philippines.

The term "EBITDA" shall mean the net income or net earnings of STI ESG before deducting interest expense, taxes, depreciation and amortization, and as defined in its audited consolidated financial statements for the immediately preceding fiscal year, and the term "Debt Service" shall mean the aggregate (as of the relevant date for calculation) of all outstanding interest-bearing debits/obligations of STI ESG that are due/payable in the next fiscal year, computed and determined in accordance with generally accepted accounting principles and practices in the Philippines.



STI ESG's D/E ratio and DSCR, as defined in the Term Loan Agreement with Metrobank are as follows:

	2025	2024
Total liabilities ^(a)	₱3,407,904,165	₱3,816,204,623
Total equity	8,390,859,797	6,996,687,341
D/E ratio	0.41:1.00	0.55:1.00

^(a) Excluding unearned tuition and other school fees and lease liabilities

	2025	2024
EBITDA (see Note 3) ^(b)	₱2,589,109,533	₱1,992,058,511
Total interest-bearing liabilities ^(c)	762,528,616	834,054,745
DSCR ^(d)	3.40:1.00	2.39:1.00

^(b) EBITDA for the last twelve months

^(c) Total interest-bearing debts and interests due in the next twelve months

As at June 30, 2025 and 2024, STI ESG is in compliance with the Metrobank loan covenants.

Term Loan Agreement with China Banking Corporation (Chinabank)

STI ESG. On May 7, 2019, STI ESG and Chinabank entered into a seven-year term loan agreement for an amount up to ₱1,200.0 million. The credit facility is unsecured and is originally available for a period of one year from May 7, 2019, the date of signing of the loan agreement. The proceeds of this loan could be used for the (i) financing of campus expansion projects, (ii) acquisition of schools, (iii) refinancing of short-term loans incurred for projects, and (iv) other general corporate purposes. The agreement provides for a grace period in principal repayments of two (2) years from the initial drawdown date. Principal repayments should be made in ten (10) equal semi-annual installments beginning six (6) months from the end of the grace period.

As stated in the Term Loan Agreement, STI ESG has elected to fix the interest on each drawdown on a per annum basis based on the higher of the one-year PHP BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor. On the Initial Interest Rate Resetting Date, the applicable interest rate per annum for all drawdowns would be collectively reset based on the higher of 1-year BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor.

STI ESG may, on any Interest Resetting Date and upon serving a written notice, elect to fix the interest rate for the remaining period of the loan based on the higher of applicable BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor.

On July 3, 2020, STI ESG and Chinabank executed the Amendment to the Term Loan Agreement dated May 7, 2019 to amend the availability period of the Term Loan Facility. The Term Loan Facility was made available to STI ESG on any business day for the period beginning on the date of the Term Loan Agreement and ending on the earliest of: (a) July 31, 2020; (b) the date the Term Loan Facility is fully drawn; or (c) the date the Lender's commitment to extend the Term Loan Facility to STI ESG is canceled or terminated in accordance with the Term Loan Agreement. At various dates during the year ended March 31, 2020, STI ESG availed of loans aggregating to ₱800.0 million subject to interest rates ranging from 5.81% to 6.31% per annum. In July 2020, STI ESG availed of loans aggregating to ₱400.0 million subject to an interest rate of 5.81% per annum. As at July 31, 2020, the Term Loan Facility was fully drawn at ₱1,200.0 million. The proceeds from these loans were used for capital



expenditures and working capital requirements. Interest rates for all drawdowns from the Term Loan Facility were repriced at the rates of 8.0472% per annum and 7.8749% effective September 19, 2023 and 2024, respectively. Starting from September 19, 2025, the interest rate was adjusted to 7.1577% per annum.

Provided that no event of default has occurred and is continuing, STI ESG may prepay, after the second (2nd) anniversary date of the initial drawdown, all or part of the loan, together with the accrued interest and other charges accruing thereon up to the date of prepayment. Prepayments shall not be subject to any penalties if made on an interest rate resetting date. Otherwise, STI ESG shall pay the prepayment premium based on the principal amount to be prepaid (i) from the 2nd anniversary date of the Initial Drawdown up to the 5th anniversary date of the Initial Drawdown subject to prepayment penalty at 103%; (ii) After the 5th anniversary date of the Initial Drawdown until one business day before the loan maturity date at 100% of the prepaid amount.

The embedded floating interest rate and prepayment option on the loan drawdown with Chinabank was assessed as clearly and closely related to the loan, thus, not for bifurcation.

These loans are unsecured and are due based on the following original schedule:

Fiscal Year	Amount
2022	₱120,000,000
2023	240,000,000
2024	240,000,000
2025	240,000,000
2026	240,000,000
2027	120,000,000
	₱1,200,000,000

Breakdown of STI ESG's Term Loan with Chinabank follows:

	2025	2024
Balance at beginning of year	₱600,000,000	₱720,000,000
Repayments	(240,000,000)	(120,000,000)
Balance at end of year	360,000,000	600,000,000
Deferred finance cost	(1,786,990)	(3,277,036)
Balance at end of year	358,213,010	596,722,964
Less current portion	238,423,791	238,525,254
Noncurrent portion	₱119,789,219	₱358,197,710

On September 16, 2021, Chinabank approved STI ESG's request to allow a principal prepayment in the amount of ₱240.0 million. Further, Chinabank reduced the prepayment penalty from 3.0% to 1.5% based on the amount to be prepaid. On September 20, 2021, STI ESG made a prepayment aggregating to ₱243.9 million, inclusive of the 1.50% prepayment penalty. The prepayment was applied in the direct order of maturity and as such, applied on amortizations due on March 19, 2022 and September 19, 2022.

On September 23, 2022, Chinabank approved STI ESG's request to allow a principal prepayment in the amount of ₱240.0 million. On the same day, STI ESG made a prepayment aggregating to ₱244.5 million, inclusive of interests on the outstanding term loan facility covering September 19 to 23, 2022 and 1.50% prepayment penalty. The prepayment was applied in the direct order of maturity and as such, applied on scheduled amortizations due on March 19, 2023 and September 19, 2023. STI



ESG settled the principal payments due amounting to ₱120.0 million each on March 19, 2024 and September 19, 2024. Further, on March 19, 2025 and September 19, 2025, STI ESG made principal payments of ₱120.0 million each under the same Term Loan facility with Chinabank.

Financial Covenants. The Agreement prescribes that the following financial covenants shall be observed and computed based on STI ESG's unaudited interim consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio of not more than 1.50x, computed by dividing Total Liabilities by Total Equity. For purposes of this computation, Total Liabilities shall exclude Unearned Tuition and Other School Fees, and
2. Debt Service Cover Ratio (DSCR) of a minimum of 1.05x, which is the ratio of EBITDA to Debt Service.

“Total Liabilities” shall mean, for purposes of determining STI ESG's compliance with any required D/E Ratio, the total economic obligations of STI ESG (excluding unearned tuition and other school fees) that are recognized and measured in the fiscal year-end audited consolidated financial statements in accordance with PFRS Accounting Standards and GAAP, as may be applicable and unaudited consolidated financial statements ending December 31 of each year, as may be applicable.

“Total Equity” shall mean, for purposes of determining STI ESG's compliance with any required D/E Ratio, the amount of STI ESG's total stockholders' equity, recognized and measured in the fiscal year-end audited consolidated financial statements in accordance with PFRS Accounting Standards and GAAP, as may be applicable and unaudited consolidated financial statements ending December 31 of each year, as may be applicable.

On August 15, 2022, Chinabank approved the request of STI ESG for the waiver of the DSCR requirement for the periods ended June 30, 2023 and December 31, 2023. With the waiver, STI ESG is compliant with the above covenants as at December 31, 2023 and June 30, 2023. Under the Term Loan agreement, the Debt-to-equity ratio and DSCR testing is done semi-annually, that is, as at June 30 and December 31 of each year.

	2025	2024
Total liabilities ^(a)	₱3,716,786,223	₱4,131,238,695
Total equity	8,390,859,797	6,996,687,341
Debt-to-equity ratio	0.44:1.00	0.59:1.00

^(a)Excluding unearned tuition and other school fees

	2025	2024
EBITDA (see Note 3) ^(b)	₱2,589,109,533	₱1,992,058,511
Total interest-bearing liabilities ^(c)	762,528,616	834,054,745
Debt service cover ratio	3.40:1.00	2.39:1.00

^(b) EBITDA for the last twelve months

^(c) Total interest-bearing loans and interests due in the next twelve months

As at June 30, 2025 and 2024, STI ESG is compliant with the required covenants.

iACADEMY. On September 28, 2017, iACADEMY, as Borrower, and Neschester, as Third Party Mortgagor, entered into an Omnibus Loan and Security Agreement (Omnibus Agreement) with Chinabank granting iACADEMY a Term Loan Facility amounting to ₱800.0 million to refinance the



₱200.0 million short-term loan and partially finance the cost of construction of iACADEMY's Yakal campus. The long-term loan was secured by a real estate mortgage on the Yakal land and the building constructed thereon, and all other facilities, machineries equipment and improvements therein (see Note 11). The long-term loan would mature on the 10th year anniversary of the initial drawdown on the Term Loan Facility (the Loan Maturity Date). The maturity date of subsequent drawdowns made within the availability period should coincide with the Loan Maturity Date.

iACADEMY made the following drawdowns:

	Amount	Interest at Drawdown Date
September 29, 2017	₱200,000,000	4.4025%
January 10, 2018	130,000,000	4.4057%
April 5, 2018	240,000,000	4.6932%
May 15, 2018	130,000,000	5.1928%
October 26, 2018	100,000,000	7.9266%
	₱800,000,000	

The loan facility had a term of 10 years, with a 3-year grace period on the principal repayment. The initial principal payment was made on September 29, 2020, while interest was payable semi-annually in arrears every March 29 and September 29 of each year. The interest rate was repriced one business day prior to each of the later interest payment date of the two relevant interest periods. Interest rate is determined based on the 1-year PHP Bloomberg Valuation Service (BVAL) reference rate plus a margin of 1.50% per annum which interest rate shall in no case be lower than the sum of the BSP Overnight Lending Facility Rate and one-half percent (0.50%) per annum.

On various dates from September 2019 to March 2023, iACADEMY made several prepayments on the principal of the loan. These principal payments were in addition to the regular amortization payments made. Thus, as at June 30, 2023, the amount of the loan outstanding was ₱140.0 million.

iACADEMY settled the regular principal amortization amounting to ₱ 40.0 million on September 29, 2023.

On March 7, 2024, Chinabank approved iACADEMY's request for a partial principal prepayment amounting to ₱ 40.0 million and the waiver of the 3.0% prepayment penalty. Subsequently, iACADEMY made a partial prepayment amounting to ₱ 40.0 million on March 29, 2024. The prepayment was applied in the inverse order of maturity according to the repayment schedule. The regular principal amortization of ₱40.0 million was also settled on March 29, 2024.

On June 24, 2024, Chinabank approved iACADEMY's request to fully prepay the term loan and the waiver of the 3.0% prepayment penalty. On June 28, 2024, iACADEMY fully paid the ₱20.0 million loan balance.

Breakdown of iACADEMY's Term Loan for the year ended June 30, 2024 follows:

	Amount
Balance at beginning of year	₱140,000,000
Payments	(140,000,000)
Balance at end of year	—



Interest rate was repriced at 5.6699% per annum effective September 28, 2022. Starting September 28, 2023, the interest rate was adjusted to 8.0845% per annum.

iACADEMY incurred costs related to the availment of the loan amounting to ₱8.2 million. These costs were capitalized and amortized using the EIR method. These are presented as a contra-liability account in the consolidated statements of financial position. Amortization of transaction costs recognized as interest expense amounted to ₱0.4 million and ₱1.3 million for the years ended June 30, 2024 and 2023, respectively.

Financial Covenants. The Omnibus Agreement contains, among others, covenants regarding incurring additional debt and declaration of dividends, to the extent that such will result in a breach of the required debt service cover (DSCR) and debt-to-equity (D/E) ratios. The required financial ratios are:

- (1) DSCR of a minimum of 1.05x, which is the ratio of EBITDA for the immediately preceding twelve (12) months to debt service due in the next 12 months.
- (2) D/E ratio of not more than 2.0x, computed by dividing total liabilities (excluding unearned tuition and other school fees) by total equity.

iACADEMY had been compliant with the required financial covenants up to the date of the full settlement of the loan on June 28, 2024.

Corporate Notes Facility

In 2014, STI ESG entered into a Corporate Notes Facility Agreement with Chinabank for up to ₱3,000.0 million. From this facility, STI ESG drew ₱1,200.0 million in 2015, while STI WNU, Inc. drew ₱300.0 million under an accession agreement. The proceeds were used for capital expenditures and general corporate purposes.

The facility was subject to amendments in 2017 and 2021, which revised the interest rate structure, repayment terms, and financial covenants. Under the January 2021 amendment, the maturity was extended to September 19, 2026, with semi-annual amortization starting March 2023. The amendments resulted in the recognition of a loan premium of ₱8.3 million which was amortized over the remaining period of the loan.

Waivers for financial covenants were obtained from Chinabank in prior years, including temporary waivers of the DSCR requirement for the years ended June 30, 2023 and December 31, 2023.

STI ESG settled ₱30.0 million of principal in March 2023 and, on September 19, 2023, paid the remaining principal balance of ₱80.0 million in full. The unamortized premium of ₱3.1 million as of that date was derecognized and recorded as “Gain on early extinguishment of loan” in the consolidated statement of comprehensive income for the year ended June 30, 2024. As at June 30, 2024, the facility was fully settled.

Waivers of Certain Covenants

- a. On June 23, 2020, STI ESG requested Chinabank for the waiver of certain covenants in its Term Loan Agreement and Corporate Notes Facility Agreement in connection with STI ESG’s availment of the Land Bank of the Philippines (LandBank) ACcess to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Program.



b. On July 23, 2020, Chinabank approved the waiver of the following covenants:

- 1) Assignment of revenues/income. STI ESG/Issuer was required not to assign, transfer or otherwise convey any right to receive any of its income or revenues except when such assignment, transfer, or conveyance was: (i) made on an arm's length basis under normal commercial terms; or (ii) required by Law; and, in either case, does not result in a Material Adverse Effect and provided that STI ESG/Issuer shall notify the Lender/Note Holder in the event that any of the above transactions were entered into with related parties or any of the Subsidiaries or Affiliates of STI ESG/Issuer;
- 2) Encumbrances. STI ESG/Issuer should not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer in receiving income; and
- 3) Ranking of Notes. STI ESG/Issuer was to ensure that for so long as any Note was outstanding, the Issuer would not incur or permit to arise any Indebtedness which ranked ahead of the Notes whether it was by virtue of being evidenced by a public instrument as provided by Article 2244, paragraph 14 of the Civil Code of the Philippines, as the same might have been amended from time to time, or otherwise.

LandBank ACADEME Program

On July 22, 2020, LandBank approved a ₱250.0 million Term Loan/Rediscounting Line Facility in favor of STI ESG under the ACADEME Lending Program, intended to finance the government's "study now, pay later" initiative for students affected by the COVID-19 pandemic. STI ESG drew an aggregate amount of ₱22.1 million in 2021, subject to 3% interest per annum.

STI ESG paid ₱9.5 million during the year ended June 30, 2023. The carrying value of the loan amounted to ₱3.0 million as at June 30, 2023 (nil as at June 30, 2025 and 2024). STI ESG settled the remaining principal amortizations amounting to ₱2.1 million and ₱0.9 million in August 2023 and January 2024, respectively. The Term Loan/Rediscounting Line Facility was fully paid as at June 30, 2024.

The Term Loan/Rediscounting Line Facility for STI ESG was secured by a Comprehensive Surety issued by STI Holdings in favor of LandBank executed in September 2020. This agreement remained effective until all obligations under the LandBank ACADEME Program were satisfied.

Interest Expense

Interest incurred on the loans (including amortization of debt issuance costs and premium) for the years ended June 30, 2025, 2024 and 2023 amounted to ₱155.0 million, ₱103.3 million and ₱82.3 million, respectively (see Note 23).

19. Bonds Payable

This account consists of:

	2025	2024
Fixed-rate bonds due 2027	₱820,000,000	₱820,000,000
Less unamortized debt issuance costs	3,293,987	5,032,725
	₱816,706,013	₱814,967,275



On March 23, 2017, STI ESG issued the first tranche of its ₱5,000.0 million fixed-rate bonds program under its 3-year shelf registration with the SEC which ended on March 9, 2020. The bonds, amounting to an aggregate of ₱3,000.0 million, were listed through the Philippine Dealing & Exchange Corp. (PDEX), with interest payable quarterly and were issued with a fixed rate 5.8085% for the 7-year series, due 2024, and 6.3756% for the 10-year series, due 2027.

Proceeds of the issuance were used to finance the campus expansion projects, refinance the short-term loans incurred for the acquisition of land, and for other general corporate requirements of STI ESG.

The bonds include an embedded derivative in the form of an early redemption option that gives STI ESG the option, but not the obligation, to redeem in whole (and not in part), the outstanding bonds before the relevant maturity date, based on a certain price depending on the fixed early redemption option dates. Management has assessed that the early redemption option is closely related to the bonds and would not require to be separated from the value of the bonds and accounted for as a derivative. Subsequent reassessment is required when there has been a change in the terms of the contract that significantly modifies the cash flows.

On March 23, 2024, the 7-year fixed rate bonds with a principal amount of ₱2,180.0 million matured and were fully redeemed by STI ESG in accordance with the terms of the Trust Agreement and the Supplemental Trust Agreement.

The bonds were rated ‘PRS A plus’ with a Positive Outlook by PhilRatings in November 2024. Obligations rated PRS A have favorable investment attributes and are considered as upper-medium grade obligations. Although these obligations are somewhat more susceptible to the adverse effects of changes in economic conditions, this indicates that the obligor’s capacity to meet its financial commitments on the obligation is still strong. The “plus” further qualifies the assigned rating. A “Positive Outlook” indicates that there is a potential for the present credit rating to be upgraded in the next 12 months.

A summary of the terms of STI ESG’s issued bonds follows:

Year Issued	Interest Payable	Term	Interest Rate	Principal Amount	Carrying Value		Features
					2025	2024	
2017	Quarterly	10 years	6.3756%	₱820,000,000	₱816,706,013	₱814,967,275	Callable from the 7th anniversary issue and every year thereafter until the 9th anniversary issue date

Covenants

The bonds provide certain restrictions and requirements with respect to, among others, change in majority ownership and management, merger or consolidation with other corporation resulting in loss of control over the overall resulting entity and sale, lease, transfer or otherwise disposal of all or substantially all of its assets. The bonds’ Trust Agreement and Supplemental Trust Agreement (“the Bond Trust Agreements”) also contain, among others, covenants regarding incurring additional debt and declaration of dividends. STI ESG is required to maintain a debt-to-equity (D/E) ratio of not more than 1.50:1.00 and Interest Coverage Ratio (ICR) of not less than 3:00:1.00 computed based on the consolidated financial statements. Testing of compliance with required ratios is done on June 30 and December 31 of each year.



STI ESG's debt-to-equity (D/E) ratio, as defined in the Bond Trust Agreements, as at June 30, 2025 and 2024 are 0.44:1.00 and 0.59:1.00, respectively.

In August 2020, STI ESG obtained the required consent of the holders of the Bonds (the "Record Bondholders"), which include among others, the waiver of the DSCR requirement up to June 30, 2023 (see Amendments to the Trust Agreement).

In April 2024, China Bank-Trust and STI ESG executed a second supplemental agreement to (i) replace the financial covenant on DSCR of not less than 1.05:1.00 with an ICR of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA (see discussions in the succeeding paragraphs). STI ESG's ICRs as at June 30, 2025 and 2024 are 14.95:1.00 and 9.37:1.00, respectively.

As at June 30, 2025 and 2024, STI ESG is compliant with the required covenants.

Supplemental Trust Agreement. On July 20, 2020, STI ESG delivered to China Banking Corporation – Trust and Asset Management Group, in its capacity as trustee (the "Trustee") for the Series 7Y Bonds due 2024 and the Series 10Y Bonds due 2027 (collectively, the "Bonds") a Consent Solicitation Statement (the "Consent Solicitation Statement") and the annexed Consent Form (the "Consent Form") in connection with the proposed amendments to the Trust Agreement dated March 10, 2017 (the "Trust Agreement") governing the Bonds issued by STI ESG. Pursuant to the Consent Solicitation Statement, STI ESG sought the consent of the Record Bondholders to certain proposed amendments to the Trust Agreement. The Proposed Amendments are (1) the waiver of Section 7.02(a) of the Trust Agreement which prohibits the Issuer from incurring or suffering to exist any Lien upon any assets or revenues, present and future, of the Issuer in relation to the requirement of LandBank to assign the sub-promissory notes to be executed by the parents or benefactors of the Issuer's students in favor of LandBank as security for the ACADEME Lending Program; (2) the waiver of Section 7.02(b) of the Trust Agreement which prohibits the Issuer from incurring Indebtedness or entering into any loan facility agreement secured by or to be secured by a lien upon any assets and revenues, present and future, whether registered or unregistered, of the Issuer, unless the Issuer has made or will make effective provisions, satisfactory to the Record Bondholders in the latter's absolute discretion, whereby the Lien thereby created will secure, on an equal first ranking and ratable basis, any and all obligations of the Issuer under the Trust Agreement and such other Indebtedness which the Lien purports to secure; (3) the waiver of Section 7.02(f) of the Trust Agreement which prohibits the Issuer from assigning, transferring or conveying its right to receive income or revenues insofar as such assignment relates to the requirement of LandBank to assign the subpromissory notes to be executed by the parents or benefactors of STI ESG's students in favor of LandBank as security for the ACADEME Lending Program; and (4) the waiver of the DSCR up to June 30, 2023, as provided under Section 7.01(k) of the Trust Agreement. The Proposed Amendments will not alter the interest rate or maturity date of the Bonds, the Issuer's obligation to make principal and interest payments on the Bonds, or the substantive effect of any other covenant or provision of the Bonds. The Trustee certified as of August 15, 2020, that it has obtained the required consent of the Record Bondholders holding or representing at least fifty percent (50.0%) plus one peso (Php1.00) of the aggregate principal amount of the Bonds to the Proposed Amendments to the Trust Agreement governing the Bonds.



On August 19, 2020, pursuant to the Consent Solicitation Statement, STI ESG and the Trustee executed the Supplemental Trust Agreement incorporating the Proposed Amendments, as follows:

▪ Amendments Relating to Negative Covenants Waiver

Effective as of the Execution Date, the following amendments shall be deemed to have been made to Section 7.02 (Negative Covenants of the Issuer) of the Trust Agreement:

(a) Section 7.02(a) of the Trust Agreement is hereby amended to read as follows: “directly or indirectly, incur or suffer to exist, or permit any Subsidiary to directly or indirectly incur or suffer to exist, any Lien other than Permitted Liens upon any assets and revenues, present and future, of the Issuer and its Subsidiaries, as the case may be, except for the assignment by the Issuer to LandBank of sub-promissory notes to be executed by the parents or benefactors of the Issuer’s students as security for the ACADEME Lending Program of LandBank”;

(b) Section 7.02(b) of the Trust Agreement is hereby amended to read as follows: “incur Indebtedness or enter into, or permit any Subsidiary to enter into, any loan facility agreement secured by or to be secured by a Lien upon any assets and revenues, present and future, whether registered or unregistered, of the Issuer or any Subsidiary, as the case may be, except for the assignment by the Issuer to LandBank of sub-promissory notes to be executed by the parents or benefactors of the Issuer’s students as security for the ACADEME Lending Program of LandBank”;

▪ Amendment Relating to DSCR Waiver

Effective as of the date stated in the Majority Bondholders’ Consent, the following amendment shall be deemed to have been made to Section 7.01(k) of the Trust Agreement:

(k) maintain and observe the following financial ratios:

- (i) DSCR of not less than 1.05:1:00, provided that this Debt Service Coverage Ratio requirement shall be waived up to June 30, 2023.

Second Supplemental Trust Agreement. On April 8, 2024, STI ESG delivered to China Banking Corporation through its Trust and Asset Management Group, the “Trustee” for the Series 10Y Bonds due 2027, the Consent Solicitation Statement and the annexed Consent Form seeking the amendments to the Trust Agreement dated March 10, 2017 (the “Trust Agreement”) and Supplemental Trust Agreement dated August 19, 2020 governing the Bonds issued by STI ESG. The proposed amendments are the (i) replacement of the financial covenant on Debt Service Coverage Ratio of not less than 1.05:1.00 with an ICR of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA.

ICR means the EBITDA with reference to STI ESG’s audited or unaudited, as the case may be, consolidated financial statements for the immediately preceding twelve (12) months, divided by the interest due for the next twelve (12) months. The term “EBITDA” shall mean the net income of STI ESG based on the consolidated financial statements for the immediately preceding twelve (12) months for that relevant period after adding back (a) depreciation and amortization, (b) interest and other financial expenses, (c) income tax, and adding back or deducting, as applicable (d) all other items as enumerated in the EBITDA computation shown in the quarterly and annual consolidated financial statements of STI ESG, each item determined in accordance with PFRS Accounting Standards.

The proposed amendments on the use of the ICR will better reflect the financial capability of STI ESG to service the interest payments on the Bonds and other loans as they fall due and shall also provide STI ESG with operational flexibility. The Proposed Amendment revising the definition of EBITDA will better gauge the core profitability of STI ESG and the cash income it generates year on year.



On April 23, 2024, the Trustee certified that it has obtained the consent of the bondholders as of April 1, 2024 of the Series 10Y Bonds due 2027, holding or representing at least fifty percent (50%) plus one peso (Php1.00) of the aggregate principal amount of the said bonds then outstanding, who have validly executed and properly delivered consent forms to the Trustee, in accordance with the terms of the Consent Solicitation Statement.

Thus, on April 26, 2024, pursuant to the Consent Solicitation Statement, STI ESG and China Banking Corporation, through its Trust and Asset Management Group, executed the “Second Supplemental Trust Agreement” to effect the amendments to the Trust Agreement dated March 10, 2017 and Supplemental Trust Agreement dated August 19, 2020.

Following are the amendments made:

Section 7.01(k) of the Amended Trust Agreement shall be amended as set forth below:

“Section 7.01 Affirmative Covenants of the Issuer

The Issuer hereby covenants and agrees that, for as long as the Bonds or any portion thereof remain outstanding, the Issuer shall:

- (k) maintain and observe the following financial ratios:
 - (i) an Interest Coverage Ratio of not less than 3.00:1.00; and
 - (ii) a maximum Debt-to-Equity Ratio of 1.5:1.0.

For purposes of this Section 7.01(k):

- (iii) the term “Interest Coverage Ratio” means (a) the Issuer’s EBITDA utilizing the Issuer’s audited or unaudited, as the case may be, consolidated financial statements for the immediately preceding twelve (12) months, divided by (b) the interest due for the next twelve (12) months.
- (iv) the term “EBITDA” shall mean the net income of the Issuer based on the consolidated financial statements for the immediately preceding twelve (12) months for that relevant period after adding back (a) depreciation and amortization, (b) interest and other financial expenses, (c) income tax, and adding back or deducting, as applicable (d) all other items as enumerated in the EBITDA computation shown in the quarterly and annual consolidated financial statements of the Issuer, each item determined in accordance with PFRS.”

All references in the Amended Trust Agreement to the defined term “Debt Service Coverage Ratio” or “DSCR” shall be replaced by ICR, as applicable.

STI ESG’s D/E ratio and ICR, as defined in the Second Supplemental Trust Agreement, as at June 30, 2025 and 2024 are as follows:

	2025	2024
Total liabilities ^(a)	₱3,716,786,223	₱4,131,238,695
Total equity	8,390,859,797	6,996,685,045
Debt-to-equity ratio	0.44:1.00	0.59:1.00

^(a)Excluding unearned tuition and other school fees



	2025	2024
EBITDA (see Note 3) ^(b)	₱2,589,109,533	₱1,992,058,511
Total interest payments ^(c)	173,181,158	212,659,106
Interest coverage ratio	14.95:1.00	9.37:1.00

^(b) EBITDA for the last twelve months

^(c) Total interests due in the next twelve months

As at June 30, 2025 and 2024, STI ESG has complied with the required covenants.

Bond Issuance Costs

STI ESG incurred costs related to the issuance of the bonds in 2017 amounting to ₱53.9 million. These costs were capitalized and amortized using the EIR method. The carrying value of the unamortized bond issuance costs amounted to ₱3.3 million and ₱5.0 million at June 30, 2025 and 2024, respectively. Amortization of bond issuance costs amounting to ₱1.7 million, ₱6.5 million and ₱7.9 million for the years ended June 30, 2025, 2024 and 2023, respectively, were recognized as part of “Interest expense” account in the consolidated statements of comprehensive income.

Interest Expense

Interest expense (including amortization of bond issuance costs) associated with the bonds payable recognized in the consolidated statements of comprehensive income amounted to ₱54.0 million, ₱151.0 million and ₱186.8 million for the years ended June 30, 2025, 2024 and 2023, respectively (see Note 23).

20. Other Noncurrent Liabilities

	2025	2024
Refundable deposits - net of current portion (see Notes 17 and 29)	₱14,162,970	₱30,125,618
Advance rent - net of current portion (see Notes 17 and 29)	13,396,319	44,992,331
Deferred lease liability	2,424,852	7,228,397
Deferred output VAT	346,616	347,305
Deposit for future stock subscription	—	8,000,000
	₱30,330,757	₱90,693,651

Refundable deposits are held by the Group throughout the term of the lease and are refunded in full to the lessee at the end of the lease term if the lessee has performed fully and observed all of the conditions and provisions in the lease. Refundable deposits are presented in the consolidated statements of financial position at amortized cost. The difference between the fair value at initial recognition and the notional amount of the refundable deposit is charged to “Deferred lease liability” and amortized on a straight-line basis over the respective lease term.

Advance rent pertains to amounts received by the Group which will be earned and applied to future rentals for periods more than one year after the reporting date.

Deposit for future stock subscription represents the contribution received by STI Training Academy from a third party as advance payment for future subscription to its shares of stock. As at June 30, 2025, the contribution for STI Training Academy was reclassified to “Equity attributable to non-controlling interests” under the equity section of the consolidated statement of financial position, upon meeting the required criteria for classification under the equity section.



21. Equity

Capital Stock

Details as at June 30, 2025 and 2024 are as follows:

	Shares	Amount
Common stock - ₱0.50 par value per share		
Authorized	10,000,000,000	₱5,000,000,000
Issued and outstanding	9,904,806,924	4,952,403,462

Set out below is the Parent Company's track record of registration of its securities:

Date of Approval	Number of Shares		Issue/ Offer Price
	Authorized	Issued	
December 4, 2007 ^(a)	1,103,000,000	307,182,211	₱0.50
November 25, 2011 ^(b)	1,103,000,000	795,817,789	0.60
September 28, 2012 ^(c)	10,000,000,000	5,901,806,924	2.22
November 7, 2012	10,000,000,000	2,627,000,000	0.90
November 28, 2012	10,000,000,000	273,000,000	0.90

^(a) Date when the registration statement covering such securities was rendered effective by the SEC.

^(b) Date when the Parent Company filed SEC form 10-1(k) (Notice of Exempt Transaction) with the SEC in accordance with the Securities Regulation Code and its Implementing Rules and Regulations.

^(c) Date when the SEC approved the increase in authorized capital stock.

As at June 30, 2025 and 2024, the Parent Company has a total number of shareholders on record of 1,258 and 1,264, respectively.

Cost of Shares Held by a Subsidiary

This account represents 432.4 million shares and 500.4 million shares of STI Holdings owned by STI ESG amounting to ₱430.5 million and ₱498.1 million as at June 30, 2025 and 2024, respectively, which are treated as treasury shares in the consolidated statements of financial position.

In August and September 2024, STI ESG sold a portion of its investment in STI Holdings for a total consideration of ₱25.0 million, reducing its shareholding by 23.0 million shares, from 500.4 million shares to 477.4 million shares. In January 2025, STI ESG sold an aggregate of 45.0 million shares of its investments in STI Holdings for a total consideration of ₱63.0 million, further reducing STI ESG's shareholding to 432.4 million shares. As a result, STI ESG's ownership interest in STI Holdings decreased from 5.05% to 4.37% as at June 30, 2025. These partial disposals of STI ESG's shares in STI Holdings resulted in recognition of additional paid-in capital aggregating to ₱20.3 million, presented in the consolidated statement of changes in equity for the year ended June 30, 2025.

In August 2025, STI ESG sold additional STI Holdings shares aggregating to 185.0 million shares for a total consideration of ₱277.5 million. This further reduced STI ESG's shareholding to 247.4 million shares, decreasing STI ESG's ownership interest in STI Holdings from 4.37% to 2.50%.

Dividends received by STI ESG related to STI Holdings shares amounting to ₱21.5 million, ₱15.0 million and ₱7.5 million for the years ended June 30, 2025, 2024 and 2023, respectively, were offset against the dividends declared as shown in the consolidated statements of changes in equity.



Other Comprehensive Income and Non-controlling Interests

	2025		
	Attributable to Equity Holders of the Parent Company	Non- controlling interests	Total
Cumulative actuarial gain (see Note 28)	₱78,504,031	₱585,812	₱79,089,843
Fair value changes in equity instruments at FVOCI (see Note 15)	17,367,840	250,012	17,617,852
Share in associates' other comprehensive income (see Note 13)	321,455	7,851	329,306
	₱96,193,326	₱843,675	₱97,037,001
	2024		
	Attributable to Equity Holders of the Parent Company	Non- controlling interests	Total
Cumulative actuarial gain (see Note 28)	₱44,378,717	₱70,052	₱44,448,769
Fair value changes in equity instruments at FVOCI (see Note 15)	20,349,810	289,510	20,639,320
Share in associates' other comprehensive income (see Note 13)	321,455	7,851	329,306
	₱65,049,982	₱367,413	₱65,417,395
	2023		
	Attributable to Equity Holders of the Parent Company	Non-controlling interests	Total
Cumulative actuarial gain (loss) (see Note 28)	₱5,481,945	(₱421,787)	₱5,060,158
Fair value changes in equity instruments at FVOCI (see Note 15)	15,104,760	219,399	15,324,159
Share in associates' other comprehensive income (see Note 13)	321,455	7,851	329,306
	₱20,908,160	(₱194,537)	₱20,713,623

Equity attributable to non-controlling interests as at June 30, 2025 includes deposit for future stock subscriptions of a non-controlling interest holder in STI Training Academy amounting to ₱8.0 million, which was reclassified from “Other noncurrent liabilities” account upon STI Training Academy’s submission of application for increase in authorized capital stock in August 2024 (see Note 20). As at October 13, 2025, the application for increase in STI Training Academy's authorized capital stock is pending approval by the SEC.

Dividends declared by subsidiaries to non-controlling interest owners amounted to ₱6.2 million, ₱8.4 million and ₱2.9 million for the years ended June 30, 2025, 2024 and 2023, respectively.



Retained Earnings

- a. On December 18, 2024, the Parent Company's BOD declared cash dividends amounting to ₱0.045 per share or the aggregate amount of ₱445.7 million in favor of all stockholders of record as at January 9, 2025, paid on January 31, 2025.

On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Parent Company's BOD in favor of all stockholders of record as at January 10, 2024, paid on January 31, 2024.

On December 19, 2022, cash dividends amounting to ₱0.015 per share or the aggregate amount of ₱148.6 million were declared by the Parent Company's BOD in favor of all stockholders of record as at January 6, 2023, paid on January 31, 2023.

- b. Consolidated retained earnings include retained earnings of subsidiaries amounting to ₱6,206.3 million and ₱4,598.5 million as at June 30, 2025 and 2024, respectively, which are not available for dividend declaration. The Parent Company's retained earnings available for dividend declaration, computed based on the guidelines provided in the SEC Memorandum Circular No. 16 of 2023, amounted to ₱2,054.3 million and ₱2,048.5 million as at June 30, 2025 and 2024, respectively.

Policy on Dividends Declaration. On September 29, 2017, the Parent Company's BOD adopted a policy on the declaration of dividends starting with Fiscal Year 2017-2018.

The BOD approved a dividend declaration policy of not less than 25.0% of the core income of STI Holdings from the previous fiscal year, subject to compliance with the requirements of applicable laws and regulations, statutory limitations and/or restrictions, terms and conditions which may be imposed on STI Holdings by lenders or other financial institutions, and its investment plans and financial condition.

Core income is defined as consolidated net income after income tax derived from STI Holdings' main business which is education, and other recurring income.

The amount of dividends will be reviewed periodically by the BOD in light of the earnings, financial conditions, cash flows, capital requirements and other considerations, while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Parent Company can operate on a standalone basis.

Dividends shall be declared and paid out of the Parent Company's unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, the BOD, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of the Parent Company's earnings, cash flow, return on equity and retained earnings;
- its results for and its financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- the projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on it by any of its financing arrangements and current or prospective debt service requirements; and
- such other factors as the BOD deems appropriate.



Other Equity Reserve

Other equity reserve primarily consists of equity adjustment amounting to ₱1.7 billion resulting from the share swap transaction of the Parent Company with the shareholders of STI ESG, as discussed in Note 1.

Other equity reserve also includes the impact of common control transactions and certain transactions with non-controlling interest holders such as merger of entities within the Group and acquisition of non-controlling interests.

22. Revenues

Disaggregated Revenue Information

The disaggregated revenue information is presented in the consolidated statements of comprehensive income and segment information, as discussed in Note 3 to the consolidated financial statements, in a manner that reflects the various sources and categories of revenues generated by the Group for the years ended June 30, 2025, 2024 and 2023.

Timing of Revenue Recognition

	2025	2024	2023
Services transferred over time	₱5,343,808,134	₱4,494,757,123	₱3,237,425,204
Goods and services transferred at a point in time	215,653,673	205,566,545	168,042,749
	₱5,559,461,807	₱4,700,323,668	₱3,405,467,953

Contract Balances

The Group's receivables are disclosed in Note 6 while the contract liabilities are presented as "Unearned tuition and other school fees" in the consolidated statements of financial position. There is no significant change in the contract liability and the timing of revenue recognition for SY2024-2025 and SY2023-2024.

Revenue recognized from amounts included in the contract liabilities at the beginning of the period amounted to ₱171.4 million, ₱141.1 million and ₱116.8 million for the years ended June 30, 2025, 2024 and 2023, respectively.

There was no revenue recognized from performance obligations satisfied in previous years for the years ended June 30, 2025, 2024, and 2023.

Performance Obligations

The performance obligations related to revenue from tuition and other school fees are satisfied over time since the students and the franchisees receive and consume the benefit provided by the Group upon performance of the services. The payment for these services is normally due within the related school term(s).

The performance obligations related to revenues from educational services and royalty fees are also satisfied over time since the franchised schools receive and consume the benefit provided by the Group upon performance of the services. The payment for these services is normally due within thirty (30) days.



On the other hand, the performance obligations related to the sale of educational materials and supplies and other revenues are satisfied upon receipt by the customers since the control of the goods and products is transferred at this point. The payment for the sale of educational materials and supplies is generally due within thirty (30) days from delivery.

As at June 30, 2025 and 2024, the transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) which are expected to be satisfied within one year amounted to ₱242.8 million and ₱171.4 million, respectively. This represents advance payment for tuition and other school fees for the school year commencing after the financial reporting date and will be recognized as tuition and other school fees within the related school term(s). On the other hand, the Group does not have any performance obligations that are expected to be satisfied in more than one year.

23. Interest Income and Interest Expense

Sources of interest income are as follows:

	2025	2024	2023
Cash and cash equivalents (see Note 5)	₱50,164,024	₱51,155,982	₱16,711,920
Past due receivables (see Note 6)	6,990,318	6,441,145	5,820,824
Others	240,006	80,587	62,594
	₱57,394,348	₱57,677,714	₱22,595,338

Sources of interest expense are as follows:

	2025	2024	2023
Interest-bearing loans and borrowings (see Note 18)	₱155,021,045	₱103,266,244	₱82,281,389
Bonds payable (see Note 19)	54,018,658	150,979,292	186,813,143
Lease liabilities (see Note 29)	35,448,863	34,666,187	33,139,748
Others	2,943,690	4,389,672	8,784,844
	₱247,432,256	₱293,301,395	₱311,019,124

24. Cost of Educational Services

	2025	2024	2023
Faculty salaries and benefits (see Note 27)	₱654,635,549	₱574,421,385	₱434,472,779
Depreciation and amortization (see Notes 11 and 16)	426,113,229	386,064,977	384,604,355
Student activities and programs	240,100,512	243,089,138	141,439,488
Infrastructure and software maintenance	36,760,302	34,327,276	32,904,196
School materials and supplies	32,251,055	31,585,338	9,807,567
Rental (see Note 29)	30,435,481	29,663,477	24,713,816
Courseware development costs	1,811,602	1,703,088	3,727,475
Others	14,013,522	17,397,702	8,340,923
	₱1,436,121,252	₱1,318,252,381	₱1,040,010,599



25. Cost of Educational Materials and Supplies Sold

	2025	2024	2023
Educational materials and supplies	₱80,542,724	₱88,654,988	₱83,025,948
Promotional materials	12,312,870	14,047,464	7,577,876
	₱92,855,594	₱102,702,452	₱90,603,824

26. General and Administrative Expenses

	2025	2024	2023
Salaries, wages and benefits (see Note 27)	₱487,138,819	₱467,261,558	₱378,969,060
Depreciation and amortization (see Notes 11, 12 and 16)	254,675,657	239,059,583	228,795,745
Light and water	228,236,672	182,352,592	162,612,112
Outside services	173,883,534	154,406,805	123,792,905
Professional fees	112,995,751	100,855,267	82,160,272
Taxes and licenses	66,100,381	45,590,196	37,647,631
Provision for:			
Expected credit losses (see Note 6)	59,865,757	30,463,772	85,222,460
Inventory obsolescence (see Note 7)	325,461	1,013,523	5,601,458
Impairment of goodwill (see Note 16)	—	14,268,891	—
Impairment of investments in and advances to associates and joint venture (see Note 13)	—	1,650,340	—
Advertising and promotions	51,790,231	52,594,676	41,129,952
Repairs and maintenance	49,702,249	46,823,774	40,917,234
Transportation	43,680,573	39,313,699	33,810,126
Meetings and conferences	26,662,858	24,218,836	21,942,686
Insurance	22,419,716	20,046,483	17,066,209
Office supplies	16,665,796	11,424,364	11,598,032
Entertainment, amusement and recreation	16,027,081	18,107,420	13,095,556
Rental (see Note 29)	12,967,330	12,468,643	10,577,723
Communication	11,402,062	11,822,826	11,499,109
Association dues	9,980,243	5,830,526	2,094,983
Payment channels and bank charges	8,072,719	4,889,308	2,439,590
Infrastructure and software maintenance	2,830,223	8,492,904	5,313,857
Others	11,418,246	5,592,729	14,521,326
	₱1,666,841,359	₱1,498,548,715	₱1,330,808,026



27. Personnel Costs

	2025	2024	2023
Salaries and wages (see Notes 24 and 26)	₱975,680,924	₱872,215,886	₱702,369,984
Pension expense (see Note 28)	23,282,647	43,751,131	18,219,693
Other employee benefits	142,810,797	125,715,926	92,852,162
	₱1,141,774,368	₱1,041,682,943	₱813,441,839

28. Pension Plans

The Group has separate funded and unfunded, noncontributory, defined benefit pension plans covering substantially all of its faculty members and regular employees. The benefits are based on the employees' salaries and length of service.

Under the existing regulatory framework, RA No. 7641 (Retirement Pay Law) requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Retirement benefits are payable in the event of termination of employment due to: (i) early, normal, or late retirement; (ii) physical disability; (iii) voluntary resignation; or (iv) involuntary separation from service. For plan members retiring under normal, early or late terms, the retirement benefit is equal to a percentage of final monthly salary for every year of credited service.

In case of involuntary separation from service, the benefit is determined in accordance with the Termination Pay provision under the Philippine Labor Code or similar legislation on involuntary termination.

The funds are administered by the trustee banks under the supervision of the Board of Trustees of the plan. The Board of Trustees is responsible for the investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (Investment policy). The Board of Trustees implements the Investment policy in accordance with the investment strategy as well as various principles and objectives.

On June 20, 2024, the BOD of STI ESG approved the "STI Education Services Group, Inc. Multi-Employer Retirement Plan (STI ESG Multi-employer Retirement Plan)". As at October 13, 2025, STI ESG is in the process of completing the necessary requirements to update its retirement plan registered with the BIR.



The following tables summarize the components of the Group's net pension expense recognized in the consolidated statements of comprehensive income for the years ended June 30, 2025, 2024 and 2023 and the net pension assets/liabilities recognized in the consolidated statements of financial position as at June 30, 2025, 2024 and 2023:

	2025	2024	2023
Pension expense (recognized under "Salaries, wages and benefits" account):			
Current service cost	₱13,256,195	₱13,129,593	₱11,360,639
Past service cost	1,344,442	21,903,585	—
Net interest cost	8,682,010	8,717,953	6,859,054
	₱23,282,647	₱43,751,131	₱18,219,693
	2025	2024	2023
Net pension liabilities (recognized in the consolidated statements of financial position):			
Present value of defined benefit obligations	₱283,036,032	₱255,917,521	₱219,785,836
Fair value of plan assets	(182,938,370)	(126,136,530)	(79,986,514)
	₱100,097,662	₱129,780,991	₱139,799,322

The Group offsets its pension assets and pension liabilities on a per company basis for presentation in the consolidated statements of financial position since pension assets are restricted for the settlement of pension liabilities only.

	2025	2024	2023
Changes in the present value of defined benefit obligations:			
Balance at beginning of year	₱255,917,521	₱219,785,836	₱186,297,728
Current service cost	13,256,195	13,129,593	11,360,639
Past service cost	1,344,442	21,903,585	—
Interest cost	17,145,296	13,703,300	11,901,428
Benefits paid	(15,602,136)	(4,229,091)	(9,179,694)
Actuarial loss (gain) on obligations:			
Deviations of experience from assumptions	929,252	8,413,738	8,052,313
Financial assumptions	10,045,462	(16,789,440)	11,353,422
Balance at end of year	₱283,036,032	₱255,917,521	₱219,785,836
Changes in the fair value of plan assets:			
Balance at beginning of year	₱126,136,530	₱79,986,514	₱77,642,301
Interest income	8,463,286	4,985,347	5,042,374
Contributions	14,489,495	10,034,827	5,869,249
Benefits paid	(15,602,136)	(4,229,091)	(9,179,694)
Actuarial gain on plan assets	49,451,195	35,358,933	612,284
Balance at end of year	₱182,938,370	₱126,136,530	₱79,986,514



The principal assumptions used in determining pension liabilities of the Group are shown below:

	2025	2024	2023
Discount rate	6.69%-6.74%	6.21%-6.22%	5.03%-6.52%
Future salary increases	3.00%-8.00%	4.00%-8.00%	4.00%-5.00%

As of June 30, 2025, the discount rate and future salary increase rate range from 6.33% to 6.74% and from 4.00% to 8.00%, respectively.

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The major categories of the Group's total plan assets as a percentage of the fair value of the total plan assets are as follows:

	2025	2024	2023
Cash and cash equivalents	4%	0%	0%
Short-term fixed income	33%	49%	61%
Investments in equity securities	63%	50%	33%
Investments in debt securities	0%	1%	6%
	100%	100%	100%

The plan assets of the Group are maintained by the respective Trust Departments of the Union Bank of the Philippines, Land Bank, and Rizal Commercial Banking Corporation Trust and Investments Group (RCBC Trust).

Details of the Group's net assets available for plan benefits and their related market values are as follows:

	2025	2024
Cash	₱6,965,343	₱408,199
Short-term fixed income	60,537,388	61,819,089
Investments in:		
Equity securities	114,473,089	62,932,774
Government securities	961,773	969,961
Others	777	6,507
	₱182,938,370	₱126,136,530

Short-term Fixed Income. Short-term fixed income investment includes time deposits and special savings deposits.

Investments in Equity Securities. Investments in equity securities pertain to STI ESG's Retirement Fund investment in the shares of the Parent Company which has a fair value of ₱1.64 and ₱0.90 per share as at June 30, 2025 and 2024, respectively.

As at June 30, 2025, total unrealized gains from investments in equity securities of a related party amounted to ₱51.7 million, while unrealized losses of ₱28.0 million as at June 30, 2025 were recognized as at June 30, 2024.



Investments in Debt Securities. As at June 30, 2025, investments in debt securities of STI ESG consist of retail treasury bonds maturing on October 20, 2026, with an interest rate of 6.25% per annum. These investments such as investments in government securities include treasury bills and fixed-term treasury notes with maturities ranging from two (2) months to three (3) years and bear interest rates ranging from 4.90% to 6.13%. These securities are fully guaranteed by the Government of the Republic of the Philippines.

Management performs an Asset-Liability Matching Study annually. The overall investment policy and strategy of the Group's defined benefit plans are guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The average duration of the defined benefit obligation of the entities in the Group as at June 30, 2025 ranges from 13 to 16 years.

Shown below is the maturity analysis of the undiscounted benefit payments as at June 30, 2025 and 2024:

	2025	2024
Less than one year	₱96,658,936	₱94,133,115
More than one year to five years	76,600,668	66,358,674
More than five years to ten years	142,187,430	128,346,554
More than ten years to fifteen years	210,238,780	155,667,788
More than fifteen years to twenty years	251,844,660	250,536,418
More than twenty years	307,647,879	224,061,647

The Group expects to contribute ₱10.3 million to its retirement fund in 2026.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions are held constant:

	Effect on Present Value of Define Benefit Obligation		
	2025	2024	2023
Discount rates			
Increase by 1%	(₱16,511,652)	(₱15,178,823)	(₱13,703,195)
Decrease by 1%	19,790,639	16,691,831	16,309,156
Future salary increases			
Increase by 1%	20,031,996	17,033,996	16,291,595
Decrease by 1%	(17,391,945)	(15,040,385)	(14,065,887)
Employee turnover			
Increase by 10%	2,471,499	1,874,012	2,625,302
Decrease by 10%	(2,471,499)	(1,874,012)	(2,625,302)

29. Leases

As Lessor

The Group entered into several lease agreements, as lessors, on their buildings and condominium units under operating lease agreements with varying terms and periods. Certain leases are subject to annual repricing based on a pre-agreed rate.



As discussed in note 12, iACADEMY leases a building in Makati City. On September 6, 2022, iACADEMY entered into a sublease agreement with a third party on this leased building, particularly the ground floor unit 1 and the entirety of the second floor up to and including the roof deck of the building, for a period of five (5) years commencing on March 15, 2023, and ending on March 14, 2028. Beginning August 1, 2023, the subleased premises included the ground floor units 2 and 3. On March 7, 2025, iACADEMY and the third party executed a Termination Deed, pre-terminating the sublease agreement effective June 30, 2025. Under the Termination Deed, the security deposit and advance rentals were agreed to be forfeited in favor of iACADEMY. Accordingly, a gain on termination of the lease amounting to ₱51.7 million was recognized in profit or loss in the consolidated statement of comprehensive income for the year ended June 30, 2025. On July 31, 2025, the third party paid iACADEMY a total of ₱43.5 million in rental fees covering the period from July to December 2025, pursuant to the terms of the Termination Deed.

On April 29, 2021, a telecommunication company entered into a sublease contract with iACADEMY for the lease of a portion of the roof deck of the leased building for its cell site for a period of 8 years effective May 1, 2021 until April 30, 2029.

The Group also earns rental income from occasional use of the Group's properties primarily used for school operations such as auditorium, classrooms and gymnasiums.

Total rental income for the years ended June 30, 2025, 2024 and 2023 amounted to ₱215.8 million, ₱197.9 million and ₱178.1 million, respectively (see Notes 12 and 31).

The Group receives refundable deposits as security for its observance and faithful compliance with the terms and conditions of the lease agreements and advanced rental payment which will be applied on the last months of the lease. The current and noncurrent portion of advance rent and deposit liabilities are recorded under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" account, respectively, in the consolidated statements of financial position. These pertain to the advances and refundable deposits made by the respective lessees of iACADEMY and STI ESG (see Notes 17 and 20).

Future minimum rental receivable for the remaining lease terms as at June 30, 2025 and 2024 follows:

	2025	2024
Within one year	₱81,324,241	₱178,756,280
After one year but not more than five years	105,324,684	353,666,964
Total	₱186,648,925	₱532,423,244

As Lessee

The Group leases land and building spaces, where the corporate office and schools are located, under operating lease agreements with varying terms and periods ranging from 1 to 25 years. The lease rates are subject to annual repricing based on a pre-agreed rate. Certain transportation equipment were acquired under lease agreements with varying terms and periods ranging from 3 to 5 years.

Total rental expense charged to operations for the years ended June 30, 2025, 2024 and 2023 amounted to ₱43.4 million, ₱42.1 million and ₱35.3 million, respectively (see Notes 24 and 26).

The Group paid the lessors refundable deposits equivalent to several months of rental payments as security for their observance and faithful compliance with the terms and conditions of the agreement (see Note 16).



The following are the amounts recognized in the consolidated statements of comprehensive income:

	2025	2024	2023
Depreciation expense of right-of-use assets included in property and equipment and investment properties (see Notes 11 and 12)	₱89,781,986	₱88,752,980	₱85,474,468
Interest expense on lease liabilities (see Note 23)	35,448,863	34,666,187	33,139,748
Expenses relating to short-term leases (see Notes 24 and 26)	40,157,502	40,070,808	32,729,999
Variable lease payments (see Notes 24 and 26)	3,245,309	2,061,312	2,561,540
	₱168,633,660	₱165,551,287	₱153,905,755

The rollforward analysis of lease liabilities are as follows:

	2025	2024
Balance at beginning of year	₱490,073,264	₱536,759,779
Additions (see Note 11)	72,516,280	41,099,396
Interest expense (see Note 23)	35,448,863	34,666,187
Payments	(121,524,008)	(122,452,098)
Lease termination (see Note 11)	(15,464,419)	—
Balance at end of year	461,049,980	490,073,264
Less current portion	91,386,106	86,894,606
Noncurrent portion	₱369,663,874	₱403,178,658

STI ESG amended its original lease agreement for STI Laoag, a school owned and operated by STI ESG, which previously covered only parts of the leased building to now leasing the entire structure. The original lease agreement, which was set to expire on September 1, 2027, was effectively terminated and replaced with a revised lease agreement. The new lease agreement covers the lease of the entire building, with a monthly rental of ₱0.5 million for a five-year term ending in May 2029.

The termination of the previous lease resulted in the derecognition of the related ROU asset for the building, with a carrying value of ₱13.9 million. STI ESG likewise recognized a gain on termination of lease amounting to ₱1.6 million, representing the difference between the carrying value of the ROU asset and the lease liability as of the lease termination date. This gain is reported as part of “Other income (expense)” in the Group’s consolidated statement of comprehensive income for the year ended June 30, 2025. On the other hand, the new lease agreement for STI Laoag resulted in the recognition of an ROU Asset - Building amounting to ₱26.4 million. Similarly, STI ESG, entered into new lease agreements for STI Fairview and STI Puerto Princesa. The new lease agreements resulted in the recognition of an ROU asset - Building aggregating to ₱23.2 million (see Note 11).

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024
Within one year	₱121,772,679	₱117,581,149
After one year but not more than five years	319,160,384	372,407,921
More than five years	138,779,577	165,447,518
Total	₱579,712,640	₱655,436,588



30. Income Tax

All domestic subsidiaries qualifying as private educational institutions are subject to tax under RA No. 8424, “An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes” which was passed into law effective January 1, 1998. Title II Chapter IV - Tax on Corporations - Sec 27(B) of the said Act defines and provides that: a “Proprietary Educational Institution” is any private school maintained and administered by private individuals or groups with an issued permit to operate from DepEd, CHED, or TESDA, as the case may be, in accordance with the existing laws and regulations and shall pay a tax of ten percent (10.0%) on its taxable income.

Pursuant to RA No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act, the following changes in tax rates became effective on July 1, 2023 as outlined in Revenue Memorandum Circular (RMC) 69-2023:

- Minimum corporate income tax (MCIT) rate has reverted to 2.0% of gross income from a reduced rate of 1.0% that was in effect from July 1, 2020 to June 30, 2023.
- Preferential income tax rate for proprietary educational institutions and hospitals which are nonprofit has reverted to 10.0% of the taxable income following a temporary reduction to 1.0% effective July 1, 2020 to June 30, 2023.

Consequently, the Group recognized provision for current income tax using the preferential income tax rate of 10.0% (MCIT rate of 2.0%, as the case may be) starting fiscal year 2024 in accordance with RMC 69-2023.

The components of recognized net deferred tax assets and net deferred tax liabilities are as follows:

	2025	2024
Deferred tax assets:		
Lease liabilities	₱45,024,095	₱47,688,102
Unearned tuition and other school fees	19,871,216	12,140,423
Allowance for expected credit losses	15,902,222	15,798,159
Pension liabilities	6,413,679	9,135,768
Excess of cost over net realizable value of inventories	2,546,070	2,513,524
NOLCO	2,007,515	4,415,342
Advance rent	1,608,818	2,523,505
Accrued interest on tax deficiency	54,798	—
	93,428,413	94,214,823
Deferred tax liabilities:		
Right-of-use assets	(34,038,498)	(36,929,089)
Excess of fair value over derecognized receivables	(2,933,057)	(3,042,063)
Intangible assets	(2,762,187)	(2,762,187)
Unamortized debt issue costs	(1,223,839)	(1,503,786)
Excess of rental under operating lease computed on a straight-line basis	(1,013,097)	(1,148,067)
Unrealized foreign exchange gain	(1,571)	(5,003,300)
Security deposit	—	(589,212)
Accrued rent income under PFRS 16	—	(208,020)
	(41,972,249)	(51,185,724)
Net deferred tax assets	₱51,456,164	₱43,029,099



	2025	2024
Deferred tax liabilities:		
Excess of fair values over carrying values of net assets acquired in business combination	(P119,253,306)	(P120,027,896)
Right-of-use assets	(2,437,921)	(2,950,196)
	(121,691,227)	(122,978,092)
Deferred tax assets:		
Allowance for expected credit losses	2,577,223	6,878,358
Pension liabilities	3,590,912	3,834,772
Unamortized past service cost	1,140,758	919,582
Unearned tuition and other school fees	2,333,341	868,343
	9,642,234	12,501,055
Net deferred tax liabilities	(P112,048,993)	(P110,477,037)

Certain deferred tax assets of the Group were not recognized as at June 30, 2025 and 2024 as it is not probable that future taxable profits will be sufficient against which these can be utilized.

The following are the deductible temporary differences and unused NOLCO and MCIT for which no deferred tax assets were recognized:

	2025	2024
NOLCO	P253,338,417	P234,415,098
Allowance for impairment of advances to associates	49,784,880	49,784,880
Lease liabilities	10,809,035	12,937,125
MCIT	967,500	774,018
	P314,899,832	P297,911,121

The Group has incurred NOLCO for taxable years 2023, 2024 and 2025 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years as follows:

Year	Availment Period	Amount	Additions	Applied	Expired	Amount
2025	2026-2028	P—	P37,245,223	P—	P—	P37,245,223
2024	2025-2027	50,156,756	—	—	—	50,156,756
2023	2024-2026	41,866,482	—	7,274,021	—	34,592,461
2022	2023-2025	782,424	—	—	782,424	—
		P92,805,662	P37,245,223	P7,274,021	P782,424	P121,994,440

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Group has incurred NOLCO for the years ended June 30, 2022 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act as follows:

Year	Availment Period	Amount	Applied	Expired	Amount
2022	2023-2027	P94,728,820	P11,890,364	P—	P82,838,456
2021	2022-2026	81,260,235	12,679,595	—	68,580,640
2020	2021-2025	9,903,450	—	9,903,450	—
		P185,892,505	P24,569,959	P9,903,450	P151,419,096



The Parent Company's MCIT which can be claimed as a deduction from future regular income tax due follows:

Year Incurred	Expiry Date	Amount
2025	2028	₱387,000
2024	2027	387,000
2023	2026	193,500
2022	2025	193,518
		1,161,018
Less expired		193,518
		₱967,500

The reconciliation of the provision for income tax on income before income tax computed at the effect of the applicable statutory income tax rate to the provision for income tax as shown in the consolidated statements of comprehensive income is summarized as follows:

	2025	2024	2023
Provision for income tax at statutory income tax rate	₱612,827,831	₱443,354,844	₱214,527,655
Income tax effects of:			
Interest income already subjected to final tax	(12,541,006)	(12,788,996)	(4,177,980)
Royalty fees subjected to final tax	(5,324,349)	(4,328,739)	(3,684,075)
Dividend income	(1,073,848)	(722,523)	(623,761)
Nondeductible expenses	2,997,148	3,814,998	6,392,400
Equity in net earnings of associates and joint venture	(902,386)	(502,351)	(564,685)
Difference in income tax rates and others	(360,267,928)	(263,758,854)	(227,593,218)
Provision for (benefit from) income tax	₱235,715,462	₱165,068,379	(₱15,723,664)

Others include income tax effect of change in unrecognized deferred tax assets and expired NOLCO and MCIT.

31. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) enterprises or individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Parent Company; (b) associates; and (c) enterprises or individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the company, key management personnel, including directors and officers of the Group and close members of the family of any such enterprise or individual.



The following are the Group's transactions with its related parties:

Related Party	Amount of Transactions during the Year			Outstanding Receivable (Payable)		Terms	Conditions
	2025	2024	2023	2025	2024		
Associates							
STI Accent							
Reimbursement for various expenses and other charges	₱—	₱—	₱—	₱48,134,540	₱48,134,540	30 days upon receipt of billings; noninterest-bearing	Unsecured; with provision for ECL
GROW							
Rental income and other charges	750,410	714,676	680,644	10,114,590	10,209,550	30 days upon receipt of billings	Unsecured; no impairment
Reimbursement for various expenses and other charges	389,415	174,079	404,060	—	—	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	—	21,166	—	(119,383)	(119,383)	Refundable upon end of contract	Unsecured
STI Alabang**							
Educational services and sale of educational materials and supplies	—	—	7,668,672	—	—	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
STI Marikina							
Educational services and sale of educational materials and supplies	15,951,786	15,336,320	10,461,238	433,874	892,949	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Dividend income	1,464,075	1,171,260	—	—	—	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliates*							
TCAMI							
Deposit for purchase of shares of PHI	—	60,484,800	—	60,484,800	60,484,800	15% deposit; balance payable on the third anniversary of the share purchase agreement	Unsecured; no impairment
Purchase of shares of CHI	—	180,000,000	—	—	—	Full payment upon contract execution	Unsecured; no impairment
Philhealthcare, Inc.							
Facility sharing and other charges	332,557	6,692,230	13,926,146	16,578	25,747	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
HMO coverage	20,139,063	15,842,893	13,519,254	(159,921)	—	30 days upon receipt of billings; noninterest-bearing	Unsecured
Refundable deposits	—	—	—	(1,950,480)	(1,950,480)	Refundable upon end of contract	Unsecured
Phils First Insurance Co., Inc.							
Rental and other charges	5,402,743	4,994,661	4,842,840	—	—	30 days upon receipt of billings; noninterest-bearing	Unsecured
Insurance	21,720,774	20,248,435	18,666,357	(174,330)	(2,502)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Philippines First Condominium Corporation							
Association dues and other charges	10,779,131	10,254,589	13,879,981	(1,432,591)	(847,182)	30 days upon receipt of billings; noninterest-bearing	Unsecured

(Forward)



Related Party	Amount of Transactions during the Year			Outstanding Receivable (Payable)		Terms	Conditions
	2025	2024	2023	2025	2024		
Philippine Life Financial Assurance Corporation							
Facility sharing, utilities other charges	₱616,775	₱15,688	₱13,075,943	₱192,735	₱133,059	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Insurance	604,744	790,708	370,925	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
PhilPlans							
Facility sharing and other charges	4,986,600	300,000	300,000	234,330	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other	1,968,866	–	–	520,769	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	937,320	–	–	(937,320)	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
GROW VITE Staffing Services							
Rental income and other charges	2,820,293	2,817,347	1,597,514	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Janitorial and staffing services	42,046,007	36,901,349	28,791,006	(4,640,186)	(7,507,832)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	96,153	88,675	932,996	264,990	157,914	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposit	–	49,959	–	(421,744)	(421,744)	Refundable upon end of contract	Unsecured
STI Diamond							
Reimbursement for various expenses and other charges	–	(59,511,839)	–	–	(59,511,839)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Venture Securities, Inc.							
Reimbursement for various expenses and other charges	353,253	–	–	177,220	36,465	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	750,615	–	–	(750,615)	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Techzone Philippines Inc.							
Association dues, utilities and other charges	494,492	–	–	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Officers and employees							
Advances for various expenses	80,486,672	69,713,869	58,855,408	26,393,220	36,078,187	Liquidated within one month; noninterest-bearing	Unsecured; no impairment
Others							
Facility sharing and other charges	3,278	–	343,050	215,766	617,521	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Advertising and promotion charges	440,000	430,000	400,000	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
	₱136,596,842	₱86,409,770					

*Affiliates are entities under common control of a majority shareholder

**Became a wholly owned subsidiary effective March 16, 2023



Related party receivables and payables are generally settled in cash.

Outstanding receivables from related parties, before any allowance for impairment, and payables arising from these transactions are summarized below:

	2025	2024
Educational services (see Note 6)	₱433,874	₱892,949
Rent, utilities and other related receivables (see Note 6)	11,736,978	11,180,256
Receivables from officers and employees (see Note 6)	26,393,220	36,078,187
Advances to associates and joint venture (see Note 13)	48,134,540	48,134,540
Deposit for purchase of shares (see Note 16)	60,484,800	60,484,800
Accounts payable (see Note 17)	(10,586,570)	(10,849,123)
Due to an affiliate (see Note 17)	—	(59,511,839)
	₱136,596,842	₱86,409,770

Outstanding balances of transactions with and between subsidiaries that were eliminated at the consolidated financial statements follow:

Category	Amount of Transactions during the Year			Outstanding Receivable (Payable)		Terms	Conditions
	2025	2024	2023	2025	2024		
Subsidiaries							
AHC							
Payable to AHC	–	–	–	(₱63,778,000)	(₱63,778,000)	Payable upon demand; noninterest-bearing	Unsecured
Subscription payable	–	–	–	(64,000,000)	(64,000,000)	Noninterest-bearing	Unsecured
STI WNU							
Educational services and sale of educational materials and supplies	29,007,950	33,545,445	15,175,485	14,704,479	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	7,746,999	7,818,817	6,257,059	4,073,570	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment

Compensation and Benefits of Key Management Personnel

Compensation and benefits of key management personnel of the Group are as follows:

	2025	2024	2023
Short-term employee benefits	₱92,009,421	₱83,349,710	₱73,010,947
Post-employment benefits	6,908,322	4,050,244	3,382,213
	₱98,917,743	₱87,399,954	₱76,393,160

Material Related Party Transactions Policy

The Parent Company's BOD shall approve all material related party transactions before their commencement. Transactions amounting to the materiality threshold of ten percent (10.0%) or more of the consolidated total assets that were entered into with an unrelated party that subsequently becomes a related party are excluded from the limits and approval process requirements. The Parent Company may set a lower threshold upon determination by the BOD of the risk of the related party transactions to cause damage to the Parent Company and its stockholders.



32. Basic and Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company

The table below shows the summary of net income and weighted average number of common shares outstanding used in the calculation of earnings per share:

	2025	2024	2023
Net income attributable to equity holders of STI Holdings (a)	₱2,191,076,517	₱1,591,191,183	₱870,268,404
Common shares outstanding at beginning and end of period (b) (see Note 21)	9,904,806,924	9,904,806,924	9,904,806,924
Basic and diluted earnings per share on net income attributable to equity holders of STI Holdings (a)/(b)	₱0.22	₱0.16	₱0.09

The basic and diluted earnings per share are the same for the years ended June 30, 2025, 2024, and 2023 as there are no dilutive potential common shares.

33. STI Gift of Knowledge Certificates (GOKs)

On December 9, 2002, the BOD of STI ESG approved the offer for sale and issue of up to ₱2.0 billion worth of GOKs.

The STI GOKs are noninterest-bearing certificates that entitle the holders or any designated scholars to redeem academic units in any member of the STI Group or equivalent academic units in any STI school on certain designated redemption dates or, to require STI ESG to pay in cash the par value of the outstanding STI GOKs on designated graduation dates. The redemption dates range from the SY2004-2005 to six (6) years from date of issue of the STI GOKs. The graduation dates range from four (4) to ten (10) years from issue date. A total offer size of 2,409,600 academic units for the entire STI Group or its equivalent units in any STI school will be offered at serial redemption dates at their corresponding par values.

In 2003, the SEC issued an Order of Registration and a Certificate of Permit to Sell Securities for the said STI GOKs.

STI ESG is planning to amend the terms of the GOKs to conform with future business strategies. As at October 13, 2025, there has been no sale nor issuance of GOKs. Hence, pursuant to Section 17.2 (a) of the Securities Regulation Code (SRC), STI ESG is not required to file the reports required under Section 17 of the SRC.



34. Contingencies and Commitments

Contingencies

- a. *Agreements with PWU and Unlad.* On various dates in 2011, 2012 and 2013, the Parent Company and AHC extended loans and advances to PWU and Unlad by virtue of several agreements (collectively, “Loan Documents”), which were secured by mortgages over PWU and Unlad properties, entered into among the Parent Company, AHC, PWU and Unlad in the total principal amount of ₱513.0 million. Upon the non-adherence to the terms and conditions stated in the agreements, the Parent Company and AHC served notices of default to PWU and Unlad in December 2014, and demanded the payment of the total combined amount of approximately ₱926.0 million, inclusive of interests, penalties, fees and taxes.

Upon failure to pay the aforesaid loan, the Parent Company and AHC enforced its rights under the aforesaid agreements and mortgages and filed several Petitions for Extra-Judicial Foreclosure of Real Estate Mortgage on (a) PWU Indiana and Taft Properties with the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court (RTC) of Manila, (b) Unlad’s properties in Quezon City and (c) Davao Property with the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Quezon City and Davao, respectively, in February 2015.

On March 13, 2015, Dr. Helena Z. Benitez (HZB) filed a Creditor-Initiated Petition for Rehabilitation of PWU (PWU Rehabilitation Case) in RTC Manila (Rehabilitation Court). The Rehabilitation Case was dismissed by the Rehabilitation Court. The Motion for Reconsideration and responsive pleadings thereto subsequently filed by HZB and PWU were likewise denied by the Rehabilitation Court on January 21, 2016.

Extra-judicial foreclosure sales were conducted in various dates in 2015 and 2016 for the above-mentioned properties and the Parent Company was declared as the winning bidder for all extra-judicial foreclosure sales held.

On March 1, 2016, the Parent Company and AHC executed a Deed of Assignment wherein AHC assigned its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Parent Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad have been transferred to STI Holdings.

On March 22, 2016, the Parent Company, PWU, Unlad, and HZB entered into a MOA for the extinguishment and settlement of the outstanding obligations of PWU and Unlad to the Parent Company. The MOA includes, among others, the execution of the following on March 31, 2016:

- Deed of Dacion en pago of Quezon City Properties and Davao Property (collectively referred to as the “Deeds”) in favor of the Parent Company
- Release and cancellation of mortgages over the Manila Properties to be executed by the Parent Company



The MOA also provided that the Parent Company would be committed to fund and advance all taxes, expenses and fees to the extent of ₱150.0 million in order to obtain the CAR and the issuance of new TCT and TD in favor of the Parent Company. In the event that such expenses would be less than ₱150.0 million, the excess would be given to Unlad. However, if the ₱150.0 million would be insufficient to cover the expenses, the Parent Company would provide the deficiency without any right of reimbursement from Unlad.

Consequently, the Parent Company recognized the Quezon City properties and the Davao property as “Investment properties”. On June 24, 2021, the Parent Company’s BOD approved the sale of the Quezon City dacion properties to a potential buyer and reclassified these as noncurrent asset held for sale as these properties have not been used in business since its conveyance to the Parent Company. The Davao property remained as an investment property. In the BOD meeting held on October 13, 2025, the BOD approved the reclassification of the Quezon City properties back to “Investment properties” in the consolidated statement of financial position as at June 30, 2025 (see Notes 10 and 12).

Relative to the above, the following cases have been filed:

- (i) *Arbitration Case filed by Mr. Conrado Benitez II.* Mr. Conrado L. Benitez II (the Claimant) filed on June 28, 2016 a Request for Arbitration, with the Philippine Dispute Resolution Center, Inc. (PDRCI), for and on behalf of PWU and Unlad, wherein he requested that the directors/trustees and stockholders/members of Unlad and PWU, EHT, the Parent Company, Mr. Alfredo Abelardo B. Benitez (ABB) and AHC (collectively, the “Respondents”) submit the alleged dispute over the settlement of the loan obligations of PWU and Unlad as provided in the arbitration clause of the Joint Venture Agreement and Omnibus Agreement (the “Loan Documents”).

In the said Arbitration Case, the Claimant asserted that PWU and Unlad are not in default in their obligations under the Loan Documents. The obligations provided therein, specifically obtaining a tax-free ruling for Property for Share Swap Transaction from the BIR, is an impossible condition. Consequently, the foreclosures on the securities of the Loan Documents, real properties of PWU and Unlad, were null and void because (a) failure to submit the case for arbitration and (b) PWU and Unlad are not in default. Based on such circumstances, the Claimant sought, among others, the (a) renegotiation, or (b) rescission of the Loan Documents. Should the Loan Documents be rescinded, the Claimant also sought that PWU and Unlad shall be allowed twelve months to sell the Davao and Quezon City Properties to return the alleged investments made by the Parent Company, EHT, ABB and AHC. Lastly, the Claimant sought the payment of attorney’s fees of not less than ₱5.0 million, ₱0.5 million of which is for expenses and reimbursement of cost of suit, expenses, and other fees. After receiving the Notice of Arbitration and being informed that the required fees have not been paid by the Claimant, the Parent Company, AHC, and EHT filed an Entry of Appearance with Manifestation (Manifestation). In the Manifestation, they informed the PDRCI that the Claimant should be compelled to pay said fees before the arbitration proceedings can proceed.

The PDRCI issued a Notice dated August 26, 2016, which informed the parties to the instant case that the proceedings are suspended until the Claimant settles the outstanding provisional advance on cost for filing the instant case.



The Parent Company sent a letter dated July 2, 2020 addressed to the Office of the Secretariat-General of PDRCI. In the said letter, the Parent Company informed the PDRCI about the death of the Claimant. The Parent Company also moved for the PDRCI to dismiss and/or consider the case withdrawn due to the non-payment of the provisional advance on cost for more than three (3) years.

As at October 13, 2025, the PDRCI has not issued any response to said letter.

- (ii) *Derivative Suit* After filing the Request for Arbitration, Mr. Conrado L. Benitez II (the “Petitioner”) then filed on June 29, 2016 a derivative suit for himself and on behalf of Unlad and PWU against directors/trustees and stockholders/members of Unlad and PWU, EHT, the Parent Company, ABB and AHC (collectively, the “Defendants”) docketed as Civil Case No. 16-136130 in the RTC of Manila (the “Derivative Suit”).

In the Derivative Suit, the Petitioner primarily asserts that the Parent Company, EHT, ABB and AHC should submit themselves to the arbitration proceedings filed with the PDRCI because the Loan Documents required any alleged dispute over the same to be resolved through arbitration. Consequently, the Petitioner alleges that the foreclosure proceedings and settlement of the obligations of PWU and Unlad as evidenced by the MOA dated March 22, 2016 executed by PWU and Unlad with the Parent Company and AHC are null and void for not complying with the aforesaid arbitration clause. Likewise, the Petitioner sought the payment of attorney’s fees not less than ₱1.0 million and ₱0.1 million for expenses and cost of suit.

On July 26, 2016, the Parent Company and AHC filed their Joint Answer with Compulsory Counterclaim (Joint Answer). In the Joint Answer, the Parent Company and AHC asserted that the instant case is a mere harassment and nuisance suit, and a deliberate form of forum shopping when the Petitioner filed the Arbitration Case for the same purpose. Likewise, the Petitioner cannot compel the corporations to submit themselves to arbitration because (a) the parties to the Loan Documents have already settled any disputes, and (b) the said corporations are not stockholders and members of PWU and Unlad. Lastly, the relevant laws allow the Parent Company and AHC to institute foreclosure proceedings even if there is an arbitration clause.

Simultaneously, EHT filed his Answer wherein he asserted that the Petitioner cannot compel him to submit himself to arbitration when he is not a party to the Loan Documents.

Meanwhile, the other co-defendants, namely (a) ABB, and (b) Dr. Jose Francisco and Marco Benitez, filed their respective Answer(s) to the Complaint.

After the termination of Court-Annexed Mediation and pre-trial conference, the Petitioner manifested that the Trial Court should proceed to resolve the case based on the pleadings and affidavits already filed by the parties in accordance with the Interim Rules Governing Intra-Corporate Controversies.

The Trial Court issued an Order dated June 23, 2017 requiring the parties to file their respective Memoranda within twenty (20) days from receipt thereof in order for the Trial Court to proceed to render judgment, full or otherwise, based on all of the pleadings and evidence submitted by the parties in relation and pursuant to Rule 4, Section 4 of the Interim Rules of Procedure Governing Intra-Corporate Controversies under RA No. 8799 (Interim Rules). All of the parties filed their respective Memoranda on July 25, 2017.



On February 9, 2018, the Parent Company received the Decision dated January 19, 2018, which dismissed the case. In the Decision, the Trial Court deemed that Petitioner failed to establish fraud or bad faith on the part of the Defendants. Consequently, the Trial Court cannot contravene in the agreement among the Parent Company, Unlad, PWU and AHC to amicably settle the outstanding obligations of PWU and Unlad to AHC and the Parent Company.

On February 28, 2018, the Parent Company, AHC and EHT received the Plaintiffs' Petition for Review of the aforesaid Decision filed with the Court of Appeals – Manila and docketed as C.A. G.R. No. 154654.

While the said Petition for Review is pending, the Parent Company discovered that the Petitioner was able to cause the annotation of lis pendens on the titles of the three (3) Quezon City properties subject of the amicable settlement with PWU and Unlad.

Consequently, the Parent Company filed a Motion to Cancel Lis Pendens with the Court of Appeals where the case was pending. In the Motion, the Parent Company sought for the cancellation of said lis pendens due to impropriety and/or invalidity of the same.

The Court of Appeals issued a Resolution requiring all of the parties to file their respective Memoranda. On May 9, 2019, the Parent Company, AHC and EHT filed their Joint-Memorandum.

While the appeal of the Petitioner is pending, the Parent Company filed a Manifestation and Motion dated July 29, 2020. In the said Manifestation and Motion, the Parent Company informed the Court of Appeals about the death of the Petitioner on March 28, 2020. Consequently, the Parent Company moved for the resolution and dismissal of the said appeal.

The Petitioner's counsel filed a Notice and Motion dated August 14, 2020, which also informed the Court of Appeals about the death of the Petitioner. Consequently, said counsel moved that the Petitioner be substituted by his wife and children.

In response thereto, the Parent Company filed its Comment/Opposition dated August 24, 2020. In the Comment/Opposition, the Parent Company argued that the Petitioner cannot be substituted because he can only be substituted by a member of PWU and a stockholder of Unlad. The wife and children of the Petitioner cannot be members of PWU because membership in PWU is non-transferable.

In the Resolution dated October 28, 2021, the Court of Appeals granted the Motion for Substitution.

In the Resolution dated February 11, 2022, the Court of Appeals dismissed the Petition filed by the Plaintiffs. The Court of Appeals also granted the Motion to Cancel the Lis Pendens annotated on the Quezon City Properties.

On March 23, 2022, the Parent Company received the Motion for Reconsideration filed by the Heirs of Plaintiff Conrado Benitez II on the aforesaid Resolution dated February 11, 2022.

After the Parent Company filed its Comment/Opposition, the Court of Appeals denied the Motion for Reconsideration in its Resolution dated January 7, 2025.



Under the relevant rules, the Heirs of Plaintiff Conrado Benitez II may file a Petition for Review on Certiorari or ask an extension to file said Petition with the Supreme Court within fifteen (15) days from their receipt of the Resolution dated January 7, 2025.

On September 10, 2025, the Court of Appeals issued a Resolution wherein it provided that the copy of the Resolution dated January 7, 2025 addressed to the counsel of the Heirs of Plaintiff Conrado Benitez II bore the notation of "Return to Sender.". It appeared that the said counsel was no longer holding office at the counsel's address on record. Consequently, the Court of Appeals resent a copy of the said Resolution to the address of record of Mr. Conrado Benitez II.

As at October 13, 2025, the Parent Company has not received any Motion for Extension or Petition for Review on Certiorari.

(iii) *Ejectment Case against Philippine Women's College of Davao, Inc. involving Unlad's Davao Property.* On March 11, 2019, the Parent Company filed the Complaint for Unlawful Detainer against Philippine Women's College of Davao, Inc. (PWC-Davao), initially filed against Philippine Women's University of Davao, to recover possession of a portion of the parcel of land covered by Transfer Certificate of Title (TCT) No. T-129545 registered under the name of the former situated along University Ave and Richardo, Matina, Davao City being used as a parking area (the "Subject Premises") by the latter.

The Subject Premises formed part of the 40,184 sq.m., more or less, (the "Property") parcel of land formerly registered under the name of "Unlad". After Unlad transferred ownership of the Property to the Parent Company, the Parent Company demanded that PWC-Davao vacate the Subject Premises.

Despite said demands, PWC-Davao refused to vacate the Subject Premises.

On May 28, 2019, the Parent Company received the Answer with Compulsory Counterclaim dated May 14, 2019.

After a failed Court-Annexed Mediation, the parties continued the discussion on the possibility of an amicable settlement.

On July 1, 2022, the parties filed the Joint Motion for Approval of Compromise Agreement. Based on the Compromise Agreement, the Parent Company allowed PWC-Davao to use the Subject Premises for one (1) year or until June 29, 2023. In the event that the Parent Company needs to proceed with its plans over the Subject Premises, it will serve a written notice to vacate and/or turn-over of the Subject Premises to PWC-Davao sixty (60) calendar days before the intended day to vacate or turn-over.

On September 30, 2022, the Parent Company received the Decision dated July 4, 2022 issued by the Trial Court adopting the Compromise Agreement as the decision in this case.

With the issuance of said Decision, the case is deemed terminated.

- b. *Specific Performance Case filed by the Agustin family.* The Agustin family filed a Specific Performance case against the Parent Company for the payment by the latter of the remaining balance of the purchase price for the sale of the Agustin family's shares in STI WNU.



The Agustin family alleges in their Complaint that based on the Share Purchase Agreement and Deed of Absolute Sale they executed with the Parent Company, the price of their shares in STI WNU has been pegged at ₱400.0 million. Despite these two agreements, the Parent Company refuses to pay the full purchase price for the STI WNU shares they acquired from the Agustin family.

In its Answer, the Parent Company stated that the Agustin family is not entitled to the full purchase price of their STI WNU shares because they have not complied with all the requirements for its release. In particular, the Agustin family has not been able to deliver the Commission on Higher Education permits for the operation of STI WNU's Maritime Program as provided in the MOA, and the Share Purchase Agreement. In addition, there are other trade receivables in favor of STI WNU wherein full satisfaction of the same entitles the Agustin family to a portion of the balance of the purchase price.

In order to expedite the proceedings, the Agustin family was able to submit the case for summary judgment by the Trial Court. Despite the opposition thereto, the Trial Court rendered its Decision dated April 4, 2018 (the "Summary Judgment"). In the Summary Judgment, the Trial Court ordered the Parent Company to pay the Agustin family the amount of ₱50.0 million with legal interest from the filing of the case until full payment only.

On September 11, 2018, the Parent Company filed and paid the corresponding docket fees for its Notice of Appeal Ex Abudanti Ad Cautelam (Notice of Appeal) on the said Summary Judgment.

Upon motion by the Agustin family, the Trial Court granted their Motion for Execution Pending Appeal dated September 5, 2018.

While the record of the case was still with the Trial Court, the Parent Company immediately filed the Urgent Motion for Reconsideration with alternative prayer for Motion to Stay Discretionary Execution Pending Appeal dated December 14, 2018.

After due hearing by the Trial Court on the Motion(s), the Trial Court (a) denied the Urgent Motion for Reconsideration but (b) granted the Motion to Stay Discretionary Execution Pending Appeal upon posting of a supersedeas bond amounting to ₱100.0 million (the "Stay Order").

After the Agustin family filed a Motion for Reconsideration on the Stay Order, the Trial Court denied the same in its Order dated March 14, 2019.

Both parties sought their respective remedies before the Court of Appeals - Cebu to question (a) the Summary Judgment against the Company (CA G.R. CV No. 07140) and (b) the Stay Order against the execution of the Summary Judgment in favor of the Agustin family (CA G.R. CV No. 12663) (collectively, the "CA Cases").

While the aforesaid CA Cases were pending, the parties decided to amicably settle and terminated said cases by executing in counterparts the Compromise Agreement dated September 6, 2021, and September 10, 2021 and filing a *Joint Motion for Judgment Based on Compromise Agreement* dated September 20, 2021. In the Compromise Agreement, the Company agreed to pay the Agustin family the amount of ₱25.0 million as final and full settlement of the latter's claim against the former in the aforementioned cases (see Note 16).

In addition, the parties agreed to review the financial records of STI WNU to determine the status of the Agustin family guarantee on the collectability of the trade receivables, and the release, if any, of the ₱27.3 million to the Agustin family as provided in the *Share Purchase Agreement*.



Considering the aforesaid settlement and the Amended Decision, all cases and issues related thereto are deemed terminated.

- c. *Specific Performance Case.* STI College Cebu, Inc. (STI Cebu) and STI ESG's Finance Officer were named defendants in a case filed by certain individuals for specific performance and damages. In their Complaint, the Plaintiffs sought the execution of a Deed of Absolute Sale over a parcel of land situated in Cebu City on the bases of an alleged perfected contract to sell. The Defendants filed the Consolidated Answer to the Amended Complaint on August 30, 2017. In the Consolidated Answer, Defendants asserted that there is no perfected contract to sell or of sale between STI ESG and the Plaintiffs considering that (a) there is no Board approval on the sale of the Subject Property; (b) lack of definite terms and conditions thereof; and (c) STI ESG's Finance Officer has no authority to bind STI ESG on the alleged contract to sell or sale of the Subject Property.

After the parties completed the presentation of evidence and filed their respective Memoranda, the Defendants received the Decision of the Trial Court on June 22, 2020.

In the Decision dated June 18, 2020, the Trial Court determined that there was no perfected contract to sell the Property. The Trial Court affirmed that the Plaintiffs failed to obtain the consent of STI ESG. There was no evidence showing that STI ESG, through its BOD, (a) gave its consent to the sale or (b) authorized the Defendant Finance Officer to sell the Property in favor of the Plaintiffs.

The Trial Court, however, determined that the Defendant Finance Officer is liable to pay the Plaintiffs the total amount of ₱0.2 million representing temperate and exemplary damages ("Damages"). The Trial Court determined that the actions of STI ESG's Finance Officer insofar as (a) receipt of the earnest money, (b) lack of written authority from STI ESG during the negotiation and (c) continued assurances to the Plaintiffs in relation to the BIR ruling on the tax-free exchange and then sudden withdrawal from the transaction constitute bad faith.

Lastly, the Trial Court ordered STI ESG to return the amount of ₱0.3 million it received from the Plaintiffs as "earnest money" with an interest rate of six percent (6.0%) per annum from receipt thereof on March 30, 2011 until the latter's tender of the same to the Plaintiffs on July 2, 2015.

Both parties filed their respective Partial Motion for Reconsideration insofar as the (a) dismissal of the Complaint and (b) award of Damages.

On August 25, 2020, the Trial Court issued its Order, which modified the Decision only insofar as requiring STI ESG's Finance Officer to pay an additional ₱50.0 thousand as attorney's fees in favor of the Plaintiffs. The rest of the findings in the Decision is affirmed.

Both the Plaintiffs and the Finance Officer filed their respective Notice of Appeal.

On December 1, 2020, STI ESG and the Defendant Finance Officer received the Notice, which requires the Appellants (Plaintiffs and the Defendant Finance Officer) to file their respective Appellant's Brief within forty-five (45) days from receipt of the Notice.

After the parties filed their respective brief(s), STI ESG received the Decision dated February 27, 2023 on March 20, 2023. Based on the Decision, the Court of Appeals affirmed *in toto* the Trial Court's Order(s).

On May 3, 2023, STI ESG received the Motion for Reconsideration filed by the Plaintiffs.



After STI ESG filed its Opposition dated July 14, 2023 to the said Motion for Reconsideration, the Court of Appeals issued its Resolution dated November 6, 2023, which denied the Plaintiffs' Motion for Reconsideration.

On January 8, 2024, STI ESG received the Petition for Review filed by the Plaintiffs before the Supreme Court.

The Supreme Court has yet to issue the appropriate Resolution on the said Petition insofar as whether to dismiss the same or require STI ESG to file a Comment to the Plaintiffs' Petition for Review.

- d. *Complaint for Damages filed by GATE (formerly STI-College Santiago, Inc.).* Global Academy of Technology and Entrepreneurship, Inc. (GATE) filed a complaint for Damages against STI ESG for its non-renewal of the Licensing Agreement despite the former's alleged compliance with the latter's audit recommendations. On the basis of such alleged invalid non-renewal of the Licensing Agreement, GATE seeks for (a) moral damages in the amount of ₱0.5 million, (b) exemplary damages in the amount of ₱0.5 million and (c) attorney's fees in the amount of 15.0% of the amount to be awarded and ₱3.0 thousand per court appearance.

On June 9, 2017, STI ESG filed its Answer to the Complaint. In the Answer, STI ESG reiterated its position that GATE has no cause of action against it because its decision not to renew the Licensing Agreement is in accordance with contractual stipulations therein that its renewal is upon mutual agreement of both parties. Considering the effectivity period of the Licensing Agreement expired on March 31, 2016 without being renewed by both parties, GATE cannot claim any damages for STI ESG's lawful exercise of its rights under the Licensing Agreement.

After the parties completed the presentation of their respective evidence, STI ESG received the Decision of the Trial Court on February 4, 2020.

In the Decision dated January 16, 2020, the Trial Court dismissed the instant case because the Plaintiffs failed to establish that STI ESG acted in abuse of rights when it refused to renew the Licensing Agreement with the Plaintiffs. The Trial Court confirmed that said Agreement clearly provided that the same can only be renewed by mutual agreement of the parties.

The Trial Court also ordered the payment by the Plaintiffs of STI ESG's counterclaim in the amount of ₱0.3 million as attorney's fees plus cost of suit.

Despite filing a Motion for Reconsideration, the Trial Court affirmed its dismissal of the Plaintiff's claim and the award of litigation cost in favor of STI ESG in an Order dated July 6, 2020.

On August 3, 2020, STI ESG received the Notice of Appeal filed by the Plaintiff.

After the parties filed their respective briefs, the Court of Appeals promulgated its Decision on July 12, 2022. In the Decision, the Court of Appeals affirmed the order of the Trial Court.

After the Plaintiff filed its Motion for Reconsideration on the said Decision, STI ESG filed its Comment and Opposition on September 5, 2022. The Court of Appeals affirmed its decision when it denied the Motion for Reconsideration filed by the Plaintiff.

On January 11, 2023, STI ESG, through counsel, received the Petition for Certiorari on Review (Petition) filed by the Plaintiff before the Supreme Court.



On September 14, 2023, STI ESG, through counsel, received the Resolution issued by the Supreme Court. In the Resolution, the Supreme Court denied the Petition filed by the Plaintiff.

After the Plaintiff filed its Motion for Reconsideration, the Supreme Court denied the same and affirmed with finality the dismissal of its Petition.

The Supreme Court issued an Entry of Judgment, which declared the dismissal of the plaintiff's Petition to be final and executory.

On November 4, 2024, STI ESG received a Notice from the Trial Court, which informed the parties that the records of the case have been remanded to said court.

After the filing of a Motion for Execution of the Decision dated January 16, 2020, the Trial Court issued the Writ of Execution.

Pursuant to the said Writ, the plaintiff paid the monetary award to STI ESG on August 14, 2025. Afterwards, STI ESG filed a Manifestation on the same date to inform the Trial Court that the plaintiff fully satisfied the payment of ₱0.3 million as attorney's fee plus cost of suit to STI ESG as provided in the Decision dated January 16, 2020.

Based on said circumstances, the case is terminated.

- e. Due to the nature of their business, STI ESG, STI WNU and iACADEMY are involved in various legal proceedings, both as plaintiff and defendant, from time to time. The majority of outstanding litigation involves illegal dismissal cases under which faculty members have brought claims against STI ESG and STI WNU by reason of their faculty contract and/or employment contracts. STI ESG, STI WNU and iACADEMY are not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated and their respective BOD have no knowledge of any proceedings pending or threatened against STI ESG, STI WNU and iACADEMY or any facts likely to give rise to any litigation, claims or proceedings which might materially affect their financial position or business. Management and their legal counsels believe that STI ESG, STI WNU and iACADEMY have substantial legal and factual bases for their position and are of the opinion that losses arising from these legal actions and proceedings, if any, will not have a material adverse impact on the Group's consolidated financial position as well as in the results of their operations.

Commitments

a. Financial Commitments

STI ESG has ₱65.0 million domestic bills purchase lines from various local banks as at June 30, 2025, specifically for the purchase of local and regional clearing checks. Interest on drawdown from such facility is waived except when drawn against returned checks, on which the interest shall be the prevailing lending rate of such local bank. This facility is on a clean basis. As at June 30, 2025 and 2024, there is no outstanding availment from these lines.

b. Capital Commitments

As at June 30, 2025, STI ESG's significant contractual commitments include: (1) acquisition of a parcel of land, (2) construction of STI Academic Center Alabang, (3) construction of STI Academic Center Tanauan, (4) construction of new buildings at STI Fairview and STI Batangas, and (5) building upgrade and refurbishment projects.



As at June 30, 2024, STI ESG's significant contractual commitments include: (1) construction of the new building in STI Ortigas-Cainta campus, (2) learning classroom expansion for some schools (3) renovation and rehabilitation project of STI ESG's Tanay property, (4) construction of a three-storey building at STI Lipa, (5) installation of solar panels, and (6) lot acquisition.

STI ESG has a contractual commitment with Avida amounting to ₱228.8 million, inclusive of ₱24.7 million VAT, for the parcel of lot located at South Park District, Alabang, Muntinlupa City - the future site of the new STI Academic Center Alabang. Of this amount, ₱126.7 million and ₱45.1 million have been settled as at June 30, 2025 and 2024, respectively. STI ESG likewise paid ₱9.2 million for taxes and other charges related to the sale in September 2024. The remaining balance of ₱102.1 million is due 16 months after the execution of the Deed of Sale on Installments in September 2024.

STI ESG has a contractual commitment and obligation for the construction of STI Academic Center Alabang. The total contract cost to put up the building is ₱647.7 million, of which ₱194.3 million has been paid as at June 30, 2025 representing the 30.0% downpayment. Similarly, STI ESG has a contractual commitment and obligation for the construction of STI Academic Center Tanauan. The total contract cost for the building construction is ₱364.2 million, of which ₱109.3 million has been paid as at June 30, 2025 representing the 30.0% downpayment.

STI ESG has a contractual commitment for the construction of a four-storey building at STI Fairview. The project has an aggregate cost of ₱91.0 million, of which ₱54.9 million has been paid as at June 30, 2025. Similarly, STI ESG has a contractual commitment for the construction of a new three-storey building at STI Batangas. The total contract cost for the construction of the building is ₱32.0 million, of which ₱21.3 million has been paid as at June 30, 2025.

The Group also has contractual commitments for building upgrade and refurbishment projects across several schools within the STI network. These projects aggregate to ₱101.0 million, of which ₱11.5 million has been paid as at June 30, 2025.

STI ESG has completed the construction of a new school building at STI Ortigas-Cainta campus. This construction project has a total contract price of ₱217.3 million, including the ongoing works for the STP project, with ₱204.0 million and ₱129.1 million already paid as at June 30, 2025 and June 30, 2024, respectively.

The classroom expansion projects for several schools of STI ESG have a total cost of ₱140.9 million, of which payments aggregating to ₱122.0 million have been made as at June 30, 2025.

The renovation and rehabilitation works at STI ESG's Tanay property have also been completed with total contract cost of ₱29.1 million. STI ESG has total disbursements for this project amounting to ₱27.6 million and ₱21.5 million as at June 30, 2025 and June 30, 2024, respectively.

Furthermore, STI ESG has ventured into sustainable initiatives, particularly in solar energy projects. The installation of solar panels, including the roof deck waterproofing activities, at its STI Ortigas-Cainta campus has been completed as at report date. This project has a total cost of ₱16.7 million, of which ₱15.1 million has been paid as at June 30, 2025 and 2024, respectively.

The Group has completed solar energy projects on several wholly owned schools of STI ESG namely: STI Las Pinas, STI Sta. Mesa, STI Pasay EDSA, STI Novaliches, and STI Batangas with aggregate cost of ₱22.8 million, of which ₱18.5 million and ₱5.9 million have been paid as at June 30, 2025 and 2024, respectively.



STI ESG likewise has ongoing solar energy projects on several wholly owned schools of STI ESG namely: STI Lipa, STI San Jose del Monte, and STI Calamba, with aggregate cost of ₱13.8 million, of which ₱1.3 million has been paid as at June 30, 2025.

STI WNU has contractual commitments and obligations for the construction of school buildings and upgrade of its facilities aggregating to ₱452.8 million and ₱404.4 million as at June 30, 2025 and June 30, 2024. Of these amounts, ₱408.6 million and ₱301.5 million have been paid as at June 30, 2025 and 2024, respectively-

iACADEMY has contractual commitments and obligations for the construction of its Yakal Campus totaling ₱1,041.5 million as at June 30, 2025 and 2024. Of these, ₱993.7 million have been paid as at June 30, 2025 and 2024, respectively.

c. Others

i. On December 13, 2023, STI ESG and Home Development and Mutual Fund (Pag-IBIG) entered into a memorandum of agreement on the implementation of Pag-IBIG Health and Education Loan Programs (Pag-IBIG HELPs). Under the loan program, the qualified Pag-IBIG member shall be able to pay his/her beneficiary's educational-related expenses to STI ESG at a special discount rate of 20.0% of the tuition fee, subject to the terms and conditions of the program as follows:

- Entitled to the discount are Pag-IBIG Fund members and their immediate family members;
- The discount is applicable to tuition fees only of incoming college and senior high school students and transferees for tertiary programs and senior high tracks, and specializations; and
- The discount cannot be availed in conjunction with another promo/discount.

This agreement is in effect for a period of two (2) years from the date of signing and will be automatically renewed for an additional two-year term upon expiration, subject to the same terms and conditions, or as may be stipulated by STI ESG and Pag-IBIG Fund. Either party may opt not to renew the agreement by providing a written notice at least two months before its expiration.

ii. On December 17, 2018, the CHED, Unified Student Financial Assistance System for Tertiary Education Board (UniFAST) and STI ESG signed a memorandum of agreement to avail of the Tertiary Education Subsidy (TES) and Student Loan Program (SLP) for its students under the Universal Access to Quality Tertiary Education Act (UAQTEA) and its Implementing Rules and Regulations (IRR). RA No. 10931 or the UAQTEA and its IRR provide among others, that to support the cost of tertiary education or any part or portion thereof, TES and SLP are established for all Filipino students who shall enroll in undergraduate and post-secondary programs of private HEIs. Accordingly, the TES and the SLP shall be administered by the UniFAST Board.

Based on RA No. 10931, the annual TES for students, subject to guidelines and implementing rules and regulations on the release of TES, enrolled in SUCs or CHED-recognized LUCs is ₱40.0 thousand. Students enrolled in select HEIs who are qualified to receive the TES, are entitled to ₱60.0 thousand a year. The TES sharing agreement states that ₱40.0 thousand shall go to the TES student grantee and ₱20.0 thousand to the private HEI. The subsidy is for Tuition and other related school fees and should cover the living allowance, books, supplies, transportation and miscellaneous expense. Additional benefits are likewise given to Persons with Disabilities (PWDs) and graduates of programs with licensure exams amounting to



₱30.0 thousand per annum and ₱10.0 thousand, respectively. Under this TES Program, CHED pays directly the schools where these students enrolled.

In July 2023, UniFast issued Memorandum Circular No. 5 for the allocation of funds for new TES grants. Qualified student grantees for SY2021-2022 from private HEIs in cities and municipalities without SUCs or LUCs, shall receive ₱40.0 thousand for the second semester of SY2022-2023 to cover their full or partial payables for tuition and other school fees. Thereafter, qualified grantees shall be considered as continuing grantees, subject to validation, for the first semester of SY2023-2024 onwards and shall receive a subsidy rate of ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. In case the tuition and other school fees is lower than ₱10.0 thousand per semester, the difference shall be given to the student. Administrative support cost remain at 1% of the total grant. Continuing TES grantees for the second semester of SY2022-2023 shall receive ₱60.0 thousand per school year or ₱30.0 thousand per semester until they graduate. New TES grantees who are PWDs shall receive an additional subsidy of ₱30.0 thousand per school year or ₱15.0 thousand per semester. New TES grantees for the first semester of SY2023-2024 shall receive ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. New TES grantees who are PWDs shall receive an additional subsidy of ₱10.0 thousand per school year or ₱5.0 thousand per semester.

The qualified TES graduates for SY2022-2023 onwards, in courses requiring licensure examinations shall receive a maximum one-time reimbursement of ₱8.0 thousand to cover the full or partial cost of taking the said licensure examinations.

UniFAST issued Memorandum Circular No. 21-2024 which states that TES grantees shall receive the amount of ₱13.5 thousand per school year for students in PHEIs, while TES grantees from SUCs and LUCs shall receive an amount of ₱ 10.0 per semester or ₱20.0 thousand per school year unless otherwise provided by the UniFAST Board.

- iii. On March 17, 2021, STI ESG executed a Memorandum of Agreement (MOA) with DBP for the implementation of the DBP Resources for Inclusive and Sustainable Education Program (DBP RISE). The program grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program starting SY2020-2021, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. STI ESG and DBP executed a similar MOA in November 2021 and May 2023 covering the implementation of DBP RISE for deserving students enrolled starting SY2021-2022, SY2022-2023, and SY2023-2024.

35. Financial Risk Management Objectives and Policies

The principal financial instruments of the Group comprise cash and cash equivalents and interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise working capital and major capital investment financing for the Group's operations. The Group has various other financial assets and liabilities such as receivables, accounts payable and other current liabilities which arise directly from its operations.



The main risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The Group's BOD and management reviews and agrees on the policies for managing each of these risks as summarized below.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet its currently maturing commitments. The Group's liquidity profile is managed to be able to finance its operations and capital expenditures and other financial obligations. To cover its financing requirements, the Group uses internally-generated funds and interest-bearing loans and borrowings. As part of its liquidity risk management program, the Group regularly evaluates the projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives.

Any excess funds are primarily invested in short-dated and principal-protected bank products that provide the flexibility of withdrawing the funds anytime. The Group regularly evaluates available financial products and monitors market conditions for opportunities to enhance yields at acceptable risk levels.

The Group's current liabilities are mostly made up of trade liabilities with 30 to 60-day payment terms, current portion of interest-bearing loans and borrowings that are expected to mature within one year after reporting date. On the other hand, the biggest components of the Group's current assets are cash and cash equivalents and receivables from students and franchisees with credit terms of up to ten (10) months for installment payments, and thirty (30) days, respectively.

As at June 30, 2025 and 2024, the Group's current assets amounted to ₱3,599.7 million and ₱3,659.0 million, respectively, while current liabilities amounted to ₱1,954.2 million and ₱1,770.5 million, respectively.

As part of the Group's liquidity risk management program, management regularly evaluates the projected and actual cash flow information.

The Group regularly monitors both the debt service coverage ratio (DSCR) for STI ESG's interest-bearing loans from local banks and the interest coverage ratio (ICR) for its series 10-year bonds. The ratios are based on the consolidated financial statements of STI ESG. The DSCR is equivalent to the EBITDA divided by the total principal and interests due for the next twelve months while the ICR is computed as EBITDA divided by the total interests due for the next twelve months. The Group manages its DSCR to keep it at a level acceptable to the Group and the lender banks. Similarly, the Group monitors its ICR to keep it at a level acceptable to the Group and the bondholders.

The tables below summarize the maturity profile of the Group's financial assets held for liquidity purposes and other financial liabilities as at financial reporting date based on undiscounted contractual payments.

	2025				Total
	Due and Demandable	Less than 3 Months	3 to 12 Months	More than 1 Year	
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	₱2,732,620,639	₱–	₱–	₱–	₱2,732,620,639
Receivables ⁽¹⁾	107,104,811	149,678,483	100,845,502	153,992,514	511,621,310
Deposits (included as part of "Prepaid expenses and other current assets" and "Goodwill, intangible and other noncurrent assets" accounts)	–	–	324,936	34,070,423	34,395,359
Equity instruments at FVPL	11,501,000	–	–	–	11,501,000
Equity investments designated at FVOCI	–	–	–	73,649,156	73,649,156
	₱2,851,226,450	₱149,678,483	₱101,170,438	₱261,712,093	₱3,363,787,464



2025					
	Due and Demandable	Less than 3 Months	3 to 12 Months	More than 1 Year	Total
Financial Liabilities					
Other financial liabilities:					
Accounts payable and other current liabilities ⁽²⁾	P764,095,467	P79,117,200	P102,062,500	P–	P945,275,167
Nontrade payable	17,000,000	–	–	–	17,000,000
Bonds payable:					
Principal	–	–	–	820,000,000	820,000,000
Interest	–	–	52,279,920	231,185,140	283,465,060
Interest-bearing loans and borrowings:					
Principal	–	292,222,222	292,222,222	1,153,333,334	1,737,777,778
Interest	–	61,094,704	52,685,551	201,785,487	315,565,742
Lease liabilities	–	22,966,311	98,806,368	457,939,961	579,712,640
Other noncurrent liabilities ⁽³⁾	–	–	–	14,162,970	14,162,970
	P781,095,467	P455,400,437	P598,056,561	P2,878,406,892	P4,712,959,357
2024					
	Due and Demandable	Less than 3 Months	3 to 12 Months	More than 1 Year	Total
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	P1,855,500,909	P–	P–	P–	P1,855,500,909
Receivables ⁽¹⁾	67,109,364	158,034,645	98,236,524	107,447,436	430,827,969
Deposits (included as part of “Prepaid expenses and other current assets” and “Goodwill, intangible and other noncurrent assets” accounts)	–	–	1,395,549	33,584,837	34,980,386
Equity instruments at FVPL	8,137,500	–	–	–	8,137,500
Equity investments designated at FVOCI	–	–	–	76,670,624	76,670,624
	P1,930,747,773	P158,034,645	P99,632,073	P217,702,897	P2,406,117,388
Financial Liabilities					
Other financial liabilities:					
Accounts payable and other current liabilities ⁽²⁾	P722,498,130	P69,048,896	P111,874,169	P–	P903,421,195
Nontrade payable	17,000,000	–	–	–	17,000,000
Bonds payable:					
Principal	–	–	–	820,000,000	820,000,000
Interest	–	–	52,279,919	139,030,060	191,309,979
Interest-bearing loans and borrowings:					
Principal	–	270,000,000	270,000,000	1,560,000,000	2,100,000,000
Interest	–	85,772,784	74,602,069	249,599,786	409,974,639
Lease liabilities	–	25,697,163	89,620,187	540,119,238	655,436,588
Other noncurrent liabilities ⁽³⁾	–	–	–	38,125,618	38,125,618
	P739,498,130	P450,518,843	P598,376,344	P3,346,874,702	P5,135,268,019

⁽¹⁾ Excluding receivables from officers and employees amounting to P26.4 million and P36.1 million as at June 30, 2025 and 2024, respectively.

⁽²⁾ Excluding taxes statutory payables amounting to P33.8 million and P30.2 million as at June 30, 2025 and 2024, respectively.

⁽³⁾ Excluding advance rent, deferred lease liability and deferred output VAT amounting to P16.2 million and P52.6 million as at June 30, 2025 and 2024, respectively.

The Group’s current ratios are as follows:

	2025	2024
Current assets	P3,599,666,499	P3,659,016,909
Current liabilities	1,954,174,091	1,770,507,834
Current ratios	1.84:1.00	2.07:1.00

Credit Risk

Credit risk is the risk that the Group will incur a loss arising from students, franchisees or other counterparties who fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk that the Group is willing to accept for individual counterparties and by monitoring expenses in relation to such limits.

It is the Group’s policy to require the students to pay all their tuition and other school fees before they can get their report cards and other credentials. In addition, receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is not significant.



With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and equity instruments at FVOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. As at June 30, 2025 and 2024, there is no significant concentration of credit risk.

Credit Risk Exposures. The table below shows the maximum exposure to credit risk for the components of the consolidated statements of financial position:

	2025		2024	
	Gross Maximum Exposure ⁽¹⁾	Net Maximum Exposure ⁽²⁾	Gross Maximum Exposure ⁽¹⁾	Net Maximum Exposure ⁽²⁾
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents (excluding cash on hand)	₱2,729,603,027	₱2,688,603,027	₱1,853,223,964	₱1,824,723,964
Receivables ⁽³⁾	511,621,310	511,621,310	430,827,969	430,827,969
Rental deposits (included as part of the "Goodwill, intangible and other noncurrent assets" account)	34,395,359	34,395,359	34,980,386	34,980,386
	₱3,275,619,696	₱3,234,619,696	₱2,319,032,319	₱2,290,532,319

(1) Gross financial assets before taking into account any collateral held or other credit enhancements or offsetting arrangements.

(2) Gross financial assets after taking into account any collateral held or other credit enhancements or offsetting arrangements or insurance in case of bank deposits.

(3) Excluding receivables from officers and employees amounting to ₱26.4 million and ₱36.1 million as at June 30, 2025 and 2024, respectively.

Credit Quality per Class of Financial Asset. The tables below show the credit quality by class of financial assets based on the Group's credit rating system as at June 30, 2025 and 2024:

	2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Class A	₱2,805,347,457	₱398,568,097	₱—	₱3,203,915,554
Class B	—	165,276,037	—	165,276,037
Class C	—	85,002,580	6,812,869	91,815,449
Gross carrying amount	2,805,347,457	648,846,714	6,812,869	3,461,007,040
ECL	—	(178,574,475)	(6,812,869)	(185,387,344)
Carrying amount	₱2,805,347,457	₱470,272,239	₱—	₱3,275,619,696

	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Class A	₱1,921,312,912	₱344,884,959	₱—	₱2,266,197,871
Class B	—	207,806,154	—	207,806,154
Class C	—	64,000,992	8,410,477	72,411,469
Gross carrying amount	1,921,312,912	616,692,105	8,410,477	2,546,415,494
ECL	—	(218,972,698)	(8,410,477)	(227,383,175)
Carrying amount	₱1,921,312,912	₱397,719,407	₱—	₱2,319,032,319



The following credit quality categories of financial assets are managed by the Group as internal credit ratings. The credit quality of the financial assets was determined as follows:

- Class A – *Cash and cash equivalents* and *Rental and utility deposits* are classified as “Class A” based on the good credit standing or rating of the counterparty. *Receivables* classified as “Class A” are those with high probability of collection and/or customer or counterparties who possess strong to very strong capacity to meet its obligations.
- Class B – *Receivables* from customers who settle their obligations within tolerable delays.
- Class C – *Receivables* from customers with payment behavior normally extending beyond the credit terms and have a high probability of becoming impaired.

The table below shows the aging analysis of receivables from students on which the amount of allowance was based on lifetime expected credit loss:

	Current	Within the Semester	After the Semester but within the School Year	After the School Year	ECL	Total
2025	₱210,077,489	₱72,945,779	₱17,917,413	₱135,343,983	(₱178,574,476)	₱257,710,188
2024	202,345,881	58,021,853	16,631,838	145,036,728	(218,972,698)	203,063,602

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow 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 loans and bonds. The Group’s long-term debt have floating interest rates repriced in various periods from 6 months to one year, thus minimizing the exposure to market changes in interest rates. STI ESG’s 7-year bonds, which had a fixed interest rate, were fully redeemed in March 2024 while the 10-year bonds, maturing in 2027, continue to carry a fixed interest rate.

The Group’s exposure to interest rate risk also includes its cash and cash equivalents balance. Interest rates for the Group’s cash deposits are at prevailing interest rates. Due to the magnitude of the deposits, a significant change in interest rate may also affect the consolidated statements of comprehensive income.

The following table demonstrates the sensitivity, to a reasonably possible change in interest rates, with all other variables held constant, of the consolidated statements of comprehensive income and statements of changes in equity for the years ended June 30, 2025, 2024 and 2023:

	Effect on Income Before Income Tax		
Increase/decrease in Basis Points (bps)	2025	2024	2023
+100 bps	(₱25,770,864)	(₱29,433,333)	(₱40,849,483)
-100 bps	25,770,864	29,433,333	40,849,483

Capital Risk Management Policy

The Group’s objectives when managing capital are to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.



The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group is not subject to externally imposed capital requirements.

The Group monitors capital using the debt-to-equity ratio which is computed as the total of current and noncurrent liabilities, net of unearned tuition and other school fees, divided by total equity. The Group monitors its debt-to-equity ratio to keep it at a level acceptable to the Group, the lender banks and the STI ESG bondholders. The Group's policy is to keep the debt-to-equity ratio at a level not exceeding 1.50:1.00.

The Group considers its equity contributed by stockholders, net of cost of shares held by a subsidiary, as capital.

	2025	2024
Capital stock	P4,952,403,462	P4,952,403,462
Additional paid-in capital	1,139,438,468	1,119,127,301
Cost of shares held by a subsidiary	(430,454,088)	(498,142,921)
Retained earnings	8,295,847,265	6,529,002,580
	P13,957,235,107	P12,102,390,422

The Group's debt-to-equity ratios are as follows:

	2025	2024
Total liabilities*	P4,286,313,221	P4,697,997,894
Total equity	12,485,171,526	10,572,376,009
Debt-to-equity ratio	0.34:1.00	0.44:1.00

*Excluding unearned tuition and other school fees

The Group's asset-to-equity ratios are as follows:

	2025	2024
Total assets	P17,014,258,584	P15,441,821,846
Total equity	12,485,171,526	10,572,376,009
Asset-to-equity ratio	1.36:1.00	1.46:1.00

No changes were made in the objectives, policies or processes for the years ended June 30, 2025, 2024 and 2023.

36. Fair Value Information of Financial Instruments

The following tables set forth the carrying amounts and estimated fair values of financial assets and liabilities recognized as at June 30, 2025 and 2024. There are no material unrecognized financial assets and liabilities as at June 30, 2025 and 2024.

	2025				
	Carrying Amount	Fair Value	Level 1 ⁽¹⁾	Level 2 ⁽³⁾	Level 3 ⁽³⁾
Financial Assets					
At amortized cost -					
Rental and utility deposits	P34,395,359	P34,395,359	P-	P-	P34,395,359
Equity instruments designated at FVOCI	73,649,156	73,649,156	12,428,646	51,199,615	10,020,895
	P108,044,515	P108,044,515	P12,428,646	P51,199,615	P44,416,254



2025					
	Carrying Amount	Fair Value	Level 1 ⁽¹⁾	Level 2 ⁽³⁾	Level 3 ⁽³⁾
Financial Liabilities					
Other financial liabilities at amortized cost -					
Refundable deposits	P21,284,640	P18,062,381	P—	P—	P18,062,381
Bonds payable	816,706,013	729,004,970	—	729,004,970	—
	P837,990,653	P747,067,351	P—	P729,004,970	P18,062,381

⁽¹⁾ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

⁽²⁾ Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable

⁽³⁾ Level 3 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

2024					
	Carrying Amount	Fair Value	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾
Financial Assets					
At amortized cost -					
Rental and utility deposits	P34,980,386	P34,980,386	P—	P—	P34,980,386
Equity instruments designated at FVOCI	76,670,624	76,670,624	10,197,060	56,452,669	10,020,895
	P111,651,010	P111,651,010	P10,197,060	P56,452,669	P45,001,281

Financial Liabilities					
Other financial liabilities at amortized cost -					
Refundable deposits	P39,818,810	P31,766,951	P—	P—	P31,766,951
Bonds payable	814,967,275	678,402,624	—	678,402,624	—
	P854,786,085	P710,169,575	P—	P678,402,624	P31,766,951

⁽¹⁾ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

⁽²⁾ Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable

⁽³⁾ Level 3 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value.

Cash and Cash Equivalents, Receivables and Accounts Payable and Other Current Liabilities. Due to the short-term nature of transactions, the fair values of these instruments approximate the carrying amounts as of financial reporting date.

Rental and Utility Deposits. The fair values of these instruments are computed based on the present value of future cash flows discounted using the prevailing BVAL reference rates ranging from 0.58% to 6.13% and 1.31% to 6.81% as at June 30, 2025 and 2024, respectively that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

Equity Instruments at FVPL and FVOCI. The fair values of publicly-traded equity instruments designated at FVOCI, classified under Level 1, are determined by reference to market bid quotes as at financial reporting date. The fair values of unquoted shares are determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions. Such techniques include using recent arm's-length market transactions and reference to the current market value of another instrument which is substantially the same.

Interest-bearing Loans and Borrowings. The carrying value of floating rate interest-bearing loans and borrowings approximates fair value because of regular repricing based on market conditions.

Fixed-rate Bonds. The estimated fair value of the 10-year bonds, maturing in 2027 which carries a fixed interest rate is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows were 7.21% and 7.27% as at June 30, 2025 and 2024, respectively.



Refundable Deposits. The fair values of the refundable deposits are computed based on the present value of future cash flows discounted using the prevailing BVAL reference rates ranging from 5.13% to 6.66% and 5.59% to 6.86% as at June 30, 2025 and 2024, respectively adjusted for 2.0% credit spread rate that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

In June 30, 2025 and 2024, there were no transfers between Level 1 and 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

37. Note to Consolidated Statements of Cash Flows

The Group's material non-cash investing and financing activities follow:

- a. Recognition of right-of-use assets presented under "Property and equipment" at initial recognition of the lease at commencement date amounting to ₱71.7 million, ₱46.2 million and ₱169.8 million for the years ended June 30, 2025, 2024 and 2023, respectively (see Note 11).
- b. Unpaid progress billing for construction-in-progress presented under "Property and equipment" amounting to ₱44.3 million, ₱16.2 million and ₱3.6 million as at June 30, 2025, 2024 and 2023, respectively.
- c. Reclassification from "Noncurrent asset held for sale" to "Investment properties" amounting to ₱1,013.0 million for the year ended June 30, 2025 (see Note 10).
- d. Reclassifications from property and equipment to investment properties amounted to ₱187.4 million and ₱40.5 million for the years ended June 30, 2024 and 2023, respectively (nil in 2025); and from investment properties to property and equipment amounted to ₱140.1 million and ₱115.7 million for the years ended June 30, 2025 and June 30, 2023, respectively (nil in 2024).
- e. Reclassification from "Other noncurrent assets", pertaining to advances to suppliers, to "Property and equipment" amounting to ₱21.3 million, ₱12.9 million and ₱4.2 million for the years ended June 30, 2025, 2024 and 2023, respectively.
- f. Reclassification from "Other noncurrent assets", pertaining to deposit for asset acquisition, to "Property and equipment" amounted to ₱20.4 million for the year ended June 30, 2025 (see Notes 11 and 16).
- g. Accounts payable amounting to ₱102.1 million represents the outstanding installment balance of STI ESG for the acquisition of a parcel of land at South Park District, Alabang, Muntinlupa City. This liability is due 16 months after the Deed of Sale on Installments was executed in September 2024 (see Notes 11 and 17).



38. Changes in Liabilities Arising from Financing Activities

	July 1, 2024	Cash Flows	Gain on Early Extinguishment of Loan	Reclassified as Current	Effect of Lease Termination/ Modifications (see Notes 11 and 29)	New/Renewed Leases (see Note 29)	Interest Expense (see Note 23)	Dividends Declared (see Note 21)	June 30, 2025
Current portion of interest-bearing loans and borrowings	₱536,274,021	(₱562,222,222)	₱-	₱606,215,363	₱-	₱-	₱-	₱-	₱580,267,162
Bonds payable	814,967,275	-	-	-	-	-	1,738,738	-	816,706,013
Interest-bearing loans and borrowings - net of current portion	1,549,840,391	198,500,000	-	(606,215,363)	-	-	3,940,640	-	1,146,065,668
Lease liabilities	490,073,264	(121,524,008)	-	-	(15,464,419)	72,516,280	35,448,863	-	461,049,980
Dividends payable	30,302,513	(428,326,765)	-	-	-	-	-	430,419,952	32,395,700
Interest payable	49,507,925	(215,551,280)	-	-	-	-	204,650,311	-	36,606,956
	₱3,470,965,389	(₱1,129,124,275)	₱-	₱-	(₱15,464,419)	₱72,516,280	₱245,778,552	₱430,419,952	₱3,075,091,479
Current portion of interest-bearing loans and borrowings	₱262,837,889	(₱473,050,208)	₱-	₱746,281,953	₱-	₱-	204,387	₱-	₱536,274,021
Bonds payable	2,988,422,984	(2,180,000,000)	-	-	-	-	6,544,291	-	814,967,275
Interest-bearing loans and borrowings - net of current portion	808,707,735	1,488,750,000	(3,076,465)	(746,281,953)	-	-	1,741,074	-	1,549,840,391
Lease liabilities	536,759,779	(122,452,098)	-	-	-	41,099,396	34,666,187	-	490,073,264
Dividends payable	27,411,219	(287,597,966)	-	-	-	-	-	290,489,260	30,302,513
Interest payable	23,550,067	(224,187,598)	-	-	-	-	250,145,456	-	49,507,925
	₱4,647,689,673	(₱1,798,537,870)	(₱3,076,465)	₱-	₱-	₱41,099,396	₱293,301,395	₱290,489,260	₱3,470,965,389
Current portion of interest-bearing loans and borrowings	₱239,135,979	(₱359,544,756)	₱-	₱383,042,279	₱-	₱-	204,387	₱-	₱262,837,889
Bonds payable	2,980,515,064	-	-	-	-	-	7,907,920	-	2,988,422,984
Interest-bearing loans and borrowings - net of current portion	1,291,461,407	(100,000,000)	-	(383,042,279)	-	-	288,607	-	808,707,735
Lease liabilities	473,316,566	(133,436,395)	-	-	(1,742,210)	165,482,070	33,139,748	-	536,759,779
Dividends payable	26,411,518	(142,953,699)	-	-	-	-	-	143,953,400	27,411,219
Interest payable	26,583,874	(263,727,425)	-	-	-	-	260,693,618	-	23,550,067
	₱5,037,424,408	(₱999,662,275)	₱-	₱-	(₱1,742,210)	₱165,482,070	₱302,234,280	₱143,953,400	₱4,647,689,673



39. Business Combination and Asset Acquisition

CHI

As discussed in Notes 4 and 11, on June 20, 2024, STI ESG and TCAMI executed a deed of absolute sale for STI ESG's acquisition of 100.0% of the total issued and outstanding capital stock of CHI.

The acquisition of CHI is accounted for as an asset acquisition (see Note 4). CHI's assets, which primarily consist of a parcel of land, were assigned their carrying amount based on their relative fair values. The land was valued at ₱182.9 million, after allocating the acquisition cost to other identifiable assets and liabilities of CHI which had a net liability carrying amount of ₱2.9 million.

STI Alabang

On March 16, 2023, STI ESG and the majority owners of STI Alabang entered into a deed of absolute sale wherein STI ESG acquired 60.0% of the issued and outstanding capital stock of STI Alabang from the former franchisee for ₱1.00. Prior to this, STI ESG owns 40.0% of STI Alabang's issued and outstanding capital stock. As a result, STI Alabang became a wholly owned subsidiary of STI ESG effective March 31, 2023.

The following are the identifiable assets and liabilities as at the date of acquisition based on final purchase price allocation:

<i>Assets</i>	
Cash	₱9,232,050
Receivables	5,194,246
Inventories	960,491
Prepaid expenses	892,547
Property and equipment (see Note 11)	2,162,891
Deferred tax assets	843,309
Other noncurrent assets	1,271,855
	<u>20,557,389</u>
<i>Liabilities</i>	
Accounts payable and other current liabilities	43,581,348
Total identifiable net liabilities at fair values	(23,023,959)
Purchase consideration transferred	1
Goodwill (see Note 16)	<u>₱23,023,960</u>

Analysis of cash flow on acquisition is as follows:

Cash acquired from the subsidiary	₱9,232,050
Cash paid	(1)
Net cash inflow on acquisition	<u>₱9,232,049</u>

The transaction was accounted for as a business combination. The identifiable assets and liabilities recognized in the consolidated financial statements as at June 30, 2023 were based on assessment of the fair value of these assets and liabilities at the time of acquisition. The transaction resulted in goodwill amounting to ₱23.0 million which is presented as part of "Goodwill, intangible and other noncurrent assets" in the consolidated statement of financial position as at June 30, 2023 (see Notes 1, 13 and 16). Goodwill comprises the expected synergies in operating the school under STI ESG management.



From the date of acquisition to June 30, 2023, the revenues included in the consolidated statement of comprehensive income contributed by STI Alabang was ₱10.4 million. STI Alabang also contributed net loss of ₱1.8 million over the same period. If the acquisition had taken place at the beginning of the fiscal year ended June 30, 2023, the consolidated revenue and consolidated net income would have been ₱3,435.2 million and ₱913.7 million, respectively.

40. Other Matters

On February 27, 2024, the BOD of STI Holdings ratified the execution of a term sheet between STI Holdings and Philippine School of Business Administration (PSBA Manila) and Philippine School of Business Administration, Inc. – Quezon City (PSBA Quezon City) or collectively referred to as “PSBA”. The term sheet covers the takeover by STI Holdings of the operations of PSBA as well as the acquisition of licenses, trademarks, trade names, and school-related assets owned by PSBA (the “transaction”).

The term sheet and the implementation of the transaction are subject to several conditions including, among others, the execution of mutually acceptable definitive agreements, fulfillment of the conditions precedent, approval of the stockholders of PSBA, and regulatory approvals.

On May 2, 2024, STI ESG entered into a Contract to Sell with PSBA Manila for the sale and purchase of a 3,000 square meter parcel of land located at Aurora Boulevard, Quezon City (referred to as the “Subject Property”). The purchase price of the Subject Property is less than ten percent (10.0%) of the total assets of STI Holdings. The sale and purchase of the Subject Property is subject to regulatory approvals and the fulfillment of certain conditions precedent. Subject to regulatory approvals and upon fulfillment of such conditions precedent, STI ESG and PSBA Manila shall execute a Deed of Absolute Sale over the Subject Property.

On May 2, 2024, STI Holdings and PSBA also executed the Right of First Refusal Agreement. as STI Holdings has the right of first refusal in the event that PSBA intends to sell the PSBA properties. PSBA Manila is the registered and beneficial owner of a parcel of land, together with the improvement thereon, located at R. Papa St., Manila (the “PSBA Manila Property”). PSBA Manila is also the registered and beneficial owner of two parcels of land, together with improvements thereon, located at Aurora Boulevard, Quezon City.

On the same date, STI College Novaliches, Inc. entered into an Asset Purchase Agreement with PSBA for the acquisition by STI College Novaliches, Inc. of the tangible and intangible assets of PSBA (collectively, the “School Related Assets”) used or relating to the operation by PSBA of its schools located in Manila and Quezon City. The purchase price for the School Related Assets is less than ten percent (10.0%) of the total assets of STI Holdings. The sale and purchase of School Related Assets is subject to regulatory approvals and the fulfillment of certain conditions. Subject to regulatory approvals and the fulfillment of certain conditions, STI College Novaliches, Inc. and PSBA shall execute Deeds of Assignment for the sale and purchase of the School Related Assets. As at October 13, 2025, the conditions precedent and regulatory approvals for the aforementioned agreements have not been fulfilled.



On May 30, 2024, STI ESG and PSBA executed a Management Agreement appointing STI ESG to manage the operations of PSBA schools with the goal of increasing enrollment as well as promoting PSBA as one of the leading educational institutions in the Philippines for accountancy and business programs. STI ESG shall provide the management services starting July 1, 2024 for PSBA Quezon City and starting August 1, 2024 for PSBA Manila. The management services will be for a period of three (3) years counting from the management commencement date.

STI ESG shall perform the following obligations, among others, (1) provide management services including, but not limited to, marketing and advertising efforts, administering teaching and nonteaching staff deployed in each of the PSBA schools, maintaining school records and providing such other administrative and support services required for the effective operations of PSBA schools; (2) enter into contracts for and on behalf of PSBA with third parties without need of consent of PSBA; (3) liaise with local government units and government agencies in relation to the management and operations of PSBA schools; (4) apply for and obtain permits and licenses for PSBA schools.

PSBA Manila and PSBA Quezon City shall each pay management fees to STI ESG equivalent to 26.0% of the gross revenues of PSBA Manila and PSBA Quezon City, respectively.

The management agreement may be extended provided that (i) such extension shall be subject to mutual agreement of the Parties; (ii) STI ESG shall be entitled to use the PSBA Manila and Quezon City properties rent-free during the extended management period, and (iii) the same terms and conditions shall apply during the extended management period unless otherwise agreed upon by the Parties in writing.

On September 23, 2024, PSBA informed STI Holdings that a third party had offered to purchase the PSBA Manila Property. On October 2, 2024, STI Holdings informed PSBA that it intended to exercise its right of first refusal over the PSBA Manila Property under the same terms and conditions offered by the third party. As at October 13, 2025, STI Holdings has yet to receive the reply of PSBA.

As discussed in note 1, the SEC approved on July 31, 2025 the several amendments to the Articles of Incorporation of STI College Novaliches, Inc. which include, among others, the change in the corporate name to "Philippine School of Business Administration - Manila, Inc.". The SEC likewise approved on August 29, 2025 the amended By-Laws of Philippine School of Business Administration-Manila, Inc. (formerly "STI College Novaliches, Inc."), which include, among others, the change in its fiscal year from April 1 of each year to March 31 of the following year to July 1 of each year to June 30 of the following year.

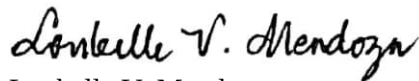


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group) as at June 30, 2025 and 2024 and for each of the three years in the period ended June 30, 2025, and have issued our report thereon dated October 13, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10465344, January 2, 2025, Makati City

October 13, 2025

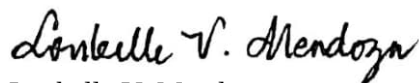


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group) as at June 30, 2025 and 2024 and for each of the three years in the period ended June 30, 2025, and have issued our report thereon dated October 13, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at June 30, 2025 and 2024 and for each of the three years in the period ended June 30, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

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October 13, 2025



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES**INDEX TO THE SUPPLEMENTARY SCHEDULES****June 30, 2025**

Schedule	Content
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)
F	Guarantees of Securities of Other Issuers
G	Capital Stock
H	Reconciliation of Retained Earnings Available for Dividend Declaration
I	Map of Relationships Between and Among the Company and Its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-Subsidiaries and Associates
J	Schedule of Financial Soundness Indicators
K	Supplemental Schedule of External Auditor Fee-Related Information

SCHEDULE A – FINANCIAL ASSETS

June 30, 2025

(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center

6764 Ayala Avenue

Makati City

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Value Based on Market Quotation at End of Reporting Period	Income Received and Accrued

The Group's financial asset at FVPL is less than 5% of total consolidated current assets as at June 30, 2025, thus, the schedule of financial assets is not applicable.

SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES,
RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (Other than Related Parties)
June 30, 2025
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name and Designation of Debtor	Balance		Amounts Collected	Amounts Written- off	Current	Not Current	Balance at End of Period
	at Beginning of Period	Additions					

The Group does not have receivables from individual directors, officers, employees and principal stockholders aggregating above one million pesos (**₱**1.0 million) or 1% of total consolidated assets, whichever is less, as at June 30, 2025.

SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

June 30, 2025
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of Debtor and Description	Balance at Beginning of Period	Additions	Amounts Collected	Current	Not Current	Balance at End of Period	Description
Receivable of AHC from STI Holdings	₱63,778,000			₱63,778,000	-	₱63,778,000	Assignment of receivable from Unlad Resources Development Corporation
Receivable of AHC from STI Holdings	64,000,000			-	64,000,000	64,000,000	Subscription
Receivable of STI ESG from STI WNU	-	29,007,950	14,303,471	14,704,479	-	14,704,479	Educational services and sale of educational materials and supplies
Receivable of STI ESG from STI WNU	-	7,746,999	3,673,429	4,073,570	-	4,073,570	Reimbursement for various expenses and other charges

SCHEDULE D – LONG-TERM DEBT

June 30, 2025
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption “Current portion of interest-bearing loans and borrowings” in related Statement of Financial Position	Amount shown under caption “Bonds payable / Interest-bearing loans and borrowings - net of current portion” in related Statement of Financial Position
Metrobank / Term Loan* Maturity Date: March 16, 2029 Interest Rate: 7.8503% per annum (reprised at the rate of 7.0517% on September 18, 2025) No. of installment: ten (10) semi-annual installments	₱2,000,000,000 (Amount drawn: ₱1,000,000,000; Balance: ₱800,000,000)	₱198,499,178	₱595,929,276
BPI / Term Loan** Maturity Date: March 18, 2029 Interest rate: 8.4211% / 7.8201% per annum (reprised at the rate of 7.0588% on September 18, 2025) No. of installments: ten (10) semi-annual installments	₱1,000,000,000 (Initial drawn amount: ₱500,000,000; Balance: ₱400,000,000 Second drawn amount: ₱200,000,000; Balance: ₱177,777,778)	143,344,193	430,347,173
China Banking Corporation - Term loan*** Maturity Date: September 19, 2026 Interest Rate: 5.81% to 8.0472% per annum (reprised at the rate of 7.1577% on September 19, 2025) Remaining No. of installments: five (5) semi-annual installments	₱1,200,000,000 (Amount drawn: ₱1,200,000,000; Balance: ₱360,000,000)	238,423,791	119,789,219
Fixed rate bonds series 10-year**** Interest rate: 6.3756% per annum Year of Maturity: 2027	₱5,000,000,000 (Amount of bonds issued: 7-year series - ₱2,180,000,000; 10-year series - ₱820,000,000; Balance: ₱820,000,000)	-	816,706,013
		₱580,267,162	₱1,962,771,681

Figures are presented in the Consolidated Statement of Financial Position:

* presented net of deferred finance cost of ₱5.5 million

** presented net of deferred finance costs of ₱4.1 million

*** presented net of deferred finance costs of ₱1.8 million

**** presented net of bond issue cost of ₱3.3 million

SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)

June 30, 2025
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of Related Party	Balance at beginning of period	Balance at end of period

The Group has no long-term loans from related parties as at June 30, 2025.

SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
June 30, 2025
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

The Group does not have guarantees of securities of other issuing entities as at June 30, 2025

SCHEDULE G – CAPITAL STOCK

June 30, 2025

(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center

6764 Ayala Avenue

Makati City

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position caption	Number of Shares Reserved for Options, warrants, Conversion and Other Rights	Number of Shares held by Related Parties	Number of Shares held by Directors, Officers and Employees	Number of shares held by Others
Common Stock	10,000,000,000	9,904,806,924	None	4,982,842,860*	1,940,347,377**	2,981,616,687***
*Related Parties:			**Directors, Officers, and Employees:			
Prudent Resources, Inc.	1,621,085,049		Eusebio H.Tanco		1,666,135,444	
Biolim Holdings and Management Corp. (Formerly: Rescom Developers, Inc.)	812,626,795		Monico V. Jacob		33,784,057	
Eujo Philippines, Inc.	806,157,130		Maria Vanessa Rose L. Tanco		30,588,001	
Tantivy Holdings, Inc. (Formerly, Insurance Builders, Inc.	629,776,992		Joseph Augustin L. Tanco		3,949,001	
STI Education Services Group	432,432,895		Martin K. Tanco		114,491,907	
Eximious Holdings, Inc. (Formerly, Capital Managers and Advisors, Inc.)	425,835,332		Paolo Martin O. Bautista		4,000,000	
Philippines First Insurance Co., Inc.	65,262,000		Jesli A. Lapus		6,000,000	
Prime Power Holdings Corp.	189,666,667		Robert G. Vergara		1,000	
			Ma. Leonora V. De Jesus		1,000	
T O T A L	4,982,842,860	*	Raymond N. Alimurung		1,000	
			Antonio T. Carpio		10,000	
			Yolanda M. Bautista		5,000,001	
			Arsenio C. Cabrera, Jr.		6,500,000	
			STI Employees Retirement Plan		69,885,966	
			T O T A L		1,940,347,377	**

*** Number of Shares held by Others decreased by 2% as of June 30, 2025 from the last Statement of Financial Position as of June 30, 2024.

SCHEDULE H – RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As of June 30, 2025
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

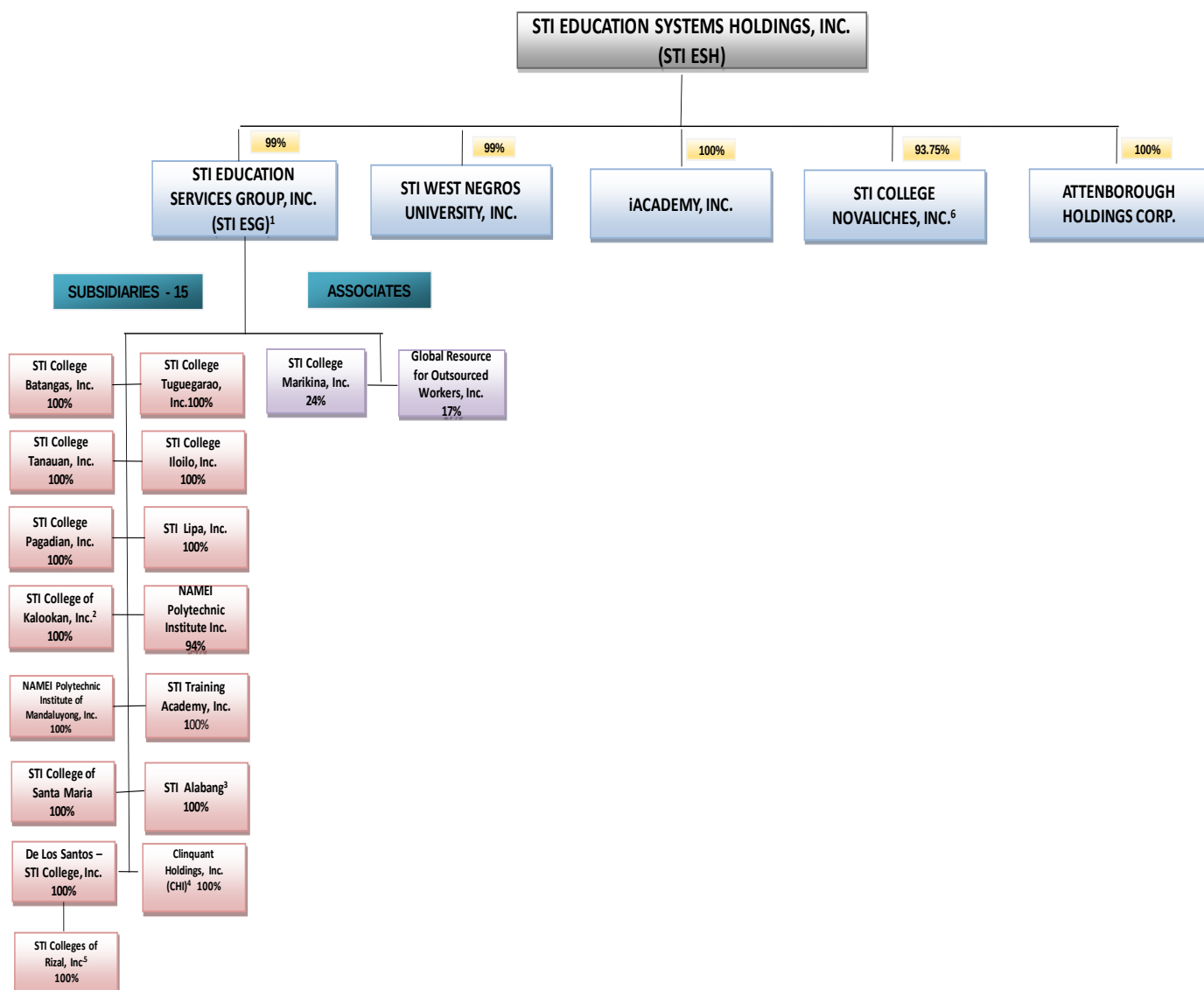
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Unappropriated Retained Earnings, beginning of reporting period	₱2,048,456,856
Add: Category A: Items that are directly credited to unappropriated retained earnings	—
Less: Category B: Items that are directly debited to unappropriated retained earnings -	
Dividend declaration during the period	445,716,312
Unappropriated Retained Earnings, as adjusted	1,602,740,544
Add: Net income for the current year	452,078,695
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)	—
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	—
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting (net of tax)	—
Sub-total	—
Adjusted Net Income	452,078,695
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	—
Add: Category E: Adjustments related to relief granted by the SEC and BSP	—
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution -	
Net movement in deferred tax liability on right-of-use assets	(512,275)
Sub-total	(512,275)
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION	₱2,054,306,964

SCHEDULE I – MAP OF RELATIONSHIPS BETWEEN AND AMONG THE COMPANY
AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES OR
CO-SUBSIDIARIES, AND ASSOCIATES
June 30, 2025

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City



¹ STI ESG owns 4.37% equity interest in STI Holdings as at June 30, 2025.

² A subsidiary of STI ESG through a management contract.

³ On March 16, 2023, STI ESG acquired 60% of the issued and outstanding capital stock of STI Alabang from the former franchisee. STI Alabang became a wholly-owned subsidiary of STI ESG as at March 31, 2023.

⁴ On June 20, 2024, STI ESG and Total Consolidated Asset Management, Inc. executed a deed of absolute sale for STI ESG's acquisition of 100% of the total issued and outstanding capital stock of CHI.

⁵ A wholly owned subsidiary of De Los Santos-STI College

⁶ STI College Novaliches Inc. became a direct subsidiary of STI ESH on January 27, 2025

SCHEDULE J – SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
June 30, 2025

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

	Formula	June 30, 2025	June 30, 2024
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.84	2.07
Acid test ratio	$\frac{\text{Current assets less inventories, prepayments, noncurrent asset held for sale \& equity instruments at FVPL}}{\text{Current liabilities}}$	1.67	1.31
Solvency ratios			
Debt-to-equity ratio	$\frac{\text{Total liabilities less unearned tuition \& other school fees}}{\text{Total equity}}$	0.34	0.44
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.36	1.46
Interest coverage ratio	$\frac{\text{EBITDA for the last twelve months}}{\text{Interest due in the next twelve (12) months}}$	18.19	11.71
Return on equity	$\frac{\text{Annualized net income attributable to equity holders of the parent company}}{\text{Average equity attributable to equity holders of the parent company}}$	19%	16%
Return on assets	$\frac{\text{Annualized net income}}{\text{Average total assets}}$	14%	11%
Net profit margin	$\frac{\text{Net income after provision for income tax}}{\text{Total revenues}}$	40%	34%
Other ratios			
EBITDA margin	$\frac{\text{EBITDA}^*}{\text{Total revenues}}$	57%	53%
Debt service cover ratio	$\frac{\text{EBITDA for the last twelve months}}{\text{Total principal and interest due for the next twelve months}}$	4.13	2.86

**EBITDA is earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, gain / loss on foreign exchange differences, equity in net earnings of associates and joint venture, fair value gain / loss on equity instruments at FVPL and nonrecurring gains and losses such as gain on early extinguishment of loan, gain on termination of lease, and loss on remeasurement of noncurrent asset held for sale. Depreciation and interest expense for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively.*

SCHEDULE K – SUPPLEMENTAL SCHEDULE OF EXTERNAL AUDITOR
FEE – RELATED INFORMATION
For the year ended June 30, 2025
(With Comparative Figures for the year ended June 30, 2024)

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

	2025	2024
Total Audit Fees	₱23,114,000	₱21,191,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	66,000
All other services*	1,265,000	1,263,000
Total Non-Audit Fees	1,265,000	1,329,000
Total Audit and Non-Audit Fees	₱24,379,000	₱22,520,000

**Billed fees for Sustainability Reporting Advisory and Corporate Governance seminar in FY2025 and FY2024.*

Foundations For Tomorrow: Strengthening Education, Building Futures



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About This Report

STI Education Systems Holdings, Inc. (STI Holdings), referred to as the Parent Company, operates through its subsidiaries: STI Education Services Group, Inc. (STI ESG), STI West Negros University, Inc. (STI WNU), and iACADEMY, Inc. (iACADEMY). Collectively known as the “Group,” these entities have established a leading position in delivering innovative and relevant education aimed at nurturing individuals to become competent and responsible members of society. Guided by its core values, the Group continually refines its educational delivery in pursuit of sustainable development.

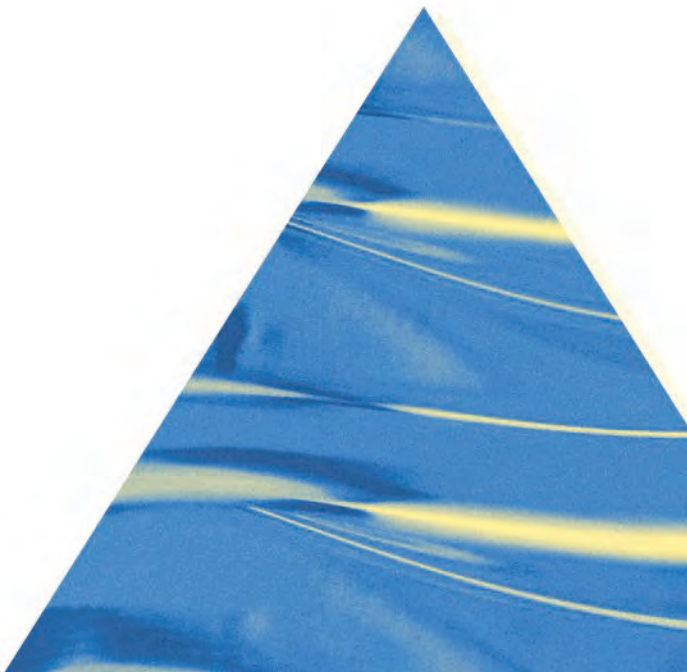
This report highlights the Group’s commitment to advancing sustainable education amidst the evolving demands of the times. As the world transitioned into a new normal, the Group successfully adapted to changes brought by the global health crisis by remaining focused on its mission and innovating its learning delivery models.

Moreover, this document has been prepared in compliance with the Securities and Exchange Commission’s (SEC) Memorandum Circular No. 4, Sustainability Reporting Guidelines for Publicly-listed Companies, covering the period July 1, 2024 to June 30, 2025. Disclosures within this report cover only STI ESG-owned schools, STI WNU, and iACADEMY, and do not cover franchise schools, unless explicitly stated otherwise.

To gain a comprehensive understanding of the Group’s sustainability plans, all stakeholders are encouraged to read this publication in conjunction with STI Holdings’ annual report for the year ended June 30, 2025, which is available on the website www.stiholdings.com. This report was developed through the efforts of the STI Holdings’ Sustainability Core Team, spearheaded by Cyril Cunanan, STI Compliance Officer. Feedback and queries regarding this report may be directed via email to info@stiholdings.com.ph.

Note on Forward-Looking Statements

This report may include forward-looking statements that articulate the Group’s view regarding its risks and opportunities, based on available trends, projections, plans, and other information at the time of publication. Statements describing the Group’s outlook are not intended to present or guarantee the Group’s future performance. While the Group maintains that these disclosures are reasonable, it acknowledges that risks and uncertainties beyond its control may materially impact its actual performance and outcomes, potentially differing from those expressed or implied herein. The Group assumes no obligation to update these forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors that may subsequently affect them.



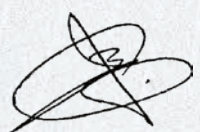
Message from the Chairman and President

Dear Fellow Stakeholders,

School Year 2024-2025 saw STI Holdings and its subsidiaries (the “Group”) reach even greater heights than in previous years, registering nearly 140,000 students across 66 campuses, the country’s largest network of private schools.

To continue creating value for its growing and diverse student base, the Group ensured that its basic education, senior high school and higher education programs as well as state-of-the-art facilities spanned various disciplines. Through its sustained focus on Curriculum Development, it enhanced its curricula in several fields including communication, mathematics and psychology as well as launched a digital media management course during the year. Additionally, on September 16, 2024, STI West Negros University achieved another milestone as CHED granted Autonomous Status to the institution.

The Group endeavored to provide a rich and meaningful learning experience, complementing its rigorous curricula with different avenues for growth outside classrooms through the initiatives of Student Affairs and Services and significant partnerships with key



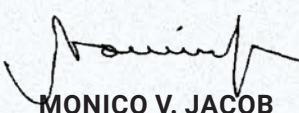
EUSEBIO H. TANCO
Chairman, STI Holdings



communities and organizations. The well-being of faculty and employees remained vital to the Group which conducted knowledge enhancement training sessions and seminars. Esteemed faculty members presented at several conferences and published their research work in academic journals, further deepening the institution’s knowledge base.

The Group believes that to thrive also means to safeguard the environment in which its schools operate. Toward this end, the Group strengthened its environmental awareness programs and expanded projects aimed at reducing carbon emissions, such as energy conservation and waste reduction practices and installation of solar panels.

The sustainability of the Group is possible only because all its members come together and work harmoniously to consistently lay foundations for the future. Today, as in the past, the Group pays close attention to industry needs and prioritizes initiatives that are both responsive and ground-breaking for its market and society. It is the Group’s vision that with their strong education, students will truly have a positive impact on people’s lives as they make their way in today’s rapidly evolving world.



MONICO V. JACOB
President and Chief Executive Officer, STI Holdings

Our Organization





STI Education Systems Holdings, Inc. (STI Holdings)

STI Holdings is a leading education and investment corporation in the Philippines. It is recognized as one of the largest networks of schools in the country today. Its registered address and principal place of business is at the 7th Floor STI Holdings Center, 6764 Ayala Avenue, Makati City.

STI Holdings began in 1928 when Theo H. Davies and Co., a Hawaiian corporation, established a branch office in the Philippines. In 1946, Jardine-Matheson group reincorporated the entity as a Philippine company. It was listed on the Philippine Stock Exchange on October 12, 1976. In March 2010, it became part of the Tanco Group of Companies. It is the holding company within the Tanco Group that drives investment in its education business. Today, it has investments in three large educational institutions—STI ESG, STI WNU and iACADEMY—and is also the owner of STI College Novaliches, Inc. and Attenborough Holdings Corporation (AHC).



STI Education Services Group, Inc. (STI ESG)

STI ESG, the largest subsidiary of STI Holdings, was incorporated on June 2, 1983. It is involved in establishing, maintaining, and operating educational institutions that provide a comprehensive range of offerings, including pre-elementary, elementary, secondary, and tertiary as well as post-graduate courses, post-secondary and lower tertiary non-degree programs. STI ESG initially focused on training as many Filipinos as possible in computer programming, primarily addressing the information technology (IT) education needs of the Philippines.

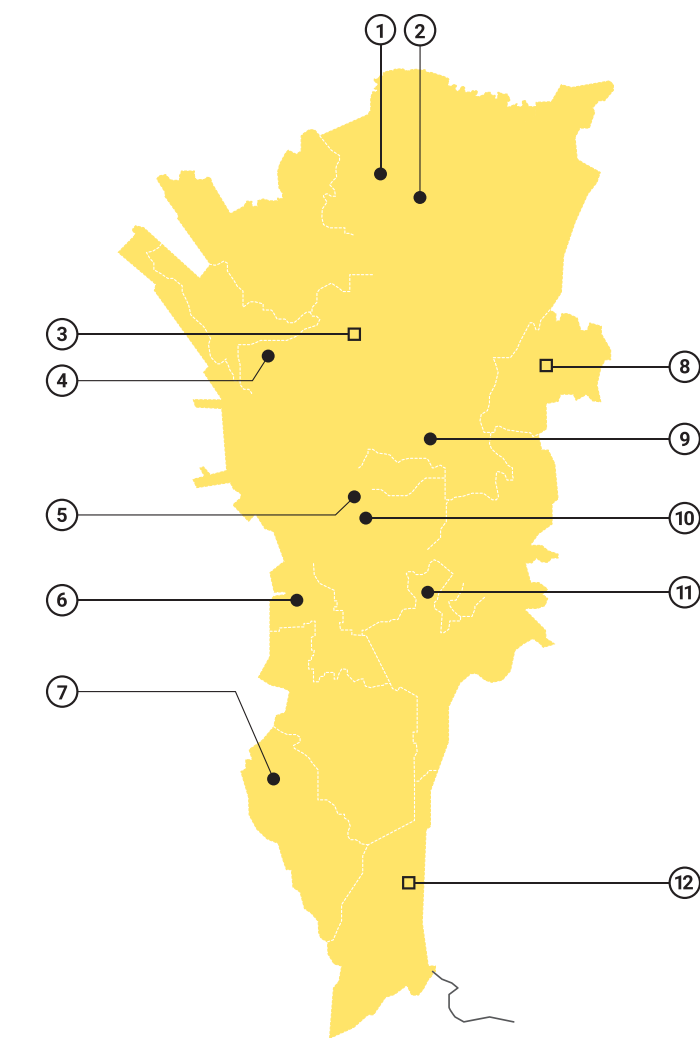
At present, STI ESG offers secondary and tertiary programs, complemented by post-graduate and associate programs. The colleges within STI ESG grant Associate Degrees and Baccalaureate Degrees and offer Technical and Vocational Courses across diverse fields: Information Technology (IT), Business and Management, Hospitality Management, Tourism Management, Arts and Sciences, Engineering, Education, Maritime, and Criminal Justice Education. These programs are accredited by the Commission on Higher Education (CHED) and/or the Technical

Education and Skills Development Authority (TESDA), as applicable. Furthermore, STI ESG's education centers, also accredited by TESDA, offer technical and vocational courses such as computer programming, computer technology, multimedia arts, and office administration, among others.

In compliance with the government mandates, all schools in the STI ESG network have been issued permits by the Department of Education (DepEd) to offer Senior High School (SHS), with select schools also granted permits to offer Junior High School (JHS). STI ESG likewise obtained permits to offer Bachelor of Science in Psychology in SY 2022-2023 and Bachelor of Science in Criminology starting SY 2023-2024.

STI ESG, whose head office is located in Cainta, Rizal, operates a network of 63 schools strategically spread across Luzon, Visayas, and Mindanao. This network comprises of 60 STI-Branded Colleges and three STI-Branded Education Centers. Of this total, 36 colleges and one education center are owned while 24 colleges and two education centers are operated by franchisees.

Map 1: STI Campuses in Metro Manila



● STI ESG HO-owned campuses
□ STI ESG Franchises

Metro Manila

1. Novaliches	8. Marikina
2. Fairview	9. Cubao
3. Muñoz-EDSA	10. NAMEI
4. Caloocan	11. Global City
5. Sta. Mesa	12. Alabang
6. Pasay-EDSA	
7. Las Piñas	

Northern Luzon

- 13. Laoag
- 14. Vigan
- 15. Cauayan
- 16. Baguio
- 17. Alaminos
- 18. Dagupan
- 19. San Jose
- 20. Tarlac
- 21. Malolos
- 22. Balagtas
- 23. Meycauayan
- 24. Angeles
- 25. San Fernando
- 26. Baliuag
- 27. Sta. Maria
- 28. San Jose Del Monte

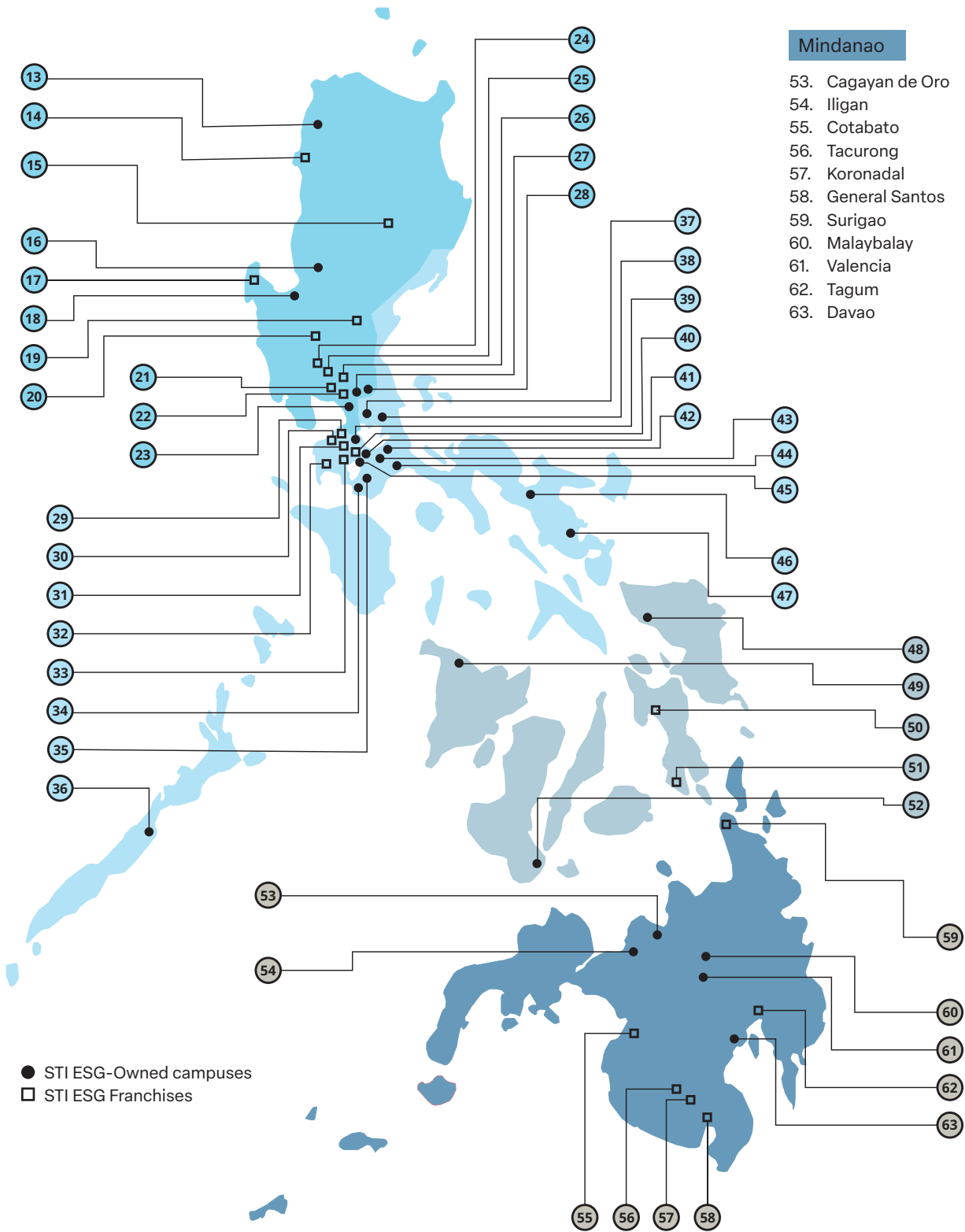
Southern Luzon

- 29. Bacoor
- 30. Rosario
- 31. Dasmariñas
- 32. Balayan
- 33. Tagaytay
- 34. Batangas
- 35. Lipa
- 36. Puerto Princesa
- 37. Ortigas-Cainta
- 38. Tanay
- 39. Carmona
- 40. Santa Rosa
- 41. Calamba
- 42. Sta. Cruz
- 43. San Pablo
- 44. Lucena
- 45. Tanauan
- 46. Naga
- 47. Legazpi

Visayas

- 48. Calbayog
- 49. Kalibo
- 50. Ormoc
- 51. Maasin
- 52. Dumaguete

Map 2: STI Campuses in Northern & Central Luzon, Southern Luzon, Visayas, and Mindanao



● STI ESG-Owned campuses
□ STI ESG Franchises

Mindanao

- 53. Cagayan de Oro
- 54. Iligan
- 55. Cotabato
- 56. Tacurong
- 57. Koronadal
- 58. General Santos
- 59. Surigao
- 60. Malaybalay
- 61. Valencia
- 62. Tagum
- 63. Davao



STI West Negros University, Inc. (STI WNU)

STI WNU, a leading university in the City of Bacolod in Negros Occidental, offers a wide variety of programs and complements the courses offered by the Parent Company’s other subsidiary, STI ESG. The University offers pre-elementary, elementary, secondary including SHS, tertiary and post-graduate courses.

STI WNU was founded by three Baptist women leaders on February 14, 1948 when the city was still reeling from the aftermath of the Second World War. The school, then West Negros College, first operated as a sectarian educational institution offering six undergraduate programs that attracted 710 students handled by 33 faculty members. It has since gone through years of providing education that is responsive to the needs of the community and was granted the University Status by CHED in June 2008.

In October 2013, the Parent Company acquired majority ownership interest in STI WNU. Since then, STI WNU’s facilities have been continuously upgraded, catering to up to 16,940 students.

On September 16 , 2024, CHED granted Autonomous status to STI WNU by virtue of CHED Memorandum No. 7 Series of 2024. Autonomous schools have the freedom to open new programs without securing prior approval from CHED, priority in the grant of subsidies, and other financial incentives from CHED, and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among other benefits.



iACADEMY, Inc. (iACADEMY)

iACADEMY is a premier school offering specialized programs in SHS and college that are centered on Computing, Business and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design,

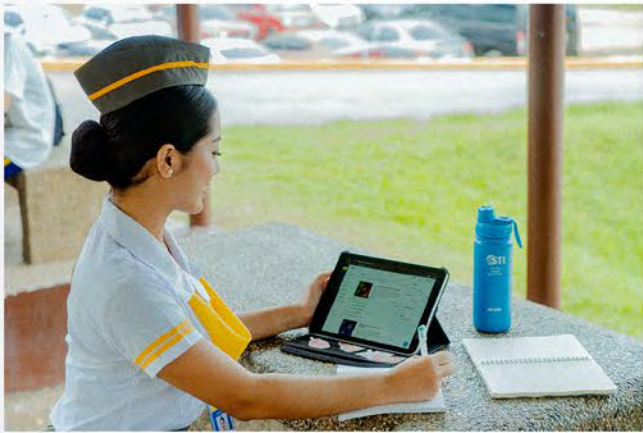
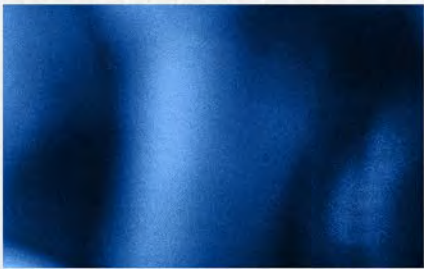
Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, Cloud Computing, and Digital Media Management. iACADEMY also offers programs in Accountancy, Marketing Management and Psychology.

iACADEMY has been providing 23 years of non-traditional, Game Changing education, pioneering specialized programs that are technology-focused, innovative and industry-relevant.

iACADEMY was established in 2002 as a wholly-owned subsidiary of STI ESG. The school became a wholly-owned subsidiary of STI Holdings through acquisition on September 30, 2016. iACADEMY’s Nexus campus, equipped with top-of-the-line multimedia arts laboratories and computer suites, is located along Yakal St. in Makati City.

iACADEMY’s success in its Makati Campus has triggered expansion plans. A major growth path is to bring the type of education that iACADEMY offers closer to people in other regions of the country. In 2022, iACADEMY started setting up its first regional campus in Cebu City. The campus is located in Cebu I.T. Park, the I.T. Capital of Cebu. iACADEMY Cebu held its unveiling and blessing ceremony on January 21, 2023. The program offerings in iACADEMY Cebu include Bachelor of Science in Computer Science with major in Software Engineering (BSCS-SE), Bachelor of Science in Entertainment and Multimedia Computing with specialization in Game Development (BSEMC-GD), Bachelor of Science in Real Estate Management (BSREM), Bachelor of Arts in Animation (ABANI), and Bachelor of Arts in Multimedia Arts and Design (ABMAD).

Sustainability at STI



System-wide Development



138,060
students



32,016
graduates



21,090
Number of students with
scholarship/financial
assistance



32,084
DepEd Vouchers



5,806
CHED and DepEd Scholarship Grants



School facilities accessible for PWDs and
learners with special needs

Further details on the Group's activities can be found on its Annual Report (SEC Report 17-A).

Environmental Initiatives



61,960.30 GJ
Total energy consumption



10,953.60 tons of CO₂e
Indirect (Scope 2) GHG emissions

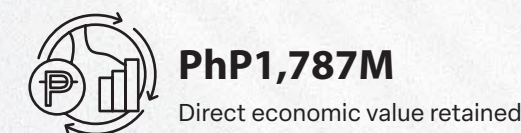


1,885 GJ
Energy consumption from
renewable energy



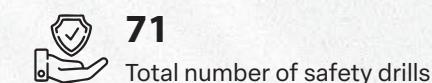
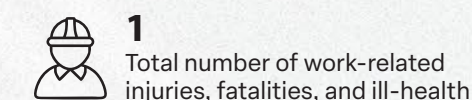
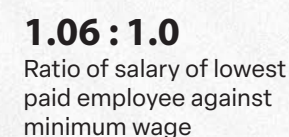
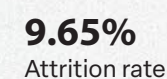
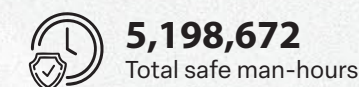
247.46 tons of CO₂e
Direct (Scope 1) GHG emissions

Economic Performance and Governance



Further details on the Group's activities can be found on its Annual Report (SEC Report 17-A).

Social Commitment



Materiality

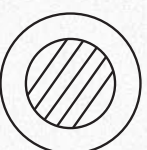
The Group is committed to addressing all stakeholder concerns and focusing on areas of its operations where it exerts the most material impacts. In compliance with the guidelines and principles set by the SEC, the Group conducted its materiality assessment this year.

The assessment process was rigorous and comprehensive, involving the examination of external trends, global issues, and internal documents, in addition to addressing key topics raised directly by stakeholders. Specifically, the Group considered prevalent issues within the education sector by benchmarking against

its peers, scanned media mentions related to the Group, assessed relevant publications from CHED, DepEd, and TESDA, checked advocacies of global non-governmental organizations related to education, and reviewed relevant internal policies, corporate strategies, and the Group's social media posts.

Based on a careful assessment of these results, the Group has determined that the following economic, environmental, social, and governance topics are included among its material sustainability topics.

Materiality Themes



System-wide Development

- Quality, Affordable and Inclusive Education
- Curriculum Development and Implementation
- Student Affairs and Services
- Academic Research



Social Commitment

- Employment
- Diversity and Inclusion
- Learning and Development
- Safety and Well-being
- Community Relations and Strategic Partnerships
- Customer Data Security and Privacy



Economic Value and Governance

- Economic Performance



Environmental Initiatives

- Energy and Emissions

United Nations Sustainable Development Goals (SDGs)



The UN SDGs comprehensively delineate the extent of current social, economic, environmental, and governance issues, establishing clear targets for governments, private sectors, and civil societies to achieve by 2030. Educational institutions hold a vital role in this global endeavor by educating the youth on the importance of these goals and values, thereby contributing to the realization of a more sustainable future for all.

The Group unequivocally supports the principles of the SDGs and strategically strives to maximize its contribution through specific activities, measures, and strategies aligned with the various goals.

- SDG 3: Good Health and Well-being**
 - Health insurance policy covering teachers and full-time administrative staff
 - To protect the students, faculty, and other personnel’s health and safety, the Group implemented measures to mitigate the transmission of COVID-19 such as but not limited to the implementation of flexible learning models, disinfection of facilities, provision of sanitizers/alcohol within the premises
- SDG 4: Quality Education**
 - Scholarships or alternative form of financial assistance for over 21,000 students within the whole STI network (aligned with SDG target 4.5)
 - Senior High School Qualified Voucher Recipients and beneficiaries of the Tertiary Education Subsidy and CHED-Tulong Dunong financial assistance aggregating to over 37,000 students
 - Competitive program offerings that are industry and market-driven (aligned with SDG target 4.4)
 - Career orientation and internship programs for senior high school and college students (aligned with SDG target 4.4)
 - Centralized courseware development to ensure the standard delivery of courses across its network of schools
 - Continuity of education amidst community quarantine using digital tools and online technology
 - The Group provided trainings and webinars to its employees, with each receiving an average of 4 training hours (aligned with SDG targets 4.3, 4.4, and 4.5)
- SDG 5: Gender Equality**
 - The Group’s workforce consisted of 46% male and 54% female (aligned with SDG target 8.5)
 - Equal employment opportunity (aligned with SDG target 8.5)
- SDG 8: Decent Work and Economic Growth**
 - PhP1,142M paid to employees in the form of wages and benefits (aligned with SDG targets 8.1, 8.2)
 - PhP302M paid in taxes to the government (aligned with SDG targets 8.1, 8.2)
 - 1,393 new employee hires within the Group
 - Over 32,000 skilled graduates contributing to the supply of human capital, not just across the country but also to the global industry (aligned with SDG targets 8.3, 8.5)
- SDG 16: Peace, Justice, and Strong Institutions**
 - Compliance with laws, rules and regulations, policies, and standards of governing bodies covering the Group’s operations

Stakeholder Engagement

The following stakeholders were identified based on influence, representation, contribution, responsibility, and dependency of the entities within the Group. For SY 2024-2025, the Group engaged with stakeholders through different online platforms and onsite interactions, especially with respect to changes in the learning delivery system and school operations.

STAKEHOLDER GROUP	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT	KEY TOPICS RAISED	THE GROUP'S RESPONSE (REPORT REFERENCE)
Students	Regular basis	Combination of online and face-to-face orientation program, eLearning Management System (eLMS), webinars, social media	Programs or courses, school facilities, campus life, teaching, tuition fees, safety	Quality, Affordable and Inclusive Education, Curriculum Development and Implementation, Student Affairs and Services, Academic Research, and Customer Data Security and Privacy
Faculty and Staff	Regular basis	Combination of online and face-to-face orientation program, combination of online and face-to-face trainings, social media, email	Working arrangement, trainings, career advancement, salary and benefits, health and safety	Academic Research, Employment, Learning and Development, Customer Data Security and Privacy, Diversity and Inclusion, and Safety and Well-being
Parents	Regular basis	Combination of online and face-to-face orientation program, eLMS, webinars, website, media articles, social media	Quality of education, school facilities, teaching, grades, tuition fees, safety	Quality, Affordable and Inclusive Education, Curriculum Development and Implementation, Student Affairs & Services, Academic Research, and Customer Data Security and Privacy
Alumni	Annual or as required	Combination of online and onsite career fairs, webinars, website, social media	Employment	Student Affairs and Services, Community Relations and Strategic Partnerships, Customer Data Security and Privacy
Board of Directors	Quarterly or as needed	Board meetings	Plans and strategies, risks, results of operations	Economic Performance, and Diversity and Inclusion
Stockholders and Investors	Quarterly, Annual, or as needed	Annual stockholders' meeting, reports, website, media articles	Overall performance of STI Holdings, results of operations, company updates	Economic Performance
Industry Partners	As required	Meetings, webinars, trainings, website, media articles, social media	Collaboration opportunities, curriculum design, graduates, employment, combination of virtual and onsite on-the-job training	Community Relations and Strategic Partnerships
Regulators	Monthly or as needed	Meetings, online workshops, online seminars	Collaboration opportunities, access to education, curriculum, compliance requirements	Quality, Affordable and Inclusive Education, Curriculum Development and Implementation, Economic Performance, Energy and Emissions, and Customer Data Security and Privacy
Local Community	As required	Website, media articles, social media	Community engagement, safety	Community Relations and Strategic Partnerships

The Group collaborates with various stakeholders for compliance, strategy, information, and involvement. Stakeholders are engaged through a variety of ways, including direct dialogue, surveys, meetings or forums, social media, and sharing of information. The frequency and nature of the engagement likewise vary depending on the need and/or issues encountered.



Eusebio H. Tanco
Chairman of the Board



Monico V. Jacob
President and Chief Executive Officer



Joseph Augustin L. Tanco
Vice President, Investor Relations



Martin K. Tanco
Director



Jesli A. Lapus
Director



Raymond Anthony N. Alimurung
Independent Director



Justice Antonio T. Carpio (Ret.)
Independent Director

Governance

The Group adheres to the principles and practices of good corporate governance and conducts its business in accordance with the highest level of accountability, transparency, and integrity.



Maria Vanessa Rose L. Tanco
Director



Paolo Martin O. Bautista
Vice President and Chief Investment and Risk Officer



Robert G. Vergara
Independent Director



Ma. Leonora V. De Jesus
Independent Director



Atty. Arsenio C. Cabrera, Jr.
Corporate Secretary and Corporate
Information Officer



Yolanda M. Bautista
Treasurer and Chief Finance Officer

GOVERNANCE STRUCTURE AS OF JUNE 30, 2025

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS		
Eusebio H. Tanco Chairman of the Board	Maria Vanessa Rose L. Tanco Director	Raymond Anthony N. Alimurung Independent Director
Monico V. Jacob President and Chief Executive Officer	Martin K. Tanco Director	Justice Antonio T. Carpio (Ret.) Independent Director
Joseph Augustin L. Tanco Vice President, Investor Relations	Jesli A. Lapus Director	Atty. Arsenio C. Cabrera, Jr. Corporate Secretary and Corporate Information Officer
Paolo Martin O. Bautista Vice President and Chief Investment and Risk Officer	Robert G. Vergara Independent Director	Yolanda M. Bautista Treasurer and Chief Finance Officer
	Ma. Leonora V. De Jesus Independent Director	
The Board of Directors has the highest mandate in governance matters and in the management of the business of the Parent Company. It is the responsibility of the Board to foster the success of the Parent Company and secure its sustained competitiveness in a manner consistent with its fiduciary duty, and to promote and adhere to the principles and best practices of Corporate Governance.		

EXECUTIVE COMMITTEE
Eusebio H. Tanco — Chairman Monico V. Jacob Yolanda M. Bautista Martin K. Tanco
The Executive Committee has and may exercise all the powers which may be lawfully delegated, subject to such limitations as may be provided by resolution of the Board.

CORPORATE GOVERNANCE COMMITTEE
Justice Antonio T. Carpio (Ret.) — Chairman Ma. Leonora V. De Jesus Raymond Anthony N. Alimurung
The Corporate Governance Committee assists the Board of the Parent Company in the fulfillment of its corporate governance responsibilities in accordance with all applicable laws, rules and regulations.

AUDIT and RISK COMMITTEE
Robert G. Vergara — Chairman Jesli A. Lapus Martin K. Tanco Ma. Leonora V. De Jesus Raymond Anthony N. Alimurung
The Audit and Risk Committee assists the Board in overseeing the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules, and regulations. It also ensures that there is an effective and integrated enterprise risk management (ERM) program in place.

RELATED PARTY TRANSACTIONS COMMITTEE
Ma. Leonora V. De Jesus – Chairperson Robert G. Vergara Jesli A. Lapus Raymond Anthony N. Alimurung Justice Antonio T. Carpio (Ret.)
The Related Party Transactions Committee reviews all material related party transactions of the Parent Company and ensures that said transactions are conducted at arms’ length.

Educational Philosopy

The Group strongly promotes the learner-centered approach as its core paradigm for teaching and learning. Consequently, every student is nurtured holistically through a model emphasizing technology-enhanced, student-centered active learning. The Group strives to deliver innovative and relevant education that develops students into competent and responsible members of society.



Performance Highlights & Initiatives



SYSTEM-WIDE DEVELOPMENT

The Group, leveraging its network of educational entities, operates with a mission to profoundly transform individual lives through education. This mandate extends to empowering all students to fully realize their potential, fostering opportunities for social inclusion, and actively contributing to the construction of a society where every individual can employ their abilities, experience, and talents to effect positive change.

Quality, Affordable, and Inclusive Education

The Group maintains the fundamental conviction that education constitutes the single best investment a student can make in their future. Accordingly, the institution is dedicated to delivering education that is both high-quality and financially accessible, ensuring its students are equipped to remain competitive within the global economy.

To uphold the standards of Quality, Affordable, and Inclusive Education, the Group prioritizes developing a resilient learning delivery system. This system integrates robust industry partnerships and proactively anticipates new market requirements by constantly researching and launching relevant courses and programs. Furthermore, the Group demonstrates its commitment to continuous improvement by ensuring that its campuses feature industry-grade simulation laboratories, ample classroom space, and modern recreational facilities, thereby enhancing the overall student experience.

The Group is firmly committed to guaranteeing that deserving students, irrespective of their economic background, have tangible opportunities to pursue and complete a quality education. Financial support is channeled through various means, including funding sourced from the public sector, private corporations, non-profit organizations, and scholarships initiated directly by the schools.

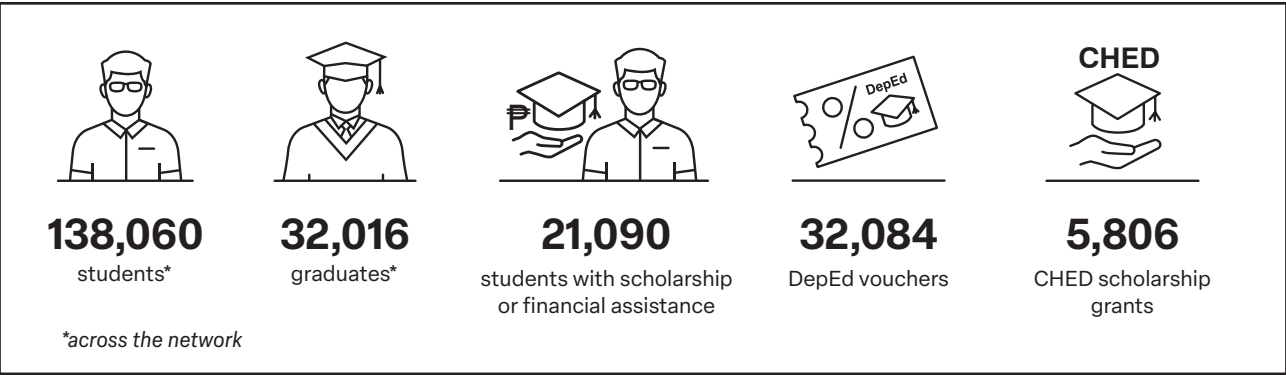
For SY 2024-2025, the Group expanded its student support by collaborating with external institutions to offer exclusive discounts. The Group accepts major government financial aid, such as the Tertiary Education Subsidy (TES), CHED-Tulong Dunong assistance, and DepEd Senior High School Vouchers. Beyond government aid, the Group provides its own scholarship grants for specific beneficiaries, including academically deserving students, family members of existing students, employee/alumni dependents, and varsity players. To mitigate financial burden, the institution also provides tuition installment plans. These varied programs are central to the Group's strategy to bridge financial access gaps and establish a broadly inclusive educational environment.

Recognizing the diverse characteristics and requirements of its learners, the Group is focused on maximizing access for all students and eradicating discrimination within its academic settings. The Group officially acknowledges and respects the diverse gender identities of its students, strongly encouraging campuses to mitigate stigma and potential incidents of bullying or harassment to secure a safer space for all. Specific policies support this: schools permit gender-affirming uniforms for LGBTQIA+ students, which is vital for promoting positive self-image and reducing dysphoria.

Additionally, gender-inclusive restrooms are being established to promote dignity and minimize harassment risks associated with using facilities that conflict with a student's gender identity. This approach also creates opportunities to educate the entire school community—students, parents, and staff—about LGBTQIA+ identities

and issues, thereby fostering empathy, understanding, and respect. By tangibly supporting the mental, emotional, and social well-being of LGBTQIA+ students, the Group enables their full engagement in their educational journey and sends a powerful message about STI's commitment to acceptance and diversity.

2025 Performance



The Group monitors the retention rate and migration rate in each subsidiary. Retention rate is above 99% while migration rate is above 94% for the schools in SY 2024-2025.

* Retention rate refers to the percentage of students that are able to complete the semester
** Migration rate refers to the percentage of students that continue from the previous semester

Enrollment

Group-wide enrollment increased to 138,060 students in SY 2024-2025 from the registered enrollment of 119,543 students in SY 2023-2024. The 15% improvement was bolstered by the robust increase of 20% in enrollment in CHED-regulated programs in the same period.

Curriculum Development and Implementation

The Group, as a comprehensive educational institution, is committed to supplying all necessary resources to ensure the development of relevant and accurate learning materials, ultimately aimed at producing highly competent graduates.

The strategic design and implementation of curriculum are essential for elevating students' educational training, boosting their performance in licensure examinations, enhancing graduate work competence and employability, expanding professional growth opportunities for faculty, and ensuring that the final output of graduates aligns with industry requirements. The Group consistently works to ensure that its curriculum is highly responsive to both current and future market needs through a rigorous and regular review and update process applied to existing programs, strands, and course offerings.

STI ESG maintains a learning delivery system where curriculum development is an integral component, adhering to ISO 9001:2015 standards. This certification, awarded by TÜV Rheinland Philippines, Inc., validates the quality management system. STI ESG intentionally designs course materials to incorporate engaging activities that guide students toward achieving the STI 4Cs—character, adaptability to change, effective communication, and critical thinking—which are the essential skills sought by leading global industries.

STI WNU consistently pursues recertification from the Private Educational Assistance Committee (PEAC) and accreditation from the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) as part of its ongoing commitment to maintaining

educational quality and meeting regulatory standards. The University has also been awarded by DNV AS Philippines the ISO 9001:2015 certification for Quality Management System and ISO 21001:2018 certification for Educational Organization Management System (EOMS). STI WNU has set and follows guidelines in the conduct of curriculum review, evaluation, development and revision. This ensures full compliance with the standards set by the CHED, PACUCOA, DepED and other governmental and private accrediting and regulatory agencies.

In pursuit of its mission to uphold quality education and holistic student development, STI West Negros University continuously implements various programs and activities that support academic excellence, institutional effectiveness, and community engagement. These initiatives are designed to strengthen the University's operational systems, enhance student competencies, and ensure alignment with national and international quality standards. The following highlights the key programs undertaken during the school year, reflecting the University's commitment to sustained growth, innovation, and continuous improvement.

- The AB Communication curriculum was reviewed to improve instructional delivery, integrate modern communication tools, and strengthen teaching effectiveness. The revision emphasizes practical media production, public relations, and digital communication competencies. It seeks to enhance graduates' employability in media, broadcasting, and corporate communication fields. This initiative aligns with the University's goal of keeping programs relevant to global industry standards.

- The AB English curriculum was revised and updated to align with CHED policies and ensure that graduates are competitive in teaching, writing, and communication-related professions. The updates include outcomes-based teaching approaches and enhanced literature and linguistics courses. These changes aim to increase employability and research engagement among students. Overall, the revision elevates the program's academic quality and strengthens the University's compliance with national standards.
- The BS Mathematics curriculum was revised to respond to industry demand and align with institutional strategic goals. The updated program integrates modern mathematical applications and analytical skills needed for various professional fields. It also emphasizes research and data analysis to prepare students for both academic and industry careers. This initiative aims to make the program more appealing and relevant to students pursuing quantitative disciplines.
- The BS Psychology curriculum revision was initiated to address the increasing demand for mental health professionals and align with CHED standards. The program now incorporates enhanced psychological assessment, research, and clinical practicum components. These updates strengthen linkages between academic preparation and real-world practice. The revision supports the University's accreditation goals and commitment to producing competent graduates in behavioral sciences and mental health advocacy.

In iACADEMY, relevant documents are created, and corresponding success metrics and accountabilities are identified to ensure a smooth approach, proper resource allocation, and planned risk management. These documents include a program for continuous quality improvement framework and a curriculum review manual that outlines the curriculum review process, the people involved, and the evaluation instrument. Regular checkpoints to monitor progress and maintain quality are conducted.

The Group is dedicated to developing and maintaining curricula that strictly adhere to the guidelines set by regulatory bodies, including DepEd, CHED, and TESDA. All course materials are ensured to be suitable for both online and on-campus learning and are fully aligned with Outcome-based Education (OBE) principles, complete with necessary assessment tools, rubrics, and performance tasks. Furthermore, the Group actively forges partnerships with diverse organizations to provide essential student certifications and facilitate valuable on-the-job training and practicum experiences. By cultivating strong connections with industry leaders and employers, the Group ensures its students benefit from curricula that are current and equips them with marketable skills tailored to market demand.

STI ESG Programs

Basic Education

- Junior High School (Grades 7 to 10)

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics
- General Academic Strand

Technical-Vocational-Livelihood Track

- ICT Strand with specializations in:
 - Computer Programming
 - Animation
 - Illustration
 - Computer Systems Servicing
- Home Economics Strand with specializations in:
 - Commercial Cooking
 - Cookery
 - Bartending
 - Food and Beverage Services
 - Bread and Pastry Production
 - Local Guiding Services
 - Travel Services
 - Tourism Promotions Services
 - Front Office Services
- Industrial Arts Strand with specialization in:
 - Electronic Products Assembly and Servicing

Tertiary

- BS in Information Systems
- BS in Computer Science
- BS in Information Technology
- BS in Accountancy
- BS in Management Accounting
- BS in Accounting Information System
- BS in Business Administration major in Operations Management
- BS in Hospitality Management
- BS in Retail Technology and Consumer Science
- BS in Culinary Management
- BS in Tourism Management
- BS in Computer Engineering
- BA in Communication
- Bachelor of Multimedia Arts
- BA in Psychology
- BS in Marine Engineering*
- BS in Marine Transportation*
- BS in Naval Architecture and Marine Engineering*
- BS in Criminology
- 3-year Hotel and Restaurant Administration
- 2-year Information Technology Program
- 2-year Associate in Computer Technology
- 2-year Hospitality and Restaurant Services
- 2-year Tourism and Events Management
- 2-year Associate in Retail Technology

**These maritime programs are offered only to students of NAMEI Polytechnic College, Inc.*

STI WNU Programs

Basic Education

- Pre-Elementary (Nursery, Kinder 1 and Kinder 2)
- Elementary (Grades 1 to 6)
- Junior High School (Grades 7 to 10)

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics

Technical-Vocational Livelihood Track

- Maritime Specialization Strand
- ICT Strand
- Home Economics Strand

Tertiary

- BS in Hospitality Management
- BS in Tourism Management
- BS in Criminology
- BS in Information Technology
- BS in Computer Science
- BS in Accountancy
- BS in Business Administration major in Marketing Management
- BS in Business Administration major in Financial Management
- BS in Management Accounting
- Bachelor of Early Childhood Education
- Bachelor of Physical Education

- Bachelor of Secondary Education major in English, and Filipino
- Bachelor of Elementary Education
- BS in Psychology
- BS in Mathematics
- BA in Communication
- BA in English Language
- BS in Electrical Engineering
- BS in Civil Engineering
- BS in Mechanical Engineering

School of Graduate Studies (SGS)

- Doctor of Philosophy in Educational Management
- Doctor in Public Administration
- Doctor in Business Administration
- Master of Arts in Education
- Master in Business Administration
- Master in Public Administration

iACADEMY Programs

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics (Robotics)

Technical-Vocational-Livelihood Track

- ICT Strand with specializations in:
 - Computer Programming (Software Development)
 - Animation
 - Mobile App Development
 - Graphic Illustration
- Home Economics Strand with specialization in:
 - Fashion Design

Arts and Design Track

- Media and Visual Arts (Multimedia Arts)
- Music (Audio Production)

Senior High School (Homeschool Program)

Academic Track

- Accountancy, Business and Management

Technical-Vocational Track

- ICT Strand with specialization in:
 - Animation

Arts and Design Track

- Multimedia Arts

Tertiary

School of Computing

- BS in Computer Science (Software Engineering)
- BS in Computer Science (Cloud Computing)
- BS in Computer Science (Data Science)
- BS in Entertainment and Multimedia Computing (Game Development)
- BS in Information Technology (Web Development)

School of Business and Liberal Arts

- BS in Business Administration major in Marketing Management
- BS in Real Estate Management
- BA in Psychology
- BS in Accountancy
- BS in Digital Media Management

School of Design and Arts

- BS in Animation
- BA in Multimedia Arts and Design
- BA in Fashion Design and Technology
- BA in Film and Visual Effects
- BA in Music Production and Sound Design

Accreditations

STI ESG’s Learning Delivery System (LDS) successfully maintained its certification during the surveillance audit conducted by the ISO certifying body TÜV Rheinland Philippines, Inc. on November 15, 2024. STI ESG was specifically lauded for several key system developments that enhanced operational efficiency and student support. These advancements included the implementation of the HCM (or Human Capital Management) System to streamline Human Resource processes, the Standardized Periodical Examinations (SPE) Checker tool to reduce the time faculty members spend on student exam evaluations, and the modification of the SPE Test Bank to accommodate the new exam format for BS in Accountancy and BS in Criminology. Further, STI ESG invested in physical infrastructure by upgrading the PABX (or Private Automatic Branch Exchange) to enhance overall functionality and accommodate future communication needs and improving the CCTV camera system for enhanced image and night vision quality.

External recognition was also highlighted during the audit, citing numerous awards. These included the Filipino Brand of Service Excellence from the Department of Tourism, multiple distinctions from the Public Relations Society of the Philippines’ Quill Awards for both the STI Official Facebook Page and Student’s Career Opportunity and Personality Evaluator (SCOPE), and an Awardee for Partners Appreciation and Recognition by the Department of Education. The institution was also recognized as the Huawei 2024 Excellent Global Talent

Alliance Partner and the second authorized Huawei ICT Academy Support Center by Huawei Philippines.

The LDS covers courseware development, faculty training and certification, student development program, and job placement assistance. The ISO certification ensures that STI ESG’s LDS is relevant, responsive, and learner-centered with a strong focus on continual improvement and quality assurance.

As part of the Institution’s commitment to continuous improvement, STI WNU conquered ISO 9001:2015 (Quality Management System) by DNV GL Philippines on March 2 to 3, 2023, and moreover proved its ongoing dedication to excellence by obtaining ISO 21001:2018 (Educational Organizations Management System) on May 16, 2023, just nearly 2 weeks after receiving its first certification.

During the 50th Founding Year Anniversary of the PACUCOA and 34th Annual General Assembly, held at Radisson Blu Hotel, Cebu City on December 1, 2023, the University was awarded as the Institution with the highest number of accredited programs in Region VI (with 11 accredited programs) and two special awards as the First Doctor of Philosophy in Educational Management program to have been granted Level III Reaccredited Status in Region VI and the Institution which was certified under ISO 21001:2018 -Educational Organization Management System (EOMS).

In February 2024, the PACUCOA granted the Bachelor of Sciences in Criminology as Level III, and the nine (9) programs as Candidate Status namely: BS in Accountancy, BS in Management Accounting, BS in Tourism Management, BS in Computer Science, BS in Mathematics, BS in Mechanical Engineering, BS in Electrical Engineering, Doctor in Public Administration, and Master in Business Administration.

Program accreditation and international certifications contribute towards the attainment of CHED Autonomous status. Autonomous schools have the freedom to open new programs without securing prior approval from CHED; priority in the grant of subsidies and other financial incentives from CHED; and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among others.

STI WNU secured the second spot among the universities in Bacolod City, as revealed in the latest release by Edu Rank on February 29, 2024. In the national rankings, STI WNU has climbed from the 204th position to the 193rd spot. Edu Rank assesses universities based on research outputs, non-academic prominence, and alumni influence.

On September 16, 2024, CHED granted Autonomous status to the University by virtue of CHED Memo No. 7 Series of 2024.

In addition, the Computer Science program of iACADEMY was granted Level I Formal Accredited Status for the period July 2021 to July 2024 by the PACUCOA on July 3, 2022. iACADEMY’S Bachelor of Science in Business Administration program underwent the preliminary visit for candidacy level accreditation on July 4 to 5, 2023 with the PACUCOA. In May 2025, the School of Business and School of Computing of iACADEMY successfully underwent the PACUCOA accreditation processes. The BS in Computer Science program completed its Level II Re-accreditation Visit, while the BS in Real Estate Management program completed its Orientation Visit, marking significant milestones in the institution’s commitment to academic quality and continuous improvement.

Student Affairs and Services

The Group fundamentally believes that fostering students' educational aspirations and maximizing their full potential requires creating holistic development experiences within the school environment. Student learning is significantly enhanced through informal peer engagement, which cultivates a collaborative, supportive atmosphere and nurtures a profound sense of community. Accordingly, the Group ensures the educational journey extends beyond the traditional classroom setting, incorporating social interaction, comprehensive career guidance, and active participation in various advocacies.

To promote a positive, conducive student environment and effectively prepare learners for real-life challenges, the Group employs several strategic measures. This includes assessment-driven activities where student assessments are conducted to inform the creation of activities specifically aligned with individual student passions. Furthermore, the institution implements targeted student-centered programs using a whole-of-school approach, ensuring initiatives are appropriately tailored to different age groups, grade levels, and skill levels. Finally, the Group makes a significant investment in professional capacity building by supporting the development of guidance counseling and student affairs personnel, thereby equipping them with the essential skills and knowledge required to effectively support students and execute network-wide programs.

Among the Group's initiatives under Student Affairs and Services were as follows:

STI ESG

Career Planning Program (CPP)

The Career Planning Program is a six-stage program that guides senior high school students in exploring career pathways and making informed academic and professional decisions. Through interactive activities such as assessments, career talks, mentorship, and planning workshops, students explore options aligned with their interests and strengths.

Each stage builds on the last, promoting self-awareness, career exploration, and decision-making, while reinforcing the institution's 4Cs. The program is delivered in collaboration with the Guidance Office, Academic Affairs, and industry partners. In SY 2024-2025, a total of 11,340 students participated in the program.

RACE Against Suicide Training - Training of Trainers and Roll-out

Unilab Foundation, through the RACE Against Suicide Training of Trainers, has helped STI ESG build suicide prevention capacity among guidance personnel and educators. The RACE Against Suicide Training, held from December 19 to 20, 2023, is an evidence-based mental health intervention program that equips the educators and school personnel—who play a vital role in student holistic development—with the skills and knowledge necessary to identify and address warning signs of suicide among students. After the training, trained participants are actively conducting gatekeeper training in their respective campuses. To date, there are 719 gatekeepers in the STI ESG network.

Mindscales Program

In partnership with PhilCare, STI ESG offers the Mindscales Wellness Program to support students' mental health. The program helps Guidance Associates identify high-risk students that may be referred to PhilCare mental health professionals for up to three consultations. As a follow-through, Guidance Associates in campuses provide ongoing monitoring to ensure timely and ethical support for student well-being. Trainees were also oriented on utilizing the Mindscales platform, which allows identified students with mental health concerns to access licensed mental health professionals. For students requiring more intensive intervention, the institution maintains a referral system, resulting in 184 student referrals during SY 2024-2025.

The partnership also gives access to a pool of mental health professionals for institution-led webinars and includes training for Guidance personnel to enhance their mental health support capabilities.

Guidance Services

The Guidance Services provides professional assistance to students coping with overwhelming situations. In addition to one-on-one sessions, guidance offices utilize a standard system that streamlines the recording and monitoring of all information services provided to students. It ensures that all relevant information is captured to support Guidance Personnel and Heads in reporting and communicating effectively with stakeholders. In SY 2024-2025, the Guidance Office registered 20,538 stakeholder concerns across the network.

Talent Search

The Talent Search is an annual institutional competition that provides STI students with a platform to showcase their talents, creativity, and school spirit. It features four main events: Battle of the Bands, Hataw Sayaw, Singing Idol, and Mr. & Ms. STI, encouraging artistic expression and healthy competition among campuses. In SY 2024-2025, the National Finals was held at Enchanted Kingdom in Sta. Rosa, Laguna, where 117 finalists emerged.





Tagisan ng Talino (TNT)

Tagisan ng Talino is an annual institutional competition that allows STI students to apply and showcase their academic and technical skills across nine events: All in Place, Chef Xpress, Codefest, Essay Does It!, Mix 'N Flair, Stand Up and Deliver, Think Quest, Travelogue, and Worth the Whisk. A total of 120 contestants advanced to the national level in SY 2024-2025.

Tagisan ng Sining (TNS)

Tagisan ng Sining is an annual competition that challenges STI students to express their creativity and originality through photography and music video production. It features two main events: Director's Cut and Shutter's Best. Student participation remained robust in SY 2024-2025 with 228 contestants advancing to the national level.

Sports Cup

This school year, STI ESG launched the Sports Cup. This is an annual athletic competition that brings together STI students from various campuses to compete in

traditional sports such as basketball and volleyball. It promotes physical fitness, teamwork, and school spirit. It has two leagues: the National Basketball Tournament (NBT) for men and the National Volleyball League (NVL) for women. Both events were held at STI College Ortigas-Cainta. The NVL took place from June 18 to 20, 2025 with 57 participating students, followed by the NBT held from June 25 to 27, 2025 with 68 students.

Esports Cup

Also launched in SY 2024-2025, the STI Esports Cup provided students with an opportunity to showcase their gaming skills and teamwork in a competitive but educational environment. Featuring tournaments in Mobile Legends: Bang Bang (MLBB) and Valorant, the competition was conducted virtually, with the national finals livestreamed on STI's official Facebook page. The nationals, held from July 9 to 10, 2025, witnessed 51 players competing in MLBB and 54 players in Valorant. The Esports Cup reinforced STI's commitment to providing platforms that reflect the evolving interests of its students.

STI WNU

The University, through its Student Affairs and Services (SAS) programs, continues to promote holistic student development by providing opportunities for leadership enhancement, community involvement, academic growth, and personal well-being. These initiatives aim to strengthen students' competencies beyond the classroom, fostering social responsibility, creativity, and lifelong learning. By conducting diverse activities such as training, seminars, contests, volunteer programs, and career development sessions, the University ensures that every student is equipped with the skills, values, and experiences essential for success and service in their chosen fields.



Institutional Scholarship Program

The Institutional Scholarship Program provided financial assistance to qualified and deserving students, ensuring access to quality education. Managed by the Scholarships Office, the program supported scholars through tuition coverage and academic guidance. It significantly contributed to student retention and development, fostering gratitude and academic motivation.

**National Youth Convention (NYC)
T-Shirt Design Competition**

The T-Shirt Design Competition challenge that was conducted on February 5, 2025 allowed students to showcase their creativity through innovative shirt concepts aligned with the theme of the 9th WNU Founding Anniversary. Fifteen teams participated, displaying talent and originality in their entries. The activity promoted artistic expression, collaboration, and institutional pride among participants.



**"How to Get Better Grades and Leadership"
Seminar**

The seminar brought together student leaders for an afternoon of learning about effective study habits and leadership. Organized by the Supreme Student Government (SSG) on January 18, 2025 in partnership with Cru (Campus Crusade for Christ), the session emphasized motivation, discipline, and the value of leading with passion. Over 60 students benefited from the discussion, which promoted continuous self-improvement and academic excellence.

**Psychological Test (MPQ & Bar-On Emotional
Intelligence Test)**

The Guidance Office administered psychological and emotional intelligence assessments on October 11, 2024 to help students better understand themselves. The tests provided insights into students' mental readiness, emotional balance, and interpersonal effectiveness. The results helped the office design support programs that promote mental health and personal growth.

Blood Donation Drive

In partnership with the Philippine Red Cross, the University conducted a Blood Donation Drive in celebration of its Founding Anniversary on February 14, 2025. The activity encouraged students and employees to participate in life-saving initiatives that promote civic responsibility. It also heightened awareness about the value of volunteerism and community health.

Flower of Hope

The Flower of Hope initiative promoted advocacy, charity, and compassion through the sale of symbolic flowers within the campus on February 14, 2025. Proceeds supported the “Support Our Causes” project, which assisted children in need and other beneficiaries. The event inspired generosity and deepened students’ social awareness and empathy.



Women’s Month Celebration

The Women’s Month Celebration on March 24, 2025, themed “Empowered Women, Empower Women,” featured a seminar and donation drive for beneficiaries of the “Hair for Hope” campaign. Students and faculty participated in activities that raised awareness on women’s rights and gender equality. The event reinforced inclusivity and inspired leadership among female members of the community.

University Got Talent

University Got Talent highlighted the artistic skills and creative potential of students across all departments. The competition, held on February 15, 2025, provided a stage for performers to express their talents in singing, dancing, and other art forms. Through this event, the University fostered confidence, creativity, and appreciation of diverse talents within the campus community.



Student Leadership Camp

The Student Leadership Camp 2025 was conducted from June 24 to 26, 2025 to foster leadership growth, collaboration, and self-discovery among student participants. The activity provided intensive training that enhanced students’ sense of accountability, teamwork, and communication. The camp empowered students to develop leadership competencies that support effective and responsible student governance.

STI EarthCare: Youth for a Sustainable Future

The STI EarthCare seminar held on April 22, 2025 focused on environmental advocacy and sustainability awareness. More than 150 students learned about practical actions toward addressing climate change and food security. The event instilled environmental responsibility and empowered students to lead sustainable initiatives within and beyond the campus.

iACADEMY



SOAR 2024: Greater Heights, New Adventures

This year, iACADEMY held an online orientation for Grade 11 and Freshmen College students to introduce the school’s mission, vision, core values, and student life, along with a virtual campus tour. The Office of Student Affairs and Services (OSAS) organized an airport-themed orientation to make the experience fun and memorable. The Senior High School (SHS) SOAR was held on July 27, 2024, and the Undergraduate (UG) SOAR was conducted on August 24, 2024. To officially welcome the new Game Changers, iACADEMY hosted onsite welcome parties for both Grade 11 and College Freshmen, featuring performances from student organizations and live music from a guest DJ. These celebrations provided students with a glimpse of iACADEMY’s unique culture while reinforcing its mission and values. SOAR 2024 offered a chance for students to build friendships and learn about the services and resources available to support them in their academic journey.

iACADEMY 23rd Foundation: Breaking Borders

As iACADEMY celebrated its 23rd Foundation Anniversary, the theme is about how we have been changing the academic landscape for 23 years. With the collaboration between the student organizations,



academics team and various departments, different activities were organized to promote school spirit, showcase the talents and strengthen the spirit of family in school. Some of the major activities are Kick-Off Fun Run held at the Ayala Avenue, Fun Student Org Booths, Mechanical Bull, iGAMES Exhibition Games and the culminating concert.



iGAMES

To further boost school spirit and camaraderie, OSAS and iACADEMY Sports Organization (iSO), organized sportsfest among our students from various strands and programs in December 2024 and April 2025. Sports such as basketball, volleyball, badminton and table tennis were played. There were also e-games and fun games such as Patintero, Agawang Panyo, etc.

SHS Student Council (SC) x Central Student Organization (CSO) x Social Orientation and Community Involvement (SOCI): Plastic Bank Launch

SHS-SC and CSO together with SOCI partnered with Plastic Bank in October 2023 to spread awareness about the proper use of plastic and how it can be recycled responsibly. They encouraged students to bring plastic bottles that may be donated in exchange in the future for monetary compensation which the organizations may use to purchase additional supplies and trash bins for the school.

Game Hive and Slide Launch

To help students find ways to relax and de-stress amid demanding schedules and tasks, OSAS, CSO and SHS SC launched the Game Hive in the campus lobby, an initiative where PS5 and 2 PS4 consoles with various games and a featured student-developed game were set up for free play. Boardgames were also made available to students in the Game Hive. Additionally, a slide was also constructed and placed on the stairs as an alternative.

Academic Research

Academic research serves as the fundamental cornerstone of knowledge, initiating critical discourse on current societal issues such as cultural norms, health, education, and technology. This systematic inquiry is essential as it consequently drives the development of new ideas, methodologies, or technological innovations. The Group's subsidiaries each maintain specialized strategies for promoting and conducting research that elevates educational standards and addresses broader societal needs.

STI ESG employs research-based strategies primarily focused on enhancing classroom teaching and optimizing learning outcomes. The Faculty Development Group ensures faculty members receive extensive training designed to equip them with the skills necessary to conduct research, refine their instructional processes, and provide essential mental health support and guidance for their colleagues.

STI WNU is likewise dedicated to advancing and facilitating high standards of research practice and dissemination within and beyond the walls of the University. It is committed to creating a responsive research environment charged with generating new knowledge that will upgrade the teaching-learning standards through relevant research agenda. In line with this, the University has international linkages with Asian University Digital Resource Network (AUDRN) and German Development Cooperation (GIZ).

iACADEMY, through the Office of Research and Development (ORD), envisions itself to be one of the research centers within the region – a center that specializes in innovative research and creative studies in the field of computing, business, liberal arts, design, the arts, and as an educational institution. Considering these, iACADEMY ORD curated various mechanisms to harness and develop the mindset and culture of academic research and excellence among the students, employees, and other stakeholders of the institution.

The following are research papers and creative output from some of the faculty members and students within the Group, several of which were presented either in local or international conferences and seminars during the reporting period:

International Conferences and Local Presentations

The annual SAP Academic Community Conference APJ (Asia Pacific Japan) was held from July 8 to 12, 2024, in Da Nang, Vietnam. This significant event was co-hosted by SAP University Alliances and brought together 150 participants from 15 countries, including STI ESG's Academic Content Developer, Lorennz Piñon. University lecturers and experts shared their knowledge to promote the integration of SAP technologies into educational settings, incorporate cutting-edge advancements into curricula, and leverage blended learning resources for enhanced classroom engagement. The central focus remains on SAP S/4HANA, an enterprise resource planning (ERP) system transforming business processes with intelligent automation. This system is integrated across several STI ESG courses, including Systems Integration (BSIT), Accounting Information System (BSA/BSMA/BSAIS), Inventory Management (BSBA), and Supply Chain Management (BSRTCS). Through consistent engagement, STI ESG and SAP continue to strengthen their partnership in fostering SAP-ready students.

Abram Andrew Lumbang participated as a paper presenter at the Navigating the Nexus conference, organized by the Philosophical Association of the Philippines, contributing to critical discourse on philosophical perspectives and interdisciplinary research in July 2024.

Hamill Buyco of iACADEMY School of Design and the Arts and Jay-R San Pedro of iACADEMY Research Department presented their paper on “Readiness in the Integration and Utilization of Artificial Intelligence in Creative Courses” at the 2024 National Conference on

Educational Measurement and Evaluation (NCEME2024) by the Philippine Educational Measurement and Evaluation Association (PEMEA) held at De La Salle University, Manila from August 29 to 31, 2024.

Abram Andrew Lumbang presented a research paper at the 2024 National Conference on Educational Measurement and Assessment, organized by PEMEA in August 2024, further demonstrating his engagement in research on educational evaluation and assessment practices.

Madeleine Batac presented her paper “Exploring the Link between Radicalization and Violence in the Philippines: An Exploratory-Sequential Analysis” at the 2024 iSEARCH Employee Research Symposium held at iACADEMY Nexus.

Hamill S. Buyco, Dean of the School of Design and Arts (SODA), participated as a Paper Presenter at the 12th International Conference on Asian Studies, hosted by the Asian Center for Asian Studies at Ateneo de Manila University. With the theme “Artificial Intelligence in Asian Realities: Opportunities, Challenges, Risks, and Social Dynamics” in November 2024, the conference provided a platform for critical discourse on the societal impact of AI in Asian contexts.

Madeleine Batac presented her research “Radicalization in the Philippines: How Communist Terrorist Groups (CTG) Recruit Vulnerable Filipinos” at the PEARL Research Colloquium 2025 hosted by Philippine Association of Private Schools, Colleges and Universities (PAPSCU) and PEAC at Lyceum of the Philippines University - Cavite.

Steven S. Cristobal presented at the Doña Juana Chioco National High School during its Senior High School Career Festival on March 12, 2025. His research entitled “Digitalk Literacy for the Workplace: Essential Skills for Career” is about equipping the participants with the critical digital skills needed in today’s professional environments such as online communication, cybersecurity basics, productivity tools, and digital collaboration platforms.

Donny C. Calaunan, PhD presented his study entitled “Love and Enterprise: Navigating the Highs and Lows of Married Business Partnerships” during the 2025 International Multi-Disciplinary Research Conference in Baguio City on March 25, 2025. His study discussed the management of couples in their own business. It aims to explore the unique dynamics and challenges faced by couples who both work together in a business and share a marital relationship.

“Understanding The Learner’s Course Completion in the New Normal: Graduation Cohort Analysis” by Jay R San Pedro, Jocelyn Baniago, and Cecilia Sy was presented during the 2024 WSAP International Conference at Southern Luzon State University in Quezon Province from November 13 to 15, 2024.

Research Work

Faculty members of STI College Tagum demonstrated strong commitment to professional growth through multiple certifications. Jamie Clark R. Sellado earned two national certifications under TESDA, namely Food and Beverage Services National Certificate (NC) II (issued on September 18, 2025) and Cookery NC II (issued on January 16, 2025), both under the Philippine Technical-Vocational Education and Training (TVET) Competency Assessment and Certification System. His achievements highlight enhanced technical expertise in the hospitality

and culinary fields. Meanwhile, Johnferl C. Doquilo was awarded the Certified Research Specialist (CRS™) credential on August 24, 2024 by the Visionary Research Association, Inc., recognizing his proficiency in research design, statistical analysis, and ethical practices. In addition, Academic Head Allimar M. Nuevo successfully completed TESDA certifications in Housekeeping NC III (issued on May 2, 2025) and Housekeeping NC II, where he also earned accreditation as a Competency Assessor on January 24, 2025. These certifications collectively affirm the college’s faculty strength in research, hospitality, and vocational training.

At STI College Muñoz–EDSA, faculty members likewise expanded their qualifications through certifications. Devie Patricio successfully qualified as National Capital Region (NCR) Trainer for DepEd Supervisor Official-Technical Support Staff (DESO-TSS) after passing rigorous examinations and pre-qualification requirements. This enabled her to serve as a trainer for selected Quezon City and Manila districts in partnership with CHED-NCR and the Commission on Elections (COMELEC). In addition, several faculty members—namely Maria Janine Macion, Maricel Timoteo, Bryce Layugan, Ricka Leonardo, Bianca Macase, and Jhemar Vistro—successfully passed the Licensure Examination for Teachers (LET) administered in September 2024 and March 2025, strengthening the teaching credentials of the institution.

The faculty of STI College Baguio distinguished themselves in both hospitality and technical certifications. Chef Ronald U. Ferman was conferred the professional designation of Certified Hospitality Professional on April 4, 2025 by the Institute of Tourism and Hospitality Professionals, recognizing his excellence in the culinary and hospitality industries. Similarly, Edrian S. Llauderer achieved distinction by

obtaining both TESDA National Certificates in Food Production (Professional Cookery) NC III and NC IV from October 14 to 18, 2024 in Baguio City. Notably, he became the first and only TVET Trainer in Region XII to hold both qualifications, establishing a strong leadership benchmark in technical-vocational education.

Faculty members of STI College General Santos attained certification milestones in the field of research. Dr. Ann Gilyn B. Premarion, Glenna N. Arias, Remuel T. Octavio, and Jona I. Claudio earned the Certified Research Specialist (CRS™) designation after passing the Visionary Research Association, Inc. Certification Exam on November 10, 2024. This recognition demonstrates the institution’s growing expertise in research methodology, data analysis, and ethical academic practices.

In STI College Novaliches, faculty certifications reflected both technical and professional competencies. John Lerry Celestino, Janella Rodeneas, Girlyn Robediso, and Alyanna Viray successfully obtained NC III in Events Management Services, equipping them with specialized skills in planning, organizing, and executing professional events. Meanwhile, faculty members Karisse Condino, Jhun Rey Jotojot, and Emilie Carmona passed the LET conducted in September 2024 and March 2025, further enhancing the academic credentials of the institution.

STI College Ortigas–Cainta strengthened its teaching force through successful licensure outcomes. A group of faculty members—Julian Antonio Sison, Joseph Saba, Johanna Marie Gerada, Anjanneth Sibal, Osama Sembrano, Matthew Velasco, James Nicholas Mira, Stephany Muñoz, Marc JV Gamer, and Bryan Kio Fukuoka—passed the LET held in September 2024

and March 2025. This milestone reflects the school’s commitment to ensuring faculty members possess the necessary qualifications to deliver high-quality education.

At STI College Baliuag, four faculty members successfully passed the LET conducted in March 2025. These faculty members—Cipriano Sagum, Jesica David, Gerita Balansag, and Regine Victoria—demonstrated academic competence and professional readiness in support of the school’s educational standards.

Faculty members of STI College Puerto Princesa also achieved important professional credentials. Mea Ann Diaz, Jacqueline Sadang, and Angel Heart Villareal successfully passed the LET administered in September 2024 and March 2025. Their success further enhances the instructional capacity and credibility of the campus.

On February 5, 2025, during the City Development Council meeting held in SEDA Hotel in Bacolod City, STI WNU was recognized as the First Place awardee in the Academic Institution Category of the Clean and Green Program. The University earned this distinction for presenting the Best Project Concept/Research Paper on Urban Climate Action Resiliency. The winning entry, titled “Solar-Powered Automatic Watering System,” was authored by Dr. Erlyn Mae Getino-Desamparado. This innovative project was celebrated for its significant contribution to promoting sustainability and enhancing urban climate resilience. The recognition was conferred by the City Government of Bacolod and its City Planning and Development Office, underscoring the importance of academic research in addressing environmental challenges.



The following research outputs of STI WNU faculty were also published and presented at the 11th HCU (Huachiew Chalermprakiet University) International Academic Conference held from July 24 to 28, 2024:

- “Marketability of Computer Shop and Printing Services” by Ms. Winnie Joy C. Mananap and Ms. Christy Marie B. Rioja of the College of Business, Management and Accountancy (CBMA)
- “Influencing Factors Affecting CBMA Students’ Career Choice” by Ms. Anamor B. Jerez, Ms. Maricon Edna A. Arca, and Dr. Mima M. Villanueva of the CBMA
- “Solid Waste Management Practices of Public Market Vendors: Basis for an Action Plan” by Dr. Mima M. Villanueva of the CBMA and Dr. Yasmin P. Dormido of the College of Arts and Science (CAS)
- “Now Whats’ On Your Mind: A Pragmatic Analysis of Facebook Posts” by Dr. Annie Christy Jones and Dr. Yasmin P. Dormido of the CAS

“TEKA, TARLAC MUNA!” by Gilly Tribiana, Lenard Ames Montinola, Timothy Fort Ocampo, and Jana Sofia Rombaoa was presented during the 2024 iSEARCH

Student Research Congress held on October 17, 2024, in collaboration with the Philippine Educational Measurement and Evaluation, Inc. (PEMEA) at iACADEMY Nexus Building, Makati City.

“What’s in the Brand? Analyzing the Dynamics of Brand Love, Image, and Word of Mouth” at iACADEMY by Gian Carlo Alcantara and Paolo Noceda and “Beyond the Classroom: The Effects of Virtual On-the-Job Training on Students’ Professional and Personal Progress” by Francisco Napalit, Toni Almonte, Crisola Tan, and Jayson Viernes were presented during the 2024 iSEARCH Employee Research Symposium held on October 19, 2024 in collaboration with PEMEA at iACADEMY Nexus Building, Makati City.

“Exploring the Link between Radicalization and Violence in the Philippines: An Exploratory-Sequential Analysis” by Madelein Batac was also presented at the aforementioned symposium. In addition, this was presented during the 2025 PAPSCU Excellent Academic Research Link (PEARL) Research Colloquium at the Lyceum Philippines University –Cavite on April 30, 2025.

“What causes reticence in publicly correcting false information online? A case study from the Philippines” by Jessica Asper et al. was included in Romanian Journal of Communication and Public Relations Volume 26 Issue 2 February 2025.

“*Isang Pagsipat sa Kasalukuyan at Kinabukasan ng Artificial Intelligence sa School Of Computing Ng iAcademy*” by Joven B. Makiling, Michael Anthony Albano, Angel Jovelle Caballero, Joshua Klein Garcia, Chrystal Jane Lirios, Ryan Peighton Maniquiz, and Don Gerardo Molina was included in the iCONNECT Multidisciplinary Research Journal Volume 2 Issue 2 in May 2025.

“AI-Facilitated Learning of Data Analysis: Student Engagement with YoChatGPT” by Jay R San Pedro was presented during the 2025 Action Research Active Learning (ARAL) International Congress from May 16 to 18, 2025 at De La Salle University –Manila. In addition, his work was presented during the seminar titled “Global Perspectives on Collaborative Generative AI “Pedagogies: Real-World Use Cases from K12 to University” organized by the Education University of Hong Kong on June 5, 2025.

“Creating Sustainable Solutions: A Community-Based Participatory Action Research In Barangay Bangkal, Makati City, Philippines” was presented by Austin Rabelas, Margery Oriel, and Joanna Caneo during the 2025 Action Research Active Learning (ARAL) International Congress from May 16 to 18, 2025 at De La Salle University – Manila.

“Augmented and Virtual Reality Assessments in Design Courses,” a paper by Hamill Buyco and Jay R San Pedro, was presented during the National Conference on Educational Measurement and Evaluation (NCEME) 2024 held from August 29 to 31, 2024 at De La Salle University – Manila organized by (PEMEA).

DAPIT HAPON was presented by Carl Louie So, Arbenn Jaimie Espinoza, Mathan Gaius Duran, James Francis Lorenzo, Natahlia Joan Marinay, and Aaron Trinidad during the 2024 iSEARCH Student Research Congress held on October 17, 2024, in collaboration with the PEMEA at iACADEMY Nexus Building, Makati City.

ECONOMIC VALUE

The Group is strategically focused on guaranteeing the long-term success and sustainability of the organization for the benefit of its stockholders, wider stakeholder community, and the nation.



Economic Performance

The Group's contribution to the economy extends beyond its financial performance. Through its extensive network of schools, the Group actively shapes and supplements the human capital supply for both local industries and the global market, thereby generating great talent. Furthermore, the employment generated by the Group, encompassing both direct and indirect roles, significantly contributes to the country's overall economic growth and development.

The Group experienced an improvement in economic performance during SY 2024-2025. This enhancement was primarily driven by a notable increase in student enrollment, improvement in the overall program enrollment mix and effective management of costs, alongside the benefits of increased operating leverage. Economic performance disclosures cover STI Holdings and its subsidiaries. Regarding the economic value distributed for SY 2024-2025, a substantial portion was allocated toward operating costs and employee wages and benefits.

2025 Economic Value Generated and Distributed

PhP5,908M Economic value generated

PhP4,121M Economic value distributed

**PhP1,142M**
Employee wages and benefits

**PhP302M**
Taxes given to government

**PhP13M**
Other cost

**PhP1,988M**
Operating costs (including payments to suppliers)

**PhP676M**
Dividends given to stockholders and interest expense

PhP1,787M Economic value retained

Detailed information about the Group's financial performance, including its operations, net sales, total capitalization, quantity of products and services provided, and entities included in the consolidated financial statements can be found in its Annual Report (SEC Form 17-A), which is available on the website www.stiholdings.com

ENVIRONMENTAL INITIATIVES

The Group acknowledges that its operational activities inherently impact surrounding communities and the environment. Consequently, it recognizes the critical need to contribute positively toward global efforts focused on mitigating climate change, reducing overall energy consumption, and decreasing carbon emissions.



Energy and Emissions

The Group's energy requirements are primarily met through reliance on electricity. Minimizing the institutional carbon footprint is viewed as a direct contribution to preserving the balance and integrity of nature and the environment.

Aside from global warming, operational risks include the potential for sudden increases in fuel prices, prolonged power blackouts, and escalating demand charges imposed by utility providers. These risks could potentially necessitate the suspension of classes or planned activities at both the Head Office and campus levels. Recognizing the strategic opportunity in adopting renewable sources of energy, STI ESG has actively sought to mitigate dependence on diesel-powered generators during outages.

STI ESG conducted roof deck waterproofing activities and installed solar panels at its Head Office, located at STI Academic Center Ortigas-Cainta, during the year ended June 30, 2024. These projects, completed in November 2023, had a combined cost of PhP 10.6 million for the solar installation and PhP 6.1 million for waterproofing. The solar panels at this location boast a total capacity of 212 kilowatts (kW) and have already yielded cost savings for both administrative and school energy consumption.

Furthermore, STI ESG installed solar panels at five of its wholly-owned and operated schools—STI College Pasay-EDSA, STI College Novaliches, STI College Las Piñas, STI College Sta. Mesa, and STI College Batangas during the year ended June 30, 2025. These projects collectively provide a capacity of 674 kW. This achievement represented a combined capital investment of PhP 22.8 million, which included associated costs for roofing



repairs. The STI College Novaliches installation was finalized in July 2024, with the remaining campus projects concluded on various dates in September 2024. These projects generate substantial energy savings, thereby further bolstering STI ESG's sustainability initiatives.

STI WNU employs a comprehensive strategy in its approach to energy and emissions that includes implementing energy-efficient upgrades, promoting renewable energy, and engaging the school community in sustainability efforts. The Sustainability Coordinator monitors and regularly reports on energy use and emissions. The school's commitment to reducing its carbon footprint is demonstrated through specific goals, actions, and stakeholder engagement, contributing to a more sustainable educational environment.

Energy management at STI WNU involves a systematic, proactive, optimal and eco-friendly utilization of power and water resources that achieves the University's operational objectives. This is embodied in the policies that are also aligned with the institutionalization of energy conservation practices in the University. These policies aim to reduce fuel consumption by introduction

of energy-efficient and conservation measures. These policies will likewise raise awareness on energy-related issues and encourage all STI WNU stakeholders to help reduce energy consumption and avoid activities that may result in excessive energy wastage. The policies will also ensure that all modifications in the facilities of the university observe the highest energy-efficient design standards, especially when constructing new buildings.

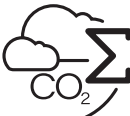
iACADEMY continues to strengthen its commitment to reducing its carbon footprint through practical energy and emissions saving initiatives. These include

tracking energy use, optimizing classroom and facility schedules, and turning off the chiller system an hour before the last class. Employees are also encouraged to adopt conservation practices through regularly shared energy-saving measures. To further cut fuel use and emissions, vehicle trips are coordinated so that multiple destinations within the same area are covered in one journey. This approach not only reduces the number of trips but also maximizes the use of institutional vehicles, lowering both costs and overall carbon footprint.

The following tables show the Group’s energy consumption and carbon footprint during the reporting period:

2025 Performance

Energy Consumption ¹			
Renewable sources (GJ)		Diesel	
1,885.00 (GJ)		1,674.47 (GJ)	
Gasoline		Electricity	
510.28 (GJ)		14,010,392.19 kWh	
LPG			
873.96 (GJ)			

Emissions (tons of CO ₂) ²			
Direct (Scope 1) GHG emissions		Total carbon footprint (Scope 1 + Scope 2)	
247.46		11,201.05	
Indirect (Scope 2) GHG emissions			
10,953.60			

¹ Fuel consumption of the Group is driven primarily by the use of diesel, gasoline, and LPG to power its vehicles, generators, machineries, kitchen laboratories, and canteen stoves in STI ESG-owned campuses, STI WNU, and iACADEMY.

² Source of Emission Factors: US EPA Greenhouse Gas Inventory Guidance – Direct Emissions from Stationary Combustion Sources, IPCC 2006 Guidelines for National Greenhouse Inventories, and Department of Energy (DOE) National Grid Emission Factors
Source of Global Warming Potential: IPCC Sixth Assessment Report (AR6)
Source of Conversion Factors: US Energy Information Administration Energy conversion calculators, Elgas LPG conversions, Aqua-calc compound and materials volume calculator

SOCIAL COMMITMENT

The Group’s sustained success and organizational strength are predicated upon three core pillars: the expertise of its employees, the harmonious relationships fostered with community partners, and a collective dedication toward achieving a sustainable future for all.



Employment

The Group recognizes its people as central to achieving its mission and sustained long-term growth. Attracting and retaining a workforce with diverse skills and high capability is essential for ensuring organizational performance. To support this, the Group offers competitive remuneration, including performance-based bonuses and executive compensation structured around key performance indicators. This practice establishes a rewarding environment that motivates employees, attracts top talent, and encourages long-term commitment. This strategy fundamentally cultivates a dynamic, skilled workforce that drives innovation and productivity.

The Group actively fosters a culture emphasizing service, trustworthiness, and innovation, ensuring it generates adaptable solutions responsive to evolving stakeholder requirements. All employment agreements clearly define organizational expectations, securing employees' professional roles, tenure, benefits, and career development. Furthermore, the Group rigorously upholds principles of equality, diversity, and health and well-being, ensuring full compliance with all employment requirements stipulated by the Department of Labor and Employment (DOLE), government, and non-government agencies.

 Female	1,416
 Male	1,193
Total number of employees	2,609
Attrition rate	9.65%
The ratio of the monthly salary of the lowest paid employee to the monthly minimum wage of the region where the employee is working is 1.06:1 for the subsidiaries of the Group.	

Diversity and Inclusion

The Group recognizes that promoting diversity and inclusion is paramount to organizational success, as it allows the institution to attract the most qualified and varied applicants whose unique perspectives fuel creative ideas and insightful initiatives. The Group actively embeds principles of equality, diversity, and health and well-being across its policies and operational practices. A core belief is that acknowledging the individuality of team members is foundational to realizing each person's full potential, thereby cultivating a comfortable work environment conducive to professional learning and growth. While overseeing a diverse workforce presents complex challenges, an inherent opportunity lies in fully leveraging the varied contributions and perspectives that such an inclusive structure brings.

To uphold these standards, STI ESG strictly prohibits discrimination based on gender identity or gender expression in all facets of the employment relationship, including hiring, promotions, training, compensation, and benefits. Demonstrating this commitment, STI ESG implemented formal guidelines in January 2023 that permit transgender or transitioning employees to dress in the uniform corresponding to their gender identity.

The Group understands that an inclusive workplace fosters a strong sense of belonging among employees, which directly translates into boosted engagement, heightened productivity, and notable improvements in work performance. This supportive culture allows employees to deeply appreciate their significance within the organization, fueling their drive for continuous self-improvement.

2025 Performance

	Percentage of female workers in the workforce	54%
	Percentage of male workers in the workforce	46%
	Number of employees from indigenous communities and/or vulnerable sector	82

Learning and Development

The Group considers its employees to be among the organization's most valuable assets, maintaining the firm conviction that investing in talent is essential for achieving long-term business growth and sustained success. The institution is dedicated to offering comprehensive developmental programs that empower employees to not only excel in their current roles but also prepare effectively for future career advancement opportunities. This focus on professional growth directly contributes to increased productivity, efficiency, and the consistent delivery of high-quality services. While acknowledging the potential risk of employee turnover following training investments, the organization remains steadfast in its commitment to facilitating ongoing professional growth across the network.

To maintain pedagogical and subject matter expertise, faculty members at STI ESG and STI WNU participate in periodic competency-based certifications and training as integral components of their respective Learning Delivery Systems. These programs are crucial for ensuring faculty proficiency in the subject matter required for delivering daily lessons. The specific content of these training programs is adjusted from year to year, based on the outcomes derived from systematic needs assessments conducted among the faculty members.

Additionally, all faculty members and staff of STI ESG and STI WNU undergo regular performance evaluation ratings from superiors and peers.

The Academics Group kicked off SY 2024-2025 with the Ready to Teach program, which served as a biannual faculty orientation designed to prepare Senior High School and Tertiary faculty members for the academic year. The first term session, held on August 8, 2024, has 1,269 participants and covered the SPE exam checker and grading system, classroom management

tips, teacher ethics, and managing student behavior. The second term session, conducted on January 6, 2025, had 795 participants and focused on classroom management, understanding the SPE, and forming the formators. These sessions aimed to strengthen teaching practices and foster a culture of professionalism and mentorship among faculty.



The training entitled *Unlocking the Potential of STEM Education* was designed to enhance the proficiency of senior high school science teachers in laboratory techniques, enabling them to confidently and effectively facilitate hands-on learning experiences in Science, Technology, Engineering and Mathematics (STEM) subjects. It was conducted onsite from July 25 to 26, 2024, with 39 STEM faculty members in attendance. The training was organized in partnership with Center for Integrated STEM Education (CISTEM) and featured external speakers from University of the Philippines National Institute for Science and Mathematics Education Development (UP NISMED).

The *Front Office Operations Faculty Training* aimed to equip participants with the necessary competencies to effectively handle the Hotel Front Office Operations Management and Front Office Principles and Procedures

courses for the Bachelor of Science in Hospitality Management (BSHM) or Hotel and Restaurant Administration (HRA) programs, while also integrating industry updates and trends. This was conducted onsite from July 29 to 30, 2024, with 36 Hotel Management faculty members. The sessions were facilitated with the expertise of external speakers from New Coast Hotel Manila.

The *Housekeeping Operations Faculty Training* provided participants with the necessary competencies to teach courses such as Fundamentals in Lodging Operations and Introduction to Hotel Operations for the Bachelor of Science in Culinary Management (BSCM), BSHM, and HRA programs, while incorporating current industry practices. The training took place onsite from July 31 to August 1, 2024, with 39 Hospitality Management faculty members, and was enriched by the insights of external speakers from Coro Hotel Makati.

The *Amadeus Faculty Training* was conducted to develop faculty competence in the use of the Amadeus Basic Reservation software, which is integrated into the Applied Business Tools and Technologies in Tourism course. Held online on July 31, 2024, the training was attended by 26 Tourism faculty members, with an external expert from Amadeus serving as the resource speaker.

The *SAP S/4HANA (IT) Faculty Training* supported the integration of SAP S/4HANA into IT courses and provided participants with the skills necessary to effectively manage the Advanced Systems Integration and Architecture course for the Bachelor of Science in Information Technology (BSIT) program. Conducted online from July 31 to August 2, 2024, the program engaged 15 IT faculty members. It was organized in partnership with the SAP University Alliances Program and featured an internal certified trainer, Mr. Lorenz Piñon.

The *BSA Workshop* was designed to assist participants in aligning academic and professional requirements for accountancy education. Conducted onsite from August 1 to 2, 2024, the training was attended by 16 BSA faculty members, with resource persons invited from industry partners to provide specialized expertise.

The *Netsynch (eZee PMS and POS) Faculty Training* enabled participants to gain proficiency in using the eZee Property Management System and Point of Sale software, which are integrated into the Hotel and Restaurant Administration curriculum. This training was conducted online from August 5 to 9, 2024, and was attended by 17 Hospitality Management faculty members.



The *Culinary Arts Faculty Training* was organized to equip educators with the competencies necessary to teach advanced culinary courses. Conducted onsite in two batches from August 5 to 6 and August 7 to 8, 2024, the training was participated in by culinary faculty members, with insights shared by distinguished chefs and industry practitioners.

The *Robot Assembly and Programming Faculty Training* provided participants with hands-on experience in robotics, enhancing their ability to teach related courses in the Computer Engineering program. Conducted onsite from August 5 to 7, 2024, the program engaged nine Computer Engineering faculty members.

The *2D Animation Faculty Training* developed faculty competencies in animation by introducing techniques and tools aligned with industry practices. The training was held onsite from August 7 to 9, 2024, with 13 Multimedia Arts faculty members participating.

The *Tour Planning, Packaging, and Pricing Faculty Training* aimed to strengthen faculty capacity to teach tourism planning and business-related courses. Conducted online from January 8 to 9, 2025, the training gathered 55 Tourism faculty members.

The *Food and Beverage Services Faculty Training* enhanced the instructional skills of participants in teaching bar and restaurant management courses. This program was conducted onsite from January 13 to 15, 2025, with a total of 38 Hospitality Management faculty members participating.

The *SAP S/4HANA (Accountancy/Business Management) Faculty Training* supported the integration of enterprise resource planning systems in accountancy and business management courses. Conducted online from January 15 to 17, 2025, the training was attended by 22 faculty members from these disciplines.

The *3D Animation with Autodesk Maya Faculty Training* strengthened faculty competence in advanced 3D animation practices. Conducted onsite from January 16 to 17, 2025, the training was participated in by 11 Multimedia Arts faculty members.

STI WNU promotes employee development by providing training opportunities at local, national, and international levels. In SY 2024-2025, the University sponsored employees for external training to enhance their skills and knowledge in their respective fields of specialization. A total of 33%, or 114 out of 347 full-time employees at STI WNU, participated in various training opportunities, including conferences, short courses, and seminars. Of

these training activities, 92% were at the national level, 4% were international, and the remaining 4% were local.

STI WNU also has its in-house training programs for both faculty and non-teaching personnel to continuously upgrade their competencies and stay abreast of evolving industry and academic trends. All employee development initiatives are strategically aligned with the United Nations Sustainable Development Goals (SDGs). A total of 63 out of 65 or 98% in-house activities were conducted for the employees. For a holistic approach, the employee development program focuses its design on six areas of development, namely: spiritual, professional and educational, physical, socio-cultural, organizational culture and organizational development to ensure the total development of the person; hence, there would be an integral development of the Knowledge, Skills, and Work Values (KSV) of the University personnel. To further strengthen the development of the six areas, a program of activities for organizational culture development was also included.

To promote holistic employee development and align with institutional values and the Sustainable Development Goals (SDGs), STI WNU implements a comprehensive set of activities across multiple dimensions. Spiritual Dimension activities include the celebration of the Holy Mass, observance of the Holy Hour, exposition of the Holy Eucharist, and Bible faith-sharing sessions among employees. These initiatives aim to nurture the spiritual well-being of personnel and foster a sense of community that is grounded in shared faith and values. Educational Dimension activities include granting scholarship to Faculty members and non-teaching personnel to pursue postgraduate degrees. This supports lifelong learning and academic advancement, ensuring that employees remain intellectually equipped to meet evolving educational standards. Professional development activities include orientation for newly hired employees, training on productivity, time and stress management, employee dynamism, work ethics and values, workshops

on personality development and customer excellence, and monthly priming sessions every first Monday. These programs are designed to enhance workplace performance, cultivate professionalism, and reinforce a culture of excellence. The Physical and Mental Health Dimension is intended to promote overall wellness. The institution organizes mental health month celebrations, on-site exercise and wellness activities, and annual physical examinations. These efforts aim to support both the physical and psychological health of employees, recognizing their importance in sustaining productivity and morale. The Socio-Cultural Dimension consists of a variety of events that were held during SY 2024–2025, including the Institutional and Corporate Christmas Parties, Recognition of Service, STI WNU Anniversary and Employee’s Night, General Assembly every semester, Manager’s Appreciation Night, and Women’s Month celebration. These activities foster camaraderie, celebrate achievements, and encourage inclusive participation in institutional growth and decision-making.

Lastly, STI WNU management conducts an annual Leadership Summit to cultivate visionary leadership across all levels of the institution. By bringing together administrators, department heads, and emerging leaders, the summit fosters dialogue on best practices, innovation, and strategic challenges in higher education. It empowers participants to lead with purpose, strengthen institutional culture, and drive transformative initiatives that enhance academic quality and operational excellence.

Additionally, iACADEMY seeks to provide its employees with training programs that help them carry out their jobs well and set them up for career progression. To guarantee the academic rigor of the school's learning system, iACADEMY employs EOS (Entrepreneurial Operating System) level of management. iACADEMY tracks staff and faculty members' internal and external

changes or progress using typical Specific, Measurable, Attainable, Realistic and Timely (SMART) KPIs every Level 10 meeting.

During SY 2024-2025, the faculty trainings were conducted online using eLMS and video conferencing solutions such as MS Teams and Google Meet. Intensive training using EOS tool was extended to all employees to ensure everyone is aligned with iACADEMY’s Vision, Mission and Core Values. Employees are able to share each employee's emotional motivation, welcome new joiners, recognize recipients of core values awards, announce accomplishments across all divisions, and sharpen their skills as they participate in the monthly Fun Friday activity, an employee engagement initiative arranged by the Human Resources department. Thinking Thursday sessions involving group discussions, presentations, and interactive activities stimulate innovative thinking among employees. By providing continuous learning opportunities and fostering a culture of collaboration, iACADEMY aims to empower its employees to contribute meaningfully to the organization's success. These initiatives strengthen employee engagement as well as promote a positive work environment where everyone feels valued and motivated to excel.

The Learning and Development initiatives demonstrate a comprehensive approach to enhancing employee skills and integrating advanced technologies within the organization. Key stakeholders, including employees, management, customers, and external partners, reap the rewards of improved performance, innovation, and enhanced service quality. The organization is committed to a policy of continuous learning, with structured goals aimed at increasing employee engagement and productivity, as evidenced by specific targets for teamwork efficiency and technology adoption. Furthermore, allocated resources, established grievance mechanisms, and various ongoing programs underscore the organization's dedication to cultivating a thriving learning environment.

2025 Performance

Total training hours provided to employees			Average training hours provided to employees		
	Female	10,119.00		Female	7.15
	Male	7,502.50		Male	6.29

Safety and Well-being

The Group places paramount importance on furnishing its employees with a work environment that is safe and free of hazards. This commitment is vital not only because it ensures the physical well-being of the staff but also because it directly contributes to enhanced productivity, allowing employees to focus completely on their responsibilities without concern. A secure workplace fundamentally protects personnel while simultaneously boosting job satisfaction and improving overall work performance.

The organization recognizes that although risks like virus transmission can lead to employee absences and work disruptions, these challenges also present an opportunity to foster heightened health and safety awareness across the entire organization.

The Group has instituted health and safety committees to oversee identifying hazards, implementation of health and safety policies and safety workflow, and ensuring proper maintenance of school facilities to prevent any accidents.

Emergency response teams onsite, including a certified first-aider, are also established to be activated in case of a hazardous event. The Group has also made available medical insurance as part of its employee benefits, which covers consultation and hospitalization. During the reporting period, the Group recorded zero incidents of work-related injuries and ill health.

Safe man-hours	5,198,672
No. of work-related injuries	1
No. of work-related fatalities	0
No. of work-related ill-health	0
No. of safety drills	71

Community Relations and Strategic Partnerships

Community relations and strategic partnerships are deemed a vital component of STI ESG's operations, primarily executed through the STI Foundation in collaboration with the wider STI community. The core mission of the STI Foundation is dedicated to contributing to the improvement of the country's educational system by initiating programs and projects, often in conjunction with local government and private institutions, that champion excellence in education.

The STI Foundation centers its efforts on maximizing outreach by providing educational opportunities to diverse groups, including public school teachers, students, persons with disabilities (PWDs), and underprivileged youth. The ultimate purpose of these initiatives is to contribute directly to nation-building by fostering a society characterized by equal opportunities and empowered, self-reliant individuals.

To maximize impact, the STI Foundation is committed to achieving nationwide outreach by partnering with STI campuses across the country, ensuring it addresses the specific needs of diverse local communities. Beyond forging collaborations with industry and local government, the Foundation actively involves volunteers from its employee and student base to guarantee the successful execution of its programs. This commitment to corporate social responsibility is demonstrated through the Foundation's engagement in various campaigns supporting out-of-school youth, government agencies, and local communities.

Management plans to further expand its private sector and industry collaborations to increase the availability of scholarships for financially disadvantaged youth. In its role as an educational partner, the STI Foundation is committed to assisting young individuals in completing their degrees, subsequently equipping them for gainful employment and fulfilling careers. Beyond the intrinsic value of achieving a degree, scholars sponsored by the STI Foundation gain tangible opportunities for improved career prospects. The Foundation actively supports this outcome by facilitating student placement services, effectively bridging the gap between industry employers and graduates seeking job opportunities.

Among the programs implemented by the Group with its partners are as follows:

COMMUNITY SERVICES

STI ESG

GROWVITE Scholarship Program

The GROWVITE Scholarship Program provides grants specifically for qualified employees and their dependents who are referred by the ATI company, with GROWVITE facilitating the scholarship administration and endorsing the roster of scholars.

UPLIFT CARES Scholarship Program

Uplift CARES partners with the STI Foundation by furnishing a detailed list of its scholars and specifying the coverage for each, utilizing programs designed to empower marginalized youth and adults through education, mentorship, and spiritual development.

Tanging Yaman Foundation Scholarship Program

The Tanging Yaman Foundation (TYF) INC., a duly organized non-stock, non-profit corporation, provides scholarship grants to numerous applicants from various STI provincial schools whose financial assistance proposals have been formally approved by the TYF and accepted by STI.

SM Foundation Scholarship Program

The SM Foundation Scholarship Program, the corporate social responsibility arm of the SM Group of Companies, focuses on improving Filipino lives through various social good programs, requiring applicants from private schools to possess a DepEd voucher and to be Grade 10 finishers from public high schools

Carnival Cruise line Scholarship Program

The Carnival Cruise Line Scholarship Program was established to financially assist deserving students seeking successful careers in the Tourism and Hospitality industries. Applicants for this program must submit their high school grades and demonstrate a proof of household income below Php 500,000 per year.

Agustin and Anita Tanco Foundation

The Agustin and Anita Tanco Foundation, a private voluntary non-profit corporation known for certifying other non-profit organizations' financial management, offers financial assistance to tertiary students who satisfy specific academic and economic criteria.

JTI Scholarship Program

The JTI Scholarship Program is an education initiative established by JTI Inc. to cover the costs of education for select company employees.

SEMPHIL Cares Scholarship

Samsung Electro-Mechanics Philippines Corp. (SEMPHIL), through its SEMPHIL Cares Scholarship, offers grants of Php 100,000 to recipients, particularly

those from low-income households, to cover their cost of education at designated STI campuses.



Metrobank Scholarship and Training Opportunities for the Next Generation (STRONG)

The Metrobank Foundation Inc. operates the Metrobank Scholarship and Training Opportunities for the Next Generation (STRONG)—also known as ACCESS—as a premier grant designed to support academically gifted college students who face financial challenges, providing grants for designated academic semesters.

STI WNU

STI WNU continues to uphold its commitment to community development and social responsibility through various outreach, livelihood, environmental, and wellness programs. In partnership with local government units, organizations, and civic groups, these initiatives aim to empower individuals, promote sustainability, and strengthen collaboration between the university and its partner communities. Among STI WNU's community programs and initiatives that were implemented in SY 2024-2025 are the following:

CED CARES Community Child Literacy Program

The College of Education launched a literacy program for learners in Purok Aseo through the Tutorial CED CARES initiative in SY 2024-2025. Students from the College of Education provided reading and writing assistance

to children. The program improved literacy rates and developed teaching skills among education majors. It fostered community involvement and a love for learning.

Twelve Teachers, Thousand Lives

STI WNU’s College of Education partnered with EB Magalona and Kabankalan City to mentor college scholars and Indigenous Peoples. The program promoted quality education, cultural awareness, and professional growth. Through mentoring, participants gained teaching and leadership skills. The project strengthened community involvement in education.



Donations of Used Items to Partner Communities

On various dates from June to December 2024 as well as January to September 2025, the University donated used items—including clothes, school supplies, books, and plastic chairs—to partner schools, churches, and barangays as needs arose and resources were available. This initiative supported education and community development by fostering generosity and resource-sharing among university members. Recipients benefited from materials that enhanced learning experiences and improved community facilities.

Emergency Relief Action

The different departments of STI WNU departments have been conducting emergency relief operations in coordination with local barangays and LGUs since July 2024. The initiative has provided aid to affected

communities during calamities. It showcased unity among University employees and strengthened community resilience. Through collective effort, relief goods and support were efficiently delivered.

Paralympics 2024

STI WNU collaborated with Differently Abled Persons (DAP), Bacolod Integrated Federation of Persons with Disability Association (BIFPA) and Department of Social Service and Development (DSSD) to host the 2024 Paralympics for PWDs in Bacolod City on July 24, 2024. The event provided opportunities for differently-abled individuals to showcase their athletic abilities. It fostered inclusivity and promoted awareness about PWD empowerment. The program inspired participants and the public to support equality through sports.

Mental Health Awareness and Library Management

In collaboration with Bureau of Jail Management and Penology (BJMP) Region and the Bacolod City Library Office, STI WNU held a mental health and library management session for Persons Deprived of Liberty (PDLs) and personnel on July 31, 2024. The activity promoted emotional well-being and stress management inside BJMP facilities. It also introduced proper library organization and reading programs. The initiative built a more supportive and rehabilitative environment in detention centers.

Environmental Activities

STI WNU collaborated with the Philippine Biodiversity Conservation Foundation (PBCFI) to conduct environmental seminars and lectures in October and December 2024 as well as April and May 2025. This collaboration aimed to enhance environmental awareness among NSTP and CAS students. It encouraged responsible action for biodiversity protection. Through these sessions, students deepened their understanding of conservation and sustainability.



Mangrove Growing and Coastal Clean-Up

STI WNU students, faculty, and partners joined the Municipality of EB Magalona ENRO and the Mangrove Ecotrail gathered on October 24, 2024 for a mangrove planting and coastal cleanup activity. The initiative strengthened environmental conservation and coastal protection. It also raised awareness among participants about the importance of mangrove ecosystems. The project contributed to biodiversity and climate resilience efforts in the community.

Simulated Beauty Care Salon Project

STI WNU students collaborated with residents of Purok Arao, Brgy. Vista Alegre, to establish a simulated salon for training purposes on October 26, 2024. Participants learned hands-on beauty care and practical grooming services. The initiative enhanced skills and employability, particularly for women and out-of-school youth. It also promoted self-confidence and entrepreneurship.

Empowerment through Knowledge for DAP

STI WNU partnered with the Barangay Mandalagan PWD Association, United Persons With Disability Association for Rehabilitation Development, Inc. (UPWARD), and BIFPA to conduct a knowledge and empowerment training for PWDs on November 23, 2024. The event provided information on livelihood, rights, and community participation. It strengthened self-confidence and

independence among PWD participants. The initiative also fostered inclusion and equal opportunity awareness in Bacolod City.

Community Day and Gift Giving

STI WNU and the City of Bacolod organized a Community Day and Gift Giving program for street children and families in Brgy. Tomongtong on December 14, 2024. The event fostered a sense of community spirit and compassion among volunteers and beneficiaries. Participants distributed gifts, food, and other necessities to underprivileged children. The activity encouraged kindness and volunteerism among students and staff.

Baking Training or Bread Production and Coastal Clean-up and Mangrove Growing

STI WNU collaborated with EB Magalona’s Women’s Association to conduct baking training from February 14 to 16, 2025 and coastal cleanup activities on various dates in February, March and May 2025. The project taught participants practical baking skills that could serve as a livelihood source. At the same time, it encouraged environmental stewardship through cleanup drives. This dual-purpose activity strengthened both economic and ecological responsibility among women residents.

Website Maintenance

College of Information and Communication Technology (CICT) students of STI WNU, in partnership with Philippines Biodiversity Conservation Foundation (PBCFI), developed and maintained a website for environmental information from February to April 2025. The site served as a resource hub to share data and promote conservation projects. It enhanced the students’ digital communication and project management skills. The initiative supported transparency and accessibility of environmental updates.

Adopt-A-Family for the Urban Garden Initiative

The University’s community implementers launched the Adopt-A-Family program in Purok Arao, Brgy. Vista Alegre where families were trained in urban gardening to improve food security from March to May 2025. The project promoted environmental sustainability and nutrition awareness. It encouraged community cooperation and self-sufficiency.



Dugtong Buhay Movement

STI WNU organized a bloodletting drive in partnership with the Philippine National Red Cross (PNRC), Department of Budget Management (DBM), Armed Forces of the Philippines (AFP), Philippine National Police (PNP) and Philippine Coast Guard on April 7, 2025. Students, personnel, and donors participated in the event to help save lives. The program encouraged volunteerism and health awareness. It strengthened collaboration between educational institutions and government agencies.

Micro Enterprise Project

STI WNU supported trisikad drivers and families in Brgy. Mandalagan through a microenterprise initiative conducted in May 2025. The project provided small-scale livelihood opportunities to increase household income. Participants learned basic business management and financial literacy. The activity enhanced economic resilience within local communities.



KINAMOT Handicraft and Livelihood Training

The Municipality of EB Magalona, Women’s Association, and Brgy. Tomongtong residents collaborated with STI WNU for a handicraft and livelihood training program conducted on April 8, 2025. Participants learned how to make products from indigenous and recycled materials, supporting sustainable income opportunities. The training enhanced women’s creativity and entrepreneurial skills. It also encouraged community self-sufficiency and resilience.

Establishment of Parents Association for Livelihood Program

Parents of STI WNU students in Brgy. Cabug have been organized to form an income-generating association from May to June 2025. With the help of DOLE, the initiative aimed to empower parents through livelihood projects. It encouraged financial stability and active participation in their children’s education. The program promoted economic self-reliance and community engagement.

iACADEMY

Cybersecurity and Digital Citizenship Workshop

In July 2024, iACADEMY partnered with Barangay Bangkal and Bangkal High School to equip 68 students with practical knowledge on digital safety, responsible tech use, and cyber ethics. Involved were 33 iACADEMY volunteers, including students, faculty, and parents.



#GirlsCan Campaign – World Vision PH

In September 2024, iACADEMY conducted a social awareness forum composed of youth empowerment talks by women leaders which advocated for gender equality and empowerment. It was attended by 278 students, with high engagement from SHS and college. Guest speakers included media personalities and youth ambassadors.



iREAD for Youth

In September 2024, iACADEMY conducted an institutional storytelling and arts workshop for Grade 2 learners at Bangkal Elementary School. Thirty-one volunteers joined the literacy and arts & crafts session, emphasizing creative learning and student interaction.

Dugtong Buhay: Blood Donation Drive

In November 2024, iACADEMY, in collaboration with the DBM, Philippine Red Cross, PNP and Philippine Coast

Guard, helped collect 280 bags of blood. This multi-sectoral initiative saw 102 volunteers, far exceeding the prior year’s turnout of 30 volunteers.



Break the Cycle & Computer Donation

In January 2025, iACADEMY, through the School of Computing, co-organized with Barangay Bangkal an e-waste campaign and tech donation for barangay and tackled digital citizenship and e-waste responsibility. iACADEMY also donated computer desktops for the community learning center.

Community Christmas Outreach

iACADEMY conducted a gift-giving activity for 40 Grade 2 students and their families from Barangay Bangkal. The initiative was organized by OSAS and supported by 52 volunteers.

ARTSI: Arts for Children Outreach

Twenty-four iACADEMY students partnered with the Ministry for Children’s Education of St. Anthony of Padua Parish-Manila and Barangay partners in a student-led initiative to deliver a free arts program for 30 underprivileged children on March 22, 2025.



Community Needs Assessment Interview

As part of iACADEMY’s continuing partnership with Barangay Bangkal, the SOCI Unit, together with faculty and staff from the School of Computing, General Education, and the External Linkages and Partnerships Department, conducted an in-depth needs assessment involving 56 residents in April 2025. The interview session provided key insights into pressing barangay concerns, including livelihood, education, and digital access.



Exploratory Visit with Dumagat IP Group

In April 2025, iACADEMY launched its first engagement with the Dumagat Indigenous Group in General Nakar, Quezon province through a site visit and community dialogue. This initiative is in line with iACADEMY’s inclusive and sustainability-driven mission. Discussions focused on cultural preservation, livelihood needs, and the development of future capacity-building initiatives.

MEMBERSHIP IN ASSOCIATIONS

For any educational institution, establishing strategic institutional linkages and memberships in associations is instrumental in continuously driving learning and innovation. These vital partnerships serve to empower academic institutions by enabling them to participate in meaningful collaborations directly aimed at enhancing opportunities for all their stakeholders.

STI ESG is active in the following associations or has fostered partnerships with known industry leaders:

- Association of Administrators in Hotel/Hospitality & Restaurant Management Educational Institutions (AAHRMEI)
- Institute of Computer Engineers of the Philippines (ICpEP)
- Internet and Mobile Marketing Association of the Philippines (IMMAP)
- Philippine Association of National Advertisers (PANA)
- Public Relations Society of the Philippines (PRSP)
- NCR School Registrar’s Association (NASCRA)
- SAP/Victoria University
- SGV
- Amadeus Marketing Philippines, Inc.
- Netsynch Computer Solutions
- Oracle Academy
- Python Institute

- Red Hat Academy
- AWS Academy
- Accenture, Inc.
- PTC Aviation Training Center, Inc.
- Hilton Manila
- Globe Fintech Innovations, Inc.
- Globe Telecom
- Conrad Manila
- Smart/PLDT
- ATPI Travel Philippines, Inc.
- City of Dreams Manila
- Conti’s Bakeship & Restaurant

STI WNU and its students are active members of the following organizations:

- Association of Administrators in Hotel/Hospitality & Restaurant Management Educational Institutions (AAHRMEI)
- Council of Hotel and Restaurant Educators of the Philippines (COHREP)
- Tourism Educators and Movers Philippines (TEAM PHILS WV)
- Hotel and Restaurant Association of Negros Occidental (HRANO)
- Bacolod City Tourism Office and Department of Tourism Region VI
- Philippine Association of Colleges and Schools of Business (PACSB)
- Philippine Society of IT Educators (PSITE)
- Integrated Society of Information Technology Enthusiast (ISITE)
- Junior Philippine Institute of Accountants (JPIA)
- Philippine Society of Information Technology Educators Foundation, Inc. (PSITEFI)
- Bacolod-Negros Occidental Federation of ICT (BNeFIT)
- Philippine Institute of Civil Engineers (PICE)
- Junior Philippine Society of Mechanical Engineers (JPSME)
- Institute of Integrated Electrical Engineers of the Philippines (IIEEP)
- Global Educators Professional Enhancement International, Inc. (GEPEII)
- Asian Qualitative Research Association (AQRA)
- Asian Society of Teachers for Research (ASTR)
- Asian Association of Interdisciplinary Research (AAIR)
- National Organization of Science and Educators of the Philippines, Inc. (NOSEPI)
- Philippine Association for Teachers and Educators, Inc. (PAFTEI)
- Philippine Association of Graduate Studies (PAGE)

iACADEMY is committed to producing industry-ready Game Changers. In line with this commitment, iACADEMY is always on the lookout for opportunities to forge meaningful partnerships. This includes curriculum integration with leading local and international organizations.

For SY 2024–2025, iACADEMY continued to expand its network of industry and academic partners across industries.

Professional Memberships and Academic Networks:

- AI & Analytics Association of the Philippines (AAP)
 - Philippine Association of Collegiate Schools of Business (PACSB)
 - Philippine Marketing Association (PMA)
 - Philippine Society of Information Technology Educators (PSITE)
 - Philippine Software Industry Association (PSIA)
 - Game Developers Association of the Philippines (GDAP)
 - Animation Council of the Philippines, Inc. (ACPI)
 - Film Development Council of the Philippines (FDCP)
- Multimedia Arts Association of the Philippines (MMAAP)
 - Philippine Association of Academic/Research Librarians, Inc. (PAARL)
 - Philippine Educational Measurement and Evaluation Association (PEMEA)
 - Philippine Society for Quality (PSQ)
 - Creator and Influencer Council of the Philippines (CICP)
 - HIMAP (Healthcare Information Management Association of the Philippines)

Technology and Certification Partnerships:

- Amazon Web Services (AWS)
 - Huawei ICT Academy
 - The BLOKC
 - Toon Boom
- CLO Virtual Fashion
 - Dolby Atmos & Avid
 - Blackmagic and DaVinci Resolve

Customer Data Security and Privacy

The Group is committed to the responsible and lawful treatment of all personal data that it collects. The Group believes in keeping personal data shared by its stakeholders safe and secure, and ensuring that such are collected and processed by lawful means. The subsidiaries continue to adhere to the Data Privacy Act of 2012 (DPA) and its implementing rules and regulations.

Risks identified include unauthorized or malicious disclosure of personal data, data theft and excessive data collection. However, there are opportunities in adopting policies and best practices within the education industry.

Concerns regarding data privacy may be communicated to the respective data privacy officers of the schools. There has been one incident of data breach during the fiscal year.

2025 Performance

No. of substantiated complaints on customer privacy	0
No. of complaints addressed	0
No. of customers, users, and account holders whose information is used for secondary purposes	0
No. of data breaches, including leaks, thefts and losses of data	0



COVER SHEET

[illegible][illegible]

(Company's Full Name)

[illegible]

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

ARSENIO C. CABRERA, JR.

Contact Person

(6	3	2)	8	8	1	3	7	1	1	1

Company Telephone Number

0	6

Month

3	0

Day

Fiscal Year

SEC FORM 17-Q For the Quarter ended 30 September 2025

FORM TYPE

**Third Friday of
November**

<i>Month</i>	<i>Day</i>

Annual Meeting

N A

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

1	2	5	8

Total No. of Stocholders

Total Amount of Borrowings

N A

Domestic

N A

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

[illegible]

Document I.D.

Cashier

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1.	For the quarterly period ended	30 September 2025
2.	SEC Identification No.	1746
3.	BIR Tax Identification No.	000-126-853-000
4.	Exact name of registrant as specified in its charter	STI EDUCATION SYSTEMS HOLDINGS, INC.
5.	Province, Country or other Jurisdiction of incorporation or organization	Philippines
6.	(SEC Use Only) Industry Classification Code	_____
7.	Address of Philippine Office	7/F STI Holdings Center 6764 Ayala Avenue Makati City, 1226
8.	Registrant's Telephone No. including Area Code	(632) 8844-9553
9.	Former name, former address, former Fiscal year, if changed since last report	
10.	Securities Registered pursuant to Sections 4 and 8 of the RSA.	
	Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding

COMMON SHARES – 9,904,806,924 - ISSUED AND OUTSTANDING

9,904,806,924 – LISTED SHARES

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes ☒ [x]

No ☐ []

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports;

Yes ☒

No ☐

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

Yes ☒

No ☐

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to Annex "A".

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

Please refer to Annex "B".

PART II - OTHER INFORMATION

Not Applicable

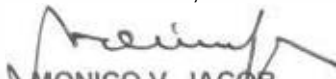
SIGNATURES

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.

Registrant **STI EDUCATION SYSTEMS HOLDINGS, INC.**

Signature and Title 
YOLANDA M. BAUTISTA
Treasurer and CFO

Date November 19, 2025

Signature and Title 
MONICO V. JACOB
President and CEO

Date November 19, 2025

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱3,205,182,252	₱2,732,620,639
Receivables (Note 6)	1,851,139,523	538,014,530
Inventories (Note 7)	142,990,485	169,265,266
Prepaid expenses and other current assets (Note 8)	158,455,417	148,265,064
Equity instruments at fair value through profit or loss (FVPL) (Note 9)	11,253,000	11,501,000
Total Current Assets	5,369,020,677	3,599,666,499
Noncurrent Assets		
Property and equipment (Note 10)	10,596,794,291	10,453,454,936
Investment properties (Note 11)	2,014,154,169	2,024,612,385
Investments in and advances to associates and joint venture (Note 12)	24,803,505	24,718,223
Equity instruments at fair value through other comprehensive income (FVOCI) (Note 13)	73,332,640	73,649,156
Deferred tax assets - net	69,535,322	51,456,164
Goodwill, intangible and other noncurrent assets (Note 14)	891,762,818	786,701,221
Total Noncurrent Assets	13,670,382,745	13,414,592,085
TOTAL ASSETS	₱19,039,403,422	₱17,014,258,584
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 15)	₱984,484,355	₱996,072,327
Current portion of interest-bearing loans and borrowings (Note 16)	580,448,289	580,267,162
Unearned tuition and other school fees (Note 20)	1,614,043,603	242,773,837
Current portion of lease liabilities	92,572,318	91,386,106
Income tax payable	115,257,662	43,674,659
Total Current Liabilities	3,386,806,227	1,954,174,091
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Note 16)	854,709,840	1,146,065,668
Bonds payable (Note 17)	817,158,937	816,706,013
Lease liabilities - net of current portion	347,867,843	369,663,874
Pension liabilities - net	121,743,698	100,097,662
Deferred tax liabilities - net	112,807,967	112,048,993
Other noncurrent liabilities (Note 18)	32,887,149	30,330,757
Total Noncurrent Liabilities	2,287,175,434	2,574,912,967
Total Liabilities (Carried Forward)	5,673,981,661	4,529,087,058

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Total Liabilities (<i>Brought Forward</i>)	₱5,673,981,661	₱4,529,087,058
Equity Attributable to Equity Holders of the Parent Company (Note 19)		
Capital stock	4,952,403,462	4,952,403,462
Additional paid-in capital	1,232,785,025	1,139,438,468
Cost of shares held by a subsidiary	(246,300,645)	(430,454,088)
Cumulative actuarial gain	62,990,395	78,504,031
Unrealized fair value adjustment on equity instruments at FVOCI (Note 13)	17,054,342	17,367,840
Other equity reserve	(1,686,369,660)	(1,686,369,660)
Share in associates' other comprehensive income	—	321,455
Retained earnings	8,907,351,873	8,295,847,265
Total Equity Attributable to Equity Holders of the Parent Company	13,239,914,792	12,367,058,773
Equity Attributable to Non-controlling Interests (Note 19)	125,506,969	118,112,753
Total Equity	13,365,421,761	12,485,171,526
TOTAL LIABILITIES AND EQUITY	₱19,039,403,422	₱17,014,258,584

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

	Three months ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
REVENUES (Note 20)		
Sale of services:		
Tuition and other school fees	₱1,277,797,494	₱877,980,356
Educational services	72,870,036	57,623,808
Royalty fees	7,202,798	6,057,514
Others	39,244,330	35,960,643
Sale of educational materials and supplies	46,227,129	60,070,722
	1,443,341,787	1,037,693,043
COSTS AND EXPENSES		
Cost of educational services (Note 21)	315,606,183	281,319,988
Cost of educational materials and supplies sold (Note 22)	40,912,868	50,141,658
General and administrative expenses (Note 23)	429,315,162	420,914,919
	785,834,213	752,376,565
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	657,507,574	285,316,478
OTHER INCOME (EXPENSES)		
Rental income (Notes 11 and 24)	62,860,650	48,946,095
Interest expense (Notes 16 and 17)	(56,927,492)	(66,501,559)
Interest income (Notes 5 and 6)	21,437,862	14,699,148
Recovery of accounts written off (Note 6)	3,056,456	4,215,424
Equity in net earnings of associates and joint venture (Note 12)	414,588	1,640,363
Fair value gain (loss) on equity instruments at FVPL (Note 9)	(248,000)	1,007,500
Dividend income (Note 9)	162,595	153,760
Foreign exchange gain (loss) – net	74,255	(5,766,652)
Other income – net (Note 4)	687,922	8,555,373
	31,518,836	6,949,452
INCOME BEFORE INCOME TAX	689,026,410	292,265,930
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	85,479,045	61,385,432
Deferred	(15,573,034)	(32,358,169)
	69,906,011	29,027,263
NET INCOME (Carried Forward)	619,120,399	263,238,667

	Three months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
NET INCOME <i>(Brought Forward)</i>	₱ 619,120,399	₱263,238,667
OTHER COMPREHENSIVE INCOME (LOSS)		
Items not to be reclassified to profit or loss in subsequent years:		
Remeasurement gain (loss) on pension liabilities	(17,471,492)	23,761,228
Income tax effect	1,747,150	(2,376,123)
Fair value change in equity instruments at FVOCI (Note 13)	(316,516)	(97,070)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(16,040,858)	21,288,035
TOTAL COMPREHENSIVE INCOME	₱603,079,541	₱284,526,702
Net Income Attributable To		
Equity holders of the Parent Company	₱611,504,608	₱261,137,900
Non-controlling interests	7,615,791	2,100,767
	₱619,120,399	₱263,238,667
Total Comprehensive Income Attributable To		
Equity holders of the Parent Company	₱595,677,474	₱282,138,174
Non-controlling interests	7,402,067	2,388,528
	₱603,079,541	₱284,526,702
Basic/Diluted Earnings Per Share on Net Income Attributable to Equity		
Holders of the Parent Company (Note 25)	₱0.06	₱0.03

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

Equity Attributable to Equity Holders of the Parent Company (Note 19)											
	Capital Stock	Additional Paid-in Capital	Cost of Shares Held by a Subsidiary	Cumulative Actuarial Gain	Unrealized Fair Value Adjustment on Equity Instruments at FVOCI (Note 13)	Other Equity Reserve	Share in Associates' Other Comprehensive Income (Note 12)	Retained Earnings	Total	Equity Attributable to Non-controlling Interests	Total Equity
Balance at July 1, 2025	₱4,952,403,462	₱1,139,438,468	(₱430,454,088)	₱78,504,031	₱17,367,840	(₱1,686,369,660)	₱321,455	₱8,295,847,265	₱12,367,058,773	₱118,112,753	₱12,485,171,526
Net income	–	–	–	–	–	–	–	611,504,608	611,504,608	7,615,791	619,120,399
Other comprehensive income	–	–	–	(15,513,636)	(313,498)	–	–	–	(15,827,134)	(213,724)	(16,040,858)
Total comprehensive income	–	–	–	(15,513,636)	(313,498)	–	–	611,504,608	595,677,474	7,402,067	603,079,541
Partial disposal of the Parent Company's shares held by a subsidiary (Note 19)	–	93,346,557	184,153,443	–	–	–	–	–	277,500,000	–	277,500,000
Derecognition of share in associates' other comprehensive income	–	–	–	–	–	–	(321,455)	–	(321,455)	(7,851)	(329,306)
Balance at September 30, 2025	₱4,952,403,462	₱1,232,785,025	(₱246,300,645)	₱62,990,395	₱17,054,342	(₱1,686,369,660)	₱–	₱8,907,351,873	₱13,239,914,792	₱125,506,969	₱13,365,421,761
Balance at July 1, 2024	₱4,952,403,462	₱1,119,127,301	(₱498,142,921)	₱44,378,717	₱20,349,810	(₱1,686,369,660)	₱321,455	₱6,529,002,580	₱10,481,070,744	₱91,305,265	₱10,572,376,009
Net income	–	–	–	–	–	–	–	261,137,900	261,137,900	2,100,767	263,238,667
Other comprehensive income	–	–	–	21,098,545	(98,272)	–	–	–	21,000,273	287,762	21,288,035
Total comprehensive income	–	–	–	21,098,545	(98,272)	–	–	261,137,900	282,138,173	2,388,529	284,526,702
Partial disposal of the Parent Company's shares held by a subsidiary (Note 19)	–	2,105,248	22,894,752	–	–	–	–	–	25,000,000	–	25,000,000
Deposit for future stock subscription from non-controlling interest holder	–	–	–	–	–	–	–	–	–	8,000,000	8,000,000
Balance at September 30, 2024	₱4,952,403,462	₱1,121,232,549	(₱475,248,169)	₱65,477,262	₱20,251,538	(₱1,686,369,660)	₱321,455	₱6,790,140,480	₱10,788,208,917	₱101,693,794	₱10,889,902,711

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱689,026,410	₱292,265,930
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 10, 11, 14, 21 and 23)	185,298,988	160,122,327
Interest expense (Notes 16, 17, 23 and 29)	56,927,492	66,501,559
Interest income (Notes 5 and 6)	(21,437,862)	(14,699,148)
Net change in net pension liabilities	4,174,549	(1,798,293)
Dividend income (Notes 9 and 13)	(162,595)	(153,760)
Unrealized foreign exchange loss (gain) - net	(34,465)	95,685
Equity in net earnings of associates and joint venture (Note 12)	(414,588)	(1,640,363)
Fair value loss (gain) on equity instruments at FVPL (Note 9)	248,000	(1,007,500)
Operating income before working capital changes	913,625,929	499,686,437
Decrease (increase) in:		
Receivables	(464,438,300)	(97,573,397)
Inventories	26,274,779	11,900,683
Prepaid expenses and other current assets	(14,811,763)	(30,441,675)
Increase (decrease) in:		
Accounts payable and other current liabilities	(42,181,846)	(56,302,993)
Unearned tuition and other school fees	525,588,450	542,169,926
Other noncurrent liabilities	2,556,392	264,369
Net cash generated from operations	946,613,641	869,703,350
Income tax paid	(9,274,632)	(7,921,012)
Interest received	17,964,080	14,625,176
Net cash provided by operating activities	955,303,089	876,407,514
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment (Notes 10 and 28)	(226,640,198)	(250,452,280)
Payments for other noncurrent assets (Note 14)	(118,747,828)	(5,765,137)
Dividends received (Note 9)	162,595	153,760
Net cash used in investing activities	(345,225,431)	(256,063,657)

(Forward)

	Three months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from partial disposal of the Parent Company's shares held by a subsidiary (Note 19)	₱277,500,000	₱24,785,625
Payments of:		
Long-term loans (Note 16)	(292,222,222)	(270,000,000)
Dividends	—	(53,280)
Interests	(81,114,160)	(99,255,371)
Lease liabilities	(41,714,128)	(43,517,439)
Net cash used in financing activities	(137,550,510)	(388,040,465)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	34,465	(95,685)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	472,561,613	232,207,707
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,732,620,639	1,855,500,909
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱3,205,182,252	₱2,087,708,616

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

a. General

STI Education Systems Holdings, Inc. (STI Holdings or the Parent Company) and its subsidiaries (hereafter collectively referred to as the “Group”) are all incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). STI Holdings was originally established in 1928 as the Philippine branch office of Theo H. Davies & Co., a Hawaiian corporation. It was reincorporated as a Philippine corporation and registered with the SEC on June 28, 1946. STI Holdings’ shares were listed on the Philippine Stock Exchange (PSE) on October 12, 1976. The primary purpose of the Parent Company is to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, pledge, exchange, or otherwise dispose of real properties as well as personal and movable property of any kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned, but not to act as dealer in securities, and to invest in and manage any company or institution. STI Holdings aims to focus on education and education-related activities and investments.

STI Holdings’ registered office address, which is also its principal place of business, is 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226.

The subsidiaries of STI Holdings, which are all incorporated in the Philippines as at September 30, 2025 and June 30, 2025, are as follows:

Subsidiaries	Principal Activities	Effective Percentage of Ownership	
		Direct	Indirect
STI ESG	Educational Institution	99	–
STI WNU	Educational Institution	99	–
iACADEMY	Educational Institution	100	–
Philippine School of Business Administration-Manila, Inc. (formerly STI College Novaliches, Inc.) ^(a)	Educational Institution	94	6
AHC	Holding Company	100	–
STI College Batangas, Inc. (STI Batangas)	Educational Institution	–	99
STI College of Kalookan, Inc. (STI Caloocan) ^(b)	Educational Institution	–	99
STI College of Santa Maria, Inc. (STI Sta. Maria)	Educational Institution	–	99
STI College Tanauan, Inc. (STI Tanauan)	Educational Institution	–	99
STI College Iloilo, Inc. (STI Iloilo)	Educational Institution	–	99
STI Lipa, Inc. (STI Lipa)	Educational Institution	–	99
STI College Pagadian, Inc. (STI Pagadian)	Educational Institution	–	99
STI Training Academy, Inc. (STI Training Academy)	Educational Institution	–	99
STI College Tuguegarao, Inc. (STI Tuguegarao)	Educational Institution	–	99
NAMEI Polytechnic Institute, Inc. (NAMEI)	Educational Institution	–	93
NAMEI Polytechnic Institute of Mandaluyong, Inc. (NPIM) ^(c)	Educational Institution	–	99
De Los Santos-STI College, Inc. (De Los Santos-STI College) ^(d)	Educational Institution	–	99
STI Colleges of Rizal, Inc. (STI Tanay) ^(e)	Educational Institution	–	99
STI-College Alabang, Inc. (STI Alabang)	Educational Institution	–	99
Clinquant Holdings, Inc (CHI) ^(f)	Investment Company	–	99

^(a) Philippine School of Business Administration-Manila, Inc. (formerly STI College Novaliches, Inc.) became a direct subsidiary of STI Holdings pursuant to the subscription agreement, executed on June 24, 2024, between STI Holdings and STI College Novaliches, Inc. wherein STI Holdings subscribed to 75.0 million common shares of STI College Novaliches, Inc. at ₱1.00 per share. The increase in the authorized capital stock of STI College Novaliches, Inc. where the subscription would be taken was approved by the SEC on January 27, 2025.

^(b) A subsidiary of STI ESG through a management contract

^(c) NPIM ceased operations effective June 30, 2022.

^(d) In June 2016, De Los Santos-STI College advised CHED of the suspension of its operations for SYs 2016-2017 and 2017-2018 as a result of the implementation of the Government’s K to 12 program. De Los Santos-STI College became a wholly-owned subsidiary of STI ESG effective August 4, 2021. De Los Santos-STI College has not resumed its school operations as at November 19, 2025.

^(e) A wholly-owned subsidiary of De Los Santos-STI College; formerly STI College Quezon Avenue, Inc.

^(f) CHI became a wholly owned subsidiary of STI ESG as at June 30, 2024. (See Note 14)

b. STI Education Services Group, Inc. and Subsidiaries (collectively referred to as “STI ESG”)

In September 2012, STI ESG became a subsidiary of the Parent Company through a share-for-share swap agreement with the shareholders of STI ESG. STI Holdings’ ownership of STI ESG is at 98.7% as at September 30, 2025 and June 30, 2025.

STI ESG is involved in establishing, maintaining, and operating educational institutions to provide pre-elementary, elementary, secondary, including Senior High School (SHS), and tertiary as well as post-graduate courses, post-secondary and lower tertiary non-degree programs. The Group also develops, adopts and/or acquires, entirely or in part, such curricula or academic services as may be necessary in the pursuance of its main activities, relating but not limited to information technology services, information technology-enabled services, education, hotel and restaurant management, engineering, business studies, psychology and criminology.

STI ESG has investments in several entities which own and operate STI schools. STI schools may be operated either by: (a) STI ESG; (b) its subsidiaries; or (c) independent entrepreneurs (referred to as the “franchisees”) under the terms of licensing agreements with STI ESG.

Other features of the licensing agreements are as follows:

- Exclusive right to use proprietary marks and information including but not limited to courseware programs, operational manuals, methods, standards, systems, that are used exclusively in the STI network of schools;
- Continuing programs for faculty and personnel development, including evaluation and audit of pertinent staff;
- Development and adoption of the enrollment and registration system;
- Assistance on matters pertaining to financial and accounting procedures, faculty recruitment and selection, marketing and promotion, record keeping and others.

Merger with Several Majority and Wholly-owned Subsidiaries

On December 9, 2010, STI ESG’s stockholders approved the following mergers:

- Phase 1: The merger of three (3) majority owned schools and fourteen (14) wholly-owned schools with STI ESG, with STI ESG as the surviving entity. The Phase 1 merger was approved by the Commission on Higher Education (CHED) and the SEC on March 15, 2011 and May 6, 2011, respectively.
- Phase 2: The merger of one (1) majority owned school and eight (8) wholly-owned pre-operating schools with STI ESG, with STI ESG as the surviving entity. The Phase 2 merger was approved by CHED and the SEC on July 18, 2011 and August 31, 2011, respectively.
- Phase 3: On August 30, 2017, the SEC approved the application for merger of STI College Taft, Inc. (STI Taft) and STI College Dagupan, Inc. (STI Dagupan) with STI ESG as the surviving entity.

On September 25, 2013, STI ESG’s BOD approved an amendment to the Phase 1 and 2 mergers whereby STI ESG would issue shares, at par value, to the stockholders of the non-controlling interests. In 2014, STI ESG issued 1.9 million additional shares at par value to the stockholders of one of the merged schools. As at November 19, 2025, the amendment is still pending approval by the SEC.

STI ESG also requested for confirmatory ruling on the tax-free mergers covered by Phase 1 and Phase 3 from the Bureau of Internal Revenue (BIR). As a response to the request made for the Phases

1 and 3 mergers, the BIR informed STI ESG through letters dated November 25, 2022 and September 28, 2022, respectively, that Section 40 C.2 of the Tax Code, as amended by Republic Act (RA) No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, now mandates that for purposes of availing the tax exemption, prior BIR confirmatory ruling is no longer required. In this regard, STI ESG applied for the issuance of the Certificates Authorizing Registration (CAR) for the tax-free transfers of real estate in exchange for shares pursuant to the provisions of Section 40. C.2 of the Tax Code. As at November 19, 2025, STI ESG has not received the CARs from the BIR.

On August 5, 2022, CHED approved the transfer of school operations of STI College Quezon Avenue, Inc. (STI Quezon Avenue) to Tanay, Rizal subject to compliance with certain requirements.

In separate meetings held on November 29, 2022, the BOD and stockholders of STI Quezon Avenue approved the amendments in its Articles of Incorporation (AOI) and By-Laws as follows: (1) change of corporate name from “STI College Quezon Avenue, Inc.” to “STI Colleges of Rizal, Inc.”, (2) have perpetual existence, (3) change of fiscal year beginning July 1 of each year and ending on June 30 of the following year, among others. On November 12, 2024, the SEC approved the change of corporate name from “STI College Quezon Avenue, Inc.” to “STI Colleges of Rizal, Inc. (STI Tanay),” along with the other aforementioned amendments in its AOI and By-Laws. On September 10, 2025, the BIR approved the change in its fiscal year.

As at September 30, 2025, STI ESG’s network of operating schools totals 63 schools with 37 owned schools and 26 franchised schools comprising 60 colleges and 3 education centers.

c. STI West Negros University, Inc. (STI WNU)

In October 2013, the Parent Company acquired majority ownership interest in STI WNU. The consideration for the acquisition of STI WNU includes contingent consideration amounting to ₱151.5 million. As at September 30, 2025 and June 30, 2025, liability for contingent consideration recognized as “Nontrade payable” amounted to ₱17.0 million (see Notes 15 and 26). As at September 30, 2025 and June 30, 2025, the Parent Company owns 99.9% of STI WNU.

STI WNU owns and operates STI West Negros University in Bacolod City. It offers primary, JHS and SHS, tertiary and post-graduate programs. It also has permits to provide technical-vocational education training services under TESDA.

On September 16, 2024, CHED granted STI WNU its Autonomous status by virtue of CHED Memorandum Order No. 7 Series of 2024. Autonomous schools have the freedom to open new programs without securing prior approval from CHED, priority in the grant of subsidies, and other financial incentives from CHED, and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among other benefits.

d. iACADEMY, Inc. (iACADEMY) (Formerly: Information and Communications Technology Academy, Inc.)

iACADEMY is a premier school offering specialized programs in SHS and college that are centered on Computing, Business and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, and Cloud Computing. iACADEMY also offers programs in Accountancy, Marketing Management, Psychology, and Digital Media Management. iACADEMY conducts its classes in two strategically

located facilities: the Nexus building in Makati City and the 5th Floor of Filinvest Cebu Cyberzone Tower Two, Cebu IT Park, Cebu City.

e. STI College Novaliches, Inc.

On June 24, 2024, STI Holdings and STI College Novaliches, Inc. executed a Subscription Agreement wherein STI Holdings subscribed to 75.0 million common shares of STI College Novaliches, Inc. at ₱1.0 per share or ₱75.0 million, subject to the SEC's approval of the increase in authorized capital stock of STI College Novaliches, Inc. from 5.0 million common shares at ₱1.0 per share or ₱5.0 million to 300.0 million common shares at ₱1.0 per share or ₱300.0 million. The deposit for future stock subscription in the amount of ₱75.0 million was paid by STI Holdings in June 2024. On January 27, 2025, the SEC approved STI College Novaliches, Inc.'s application to increase its authorized capital stock. As a result, STI College Novaliches Inc. became a direct subsidiary of STI Holdings, with 93.75% ownership. STI ESG's ownership interest in STI College Novaliches, Inc. was reduced from 100.0% to 6.25% effective January 2025.

On March 31, 2025, STI Holdings, STI ESG, and STI College Novaliches, Inc. executed a Deed of Assignment (the Deed) where STI College Novaliches, Inc. unconditionally and irrevocably assigned and transferred its identified assets and liabilities, including its permits and licenses issued by CHED, DepEd and TESDA, to STI ESG for a total consideration of ₱4.2 million. The Novaliches campus of STI ESG has continued to operate as an STI ESG branch in Novaliches, Quezon City, effective January 2025.

On June 9, 2025, STI ESG informed CHED that STI ESG, STI College Novaliches, Inc., and STI Holdings have executed the Deed to assign and transfer certain identified assets and liabilities of STI College Novaliches, Inc. to STI ESG. The assets acquired by STI ESG consist of, but are not limited to the permits and licenses issued by CHED, DepEd and TESDA in favor of STI College Novaliches, Inc. With the acquisition of the assets of STI College Novaliches, Inc., STI ESG will continue offering the existing programs at Novaliches, Quezon City campus. The site will operate as a branch of STI ESG and continue to carry its established name "STI Novaliches." As at November 19, 2025, the application for issuance of a Certificate of Confirmation in favor of STI ESG is still pending review of CHED.

On July 31, 2025, the SEC approved the amendments to the AOI of STI College Novaliches, Inc., which include, among others, the following: a) change in corporate name to "Philippine School of Business Administration-Manila, Inc."; b) revision of the primary purpose to include the offering of primary and post-graduate education; c) modification of the secondary purpose to allow the purchase, acquisition, ownership, lease, sale, and conveyance of intangible assets as may be necessary or incidental to its operations; and d) extension of the corporate term to perpetual existence.

On August 29, 2025, the SEC approved the amended By-Laws of Philippine School of Business Administration-Manila, Inc. (formerly "STI College Novaliches, Inc."), which include, among others, the change in its fiscal year from April 1 of each year to March 31 of the following year to July 1 of each year to June 30 of the following year.

f. Attenborough Holdings Corp. (AHC)

AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders' Agreement among the Parent Company, Philippine Women's University (PWU) and Unlad Resources Development Corporation (Unlad). Under the Agreements, AHC is set to own up to

20.0% of Unlad. AHC is also a party to the Omnibus Agreement it executed with the Parent Company and Unlad (see Note 26).

Since February 2015, STI Holdings owns 100.0% of AHC.

On March 1, 2016, AHC executed a Deed of Assignment wherein AHC assigned to STI Holdings its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Parent Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad have been transferred to STI Holdings (see Note 26).

The establishment, operation, administration and management of schools are subject to the existing laws, rules and regulations, policies, and standards of DepEd, TESDA and CHED pursuant to Batas Pambansa Bilang 232, otherwise known as the “Education Act of 1982,” RA No. 7796, otherwise known as the “TESDA Act of 1994,” and RA No. 7722, otherwise known as the “Higher Education Act of 1994,” respectively.

2. Basis of Preparation and Material Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for noncurrent asset held for sale which has been measured at fair value less costs to sell and equity instruments at FVOCI and equity instruments at FVPL which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company’s functional and presentation currency, and all values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include Philippine Accounting Standards (PAS) and Philippine Interpretations based on equivalent interpretations from the International Financial Reporting Interpretations Committee (IFRIC) adopted by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards effective July 1, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The adoption of these new standards and amendments did not have any significant impact on the consolidated financial statements except otherwise stated.

▪ Amendments to PAS 21, *Lack of exchangeability*

The amendments clarify how to account for situations where a currency cannot be exchanged and how to determine the appropriate exchange rate in such cases.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective as at July 1, 2025 are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a

significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective for fiscal year 2027

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective for fiscal year 2028

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group has not early adopted the previously mentioned standards. The Group continues to assess the impact of the above new, amended and improved accounting standards and interpretations that are effective subsequent to September 30, 2025 on its unaudited interim condensed consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

3. Seasonality of Operations

The Group's business is linked to the academic cycle which spans one academic year. The academic cycle for STI ESG and STI WNU for SY 2024-2025 began in mid-August 2024 and ended in June 2025. For SY 2025-2026, the academic year started in late July 2025 with all levels concluding in June 2026. For iACADEMY, classes start in August and end in May and July of the following year for SHS and tertiary level, respectively. Classes for SY2024-2025 and SY2025-2026 have all been conducted face-to-face for STI ESG and STI WNU, whereas iACADEMY has implemented the hybrid learning format for SY2024-2025 and transitioned to full face-to-face set-up for SY2025-2026.

The Group's performance obligations arising from tuition and other school fees are satisfied over time, as students simultaneously receive and consume the benefits provided by the Group through its educational services. The core business and revenues of the Group, which are mainly from tuition and other school fees, are recognized as income over the corresponding school term(s) during which the educational services are rendered. Accordingly, the revenue distribution across quarters may vary depending on the school calendar. This information is provided to facilitate a comprehensive understanding and informed analysis of the results of operations of the Group. However, management has concluded that the Group's operation is not highly seasonal.

4. Segment Information

For management purposes, the Group is organized into business units based on the geographical location of the students and assets, and has five reportable segments as follows:

- a. Metro Manila
- b. Northern Luzon
- c. Southern Luzon
- d. Visayas
- e. Mindanao

Management monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with profit and loss in the consolidated financial statements.

On a consolidated basis, the Group's performance is evaluated based on consolidated net income and EBITDA, defined as earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, loss (gain) on foreign exchange differences, equity in net earnings of associates and joint venture, fair value loss (gain) on equity instruments at FVPL and nonrecurring gain such as gain on termination of lease. Depreciation and interest expense for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively.

The following table shows the reconciliation of the consolidated net income to consolidated EBITDA:

	Three months ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Consolidated net income	₱619,120,399	₱263,238,667
Depreciation and amortization ⁽¹⁾	162,048,660	137,658,486
Interest expense ⁽¹⁾	48,506,718	57,323,198
Provision for income tax	69,906,011	29,027,263
Interest income	(21,437,862)	(14,699,148)
Foreign exchange loss (gain) – net	(74,255)	5,766,652
Equity in net earnings of associates and joint venture	(414,588)	(1,640,363)
Fair value loss (gain) on equity instruments at FVPL	248,000	(1,007,500)
Gain on termination of lease ⁽²⁾	–	(1,575,650)
Consolidated EBITDA	₱877,903,083	₱474,091,605

⁽¹⁾ Depreciation and interest expense exclude those related to ROU assets (presented under "Property and equipment" and "Investment properties" accounts) and lease liabilities, respectively.

⁽²⁾ Reported as part of "Other income".

Inter-Segment Transactions

Segment revenue, segment expenses and operating results include transfers among geographical segments. The transfers are accounted for at market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.

Geographical Segment Data

The following tables present revenue and income information regarding geographical segments for the three-month periods ended September 30, 2025 and 2024:

	September 30, 2025 (Unaudited)					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱714,537,296	₱87,895,137	₱369,639,378	₱234,793,584	₱36,476,392	₱1,443,341,787
Results						
Income before other income (expenses) and income tax	257,284,362	43,723,381	206,607,512	134,601,250	15,291,069	657,507,574
Equity in net earnings of associates and joint venture	414,588	—	—	—	—	414,588
Interest expense	(53,337,518)	(1,011,162)	(1,741,619)	(228,484)	(608,709)	(56,927,492)
Interest income	17,601,088	9,496	1,907,899	1,917,842	1,537	21,437,862
Other income	63,810,898	84,003	1,147,925	1,319,683	231,369	66,593,878
Provision for income tax	(52,853,793)	(940,281)	(2,961,659)	(13,150,278)	—	(69,906,011)
Net Income	₱232,919,625	₱41,865,437	₱204,960,058	₱124,460,013	₱14,915,266	₱619,120,399
EBITDA						₱877,903,083
	September 30, 2024 (Unaudited)					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱550,424,784	₱53,556,308	₱227,368,093	₱190,837,881	₱15,505,977	₱1,037,693,043
Results						
Income before other income (expenses) and income tax	79,488,605	13,783,168	86,505,329	103,468,677	2,070,699	285,316,478
Equity in net earnings of associates and joint venture	1,640,363	—	—	—	—	1,640,363
Interest expense	(62,560,612)	(1,572,072)	(1,599,269)	(270,183)	(499,423)	(66,501,559)
Interest income	13,525,432	7,580	1,037,262	127,273	1,601	14,699,148
Other income	52,797,293	1,803,264	1,626,556	770,379	114,008	57,111,500
Benefit from (provision for) income tax	(18,791,711)	(554,505)	543,568	(10,224,615)	—	(29,027,263)
Net Income	₱66,099,370	₱13,467,435	₱88,113,446	₱93,871,531	₱1,686,885	₱263,238,667
EBITDA						₱474,091,605

The following tables present certain assets and liabilities information regarding geographical segments as at September 30, 2025 and June 30, 2025:

	September 30, 2025 (Unaudited)					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Assets and Liabilities						
Segment assets ^(a)	₱13,426,584,669	₱796,047,144	₱2,565,727,210	₱1,717,041,862	₱187,353,288	₱18,692,754,173
Investments in and advances to associates and joint venture	24,803,505	–	–	–	–	24,803,505
Goodwill	236,629,190	–	–	15,681,232	–	252,310,422
Deferred tax assets – net	40,412,537	3,153,963	15,299,533	8,941,962	1,727,327	69,535,322
Total Assets	₱13,728,429,901	₱799,201,107	₱2,581,026,743	₱1,741,665,056	₱189,080,615	₱19,039,403,422
Segment liabilities ^(b)	₱1,211,650,982	₱180,953,134	₱913,336,701	₱363,508,374	₱77,223,578	₱2,746,672,769
Interest-bearing loans and borrowings	1,435,158,129	–	–	–	–	1,435,158,129
Bonds payable	817,158,937	–	–	–	–	817,158,937
Pension liabilities – net	60,109,056	5,018,242	17,508,928	35,867,581	3,239,891	121,743,698
Lease liabilities	250,340,829	36,295,040	102,976,677	19,234,277	31,593,338	440,440,161
Deferred tax liabilities – net	112,807,967	–	–	–	–	112,807,967
Total Liabilities	₱3,887,225,900	₱222,266,416	₱1,033,822,306	₱418,610,232	₱112,056,807	₱5,673,981,661
Other Segment Information						
Capital expenditure -						
Property and equipment and investment properties						₱303,475,178
Depreciation and amortization ^(c)						162,048,660
Noncash expenses other than depreciation and amortization						49,093,369

^(a) Segment assets exclude investments in and advances to associates and joint venture, goodwill and net deferred tax assets.

^(b) Segment liabilities exclude interest-bearing loans and borrowings, bonds payable, net pension liabilities, lease liabilities and net deferred tax liabilities.

^(c) Depreciation and amortization excludes those related to ROU assets.

	June 30, 2025 (Audited)					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Assets and Liabilities						
Segment assets ^(a)	₱12,396,640,965	₱705,773,459	₱2,097,123,917	₱1,352,853,550	₱133,381,884	₱16,685,773,775
Investments in and advances to associates and joint venture	24,718,223	—	—	—	—	24,718,223
Goodwill	236,629,190	—	—	15,681,232	—	252,310,422
Deferred tax assets – net	21,531,889	2,873,776	15,428,588	9,894,584	1,727,327	51,456,164
Total Assets	₱12,679,520,267	₱708,647,235	₱2,112,552,505	₱1,378,429,366	₱135,109,211	₱17,014,258,584
Segment liabilities ^(b)	₱642,583,079	₱78,183,632	₱425,501,855	₱134,174,368	₱32,408,646	₱1,312,851,580
Interest-bearing loans and borrowings	1,726,332,830	—	—	—	—	1,726,332,830
Bonds payable	816,706,013	—	—	—	—	816,706,013
Pension liabilities – net	39,045,129	4,837,257	16,913,459	36,163,913	3,137,904	100,097,662
Lease liabilities	268,914,516	40,005,514	106,275,671	11,185,930	34,668,349	461,049,980
Deferred tax liabilities – net	112,048,993	—	—	—	—	112,048,993
Total Liabilities	₱3,605,630,560	₱123,026,403	₱548,690,985	₱181,524,211	₱70,214,899	₱4,529,087,058
Other Segment Information						
Capital expenditure -						
Property and equipment and investment properties						₱967,884,766
Depreciation and amortization ^(c)						591,006,902
Noncash expenses other than depreciation and amortization						83,473,865

^(a) Segment assets exclude noncurrent asset held for sale, investments in and advances to associates and joint venture, goodwill and net deferred tax assets.

^(b) Segment liabilities exclude interest-bearing loans and borrowings, bonds payable, net pension liabilities, lease liabilities and net deferred tax liabilities.

^(c) Depreciation and amortization excludes those related to ROU assets.

5. Cash and Cash Equivalents

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Cash on hand and in banks	₱1,185,419,815	₱1,002,817,715
Cash equivalents	2,019,762,437	1,729,802,924
	₱3,205,182,252	₱2,732,620,639

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

Interest earned from cash in banks and cash equivalents for the three-month periods ended September 30, 2025 and 2024 amounted to ₱19.6 million and ₱11.9 million, respectively.

6. Receivables

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Tuition and other school fees	₱1,833,808,150	₱515,275,821
Educational services (see Note 24)	125,101,385	89,866,574
Rent, utilities and other related receivables (see Note 24)	52,385,885	58,844,713
Receivables from officers and employees (see Note 24)	30,227,249	26,393,220
Interest receivables (see Note 5)	8,429,647	5,016,384
Others	31,176,576	28,005,162
	2,081,128,892	723,401,874
Less allowance for expected credit losses	229,989,369	185,387,344
	₱1,851,139,523	₱538,014,530

The terms and conditions of the receivables are as follows:

- a. Tuition and other school fees receivables include receivables from students, DepEd, CHED and Development Bank of the Philippines (DBP) (see Note 26).

These receivables are noninterest bearing. Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the school year.

- b. Educational services receivables pertain to receivables from STI ESG's franchisees arising from educational services, royalty fees, sale of educational materials and supplies, and other charges. These receivables are generally noninterest-bearing and are normally collected within thirty (30) days. Interest is charged on past due accounts.

This account also includes outstanding receivables of STI ESG from Philippine School of Business Administration (PSBA Manila) and Philippine School of Business Administration, Inc.-Quezon City (PSBA Quezon City), collectively referred to as "PSBA", in the total amount of ₱36.9 million and ₱31.6 million as at September 30, 2025 and June 30, 2025, respectively.

On May 30, 2024, STI ESG and PSBA executed a Management Agreement appointing STI ESG to manage the operations of PSBA schools with the goal of increasing enrollment as well as promoting PSBA as one of the leading educational institutions in the Philippines for accountancy and business programs. STI ESG provided the management services starting July 1, 2024 for PSBA Quezon City and starting August 1, 2024 for PSBA Manila. The management services would be for a period of three (3) years counting from the management commencement date (see Note 30).

Interest earned from past due accounts amounted to ₱1.8 million and ₱2.8 million for the three-month periods ended September 30, 2025 and 2024, respectively.

- c. Rent, utilities and other related receivables are expected to be collected in full within the fiscal year.
- d. Receivables from officers and employees substantially represent advances for official business expenses which are necessary and reasonable to carry out the operations of the entities within the Group. These advances are normally liquidated within one month from the date the advances are obtained (see Note 24).
- e. Others mainly include receivables from vendors and former employees amounting to ₱7.2 million and ₱3.7 million, respectively, as at September 30, 2025 and June 30, 2025. This also includes receivables from Social Security System amounting to ₱9.3 million and ₱8.5 million as at September 30, 2025 and June 30, 2025, respectively. Further, this account also includes receivables from the retirement trustee bank of STI ESG amounting to ₱2.2 million and ₱1.9 million, representing retirement benefits advanced by STI ESG to its former employees as at September 30, 2025 and June 30, 2025, respectively. These receivables are expected to be collected within the fiscal year.

Recovery of accounts pertaining to tuition and other school fees which were previously written off amounted to ₱3.1 million and ₱4.2 million for the three-month periods ended September 30, 2025 and 2024, respectively. These amounts are reported in the “Other income (expenses)” section in the unaudited interim condensed consolidated statements of comprehensive income.

7. Inventories

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
At cost:		
Educational materials:		
Uniforms	₱110,682,573	₱133,683,070
Textbooks and other education-related materials	7,077,706	7,158,545
	117,760,279	140,841,615
Promotional materials:		
Proware materials	15,371,535	18,833,992
Marketing materials	2,464,536	1,197,512
	17,836,071	20,031,504
School materials and supplies	7,394,135	8,392,147
	₱142,990,485	₱169,265,266

Inventories recognized as obsolete, substantially composed of old tertiary uniforms and textbooks, are fully provided with allowance for inventory obsolescence. Accordingly, the carrying value of these inventories carried at net realizable value is nil as at September 30, 2025 and June 30, 2025. Allowance for inventory obsolescence amounted to ₱25.5 million as at September 30, 2025 and June 30, 2025. No provision was recognized for the three-month periods ended September 30, 2025 and 2024.

Inventories charged to cost of educational materials and supplies sold amounted to ₱40.9 million and ₱50.1 million for the three-month periods ended September 30, 2025 and 2024, respectively (see Note 22).

8. Prepaid Expenses and Other Current Assets

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Input VAT – net	₱66,774,096	₱70,116,861
Prepaid subscriptions and licenses	42,611,036	26,545,057
Prepaid insurance	16,017,607	5,752,569
Advances to suppliers	15,833,385	21,294,449
Prepaid taxes	12,997,638	19,207,303
Prepaid rent	2,767,177	1,043,495
Infrastructure and software maintenance	210,900	329,932
Others	1,243,578	3,975,398
	₱158,455,417	₱148,265,064

Net input VAT represents the remaining balance after application against output VAT and is recoverable in future periods. The balance of this account is primarily attributed to input VAT recognized on the purchase of goods and services.

As at June 30, 2025, the balance of this account is primarily attributed to input VAT recognized related to (1) the rehabilitation of STI WNU's gym and the repair and rehabilitation of its existing powerhouse as well as the construction of another powerhouse to house the generators, and (2) the purchase of goods and services by the Group during the year.

Prepaid subscriptions and licenses substantially pertain to Microsoft licenses, eLearning Management System (eLMS), and Adobe Enterprise subscriptions which were paid in advance in preparation for the succeeding school year. These subscriptions are normally renewed annually and are recognized as expense in accordance with the terms of the respective agreements.

Advances to suppliers primarily relate to prepayments for the yearbook production for graduates of SY2024-2025, procurement of students' school uniforms, repair and maintenance works across schools within the Group, and the national STI Talent Search. The balance as at June 30, 2025 included prepayments for commencement activities for SY2024-2025.

Prepaid taxes primarily pertain to creditable withholding taxes and prepayments for local business taxes and real property taxes. Prepayments for local business taxes and real property taxes are recognized as expense over the applicable period, within twelve (12) months ending December of every year. Creditable withholding taxes in the total amount of ₱23.4 million pertain to taxes withheld by counterparties on the income payments received by the Group which will be applied against income tax due for succeeding periods. Out of this amount, ₱0.5 million has been classified as current under "Prepaid taxes" while the amount of ₱22.9 is presented as "Prepaid taxes-net of current portion under "Other noncurrent assets (see Note 14).

Prepaid insurance primarily represents vehicle insurance coverage, life, accident, and health insurance coverage of employees, and fire and other risks insurance on buildings, which are paid in advance and are recognized as expense over the period of coverage.

Prepaid infrastructure and software maintenance substantially pertain to firewall and web application cost. These software maintenance costs and licenses are recognized as expense over the respective period of the coverage, which is normally within one year from date of agreement.

Other prepaid expenses mainly represent advance payments for social media marketing services. This account likewise includes advance payments for the use of recruitment platform.

9. Equity Instruments at Fair Value through Profit or Loss (FVPL)

Equity instruments at FVPL represents the Group's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR) held for trading amounting to ₱11.3 million and ₱11.5 million as at September 30, 2025 and June 30, 2025, respectively.

STI ESG acquired 1,550,000 quoted equity shares of RCR at ₱6.45 per share or an aggregate amount of ₱10.0 million in 2021. STI ESG recognized fair value loss on equity instruments at FVPL amounting to ₱0.2 million for the three-month period ended September 30, 2025 and fair value gain of ₱1.0 million for the three-month period ended September 30, 2024.

STI ESG recognized dividend income from RCR amounting to ₱0.2 million for each of the three-month periods ended September 30, 2025 and 2024.

10. Property and Equipment

	Land	Buildings	Office and School Equipment	Office and School Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Computer Equipment and Peripherals	Library Holdings	Renewable Energy Equipment	Construction In-Progress	Right-of-use Asset – Land	Right-of-use Asset – Building	Right-of-use Asset - Transportation Equipment	Total
Cost, Net of Accumulated Depreciation and Amortization														
Balance at beginning of period	₱3,750,548,625	₱5,704,987,259	₱220,209,568	₱75,480,931	₱31,684,504	₱18,710,634	₱82,764,766	₱15,901,050	₱25,396,717	₱227,909,355	₱98,294,562	₱190,002,934	₱11,564,031	₱10,453,454,936
Additions	–	24,299,651	18,642,076	8,436,289	8,647,070	8,215,283	36,868,711	1,304,260	3,219,999	193,841,839	–	13,431,683	–	316,906,861
Reclassification of completed construction in-progress	–	91,834,176	8,844,383	–	1,538,194	–	–	–	650,000	(102,866,753)	–	–	–	–
Lease modification/termination	–	–	–	–	–	–	–	–	–	–	–	–	(340,256)	(340,256)
Depreciation and amortization (see Notes 21 and 23)	–	(109,290,725)	(17,135,856)	(5,709,506)	(3,635,922)	(1,913,173)	(12,799,236)	(1,031,261)	(1,698,549)	–	(2,019,876)	(15,891,016)	(2,102,130)	(173,227,250)
Balance at end of period	₱3,750,548,625	₱5,711,830,361	₱230,560,171	₱78,207,714	₱38,233,846	₱25,012,744	₱106,834,241	₱16,174,049	₱27,568,167	₱318,884,441	₱96,274,686	₱187,543,601	₱9,121,645	₱10,596,794,291
At September 30, 2025:														
Cost	₱3,750,548,625	₱9,191,366,802	₱1,125,530,541	₱431,674,426	₱287,702,015	₱51,178,214	₱633,007,609	₱234,984,651	₱36,550,993	₱318,884,441	₱148,107,222	₱396,943,095	₱55,481,951	₱16,661,960,585
Accumulated depreciation and amortization	–	(3,479,536,441)	(894,970,370)	(353,466,712)	(249,468,169)	(26,165,470)	(526,173,368)	(218,810,602)	(8,982,826)	–	(51,832,536)	(209,399,494)	(46,360,306)	(6,065,166,294)
Net book value	₱3,750,548,625	₱5,711,830,361	₱230,560,171	₱78,207,714	₱38,233,846	₱25,012,744	₱106,834,241	₱16,174,049	₱27,568,167	₱318,884,441	₱96,274,686	₱187,543,601	₱9,121,645	₱10,596,794,291

	Land	Buildings	Office and School Equipment	Office and School Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Computer Equipment and Peripherals	Library Holdings	Renewable Energy Equipment	Construction In-Progress	Right-of-use Asset – Land	Right-of-use Asset – Building	Right-of-use Asset - Transportation Equipment	Total
Cost, Net of Accumulated Depreciation and Amortization														
Balance at beginning of period	₱3,393,880,053	₱5,573,215,322	₱120,195,782	₱51,486,397	₱41,465,646	₱11,440,548	₱87,496,264	₱14,943,478	₱9,244,638	₱304,401,419	₱106,374,068	₱200,020,251	₱12,006,941	₱9,926,170,807
Additions	216,525,190	258,018,883	88,359,431	43,543,116	6,587,604	12,323,782	43,810,369	5,113,526	6,464,848	282,627,285	–	64,058,375	7,972,597	1,035,405,006
Reclassification from investment properties (see Note 11)	140,143,382	–	–	–	–	–	–	–	–	–	–	–	–	140,143,382
Reclassification of completed construction in-progress	–	284,212,122	59,245,748	–	–	–	–	–	15,661,479	(359,119,349)	–	–	–	–
Lease termination (see Note 29)	–	–	–	–	–	–	–	–	–	–	–	(13,888,769)	–	(13,888,769)
Depreciation and amortization (see Notes 21 and 23)	–	(410,459,068)	(47,591,393)	(19,548,582)	(16,368,746)	(5,053,696)	(48,541,867)	(4,155,954)	(5,974,248)	–	(8,079,506)	(60,186,923)	(8,415,507)	(634,375,490)
Balance at end of period	₱3,750,548,625	₱5,704,987,259	₱220,209,568	₱75,480,931	₱31,684,504	₱18,710,634	₱82,764,766	₱15,901,050	₱25,396,717	₱227,909,355	₱98,294,562	₱190,002,934	₱11,564,031	₱10,453,454,936
At June 30, 2025:														
Cost	₱3,750,548,625	₱9,069,691,602	₱1,098,044,081	₱423,238,137	₱283,649,337	₱42,962,933	₱596,138,897	₱233,089,178	₱32,680,993	₱227,909,355	₱148,107,223	₱401,660,063	₱64,806,208	₱16,372,526,632
Accumulated depreciation and amortization	–	(3,364,704,343)	(877,834,513)	(347,757,206)	(251,964,833)	(24,252,299)	(513,374,131)	(217,188,128)	(7,284,276)	–	(49,812,661)	(211,657,129)	(53,242,177)	(5,919,071,696)
Net book value	₱3,750,548,625	₱5,704,987,259	₱220,209,568	₱75,480,931	₱31,684,504	₱18,710,634	₱82,764,766	₱15,901,050	₱25,396,717	₱227,909,355	₱98,294,562	₱190,002,934	₱11,564,031	₱10,453,454,936

The cost of fully depreciated property and equipment still used by the Group amounted to ₱1,439.6 million and ₱2,094.8 million as at September 30, 2025 and June 30, 2025, respectively. There were no idle property and equipment as at September 30, 2025 and June 30, 2025.

Property and Equipment under Construction

School Buildings. The Group continued to invest in the expansion of its educational infrastructure in areas where building capacity utilization is nearing its maximum, with total construction-in-progress amounting to ₱318.9 million and ₱227.9 million as at September 30, 2025 and June 30, 2025, respectively, primarily related to the costs incurred by STI ESG for putting up STI Academic Center Tanauan, and new school buildings at STI Fairview and STI Batangas. The construction-in-progress as at September 30, 2025 includes the related costs incurred for the construction of STI Academic Center Meycauayan.

The new STI Academic Center Meycauayan project has a total cost of approximately ₱731.7 million, inclusive of materials, cost of labor and overhead, equipment and furniture, and all other costs necessary for the completion of the project. The eight-storey building, which will include a service deck, will rise on a 2,459 square meter property located at Barrio Saluysoy, Meycauayan, Bulacan. This building is expected to accommodate up to 7,500 students and is expected to be completed within SY2026-2027.

The construction of STI Academic Center Tanauan is currently underway, with a total project cost of approximately ₱604.2 million. This amount covers costs for materials, labor, overhead, equipment and furniture, and other expenses necessary to complete the project. The eight-storey building, which will include a service deck, is designed to house up to 6,000 students and will be situated on a 10,000 square-meter property at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This project is expected to be completed in time for SY2026-2027.

In addition, the construction-in-progress account includes the costs related to new school buildings for STI Fairview and STI Batangas. A four-storey building with a roof deck is underway at STI Fairview with a total project cost of ₱91.0 million, covering all costs of materials, labor, tools, equipment, furniture, and incidental expenses to complete the project. This building is designed to accommodate 1,800 additional students. At the same time, the construction of a three-storey building is ongoing at STI Batangas with a total project cost of ₱32.0 million. This will serve approximately 900 more students. Both projects are scheduled for completion within SY2025-2026.

Solar Power Projects. As at September 30, 2025, the Group has ongoing solar power projects at STI Lipa, STI San Jose del Monte, and STI Calamba, with a combined capacity of 314 kilowatts. The total project cost is ₱13.8 million. These projects are expected to be completed by end of November 2025. Likewise, STI WNU has ongoing solar power projects being installed at its School of Basic Education (SBE) and Engineering buildings with a combined capacity of 357 kilowatts. The total project cost is ₱13.4 million and expected to be completed in November 2025. These solar power projects are expected to generate significant energy savings for the named campuses while contributing to the Group's sustainability initiatives.

Classroom Expansion Project. The Group's classroom expansion project at STI Lucena, with a total project cost of ₱15.1 million, is expected to be completed by end of November 2025. These additional classrooms can accommodate approximately up to 435 students.

Building Improvements. The Group has also carried out exterior resealing and repainting of buildings across several schools within the STI ESG network. These projects have an aggregate cost of ₱110.3 million, covering all costs of materials, labor, and incidental expenses. The projects were substantially

completed as at report date, with the remaining works expected to be completed by the end of November 2025.

Facility Improvements. The construction-in-progress account as at September 30, 2025 likewise includes costs for STI WNU projects, namely: solar panel installation for its SBE and Engineering buildings with a total project cost of ₱13.4 million, gymnasium speaker system amounting to ₱2.25 million, construction of covered parking lot with a project cost of ₱1.5 million, and paging system and new signages for the SBE Building with an aggregate project cost of ₱1.2 million. These projects were all completed as at November 19, 2025.

As at June 30, 2025, construction-in-progress includes STI WNU's renovation of the university gymnasium with a total project cost of ₱66.3 million, repair and rehabilitation of the existing powerhouse and construction of additional powerhouse for the generators with a total project cost of ₱3.7 million, construction of a Materials Recovery Facility (MRF) for proper waste disposal with a total cost of ₱1.95 million, and the replacement of air-conditioning units (ACUs) for its college buildings with a total project cost of ₱4.3 million. These projects were all completed in September 2025.

Collaterals

Transportation equipment, recognized as right-of-use assets, are pledged as security for the related lease liabilities as at September 30, 2025 and June 30, 2025. The net book value of these equipment amounted to ₱9.1 million and ₱11.6 million as at September 30, 2025 and June 30, 2025, respectively.

11. Investment Properties

	September 30, 2025 (Unaudited)			
	Land	Condominium Units and Buildings	Right-of-Use Asset - Building	Total
Cost:				
Balance at beginning and end of period	₱1,541,323,236	₱793,182,785	₱133,183,838	₱2,467,689,859
Accumulated depreciation:				
Balance at beginning of period	–	362,293,834	80,783,640	443,077,474
Depreciation (see Notes 21 and 23)	–	7,220,909	3,237,307	10,458,216
Balance at end of period	–	369,514,743	84,020,947	453,535,690
Net book value	₱1,541,323,236	₱423,668,042	₱49,162,891	₱2,014,154,169

	June 30, 2025 (Audited)			
	Land	Condominium Units and Buildings	Right-of-Use Asset - Building	Total
Cost:				
Balance at beginning of period	₱676,807,317	₱780,307,090	₱133,183,838	₱1,590,298,245
Additions	–	4,510,732	–	4,510,732
Reclassification from noncurrent asset held for sale (see Note 11)	1,004,659,301	8,364,963	–	1,013,024,264
Reclassification to property and equipment (see Note 10)	(140,143,382)	–	–	(140,143,382)
Balance at end of period	1,541,323,236	793,182,785	133,183,838	2,467,689,859
Accumulated depreciation:				
Balance at beginning of period	–	335,601,702	67,683,590	403,285,292
Depreciation (see Notes 21 and 23)	–	26,692,132	13,100,050	39,792,182
Balance at end of period	–	362,293,834	80,783,640	443,077,474
Net book value	₱1,541,323,236	₱430,888,951	₱52,400,198	₱2,024,612,385

This account includes the Quezon City dacion properties, ownership of which were transferred to the Parent Company in 2016 through Deeds of Dacion. These properties were reclassified from “Noncurrent asset held for sale” back to “Investment properties” as at June 30, 2025 as the timing of the sale is highly

uncertain. As at September 30, 2025 and June 30, 2025, the carrying value of the Quezon City dacion properties amounted to ₱1,012.5 million and ₱1,013.0 million, respectively. These properties are still intended for sale.

Investment properties also include a parcel of land and land improvements located in Davao City currently held by the Parent Company for capital appreciation and are not used in business. These properties (including the Quezon City dacion properties) were obtained by the Parent Company from Unlad through the Deeds of Dacion executed on March 31, 2016 (pursuant to a Memorandum of Agreement discussed in Note 26) for a total dacion price of ₱911.0 million as settlement of the outstanding obligations of Unlad and PWU to the Parent Company, arising from the loans extended by the Parent Company to PWU and Unlad when the Parent Company acceded, in November 2011, to the Joint Venture Agreement and Shareholders' Agreement (the "Agreements") by and among PWU, Unlad, an Individual and Mr. Eusebio H. Tanco (EHT), STI Holdings' BOD Chairman, for the formation of a strategic arrangement with regard to the efficient management and operation of PWU (see Note 26). PWU is a private non-stock, non-profit educational institution, which provides basic, secondary, and tertiary education, including post graduate studies, to its students while Unlad is a real estate company controlled by the Benitez Family and has some assets which are used to support the educational thrust of PWU. The Quezon City dacion properties and the Davao property were initially recognized as "Investment properties" at fair value aggregating to ₱1,280.5 million at dacion date.

As at September 30, 2025 and June 30, 2025, investment properties also include right-of-use asset - building and condominium units of the Group which are held for office or commercial lease. This account also includes several parcels of land owned by STI ESG located in various locations which are primarily held for capital appreciation and rental purposes. These properties are not utilized by the Group in the conduct of its operations.

12. Investments in and Advances to Associates and Joint Venture

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Investments		
Acquisition costs	₱46,563,409	₱46,563,409
Accumulated equity in net earnings (losses):		
Balance at beginning of period	(20,524,152)	(24,133,696)
Equity in net earnings of associates and joint venture	414,588	3,609,544
Balance at end of period	(20,109,564)	(20,524,152)
Accumulated share in associates' other comprehensive income:		
Balance at beginning of period	329,306	329,306
Derecognition of share in associates' other comprehensive income	(329,306)	—
Balance at end of period	—	329,306
	26,453,845	26,368,563
Less allowance for impairment loss	1,650,340	1,650,340
	24,803,505	24,718,223
Advances (see Note 24)	48,134,540	48,134,540
Less allowance for impairment loss	48,134,540	48,134,540
	—	—
	₱24,803,505	₱24,718,223

There is no movement in the allowance for impairment in value of investments in and advances to associates and joint venture for the period ended September 30, 2025 and June 30, 2025. The carrying values of the Group's investments in and advances to associates and joint venture are as follows:

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Associates:		
STI Accent*	₱48,134,540	₱48,134,540
GROW	22,686,364	22,457,345
Joint venture - Philippine Healthcare Educators, Inc.	3,767,481	3,911,218
	74,588,385	74,503,103
Allowance for impairment loss	(49,784,880)	(49,784,880)
	₱24,803,505	₱24,718,223

**The share in equity of STI Accent for the periods ended September 30, 2025 and June 30, 2025 is not material to the unaudited interim condensed consolidated financial statements.*

13. Equity Instruments at Fair Value through Other Comprehensive Income (FVOCI)

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Quoted equity shares	₱12,112,130	₱12,428,646
Unquoted equity shares	61,220,510	61,220,510
	₱73,332,640	₱73,649,156

a. Quoted Equity Shares

The quoted equity shares above pertain to shares listed in the PSE, as well as traded club shares. These are carried at fair value with cumulative changes in fair values presented as a separate component in equity under the "Unrealized fair value adjustment on equity instruments at FVOCI" account in the consolidated statements of financial position. The fair values of these shares are based on the quoted market price as at the financial reporting date.

b. Unquoted Equity Shares

Unquoted equity shares pertain to shares which are not listed in a stock exchange.

STI ESG owns 57,971 shares of De Los Santos Medical Center, Inc. (DLSMC). The carrying value of the investment in DLSMC amounted to ₱35.1 million as at September 30, 2025 and June 30, 2025.

14. Goodwill, Intangible and Other Noncurrent Assets

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Advances to suppliers	₱484,973,104	₱377,556,593
Goodwill	252,310,422	252,310,422
Deposit for purchase of shares	60,484,800	60,484,800
Intangible assets	32,776,220	34,157,601
Rental and utility deposits	31,799,095	33,098,754
Prepaid taxes - net of current portion	22,939,595	22,613,470
Others	6,479,582	6,479,581
	₱891,762,818	₱786,701,221

Advances to Suppliers

As at September 30, 2025 and June 30, 2025, advances to suppliers primarily represent payments made in advance for the (1) design and construction of the STI Academic Center Alabang, (2) design and construction of the STI Academic Center Tanauan, (3) construction of new school buildings at STI Fairview and STI Batangas, (4) design and set-up of the new enrollment system for the STI network, (5) unapplied portion of the advance for the rehabilitation of the university gymnasium, and installation of solar panels for SBE and Engineering buildings of STI WNU, (6) isolation and acoustic treatment of iACADEMY's sound room, and (7) purchase and installation of iACADEMY's outdoor LED wall.

The balance as at September 30, 2025 also includes advance payments for the construction of the STI Academic Center Meycauayan amounting to ₱147.7 million, representing a 30.0% down payment. This account likewise includes advances made for the acquisition of interactive monitors for iACADEMY's classrooms and additional works on the university gymnasium, acquisition of fitness equipment for the university gymnasium and various equipment for the kitchen and engineering laboratories of STI WNU. The related costs for these projects, except for the enrollment system, will be recognized under "Property and Equipment" as construction progresses, or when the goods are received, or services are rendered.

STI ESG's enrollment system is currently in the pilot testing phase, with a phased rollout to begin within SY2025-2026. The deployment will occur in stages across the entire STI ESG network. The related costs for this project will be recognized as "Intangible assets" upon completion of the project.

Goodwill

As at September 30, 2025 and June 30, 2025, the Group's goodwill recognized through business combinations have been allocated to certain schools which are considered as separate CGUs. Management performs its impairment test at the end of each annual reporting period for all the CGUs. No impairment was recognized for the three-month periods ended September 30, 2025 and 2024.

Deposit for Purchase of Shares

On June 20, 2024, STI ESG and TCAMI executed a Share Purchase Agreement (SPA) for STI ESG's acquisition of 190.0 million common shares with par value of ₱1.0 per share, representing 100.0% of the total issued and outstanding capital stock (Subject Shares) of TCAMI's wholly-owned subsidiary, Phosphene Holdings, Inc. (PHI), for ₱403.2 million. A 15.0% deposit, equivalent to ₱60.5 million, was paid on the effective date of the SPA. The remaining balance of ₱342.7 million would be due on the third anniversary of the SPA.

The agreement granted STI ESG the right to cancel the purchase of the Subject Shares at any time within the three-year period. Should STI ESG opt to cancel, TCAMI shall refund the deposit within

thirty (30) days from receipt of the written notice of cancellation. The transfer of the shares would take place on the third anniversary of the SPA's effective date or at an earlier date mutually agreed upon by STI ESG and TCAMI.

PHI owns a 25,202-square-meter parcel of land located at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas which is adjacent to the property owned by CHI. CHI is the registered owner of a 10,000-square-meter parcel of land located on President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas which is the site of the on-going construction of the STI Academic Center Tanauan. CHI is 100.0% owned by STI ESG (see note 1).

Intangible Assets

Intangible assets substantially pertain to the license to operate a maritime school which the Group identified as intangible assets for purposes of estimating the fair value of the net assets acquired. Such intangible assets with indefinite useful life, representing the fair value of the license and agreements, amounted to ₱27.6 million as at September 30, 2025 and June 30, 2025.

This account also includes the Group's accounting and payroll software as at September 30, 2025 and June 30, 2025.

Rental and Utility Deposits

This account includes security deposits paid to utility companies and for warehouse, school and office space rentals in accordance with the respective lease agreements.

Prepaid Taxes -net of current portion

Noncurrent portion of prepaid taxes pertains to the creditable withholding taxes of the Parent Company which are not expected to be utilized in the near term and will be deductible from income tax due beyond one year from the end of the fiscal year (see Note 8).

15. Accounts Payable and Other Current Liabilities

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Accounts payable	₱546,688,677	₱523,015,333
Accrued expenses:		
Salaries, wages and benefits	66,139,533	59,148,021
Contracted services	64,043,330	59,931,816
School activities, programs and other related expenses	61,215,625	77,664,477
Utilities	21,492,082	17,943,317
Insurance	5,468,894	2,533,309
Interest	4,499,069	38,606,956
Advertising and promotion	1,707,809	5,369,064
Rent	228,108	203,108
Others	1,968,833	6,756,579
Excess payments for refund	45,186,236	57,159,921
Statutory payables	42,420,488	33,797,160
Network events fund	33,328,487	24,387,481
Dividends payable	32,395,700	32,395,700

Forward

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Student organization fund	20,316,741	20,970,989
Nontrade payable (see Notes 1 and 26)	17,000,000	17,000,000
Current portion of refundable deposits	7,430,350	7,670,529
Current portion of advance rent	3,981,703	4,382,575
Others	8,972,690	7,135,992
	P984,484,355	P996,072,327

The terms and conditions of the above liabilities are as follows:

- a. Accounts payable are noninterest-bearing and are normally settled within a 30 to 60-day term.

As at September 30, 2025 and June 30, 2025, this account includes the remaining balance of ₱102.1 million for the acquisition of a parcel of land in Alabang, Muntinlupa City.

- b. Accrued expenses, student organization fund, network events fund and other payables are expected to be settled within the fiscal year.
- c. Excess payments for refund represent excess payments made by students, arising from overpayments, sponsorship adjustments, or approved scholarships. These amounts are recognized as a liability and will remain as such until the necessary documentation to initiate the refund process is received. The refund is expected to be settled within the next fiscal year.
- d. Statutory payables primarily include taxes payable and other payables to government agencies which are normally settled on or before the respective due dates, typically within 5 to 30 days following the end of the taxable month or quarter, in accordance with BIR regulations.
- e. Dividends payable pertain to dividends declared which are unclaimed as at reporting date and are due on demand.
- f. Nontrade payable pertains to a contingent consideration in relation to the acquisition of STI WNU. As at September 30, 2025 and June 30, 2025, the remaining balance of nontrade payable amounting to ₱17.0 million pertains to the portion of the contingent consideration to be released upon collection of STI WNU's trade receivables guaranteed as collectible by the Agustin family. As part of the Compromise Agreement between the Parent Company and the Agustin Family executed in 2021, the parties agreed to review the financial records of STI WNU to determine the status of collection (see Note 26). As at November 19, 2025, STI WNU has not been able to collect the said receivables and no feedback has been received from the Agustin Family.
- g. Current portion of refundable deposits pertain to security deposits from existing lease agreements which are expected to be settled within the fiscal year.
- h. Current portion of advance rent pertains to amount received by the Group which will be earned and applied within the fiscal year.
- i. Terms and conditions of payables to related parties are disclosed in Note 24 to the consolidated financial statements.

16. Interest-bearing Loans and Borrowings

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Term loans ^(a)	₱1,435,158,129	₱1,726,332,830
Less current portion	580,448,289	580,267,162
Noncurrent portion	₱854,709,840	₱1,146,065,668

^(a)Net of unamortized debt issuance costs of ₱10.4 million and ₱11.4 million as at September 30, 2025 and June 30, 2025, respectively.

Term Loan Agreement with Bank of the Philippine Islands (BPI)

STI ESG. On March 7, 2024, STI ESG and BPI entered into a five-year term loan agreement for a credit facility up to the amount of ₱1,000.0 million. This credit facility is unsecured and was originally available and ending on the earliest of (i) December 31, 2024, (ii) the date the total facility is fully drawn by STI ESG, or (iii) the date the total facility is terminated or cancelled in accordance with the terms of the Term Loan Agreement. The proceeds of this loan could be used to (i) partially refinance STI ESG's bonds due in March 2024, (ii) finance the campus expansion projects, and (iii) for other general corporate requirements.

On March 18, 2024, STI ESG availed a ₱500.0 million loan from this facility at an interest rate of 8.4211% per annum. The proceeds from this loan were used to partially finance the 7-year bonds which were redeemed in full upon maturity on March 23, 2024.

Principal repayments are made in ten (10) equal installments based on a semi-annual amortization schedule which commences six (6) months from the date of initial borrowing until the maturity date. Each such installment is being paid by STI ESG on a repayment date occurring semi-annually from the date of initial borrowing until the maturity date. Interest and principal payment for the succeeding borrowings are to be adjusted to coincide with that of the initial borrowing.

STI ESG has elected to fix the interest on each drawdown on a semi-annual basis equivalent to the higher of (i) the base rate-floating plus margin; and (ii) the applicable Bangko Sentral ng Pilipinas (BSP) Target Reverse Repurchase Rate (TRRP) plus margin, payable and reprisable semi-annually. Base Rate means the PHP Bloomberg Valuation (BVAL) or PHP BVAL Reference Rates (or in the event of its elimination or discontinuance, its replacement as may be determined by the Bankers' Association of the Philippines (BAP) or BSP, as displayed on Bloomberg (or such applicable platform) at approximately 5:00 PM on the relevant Interest Rate Setting Date or Interest Rate Repricing Date. BSP TRRP means the monetary policy interest rate of the BSP as published daily in the BSP website. On May 10, 2024, BPI agreed to STI ESG's request to amend the Term Loan Agreement with respect to the basis of floating interest rate at each drawdown equivalent to the higher of (i) the base rate-floating plus margin; and (ii) the applicable BSP TRRP plus 50 basis points, payable and reprisable semi-annually. The amendment to the Term Loan Agreement was executed on May 17, 2024. The amendment provides that the basis of the floating interest rate will take effect on the next drawdown or on the next repricing date, whichever comes first.

Interest Period commences on the date of the Borrowing and has a duration of six (6) months with each six (6)-month period thereafter commencing upon the expiry of the immediately preceding Interest Period; provided that, in case of multiple Borrowings, for each Borrowing subsequent to the initial Borrowing, the first Interest Period for that subsequent Borrowing shall commence on the date of such Borrowing and shall end on the last day of the current Interest Period for the initial Borrowing as established above in order to synchronize the interest periods of all Borrowings. Interest Rate Setting Date means two (2) Business Days prior to each Borrowing Date or, if that is not a Business Day, on the immediately preceding Business Day. Interest Rate Repricing Date shall mean two (2) Business

Days prior to each semi-annual date coinciding with the Interest Payment Date. Interest rate for the outstanding loans under this Term Loan Facility with BPI was repriced effective March 18, 2025 and September 18, 2024 at the rates of 7.4395% per annum and 7.8735% per annum, respectively. Subsequently, interest rate for the Term Loan Facility with BPI was repriced effective September 18, 2025 at 7.0588% per annum.

STI ESG has the option to prepay the loan, wholly or partially, at any time during the term of the loan. Each partial prepayment shall be in integral multiples of ₱10.0 million. The amount payable in respect of any prepayment of the loan shall comprise of (i) any accrued interest on the principal amount of the loan to be prepaid; and (ii) the principal amount of the Loan to be prepaid; and (iii) prepayment penalty equivalent to 1.0% of the amount prepaid if the prepayment is done on any date other than the Interest Rate Setting Date.

The embedded floating interest rate and prepayment option on the loan drawdowns with BPI was assessed as clearly and closely related to the loan, thus, not for bifurcation.

On December 4, 2024, STI ESG availed an additional ₱200.0 million loan from this facility at an interest rate of 7.8201% per annum. The proceeds from this loan were used to settle the downpayment for the construction of STI Academic Center Alabang. STI ESG capitalized the related loan transaction costs amounting to ₱1.5 million.

These outstanding loans are unsecured and are due based on the following schedule as at September 30, 2025:

Fiscal Year	Amount
2026	₱72,222,221
2027	144,444,444
2028	144,444,444
2029	144,444,446
	₱505,555,555

Breakdown of STI ESG's Term Loan with BPI follows:

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Balance at beginning of period	₱577,777,778	₱500,000,000
Proceeds	—	200,000,000
Payments	(72,222,223)	(122,222,222)
Balance at end of period	505,555,555	577,777,778
Deferred finance cost	(3,809,088)	(4,086,412)
Balance at end of period	501,746,467	573,691,366
Less current portion	143,344,193	143,344,193
Noncurrent portion	₱358,402,274	₱430,347,173

In January 2025, STI ESG and BPI executed the second amendment to STI ESG's Term Loan Agreement with BPI extending its availability period. Following the amendment, the availability period was extended to conclude on the earliest of (i) June 30, 2025, (ii) the date the total facility is fully drawn by STI ESG, and (iii) the date the total facility is terminated or cancelled in accordance with the terms of the Term Loan Agreement.

STI ESG settled the principal payments due under STI ESG's Term Loan facility with BPI amounting to ₱50.0 million on September 18, 2024. In addition, on March 18, 2025 and September 18, 2025, STI ESG settled principal payments of ₱72.2 million each under the same facility.

In July 2025, STI ESG and BPI executed the third amendment to STI ESG's Term Loan Agreement with BPI further extending its availability period. Following the amendment, the availability period was further extended to conclude on the earliest of (i) December 31, 2025, (ii) the date the total facility is fully drawn by STI ESG, and (iii) the date the total facility is terminated or cancelled in accordance with the terms of the Term Loan Agreement.

Financial Covenants. The Agreement prescribes that the following financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio not exceeding 2.50:1.00, computed by dividing Total Debt over total Equity of STI ESG.
2. Debt Service Cover Ratio (DSCR) of at least 1.05x, which is the ratio between (a) the EBITDA based on the latest Financial Statements, and (b) Debt Service.

The term "Total Debt" means the aggregate (as of the relevant date for calculation) of all interest-bearing indebtedness of STI ESG, and the term "Equity" means the sum of capital stock (common and preferred stocks), additional paid-in capital, deposit for future subscriptions, retained earnings (appropriated and unappropriated) and shareholders' advances that are intended to be infused as capital stock, as shown in the applicable financial statements of STI ESG, provided that preferred stocks shall only be considered as part of capital stock if the said preferred stocks do not earn interest.

Debt Service means the principal amortizations, interest payments and financing fees and charges falling due for the next twelve (12) months following the end of STI ESG's fiscal year. Debt Service and EBITDA shall be based on the latest audited consolidated financial statements of STI ESG and its subsidiaries.

STI ESG's D/E ratio and DSCR, as defined in the Term Loan Agreement with BPI, as at June 30, 2025 are as follows:

Total liabilities ^(a)	₱2,543,038,843
Total equity	8,390,859,797
D/E ratio	0.30:1.00

^(a) Including only all interest-bearing Indebtedness

	2024
EBITDA (see Note 4) ^(b)	₱2,589,109,533
Total interest-bearing liabilities ^(c)	762,528,616
DSCR ^(d)	3.40:1.00

^(b) EBITDA for the last twelve months

^(c) Total interest-bearing debts and interests due in the next twelve months

As at September 30, 2025 and June 30, 2025, STI ESG is in compliance with the BPI loan covenants.

Term Loan Agreement with Metropolitan Bank & Trust Company (Metrobank)

STI ESG. On March 8, 2024, STI ESG and Metrobank entered into an unsecured five-year term loan agreement of up to the amount of ₱2,000.0 million. The credit facility was originally available up to December 31, 2024. The proceeds of this loan could be used to (i) partially refinance STI ESG's bonds

due in March 2024, (ii) finance the campus expansion projects, and (iii) for other general corporate requirements.

Principal repayments are made in equal or nearly equal consecutive ten (10) installments based on a semi-annual amortization schedule which commences six (6) months from the date of initial borrowing until the maturity date, with the last installment in an amount sufficient to fully pay the loan. Each such installment is being paid by STI ESG on a repayment date occurring semi-annually from the date of borrowing or initial borrowing, until the maturity date. In case there is more than one (1) borrowing, the repayment date is to be adjusted to coincide with the interest payment date occurring in the same calendar month.

STI ESG has elected to fix the interest on each drawdown on a semi-annual basis based on the higher of the aggregate of the six (6) month reference rate plus 1.50% per annum, and the aggregate of the BSP TRRP Rate plus 0.50% per annum. Reference rate is defined as the relevant tenor of the Bloomberg Valuation Curve for Philippine government securities, currently referred to as BVIS0923 Index in Bloomberg, as published on the PDS market page and PDS official website.

Interest Period commences on the date of borrowing or initial borrowing, in case there is more than one (1) borrowing, and having a duration of six months and each semi-annual period thereafter commencing upon the expiry of the immediately preceding interest period, provided, that the first interest period with respect to a borrowing subsequent to the initial borrowing shall commence on the date of such subsequent borrowing and shall end on the last day of the current interest period of the initial borrowing within which such subsequent borrowing was made to synchronize all subsequent interest periods. Interest Rate Setting Date is the business day immediately preceding the date of borrowing and each semi-annual period occurring after such business day but coinciding with the interest payment date.

On March 18, 2024, STI ESG made a drawdown amounting to ₱1,000.0 million subject to an interest rate of 7.8503% per annum. Interest rate for this outstanding loan with Metrobank was repriced at the rates of 7.4213% per annum and 7.0517% per annum effective March 18, 2025 and September 18, 2025, respectively, compared to 7.8135% per annum effective September 18, 2024. The proceeds of this loan were used to partially finance the full redemption of STI ESG's 7-year bonds on March 23, 2024.

STI ESG may, at its option, prepay the loan in part or in full, together with accrued interest thereon. Each partial prepayment shall be in whole multiples of ₱10.0 million. Each prepayment shall be made on an interest payment date, otherwise prepayment shall be subject to a prepayment penalty of 1.0% of the amount prepaid.

The embedded floating interest rate and prepayment option on the loan drawdown with Metrobank was assessed as clearly and closely related to the loan, thus, not for bifurcation.

These outstanding loans are unsecured and are due based on the following schedule as at September 30, 2025:

Fiscal year	Amount
2026	₱100,000,000
2027	200,000,000
2028	200,000,000
2029	200,000,000
	<u>₱700,000,000</u>

Breakdown of STI ESG's Term Loan with Metrobank follows:

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Balance at beginning of period	₱800,000,000	₱1,000,000,000
Payments	(100,000,000)	(200,000,000)
Balance at end of period	700,000,000	800,000,000
Deferred finance cost	(5,193,256)	(5,571,546)
Balance at end of period	694,806,744	794,428,454
Less current portion	198,499,178	198,499,178
Noncurrent portion	₱496,307,566	₱595,929,276

On September 18, 2024 and March 18, 2025, STI ESG settled principal payments aggregating to ₱200.0 million under its Term Loan facility with Metrobank. In addition, on September 18, 2025, STI ESG made a principal payment amounting to ₱100.0 million under the same facility.

In January 2025, STI ESG and Metrobank executed an amendment to STI ESG's Term Loan Facility agreement with Metrobank, introducing the following changes:

- The availability period of the Term Loan Facility was extended from December 31, 2024, to June 30, 2025.
- The Debt-to-Equity Ratio covenant was adjusted from 1.50:1.00 to 2.50:1.00.
- The maturity date of the loan shall be five (5) years from the date of each borrowing.

In July 2025, the availability period of the Term Loan Agreement with Metrobank was further extended from June 30, 2025 to December 31, 2025. All other provisions of the Term Loan Agreement with Metrobank continue to be in full force and effect.

Financial Covenants. The Agreement, as amended above, prescribes that the following financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio of not greater than 2.50x, shall mean the proportion of the Total Debt to Equity, and
2. Debt Service Cover Ratio (DSCR) of at least 1.05x, shall mean the proportion of EBITDA to Debt Service.

The term "Total Debt" shall mean all obligations of STI ESG which, in accordance with generally accepted accounting principles and practices in the Philippines, are required to be included as liabilities of STI ESG in its statement of financial position, including accrued income taxes and other proper accruals, but excluding "Unearned tuition and other school fees" and "Lease liabilities", as computed based on PFRS 16, and the term "Equity" shall mean the equity interest of the owners of the capital stock of STI ESG computed and determined in accordance with generally accepted accounting principles and practices in the Philippines.

The term "EBITDA" shall mean the net income or net earnings of STI ESG before deducting interest expense, taxes, depreciation and amortization, and as defined in its audited consolidated financial statements for the immediately preceding fiscal year, and the term "Debt Service" shall mean the aggregate (as of the relevant date for calculation) of all outstanding interest-bearing debits/obligations of STI ESG that are due/payable in the next fiscal year, computed and determined in accordance with generally accepted accounting principles and practices in the Philippines.

STI ESG's D/E ratio and DSCR, as defined in the Term Loan Agreement with Metrobank as at June 30, 2025 are as follows:

Total liabilities ^(a)	₱3,407,904,165
Total equity	8,390,859,797
D/E ratio	0.41:1.00

^(a) Excluding unearned tuition and other school fees and lease liabilities

EBITDA (see Note 4) ^(b)	₱2,589,109,533
Total interest-bearing liabilities ^(c)	762,528,616
DSCR ^(d)	3.40:1.00

^(b) EBITDA for the last twelve months

^(c) Total interest-bearing debts and interests due in the next twelve months

As at September 30, 2025 and June 30, 2025, STI ESG is in compliance with the Metrobank loan covenants.

Term Loan Agreement with China Banking Corporation (Chinabank)

STI ESG. On May 7, 2019, STI ESG and Chinabank entered into a seven-year term loan agreement for an amount up to ₱1,200.0 million. The credit facility is unsecured and is originally available for a period of one year from May 7, 2019, the date of signing of the loan agreement. Following the provisions of the Term Loan Agreement, the proceeds of this loan could be used for the (i) financing of campus expansion projects, (ii) acquisition of schools, (iii) refinancing of short-term loans incurred for projects, and (iv) other general corporate purposes. The agreement provides for a grace period in principal repayments of two (2) years from the initial drawdown date. Principal repayments are made in ten (10) equal semi-annual installments beginning six (6) months from the end of the grace period.

As stated in the Term Loan Agreement, STI ESG has elected to fix the interest on each drawdown on a per annum basis based on the higher of the one-year PHP BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor. On the Initial Interest Rate Resetting Date, the applicable interest rate per annum for all drawdowns would be collectively reset based on the higher of 1-year BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor.

STI ESG may, on any Interest Resetting Date and upon serving a written notice, elect to fix the interest rate for the remaining period of the loan based on the higher of applicable BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor.

On July 3, 2020, STI ESG and Chinabank executed the Amendment to the Term Loan Agreement dated May 7, 2019 to amend the availability period of the Term Loan Facility. The Term Loan Facility was made available to STI ESG on any business day for the period beginning on the date of the Term Loan Agreement and ending on the earliest of: (a) July 31, 2020; (b) the date the Term Loan Facility is fully drawn; or (c) the date the Lender's commitment to extend the Term Loan Facility to STI ESG is canceled or terminated in accordance with the Term Loan Agreement. At various dates during the year ended March 31, 2020, STI ESG availed of loans aggregating to ₱800.0 million subject to interest rates ranging from 5.81% to 6.31% per annum. In July 2020, STI ESG availed of loans aggregating to ₱400.0 million subject to an interest rate of 5.81% per annum. As at July 31, 2020, the Term Loan Facility was fully drawn at ₱1,200.0 million. The proceeds from these loans were used for capital expenditures and working capital requirements. Interest rates for all drawdowns from the Term Loan

Facility were repriced at the rates of 8.0472% per annum and 7.8749% effective September 19, 2023 and 2024, respectively. Starting from September 19, 2025, the interest rate was adjusted to 7.1577% per annum.

Provided that no event of default has occurred and is continuing, STI ESG may prepay, after the second (2nd) anniversary date of the initial drawdown, all or part of the loan, together with the accrued interest and other charges accruing thereon up to the date of prepayment. Prepayments shall not be subject to any penalties if made on an interest rate resetting date. Otherwise, STI ESG shall pay the prepayment premium based on the principal amount to be prepaid (i) from the 2nd anniversary date of the Initial Drawdown up to the 5th anniversary date of the Initial Drawdown subject to prepayment penalty at 103.0%; (ii) After the 5th anniversary date of the Initial Drawdown until one business day before the loan maturity date at 100.0% of the prepaid amount.

The embedded floating interest rate and prepayment option on the loan drawdown with Chinabank was assessed as clearly and closely related to the loan, thus, not for bifurcation.

These outstanding loans are unsecured and are due based on the following schedule as at September 30, 2025:

Fiscal Year	Amount
2026	₱120,000,000
2027	120,000,000
	₱240,000,000

Breakdown of STI ESG's Term Loan with Chinabank follows:

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Balance at beginning of period	₱360,000,000	₱600,000,000
Repayments	(120,000,000)	(240,000,000)
Balance at end of period	240,000,000	360,000,000
Deferred finance cost	(1,395,082)	(1,786,990)
Balance at end of period	238,604,918	358,213,010
Less current portion	238,604,918	238,423,791
Noncurrent portion	₱—	₱119,789,219

On September 16, 2021, Chinabank approved STI ESG's request to allow a principal prepayment in the amount of ₱240.0 million. Further, Chinabank reduced the prepayment penalty from 3.0% to 1.5% based on the amount to be prepaid. On September 20, 2021, STI ESG made a prepayment aggregating to ₱243.9 million, inclusive of the 1.50% prepayment penalty. The prepayment was applied in the direct order of maturity and as such, applied on amortizations due on March 19, 2022 and September 19, 2022.

On September 23, 2022, Chinabank approved STI ESG's request to allow a principal prepayment in the amount of ₱240.0 million. On the same day, STI ESG made a prepayment aggregating to ₱244.5 million, inclusive of interests on the outstanding term loan facility covering September 19 to 23, 2022 and 1.50% prepayment penalty. The prepayment was applied in the direct order of maturity and as such, applied on scheduled amortizations due on March 19, 2023 and September 19, 2023. STI ESG settled the principal payments due amounting to ₱120.0 million each on March 19, 2024 and September 19, 2024. Further, on March 19, 2025 and September 19, 2025, STI ESG made principal payments of ₱120.0 million each under the same Term Loan facility with Chinabank.

Financial Covenants. The Agreement prescribes that the following financial covenants shall be observed and computed based on STI ESG's unaudited interim consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio of not more than 1.50x, computed by dividing Total Liabilities by Total Equity. For purposes of this computation, Total Liabilities shall exclude Unearned Tuition and Other School Fees, and
2. Debt Service Cover Ratio (DSCR) of a minimum of 1.05x, which is the ratio of EBITDA to Debt Service.

“Total Liabilities” shall mean, for purposes of determining STI ESG's compliance with any required D/E Ratio, the total economic obligations of STI ESG (excluding unearned tuition and other school fees) that are recognized and measured in the fiscal year-end audited consolidated financial statements in accordance with PFRS Accounting Standards and GAAP, as may be applicable and unaudited consolidated financial statements ending December 31 of each year, as may be applicable.

“Total Equity” shall mean, for purposes of determining STI ESG's compliance with any required D/E Ratio, the amount of STI ESG's total stockholders' equity, recognized and measured in the fiscal year-end audited consolidated financial statements in accordance with PFRS Accounting Standards and GAAP, as may be applicable and unaudited consolidated financial statements ending December 31 of each year, as may be applicable.

Under the Term Loan agreement, the Debt-to-equity ratio and DSCR testing is done semi-annually, that is, as at June 30 and December 31 of each year.

STI ESG's D/E and DSCR, as defined in the Term Loan Agreement with Chinabank, as at June 30, 2025 are as follows:

Total liabilities ^(a)	₱3,716,786,223
Total equity	8,390,859,797
Debt-to-equity ratio	0.44:1.00

^(a)Excluding unearned tuition and other school fees

EBITDA (see Note 4) ^(b)	₱2,589,109,533
Total interest-bearing liabilities ^(c)	762,528,616
Debt service cover ratio	3.40:1.00

^(b) EBITDA for the last twelve months

^(c) Total interest-bearing loans and interests due in the next twelve months

As at September 30, 2025 and June 30, 2025, STI ESG is compliant with the required covenants.

Interest Expense

Interest incurred on the loans (including amortization of debt issuance costs and premium) for the three-month periods ended September 30, 2025 and 2024 amounted to ₱33.3 million and ₱43.0 million, respectively.

17. Bonds Payable

This account consists of:

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Fixed-rate bonds due 2027	₱820,000,000	₱820,000,000
Less unamortized debt issuance costs	2,841,063	3,293,987
	₱817,158,937	₱816,706,013

On March 23, 2017, STI ESG issued the first tranche of its ₱5,000.0 million fixed-rate bonds program under its 3-year shelf registration with the SEC which ended on March 9, 2020. The bonds, amounting to an aggregate of ₱3,000.0 million, were listed through the Philippine Dealing & Exchange Corp. (PDEX), with interest payable quarterly and were issued with a fixed rate 5.8085% for the 7-year series, due 2024, and 6.3756% for the 10-year series, due 2027.

Proceeds of the issuance were used to finance the campus expansion projects, refinance the short-term loans incurred for the acquisition of land, and for other general corporate requirements of STI ESG.

The bonds include an embedded derivative in the form of an early redemption option that gives STI ESG the option, but not the obligation, to redeem in whole (and not in part), the outstanding bonds before the relevant maturity date, based on a certain price depending on the fixed early redemption option dates. Management has assessed that the early redemption option is closely related to the bonds and would not require to be separated from the value of the bonds and accounted for as a derivative. Subsequent reassessment is required when there has been a change in the terms of the contract that significantly modifies the cash flows.

On March 23, 2024, the 7-year fixed rate bonds with a principal amount of ₱2,180.0 million matured and were fully redeemed by STI ESG in accordance with the terms of the Trust Agreement and the Supplemental Trust Agreement.

The bonds were rated ‘PRS A plus’ with a Positive Outlook by PhilRatings in November 2024. Obligations rated PRS A have favorable investment attributes and are considered as upper-medium grade obligations. Although these obligations are somewhat more susceptible to the adverse effects of changes in economic conditions, this indicates that the obligor’s capacity to meet its financial commitments on the obligation is still strong. The “plus” further qualifies the assigned rating. A “Positive Outlook” indicates that there is a potential for the present credit rating to be upgraded in the next 12 months.

On November 17, 2025, PhilRatings assigned STI ESG’s outstanding 10-year bond series an Issue Credit Rating of PRS Aa, with Stable Outlook. This represents an upgrade from the previous rating of PRS A plus, with a Positive Outlook. Obligations rated PRS Aa are of high quality and are subject to very low credit risk. This means that the obligor’s capacity to meet its financial commitment on the obligation is very strong. A Stable Outlook indicates that the rating is likely to be maintained and or to remain unchanged in the next 12 months.

A summary of the terms of STI ESG's issued bonds follows:

Year Issued	Interest Payable	Term	Interest Rate	Principal Amount	Carrying Value		Features
					September 30, 2025 (Unaudited)	June 30, 2025 (Audited)	
2017	Quarterly	10 years	6.3756%	₱820,000,000	₱817,158,937	₱816,706,013	Callable from the 7th anniversary issue and every year thereafter until the 9th anniversary issue date

Covenants

The bonds provide certain restrictions and requirements with respect to, among others, change in majority ownership and management, merger or consolidation with other corporation resulting in loss of control over the overall resulting entity and sale, lease, transfer or otherwise disposal of all or substantially all of its assets. The bonds' Trust Agreement and Supplemental Trust Agreement ("the Bond Trust Agreements") also contain, among others, covenants regarding incurring additional debt and declaration of dividends. STI ESG is required to maintain a debt-to-equity (D/E) ratio of not more than 1.50:1.00 and Interest Coverage Ratio (ICR) of not less than 3:00:1.00 computed based on the consolidated financial statements. Testing of compliance with required ratios is done on June 30 and December 31 of each year.

In August 2020, STI ESG obtained the required consent of the holders of the Bonds (the "Record Bondholders"), which include among others, the waiver of the DSCR requirement up to June 30, 2023 (see Amendments to the Trust Agreement).

In April 2024, China Bank-Trust and STI ESG executed a second supplemental agreement to (i) replace the financial covenant on DSCR of not less than 1.05:1.00 with an ICR of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA (see discussions in the succeeding paragraphs).

Supplemental Trust Agreement. On July 20, 2020, STI ESG delivered to China Banking Corporation – Trust and Asset Management Group, in its capacity as trustee (the "Trustee") for the Series 7Y Bonds due 2024 and the Series 10Y Bonds due 2027 (collectively, the "Bonds") a Consent Solicitation Statement (the "Consent Solicitation Statement") and the annexed Consent Form (the "Consent Form") in connection with the proposed amendments to the Trust Agreement dated March 10, 2017 (the "Trust Agreement") governing the Bonds issued by STI ESG. Pursuant to the Consent Solicitation Statement, STI ESG sought the consent of the Record Bondholders to certain proposed amendments to the Trust Agreement. The Proposed Amendments are (1) the waiver of Section 7.02(a) of the Trust Agreement which prohibits the Issuer from incurring or suffering to exist any Lien upon any assets or revenues, present and future, of the Issuer in relation to the requirement of LandBank to assign the sub-promissory notes to be executed by the parents or benefactors of the Issuer's students in favor of LandBank as security for the ACADEME Lending Program; (2) the waiver of Section 7.02(b) of the Trust Agreement which prohibits the Issuer from incurring Indebtedness or entering into any loan facility agreement secured by or to be secured by a lien upon any assets and revenues, present and future, whether registered or unregistered, of the Issuer, unless the Issuer has made or will make effective provisions, satisfactory to the Record Bondholders in the latter's absolute discretion, whereby the Lien thereby created will secure, on an equal first ranking and ratable basis, any and all obligations of the Issuer under the Trust Agreement and such other Indebtedness which the Lien purports to secure; (3) the waiver of Section 7.02(f) of the Trust Agreement which prohibits the Issuer from assigning, transferring or conveying its right to receive income or revenues insofar as such assignment relates to the requirement of LandBank to assign the subpromissory notes to be executed by the parents or benefactors of STI ESG's students in favor of LandBank as security for the ACADEME Lending Program; and (4) the waiver of the DSCR up to June 30, 2023, as provided under Section 7.01(k) of the Trust Agreement. The Proposed Amendments will not alter the interest rate or maturity date of the Bonds, the Issuer's obligation to make principal and interest payments on the Bonds, or the substantive

effect of any other covenant or provision of the Bonds. The Trustee certified as of August 15, 2020, that it has obtained the required consent of the Record Bondholders holding or representing at least fifty percent (50.0%) plus one peso (Php1.00) of the aggregate principal amount of the Bonds to the Proposed Amendments to the Trust Agreement governing the Bonds.

On August 19, 2020, pursuant to the Consent Solicitation Statement, STI ESG and the Trustee executed the Supplemental Trust Agreement incorporating the Proposed Amendments, as follows:

▪ Amendments Relating to Negative Covenants Waiver

Effective as of the Execution Date, the following amendments shall be deemed to have been made to Section 7.02 (Negative Covenants of the Issuer) of the Trust Agreement:

(a) Section 7.02(a) of the Trust Agreement is hereby amended to read as follows: “directly or indirectly, incur or suffer to exist, or permit any Subsidiary to directly or indirectly incur or suffer to exist, any Lien other than Permitted Liens upon any assets and revenues, present and future, of the Issuer and its Subsidiaries, as the case may be, except for the assignment by the Issuer to LandBank of sub-promissory notes to be executed by the parents or benefactors of the Issuer’s students as security for the ACADEME Lending Program of LandBank”;

(b) Section 7.02(b) of the Trust Agreement is hereby amended to read as follows: “incur Indebtedness or enter into, or permit any Subsidiary to enter into, any loan facility agreement secured by or to be secured by a Lien upon any assets and revenues, present and future, whether registered or unregistered, of the Issuer or any Subsidiary, as the case may be, except for the assignment by the Issuer to LandBank of sub-promissory notes to be executed by the parents or benefactors of the Issuer’s students as security for the ACADEME Lending Program of LandBank”;

▪ Amendment Relating to DSCR Waiver

Effective as of the date stated in the Majority Bondholders’ Consent, the following amendment shall be deemed to have been made to Section 7.01(k) of the Trust Agreement:

(k) maintain and observe the following financial ratios:

- (i) DSCR of not less than 1.05:1.00, provided that this Debt Service Coverage Ratio requirement shall be waived up to June 30, 2023.

Second Supplemental Trust Agreement. On April 8, 2024, STI ESG delivered to China Banking Corporation through its Trust and Asset Management Group, the “Trustee” for the Series 10Y Bonds due 2027, the Consent Solicitation Statement and the annexed Consent Form seeking the amendments to the Trust Agreement dated March 10, 2017 (the “Trust Agreement”) and Supplemental Trust Agreement dated August 19, 2020 governing the Bonds issued by STI ESG. The proposed amendments are the (i) replacement of the financial covenant on Debt Service Coverage Ratio of not less than 1.05:1.00 with an ICR of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA.

ICR means the EBITDA with reference to STI ESG’s audited or unaudited, as the case may be, consolidated financial statements for the immediately preceding twelve (12) months, divided by the interest due for the next twelve (12) months. The term “EBITDA” shall mean the net income of STI ESG based on the consolidated financial statements for the immediately preceding twelve (12) months for that relevant period after adding back (a) depreciation and amortization, (b) interest and other financial expenses, (c) income tax, and adding back or deducting, as applicable (d) all other items as enumerated in the EBITDA computation shown in the quarterly and annual consolidated financial statements of STI ESG, each item determined in accordance with PFRS Accounting Standards.

The proposed amendments on the use of the ICR will better reflect the financial capability of STI ESG to service the interest payments on the Bonds and other loans as they fall due and shall also provide STI ESG with operational flexibility. The Proposed Amendment revising the definition of EBITDA will better gauge the core profitability of STI ESG and the cash income it generates year on year.

On April 23, 2024, the Trustee certified that it has obtained the consent of the bondholders as of April 1, 2024 of the Series 10Y Bonds due 2027, holding or representing at least fifty percent (50%) plus one peso (Php1.00) of the aggregate principal amount of the said bonds then outstanding, who have validly executed and properly delivered consent forms to the Trustee, in accordance with the terms of the Consent Solicitation Statement.

Thus, on April 26, 2024, pursuant to the Consent Solicitation Statement, STI ESG and China Banking Corporation, through its Trust and Asset Management Group, executed the “Second Supplemental Trust Agreement” to effect the amendments to the Trust Agreement dated March 10, 2017 and Supplemental Trust Agreement dated August 19, 2020.

Following are the amendments made:

Section 7.01(k) of the Amended Trust Agreement shall be amended as set forth below:

“Section 7.01 Affirmative Covenants of the Issuer

The Issuer hereby covenants and agrees that, for as long as the Bonds or any portion thereof remain outstanding, the Issuer shall:

(k) maintain and observe the following financial ratios:

- (i) an Interest Coverage Ratio of not less than 3.00:1.00; and
- (ii) a maximum Debt-to-Equity Ratio of 1.5:1.0.

For purposes of this Section 7.01(k):

- (iii) the term “Interest Coverage Ratio” means (a) the Issuer’s EBITDA utilizing the Issuer’s audited or unaudited, as the case may be, consolidated financial statements for the immediately preceding twelve (12) months, divided by (b) the interest due for the next twelve (12) months.
- (iv) the term “EBITDA” shall mean the net income of the Issuer based on the consolidated financial statements for the immediately preceding twelve (12) months for that relevant period after adding back (a) depreciation and amortization, (b) interest and other financial expenses, (c) income tax, and adding back or deducting, as applicable (d) all other items as enumerated in the EBITDA computation shown in the quarterly and annual consolidated financial statements of the Issuer, each item determined in accordance with PFRS.”

All references in the Amended Trust Agreement to the defined term “Debt Service Coverage Ratio” or “DSCR” shall be replaced by ICR, as applicable.

STI ESG’s D/E ratio and ICR, as defined in the Second Supplemental Trust Agreement, as at June 30, 2025 are as follows:

Total liabilities ^(a)	₱3,716,786,223
Total equity	8,390,859,797
Debt-to-equity ratio	0.44:1.00

^(a)Excluding unearned tuition and other school fees

EBITDA (see Note 4) ^(b)	₱2,589,109,533
Total interest payments ^(c)	173,181,158
Interest coverage ratio	14.95:1.00

^(b) EBITDA for the last twelve months

^(c) Total interests due in the next twelve months

As at September 30, 2025 and June 30, 2025, STI ESG has complied with the required covenants.

Bond Issuance Costs

STI ESG incurred costs related to the issuance of the bonds in 2017 amounting to ₱53.9 million. These costs were capitalized and amortized using the EIR method. The carrying value of the unamortized bond issuance costs amounted to ₱2.8 million and ₱3.3 million at September 30, 2025 and June 30, 2025, respectively. Amortization of bond issuance costs amounting to ₱0.5 million and ₱0.4 million for the three-month periods ended September 30, 2025 and 2024, respectively, were recognized as part of “Interest expense” account in the unaudited interim condensed consolidated statements of comprehensive income.

Interest Expense

Interest expense (including amortization of bond issuance costs) associated with the bonds payable recognized in the unaudited interim condensed consolidated statements of comprehensive income amounted to ₱13.5 million for each of the three-month periods ended September 30, 2025 and 2024, respectively.

18. Other Noncurrent Liabilities

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Refundable deposits - net of current portion	₱15,840,761	₱14,162,970
Advance rent - net of current portion	14,504,955	13,396,319
Deferred lease liability	2,194,817	2,424,852
Deferred output VAT	346,616	346,616
	₱32,887,149	₱30,330,757

Refundable deposits are held by the Group throughout the term of the lease and are refunded in full to the lessee at the end of the lease term if the lessee has performed fully and observed all of the conditions and provisions in the lease. Refundable deposits are presented in the consolidated statements of financial position at amortized cost. The difference between the fair value at initial recognition and the notional amount of the refundable deposit is charged to “Deferred lease liability” and amortized on a straight-line basis over the respective lease term.

Advance rent pertains to amounts received by the Group which will be earned and applied to future rentals for periods more than one year after the reporting date.

19. Equity

Capital Stock

Details as at September 30, 2025 and June 30, 2025 are as follows:

	Shares	Amount
Common stock - ₱0.50 par value per share		
Authorized	10,000,000,000	₱5,000,000,000
Issued and outstanding	9,904,806,924	4,952,403,462

Set out below is the Parent Company's track record of registration of its securities:

Date of Approval	Number of Shares		Issue/ Offer Price
	Authorized	Issued	
December 4, 2007 ^(a)	1,103,000,000	307,182,211	₱0.50
November 25, 2011 ^(b)	1,103,000,000	795,817,789	0.60
September 28, 2012 ^(c)	10,000,000,000	5,901,806,924	2.22
November 7, 2012	10,000,000,000	2,627,000,000	0.90
November 28, 2012	10,000,000,000	273,000,000	0.90

^(a) Date when the registration statement covering such securities was rendered effective by the SEC.

^(b) Date when the Parent Company filed SEC form 10-1(k) (Notice of Exempt Transaction) with the SEC in accordance with the Securities Regulation Code and its Implementing Rules and Regulations.

^(c) Date when the SEC approved the increase in authorized capital stock.

As at September 30, 2025 and June 30, 2025, the Parent Company has a total number of shareholders on record of 1,258.

Cost of Shares Held by a Subsidiary

This account represents 432.4 million shares and 500.4 million shares of STI Holdings owned by STI ESG amounting to ₱246.3 million and ₱430.5 million as at September 30, 2025 and June 30, 2025, respectively, which are treated as treasury shares in the consolidated statements of financial position.

In August and September 2024, STI ESG partially disposed of its interest in STI Holdings for a total consideration of ₱25.0 million, reducing its shareholding by 23.0 million shares, from 500.4 million shares to 477.4 million shares. As a result, STI ESG's ownership interest in STI Holdings decreased from 5.05% to 4.82%, respectively, as at September 30, 2024.

In January 2025, STI ESG sold an aggregate of 45.0 million shares of its interest in STI Holdings for a total consideration of ₱63.0 million, further reducing STI ESG's shareholding to 432.4 million shares. As a result, STI ESG's ownership interest in STI Holdings further decreased from 4.82% to 4.37% as at June 30, 2025. These partial disposals of STI ESG's shares in STI Holdings resulted in recognition of additional paid-in capital aggregating to ₱20.3 million, presented in the consolidated statement of changes in equity for the year ended June 30, 2025.

In August 2025, STI ESG sold additional STI Holdings shares aggregating to 185.0 million shares for a total consideration of ₱277.5 million. This further reduced STI ESG's shareholding to 247.4 million shares, decreasing STI ESG's ownership interest in STI Holdings from 4.37% to 2.50% as at September 30, 2025. These partial disposals of STI ESG's shares in STI Holdings resulted in another recognition of additional paid-in capital aggregating to ₱93.3 million, presented in the unaudited interim condensed consolidated statement of changes in equity for the three-month period ended September 30, 2025.

Other Comprehensive Income and Non-controlling Interests

	September 30, 2025 (Unaudited)		
	Attributable to Equity Holders of the Parent Company	Non- controlling interests	Total
Cumulative actuarial gain	₱62,990,395	₱375,106	₱63,365,501
Fair value changes in equity instruments at FVOCI (see Note 13)	17,054,342	246,994	17,301,336
	₱80,044,737	₱622,100	₱80,666,837
	June 30, 2025 (Audited)		
	Attributable to Equity Holders of the Parent Company	Non- controlling interests	Total
Cumulative actuarial gain	₱78,504,031	₱585,812	₱79,089,843
Fair value changes in equity instruments at FVOCI (see Note 13)	17,367,840	250,012	17,617,852
Share in associates' other comprehensive income (see Note 12)	321,455	7,851	329,306
	₱96,193,326	₱843,675	₱97,037,001

Equity attributable to non-controlling interests as at June 30, 2025 includes deposit for future stock subscriptions of a non-controlling interest holder in STI Training Academy amounting to ₱8.0 million, which was reclassified from “Other noncurrent liabilities” account upon STI Training Academy’s submission of application for increase in authorized capital stock in August 2024. As at November 19, 2025, the application for increase in STI Training Academy’s authorized capital stock is pending approval by the SEC.

Retained Earnings

On December 18, 2024, the Parent Company’s BOD declared cash dividends amounting to ₱0.045 per share or the aggregate amount of ₱445.7 million in favor of all stockholders of record as at January 9, 2025, paid on January 31, 2025.

Policy on Dividends Declaration. On September 29, 2017, the Parent Company’s BOD adopted a policy on the declaration of dividends starting with Fiscal Year 2017-2018.

The BOD approved a dividend declaration policy of not less than 25.0% of the core income of STI Holdings from the previous fiscal year, subject to compliance with the requirements of applicable laws and regulations, statutory limitations and/or restrictions, terms and conditions which may be imposed on STI Holdings by lenders or other financial institutions, and its investment plans and financial condition.

Core income is defined as consolidated net income after income tax derived from STI Holdings’ main business which is education, and other recurring income.

The amount of dividends will be reviewed periodically by the BOD in light of the earnings, financial conditions, cash flows, capital requirements and other considerations, while maintaining

a level of capitalization that is commercially sound and sufficient to ensure that the Parent Company can operate on a standalone basis.

Dividends shall be declared and paid out of the Parent Company's unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, the BOD, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of the Parent Company's earnings, cash flow, return on equity and retained earnings;
- its results for and its financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- the projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on it by any of its financing arrangements and current or prospective debt service requirements; and
- such other factors as the BOD deems appropriate.

Other Equity Reserve

Other equity reserve primarily consists of equity adjustment amounting to ₱1.7 billion resulting from the share swap transaction of the Parent Company with the shareholders of STI ESG, as discussed in Note 1.

Other equity reserve also includes the impact of common control transactions and certain transactions with non-controlling interest holders such as merger of entities within the Group and acquisition of non-controlling interests.

20. Revenues

Disaggregated Revenue Information

The disaggregated revenue information is presented in the unaudited interim condensed consolidated statements of comprehensive income and segment information, as discussed in Note 4 to the unaudited interim condensed consolidated financial statements, in a manner that reflects the various sources and categories of revenues generated by the Group for the for the three-month periods ended September 30, 2025 and 2024.

Timing of Revenue Recognition

	Three months ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Services transferred over time	₱1,357,870,328	₱941,661,678
Goods and services transferred at a point in time	85,471,459	96,031,365
	₱1,443,341,787	₱1,037,693,043

The revenues of the Group, which are mainly from tuition and other school fees, are recognized as income over the corresponding school term(s) to which they pertain. Accordingly, the revenue distribution across quarters may vary depending on the school calendar. For SY 2025-2026, classes started on July 28, 2025 while for SY2024-2025, classes started on August 12, 2024. Further, for fiscal year 2025-2026, STI ESG and STI WNU recognized its revenues from tuition and other school fees based on the actual number of days within the school calendar in contrast with the monthly recognition

done previously. This approach affects the timing of revenue recognition across quarters but does not affect total revenues for the full fiscal year.

Contract Balances

The Group's receivables are disclosed in Note 6 while the contract liabilities are presented as "Unearned tuition and other school fees" in the unaudited interim condensed consolidated statements of financial position. There is no significant change in the contract liability and the timing of revenue recognition for SY2025-2026 and SY2024-2025, except for the quarters herein indicated.

Revenue recognized from amounts included in the contract liabilities at the beginning of the period amounted to ₱182.2 million and ₱179.6 million for the three-month periods ended September 30, 2025 and 2024, respectively.

There was no revenue recognized from performance obligations satisfied in previous years for the three-month periods ended September 30, 2025 and 2024.

Performance Obligations

The performance obligations related to revenue from tuition and other school fees are satisfied over time since the students and the franchisees receive and consume the benefit provided by the Group upon performance of the services. The payment for these services is normally due within the related school term(s).

The performance obligations related to revenues from educational services and royalty fees are also satisfied over time since the franchised schools receive and consume the benefit provided by the Group upon performance of the services. The payment for these services is normally due within thirty (30) days.

On the other hand, the performance obligations related to the sale of educational materials and supplies and other revenues are satisfied upon receipt by the customers since the control of the goods and products is transferred at this point. The payment for the sale of educational materials and supplies is generally due within thirty (30) days from delivery.

As at September 30, 2025 and June 30, 2025, the transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) amounted to ₱1,614.0 million and ₱242.8 million, respectively. The contract liabilities as at September 30, 2025 refer to the portion of student assessment initially recorded as a liability account at the start of the school term and recognized as earned income proportionately until the end of the related school term(s). Meanwhile, the remaining performance obligations as at June 30, 2025 represent advance payment for tuition and other school fees for the school year commencing after the year ended June 30, 2025, and will be recognized as tuition and other school fees within the related school term(s) for SY2025-2026. On the other hand, the Group does not have any performance obligations that are expected to be satisfied in more than one year.

21. Cost of Educational Services

	Three months ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Faculty salaries and benefits	₱142,737,610	₱129,243,149
Depreciation and amortization (see Notes 10, 11 and 14)	110,790,748	95,645,899
Student activities and programs	33,698,531	29,506,665
Infrastructure and software maintenance	9,420,430	6,569,339
School materials and supplies	8,503,070	7,167,942
Rental	7,719,077	8,115,063
Courseware development costs	390,087	528,705
Others	2,346,630	4,543,226
	₱315,606,183	₱281,319,988

22. Cost of Educational Materials and Supplies Sold

	Three months ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Educational materials and supplies	₱36,832,888	₱46,462,778
Promotional materials	4,079,980	3,678,880
	₱40,912,868	₱50,141,658

23. General and Administrative Expenses

	Three months ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Salaries, wages and benefits	₱118,006,482	₱109,920,883
Depreciation and amortization (see Notes 10 and 11)	74,508,240	64,476,428
Light and water	53,527,808	52,813,267
Provision for expected credit losses (see Note 6)	44,602,025	52,299,725
Outside services	44,446,864	40,915,168
Professional fees	23,527,424	19,843,266
Taxes and licenses	14,751,371	13,314,304
Repairs and maintenance	12,126,733	11,255,374
Advertising and promotions	9,320,880	21,080,946
Transportation	6,421,804	6,458,585
Insurance	6,184,012	5,583,005
Meetings and conferences	4,849,384	4,987,268
Rental	3,157,749	3,454,174
Communication	3,051,385	2,591,573
Office supplies	2,747,563	3,855,044

Forward

Three months ended September 30		
	2025	2024
	(Unaudited)	(Unaudited)
Payment channels and bank charges	2,587,055	1,752,651
Association dues	2,140,629	1,656,383
Entertainment, amusement and recreation	1,765,436	2,226,299
Infrastructure and software maintenance	509,500	306,207
Others	1,082,818	2,124,369
	₱429,315,162	₱420,914,919

24. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) enterprises or individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Parent Company; (b) associates; and (c) enterprises or individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the company, key management personnel, including directors and officers of the Group and close members of the family of any such enterprise or individual.

The following are the Group's transactions with its related parties:

Related Party	Amount of Transactions during the Period		Outstanding Receivable (Payable)		Terms	Conditions
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)		
Associates						
STI Accent						
Reimbursement for various expenses and other charges	₱–	₱–	₱48,134,540	₱48,134,540	30 days upon receipt of billings; noninterest-bearing	Unsecured; with provision for ECL
GROW						
Rental income and other charges	196,984	187,602	10,187,592	10,114,590	30 days upon receipt of billings	Unsecured; no impairment
Reimbursement for various expenses and other charges	95,537	273,631	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	77,601	–	(196,984)	(119,383)	Refundable upon end of contract	Unsecured
STI Marikina						
Educational services and sale of educational materials and supplies	5,389,570	4,419,822	1,827,963	433,874	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Affiliates*						
TCAMI						
Deposit for purchase of shares of PHI	–	–	60,484,800	60,484,800	15.0% deposit; balance payable on the third anniversary of the share purchase agreement	Unsecured; no impairment
Philhealthcare, Inc.						
Facility sharing and other charges	60,000	88,378	–	16,578	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
HMO coverage	19,800,613	–	–	(159,921)	30 days upon receipt of billings; noninterest-bearing	Unsecured

Forward

Related Party	Amount of Transactions during the Period		Outstanding Receivable (Payable)		Terms	Conditions
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)		
Refundable deposits	₱—	₱—	(₱1,950,480)	(₱1,950,480)	Refundable upon end of contract	Unsecured
Reimbursement for various expenses and other charges	27,789	—	27,789	—	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Philippine Life Financial Assurance Corporation						
Facility sharing, utilities other charges	42,692	224,434	146,262	192,735	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
PhilPlans						
Facility sharing and other charges	1,009,186	2,886,960	234,330	234,330	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other	583,067	425,234	476,536	520,769	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	—	937,320	(937,320)	(937,320)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Phils First Insurance Co., Inc.						
Rental and other charges	1,309,938	1,260,463	—	—	30 days upon receipt of billings; noninterest-bearing	Unsecured
Insurance	6,298,883	4,407,383	(3,612,784)	(174,330)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Philippines First Condominium Corporation						
Association dues and other charges	1,658,135	1,947,368	(47,129)	(1,432,591)	30 days upon receipt of billings; noninterest-bearing	Unsecured
GROW VITE Staffing Services						
Rental income and other charges	487,114	442,831	—	—	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Janitorial and staffing services	12,379,379	11,386,054	(5,587,563)	(4,640,186)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	279,967	250,874	160,277	264,990	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposit	—	—	(421,744)	(421,744)	Refundable upon end of contract	Unsecured
Venture Securities, Inc.						
Reimbursement for various expenses and other charges	276,300	—	101,156	177,220	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	—	—	(750,615)	(750,615)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Officers and employees						
Advances for various expenses	15,517,833	13,434,673	30,227,249	26,393,220	Liquidated within one month; noninterest-bearing	Unsecured; no impairment
Others						
Other charges	—	—	215,766	215,766	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
			₱138,719,641	₱136,596,842		

*Affiliates are entities under common control of a majority shareholder

**Became a wholly owned subsidiary effective March 16, 2023

Related party receivables and payables are generally settled in cash.

Outstanding receivables from related parties, before any allowance for impairment, and payables arising from these transactions are summarized below:

	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)
Educational services (see Note 6)	₱1,827,963	₱433,874
Rent, utilities and other related receivables (see Note 6)	11,549,708	11,736,978
Receivables from officers and employees (see Note 6)	30,227,249	26,393,220
Advances to associates and joint venture (see Note 12)	48,134,540	48,134,540
Deposit for purchase of shares (see Note 14)	60,484,800	60,484,800
Accounts payable (see Note 15)	(13,504,619)	(10,586,570)
	₱138,719,641	₱136,596,842

Outstanding balances of transactions with and between subsidiaries that were eliminated at the consolidated financial statements follow:

Category	Amount of Transactions during the Period		Outstanding Receivable (Payable)		Terms	Conditions
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)		
Subsidiaries						
AHC						
Payable to AHC	–	–	(₱63,778,000)	(₱63,778,000)	Payable upon demand;	Unsecured noninterest-bearing
Subscription payable	–	–	(64,000,000)	(64,000,000)	Noninterest-bearing	Unsecured
STI ESG						
Advisory fees	3,600,000	3,600,000	2,400,000	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
iACADEMY						
Advisory fees	127,500	127,500	85,000	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
STI WNU						
Educational services and sale of educational materials and supplies	1,446,556	6,382,311	118,680	14,704,479	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	1,715,652	1,319,417	1,306,990	4,073,570	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment

Material Related Party Transactions Policy

The Parent Company's BOD shall approve all material related party transactions before their commencement. Transactions amounting to the materiality threshold of ten percent (10.0%) or more of the consolidated total assets that were entered into with an unrelated party that subsequently becomes a related party are excluded from the limits and approval process requirements. The Parent Company may set a lower threshold upon determination by the BOD of the risk of the related party transactions to cause damage to the Parent Company and its stockholders.

25. Basic and Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company

The table below shows the summary of net income and weighted average number of common shares outstanding used in the calculation of earnings per share:

	Three months ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Net income attributable to equity holders of STI Holdings (a)	P611,504,693	P261,137,900
Common shares outstanding at beginning and end of period (b) (see Note 19)	9,904,806,924	9,904,806,924
Basic and diluted earnings per share on net income attributable to equity holders of STI Holdings (a)/(b)	P0.06	P0.03

The basic and diluted earnings per share are the same for the three-month periods ended September 30, 2025 and 2024 as there are no dilutive potential common shares.

26. Contingencies and Commitments

Contingencies

- a. *Agreements with PWU and Unlad.* On various dates in 2011, 2012 and 2013, the Parent Company and AHC extended loans and advances to PWU and Unlad by virtue of several agreements (collectively, "Loan Documents"), which were secured by mortgages over PWU and Unlad properties, entered into among the Parent Company, AHC, PWU and Unlad in the total principal amount of P513.0 million. Upon the non-adherence to the terms and conditions stated in the agreements, the Parent Company and AHC served notices of default to PWU and Unlad in December 2014, and demanded the payment of the total combined amount of approximately P926.0 million, inclusive of interests, penalties, fees and taxes.

Upon failure to pay the aforesaid loan, the Parent Company and AHC enforced its rights under the aforesaid agreements and mortgages and filed several Petitions for Extra-Judicial Foreclosure of Real Estate Mortgage on (a) PWU Indiana and Taft Properties with the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court (RTC) of Manila, (b) Unlad's properties in Quezon City and (c) Davao Property with the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Quezon City and Davao, respectively, in February 2015.

On March 13, 2015, Dr. Helena Z. Benitez (HQB) filed a Creditor-Initiated Petition for Rehabilitation of PWU (PWU Rehabilitation Case) in RTC Manila (Rehabilitation Court). The Rehabilitation Case was dismissed by the Rehabilitation Court. The Motion for Reconsideration and responsive pleadings thereto subsequently filed by HQB and PWU were likewise denied by the Rehabilitation Court on January 21, 2016.

Extra-judicial foreclosure sales were conducted in various dates in 2015 and 2016 for the above-mentioned properties and the Parent Company was declared as the winning bidder for all extra-judicial foreclosure sales held.

On March 1, 2016, the Parent Company and AHC executed a Deed of Assignment wherein AHC assigned its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Parent Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad have been transferred to STI Holdings.

On March 22, 2016, the Parent Company, PWU, Unlad, and HZB entered into a MOA for the extinguishment and settlement of the outstanding obligations of PWU and Unlad to the Parent Company. The MOA includes, among others, the execution of the following on March 31, 2016:

- Deed of Dacion en pago of Quezon City Properties and Davao Property (collectively referred to as the “Deeds”) in favor of the Parent Company
- Release and cancellation of mortgages over the Manila Properties to be executed by the Parent Company

The MOA also provided that the Parent Company would be committed to fund and advance all taxes, expenses and fees to the extent of ₱150.0 million in order to obtain the CAR and the issuance of new TCT and TD in favor of the Parent Company. In the event that such expenses would be less than ₱150.0 million, the excess would be given to Unlad. However, if the ₱150.0 million would be insufficient to cover the expenses, the Parent Company would provide the deficiency without any right of reimbursement from Unlad.

Consequently, the Parent Company recognized the Quezon City properties and the Davao property as “Investment properties”. On June 24, 2021, the Parent Company’s BOD approved the sale of the Quezon City dacion properties to a potential buyer and reclassified these as noncurrent asset held for sale as these properties have not been used in business since its conveyance to the Parent Company. The Davao property remained as an investment property. In the BOD meeting held on October 13, 2025, the BOD approved the reclassification of the Quezon City properties back to “Investment properties” in the consolidated statement of financial position as at June 30, 2025 (see Notes 11).

Relative to the above, the following cases have been filed:

- (i) *Arbitration Case filed by Mr. Conrado Benitez II.* Mr. Conrado L. Benitez II (the Claimant) filed on June 28, 2016 a Request for Arbitration, with the Philippine Dispute Resolution Center, Inc. (PDRCI), for and on behalf of PWU and Unlad, wherein he requested that the directors/trustees and stockholders/members of Unlad and PWU, EHT, the Parent Company, Mr. Alfredo Abelardo B. Benitez (ABB) and AHC (collectively, the “Respondents”) submit the alleged dispute over the settlement of the loan obligations of PWU and Unlad as provided in the arbitration clause of the Joint Venture Agreement and Omnibus Agreement (the “Loan Documents”).

In the said Arbitration Case, the Claimant asserted that PWU and Unlad are not in default in their obligations under the Loan Documents. The obligations provided therein, specifically obtaining a tax-free ruling for Property for Share Swap Transaction from the BIR, is an impossible condition. Consequently, the foreclosures on the securities of the Loan Documents, real properties of PWU and Unlad, were null and void because (a) failure to submit the case for arbitration and (b) PWU and Unlad are not in default. Based on such circumstances, the Claimant sought, among others, the (a) renegotiation, or (b) rescission of the Loan Documents. Should the Loan Documents be rescinded, the Claimant also sought that PWU and Unlad shall

be allowed twelve months to sell the Davao and Quezon City Properties to return the alleged investments made by the Parent Company, EHT, ABB and AHC. Lastly, the Claimant sought the payment of attorney's fees of not less than ₱5.0 million, ₱0.5 million of which is for expenses and reimbursement of cost of suit, expenses, and other fees. After receiving the Notice of Arbitration and being informed that the required fees have not been paid by the Claimant, the Parent Company, AHC, and EHT filed an Entry of Appearance with Manifestation (Manifestation). In the Manifestation, they informed the PDRCI that the Claimant should be compelled to pay said fees before the arbitration proceedings can proceed.

The PDRCI issued a Notice dated August 26, 2016, which informed the parties to the instant case that the proceedings are suspended until the Claimant settles the outstanding provisional advance on cost for filing the instant case.

The Parent Company sent a letter dated July 2, 2020 addressed to the Office of the Secretariat-General of PDRCI. In the said letter, the Parent Company informed the PDRCI about the death of the Claimant. The Parent Company also moved for the PDRCI to dismiss and/or consider the case withdrawn due to the non-payment of the provisional advance on cost for more than three (3) years.

As at November 19, 2025, the PDRCI has not issued any response to said letter.

- (ii) *Derivative Suit* After filing the Request for Arbitration, Mr. Conrado L. Benitez II (the "Petitioner") then filed on June 29, 2016 a derivative suit for himself and on behalf of Unlad and PWU against directors/trustees and stockholders/members of Unlad and PWU, EHT, the Parent Company, ABB and AHC (collectively, the "Defendants") docketed as Civil Case No. 16-136130 in the RTC of Manila (the "Derivative Suit").

In the Derivative Suit, the Petitioner primarily asserts that the Parent Company, EHT, ABB and AHC should submit themselves to the arbitration proceedings filed with the PDRCI because the Loan Documents required any alleged dispute over the same to be resolved through arbitration. Consequently, the Petitioner alleges that the foreclosure proceedings and settlement of the obligations of PWU and Unlad as evidenced by the MOA dated March 22, 2016 executed by PWU and Unlad with the Parent Company and AHC are null and void for not complying with the aforesaid arbitration clause. Likewise, the Petitioner sought the payment of attorney's fees not less than ₱1.0 million and ₱0.1 million for expenses and cost of suit.

On July 26, 2016, the Parent Company and AHC filed their Joint Answer with Compulsory Counterclaim (Joint Answer). In the Joint Answer, the Parent Company and AHC asserted that the instant case is a mere harassment and nuisance suit, and a deliberate form of forum shopping when the Petitioner filed the Arbitration Case for the same purpose. Likewise, the Petitioner cannot compel the corporations to submit themselves to arbitration because (a) the parties to the Loan Documents have already settled any disputes, and (b) the said corporations are not stockholders and members of PWU and Unlad. Lastly, the relevant laws allow the Parent Company and AHC to institute foreclosure proceedings even if there is an arbitration clause.

Simultaneously, EHT filed his Answer wherein he asserted that the Petitioner cannot compel him to submit himself to arbitration when he is not a party to the Loan Documents.

Meanwhile, the other co-defendants, namely (a) ABB, and (b) Dr. Jose Francisco and Marco Benitez, filed their respective Answer(s) to the Complaint.

After the termination of Court-Annexed Mediation and pre-trial conference, the Petitioner manifested that the Trial Court should proceed to resolve the case based on the pleadings and affidavits already filed by the parties in accordance with the Interim Rules Governing Intra-Corporate Controversies.

The Trial Court issued an Order dated June 23, 2017 requiring the parties to file their respective Memoranda within twenty (20) days from receipt thereof in order for the Trial Court to proceed to render judgment, full or otherwise, based on all of the pleadings and evidence submitted by the parties in relation and pursuant to Rule 4, Section 4 of the Interim Rules of Procedure Governing Intra-Corporate Controversies under RA No. 8799 (Interim Rules). All of the parties filed their respective Memoranda on July 25, 2017.

On February 9, 2018, the Parent Company received the Decision dated January 19, 2018, which dismissed the case. In the Decision, the Trial Court deemed that Petitioner failed to establish fraud or bad faith on the part of the Defendants. Consequently, the Trial Court cannot contravene in the agreement among the Parent Company, Unlad, PWU and AHC to amicably settle the outstanding obligations of PWU and Unlad to AHC and the Parent Company.

On February 28, 2018, the Parent Company, AHC and EHT received the Plaintiffs' Petition for Review of the aforesaid Decision filed with the Court of Appeals – Manila and docketed as C.A. G.R. No. 154654.

While the said Petition for Review is pending, the Parent Company discovered that the Petitioner was able to cause the annotation of lis pendens on the titles of the three (3) Quezon City properties subject of the amicable settlement with PWU and Unlad.

Consequently, the Parent Company filed a Motion to Cancel Lis Pendens with the Court of Appeals where the case was pending. In the Motion, the Parent Company sought for the cancellation of said lis pendens due to impropriety and/or invalidity of the same.

The Court of Appeals issued a Resolution requiring all of the parties to file their respective Memoranda. On May 9, 2019, the Parent Company, AHC and EHT filed their Joint-Memorandum.

While the appeal of the Petitioner is pending, the Parent Company filed a Manifestation and Motion dated July 29, 2020. In the said Manifestation and Motion, the Parent Company informed the Court of Appeals about the death of the Petitioner on March 28, 2020. Consequently, the Parent Company moved for the resolution and dismissal of the said appeal.

The Petitioner's counsel filed a Notice and Motion dated August 14, 2020, which also informed the Court of Appeals about the death of the Petitioner. Consequently, said counsel moved that the Petitioner be substituted by his wife and children.

In response thereto, the Parent Company filed its Comment/Opposition dated August 24, 2020. In the Comment/Opposition, the Parent Company argued that the Petitioner cannot be substituted because he can only be substituted by a member of PWU and a stockholder of Unlad. The wife and children of the Petitioner cannot be members of PWU because membership in PWU is non-transferable.

In the Resolution dated October 28, 2021, the Court of Appeals granted the Motion for Substitution.

In the Resolution dated February 11, 2022, the Court of Appeals dismissed the Petition filed by the Plaintiffs. The Court of Appeals also granted the Motion to Cancel the Lis Pendens annotated on the Quezon City Properties.

On March 23, 2022, the Parent Company received the Motion for Reconsideration filed by the Heirs of Plaintiff Conrado Benitez II on the aforesaid Resolution dated February 11, 2022.

After the Parent Company filed its Comment/Opposition, the Court of Appeals denied the Motion for Reconsideration in its Resolution dated January 7, 2025.

Under the relevant rules, the Heirs of Plaintiff Conrado Benitez II may file a Petition for Review on Certiorari or ask an extension to file said Petition with the Supreme Court within fifteen (15) days from their receipt of the Resolution dated January 7, 2025.

On September 10, 2025, the Court of Appeals issued a Resolution wherein it provided that the copy of the Resolution dated January 7, 2025 addressed to the counsel of the Heirs of Plaintiff Conrado Benitez II bore the notation of "Return to Sender.". It appeared that the said counsel was no longer holding office at the counsel's address on record. Consequently, the Court of Appeals resent a copy of the said Resolution to the address of record of Mr. Conrado Benitez II.

As at November 19, 2025, the Parent Company has not received any Motion for Extension or Petition for Review on Certiorari.

(iii) *Ejectment Case against Philippine Women's College of Davao, Inc. involving Unlad's Davao Property.* On March 11, 2019, the Parent Company filed the Complaint for Unlawful Detainer against Philippine Women's College of Davao, Inc. (PWC-Davao), initially filed against Philippine Women's University of Davao, to recover possession of a portion of the parcel of land covered by Transfer Certificate of Title (TCT) No. T-129545 registered under the name of the former situated along University Ave and Richardo, Matina, Davao City being used as a parking area (the "Subject Premises") by the latter.

The Subject Premises formed part of the 40,184 sq.m., more or less, (the "Property") parcel of land formerly registered under the name of "Unlad". After Unlad transferred ownership of the Property to the Parent Company, the Parent Company demanded that PWC-Davao vacate the Subject Premises.

Despite said demands, PWC-Davao refused to vacate the Subject Premises.

On May 28, 2019, the Parent Company received the Answer with Compulsory Counterclaim dated May 14, 2019.

After a failed Court-Annexed Mediation, the parties continued the discussion on the possibility of an amicable settlement.

On July 1, 2022, the parties filed the Joint Motion for Approval of Compromise Agreement. Based on the Compromise Agreement, the Parent Company allowed PWC-Davao to use the Subject Premises for one (1) year or until June 29, 2023. In the event that the Parent Company needs to proceed with its plans over the Subject Premises, it will serve a written notice to vacate and/or turn-over of the Subject Premises to PWC-Davao sixty (60) calendar days before the intended day to vacate or turn-over.

On September 30, 2022, the Parent Company received the Decision dated July 4, 2022 issued by the Trial Court adopting the Compromise Agreement as the decision in this case (“Judgment Based on Compromise Agreement”).

Despite the lapse of aforesaid one (1) year period and notice to surrender the Subject Premises, PWC-Davao has not complied with its obligations.

Consequently, the Parent Company filed a Motion for Execution of the Judgment Based on Compromise Agreement.

Pursuant to the Order dated September 15, 2025, the Parent Company paid the appropriate fees for the execution of the Judgment Based on Compromise Agreement.

The Parent Company is awaiting the appropriate Order from the Trial Court to grant said Motion

- b. *Specific Performance Case filed by the Agustin family.* The Agustin family filed a Specific Performance case against the Parent Company for the payment by the latter of the remaining balance of the purchase price for the sale of the Agustin family’s shares in STI WNU.

The Agustin family alleges in their Complaint that based on the Share Purchase Agreement and Deed of Absolute Sale they executed with the Parent Company, the price of their shares in STI WNU has been pegged at ₱400.0 million. Despite these two agreements, the Parent Company refuses to pay the full purchase price for the STI WNU shares they acquired from the Agustin family.

In its Answer, the Parent Company stated that the Agustin family is not entitled to the full purchase price of their STI WNU shares because they have not complied with all the requirements for its release. In particular, the Agustin family has not been able to deliver the Commission on Higher Education permits for the operation of STI WNU’s Maritime Program as provided in the MOA, and the Share Purchase Agreement. In addition, there are other trade receivables in favor of STI WNU wherein full satisfaction of the same entitles the Agustin family to a portion of the balance of the purchase price.

In order to expedite the proceedings, the Agustin family was able to submit the case for summary judgment by the Trial Court. Despite the opposition thereto, the Trial Court rendered its Decision dated April 4, 2018 (the “Summary Judgment”). In the Summary Judgment, the Trial Court ordered the Parent Company to pay the Agustin family the amount of ₱50.0 million with legal interest from the filing of the case until full payment only.

On September 11, 2018, the Parent Company filed and paid the corresponding docket fees for its Notice of Appeal Ex Abudanti Ad Cautelam (Notice of Appeal) on the said Summary Judgment.

Upon motion by the Agustin family, the Trial Court granted their Motion for Execution Pending Appeal dated September 5, 2018.

While the record of the case was still with the Trial Court, the Parent Company immediately filed the Urgent Motion for Reconsideration with alternative prayer for Motion to Stay Discretionary Execution Pending Appeal dated December 14, 2018.

After due hearing by the Trial Court on the Motion(s), the Trial Court (a) denied the Urgent Motion for Reconsideration but (b) granted the Motion to Stay Discretionary Execution Pending Appeal upon posting of a supersedeas bond amounting to ₱100.0 million (the “Stay Order”).

After the Agustin family filed a Motion for Reconsideration on the Stay Order, the Trial Court denied the same in its Order dated March 14, 2019.

Both parties sought their respective remedies before the Court of Appeals - Cebu to question (a) the Summary Judgment against the Company (CA G.R. CV No. 07140) and (b) the Stay Order against the execution of the Summary Judgment in favor of the Agustin family (CA G.R. CV No. 12663) (collectively, the “CA Cases”).

While the aforesaid CA Cases were pending, the parties decided to amicably settle and terminated said cases by executing in counterparts the Compromise Agreement dated September 6, 2021, and September 10, 2021 and filing a *Joint Motion for Judgment Based on Compromise Agreement* dated September 20, 2021. In the Compromise Agreement, the Company agreed to pay the Agustin family the amount of ₱25.0 million as final and full settlement of the latter’s claim against the former in the aforementioned cases (see Note 15).

In addition, the parties agreed to review the financial records of STI WNU to determine the status of the Agustin family guarantee on the collectability of the trade receivables, and the release, if any, of the ₱27.3 million to the Agustin family as provided in the *Share Purchase Agreement*.

Considering the aforesaid settlement and the Amended Decision, all cases and issues related thereto are deemed terminated.

- c. *Specific Performance Case.* STI College Cebu, Inc. (STI Cebu) and STI ESG’s Finance Officer were named defendants in a case filed by certain individuals for specific performance and damages. In their Complaint, the Plaintiffs sought the execution of a Deed of Absolute Sale over a parcel of land situated in Cebu City on the bases of an alleged perfected contract to sell. The Defendants filed the Consolidated Answer to the Amended Complaint on August 30, 2017. In the Consolidated Answer, Defendants asserted that there is no perfected contract to sell or of sale between STI ESG and the Plaintiffs considering that (a) there is no Board approval on the sale of the Subject Property; (b) lack of definite terms and conditions thereof; and (c) STI ESG’s Finance Officer has no authority to bind STI ESG on the alleged contract to sell or sale of the Subject Property.

After the parties completed the presentation of evidence and filed their respective Memoranda, the Defendants received the Decision of the Trial Court on June 22, 2020.

In the Decision dated June 18, 2020, the Trial Court determined that there was no perfected contract to sell the Property. The Trial Court affirmed that the Plaintiffs failed to obtain the consent of STI ESG. There was no evidence showing that STI ESG, through its BOD, (a) gave its consent to the sale or (b) authorized the Defendant Finance Officer to sell the Property in favor of the Plaintiffs.

The Trial Court, however, determined that the Defendant Finance Officer is liable to pay the Plaintiffs the total amount of ₱0.2 million representing temperate and exemplary damages (“Damages”). The Trial Court determined that the actions of STI ESG’s Finance Officer insofar as (a) receipt of the earnest money, (b) lack of written authority from STI ESG during the negotiation and (c) continued assurances to the Plaintiffs in relation to the BIR ruling on the tax-free exchange and then sudden withdrawal from the transaction constitute bad faith.

Lastly, the Trial Court ordered STI ESG to return the amount of ₱0.3 million it received from the Plaintiffs as “earnest money” with an interest rate of six percent (6.0%) per annum from receipt thereof on March 30, 2011 until the latter’s tender of the same to the Plaintiffs on July 2, 2015.

Both parties filed their respective Partial Motion for Reconsideration insofar as the (a) dismissal of the Complaint and (b) award of Damages.

On August 25, 2020, the Trial Court issued its Order, which modified the Decision only insofar as requiring STI ESG’s Finance Officer to pay an additional ₱50.0 thousand as attorney’s fees in favor of the Plaintiffs. The rest of the findings in the Decision is affirmed.

Both the Plaintiffs and the Finance Officer filed their respective Notice of Appeal.

On December 1, 2020, STI ESG and the Defendant Finance Officer received the Notice, which requires the Appellants (Plaintiffs and the Defendant Finance Officer) to file their respective Appellant’s Brief within forty-five (45) days from receipt of the Notice.

After the parties filed their respective brief(s), STI ESG received the Decision dated February 27, 2023 on March 20, 2023. Based on the Decision, the Court of Appeals affirmed *in toto* the Trial Court’s Order(s).

On May 3, 2023, STI ESG received the Motion for Reconsideration filed by the Plaintiffs.

After STI ESG filed its Opposition dated July 14, 2023 to the said Motion for Reconsideration, the Court of Appeals issued its Resolution dated November 6, 2023, which denied the Plaintiffs’ Motion for Reconsideration.

On January 8, 2024, STI ESG received the Petition for Review filed by the Plaintiffs before the Supreme Court.

The Supreme Court has yet to issue the appropriate Resolution on the said Petition insofar as whether to dismiss the same or require STI ESG to file a Comment to the Plaintiffs’ Petition for Review.

- d. Due to the nature of their business, STI ESG, STI WNU and iACADEMY are involved in various legal proceedings, both as plaintiff and defendant, from time to time. The majority of outstanding litigation involves illegal dismissal cases under which faculty members have brought claims against STI ESG and STI WNU by reason of their faculty contract and/or employment contracts. STI ESG, STI WNU and iACADEMY are not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated and their respective BOD have no knowledge of any proceedings pending or threatened against STI ESG, STI WNU and iACADEMY or any facts likely to give rise to any litigation, claims or proceedings which might materially affect their financial position or business. Management and their legal counsels believe that STI ESG, STI WNU and iACADEMY have substantial legal and factual bases for their position and are of the opinion that losses arising from these legal actions and proceedings, if any, will not have a material adverse impact on the Group’s unaudited interim condensed consolidated financial statements.

Commitments

a. Financial Commitments

STI ESG has ₱65.0 million domestic bills purchase lines from various local banks as at September 30, 2025 and June 30, 2025, specifically for the purchase of local and regional clearing checks. Interest on drawdown from such facility is waived except when drawn against returned checks, on which the interest shall be the prevailing lending rate of such local bank. This facility is on a clean basis. As at September 30, 2025 and June 30, 2025, there is no outstanding availment from these lines.

b. Capital Commitments

As at September 30, 2025 and June 30, 2025, STI ESG's significant contractual commitments include: (1) acquisition of a parcel of land, (2) construction of STI Academic Center Alabang, (3) construction of STI Academic Center Tanauan, (4) construction of new buildings at STI Fairview and STI Batangas, and (5) building upgrade and refurbishment projects. As at September 30, 2025, STI ESG's significant contractual commitments include the construction of STI Academic Center Meycauayan (see Note 10).

STI ESG has a contractual commitment with Avida amounting to ₱228.8 million, inclusive of ₱24.7 million VAT, for the parcel of lot located at South Park District, Alabang, Muntinlupa City - the future site of the new STI Academic Center Alabang. Of this amount, ₱126.7 million has been settled as at September 30, 2025 and June 30, 2025. STI ESG likewise paid ₱9.2 million for taxes and other charges related to the sale in September 2024. The remaining balance of ₱102.1 million is due sixteen (16) months after the execution of the Deed of Sale on Installments in September 2024.

STI ESG also has a contractual commitment and obligation for the construction of STI Academic Center Alabang. The total contract cost to put up the building is ₱647.7 million, of which ₱194.3 million has been paid as at September 30, 2025 and June 30, 2025, representing the 30.0% downpayment. Similarly, STI ESG has a contractual commitment and obligation for the construction of STI Academic Center Tanauan. The total contract cost for the construction of the building is ₱364.2 million, of which ₱140.1 million and ₱109.3 million have been paid as at September 30, 2025 and June 30, 2025, respectively (see Note 14).

Furthermore, STI ESG has a contractual commitment for the construction of a four-storey building at STI Fairview. The project has an aggregate cost of ₱91.0 million, of which ₱75.5 million and ₱54.9 million have been paid as at September 30, 2025 and June 30, 2025, respectively. Similarly, STI ESG has a contractual commitment for the construction of a new three-storey building at STI Batangas. The total contract cost for the construction of the building is ₱32.0 million, of which ₱21.4 million and ₱21.3 million have been paid as at September 30, 2025 and June 30, 2025, respectively (see Note 10).

STI WNU has contractual commitments and obligations for the construction of school buildings and upgrades of its facilities aggregating to ₱184.1 million and ₱452.8 million as at September 30, 2025 and June 30, 2025. Of these amounts, ₱128.9 million and ₱408.6 million have been paid as at September 30, 2025 and June 30, 2025, respectively.

The Group also has contractual commitments for building exterior and repainting works across several schools within the STI network. These projects aggregate to ₱110.3 million, of which

₱59.4 million and ₱11.5 million have been paid as at September 30, 2025 and June 30, 2025, respectively (see Note 10).

iACADEMY has contractual commitments and obligations for the construction of its Yakal Campus totaling ₱1,041.5 million as at September 30, 2025 and June 30, 2025. Of these, ₱993.7 million has been paid as at September 30, 2025 and June 30, 2025, respectively.

c. Others

- i. On December 13, 2023, STI ESG and Home Development and Mutual Fund (Pag-IBIG) entered into a memorandum of agreement on the implementation of Pag-IBIG Health and Education Loan Programs (Pag-IBIG HELPs). Under the loan program, the qualified Pag-IBIG member shall be able to pay his/her beneficiary's educational-related expenses to STI ESG at a special discount rate of 20.0% of the tuition fee, subject to the terms and conditions of the program as follows:
 - Entitled to the discount are Pag-IBIG Fund members and their immediate family members;
 - The discount is applicable to tuition fees only of incoming college and senior high school students and transferees for tertiary programs and senior high tracks, and specializations; and
 - The discount cannot be availed in conjunction with another promo/discount.

This agreement is in effect for a period of two (2) years from the date of signing and will be automatically renewed for an additional two-year term upon expiration, subject to the same terms and conditions, or as may be stipulated by STI ESG and Pag-IBIG Fund. Either party may opt not to renew the agreement by providing a written notice at least two months before its expiration.

- ii. On December 17, 2018, the CHED, Unified Student Financial Assistance System for Tertiary Education Board (UniFAST) and STI ESG signed a memorandum of agreement to avail of the Tertiary Education Subsidy (TES) and Student Loan Program (SLP) for its students under the Universal Access to Quality Tertiary Education Act (UAQTEA) and its Implementing Rules and Regulations (IRR). RA No. 10931 or the UAQTEA and its IRR provide among others, that to support the cost of tertiary education or any part or portion thereof, TES and SLP are established for all Filipino students who shall enroll in undergraduate and post-secondary programs of private HEIs. Accordingly, the TES and the SLP shall be administered by the UniFAST Board.

Based on RA No. 10931, the annual TES for students, subject to guidelines and implementing rules and regulations on the release of TES, enrolled in SUCs or CHED-recognized LUCs is ₱40.0 thousand. Students enrolled in select HEIs who are qualified to receive the TES, are entitled to ₱60.0 thousand a year. The TES sharing agreement states that ₱40.0 thousand shall go to the TES student grantee and ₱20.0 thousand to the private HEI. The subsidy is for Tuition and other related school fees and should cover the living allowance, books, supplies, transportation and miscellaneous expense. Additional benefits are likewise given to Persons with Disabilities (PWDs) and graduates of programs with licensure exams amounting to ₱30.0 thousand per annum and ₱10.0 thousand, respectively. Under this TES Program, CHED pays directly the schools where these students enrolled.

In July 2023, UniFast issued Memorandum Circular No. 5 for the allocation of funds for new TES grants. Qualified student grantees for SY2021-2022 from private HEIs in cities and municipalities without SUCs or LUCs, shall receive ₱40.0 thousand for the second semester of SY2022-2023 to cover their full or partial payables for tuition and other school fees. Thereafter, qualified grantees shall be considered as continuing grantees, subject to validation,

for the first semester of SY2023-2024 onwards and shall receive a subsidy rate of ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. In case the tuition and other school fees is lower than ₱10.0 thousand per semester, the difference shall be given to the student. Administrative support cost remain at 1.0% of the total grant. Continuing TES grantees for the second semester of SY2022-2023 shall receive ₱60.0 thousand per school year or ₱30.0 thousand per semester until they graduate. New TES grantees who are PWDs shall receive an additional subsidy of ₱30.0 thousand per school year or ₱15.0 thousand per semester. New TES grantees for the first semester of SY2023-2024 shall receive ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. New TES grantees who are PWDs shall receive an additional subsidy of ₱10.0 thousand per school year or ₱5.0 thousand per semester.

The qualified TES graduates for SY2022-2023 onwards, in courses requiring licensure examinations shall receive a maximum one-time reimbursement of ₱8.0 thousand to cover the full or partial cost of taking the said licensure examinations.

UniFAST issued Memorandum Circular No. 21-2024 which states that TES grantees shall receive the amount of ₱13.5 thousand per school year for students in PHEIs, while TES grantees from SUCs and LUCs shall receive an amount of ₱10.0 per semester or ₱20.0 thousand per school year unless otherwise provided by the UniFAST Board.

- iii. On March 17, 2021, STI ESG executed a Memorandum of Agreement (MOA) with DBP for the implementation of the DBP Resources for Inclusive and Sustainable Education Program (DBP RISE). The program grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program starting SY2020-2021, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. STI ESG and DBP executed a similar MOA in November 2021 and May 2023 covering the implementation of DBP RISE for deserving students enrolled starting SY2021-2022, SY2022-2023, and SY2023-2024.

27. Fair Value Information of Financial Instruments

The Group's financial instruments consist of cash and cash equivalents, receivables, advances to associates and joint venture, deposits, equity instruments at FVPL and FVOCI, interest-bearing loans and borrowings, accounts payable and other current liabilities. The primary purpose of these financial instruments is to finance the Group's operations.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value.

Cash and Cash Equivalents, Receivables and Accounts Payable and Other Current Liabilities. Due to the short-term nature of transactions, the fair values of these instruments approximate the carrying amounts as of financial reporting date.

Rental and Utility Deposits. The fair values of these instruments are computed based on the present value of future cash flows discounted using the prevailing BVAL reference rates that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

Equity Instruments at FVPL and FVOCI. The fair values of publicly-traded equity instruments designated at FVOCI, classified under Level 1, are determined by reference to market bid quotes as at financial reporting date. The fair values of unquoted shares are determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions. Such techniques include using recent arm's-length market transactions and reference to the current market value of another instrument which is substantially the same.

Interest-bearing Loans and Borrowings. The carrying value of floating rate interest-bearing loans and borrowings approximates fair value because of regular repricing based on market conditions.

Fixed-rate Bonds. The estimated fair value of the 10-year bonds, maturing in 2027 which carries a fixed interest rate is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread.

Refundable Deposits. The fair values of the refundable deposits are computed based on the present value of future cash flows discounted using the prevailing BVAL reference rates adjusted for credit spread rate that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

Management believes that the fair values of deposits, bonds payable and other noncurrent liabilities as at September 30, 2025 do not significantly differ from the fair values of these financial instruments as at June 30, 2025.

28. Note to Unaudited Interim Condensed Consolidated Statements of Cash Flows

The Group's material non-cash investing and financing activities follow:

- a. Recognition of right-of-use assets presented under "Property and equipment" at initial recognition of the lease at commencement date amounting to ₱ 13.4 million and ₱28.3 million for the three-month periods ended September 30, 2025 and 2024, respectively.
- b. Unpaid progress billing for construction-in-progress presented under "Property and equipment" amounting to ₱64.7 million and ₱76.6 million for the three-month periods September 30, 2025 and 2024, respectively.
- c. Reclassification from "Other noncurrent assets", pertaining to advances to suppliers, to "Property and equipment" amounting to ₱18.9 million and ₱6.3 million for the three-month periods ended September 30, 2025 and 2024, respectively.
- d. Reclassification from "Other noncurrent assets", pertaining to deposit for asset acquisition, to "Property and equipment" amounted to ₱20.4 million for the three-month periods ended September 30, 2024 (see Notes 10 and 14).
- e. Accounts payable amounting to ₱102.1 million represents the outstanding installment balance of STI ESG for the acquisition of a parcel of land at South Park District, Alabang, Muntinlupa City. This liability is due sixteen (16) months after the Deed of Sale on Installments was executed in September 2024 (see Note 15).

29. Changes in Liabilities Arising from Financing Activities

	July 1, 2024	Cash Flows	Reclassified as Current	Effect of Lease Termination/ Modifications	New/Renewed Leases	Interest Expense	September 30, 2025
Current portion of interest-bearing loans and borrowings	₱580,267,162	(₱292,222,222)	₱291,355,828	₱—	₱—	₱1,047,521	₱580,448,289
Bonds payable	816,706,013	—	—	—	—	452,924	817,158,937
Interest-bearing loans and borrowings - net of current portion	1,146,065,668	—	(291,355,828)	—	—	—	854,709,840
Lease liabilities	461,049,980	(41,714,128)	—	(585,871)	13,269,406	8,420,774	440,440,161
Dividends payable	32,395,700	—	—	—	—	—	32,395,700
Interest payable	38,606,956	(81,114,160)	—	—	—	47,006,273	4,499,069
	₱3,075,091,479	(₱415,050,510)	₱—	(₱585,871)	₱13,269,406	₱56,927,492	₱2,729,651,996

	July 1, 2023	Cash Flows	Reclassified as Current)	Effect of Lease Termination/ Modifications	New/Renewed Leases	Interest Expense	September 30, 2024
Current portion of interest-bearing loans and borrowings	₱536,274,021	(₱270,000,000)	₱269,025,358	₱—	₱—	928,621	₱536,228,000
Bonds payable	814,967,275	—	—	—	—	423,980	815,391,255
Interest-bearing loans and borrowings - net of current portion	1,549,840,391	—	(269,025,358)	—	—	—	1,280,815,033
Lease liabilities	490,073,264	(43,517,439)	—	(15,464,419)	29,874,767	9,178,361	470,144,534
Dividends payable	30,302,513	(53,280)	—	—	—	—	30,249,233
Interest payable	49,507,925	(99,255,371)	—	—	—	55,557,171	5,809,725
	₱3,470,965,389	(₱412,826,090)	₱—	(₱15,464,419)	₱29,874,767	₱66,088,133	₱3,138,637,780

30. Other Matters

On February 27, 2024, the BOD of STI Holdings ratified the execution of a term sheet between STI Holdings and Philippine School of Business Administration (PSBA Manila) and Philippine School of Business Administration, Inc. – Quezon City (PSBA Quezon City) or collectively referred to as “PSBA”. The term sheet covers the takeover by STI Holdings of the operations of PSBA as well as the acquisition of licenses, trademarks, trade names, and school-related assets owned by PSBA (the “transaction”).

The term sheet and the implementation of the transaction are subject to several conditions including, among others, the execution of mutually acceptable definitive agreements, fulfillment of the conditions precedent, approval of the stockholders of PSBA, and regulatory approvals.

On May 2, 2024, STI ESG entered into a Contract to Sell with PSBA Manila for the sale and purchase of a 3,000 square meter parcel of land located at Aurora Boulevard, Quezon City (referred to as the “Subject Property”). The purchase price of the Subject Property is less than ten percent (10.0%) of the total assets of STI Holdings. The sale and purchase of the Subject Property is subject to regulatory approvals and the fulfillment of certain conditions precedent. Subject to regulatory approvals and upon fulfillment of such conditions precedent, STI ESG and PSBA Manila shall execute a Deed of Absolute Sale over the Subject Property.

On May 2, 2024, STI Holdings and PSBA also executed the Right of First Refusal Agreement, as STI Holdings has the right of first refusal in the event that PSBA intends to sell the PSBA properties. PSBA Manila is the registered and beneficial owner of a parcel of land, together with the improvement thereon, located at R. Papa St., Manila (the “PSBA Manila Property”). PSBA Manila is also the registered and beneficial owner of two parcels of land, together with improvements thereon, located at Aurora Boulevard, Quezon City.

On the same date, STI College Novaliches, Inc. entered into an Asset Purchase Agreement with PSBA for the acquisition by STI College Novaliches, Inc. of the tangible and intangible assets of PSBA (collectively, the “School Related Assets”) used or relating to the operation by PSBA of its schools located in Manila and Quezon City. The purchase price for the School Related Assets is less than ten percent (10.0%) of the total assets of STI Holdings. The sale and purchase of School Related Assets is subject to regulatory approvals and the fulfillment of certain conditions. Subject to regulatory approvals and the fulfillment of certain conditions, STI College Novaliches, Inc. and PSBA shall execute Deeds of Assignment for the sale and purchase of the School Related Assets. As at November 19, 2025, the conditions precedent and regulatory approvals for the aforementioned agreements have not been fulfilled.

On May 30, 2024, STI ESG and PSBA executed a Management Agreement appointing STI ESG to manage the operations of PSBA schools with the goal of increasing enrollment as well as promoting PSBA as one of the leading educational institutions in the Philippines for accountancy and business programs. STI ESG shall provide the management services starting July 1, 2024 for PSBA Quezon City and starting August 1, 2024 for PSBA Manila. The management services will be for a period of three (3) years counting from the management commencement date.

STI ESG shall perform the following obligations, among others, (1) provide management services including, but not limited to, marketing and advertising efforts, administering teaching and nonteaching staff deployed in each of the PSBA schools, maintaining school records and providing such other administrative and support services required for the effective operations of PSBA schools; (2) enter into contracts for and on behalf of PSBA with third parties without need of consent of PSBA; (3) liaise

with local government units and government agencies in relation to the management and operations of PSBA schools; (4) apply for and obtain permits and licenses for PSBA schools.

PSBA Manila and PSBA Quezon City shall each pay management fees to STI ESG equivalent to 26.0% of the gross revenues of PSBA Manila and PSBA Quezon City, respectively.

The management agreement may be extended provided that (i) such extension shall be subject to mutual agreement of the Parties; (ii) STI ESG shall be entitled to use the PSBA Manila and Quezon City properties rent-free during the extended management period, and (iii) the same terms and conditions shall apply during the extended management period unless otherwise agreed upon by the Parties in writing.

On September 23, 2024, PSBA informed STI Holdings that a third party had offered to purchase the PSBA Manila Property. On October 2, 2024, STI Holdings informed PSBA that it intended to exercise its right of first refusal over the PSBA Manila Property under the same terms and conditions offered by the third party. As at November 19, 2025, STI Holdings has yet to receive the reply of PSBA.

As discussed in note 1, the SEC approved on July 31, 2025 the several amendments to the Articles of Incorporation of STI College Novaliches, Inc. which include, among others, the change in the corporate name to "Philippine School of Business Administration - Manila, Inc.". The SEC likewise approved on August 29, 2025 the amended By-Laws of Philippine School of Business Administration-Manila, Inc. (formerly "STI College Novaliches, Inc."), which include, among others, the change in its fiscal year from April 1 of each year to March 31 of the following year to July 1 of each year to June 30 of the following year.

Financial Highlights and Key Performance Indicators

	Increase (Decrease)			
(in ₪ millions except margins, financial ratios and earnings per share)	September 30, 2025 (Unaudited)	June 30, 2025 (Audited)	Amount	%
Condensed Consolidated Statements of Financial Position				
Cash and cash equivalents	3,205.2	2,732.6	472.6	17.3
Current assets	5,369.0	3,599.7	1,769.3	49.2
Noncurrent assets	13,670.4	13,414.6	255.8	1.9
Total assets	19,039.4	17,014.3	2,025.1	11.9
Current liabilities	3,386.8	1,954.2	1,432.6	73.3
Noncurrent liabilities	2,287.2	2,574.9	(287.7)	(11.2)
Total liabilities	5,674.0	4,529.1	1,144.9	25.3
Equity attributable to equity holders of the Parent Company	13,239.9	12,367.1	872.8	7.1
Total Equity	13,365.4	12,485.2	880.2	7.0
Financial ratios				
Debt-to-equity ratio ⁽¹⁾	0.30	0.34	(0.04)	(11.8)
Current ratio ⁽²⁾	1.59	1.84	(0.25)	(13.6)
Asset-to-equity ratio ⁽³⁾	1.42	1.36	0.06	4.4
(Unaudited)				
Three months ended September 30		Increase (Decrease)		
	2025	2024	Amount	%
Condensed Consolidated Statements of Income				
Revenues	1,443.3	1,037.7	405.6	39.1
Direct costs ⁽⁴⁾	356.5	331.5	25.0	7.5
Gross profit	1,086.9	706.2	380.7	53.9
Operating expenses	429.3	420.9	8.4	2.0
Operating income	657.6	285.3	372.3	130.5
Other income (expenses) – net	31.5	7.0	24.5	350.0
Income before income tax	689.1	292.3	396.8	135.8
Net income after income tax	619.1	263.2	355.9	135.2
EBITDA ⁽⁵⁾	877.9	474.1	403.8	85.2
Core income ⁽⁶⁾	618.9	262.9	356.0	135.4
Net income attributable to equity holders of the Parent Company	611.5	261.1	350.4	134.2
Earnings per share ⁽⁷⁾	0.062	0.026	0.036	138.5

	(Unaudited)			
	Three months ended September 30		Increase (Decrease)	
	2025	2024	Amount	%
Condensed Statements of Cash Flows				
Net cash from operating activities	955.3	876.4	78.9	9.0
Net cash used in investing activities	(345.2)	(256.1)	(89.1)	34.8
Net cash used in financing activities	(137.6)	(388.0)	250.4	(64.5)
Effect of foreign exchange rate changes on cash and cash equivalents	0.1	(0.1)	0.2	(200.0)
Financial Soundness Indicators				
	(Unaudited)			
	As at/Three months ended September 30		Increase (Decrease)	
	2025	2024	Amount	%
<i>Liquidity Ratios</i>				
Current ratio ⁽²⁾	1.59	1.46	0.13	9.3
Quick ratio ⁽⁸⁾	1.49	1.09	0.40	36.8
Cash ratio ⁽⁹⁾	0.95	0.56	0.39	69.6
<i>Solvency ratios</i>				
Debt-to-equity ratio ⁽¹⁾	0.30	0.41	(0.11)	(27.2)
Asset-to-equity ratio ⁽³⁾	1.42	1.61	(0.19)	(11.8)
Interest coverage ratio ⁽¹¹⁾	24.56	14.66	9.90	67.6
Debt service cover ratio ⁽¹⁰⁾	4.85	3.77	1.08	28.6
<i>Profitability ratios</i>				
EBITDA margin ⁽¹²⁾	61%	46%	15%	32.6
Gross profit margin ⁽¹³⁾	75%	68%	7%	10.2
Operating profit margin ⁽¹⁴⁾	46%	27%	19%	67.3
Net profit margin ⁽¹⁵⁾	43%	25%	18%	69.5
Return on equity (annualized) ⁽¹⁶⁾	19%	10%	9%	93.4
Return on assets (annualized) ⁽¹⁷⁾	14%	6%	8%	133.3

- (1) Debt-to-equity ratio is measured as total liabilities, net of unearned tuition and other school fees, divided by total equity.*
- (2) Current ratio is measured as current assets divided by current liabilities.*
- (3) Asset-to-equity ratio is measured as total assets divided by total equity.*
- (4) Direct costs is calculated by adding the costs of educational services and educational materials and supplies sold.*
- (5) EBITDA is earnings before interest expense, interest income, provision for income tax, depreciation and amortization, loss (gain) on foreign exchange differences, equity in net losses of associates and joint ventures, and fair value loss (gain) on equity instruments at FVPL. Depreciation and interest expenses for purposes of this computation exclude those related to right-of-use assets and lease liabilities, respectively.*
- (6) Core income is computed as consolidated income after income tax derived from the Group's main business – education and other recurring income.*
- (7) Earnings per share is measured as net income attributable to equity holders of the Parent Company divided by the weighted average number of outstanding common shares.*
- (8) Quick ratio is measured as current assets less inventories, prepayments and noncurrent asset held for sale divided by current liabilities.*
- (9) Cash ratio is measured as cash and cash equivalents divided by current liabilities.*
- (10) Debt service cover ratio is measured as EBITDA for the last twelve months divided by total principal and interest due in the next twelve months (see Note 17 of the unaudited condensed interim consolidated financial statements)*
- (11) Interest coverage ratio is measured as net income before income tax and interest expense divided by interest expense.*
- (12) EBITDA margin is measured as EBITDA divided by total revenues.*
- (13) Gross profit margin is measured as gross profit divided by total revenues*
- (14) Operating profit margin is measured as operating profit divided by total revenues.*
- (15) Net profit margin is measured as net income after income tax divided by total revenues.*
- (16) Return on equity is measured as net income, annualized, attributable to equity holders of the Parent Company (annualized) divided by average equity attributable to equity holders of the Parent Company.*
- (17) Return on assets is measured as net income, annualized, divided by average total assets.*

STI Education Systems Holdings, Inc.
Aging of receivables
As at September 30, 2025

Type of Accounts Receivable	Total	0-30 days	31-60 days	61-90 days	over 90 days
Current Receivables	1,851,139,523	1,332,056,935	165,568,853	102,500,362	251,013,373
	1,851,139,523	1,332,056,935	165,568,853	102,500,362	251,013,373

TYPE OF ACCOUNTS RECEIVABLE	NATURE/DESCRIPTION	COLLECTION PERIOD
Current Receivables	Tuition fees and other current receivables	Monthly

STI EDUCATION SYSTEMS HOLDINGS, INC.**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****OVERVIEW**

STI Education Systems Holdings, Inc. (“STI Holdings” or “the Parent Company”) was originally established in 1928 as a Philippine branch office of Theo H. Davies and Co., a Hawaiian corporation. It was reincorporated as a Philippine company in 1946 as part of the Jardine-Matheson group and was listed at the Philippine Stock Exchange (PSE) on October 12, 1976. STI Holdings was then sold to Filipino investors in 2006. In March 2010, it became part of the Tanco Group of Companies. The Parent Company completed its follow-on offering of 2.9 billion shares in November 2012 comprising of primary and secondary issues. Today, it is a holding company with investments in three large educational institutions and is also the owner of Attenborough Holdings Corporation (AHC) which was a party to the various agreements with Philippine Women’s University (PWU) and Unlad Resources and Development Corporation (Unlad). As part of its plan to expand its course offering and diversify its market, the Parent Company acquired control of STI College Novaliches, Inc., from its subsidiary, STI Education Services Group, Inc. (STI ESG) and renamed the former, Philippine School of Business Administration-Manila, Inc. The Parent Company’s three major subsidiaries currently involved in education are STI ESG, STI West Negros University, Inc. (STI WNU) and iACADEMY, Inc. (iACADEMY).

- STI ESG was incorporated on June 2, 1983. It began with a goal of training as many Filipinos as possible in computer programming and addressing the information technology (IT) education needs of the Philippines. Starting as a training center, STI ESG initially offered short-term computer programming courses that were patterned to satisfy the demand of college graduates and working professionals who wanted to learn more about emerging computer technology.

Shortly after, STI ESG’s campuses began to grow as it started granting franchises in other locations within Metro Manila, which soon expanded to other key areas in Luzon, Visayas, and Mindanao.

Over the years, STI ESG began shifting its focus from short-term courses to college degree programs to adjust to the changing business environment. In 1995, STI ESG was granted a permit by the Commission on Higher Education (CHED) to operate colleges and roll out four-year college programs starting with the Bachelor of Science (BS) degree in Computer Science. STI ESG then slowly diversified its programs beyond Information and Communications Technology (ICT) by introducing new programs in the fields of Business and Management, Accountancy, Engineering, Education, Hospitality Management, Tourism Management, Arts and Sciences, Psychology, and Criminology. STI ESG is also offering Senior High School (SHS) while select schools in the STI ESG network offer Junior High School (JHS). STI ESG is 98.7% owned by STI Holdings.

As at November 19, 2025, STI ESG has a network of 63 operating schools comprising 60 colleges and 3 education centers. Of the total number of schools, STI ESG owns 37 schools while franchisees operate 26 schools.

STI ESG's total student capacity aggregates to 159,569 students, with 112,119 pertaining to owned schools and 47,450 for franchised schools.

- STI WNU was founded on February 14, 1948. The campus sits on a 3.1-hectare property in the heart of Bacolod City. STI WNU was granted its university status by CHED on February 11, 2008. STI Holdings acquired 99.5% ownership of the university on October 1, 2013. Since then, STI WNU's facilities have been undergoing continuous upgrades.

The university offers pre-elementary, elementary, junior and senior high school, tertiary and post-graduate courses. Tertiary courses include Engineering, Education, Criminology, Business courses such as Accountancy, Management Accounting, Business Administration, Retail Technology and Consumer Science, Hospitality and Tourism Management, Arts and Sciences, Psychology and ICT. STI WNU also has permits to provide technical-vocational education training services under the Technical Education and Skills Development Authority (TESDA). Post-graduate programs include Master's degrees in Business Administration, Public Administration and Education, and Doctorate degrees in Business Administration, Public Administration and Educational Management.

In May 2024, the construction of the new School of Basic Education (SBE) building of STI WNU was completed. Standing on a 2,915 square meter property inside the STI WNU campus, this 4-storey building can accommodate up to 4,000 pre-elementary, elementary, junior and senior high school students.

The entire campus of STI WNU has facilities that can accommodate 18,000 students.

On September 16, 2024, CHED granted Autonomous status to STI WNU by virtue of CHED Memorandum No. 7 Series of 2024. Autonomous schools have the freedom to open new programs without securing prior approval from CHED, priority in the grant of subsidies and other financial incentives from CHED, and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among other benefits.

- iACADEMY, established in 2002, is a premier school offering specialized programs in SHS and College that are centered on Computing, Business, and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, and Cloud Computing. iACADEMY also offers programs in Accountancy, Marketing Management, Psychology, and Digital Media Management.

iACADEMY's Computer Science programs, which include Software Engineering, Data Science, and Cloud Computing, are currently Level 1 accredited by the Philippine Association of Colleges and Universities Commission on Accreditation, Inc. (PACUCOA). As of November 19, 2025, these programs are also in the process of securing Level 2 accreditation.

iACADEMY is a wholly-owned subsidiary of STI Holdings which operates two campuses equipped with specialized facilities, multimedia arts laboratories and computer suites. The Nexus campus in Makati City has a total capacity of 3,755 students while the Cebu campus in Lahug, Cebu City can accommodate up to 500 students.

iACADEMY Cebu is currently offering CHED-recognized programs in Software Engineering, Game Development, Real Estate Management, Multimedia Arts and Design, and Animation.

The first term of the first academic year of iACADEMY Cebu opened with a total of 89 students with 67% of the students enrolled in the Arts and Design programs (Animation and Multimedia Arts and Design). SY 2024-2025 opened with a total enrollment of 235 students resulting in a year-to-year growth rate of 164% with a 3rd-to-1st term migration rate of 96.7%. At the beginning of SY 2025-2026, total enrollment reached 276, reflecting an 18% increase over the enrollment at the start of SY 2024-2025, with a 3rd-to-1st term migration rate of 93.8%.

iACADEMY's "Indiegenius" program, which was launched in February 2023 in collaboration with Netflix, provides young filmmakers with development opportunities to strengthen concepts and to produce short narratives, animation and documentary projects. The program provides young Filipino filmmakers access to resources and encourages those with regional roots and indigenous backgrounds to ensure creative inclusion and diversity. As of November 19, 2025, the Indiegenius program is still ongoing.

iACADEMY's Toon Boom Center of Excellence (COE) distinction was officially renewed in June 2023 and reaffirmed in June 2025. Toon Boom Animation is the leading supplier of animation software and storyboard software for animation studios and media publishers.

iACADEMY has also established itself as a top school of choice for the BS in Real Estate Management program, consistently producing high-performing graduates over the years.

iACADEMY earned multiple distinctions in 2024, including top-performing school status in the Real Estate Brokers Board Exam with a 94.83% passing rate, a 97.62% passing rate in the Real Estate Appraisers Exam with 11 topnotchers, and recognition as the Most Recommended Institution for Real Estate Practices at the 2024 Carousell Property Awards. iACADEMY topped the April 22, 2025 Real Estate Brokers Licensure Examination for the third consecutive year with an overall passing rate of 94.29%, the highest among all the participating schools in the country. Several iACADEMY graduates landed among the top 10 highest scorers in this examination.

In July 2025, iACADEMY's Real Estate Management Program achieved an exceptional milestone as the institution proudly emerged as the Top Performing School in the 2025 Real Estate Appraisers Licensure Exam. The program attained an impressive 86.67% passing rate out of 1,356 examinees and produced five topnotchers, underscoring the strength of its curriculum and the excellence of its graduates. This consecutive recognition as a Top Performing School reaffirms iACADEMY's commitment to real-world education, industry-aligned training, and its dedication to cultivating professionals who consistently excel in their chosen fields.

iACADEMY's inaugural batch of Psychometrician board examinees achieved a 66.7% passing rate in August 2024, surpassing the three-year national average of 62.1%. This accomplishment

reflects iACADEMY's Psychology Program's solid academic foundation in preparing students for professional licensure examination.

- AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders' Agreement (Agreements) among the Parent Company, PWU and Unlad. It granted advances amounting to ₱65.0 million to Unlad by virtue of these Agreements. AHC assigned these receivables to the Parent Company on March 1, 2016.

On March 22, 2016, AHC became a party to an arrangement for the settlement of the loans and advances, which included the said receivables. As of March 31, 2016, the loans and advances arising from the Agreements have been fully settled.

- STI College Novaliches, Inc. became a subsidiary of STI Holdings by virtue of the subscription agreement executed in June 2024 between STI Holdings and STI College Novaliches, Inc. and the Securities and Exchange Commission (SEC) approval of the increase in the authorized capital stock, from where the subscribed shares will be taken, of STI College Novaliches, Inc. in January 2025.

STI Holdings contributed ₱75.0 million to the ₱300.0 million increase in the authorized capital stock of STI College Novaliches, Inc. in June 2024. The SEC approved the increase in the authorized capital stock of STI College Novaliches, Inc. in January 2025, thus making STI Holdings the owner of 93.75% of the outstanding capital stock of STI Novaliches. STI ESG owns the remaining 6.25%.

On March 31, 2025, STI Holdings, STI ESG and STI College Novaliches, Inc. executed a Deed of Assignment where STI College Novaliches, Inc. unconditionally and irrevocably assigned and transferred its identified Assets and Liabilities, including its permits and licenses issued by CHED, DepED and TESDA, to STI ESG for a total consideration of ₱4.2 million. The school operations at the Novaliches site continued to operate as a branch of STI ESG effective January 2025.

On July 31, 2025, the SEC approved the amendments to the Articles of Incorporation of STI College Novaliches, Inc., which include, among others, the following:

- Change in corporate name to "Philippine School of Business Administration - Manila, Inc.";
- Revision of the primary purpose to include the offering of primary and post-graduate education;
- Modification of the secondary purpose to allow the purchase, acquisition, ownership, lease, sale, and conveyance of intangible assets as may be necessary or incidental to its operations; and
- Extension of the corporate term to perpetual existence.

On August 29, 2025, the SEC approved the amended By-Laws of Philippine School of Business Administration-Manila, Inc. (formerly "STI College Novaliches, Inc.") which include, among others, the change in its fiscal year from April 1 of each year to March 31 of the following year to July 1 of each year to June 30 of the following year.

STUDENT POPULATION

The total enrollment of the Group for SY 2025-2026 reached 132,941, compared to 139,155 for SY 2024-2025. The total number of enrollees in CHED programs remained stable at 102,407 for SY 2025-2026 from 101,256 for SY 2024-2025. The number of continuing students enrolled in CHED programs, or those students who opted to remain in the Group's network of schools, notably increased by 8,992 from 64,429 students in SY 2024-2025 to 73,421 students in SY 2025-2026. Meanwhile, the total number of students enrolled in DepEd programs declined by 7,568. This decline is attributed to the early start of classes in the public school sector. Classes for the public schools' junior and senior high school students started on June 16, 2025, while both STI ESG and STI WNU started classes on July 28, 2025 for SY 2025-2026. Enrollment in programs regulated by CHED and DepEd as a percentage of total enrollment stand at 77% and 22%, respectively, in SY 2025-2026 as against 73% and 26%, respectively, in SY 2024-2025. CHED programs generate higher revenues per student relative to other levels.

The enrollment figures of the schools under STI Holdings are as follows:

	SY 2025-2026	SY 2024-2025	Increase (Decrease)	
			Enrollees	Percentage
STI ESG				
Owned schools	77,377	84,122	(6,745)	(8%)
Franchised schools	37,192	37,252	(60)	-
	114,569	121,374	(6,805)	(6%)
STI WNU	14,890	14,503	387	3%
iACADEMY	1,899	2,183	(284)	(13%)
PSBA¹	1,583	1,095	488	45%
Total Enrollees	132,941	139,155	(6,214)	(4%)

The grouping of students according to the government regulatory agencies overseeing the programs is outlined as follows:

- CHED - students under this group are enrolled in tertiary programs. This category likewise includes students of STI WNU enrolled in post-graduate studies;
- TESDA - students under this group are enrolled in technical-vocational programs; and
- DepEd - pertains to students in primary and secondary education, including JHS and SHS.

	SY 2025-2026			
	CHED	TESDA	DEPED ²	TOTAL
STI ESG	86,537	1,963	26,069	114,569
STI WNU	12,635	-	2,255	14,890
iACADEMY	1,679	-	220	1,899
PSBA¹	1,556	-	27	1,583
Total	102,407	1,963	28,571	132,941

Proportion of CHED:TESDA:DepEd	77%	1%	22%	100%

	SY 2024-2025			
	CHED	TESDA	DEPED ²	TOTAL
STI ESG	86,447	1,760	33,167	121,374
STI WNU	11,833	-	2,670	14,503
iACADEMY	1,881	-	302	2,183
PSBA ¹	1,095	-	-	1,095
Total	101,256	1,760	36,139	139,155
Proportion of CHED:TESDA:DepEd	73%	1%	26%	100%

¹ PSBA pertains to students of Philippine School of Business Administration and Philippine School of Business Administration, Inc.- Quezon City. Both schools are being managed by STI ESG by virtue of a Management Contract executed in May 2024 (see discussion in paragraphs below).

² STI ESG DepEd count represents 25,216 SHS students and 853 JHS students in SY 2025-2026 and 32,501 SHS students and 666 JHS students in SY 2024-2025. For STI WNU, the count represents 1,520 SHS students and 735 students enrolled in pre-elementary to JHS in SY 2025-2026 and 1,968 SHS students and 702 students enrolled in pre-elementary to JHS in SY 2024-2025. For iACADEMY and PSBA, this represents SHS students.

For SY 2025-2026, classes across all levels started on July 28, 2025 for both STI ESG and STI WNU with the exception of STI WNU's School of Graduate Studies (SGS) which started classes on September 6, 2025. Classes of iACADEMY's SHS and tertiary students commenced on August 7, 2025 and August 30, 2025, respectively. For SY 2024-2025, both STI ESG and STI WNU started classes across all levels on August 12, 2024; STI WNU's School of Graduate Studies started classes on September 7, 2024. iACADEMY's SHS and tertiary students started classes on August 8, 2024 and August 27, 2024, respectively, in SY 2024-2025. Classes are held onsite across all levels of STI ESG and STI WNU for both school years. Meanwhile, iACADEMY adopted a hybrid learning format in the conduct of its classes in SY 2024-2025 while all classes are held onsite in SY 2025-2026.

The Group remains committed to ensuring adherence to the guidelines set by CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information on the conduct of face-to-face classes.

FINANCIAL REVIEW

This discussion summarizes the significant factors affecting the operating results for the three-month periods ended September 30, 2025 and 2024 and financial condition as at September 30, 2025 and June 30, 2025 of STI Education Systems Holdings, Inc. and its subsidiaries (the "Group"). The following discussion should be read in conjunction with the attached unaudited interim condensed consolidated financial statements of the Group as at and for the three-month period ended September 30, 2025. All necessary adjustments have been made to present fairly the financial position of the Group as at September 30, 2025 and June 30, 2025 and the results of operations and cash flows of the Group for the three-month periods ended September 30, 2025 and 2024.

The Group's operations follow the academic cycle. For SY 2025-2026, the academic year started in late July 2025 and will conclude in June 2026 for STI ESG and STI WNU, while the academic year for iACADEMY began in August 2025 and will end in May and July 2026 for SHS and tertiary level, respectively.

The Group's performance obligations arising from tuition and other school fees are satisfied over time, as students simultaneously receive and consume the benefits provided by the Group through its

educational services. The core business and revenues of the Group, which are mainly from tuition and other school fees, are recognized as income over the corresponding school term(s) to which they pertain and in relation to the services provided by the Group. As such, revenue distribution across quarters may vary depending on the school calendar. For SY 2025-2026, classes started on July 28, 2025 while for SY 2024-2025, classes started on August 12, 2024, which means more school days for the first quarter of the current fiscal year. In addition, for fiscal year (FY) 2025-2026, STI ESG and STI WNU recognized revenues from tuition and other school fees based on the actual number of days within the school calendar in contrast with the monthly recognition done previously. This approach affects the timing of revenue recognition across quarters but does not affect total revenues for the full fiscal year.

The above information are presented to provide context for proper appreciation of the results of operations of the Group.

I. RESULTS OF OPERATIONS

Three-month period ended September 30, 2025 vs. three-month period ended September 30, 2024

For the three-month period ended September 30, 2025, the Group generated gross revenues of ₱1,443.3 million, higher by 39% or ₱405.6 million from the same period last year of ₱1,037.7 million. As discussed in the previous paragraphs, the wide variation is primarily attributable to two factors: (1) the earlier commencement of classes for SY 2025-2026 compared to SY 2024-2025, and (2) the adoption of revenue recognition based on the instructional days within the related term(s). Classes for SY 2025-2026 commenced on July 28, 2025 as compared to August 12, 2024 last year for both STI ESG and STI WNU. Starting FY 2025-2026, STI ESG and STI WNU recognized revenues from tuition and other school fees based on the actual number of school days in a quarter of the applicable school term(s) as against the previous practice of recognizing the same on a monthly basis within each quarter of the school term(s). Total revenues for the school term and for the school year are not affected by this change, only the distribution across the quarters. In addition, the Group enforced adjustments in tuition and other school fees for SY 2025-2026.

Gross profit increased by ₱380.6 year-on-year from ₱706.2 million to ₱1,086.8 million, resulting in a gross profit margin of 75% compared to 68% in the same period last year.

The Group recorded an operating income of ₱657.5 million for the three-month period ended September 30, 2025 as against ₱285.3 million for the same period last year. Net income after income tax amounted to ₱619.1 million this quarter, ₱355.9 million more than the ₱263.2 million recorded for the three-month period ended September 30, 2024.

EBITDA, computed as earnings before interest expense, interest income, provision for/benefit from income tax, depreciation and amortization, gain/loss on foreign exchange differences, equity in net earnings of associates and joint venture, and gain/loss on equity instruments at fair value through profit or loss (FVPL) is ₱877.9 million for the three-month period ended September 30, 2025, an increase of ₱403.8 million from ₱474.1 million registered during the three-month period ended September 30, 2024. Depreciation and interest expenses for purposes of this computation exclude those related to right-of-use (ROU) assets and lease liabilities,

respectively. EBITDA margins for the three-month periods ended September 30, 2025 and 2024 are at 61% and 46%, respectively.

II. FINANCIAL CONDITION

The Group's total assets as at September 30, 2025 amounted to ₱19,039.4 million, 12% or ₱2,025.1 million higher than the ₱17,014.3 million balance as at June 30, 2025. This increase was primarily driven by higher levels of cash and cash equivalents and receivables for tuition and other school fees.

Condensed Consolidated Statements of Financial Position

<i>(Amounts in Peso millions)</i>	Sept. 30,	June 30,	Increase (Decrease)	
	2025	2025	Amount	%
Total Current Assets	5,369.0	3,599.7	1,769.3	49%
Total Noncurrent Assets	13,670.4	13,414.6	255.8	2%
Total Assets	19,039.4	17,014.3	2,025.1	12%
Total Current Liabilities	3,386.8	1,954.2	1,432.6	73%
Total Noncurrent Liabilities	2,287.2	2,574.9	(287.7)	(11%)
Total Liabilities	5,674.0	4,529.1	1,144.9	25%
Total Equity	13,365.4	12,485.2	880.2	7%
Total Liabilities and Equity	19,039.4	17,014.3	2,025.1	12%

Cash and cash equivalents increased by 17% or ₱472.6 million from ₱2,732.6 million to ₱3,205.2 million as at June 30, 2025 and September 30, 2025, respectively, primarily attributable to the Group's profitable operations and improved collection efficiency.

The total balance of receivables is up by 244% or ₱1,313.1 million from ₱538.0 million as at June 30, 2025 to ₱1,851.1 million as at September 30, 2025. This balance consists primarily of amounts expected to be collected from students as payment for tuition and other school fees, as well as from DepEd for SHS vouchers that are expected to be received during the related term(s) of the school year.

Property and equipment increased by ₱143.3 million from ₱10,453.5 million as at June 30, 2025 to ₱10,596.8 million as at September 30, 2025, due largely to the recognition of progress billings based on the percentage of completion of the related ongoing projects of both STI ESG and STI WNU during the three-month period ended September 30, 2025.

Goodwill, intangible assets, and other noncurrent assets increased by 13% or ₱105.1 million from ₱786.7 million as at June 30, 2025 to ₱891.8 million as at September 30, 2025, substantially attributed to STI ESG's downpayment for the construction of STI Academic Center Meycauayan, net of advances applied or reclassified to property and equipment.

Total current liabilities increased by 73% or ₱1,432.6 million to ₱3,386.8 million as at September 30, 2025 from ₱1,954.2 million as at June 30, 2025, mainly due to the recognition of ₱1,614.0 million unearned tuition and other school fees as of September 30, 2025 or an increase of

₱1,371.2 million from ₱242.8 million as at June 30, 2025. The balance as at June 30, 2025 represents the tuition and other school fees collected before the fiscal year end but applicable to the coming SY 2025-2026. These unearned revenues will be recognized as income over the remaining months of the related school term(s).

Total noncurrent liabilities decreased by ₱287.7 million to ₱2,287.2 million as at September 30, 2025 from ₱2,574.9 million as at June 30, 2025 attributed to the reclassification of the portion of noncurrent interest-bearing loans and borrowings due within the next twelve months to current interest-bearing loans and borrowings.

Total equity increased by ₱880.2 million substantially due to the net income recognized by the Group for the three-month period ended September 30, 2025. The cost of shares held by a subsidiary posted a ₱184.2 million movement as STI ESG sold a portion of its shares in the Parent Company aggregating to 185 million shares. Consequently, STI ESG's equity interest in STI Holdings has been reduced from 4.37% to 2.50% as at September 30, 2025.

III. TOP 5 KEY PERFORMANCE INDICATORS

The top five key performance indicators (KPIs) of the Group include tests of profitability, liquidity and solvency. Profitability refers to the Group's earning capacity and ability to earn income for its stockholders. This is measured by profitability ratios analyzing margins and returns. Liquidity refers to the Group's ability to pay its short-term liabilities as and when they fall due. Solvency refers to the Group's ability to pay all its debts as and when they fall due, whether such liabilities are current or noncurrent.

		As at/Three months ended September 30		Remarks
		2025	2024	
EBITDA margin	EBITDA divided by total revenues	61%	46%	EBITDA margin increased in 2025 compared to the same period in 2024 mainly due to the higher revenues recognized during the three-month period ended September 30, 2025.
Gross profit margin	Gross profit divided by total revenues	75%	68%	Gross profit margin went up as higher revenues were recognized this first quarter.
Return on equity (ROE)	Net income attributable to equity holders of the Parent Company (annualized) divided by average equity attributable to equity holders	19%	10%	ROE is higher as a result of the bigger revenues recognized for the quarter even as direct costs and operating expenses increased at a lower rate.

**As at/Three
months ended
September 30**

		2025	2024	Remarks
	of the Parent Company			
Current Ratio	Current assets divided by current liabilities	1.59	1.46	Current ratio improved due to the Group's profitable operations and improved collection efficiency.
Debt-to-equity ratio (D/E ratio)	Total liabilities, net of unearned tuition and other school fees, divided by total equity	0.30	0.41	D/E ratio improved due to principal payments made by STI ESG on its Term Loans.

STI ESG monitors its financial covenants in accordance with the provisions under its loans and trust Agreements.

		June 2025	Remarks
D/E ratio ¹	Total liabilities, net of unearned tuition and other school fees, divided by total equity	0.44	D/E ratio improved from 0.59 in June 2024 due to principal payments made by STI ESG on its Term Loans.
Debt service coverage ratio (DSCR) ²	EBITDA for the last twelve months divided by total principal and interest due in the next twelve months.	3.40	The minimum DSCR set by management, and the lender banks is 1.05 of cash income (EBITDA) for every peso of loans and interest due within the next 12 months (see note below).
Interest coverage ratio (ICR) ³	EBITDA for the immediately preceding twelve months divided by interest due in the next twelve months	14.95	ICR is well within the threshold set under the Second Supplemental Trust Agreement.

¹ D/E ratio under the Term Loan Agreement with Chinabank must not exceed 1.50:1.00, while D/E ratio under the Term Loan Agreements with BPI and Metrobank must not be more than 2.50:1.00.

² DSCR under the Term Loan Agreements with Chinabank, BPI and Metrobank must not be lower than 1.05:1.00. For Chinabank, DSCR is tested every December 31 and June 30 of each year while for BPI and Metrobank, this is tested on June 30 of each year

³ ICR under the Trust Agreement must not be lower than 3.00:1.00

The Term Loan Agreement with Chinabank prescribes that the financial covenants shall be observed and computed based on STI ESG's unaudited consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the year ending June 30 of each year. The term loan agreements with BPI and Metrobank prescribe that the financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year.

As at September 30, 2025 and June 30, 2025, STI ESG is compliant with the aforementioned financial covenants, following the respective agreements, (see Notes 16 and 17 of the unaudited interim condensed consolidated financial statements).

IV. MATERIAL CHANGES IN BALANCE SHEET ACCOUNTS

Cash and cash equivalents increased by 17% or ₱472.6 million from ₱2,732.6 million to ₱3,205.2 million as at June 30, 2025 and September 30, 2025, respectively, primarily attributable to the Group's profitable operations and improved collection efficiency. The Group generated cash from operating activities aggregating to ₱955.3 million during the three-month period ended September 30, 2025. The collection of tuition and other school fees was the primary contributor to the net cash generated from operating activities. These funds were utilized mainly to pay the contractors for the construction of new buildings for STI Tanauan, STI Meycauayan, STI Fairview and STI Batangas. Cash outflows for investing activities likewise include expenditures related to building rehabilitation works and acquisition of various equipment and furniture for the schools owned and operated by STI ESG. STI WNU installed solar panels in its SBE and Engineering buildings, as well as a new speaker system in its gymnasium, and constructed a covered parking lot in the three-month period ended September 30, 2025. Net cash outflows for investing activities amounted to ₱345.2 million. The Group registered ₱137.6 million cash used in financing activities, substantially representing scheduled principal payments of STI ESG Term Loans with Chinabank, BPI and Metrobank aggregating to ₱292.2 million. Disbursements aggregating to ₱81.1 million were also made for interest payments on STI ESG's Term Loans and for coupon payments for STI ESG's bond issue during the three-month period ended September 30, 2025. These cash disbursements were partially offset by the ₱277.5 million proceeds from STI ESG's disposal of STI ESH shares in August 2025.

The total balance of receivables is up by 244% or ₱1,313.1 million from ₱538.0 million as at June 30, 2025 to ₱1,851.1 million as at September 30, 2025. This balance consists primarily of amounts expected to be collected from students as payment for tuition and other school fees, as well as from DepEd for SHS vouchers that are expected to be received during the related term(s) of the school year.

Receivables from students increased by ₱977.4 million from ₱436.3 million to ₱1,413.7 million, reflecting tuition and other school fees that are expected to be collected from the students over the remaining months of the related school term(s).

Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to the current school year, amounted to ₱328.3 million as at September 30, 2025 compared to ₱19.8 million as at June 30, 2025. The SHS Voucher Program is a financial assistance program

wherein subsidies in the form of vouchers are provided to qualified SHS students who are enrolled in a “non-DepEd SHS.” A non-DepEd SHS refers to an educational provider not directly operated by DepEd but granted by DepEd with a permit or government recognition to operate SHS. This includes private schools, private colleges and universities; state universities and colleges (SUCs), local universities and colleges (LUCs); and technical and vocational institutions offering SHS. A Qualified Voucher Recipient (QVR) in participating private institutions is entitled to a subsidy ranging from ₱14,000 to ₱22,500 annually. DepEd, through the Private Education Assistance Committee (PEAC), facilitates the transfer of funds to the participating schools.

Receivables related to DBP Resources for Inclusive and Sustainable Education Program (DBP RISE) amounted to ₱0.8 million and ₱1.9 million as at September 30, 2025 and June 30, 2025, respectively. DBP RISE covers the following: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school’s tuition fee structure which is determined at the beginning of the first term of the course or program; and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP.

Receivables from CHED for the Tertiary Education Subsidy (TES) amounted to ₱5.2 million and ₱1.6 million as at September 30, 2025 and June 30, 2025, respectively. Under the Universal Access to Quality Tertiary Education Act (UAQTEA) or RA No. 10931, and its Implementing Rules and Regulations (IRR), students enrolled in select Private Higher Education Institutions (PHEIs) and are qualified to receive the TES are entitled to ₱60,000 per school year. The TES sharing agreement states that ₱40,000 goes to the TES student grantee and ₱20,000 goes to the PHEI. The subsidy is for tuition and other related school fees and should cover the living allowance, books, supplies, transportation, and miscellaneous expenses. Additional benefits are likewise given to persons with disabilities (PWDs) and graduates of programs with licensure exams amounting to ₱30,000 and ₱10,000, respectively, per annum. Under the TES Program, CHED directly pays the schools where these students enrolled. In July 2023, CHED Unified Student Financial Assistance System for Tertiary Education Board (UniFAST) issued Memorandum Circular No. 5 for the allocation of funds for new TES grants. The circular provides, among others, that the new TES grantees for the first semester of SY 2023-2024 shall receive ₱20,000 per school year or ₱10,000 per semester to cover the full or partial cost of tuition and other school fees. New TES grantees who are PWDs shall receive an additional subsidy of ₱10,000 per school year or ₱5,000 per semester.

Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the school year.

Receivables related to educational services and sale of educational materials and supplies amounted to ₱125.1 million as at September 30, 2025, higher by ₱35.2 million from the ₱89.9 million balance as at June 30, 2025. This account represents STI ESG’s receivables from franchised schools for educational services, educational materials and supplies sold, and network charges. These receivables are expected to be settled within 30 days from the invoice date.

Rent, utilities and other related receivables declined by ₱6.4 million to ₱52.4 million as at September 30, 2025, from ₱58.8 million as at June 30, 2025 representing collection of rental payments from various lessees during the three-month period ended September 30, 2025.

The Group's allowance for expected credit losses (ECL) recognized in relation to the adoption of Philippine Financial Reporting Standards (PFRS) 9, *Financial Instruments*, increased from ₱185.4 million as at June 30, 2025 to ₱230.0 million as at September 30, 2025. This increase represents the Group's provision for ECL amounting to ₱44.6 million during the three-month period ended September 30, 2025.

Inventories decreased by ₱26.3 million or 16%, from ₱169.3 million as at June 30, 2025 to ₱143.0 million as at September 30, 2025, substantially attributed to the sale of uniforms and prowares during the three-month period ended September 30, 2025, partially offset by purchases made during the quarter.

Prepaid expenses and other current assets went up by 7% or ₱10.2 million from ₱148.3 million to ₱158.5 million as at September 30, 2025 largely due to the ₱10.7 million increase in iACADEMY's recently renewed licenses for Adobe Enterprise, , Sophos, Neo LMS, and IBM Statistical Product and Service Solution (IBMSPSS), used both in its Makati and Cebu branches. IBMSPSS is a data analysis and statistical tool developed by IBM and used by iACADEMY's Psychology, Data Science, and all SHS students.

Property and equipment increased by ₱143.3 million from ₱10,453.5 million as at June 30, 2025 to ₱10,596.8 million as at September 30, 2025. STI ESG's property and equipment increased by ₱119.6 million, net of depreciation expenses for the period, due largely to the recognition of progress billings for the percentage of construction completed of new school buildings for STI Batangas, STI Fairview, STI Meycauayan, and STI Tanauan, as well as the installation of solar panels and various renovation and rehabilitation works in schools owned and operated by STI ESG.

STI WNU's property and equipment increased by ₱27.3 million, net of depreciation expenses for the period, substantially due to the installation of solar panels for the new SBE and Engineering buildings, and a new sound system in the university gymnasium. Various school and office equipment, furniture and fixtures were likewise purchased during the three-month period ended September 30, 2025.

Deferred tax assets (DTA) increased by ₱18.1 million from ₱51.4 million as at June 30, 2025 to ₱69.5 million as at September 30, 2025, representing taxes due on tuition and other school fees collected in advance. Following statutory regulations, tuition and other school fees which are collected in advance are subject to income tax upon receipt.

Goodwill, intangible assets, and other noncurrent assets increased by 13% or ₱105.1 million from ₱786.7 million as at June 30, 2025 to ₱891.8 million as at September 30, 2025, substantially attributed to STI ESG's downpayment of ₱147.7 million in August 2025 for the construction of STI Academic Center Meycauayan. The reported increase is net of the reclassification of certain advances to suppliers to "Property and equipment" corresponding to the progress completion of ongoing construction projects, full delivery and/or installation of other capital assets.

Total current liabilities increased by ₱1,432.6 million to ₱3,386.8 million as at September 30, 2025 from ₱1,954.2 million as at June 30, 2025, mainly due to the recognition of ₱1,614.0 million unearned tuition and other school fees as of September 30, 2025 or an increase of ₱1,371.2 million from ₱242.8 million as at June 30, 2025. The balance as at June 30, 2025 represents the tuition and other school fees collected before the fiscal year-end but applicable to the coming SY 2025-2026. These unearned revenues will be recognized as income over the remaining months of the related school term(s).

Accounts payable and other current liabilities decreased by ₱11.6 million, mainly attributed to interest payments for STI ESG's loans and borrowings in September 2025 and payments for commencement-related expenses for SY 2024-2025 made subsequent to fiscal year ended June 30, 2025.

Unearned tuition and other school fees increased substantially by ₱1,371.2 million from ₱242.8 million as at June 30, 2025 to ₱1,614.0 million as at September 30, 2025. These unearned revenues will be recognized as income over the remaining months of the related school term(s).

Current portion of interest-bearing loans and borrowings amounted to ₱580.4 million as at September 30, 2025, net of deferred finance charges amounting to ₱4.0 million. This balance represents the current portion of the Term Loans of STI ESG with China Bank, Metrobank and BPI amounting to ₱240.0 million, ₱200.0 million and ₱144.4 million, respectively, gross of related deferred finance costs aggregating to ₱4.0 million. On the other hand, the noncurrent portion of interest-bearing loans and borrowings decreased by ₱291.4 million from ₱1,146.1 million to ₱854.7 million, net of deferred finance cost, as at June 30, 2025 and September 30, 2025, respectively, due to the reclassification from noncurrent to current portion of interest-bearing loans and borrowings that are due in the next twelve months.

Current portion of lease liabilities amounted to ₱92.6 million and ₱91.4 million as at September 30, 2025 and June 30, 2025, respectively. Noncurrent portion of lease liabilities decreased by ₱21.8 million from ₱369.7 million as at June 30, 2025 to ₱347.9 million as at September 30, 2025 due to the reclassification of lease obligations which are due within the next twelve months. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of the initial application. The amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The measurement and presentation of lease liabilities were recognized in the consolidated financial statements of the Group following the adoption of PFRS 16, *Leases*.

Income tax payable amounted to ₱115.3 million and ₱43.7 million as at September 30, 2025 and June 30, 2025, respectively. The balance as at September 30, 2025 represents income tax due on the taxable income for the three-month period ended September 30, 2025 of STI WNU, iACADEMY, STI ESG and some of its subsidiaries as well as the income tax payable as at June 30, 2025, which was duly settled in October 2025. Income tax due on the taxable income of the Parent Company was covered by its tax credits.

Pension liabilities increased by 22% or ₱21.6 million from ₱100.1 million to ₱121.7 million as at June 30, 2025 and September 30, 2025, respectively. The increase is mainly attributable to the recognition of pension expense and remeasurement adjustments forming part of the Group's pension assets for the three-month period ended September 30, 2025.

Other noncurrent liabilities rose by 8% or ₱2.6 million from ₱30.3 million as at June 30, 2025 to ₱32.9 million as at September 30, 2025, mainly due to the advance rent and refundable deposits paid by iACADEMY's new lessee.

Total equity increased by ₱880.2 million substantially due to the ₱611.5 million net income recognized by the Group for the three-month period ended September 30, 2025. The increase includes a ₱184.2 million adjustment in the carrying value of the cost of shares held by a subsidiary and the recognition of additional paid-in capital amounting to ₱93.3 million resulting from the disposal by STI ESG of 185 million Parent Company shares in August 2025. This increase is net of the remeasurement loss on pension liabilities recognized for the three-month period ended September 30, 2025 amounting to ₱15.5 million, net of tax, reflecting changes in the market value of the equity investments held within the pension plan assets of the Group for the three months ended September 30, 2025.

V. MATERIAL CHANGES IN INCOME STATEMENT ACCOUNTS

Total revenues reached ₱1,443.3 million during the three-month period ended September 30, 2025, ₱405.6 million more than the ₱1,037.7 million generated during the same period last year.

Condensed Consolidated Statements of Comprehensive Income

<i>(Amounts in Peso millions)</i>	Three-month periods ended September 30			
	2025	2024	Increase (Decrease)	
			Amount	%
Revenues	1,443.3	1,037.7	405.6	39%
Costs and expenses	785.8	752.4	33.4	4%
Operating income	657.5	285.3	372.2	130%
Other income (expenses)	31.5	6.9	24.6	357%
Income before income tax	689.0	292.2	396.8	136%
Provision for income tax	69.9	29.0	40.9	141%
Net income	619.1	263.2	355.9	135%
Other comprehensive income (loss)	(16.0)	21.3	(37.3)	-175%
Total comprehensive income	603.1	284.5	318.6	112%

Tuition and other school fees amounted to ₱1,277.8 million for the three-month period ended September 30, 2025, ₱399.8 million more than the ₱878.0 million tuition fees generated for the same period last year. Revenues from tuition and other school fees are recognized proportionately throughout the related school term(s) to which they pertain, consistent with the time frame in which educational services are delivered. As such, revenue distribution across quarters may vary depending on the timing of the school calendar. The wide variance reflects the earlier start of classes for both STI ESG and STI WNU for SY 2025–2026 on July 28, 2025, compared to the August 12, 2024 start of classes last SY. Since tuition and related fees are recognized as revenue over the duration of the related school term(s), the earlier start of classes led to a greater share of revenues earned for the three-month period ended September 30, 2025, compared to the same quarter of the previous year. In addition, starting this fiscal year, STI

ESG and STI WNU have recognized revenues based on the actual number of days within the school calendar in contrast with the monthly recognition done in prior years. This approach affects the timing of revenue recognition across quarters but does not affect total revenues for the full fiscal year.

In addition, the Group implemented adjustments in tuition and other school fees for SY 2025-2026. STI ESG implemented tuition and other school fee adjustments for new tertiary students, as well as the other school fees for continuing tertiary students, ranging from 2.1% to 6.7%. STI WNU implemented an average of 6.6% increase in tuition and other school fees for all students across all levels while iACADEMY implemented an average of 5.0% tuition fee increase for new SHS and tertiary students.

Revenues from educational services increased by 26% from ₱57.6 million to ₱72.9 million for the three-month periods ended September 30, 2024 and 2025, respectively, primarily due to the improved collection efficiency of STI ESG's franchised schools for SY 2025-2026.

Royalty fees, which are likewise derived from STI ESG's franchised schools, improved by 19% from ₱6.1 million to ₱7.2 million year-on-year. Revenues from educational services and royalty fees are derived as a percentage of the tuition and other school fees collected by the franchised schools from their students, or through DepEd and CHED.

Revenues from educational services include management fees from Philippine School of Business Administration, Inc. (PSBA Manila) and Philippine School of Business Administration, Inc.-Quezon City (PSBA Quezon City) amounting to ₱4.3 million and ₱1.6 million for the three-month periods ended September 30, 2025 and 2024, respectively. The management agreement, executed in May 2024 between the two schools and STI ESG, became effective on July 1, 2024 for PSBA Quezon City and on August 1, 2024 for PSBA Manila. The agreement has a term of three (3) years counting from the respective management commencement dates. PSBA Manila and PSBA Quezon City pay management fees to STI ESG equivalent to 26% of their respective gross revenues.

Other revenues amounted to ₱39.2 million and ₱36.0 million for the three-month periods ended September 30, 2025 and 2024, respectively. The increase is mainly driven by the higher number of college graduates in iACADEMY during the current period, which led to slightly higher commencement-related income following the August 2025 graduation ceremony. The related costs for graduation are reported as part of the student activities and programs under "Cost of educational services."

The revenues generated from the sale of educational materials and supplies amounted to ₱46.2 million for the three-month period ended September 30, 2025, compared to ₱60.1 million for the same period last year, consistent with the enrollment levels for SY 2025-2026. Sales for both periods were mainly attributable to uniforms. The cost of educational materials and supplies sold amounted to ₱40.9 million and ₱50.1 million for the three-month periods ended September 30, 2025 and 2024, respectively, aligned with the movement in sales.

The cost of educational services increased by ₱34.3 million from ₱281.3 million for the three-month period ended September 30, 2024 to ₱315.6 million for the three-month period ended September 30, 2025. This increase is primarily attributed to higher instructors' salaries and

benefits as well as higher depreciation expenses for the three-month period ended September 30, 2025.

Instructors' salaries and benefits are up by ₱13.5 million from ₱129.2 million to ₱142.7 million for the three-month periods ended September 30, 2024 and 2025, respectively, primarily due to the earlier start of classes for SY 2025–2026 compared to SY 2024–2025.

The completion of the new school building at STI Ortigas-Cainta, STI Lipa, and the new SBE building at STI WNU, major renovation and rehabilitation projects in certain STI ESG-owned schools, along with the acquisition of new equipment and furniture, contributed to the ₱15.1 million increase in the depreciation expense recognized by the Group. The increase is reported both under the cost of educational services and the general and administrative expense sections of the unaudited interim condensed consolidated statement of comprehensive income.

STI ESG transitioned from annual support and maintenance contract to on-demand engagements with the third-party providers for its computerized accounting and enrollment systems during SY 2024–2025. This resulted in lower expenses related to infrastructure and software maintenance incurred by STI ESG, from ₱2.6 million to ₱1.2 million for the three-month period ended September 30, 2024 and 2025, respectively. Concurrently, STI ESG is in the process of implementing new financial and enrollment systems to streamline its financial and enrollment processes and students' information and records management so as to enhance operational efficiency over the long term. On the other hand, STI WNU reported higher costs related to infrastructure and software maintenance for the three-month period ended September 30, 2025 at ₱3.6 million compared to the amount incurred for the three-month period ended September 30, 2024 of ₱0.08 million due the earlier start of classes and the increase in number of students.

Expenses attributed to student activities, programs and other service costs rose by ₱4.2 million from ₱29.5 million for the three-month period ended September 30, 2024 to ₱33.7 million for the same period this year. This account includes subscription costs for the use of eLearning Management System, MS License, and eBooks, among others. These subscriptions are renewed annually, and the related costs are spread over the contract periods which are usually aligned with the school calendar.

Gross profit increased from ₱706.2 million to ₱1,086.8 million for the three-month periods ended September 30, 2024 and 2025, respectively, primarily due to the higher revenues reported this period driven by the earlier start of classes and the use of actual number of instructional days in the revenue recognition.

General and administrative expenses increased by ₱8.4 million from ₱420.9 million to ₱429.3 million for the three-month periods ended September 30, 2024 and 2025, respectively, largely attributed to increases in expenses related to depreciation, salaries and benefits, professional fees, and janitorial and security services. These increases were partially offset by lower provisions for ECL and reduced advertising and promotional spending for the three-month period ended September 30, 2025.

Salaries and benefits amounted to ₱118.0 million for the three-month period ended September 30, 2025 compared with ₱109.9 million for the same period last year, due to merit-based salary

adjustments granted to deserving employees in the second quarter of the fiscal year ended June 30, 2025. Also, certain plantilla positions were filled up during the three-month period ended September 30, 2025.

Depreciation expenses went up to ₱74.5 million from ₱64.5 million for the three-month periods ended September 30, 2025 and 2024, respectively, due to additional depreciation costs on the new buildings completed and on other capital projects as discussed in previous paragraphs.

Light and water expenses amounted to ₱53.5 million for the three-month period ended September 30, 2025 compared to ₱52.8 million for the same period last year, primarily due to the earlier start of classes for SY 2025-2026. The increased power consumption was mitigated by the cost savings from the solar power systems installed at several wholly-owned schools of STI ESG.

The Group recognized a provision for ECL amounting to ₱44.6 million for the three-month period ended September 30, 2025, largely representing ECLs on outstanding receivables from students' tuition and other school fees as at September 30, 2025. This provision is lower by ₱7.7 million compared to ₱52.3 million provision recognized for the three-month period ended September 30, 2024 reflecting the Group's improved collection efficiency. The Group recognized ECL based on the Group's historical credit loss experience adjusted with forward-looking information. The most recent receivables are assigned lower loss rates. Estimated loss rates vary over time and increase as receivables age and as credit risks increase, with the likelihood of the receivables becoming impaired. The Group likewise considered the subsequent collections of receivables from students pertaining to prior years.

Outside services including security and janitorial services increased by ₱3.5 million to ₱44.4 million from ₱40.9 million for the three-month periods ended September 30, 2025 and 2024, respectively, mainly due to higher minimum wage rates imposed by security and utility service providers.

Professional fees increased by ₱3.7 million to ₱23.5 million for the three-month period ended September 30, 2025 from ₱19.8 million for the same period last year, primarily due to increased fees related to corporate and legal counsel services.

Taxes and licenses expense increased by ₱1.4 million from ₱13.3 million to ₱14.7 million for the three-month periods ended September 30, 2024 and 2025, respectively, largely due to higher local business taxes recorded for calendar year 2025.

Repairs and maintenance expenses amounted to ₱12.1 million for the three-month period ended September 30, 2025, slightly higher than the ₱11.3 million incurred for the same period last year, mainly due to higher corrective maintenance activities made for certain equipment and school facilities.

Advertising and promotions expenses amounted to ₱9.3 million from ₱21.1 million for the three-month periods ended September 30, 2025 and 2024, respectively. The decline was primarily due to timing differences in the implementation of advertising and marketing campaigns. For SY 2025-2026, classes commenced earlier, resulting in a shift of a significant portion of marketing activities to the last quarter of fiscal year ended June 30, 2025, whereas for

SY 2024–2025, the marketing campaigns through social media channels were largely executed during the three-month period ended September 30, 2024.

Association dues amounted to ₱2.1 million from ₱1.7 million for the three-month periods ended September 30, 2025 and 2024, respectively, representing office condominium dues paid by STI ESG for its investment properties which were not occupied.

Communication expenses, infrastructure and software maintenance, and insurance expenses registered increases, driven by the Group's growing business activities.

The Group generated an operating income of ₱657.5 million for the three-month period ended September 30, 2025, an increase of ₱372.2 million from the ₱285.3 million operating income earned during the same period last year, primarily due to higher revenues recognized for the period.

Rental income amounted to ₱62.9 million for the three-month period ended September 30, 2025, posting a ₱14.0 million increase from the ₱48.9 million rental income generated for the three-month period ended September 30, 2024. This increase is related to the pre-termination of a sublease agreement between iACADEMY and a third party covering certain units in iACADEMY's leased building along Sen. Gil J. Puyat Ave. in Makati City. The lease term was originally set to expire in 2028. In March 2025, the third party advised iACADEMY of its intention to pre-terminate the sublease agreement effective June 30, 2025. On March 7, 2025, a Termination Deed was executed. Pursuant to the provisions of the termination deed, the third party paid the rentals for the period July to December 2025 on July 31, 2025.

Interest expenses decreased by ₱9.6 million from ₱66.5 million for the three-month period ended September 30, 2024 to ₱56.9 million for the same period this year mainly due to the principal payments made by STI ESG on its Term Loans with BPI, Chinabank and Metrobank. Interest rates per annum improved effective September 2025 for the BPI, Chinabank, and Metrobank loans at 7.0588%, 7.1577%, and 7.0517%, respectively, compared to 7.8735%, 7.8749%, and 7.8135% for the same period of the previous year.

Interest income increased by ₱6.7 million from the previous year's ₱14.7 million to ₱21.4 million for the three-month period ended September 30, 2025 earned from the Group's short-term investments.

The Group recognized as income the recovery of previously written-off accounts amounting to ₱3.1 million for the three-month period ended September 30, 2025 compared to ₱4.2 million for the same period the previous year.

Equity in net earnings of associates and joint venture amounted to ₱0.4 million for the three-month period ended September 30, 2025 compared to ₱1.6 million recognized for the same period last year, reflecting the decline in net income reported by some of the Group's associates.

STI ESG redeemed and converted to Philippine peso substantially all its dollar money market and time deposit placements in 2024, resulting in a realized foreign exchange loss amounting to ₱5.8 million for the three-month period ended September 30, 2024. The Group recognized

an unrealized gain on foreign exchange differences in its dollar-denominated cash and cash equivalents amounting to ₱0.07 million for the three-month period ended September 30, 2025.

Fair value loss on equity instruments at FVPL amounting to ₱0.2 million was recognized for the three-month period ended September 30, 2025, compared to fair value gain amounting to ₱1.0 million for the three-month period ended September 30, 2024, representing adjustments in the market value of STI ESG's quoted equity shares.

The Group recognized other income aggregating to ₱8.6 million for the three-month period ended September 30, 2024. This account includes ₱6.8 million in utilities cost charged by iACADEMY to its lessee at the Sen. Gil J. Puyat Ave., Makati City building. STI ESG recognized a ₱1.6 million gain on the termination of a contract of lease accounted for under PFRS 16. Other income is presented net of bond maintenance fees amounting to ₱0.1 million and ₱0.2 million for the three-month periods ended September 30, 2025 and 2024, respectively.

The Group reported provision for income tax amounting to ₱69.9 million and ₱29.0 million for the three-month periods ended September 30, 2025 and 2024, respectively.

Net income after tax of ₱619.1 million was recorded for the three-month period ended September 30, 2025, as against ₱263.2 million for the same period last year, an increase of ₱355.9 million. Net income margin stood at 43%, from 25% for the same period of the previous year, resulting from the higher revenues recognized this quarter due to the early start of classes and the change in the revenue recognition discussed in earlier paragraphs.

The Group recognized a remeasurement loss on pension liabilities amounting to ₱15.7 million and a remeasurement gain of ₱21.4 million, both net of income tax effect, for the three-month periods ended September 30, 2025 and 2024, respectively, due to adjustments in the market value of equity shares forming part of STI ESG's pension assets.

The unrealized fair value adjustments on equity instruments designated at FVOCI amounted to negative ₱0.3 million and ₱0.1 million for the three-month periods ended September 30, 2025 and 2024, respectively, due to the movements in the market price of quoted equity shares held by STI ESG.

Total comprehensive income of ₱603.1 million was generated for the three-month period ended September 30, 2025, compared to ₱284.5 million for the same period last year, an increase of ₱318.6 million.

EBITDA is up by ₱403.8 million from ₱474.1 million to ₱877.9 million for the three-month periods ended September 30, 2024 and 2025, respectively. EBITDA margin for the three-month period ended September 30, 2025 is at 61% compared to 46% for the same period last year.

Core income, computed as the consolidated income after income tax derived from the Group's main business of education and other recurring income, amounted to ₱618.9 million for the three-month period ended September 30, 2025 compared to ₱262.9 million core income for the same period last year.

VI. FINANCIAL RISK DISCLOSURE

The Group's present activities expose it to liquidity, credit, interest rate and capital risks.

Liquidity risk – Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet its currently maturing commitments. The Group's liquidity profile is managed to be able to finance its operations and capital expenditures and other financial obligations. To cover its financing requirements, the Group uses internally-generated funds and interest-bearing loans and borrowings. As part of its liquidity risk management program, the Group regularly evaluates the projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives.

Any excess funds are primarily invested in short-dated and principal-protected bank products that provide flexibility in withdrawing the funds anytime. The Group regularly evaluates available financial products and monitors market conditions for opportunities to enhance yields at acceptable risk levels.

The Group's current liabilities are mostly made up of trade liabilities with 30 to 60-day payment terms and the current portion of interest-bearing loans and borrowings that are expected to mature within one year after the reporting date. On the other hand, the biggest components of the Group's current assets are cash and cash equivalents and receivables from students and franchisees with credit terms of up to ten (10) months for installment payments and thirty (30) days, respectively.

As at September 30, 2025 and June 30, 2025, the Group's current assets amounted to ₱5,369.0 million and ₱3,599.7 million, respectively, while current liabilities amounted to ₱3,386.8 million and ₱1,954.2 million, respectively. Current liabilities include unearned tuition and other school fees amounting to ₱1,614.0 million and ₱242.8 million as at September 30, 2025 and June 30, 2025, respectively. Unearned tuition and other school fees represent performance obligations related to revenues from tuition and other school fees, which will be satisfied over time as the students receive the services provided by the Group.

As part of the Group's liquidity risk management program, management regularly evaluates the projected and actual cash flow information.

The Group regularly monitors both the DSCR for STI ESG's interest-bearing loans from local banks and the ICR for its series 10-year bonds. The ratios are based on the consolidated financial statements of STI ESG. The DSCR is equivalent to the EBITDA divided by total principal and interest due for the next twelve months while the ICR is computed as EBITDA divided by the total interests due for the next twelve months. The Group manages its DSCR to keep it at a level acceptable to the Group and the lender banks. Similarly, the Group monitors its ICR to keep it at a level acceptable to the Group and the STI ESG bondholders.

The Term Loan Agreement with Chinabank prescribes that the financial covenants shall be observed and computed based on STI ESG's unaudited interim consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the year ending June 30 of each year. The term loan agreements with BPI and Metrobank prescribe that the financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial

statements as at and for the year ending June 30 of each year. STI ESG is compliant with the DSCR requirement as at June 30, 2025, as defined in the term loan agreements, (see Note 16 of the unaudited interim condensed consolidated financial statements).

The Second Supplemental Trust Agreement replaced the DSCR measure with the ICR, as discussed in Note 17 of the unaudited interim condensed consolidated financial statements.

The Group's policy is to keep the DSCR at a level not lower than 1.05:1.00 and the ICR at a level not lower than 3.00:1.00. STI ESG's DSCR, as defined in the loan agreement, as at June 30, 2025, is 3.40:1.00. STI ESG's ICR as defined in the bond trust agreement, as at June 30, 2025, is 14.95:1.00. STI ESG is compliant with the financial covenants imposed under the loan and bond trust agreements.

Credit risk – Credit risk is the risk that the Group will incur a loss arising from students, franchisees or counterparties who fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk that the Group is willing to accept for each counterparty and by monitoring expenses in relation to such limits.

It is the Group's policy to require students to pay all their tuition and other incidental fees before they can get their report cards and other credentials. In addition, receivable balances are monitored on an ongoing basis such that exposure to bad debts is not significant.

Interest rate risk – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-rate financial instruments are subject to fair value interest rate risk while floating-rate financial instruments are subject to cash flow 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 long-term loans and bonds. While the Group's long-term debt has a floating interest rate, the Group elected to have the interest rate repriced every six months on its new loans and every year on the old loans, thus minimizing the exposure to market changes in interest rates. STI ESG's 7-year bonds, which had a fixed interest rate, were fully redeemed in March 2024 while the 10-year bonds, maturing in 2027, continue to carry a fixed interest rate.

The Group's exposure to interest rate risk also includes its cash and cash equivalents balance. Interest rates for the Group's cash deposits are at prevailing interest rates. Due to the magnitude of the deposits, significant changes in interest rates may also affect the statements of comprehensive income of the Group.

Capital risk – The Group aims to achieve an optimal capital structure to reduce its cost of capital in pursuit of its business objectives, which include maintaining healthy capital ratios and strong credit ratings, maximizing shareholder value and providing benefits to other stakeholders. The Group likewise aims to ensure that cash is available to support its operations and all other projects undertaken by the Group and to maintain funds on a long-term basis.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group is not subject to externally imposed capital requirements.

The Group monitors capital using the D/E ratio, which is computed as the total of current and noncurrent liabilities, net of unearned tuition and other school fees, divided by total equity. The Group monitors its D/E ratio to keep it at a level acceptable to the Group, the lender banks and the STI ESG bondholders. The Group's policy is to keep the debt-to-equity ratio at a level not exceeding 1.50:1.00. STI ESG is compliant with the D/E ratio requirement as at June 30, 2025, as defined in the term loan and trust agreements, (see Notes 16 and 17 of the unaudited interim condensed consolidated financial statements).

VII. AGREEMENTS/COMMITMENTS AND CONTINGENCIES/OTHER MATTERS

- a. There are no changes in accounting estimates used in the preparation of unaudited interim condensed consolidated reports for the current and prior financial periods.
- b. Except as provided in Note 26 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements attached as Annex "A," the Group has no other financial and capital commitments.
- c. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- d. There are no material events and uncertainties known to management that would address the past and would have an impact on the future operations of the Group.
- e. There are no known trends, demands, commitments, events of uncertainties that will have an impact on the Group's liquidity, net sales/revenues/income from continuing operations, except for the contingencies and commitments enumerated in Note 26 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements attached as Annex "A".
- f. The various loan agreements entered into and the issuance of fixed-rate bonds by STI ESG provide certain restrictions and conditions with respect to, among others, change in majority ownership and management and maintenance of financial ratios. STI ESG is fully compliant with all the covenants in the loan agreements. Please see Notes 16 and 17 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements attached as Annex "A" for a more detailed discussion. There are no other events that will trigger direct or contingent financial obligations that are material to the Group, including any default or acceleration of an obligation.
- g. There are no significant elements of income or loss that did not arise from the Group's continuing operations.
- h. The Group's business is linked to the academic cycle. For SY 2025-2026, the academic year for STI ESG and STI WNU began in late July 2025 and will end in June 2026. For SY 2024-2025, the academic year for STI ESG and STI WNU began around mid-August 2024 and ended in June 2025. For iACADEMY, classes start in August and end in May of the following year for SHS while classes start in August and end in July of the following year for the tertiary level. The core business and revenues of the Group, which are mainly from tuition and other school fees, are recognized as income over the corresponding school

term(s)/academic year to which they pertain. As such, revenue distribution across quarters may vary depending on the timing of the school calendar. This information is provided to facilitate a comprehensive understanding and informed analysis of the results of operations of the Group. However, management has concluded that the Group's operation is not highly seasonal.

- i. On March 23, 2017, STI ESG listed its ₱3.0 billion Series 7-year Bonds due 2024 and Series 10-year Bonds due 2027 on the PDEX secondary market. The ₱3.0 billion bond issue is the first tranche of STI ESG's ₱5.0 billion fixed-rate bonds program under its 3-year shelf registration with the SEC. The 3-year shelf registration ended on March 9, 2020. STI ESG's 7-year bonds, which had a fixed interest rate of 5.8085% per annum, were fully redeemed in March 2024 while the 10-year bonds, maturing in 2027, continue to carry a fixed interest rate of 6.3756% per annum. Interests are payable quarterly in arrears on June 23, September 23, December 23, and March 23 or the next business day if such dates fall on non-banking days, of each year commencing on June 23, 2017, until and including the relevant maturity dates (see Note 17 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements).
- j. On February 27, 2024, the BODs of Philippine School of Business Administration (PSBA Manila) and Philippine School of Business Administration, Inc. – Quezon City (PSBA Quezon City) or collectively referred to as "PSBA," and STI Holdings (the "Company"), its affiliates, assignees, or successors-in-interest ratified the execution of a term sheet which covers the takeover by STI Holdings of the operations of PSBA as well as the acquisition of licenses, trademarks, trade names, and school-related assets owned by PSBA (the "transaction").

The term sheet and the implementation of the transaction are subject to several conditions including the execution of mutually acceptable definitive agreements, the fulfillment of conditions precedent, the approval of the stockholders of PSBA, and regulatory approvals.

On May 2, 2024, STI Holdings disclosed to the SEC and the PSE the developments regarding the transactions by and among STI Holdings and PSBA involving the following: (a) the acquisition by the Company or its affiliates, assignees or successors-in-interest of a 3,000 square meter parcel of land located at Aurora Boulevard, Quezon City which forms part of the properties owned by PSBA Manila (the "Subject Property"); (b) the acquisition by the Company or its affiliates, assignees or successors-in-interest of the tangible and intangible assets of PSBA (collectively, the "School Related Assets") used or relating to the operation by PSBA of its schools located in Manila and Quezon City (collectively, the "PSBA Schools"); and (c) the grant by PSBA of a right of first refusal over the properties owned by PSBA Manila located in Manila (the "PSBA Manila Property") and Quezon City, net of the Subject Property (the "Remaining PSBA Quezon City Properties").

On May 2, 2024, STI ESG entered into a Contract to Sell with PSBA Manila for the sale and purchase of the Subject Property. The purchase price of the Subject Property is less than ten percent (10%) of the total assets of the Company. The sale and purchase of the Subject Property is subject to regulatory approvals and the fulfillment of certain conditions precedent. Subject to regulatory approvals and upon fulfillment of such conditions precedent, STI ESG and PSBA Manila shall execute a Deed of Absolute Sale over the Subject Property.

On the same date, STI College Novaliches, Inc. entered into an Asset Purchase Agreement with PSBA for the acquisition by STI College Novaliches, Inc. of the tangible and intangible assets of PSBA (collectively, the "School Related Assets") used or relating to the operation by PSBA of its schools located in Manila and Quezon City. The sale and purchase of the School Related Assets is subject to regulatory approvals and the fulfillment of certain conditions. Subject to regulatory approvals and the fulfillment of certain conditions, STI College Novaliches, Inc. and PSBA shall execute a Deed of Assignment for the sale and purchase of the School Related Assets. In January 2025, STI College Novaliches, Inc. became a subsidiary of STI Holdings.

As at November 19, 2025, the conditions precedent and regulatory approvals for the aforementioned agreements have not been fulfilled.

On May 30, 2024, STI ESG and PSBA executed a Management Agreement appointing STI ESG to manage the operations of PSBA schools with the goal of increasing enrollment as well as promoting PSBA as one of the leading educational institutions in the Philippines for accountancy and business programs. The management services commenced on July 1, 2024 for PSBA Quezon City and on August 1, 2024 for PSBA Manila. The agreement has a term of three (3) years counting from the respective management commencement dates.

The agreement provides that STI ESG shall perform the following obligations, among others: (1) provide management services including, but not limited to, marketing and advertising efforts, administering teaching and non-teaching staff deployed in each of the PSBA schools, maintaining school records and providing such other administrative and support services required for the effective operations of PSBA schools; (2) enter into contracts for and on behalf of PSBA with third parties without need of consent of PSBA; (3) liaise with local government units and government agencies in relation to the management and operations of PSBA schools; and (4) apply for and obtain permits and licenses for PSBA schools.

PSBA Manila and PSBA Quezon City shall each pay management fees to STI ESG equivalent to 26% of the gross revenues of PSBA Manila and PSBA Quezon City, respectively.

The management agreement may be extended provided that (i) such extension shall be subject to mutual agreement of the Parties; (ii) STI ESG shall be entitled to use the PSBA Manila and Quezon City properties rent-free during the extended management period, and (iii) the same terms and conditions shall apply during the extended management period unless otherwise agreed upon by the Parties in writing.

On September 23, 2024, PSBA informed STI Holdings that a third party had offered to purchase the PSBA Manila Property. On October 2, 2024, STI Holdings informed PSBA that it intended to exercise its right of first refusal over the PSBA Manila Property under the same terms and conditions offered by the third party. As at November 19, 2025, STI Holdings has yet to receive the reply of PSBA.

On July 31, 2025, the SEC approved the amendments to the Articles of Incorporation of STI College Novaliches, Inc., which include, among others, the following:

- Change in corporate name to “Philippine School of Business Administration - Manila, Inc.”;
- Revision of the primary purpose to include the offering of primary and post-graduate education;
- Modification of the secondary purpose to allow the purchase, acquisition, ownership, lease, sale, and conveyance of intangible assets as may be necessary or incidental to its operations; and
- Extension of the corporate term to perpetual existence.

On August 29, 2025, the SEC approved the amended By-Laws of Philippine School of Business Administration-Manila, Inc. (formerly “STI College Novaliches, Inc.”) which include, among others, the change in its fiscal year from April 1 of each year to March 31 of the following year to July 1 of each year to June 30 of the following year.

Arsenio C. Cabrera

From: noreply-cifsost@sec.gov.ph
Sent: Wednesday, 19 November 2025 7:36 PM
Subject: SEC eFast Initial Acceptance

Dear **STI EDUCATION SYSTEMS HOLDINGS, INC.**,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

SEC Registration No: 0000001746
Company Name: STI EDUCATION SYSTEMS HOLDINGS, INC.
Document Code: SEC_Form_17-Q

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

REMINDER:

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2. General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF); 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

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