



SECURITIES AND EXCHANGE COMMISSION

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The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: November 19, 2025 07:35:40 PM

Company Information

SEC Registration No.: 0000001746

Company Name: STI EDUCATION SYSTEMS HOLDINGS, INC.

Industry Classification: K70120

Company Type: Stock Corporation

Document Information

Document ID: OST11119202583823192

Document Type: Quarterly Report

Document Code: SEC_Form_17-Q

Period Covered: September 30, 2025

Submission Type: Original Filing

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

[illegible][illegible]

(Company's Full Name)

[illegible]

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

ARSENIO C. CABRERA, JR.

Contact Person

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Company Telephone Number

0	6
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Month

3	0
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Day

SEC FORM 17-Q For the Quarter ended 30 September 2025

FORM TYPE

Third Friday of
November

<i>Month</i>	<i>Day</i>
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Annual Meeting

N A

Secondary License Type, If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

1 2 5 8

Total No. of Stocholders

Total Amount of Borrowings

	N A
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Domestic

	N A
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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

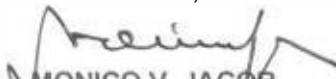
SIGNATURES

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	P689,026,410	P292,265,930
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	2024
	(Unaudited)	(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	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 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	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

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
	₱984,484,355	₱996,072,327

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
	₱700,000,000

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)	₱611,504,693	₱261,137,900
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)	₱0.06	₱0.03

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 ₱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 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.

STI EDUCATION SYSTEMS HOLDINGS, INC.

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%
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	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

	Three-month periods ended September 30			
	2025	2024	Increase (Decrease)	
(Amounts in Peso millions)			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.