COVER SHEET

| | | |

STI EDUCATION SYSTEMS HOLDINGS

7th Floor, STI Holdings Center
6764 Ayala Avenue, Makati City
Philippines 1226
Telefax. (632) 844-9553

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please be informed that the Annual Stockholders' Meeting of **STI EDUCATION SYSTEMS HOLDINGS, INC.** (the "Company") will be held and conducted virtually via remote communication through Microsoft Teams on **Thursday, 17 December 2026, at 2:30 p.m.** for the following purposes:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 12 December 2025
4. Management Report
5. Approval of Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2026
6. Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business since the 12 December 2025 Annual Stockholders' Meeting up to 17 December 2026
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The record date for stockholders entitled to notice and vote at the Annual Stockholders' Meeting is set on 4 November 2026 ("Stockholders of Record").

The 2026 Annual Stockholders' Meeting of STI Holdings will be conducted virtually. Stockholders of Record may attend/participate via proxy, remote communication or vote in absentia. For the detailed registration and voting procedures, please visit http://www.stiholdings.com/2026ASM and refer to the "**Guidelines for Participation via Remote Communication and Voting in Absentia and through Proxy**".

Stockholders who wish to participate in the meeting via remote communication and to vote in absentia should notify the Office of the Corporate Secretary through a Letter of Intent to be sent via e-mail to corsec@stiholdings.com.ph **OR** by clicking the following link for the online registration at https://forms.cloud.microsoft/r/a7y7w88Aiq on or before 11 December 2026.

Validated stockholders will be provided access to the live streaming of the meeting through Microsoft Teams and can cast their votes in absentia on or before 11 December 2026 through the Company's secure online voting facility. All votes cast shall be subject to validation.

The Company is not soliciting for proxies. Stockholders who are unable to join the meeting but wish to vote on items in the agenda by proxy must submit their duly accomplished proxy forms via email to corsec@stiholdings.com.ph, not later than **11 December 2026**.

Stockholders of record may send their queries and comments to the Management Report and other items in the Agenda to corsec@stiholdings.com.ph on or before 11 December 2026.

The Definitive Information Statement containing the attendance/voting (via remote communication) and election procedures, along with the Notice, Agenda, Proxy, Management Report, SEC Form 17-A, SEC Form 17-Q [30 September 2026], and other information related to the Annual Stockholders' Meeting can be accessed at http://www.stiholdings.com/disclosures.php and the PSE Edge portal.

Very truly yours,

ARSENIO C. CABRERA, JR.
Corporate Secretary

STI EDUCATION SYSTEMS HOLDINGS

7th Floor, STI Holdings Center
6764 Ayala Avenue, Makati City
Philippines 1226
Telefax. (632) 844-9553

AGENDA OF 2026 ANNUAL STOCKHOLDERS' MEETING

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 12 December 2025
4. Management Report
5. Approval of Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2026
6. Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business since the 12 December 2025 Annual Stockholders' Meeting up to 17 December 2026
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

EXPLANATION AND RATIONALE OF EACH ITEM IN THE AGENDA

1. Call to order

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

2. Certification of notice and quorum

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

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

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

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

3. Approval of the Minutes of the Annual Stockholders Meeting held on 12 December 2025

   The minutes are available at the Company website:
   http://www.stiholdings.com/disclosures.php

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

   > *"RESOLVED, That the Minutes of the Annual Stockholders' meeting held on 12 December 2025 as appearing in the Minutes Book of the Corporation be approved."*

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

4. The Management Report

   The President, Mr. Monico V. Jacob, shall render the Management Report, which provides the highlights of the performance of the Company for FY 2025-2026 and the outlook of the Company for FY 2026-2027 and beyond.

The President shall also report on the significant operational and financial performance as well as the milestones and achievements of the Company for FY 2025-2026. The report will also include significant events affecting the Company's performance for FY 2025-2026.

The Annual Report is also posted on the Company's website: http://www.stiholdings.com/disclosures.php and PSE Edge portal. A resolution noting the Management Report will be presented to the stockholders for adoption.

Below is the proposed resolution:

> *"RESOLVED, that that the Management Report for FY 2025-2026 be noted and approved."*

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

5. Approval of Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2026

   The approval of Parent and Consolidated Audited Financial Statements (FS) of the Company as at and for the fiscal year ended 30 June 2026 prepared by SyCip Gorres Velayo & Co., contained in the Annual Report will be presented to the stockholders. The FS will also be embodied in the Definitive Information Statement. The Audit and Risk Committee has recommended, and the Board has approved, the FS.

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

   Below is the proposed resolution:

   > *"RESOLVED, that the Parent and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2026 as discussed in the Annual Report be noted and approved."*

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

6. Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management since the 12 December 2025 Annual Stockholders' Meeting up to 17 December 2026. A list of the corporate acts to be ratified are enumerated in Item 16, page 26 of the Preliminary Information Statement.

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

> *"RESOLVED, that all acts, resolutions and proceedings of the Board of Directors and of Management, done in ordinary course of business, since the 12 December 2025 Annual Stockholders' Meeting up to 17 December 2026 be approved, confirmed and ratified."*

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

7. Election of directors, including independent directors

In accordance with Section 2, Article IV of the Company's By-Laws and the 2017 Manual on Corporate Governance, the deadline for nominations to the Board was on 23 October 2026. After the deadline, the Corporate Governance Committee evaluated the nominees to the Board and determined that all the nominees, including the nominees for independent directors, have all the qualifications of a director pursuant to the By-Laws and applicable laws. Copies of the curriculum vitae and profiles of the candidates to the Board are provided in the Definitive Information Statement.

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

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

8. Appointment of external auditor

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

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

Below is the proposed resolution:

> *"RESOLVED, that the auditing firm of SyCip Gorres Velayo & Co. be, as it is hereby appointed as external auditor of the Corporation for the FY 2026-2027."*

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

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

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

10. Adjournment

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

EDUCATION SYSTEMS HOLDINGS, INC.
2026 ANNUAL STOCKHOLDERS' MEETING
Thursday, 17 December 2026 at 2:30 p.m.
Via remote communication through Microsoft Teams

Guidelines for Participating via Remote Communication through Microsoft Teams and Voting in Absentia and through Proxy

A. Attendance by Remote Communication through Microsoft Teams and Voting in Absentia

1. Stockholders intending to participate by remote communication through Microsoft Teams and/or voting in absentia should notify the Office of the Corporate Secretary through a Letter of Intent (LOI) to be sent via e-mail to corsec@stiholdings.com.ph on or before **11 December 2026,** complete with the following requirements for validation purposes:

   1.1 Indicate the following required information:

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

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

   1.2.1 Valid government-issued ID with photo and signature (scanned front and back)

   1.2.2 Proof of Ownership, such as, but not limited to, the following:

   a) Stockholder's certificate (for certificated shares); or
   b) Broker's certification (for scripless or uncertificated shares); or
   c) Secretary's certificate for authorized representative (for corporate)

   1.2.3 Other supporting document, as applicable

2. The Office of the Corporate Secretary shall forward the email containing the LOI and its attachments to the Company's stock transfer agent, Professional Stock Transfer, Inc.. The validation process will be completed by the stock transfer agent no later than three (3) business days from its receipt of the LOI. The Company's stock transfer agent reserves the right to request for additional information and documents, as needed/necessary. Moreover, electronic signature for the required documents shall be allowed while notarization requirement shall not be considered for the meantime, as applicable, given the current situation.

3. Once validated/verified, a stockholder shall be provided a confirmation correspondence with secure links for virtual meeting and voting in absentia. For security purposes, the confirmation correspondence which includes access

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

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

3.2 A verified stockholder may cast his vote on each of the agenda items as contained in the link included in the confirmation correspondence. Deadline to vote in absentia through its corresponding link is on **11 December 2026**. Beyond this date, stockholders may no longer avail of the option to vote in absentia. The Office of the Corporate Secretary shall then tabulate all votes, including those casts in absentia and by proxy, to be assisted by the Company's stock transfer agent, Professional Stock Transfer, Inc. The Corporate Secretary shall report the results of voting during the meeting. For information on counting and tabulation of votes, please refer to "Item 19. Voting Procedures" of the Information Statement.

B. Attendance by Proxy

1. In case a stockholder cannot attend the virtual meeting and wishes to be represented, said stockholder shall designate an authorized representative ("Proxy") by submitting a duly-accomplished proxy instrument which may be downloaded at http://www.stiholdings.com/2026ASM and submitted on or before **11 December 2026** via email to corsec@stiholdings.com.ph, complete with the following requirements for validation purposes:

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

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

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

1.2.1 Valid government-issued ID (with photo)

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

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

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

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

C. Participation and Determination of Quorum and Votes

1. Only those shareholders who have notified the Company of their intention to participate in the Meeting by remote communication, together with the stockholders who voted in absentia and by proxy, will be included in the determination of quorum at the meeting. By participating remotely and by proxy, a stockholder shall be deemed present for purposes of quorum.

2. Due to logistical limitations of the meeting conducted virtually, voting and open forum/discussion will not be possible during the virtual meeting. However, a stockholder, once verified/ registered, will be given an opportunity to raise any relevant questions or express an appropriate comment limited to the agenda items by sending an email to corsec@stiholdings.com.ph not later than **11 December 2026** to be properly noted and addressed accordingly. Any relevant questions or comments received by the Office of the Secretary via email within the prescribed period given by registered stockholders shall be properly acknowledged, noted and addressed accordingly. Questions and comments not taken up during the meeting shall be addressed directly via email by the Company.

3. The Office of the Corporate Secretary shall take down minutes of the meeting accordingly and shall note all comments and other relevant matters discussed covering the agenda of the meeting. The meeting proceedings shall be recorded in audio and video format to be safekept by the Office of the Corporate Secretary and shall be made available in a secured manner to stockholders upon request by sending an email to corsec@stiholdings.com.ph.

4. The Office of the Corporate Secretary shall ensure confidentiality of all votes for tabulation, including those cast in absentia and by proxy, with assistance from the Company's stock transfer agent, Professional Stock Transfer, Inc. The Corporate Secretary shall report the results of voting during the meeting. For information on counting and tabulation of votes, please refer to "Item 19. Voting Procedures" of this Information Statement.

For ASM-related matters, please go to http://www.stiholdings.com/2026ASM. For ASM-related queries, please send an email to corsec@stiholdings.com.ph. For account updating/validation concerns, please get in touch with the Company's Stock Transfer Agent, Professional Stock Transfer, Inc. (Attention: Mr. Crescencio P. Montemayor), via email to info@professionalstocktransfer.com].

Date :

From :

To : The Office of the Corporate Secretary
(corsec@stiholdings.com.ph)

Subject: Letter of Intent (LOI) to Participate in STI EDUCATION SYSTEM HOLDINGS, INC. ("STI HOLDINGS") 2026 Annual Stockholders' Meeting ("ASM")

This is to express my intent to participate in STI HOLDINGS' 2026 ASM to be held virtually on Thursday, 17 December 2026 at 2:30 p.m..

Please see my contact information below:

(1) Complete Registered Name : _____
(2) Complete Registered Residential/Mailing Address: _____
_____
(3) Active E-mail Address : _____
(4) Active Mobile No. : _____
(5) Active Landline No. : _____

Attached are the necessary documents (e-copy/scanned copy)[1] for validation purposes[2]:

(a) Valid government-issued ID[3] with photo and signature (scanned front and back)

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

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

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

---

[1] Please limit file size up to 2MB.

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

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

Looking forward to your favorable response.

Thank you.

_____

(Signature over Printed Name)

PROXY

The undersigned stockholder of **STI EDUCATION SYSTEMS HOLDINGS, INC.** (the "Company") hereby appoints _____ or in his/her absence, the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote all shares registered in his/her name as proxy of the undersigned stockholder, at the **Annual Stockholders' Meeting** of the Company to be held via remote communication through Microsoft Teams on **Thursday, 17 December 2026 at 2:30 p.m.,** and at any of the adjournments thereof for the purpose of acting on the following matters:

		Votes Taken		
		For	Against	Abstain
1.	Approval of Minutes of Annual Stockholders' Meeting held on 12 December 2025			
2.	Approval of the Management Report for FY 2025-2026			
3.	Approval of Parent Company and Consolidated Audited Financial Statements of the Company as at and for the fiscal year ended 30 June 2026			
4.	Ratification of all acts of Management and the Board of Directors from 12 December 2025 to 17 December 2026			
5.	Election of Directors			
	Eusebio H. Tanco			
	Monico V. Jacob			
	Maria Vanessa Rose L. Tanco			
	Joseph Augustin L. Tanco			
	Martin K. Tanco			
	Paolo Martin O. Bautista			
	Jesli A. Lapus			
	Robert G. Vergara			
	Ma. Leonora Vasquez-De Jesus (Independent Director)			
	Raymond Anthony N. Alimurung (Independent Director)			
	Justice Antonio T. Carpio (Ret.) (Independent Director)			
6.	Appointment of SyCip Gorres Velayo & Co. as external auditor for FY 2026-2027			

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

_____ _____

Date *Printed Name of Stockholder*

_____

Signature of Stockholder/
Authorized Signatory

This proxy should be received by the Corporate Secretary **on or before 11 December 2026**, the deadline for submission of proxies.

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

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

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

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

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [x] Definitive Information Statement

2. Name of Registrant as specified in its charter **STI Education Systems Holdings, Inc.**

3. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **1746**

5. BIR Tax Identification Code **000-126-853**

6. **7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code **(632) 8844-9553**

8. **17 December 2026, 2:30 p.m. via Remote Communication through Microsoft Teams Meeting**
   The presiding officer will preside over the meeting through remote communication at STI Holdings Center, 6764 Ayala Avenue, Makati City.
   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **25 November 2026**

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

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

11. Are any or all of registrant's securities listed on a Stock Exchange?
    Yes **X** No

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
    Philippine Stock Exchange/Common Shares

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

Date of Meeting	:	17 December 2026
Time of Meeting	:	2:30 p.m.
Place of Meeting	:	To be conducted via Remote Communication through Microsoft Team Meeting The presiding officer will preside over the meeting through remote communication at 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City.
Registrant's Mailing Address	:	7/F STI Holdings Center 6764 Ayala Avenue, Makati City
Approximate Date on Which the Information Statement is First Sent Or Given to Security Holders	:	25 November 2026

Item 2. Dissenters' Right of Appraisal

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

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

(1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 80);

(2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section. 80)

(3) In case of merger or consolidation (Section 80); and

(4) In case of investments of corporate funds for any purpose other than the primary purpose of the corporation (Section 80).

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

(1) The dissenting stockholder shall make a written demand on the corporation for payment of the fair value of his shares within 30 days after the date on which the vote was taken. The

failure of the stockholder to make the demand within the 30-day period shall be deemed a waiver of his appraisal right;

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

(3) Upon payment of the agreed or awarded price, the stockholder shall transfer his shares to the corporation.

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

(1) No director or officer of the Company since the beginning of the last fiscal year, nominee for election as director, or associate of the foregoing persons, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

(2) No director of the Company has informed it in writing that he/she intends to oppose any action to be taken by the Company at the meeting.

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

(1) Market Information

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

As of June 30, 2026, the high share price of the Parent Company was ₱1.24 and the low share price was ₱1.21. As of September 30, 2026, the high share price of the Parent Company was ₱1.29 and the low share price was ₱1.28. As of 19 November 2026, the high share price of the Parent Company was ₱1.17 and the low share price was ₱1.12.

The following table sets forth the Parent Company's high and low prices per share for each quarter of the last two (2) fiscal years:

	High	**Low**
Fiscal year ended June 30, 2026		
April-June 2026	1.46	1.20
January-March 2026	1.43	1.25
October-December 2025	1.50	1.33
July-September 2025	1.69	1.28
Fiscal year ended June 30, 2025		
April-June 2025	1.81	1.18
January-March 2025	1.52	1.32
October-December 2024	1.38	1.15
July-September 2024	1.35	0.76

The Parent Company's public float as of June 30, 2026 is 3,337,524,687 shares equivalent to 33.70% and 2,981,616,687 shares equivalent to 30.10% as of June 30, 2025 of the total issued and outstanding shares of the Parent Company.

(2) Holders

As of 19 November 2026, there are 1,259 shareholders of the Company's outstanding capital stock. The Company has common shares only.

The following table sets forth the top 20 shareholders of the Company's common stock, the number of shares held, and the percentage of total shares outstanding held by each as of 19 November 2026:

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP
PCD NOMINEE CORPORATION (Filipino/Others)	3,961,957,928 [1]	40.0004%
TANCO, EUSEBIO H.	1,652,685,444	16.6857%
PRUDENT RESOURCES, INC.	1,614,264,964	16.2978%
EUJO PHILIPPINES, INC.	806,157,130	8.1390%
BIOLIM HOLDINGS AND MANAGEMENT CORP.	794,343,934	8.0198%
TANTIVY HOLDINGS INC.	626,776,992	6.3280%
EXIMIOUS HOLDINGS, INC.	405,835,332	4.0974%
CLASSIC FINANCE INC.	15,013,155	0.1516%
TANCO, ROSIE L.	13,000,000	0.1312%
DEL PRADO, EMMANUEL P.	3,500,000	0.0353%
VITAL VENTURES MANAGEMENT CORPORATION	2,800,000	0.0283%
YU, JUAN G. OR JOHN PETER C. YU	1,300,000	0.0131%
CASA CATALINA CORPORATION	1,000,000	0.0101%
EDAN CORPORATION	861,350	0.0087%
ESTATE OF ELIZABETH LEDESMA BENGZON	638,000	0.0064%
MENDOZA, ROSELLER ARTACHO	600,000	0.0061%
YU, JUAN G. OR JOHN PHILIP YU	600,000	0.0061%
CASTIGADOR, LERIO CABALLERO AND/OR VICTORINA P. CASTIGADOR	399,000	0.0040%
TACUB, PACIFICO B.	200,000	0.0020%
NOLASCO, MA. CHRISTMAS R.	140,000	0.0014%

[1] Eusebio H. Tanco is the beneficial owner of 13,450,000 shares. Prudent Resources, Inc. is the beneficial owner of 6,820,085 shares. Biolim Holdings and Management Corp. is the beneficial owner of 18,282,861 shares. Tantivy Holdings, Inc. is the beneficial owner of 3,000,000 shares. Eximious Holdings, Inc. is the beneficial owner of 20,000,000 shares.

(3) Cash Dividends

(a) On December 12, 2025, cash dividends amounting to ₱0.055 per share or the aggregate amount of ₱544.8 Million were declared by the Board of Directors in favor of all stockholders of record as at January 8, 2026. The cash dividends were paid on January 30, 2026.

(b) On December 18, 2024, cash dividends amounting to ₱0.045 per share or the aggregate amount of ₱445.7 Million were declared by the Board of Directors in favor of all stockholders on record as at January 9, 2025. The cash dividends were paid on January 31, 2025.

(c) On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Board of Directors in favor of all stockholders on record as at January 10, 2023. The cash dividends were paid on January 31, 2023.

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

In the meeting of the Board of Directors of the Parent Company held on February 15, 2018, the Board adopted a revised policy on the declaration of dividends starting with Fiscal Year 2017-2018 in order to (1) clarify the dividend declaration policy of not less than 25% of the Parent Company's core net income from the previous fiscal year; and (2) provide the definition of the core net income of the Parent Company.

The Board approved a dividend declaration policy of not less than 25% of the core net income of the Parent Company 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 the Parent Company by lenders or other financial institutions, and the Parent Company's investment plans and financial condition.

Core net income is defined as consolidated net income after income tax derived from the Parent Company's main business-education and other recurring income.

The amount of dividends will be reviewed periodically by the Board in light of the Parent Company’s 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 Board, 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 Board deems appropriate.

(4) Recent Sales of Unregistered or Exempt Securities

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(1) Voting securities entitled to be voted at the meeting as of 19 November 2026

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

(2) Record date

Only stockholders of record on the books of the Company at the close of business on 4 November 2026 will be entitled to vote at the Annual Meeting.

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

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

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

(a) Security Ownership of Certain Record/Beneficial Owners as of 19 November 2026

As of 19 November 2026, the following stockholders are the only owners of more than 5% of the Company's voting capital stock, whether directly or indirectly, as record owner or beneficial owner.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation 37/F Tower I, Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City		Filipino	2,792,908,377[2]	28.20 %
Common	Mr. Eusebio H. Tanco (Chairman of the Board) (Direct and Indirect shares through PCD Nominee Corporation) 543 Fordham Street, Wack-Wack Village, Mandaluyong City	Mr. Eusebio H. Tanco	Filipino (Direct) (Indirect-thru PCD Filipino) Total	1,652,685,444 13,450,000 ---------- 1,666,135,444 ==========	16.69% 0.13% ---------- 16.82% ======
Common	Prudent Resources, Inc. 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the Chairman and President of Prudent Resources, Inc., is authorized to vote its shares in the Company.	Filipino (Direct) (Indirect-thru PCD Filipino) Total	1,614,264,964 6,820,085 ---------- 1,621,085,049 ==========	16.30% .07% ---------- 16.37% ======
Common	PCD Nominee 37/F Tower I, Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City		Non-Filipino	1,169,049,551	11.20%
Common	Biolim Holdings and Management Corp. 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the President of Biolim Holdings and Management Corp., is authorized to vote its shares in the Company.	Filipino (Direct) (Indirect-thru PCD Filipino) Total	794,343,934 18,282,861 ---------- 812,626,795 =========	8.02% 0.18% --------- 8.20% =====

[2] Eusebio H. Tanco is the beneficial owner of 13,450,000 shares. Prudent Resources, Inc. is the beneficial owner of 6,820,085 shares. Biolim Holdings and Management Corp. is the beneficial owner of 18,282,861 shares. Tantivy Holdings, Inc. is the beneficial owner of 3,000,000 shares.

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

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

(b) Security Ownership of Management as of 19 November 2026

The following table sets forth as of 19 November 2026, the beneficial ownership of each director and executive officer of the Company:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership		Citizenship	Percent of Class
Common	Eusebio H. Tanco (Director and Chairman of the Board)	1, 652,685,444 13,450,000 ---------- 1, 666,135,444 ==========	Direct Indirect – thru PCD Total	Filipino	12.69% 0.13% ---------- 16.82% =======
Common	Monico V. Jacob (Director, President and CEO)	1 33,784,056 ---------- 33,784,057 ========	Direct Indirect – thru PCD Total	Filipino	0.00% 0.34% ---------- 0.34% =======
Common	Maria. Vanessa Rose L. Tanco (Director)	1 40,588,000	Direct	Filipino	0.00% 0.41%

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership		Citizenship	Percent of Class
		---------- 40,588,001 ======== Total	Indirect – thru PCD		---------- 0.41% ===== Total
Common	Yolanda M. Bautista (Treasurer & Chief Finance Officer)	1 5,000,000 ---------- 5,000,001 ======== Total	Direct Indirect – thru PCD	Filipino	0.00% 0.05% ---------- 0.05% ====== Total
Common	Arsenio C. Cabrera, Jr. (Corporate Secretary)	6,500,000	Indirect – thru PCD	Filipino	0.07%
Common	Joseph Augustin L. Tanco (Director and VP for Investor Relations)	1 3,949,000 ---------- 3,949,001 ========= Total	Direct Indirect – thru PCD	Filipino	0.00% 0.04% ---------- 0.04% ====== Total
Common	Paolo Martin Bautista (Director and Chief Investment Officer and Chief Risk Officer)	4,000,000	Indirect – thru PCD	Filipino	0.04%
Common	Martin K. Tanco (Director)	114,491,907	Indirect – thru PCD	Filipino	1.16%
Common	Jesli A. Lapus (Non-Executive Director)	6,000,000	Indirect – thru PCD	Filipino	0.06%
Common	Robert G. Vergara (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Ma. Leonora V. De Jesus (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Raymond Anthony N. Alimurung (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Justice Antonio T. Carpio (Independent Director)	10,000	Direct	Filipino	0.00%
Common	Directors and Officers as a Group	1,880,461,411	Direct and Indirect	Filipino	18.99%

(c) Voting Trust Holders of 5% Or More

As of 19 November 2026, no person holds at least 5% or more of a class under a voting trust or similar agreement.

(d) Changes in Control

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

Item 5. Directors and Executive Officers

(1) Certain Relationships and Related Transactions

(a) Directors and Executive Officers

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

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

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

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

All of the foregoing incumbent directors have been nominated to the Board for the ensuing year. Mr. Raymond Anthony N. Alimurung and Justice Antonio T. Carpio (Ret.) as well as Ms. Ma. Leonora Vasquez-De Jesus have been nominated as independent directors by Eximious Holdings, Inc. (formerly Capital Managers & Advisors, Inc.) ("EHI"), a stockholder of the Company. EHI has no business or professional relationship with the aforementioned persons nominated as independent directors. The Company is compliant with SEC Memorandum Circular No. 7, Series of 2026 on the Term Limit of Independent Directors.

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

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

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

(1) All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be

submitted to the Corporate Governance Committee and the Corporate Secretary.

(2) The Corporate Governance Committee shall pre-screen the qualifications and prepare a Final List of all Candidates.

(3) After the nomination, the Corporate Governance Committee shall prepare a Final List of Candidates to be submitted to the Board of Directors, which shall contain all the information regarding the background and experience of the nominees required to be ascertained and made known under the Securities Regulation Code and relevant rules and regulations.

(4) Said Final List of Candidates shall be disclosed in the reports required by law, rules and regulations to be submitted to the Securities Exchange Commission, Philippine Stock Exchange and all stockholders.

(5) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared.

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

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

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

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

Summary of Term of Office of Directors:

(1) Eusebio H. Tanco – director since 17 March 2010 up to the present
(2) Monico V. Jacob – director since 17 March 2010 up to the present
(3) Joseph Augustin L. Tanco – director since 27 October 2010 up to the present
(4) Ma. Vanessa Rose L. Tanco – director since 27 October 2010 up to the present
(5) Martin K. Tanco – director since 19 December 2012 up to the present

(6) Paolo Martin O. Bautista – director since 19 December 2012 up to the present
(7) Jesli A. Lapus –Independent dsirector from 4 October 2013 up to 19 December 2022 and non-executive director from 19 December 2022 up to the present
(8) Robert G. Vergara – independent director since 27 July 2017 and will be elected as a regular member of the Board of Directors during the Annual Stockholders' Meeting on 17 December 2026
(9) Ma. Leonora Vasquez-De Jesus – independent director since 20 September 2019 up to the present
(10) Raymond Anthony N. Alimurung - independent director since 20 September 2019 up to the present
(11) Justice Antonio T. Carpio (Ret.)- independent director since 19 December 2022 up to the present

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

Eusebio H. Tanco, 77, Filipino, Chairman of the Board, Executive Director

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

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

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

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

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

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

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

Monico V. Jacob, 81, Filipino, President and CEO, Executive Director

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

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

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

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

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

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

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

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

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

Joseph Augustin L. Tanco, 45, Filipino, Executive Director

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

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

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

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

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

He is an active member of the American Chamber of Commerce of the Philippines, Inc. (AMCHAM), where he is Co-Chairman of the Healthcare and Wellness Committee since 2019. He was Chapter President of Junior Chamber International Philippines (JCI) in 2012, an Area Director for Metro Area 2 in 2013 and recently, JCI bestowed him a Senatorship role. He was National Chairman for Nothing but Nets in 2013. In 2012, he became a mentor for the Bachelor of Science in Entrepreneurship Program at UA&P, and in 2022 was the first recipient of the UA&P Helm Award for Exemplary Service, the top honor at the university's inaugural Alumni Achievement Awards, which recognizes the distinct accomplishments of School of Management graduates. He is also an awardee of the Asia CEO Awards 2024.

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

Ma. Vanessa Rose L. Tanco, 48, Filipino, Executive Director

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

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

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

Martin K. Tanco, 59, Filipino, Non-Executive Director

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

Mr. Tanco is also a director of STI ESG.

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

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

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

Paolo Martin O. Bautista, 57, Filipino, Executive Director

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

Mr. Bautista is also a director of STI ESG.

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

Jesli A. Lapus, 77, Filipino, Non-Executive Director

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

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

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

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

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

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

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

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

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

Robert G. Vergara, 63, Filipino, Independent Director

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

Mr. Vergara has been nominated as a non-executive director of STI Holdings for the ensuing year.

Mr. Vergara has also served as an Independent Director of STI ESG. He was appointed as the Chairman of the Audit and Risk Committee and served as a member of the Corporate Governance Committee of STI ESG. Mr. Vergara has been nominated as a non-executive director of STI ESG for the ensuing year.

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

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

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

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

Ma. Leonora Vasquez- De Jesus, 76, Filipino, Independent Director

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

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

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

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

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

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

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

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

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

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

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

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

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

Raymond Anthony N. Alimurung, 52, Filipino, Independent Director

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

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

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

Justice Antonio T. Carpio (Ret.), 76, Filipino, Independent Director

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

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

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

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

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

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

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

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

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

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

Yolanda M. Bautista, 73, Filipino, Treasurer

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

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

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

Ms. Bautista serves as Director and Treasurer of Eximious Holdings, Inc., Banclife Insurance Co., Inc., Tantivy Holdings, Inc., DLS-STI College, Inc., and iACADEMY. She is also the Group Chief Finance Officer of PhilLife and PhilCare as well as the Chief Finance Officer and Treasurer of STI West Negros University. Ms. Bautista is a Director of First United Travel, Inc., Attenborough Holdings Corp., Philippine Healthcare Educators, Inc., GROW, Grow Vite and Bloom with Looms Logistics, Inc. She serves as Treasurer of Total Consolidated Asset Management, Inc., Aberlour Holding Company, Daven Holdings, Inc., Harbourside Holding Corporation, Maestro Holdings, Inc., Morray Holdings, Inc., Kusang Loob Foundation, Inc., SG Holdings, Inc., Philippines First Condominium Corporation, P & O Management Services Phils., Inc., TechGlobal Data Center, Inc., Techzone Condominium Corporation and Techzone Philippines, Inc.

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

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

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

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

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

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

Arsenio C. Cabrera, Jr., 66, Filipino, Corporate Secretary, General Counsel, and Corporate Information Officer

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

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

Atty. Cabrera is a Managing Partner of Herrera Teehankee & Cabrera Law Offices. He also serves as Corporate Secretary of Agustin Tanco Foundation, Inc., Amina, Inc., Arani Realty Corporation, Asiateleservices, Inc., Attenborough Holdings Corporation, BOIE Drug, Inc., BOIE, Incorporated, BOIE Prime, Inc., Calatagan Bay Realty, Inc., Canlubang Golf and Country Club, Inc., Cement Center, Inc., Citicore Holdings Investment, Inc., Classic Finance, Inc., Comm & Sense, Inc., Digitalme Services, Inc., Drysor, Inc., ESA Group of Companies, Inc., Eximious Holdings, Inc., EUJO Phils. Incorporated, Fieldtech Asia, Inc., First Optima Realty Corporation, GEOGRACE Resources Philippines, Inc., Greener and Partner Properties, Inc., Heritage Park Management, Inc., iACADEMY, International Hardwood & Veneer Company of the Philippines, Juska, Inc., Lasik Surgery, Inc., Maestro Holdings, Manila Bay Hosiery Mills, Inc., Manila Bay Spinning Mills, Inc., Megacore Holdings, Inc., NiHAO Mineral Resources International, Inc., Palisades Condominium Corporation, Pay Philexchange, Inc., Philippine American Drug Company, Philippine First Condominium Corporation, PhilsFirst, PhilLife, PhilCare, Inc., Philplans., Renaissance Condominium Corporation, Rosehills Memorial Management Philippines, Inc., Sinoma Energy Conservation (Philippines) Waste Heat Recovery Co., Inc., Sinoma Energy Conservation (Cebu) Waste Heat Recovery Co., Inc., Sonak Holdings, Inc., STI WNU, Tantivy Holdings, Inc., Techglobal Data Center, Inc., TechZone Philippines, Inc., Total Consolidated Asset Management, Inc., Trend Developers, Inc., Ujobi Global Philippines, Inc., Venture Securities, Inc., Villa Development Corporation, Vital Ventures Management Corp. and WVC Development Corporation.

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

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

Anna Carmina S. Herrera, 51, Filipino, Assistant Corporate Secretary

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

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

(b) Significant Employees

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

(c) Family Relationships

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

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

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

(d) Involvement in Certain Legal Proceedings

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

(1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(2) any conviction by final judgment;

(3) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

(4) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

(2) Certain Relationships and Related Transactions

The Company has the following major transactions with related parties:

Advisory Agreement with STI ESG

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

Advisory Agreement with STI WNU

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

Service Level Agreement with Comm & Sense

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

AHC

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

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

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

Advisory Agreement with iACADEMY

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

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

For further details, refer to Note 30, Related Party Transactions, of the Audited Consolidated Financial Statements.

Transactions with Promoters

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

(3) Disagreement with a Director

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

Item 6. Compensation of Directors and Executive Officers

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

From FY 2023-2024 up to 2025-2026, the CEO and top four (4) executive officers as a group, did not receive compensation from the Parent Company. There is no employment contract between the Parent Company and any of its executive officers.

(2) The following table summarizes the aggregate compensation for the fiscal years ended June 30, 2024, 2025 and 2026. The amounts set forth in the table below have been prepared based on what the Parent Company paid its directors and named executive officers as a group and other officers for the fiscal years ended June 30, 2024, 2025 and 2026 what the Parent Company expects to pay for the fiscal year ending June 30, 2027.

The compensation for board members is comprised of per diems. The total per diems received by the Board of Directors for Fiscal Years 2025 and 2026 are as follows:

Fiscal Year	Total Per Diems
2025	Php2,819,831.00
2026	Php1,730,392.24

Name and Principal Position	Year Ended	Salary (₱)	Bonus (₱)	Other annual compensation (₱)
All other Officers as a Group	2024	5,968,538	-	-
	2025	5,720,998	-	-
	2026	4,154,334	-	-
	2027 [a]	4,154,334	-	-
All Named Executive Officers[b] and Board of Directors as a Group	2024			3,540,936
	2025			2,819,831
	2026			2,424,837
	2027[a]			2,424,837

Notes:

[a] *Figure is an estimated amount*

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

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

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

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

Item 7. Independent Public Accountants

1. The accounting firm of SyCip Gorres Velayo & Co. ("SGV") has been the Company's External Auditors for the past years (2010 up to the present). They were reappointed in the Annual Stockholders' Meeting held on 12 December 2025, as external auditors for the ensuing fiscal year.

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

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

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

As stated in the June 30, 2026 "Statement of Management Responsibility for Financial Statements", SGV is the appointed independent auditors of STI Holdings. They have examined the financial statements of the Company in accordance with Philippine Standards on Auditing and have expressed their opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.

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

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

In the Organizational Meeting of the Board of Directors immediately succeeding the stockholders' meeting held on 12 December 2025, the following were elected as the Chairman and Members of the Audit and Risk Committee of the Company to serve as such for the ensuing year and until the election and qualification of their successors:

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

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

	Year ended June 30, 2026	Year ended June 30, 2025	Year ended June 30, 2024
Total Audit Fees	**₱24,691,000**	**₱23,114,000**	**₱21,191,000**
Non-audit fees			
Tax services[1]	132,075	-	66,000
All other services[2]	1,320,000	1,265,000	1,263,000
Total Non-audit Fees	**1,452,075**	**1,265,000**	**1,329,000**
Total Audit and Non-audit Fees	**₱26,143,075**	**₱24,379,000**	**₱22,520,000**

[1] *General Tax Advisory*

[2] *Billed fees for Sustainability Reporting Advisory and Corporate Governance seminars*

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

Item 8. Compensation Plans

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

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

Item 10. Modification or Exchange of Securities

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

Item 12. Mergers, Consolidation, Acquisition and Similar Matters

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

Item 13. Acquisition or Disposition of Property

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

Item 14. Restatement of Accounts

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

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The Board of Directors of the Company recommends a vote for confirmation, ratification and approval of the minutes of the 12 December 2025 Annual Stockholders' Meeting. The Minutes of the 12 December 2025 Annual Stockholders' Meeting contained the following items:

1. Call to Order
2. Certificate of Notice and Quorum
3. Rules of Conduct and Voting Procedures
4. Declaration of Dividends
5. Approval of the Minutes of the 18 December 2024 Annual Shareholders' Meeting
6. Presentation of Management Report
7. Approval of Parent and Consolidated Audited Financial Statements as at and for the fiscal year ended 30 June 2025
8. Ratification of Legal Acts, Proceedings and Resolutions of the Board of Directors and of Management from 18 December 2024 to 12 December 2025
9. Election of Directors
10. Appointment of External Auditor
11. Adjournment

Item 16. Matters Not Required to be Submitted

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

The Board of Directors recommends a vote for approval, confirmation and ratification of all acts and resolutions of the Board of Directors and of Management since the Annual Stockholders' Meeting on 12 December 2025 to 17 December 2026. Said acts and resolutions of the Board of Directors and of Management since the Annual Stockholders' Meeting on 12 December 2025 include, among others: (a) the appointment of officers; (b) the opening of bank accounts and the appointment of signatories; (c) execution of contracts in the ordinary course of business; (d) declaration of cash dividends; and (f) the approval of Audited Financial Statements.

Once the ratification has been given, all acts or transactions entered into by the Board of Directors and of Management since the Annual Stockholders' Meeting on 12 December 2025 up to the present become finally and absolutely binding and neither the Company nor individual stockholders nor strangers can afterwards sue to set them aside or otherwise attack their validity.

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

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

Item 18. Other Proposed Action

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

Item 19. Voting Procedures

(1) Vote required

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

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

(2) Method

A verified stockholder may cast his vote on each of the agenda items as contained in the link included in the confirmation correspondence. Deadline to vote in absentia through its corresponding link is on 11 December 2026. Beyond this date, stockholders may no longer avail of the option to vote in absentia. The Office of the Corporate Secretary shall then tabulate all votes, including those casts in absentia and by proxy, to be assisted by the Company's stock transfer agent, Professional Stock Transfer, Inc. The Corporate Secretary shall report the results of voting during the meeting.

Due to logistical limitations of the meeting conducted virtually, voting and open forum/discussion will not be possible during the virtual meeting. However, a stockholder, once verified/ registered, will be given an opportunity to raise any relevant questions or express an appropriate comment limited to the agenda items by sending an email to a designated email address not later than 11 December 2026 to be properly noted and addressed accordingly. Any relevant questions or comments received by the Office of the Secretary via email within the prescribed period given by registered stockholders shall be properly acknowledged, noted and addressed accordingly. Questions and comments not taken up during the meeting shall be addressed directly via email by the Company.

The Company will seek the approval of the following:

(a) Approval of the Minutes of the Annual Stockholders' Meeting held on 12 December 2025

(b) Approval of Management Report

(c) Approval of the Parent and Consolidated Audited Financial Statements as at and for the fiscal year ending 30 June 2026

(d) Ratification of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in the ordinary course of business, from 12 December 2025 to 17 December 2026

(e) Election of Directors

(f) Appointment of external auditor

Discussion on Compliance with Leading Practices on Corporate Governance

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

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

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

The 2025 Integrated Annual Corporate Governance Report of STI Holdings was submitted to the SEC and PSE on May 25, 2026 and posted in the Parent Company's Official Website http://www.stiholdings.com on May 25, 2026.

There have been no deviations from the Revised Manual.

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

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

The Company's Board of Directors and Management, employees, and Stockholders, believe that corporate governance is a necessary component of what constitutes sound strategic business

management and will therefore undertake every effort necessary to create awareness within the organization.

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

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

In compliance with Section 49 of the Revised Corporation Code, a copy of the Minutes of the 12 December 2025 Annual Stockholders' Meeting with the directors, officers and stockholders who attended the meeting is attached hereto as Annex "E".

The attendance of the directors in the Board and stockholders' meetings held for the calendar year 2026 is as follows:

Board	Name	No. of Meetings held during the year	No. of Meetings Attended	%
Chairman	Eusebio H. Tanco	3	3	100%
Director	Monico V. Jacob	3	3	100%
Director	Joseph Augustin L. Tanco	3	3	100%
Director	Ma. Vanessa Rose L. Tanco	3	3	100%
Director	Martin K. Tanco	3	3	100%
Director	Paolo Martin O. Bautista	3	3	100%
Non-Executive Director	Jesli A. Lapus	3	3	100%
Independent Director	Robert G. Vergara	3	3	100%
Independent Director	Ma. Leonora Vasquez-De Jesus	3	2	66.6%
Independent Director	Raymond Anthony N. Alimurung	3	2	66.6%
Independent Director	Justice Antonio T. Carpio (Ret).	3	1	33.33%

The 2025 Self-Evaluation Performance Report of the Board of Directors was presented during the 13 October 2026 meeting of the Board of Directors.

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

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

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

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

STI EDUCATION SYSTEMS HOLDINGS, INC., AS REGISTRANT, WILL PROVIDE WITHOUT CHARGE, UPON WRITTEN REQUEST, A COPY OF THE REGISTRANT'S ANNUAL REPORT ON SEC FORM 17-A AS OF 30 JUNE 2026 AND INTERIM FINANCIAL STATEMENTS (SEC FORM 17-Q) AS OF 30 SEPTEMBER 2026. SUCH WRITTEN REQUESTS SHOULD BE ADDRESSED TO: ATTY. ARSENIO C. CABRERA, JR., CORPORATE SECRETARY, 5/F SGV II, BUILDING, 6758 AYALA AVENUE, MAKATI CITY 1226, METRO MANILA, PHILIPPINES.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 23 November 2026.

STI EDUCATION SYSTEMS HOLDINGS, INC.
Issuer

ARSENIO C. CABRERA, JR.
Corporate Secretary s

Annex "A"

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of STI Education Systems Holdings, Inc. and have been an independent director since 20 September 2019 to present.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of STI Education Systems Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to the directors/officers/substantial shareholders of STI Education Systems Holdings, Inc. other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or GOCC.

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

IN WITNESS WHEREOF, I have executed this Certificate of Independent Directors this OCT 2 8 2026 day of October 2026 at Makati City.

RAYMOND ANTHONY N. ALIMURUNG

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

SUBSCRIBED AND SWORN to before me this OCT 2 8 2026 day of October 2026 at Makati City, affiant personally appeared to me and exhibited to me his Tax Identification No. 212-599-852.

Doc. No. 103;
Page No. 22;
Book No. II;
Series of 2026.



RAINE B. RAVAL
Notary Public for Makati City
Appointment No. M-342
Until 31 December 2027
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 98746
Admitted to the Bar in 2026
PTR No. 10822870 / Makati / 10 March 2026
IBP No. 0002163 / Pasay Parañaque Las Piñas
Muntinlupa / 27 February 2026

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of STI Education Systems Holdings, Inc. and have been an independent director since 20 September 2019 to present.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of STI Education Systems Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to the directors/officers/substantial shareholders of STI Education Systems Holdings, Inc. other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or GOCC.

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

IN WITNESS WHEREOF, I have executed this Certificate of Independent Directors this OCT 28 2026 day of October 2026 at Makati City.

MA. LEONORA V ASQUEZ-DE JESUS

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

OCT 28 2026

SUBSCRIBED AND SWORN to before me this __ day of October 2026 at Makati City, affiant personally appeared to me and exhibited to me her Republic of the Philippines Passport No. P6145077A issued on 22 February 2018 at DFA Manila.

Doc. No. 107;
Page No. 22;
Book No. II;
Series of 2026.

RAINE B. RAVAL
Notary Public for Makati City
Appointment No. M-342
Until 31 December 2027
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 98746
Admitted to the Bar in 2026
PTR No. 10822870 / Makati / 10 March 2026
IBP No. 0002163 / Pasay Parañaque Las Piñas
Muntinlupa / 27 February 2026

Annex "C"

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of STI Education Systems Holdings, Inc. and have been an independent director since 19 December 2022 to present

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organizations	Position/Relationship	Period of Service
Megatron Holdings Inc.	President	2020 to present
Bernardo and Sol Carpio Foundation Inc.	Director	2020 to present
1sambayan Corporation	Chairman	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of STI Education Systems Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to the directors/officers/substantial shareholders of STI Education Systems Holdings, Inc. other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or GOCC.

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

IN WITNESS WHEREOF, I have executed this Certification of Independent Director on this OCT 2 8 2026 day of October 2026 at Makati City.

JUSTICE ANTONIO T. CARPIO (RET.)

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

OCT 2 8 2026

SUBSCRIBED AND SWORN to before me this __ day of October 2026 at Makati City, affiant personally appeared to me and exhibited to me his Republic of the Philippines Passport No. P7249453A issued on 21 May 2018 at DFA Manila.

Doc. No. 104;
Page No. 22;
Book No. II;
Series of 2026.



RAINE B. RAVAL
Notary Public for Makati City
Appointment No. M-342
Until 31 December 2027
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 98746
Admitted to the Bar in 2026
PTR No. 10822870 / Makati / 10 March 2026
IBP No. 0002163 / Pasay Parañaque Las Piñas
Muntinlupa / 27 February 2026

Annex "D"

SECRETARY'S CERTIFICATE

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

1. I am the Corporate Secretary of **STI EDUCATION SYSTEMS HOLDINGS, INC.** (the "Corporation"), a corporation duly organized and existing, under and by virtue of Philippine laws with office address at the 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City.

2. I hereby certify that no director or officer of the Corporation is connected with any government agency or government instrumentalities.

3. The foregoing is in accordance with the records of the Corporation in my possession.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 28th day of October 2026 at Makati City.

ARSENIO C. CABRERA, JR.
Corporate Secretary

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

SUBSCRIBED AND SWORN to before me this 28th day of October 2026 in Makati City, affiant exhibiting to me his Driver's License No. N04-91-174941 valid until 25 June 2034 issued at Land Transportation Office.

Doc. No. 124;
Page No. 26;
Book No. II;
Series of 2026.



RAINE B. RAVAL
Notary Public for Makati City
Appointment No. M-342
Until 31 December 2027
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 98746
Admitted to the Bar in 2026
PTR No. 10822870 / Makati / 10 March 2026
IBP No. 0002163 / Pasay Parañaque Las Piñas
Muntinlupa / 27 February 2026

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF STI EDUCATION SYSTEMS HOLDINGS, INC.

Held on Friday, 12 December 2025, 2:00 p.m.
Conducted virtually via remote communication

PRESENT:	NO. OF SHARES
Total Number of Shares Present in Person	**1,885,576,411**
Total Number of Shares Present by Proxy	**6,243,791,300**
Total Number of Shares Represented In Person and By Proxy	**8,129,367,711**
Total Outstanding Shares	**9,904,806,924**
Attendance Percentage to Total Outstanding Shares	**82.07%**

I. CALL TO ORDER

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

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that:

(a) In accordance with the Securities and Exchange Commission's Notice dated 20 April 2020 and the provisions of the Securities Regulation Code, notice for this meeting was published in the business section of two (2) newspapers of general circulation, namely: The Philippine Star and The Manila Standard, in print and online format, for two (2) consecutive days at least twenty-one (21) days prior to the date of this meeting;

(b) Electronic copies of the Definitive Information Statement and its attachments were also made available on the Corporation's website and the PSE Edge portal;

(c) Accordingly, stockholders of record as of 14 November 2025 were notified of this meeting. The stockholders were also notified of the internal guidelines of the Corporation for participation in this meeting through remote communication in accordance with applicable rules; and

(d) Present in person and represented in proxy are 8,129,367,711 shares or 82.07% of the total issued and outstanding capital stock of Nine Billion Nine Hundred Four Million Eight Hundred Six Thousand Nine Hundred Twenty Four (9,904,806,924) shares of the Corporation, and that a quorum existed for the valid transaction of business.

The Affidavit of Publication dated 21 November 2025 executed by The Manila Standard and the Affidavit of Publication dated 26 November 2025 executed by The Philippine Star, respectively, attesting the publication of the notice of this meeting are attached hereto as Annexes "A" and "B", respectively.

III. RULES OF CONDUCT AND VOTING PROCEDURES

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

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

1. Only stockholders whose Letter(s) of Intent or proxy forms have been validated or verified were allowed to cast their votes for this meeting through the voting portal.

2. Resolutions proposed to be approved by the stockholders under the Agenda will be shown on the screen as each resolution is being taken up.

3. Votes cast as of 9 December 2025 for each proposed resolution have been tabulated and results will be announced during the meeting.

4. A detailed result of the tabulation of the votes cast indicating the affirmative votes, negative votes and abstentions will be reflected in the Minutes of this meeting.

5. Relevant questions which have been submitted on or before 9 December 2025 will be addressed accordingly under the Other Matters item in the Agenda. Questions and comments not taken up during the meeting shall be addressed by the Corporation directly to the stockholder via email.

IV. DECLARATION OF DIVIDENDS

The Chairman stated that the Corporation had disclosed to the Philippine Stock Exchange and the Securities and Exchange Commission that it registered a net income of Php2.2 Billion for the fiscal year ended 30 June 2025, reflecting an 38% increase from the Php1.6 Billion posted in the previous year.

The Chairman announced to the stockholders that, at the Meeting of the Board of Directors held earlier that morning, the Board approved the declaration of cash dividends pursuant to the Corporation's dividend declaration policy in the amount of Php0.045 per share or an aggregate amount of Four Hundred Forty Five Million Seven Hundred Sixteen Thousand Three Hundred Eleven Pesos and Fifty Eight (the "Cash Dividends") from the unrestricted retained earnings of the Company as of 30 June 2025 based on the Parent Company Audited Financial Statements as of 30 June 2025.

The Cash Dividends are payable to stockholders of record as of 8 January 2026 and shall be payable on or before 30 January 2026, upon compliance with all necessary regulations.

IV. APPROVAL OF PREVIOUS MINUTES

The Corporate Secretary stated that electronic copies of the Minutes of the Annual Stockholders' Meeting held on 18 December 2024 were uploaded for inspection on the Corporation's website.

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

> *"**RESOLVED**, that the Minutes of the Annual Stockholders' Meeting held on 18 December 2024 as appearing in the Minutes Book of the Corporation be approved."*

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the Minutes of the Annual Stockholders' Meeting held on 18 December 2024 are as follows:

	For	Against	Abstain
Number of Voted Shares	8,129,367,711	-	
% of Shares of Shareholders Present	100%	-	

V. PRESENTATION OF MANAGEMENT REPORT

The President, Mr. Monico V. Jacob, rendered the Management Report for Fiscal Year 2024-2025. The Management Report for Fiscal Year 2024-2025 is attached hereto as Annex "C".

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

> *"**RESOLVED**, that the Management Report for Fiscal Year 2024-2025 be noted and approved."*

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the Management Report for Fiscal Year 2024-2025 are as follows:

	For	Against	Abstain
Number of Voted Shares	8,129,367,711	-	
% of Shares of Shareholders Present	100%	-	

VI. APPROVAL OF PARENT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS AS AT AND FOR THE FISCAL YEAR ENDED 30 JUNE 2025

The Corporate Secretary stated that copies of the Corporation's Parent and Consolidated Audited Financial Statements for the fiscal year ended 30 June 2025 were included in the Definitive Information Statement which were uploaded on the Corporation's website.

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

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

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the Parent and Consolidated Audited Financial Statements of the Corporation as at and for the fiscal year ended 30 June 2025 are as follows:

	For	Against	Abstain
Number of Voted Shares	8,129,367,711	-	
% of Shares of Shareholders Present	100%	-	

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

The Corporate Secretary stated that a summary of the acts, proceedings, and resolutions to be ratified by the stockholders since the 18 December 2024 Annual Stockholders' Meeting up to today's meeting has been included in the Definitive Information Statement which was uploaded on the Corporation's website.

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

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

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of all legal acts, resolutions and proceedings of the Board of Directors and of Management, done in the ordinary course of business, since the Annual Stockholders' Meeting held on 18 December 2024 up to 12 December 2025 are as follows:

	For	Against	Abstain
Number of Voted Shares	8,129,367,711	-	
% of Shares of Shareholders Present	100%	-	

VIII. ELECTION OF DIRECTORS

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

Under the Corporation's By-Laws and 2020 Manual on Corporate Governance, the nomination of the Corporation's directors shall be conducted by the Corporate Governance Committee prior to the annual stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of

the would-be nominees and shall be submitted to the Corporate Governance Committee and the Corporate Secretary at least forty-five (45) days before the date of the actual meeting.

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

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

1. Eusebio H. Tanco
2. Monico V. Jacob
3. Joseph Augustin L. Tanco
4. Ma. Vanessa Rose L. Tanco
5. Martin K. Tanco
6. Paolo Martin O. Bautista
7. Jesli A. Lapus

For Independent Directors:

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

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

Nominee	***Votes***
Eusebio H. Tanco	*89,423,044,821*
Monico V. Jacob	*89,423,044,821*
Joseph Augustin L. Tanco	*89,423,044,821*
Ma. Vanessa Rose L. Tanco	*89,423,044,821*
Martin K. Tanco	*89,423,044,821*
Paolo Martin O. Bautista	*89,423,044,821*
Jesli A. Lapus	*89,423,044,821*
Robert G. Vergara (Independent Director)	*89,423,044,821*
Ma. Leonora Vasquez-De Jesus (Independent Director)	*89,423,044,821*
Raymond Anthony N. Alimurung (Independent Director)	*89,423,044,821*
Justice Antonio T. Carpio (Ret.) (Independent Director)	*89,423,044,821*

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

IX. APPOINTMENT OF EXTERNAL AUDITOR

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

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

> *"**RESOLVED**, that the auditing firm of SyCip Gorres Velayo & Co. be, as it is hereby appointed as external auditor of the Corporation for the fiscal year ended 30 June 2026."*

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the appointment of SyCip Gorres Velayo & Co. as the Corporation's external auditor for the fiscal year ended 30 June 2026 are as follows:

	For	Against	Abstain
Number of Voted Shares	8,129,367,711	-	
% of Shares of Shareholders Present	100%	-	

XI. OTHER MATTERS

The Corporate Secretary stated that, as of 9 December 2025, the cut-off date for submission of questions and/or queries on the Management report for Fiscal Year 2024-2025, the Corporation received the following questions from a stockholder, Mr. Mark Brandon Chan:

(a) Can you shed some light to the enrollment numbers of SY 2025-2026? On competition, can you talk about how you see the competitive landscape, such as what other education groups are doing? How will this affect our future enrollment?
(b) Given student growth was flat (slightly negative), how will this affect our capital allocation? Will we continue to pay down our debt, build more campuses in anticipation of growing demand, return capital to shareholders or build up cash for potential M&As? If none of the above, what can we expect?

The Corporate Secretary stated that these questions have been addressed by the Corporation directly to the stockholder via email.

Mr. Monico V. Jacob, the President & Chief Executive Officer of STI Education Systems Holdings, Inc., also discussed the replies of the Corporation to the questions raised by Mr. Chan.

With respect to the first query, Mr. Jacob stated that the drop in total enrollment can be attributed mainly to the drop in new student both for Senior High School (SHS) and tertiary students. For SHS, DepEd decided in the middle of SY2024-25 to shift the schoolyear back to the old middle of June to March schedule from the previous end of August to 1st week of July schedule. For example, for SY 2022-2023, DepEd started August 22, 2022 and ended July 7, 2023. This affected the new student intake as STI ESG started late July for this schoolyear.

For the tertiary new student enrolment, there is a significant decline in the number of SHS graduates (nationwide) this year compared to last year. This actually affects almost all tertiary schools in the Philippines.

Some competitors are resorting to online/hybrid offerings to reduce cost. Initial student reaction to these offerings generally negative as the highly social interactive nature of Filipinos tends to prefer face to face pedagogical approach. STI ESG is mainly face to face although STI ESG schools also use both Synchronous/Asynchronous online delivery when there are weather disturbances or natural disasters so as not to disrupt student learnings. The heavy skill-based (hands-on) approach of STI ESG for its courses remains its main selling point especially for its IT and THM (Tourism and Hospitality) program which are still popular. Efforts are being made in STI ESG to expand the number of schools offerings Criminal Justice (criminology with emphasis on cyber-criminology) with a total of three schools currently offering it this schoolyear.

With respect to the second query, Mr. Jacob noted that the slight negative growth of 4% will not affect the capital acquisition of STI Holdings. In addition, the Group is studying the possibility of fully paying the STI ESG bond obligation.

Mr. Jacob stated that the Corporation also started its expansion plan by building three campuses which are in various stages of construction. These new campuses are located in Tanauan, Batangas, Alabang, Muntinlupa City and Meycauayan, Bulacan. This will be a three-year project.

The Corporation also envisions acquisition as part of its plan to expand.

The Corporate Secretary stated that aside from these questions, the Corporation did not receive any other queries from stockholders.

XII. ADJOURNMENT

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

ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:

EUSEBIO H. TANCO
Chairman

Annex "A"

Manila Standard

PHILIPPINE MANILA STANDARD PUBLISHING, INC.

AFFIDAVIT OF PUBLICATION

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

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

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

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

Manila Standard published on

NOVEMBER 20 & 21, 2025

a Notice:

STI EDUCATION SYSTEMS HOLDINGS

RE : NOTICE OF ANNUAL STOCKHOLDERS' MEETING

IN WITNESS WHEREOF, I hereby affix my signature this 21ST day of NOVEMBER 2025 in Makati City.

MARIO R. POLICARPIO JR.
Authorized Signatory

SUBSCRIBED AND SWORN to before me this 21ST day of NOVEMBER, 2025 in Makati City, affiant exhibiting to me his SSS No. 33-0476897-7

ATTY. CESAR T. VERANO
NOTARY PUBLIC MAKATI CITY
APPOINTMENT NO. M-029
VALID UNTIL DECEMBER 31, 2025
ISSUED ON: DECEMBER 15, 2023
PTR NO.: MKT 10465510 / 01-02-2025 / MAKATI CITY
IBP NO.: 484720 ROLL NO.: 29024
MCLE COMPLIANCE NO.: VII-0023645
VALID UNTIL DECEMBER 31, 2025
OFFICE ADDRESS: #2733 G/F CARREON BLDG
TENAIDA ST., BRGY. POBLACION MAKATI CITY

Doc. No.: 302
Page No.: 61
Book No. :
Series of 2025.

STI EDUCATION SYSTEMS HOLDINGS

7th Floor, STI Holdings Center
6764 Ayala Avenue, Makati City
Philippines 1226
Telefax (632) 8844-9553

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

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

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

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

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

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

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

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

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

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

Very truly yours,

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

Annex "B"

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

AFFIDAVIT OF PUBLICATION

I, **LEO N. ALISGAR,** of legal age, single, Filipino and with office address at c/o **PhilSTAR Daily, Inc.,** Amvel Business Park, Lot 2 Dr. A Santos Avenue, San Dionisio. Sucat. Parañaque City, after being duly sworn to in accordance with law, depose and state:

That I am the **BILLING & COLLECTION MANAGER** of the **PhilSTAR Daily, Inc.** a domestic corporation duly organized and existing under by virtue of Philippine laws with office and business address at Amvel Business Park, Lot 2 Dr. A Santos Avenue, San Dionisio. Sucat. Parañaque City.

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

That the order of
STI EDUCATION SYSTEM HOLDINGS, INC.
captioned as follows:
NOTICE OF ANNUAL STOCKHOLDERS' MEETING
Please see attached printed text which had been published in **The Philippine STAR** in its issues of:
NOVEMBER 20, & 21, 2025

FURTHER AFFIANT SAYETH NAUGHT.
QUEZON CITY, Philippines

LEO N. ALISGAR
Affiant

SUBSCRIBED AND SWORN to before me this NOV 2 6 2025 day of _____ affiant exhibited to me his Unified Multi-Purpose ID (UMID) CRN No. 0111-2584437-3

Doc. No. 355
Page No. 78
Book No. VII
Series of 2025

GARY A. SANCIO
Notary Public
Until December 31, 2026
Adm. Matter NP-103 (2025-2026)
Roll No. 44261
IBP No. 1082447 (Lifetime)/06-30-17/Q.C.
PTR No.6991051/01-06-2025/Q.C.
MCLE Compliance No. VIII-0023572/03-04-25
Unit 203, STG Bldg. 190 P. Tuazon Blvd.
Araneta City, Quezon City, 1109

STI EDUCATION SYSTEMS HOLDINGS

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

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

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

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

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

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

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

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

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

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

Very truly yours,

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

MANAGEMENT REPORT

Group History and Structure

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 including Marine Engineering, Naval Architecture, 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 23, 2026, 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 161,521 students, with 113,431 pertaining to owned schools and 48,090 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 basic education from nursery to SHS, tertiary and graduate programs. Its SHSl includes tracks in academic and technical-vocational-livelihood. The tertiary offering includes baccalaureate degree programs in education, hospitality and tourism management, criminology, Information Technology, arts and sciences, business and management, and engineering. It offers Graduate Programs in the fields of Business, Education, Public Administration and Criminal Justice. Its Master of Arts in Psychology program is set to begin in the second semester of academic year 2026 - 2027.

STI WNU also has permits to provide technical-vocational education training services under the Technical Education and Skills Development Authority (TESDA).

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 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's Makati campus offers 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, were previously granted Level I Accreditation by the Philippine Association of Colleges and Universities Commission on Accreditation, Inc. (PACUCOA). Following the completion of the Level II Reaccreditation Revisit on May 15, 2026, the Bachelor of Science in Computer Science program was granted Level II status in June 2026, valid until July 2030. This achievement reflects iACADEMY's continuing commitment to quality education, academic excellence, and continuous improvement.

  iACADEMY Cebu is currently offering CHED-recognized programs in Software Engineering, Game Development, Real Estate Management, Multimedia Arts and Design, and Animation.

  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. Ten (10) filmmakers will be accepted into the program, and two (2) winning film projects will receive a production and scholarship grant from iACADEMY and Netflix. The program's goal is to prepare the participants for their future as filmmakers, support their endeavors in the field of arts, and empower them to share their distinct cultural perspectives through film. The winners

of the first and second editions of the program were announced in June 2023 and April 2025, respectively. The films of the two (2) winners from the first edition proudly premiered at the Sinag Maynila Film Festival in 2024 and 2025, marking a major milestone for the program. “Bisan Abo Wala Bilin” made its debut in September 2024, followed by “Muli na Ka, Merlie” in September 2025, both showcasing compelling stories that resonated with festival audiences. The film “Bisan Abo Wala Bilin” was awarded “Best in Short Film” of 2024 in the 2025 Gawad Urian Awards held in October 2025, and “Muli na Ka, Merlie” was nominated for the Gawad Urian Awards in October 2026. The second edition, held in 2025, was in partnership with the Film Development Council of the Philippines (FDCP) and the Directors’ Guild of the Philippines (DGPI). Meanwhile, the two (2) winners of the second edition are now in active production, bringing their bold creative visions to life and gearing up to captivate the big screen. Even as works-in-progress, these films are already making their mark. The first project, “Ligaw/Panangarem” (“Courting”) by Finalist Kyla Romero was presented at the prestigious Cannes Film Festival in France in May 2026 as a Work-in-Progress. The second project, “Flying Sun”, by Justine Borlagdan, has just finished shooting and is being scheduled for presentation.

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 continued to rank among the Top Performing Schools in the Real Estate Appraisers Licensure Examination, earning recognition from the Professional Regulation Commission as the July 2025 Top Performing School among institutions with 15 or more examinees. iACADEMY achieved an 86.67% passing rate, with five examinees ranking 2nd, 4th, 5th, 6th and 7th in the examination.

In November 2025, iACADEMY reinforced its distinction in Real Estate education by achieving an outstanding 90% passing rate in the Real Estate Appraisers Licensure Examination, significantly surpassing the national passing rate of 55.26%.

In July 2026, iACADEMY achieved a 100% passing rate in the Real Estate Appraisers Licensure Examination, with five examinees ranking 3rd, 5th, 6th, 7th and 8th, reflecting the program’s continued strong performance in the licensure examination.

In December 2025, an iACADEMY graduate of the Real Estate Management Program made history by becoming the first graduate of the program to take and successfully pass the Real Estate Consultants Licensure Examination.

In April 2026, iACADEMY made history in the Real Estate Brokers Licensure Examination, emerging as the Top Performing School, achieving a 100% passing rate, and producing the Rank 1 examinee nationwide among 2,296 examinees.

In September 2026, iACADEMY achieved a 100% passing rate in the Psychometrician Licensure Examination, marking a significant milestone in Bachelor of Arts in Psychology program’s commitment to developing competent and future-ready Psychology professionals.

These achievements reflect the strength of iACADEMY's program offerings, which are anchored on solid academic foundation, industry-aligned curriculum and training, and expert faculty members committed to producing graduates who excel in licensure examinations and professional practice.

Additionally, in December 2025, iACADEMY was awarded the Most Innovative School by the Global Brands Magazine, a leading brands magazine based in the United Kingdom that provides opinions and news related to various brands across the world.

In May 2026, iACADEMY officially entered the World University Rankings for Innovation (WURI) 2026, earning placements in four WURI Top 100 categories: Rank 74 in University Brand and Reputation, Rank 80 in Crisis Management, Rank 82 in Cost-Effectiveness Management, and Rank 89 in Curricular Innovation for Future Readiness. With this recognition, iACADEMY attains a formidable position among 1,927 higher education institutions from 96 countries evaluated this year, redefining higher education through innovation, adaptability, and real-world impact.

- 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 rising from the Agreements have been fully settled.

- Philippine School of Business Administration - Manila, Inc. (formerly: STI College Novaliches, Inc.) became a subsidiary of STI Holdings in January 2025. STI Holdings owns 93.75% of the outstanding capital stock of STI Novaliches, Inc. while STI ESG owns the remaining 6.25%. Prior to January 2025, STI ESG owned 100% of the school and had operated the same for its Novaliches school operations.

  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 and August 29, 2025, the SEC approved the amendment in the corporate name of STI College Novaliches, Inc. to Philippine School of Business Administration - Manila, Inc. in its Articles of Incorporation (AOI) and By-Laws, respectively.

  The SEC approved on November 18, 2025, the amendment of the AOI of Philippine School of Business Administration - Manila, Inc.'s principal office address to "1029 Aurora Boulevard, Loyola Heights, Quezon City."

  On September 13, 2024, the SEC approved the amended By-Laws of the then STI College Novaliches, Inc., amending, among others, 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. The change in fiscal year was subsequently approved by the BIR in January 2026 and took effect beginning July 1, 2026.

Market for Company's Common Equity and Related Stockholder Matters

(1) Market Information

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

As of June 30, 2026, the high share price of the Parent Company was ₱1.24 and the low share price was ₱1.21. As of September 30, 2026, the high share price of the Parent Company was ₱1.29 and the low share price was ₱1.28. As of 19 November 2026, the high share price of the Parent Company was ₱1.17 and the low share price was ₱1.12.

The following table sets forth the Parent Company's high and low prices per share for each quarter of the last two (2) fiscal years:

	High	Low
Fiscal year ended June 30, 2026		
April-June 2026	1.46	1.20
January-March 2026	1.43	1.25
October-December 2025	1.50	1.33
July-September 2025	1.69	1.28
Fiscal year ended June 30, 2025		
April-June 2025	1.81	1.18
January-March 2025	1.52	1.32
October-December 2024	1.38	1.15
July-September 2024	1.35	0.76

The Parent Company's public float as of June 30, 2026 is 3,337,524,687 shares equivalent to 33.70% and 2,981,616,687 shares equivalent to 30.10% as of June 30, 2025 of the total issued and outstanding shares of the Parent Company.

(2) Holders

As of 19 November 2026, there are 1,259 shareholders of the Company's outstanding capital stock. The Company has common shares only.

The following table sets forth the top 20 shareholders of the Company's common stock, the number of shares held, and the percentage of total shares outstanding held by each as of 19 November 2026:

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP
PCD NOMINEE CORPORATION (Filipino/Others)	3,961,957,928 [1]	40.0004%
TANCO, EUSEBIO H.	1,652,685,444	16.6857%
PRUDENT RESOURCES, INC.	1,614,264,964	16.2978%

[1] Eusebio H. Tanco is the beneficial owner of 13,450,000 shares. Prudent Resources, Inc. is the beneficial owner of 6,820,085 shares. Biolim Holdings and Management Corp. is the beneficial owner of 18,282,861 shares. Tantivy Holdings, Inc. is the beneficial owner of 3,000,000 shares. Eximious Holdings, Inc. is the beneficial owner of 20,000,000 shares.

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP
EUJO PHILIPPINES, INC.	806,157,130	8.1390%
BIOLIM HOLDINGS AND MANAGEMENT CORP.	794,343,934	8.0198%
TANTIVY HOLDINGS INC.	626,776,992	6.3280%
EXIMIOUS HOLDINGS, INC.	405,835,332	4.0974%
CLASSIC FINANCE INC.	15,013,155	0.1516%
TANCO, ROSIE L.	13,000,000	0.1312%
DEL PRADO, EMMANUEL P.	3,500,000	0.0353%
VITAL VENTURES MANAGEMENT CORPORATION	2,800,000	0.0283%
YU, JUAN G. OR JOHN PETER C. YU	1,300,000	0.0131%
CASA CATALINA CORPORATION	1,000,000	0.0101%
EDAN CORPORATION	861,350	0.0087%
ESTATE OF ELIZABETH LEDESMA BENGZON	638,000	0.0064%
MENDOZA, ROSELLER ARTACHO	600,000	0.0061%
YU, JUAN G. OR JOHN PHILIP YU	600,000	0.0061%
CASTIGADOR, LERIO CABALLERO AND/OR VICTORINA P. CASTIGADOR	399,000	0.0040%
TACUB, PACIFICO B.	200,000	0.0020%
NOLASCO, MA. CHRISTMAS R.	140,000	0.0014%

(3) Cash Dividends

(a) On December 12, 2025, cash dividends amounting to ₱0.055 per share or the aggregate amount of ₱544.8 Million were declared by the Board of Directors in favor of all stockholders of record as at January 8, 2026. The cash dividends were paid on January 30, 2026.

(b) On December 18, 2024, cash dividends amounting to ₱0.045 per share or the aggregate amount of ₱445.7 Million were declared by the Board of Directors in favor of all stockholders on record as at January 9, 2025. The cash dividends were paid on January 31, 2025.

(c) On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Board of Directors in favor of all stockholders on record as at January 10, 2023. The cash dividends were paid on January 31, 2023.

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

In the meeting of the Board of Directors of the Parent Company held on February 15, 2018, the Board adopted a revised policy on the declaration of dividends starting with Fiscal Year 2017-2018 in order to (1) clarify the dividend declaration policy of not less than 25% of the Parent Company's core net income from the previous fiscal year; and (2) provide the definition of the core net income of the Parent Company.

The Board approved a dividend declaration policy of not less than 25% of the core net income of the Parent Company 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 the Parent Company by lenders or other financial institutions, and the Parent Company's investment plans and financial condition.

Core net income is defined as consolidated net income after income tax derived from the Parent Company's main business-education and other recurring income.

The amount of dividends will be reviewed periodically by the Board in light of the Parent Company's 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 Board, 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 Board deems appropriate.

(4) Recent Sales of Unregistered or Exempt Securities

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

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

This discussion summarizes the significant factors affecting the financial condition of STI Education Systems Holdings, Inc. ("STI Holdings" or the "Parent Company") and its subsidiaries (hereafter collectively referred to as the "Group") as at June 30, 2026 and 2025 and operating results for the years ended June 30, 2026, 2025 and 2024 and for the three-month periods ended September 30, 2026 and 2025.

The following discussions should be read in conjunction with the attached audited consolidated financial statements of the Group as at and for the years ended June 30, 2026 and 2025, and for all the other periods presented.

Financial Condition

The Group's total assets as at September 30, 2026 amounted to ₱19,364.2 million, 4% or ₱678.3 million higher than the ₱18,685.9 million balance as at June 30, 2026. This increase was primarily driven by higher levels of receivables for tuition and other school fees and the continuous improvement of school facilities, partially offset by a decline in cash and cash equivalents.

Condensed Consolidated Statements of Financial Position

(Amounts in Peso millions)	September 30, 2026	June 30, 2026	Increase (Decrease) Amount	%
Cash and cash equivalents	2,765.0	3,027.9	(262.9)	(9%)
Current assets	4,904.8	4,254.8	650.0	15%
Total assets	19,364.2	18,685.9	678.3	4%
Current liabilities	3,650.2	2,945.7	704.5	24%
Total liabilities	4,363.7	4,202.9	160.8	4%
Equity attributable to equity holders of the parent	14,857.1	14,344.9	512.2	4%
Total equity	15,000.4	14,482.9	517.5	4%

Cash and cash equivalents decreased by ₱262.9 million from ₱3,027.9 million to ₱2,765.0 million as at June 30, 2026 and September 30, 2026, respectively. The decrease was primarily driven by the ₱672.2 million of term loan principal repayments during the period, which includes the prepayment of STI ESG's Term Loan Facility with Metrobank.

Total receivables more than doubled from ₱895.6 million as at June 30, 2026 to ₱1,839.8 million as at September 30, 2026. 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 school year.

Inventories decreased by ₱37.8 million or 24%, to ₱117.5 million as at September 30, 2026 from ₱155.3 million as at June 30, 2026, reflecting sales, net of purchases made, during the three-month period ended September 30, 2026.

Equity instruments at fair value through profit or loss (FVPL) decreased by 14% or ₱1.6 million from ₱11.1 million as at June 30, 2026 to ₱9.5 million as at September 30, 2026 due to fair value loss on STI ESG's investment in 1.5 million quoted equity shares of RL Commercial REIT, Inc. (RCR).

Deferred tax assets (DTA) increased by 28% or ₱15.8 million, from ₱55.8 million as at June 30, 2026 to ₱71.6 million as at September 30, 2026, largely representing taxes due on tuition and other school fees collected in advance. In accordance with statutory regulations, tuition and other school fees collected in advance are subject to income tax upon receipt.

Goodwill, intangible, and other noncurrent assets decreased by ₱41.4 million from ₱827.0 million as at June 30, 2026 to ₱785.6 million as at September 30, 2026 mainly driven by the application of downpayments against the progress billings of the Group's ongoing construction projects.

Total current liabilities increased by 24% or ₱704.5 million to ₱3,650.2 million as at September 30, 2026 from ₱2,945.7 million as at June 30, 2026, mainly due to the ₱1,018.3 million increase in unearned tuition and other school fees to ₱1,619.8 million as at September 30, 2026 from ₱601.5 million as at June 30, 2026. These unearned revenues will be recognized as income over the remaining months of the related school term(s).

Total noncurrent liabilities decreased by ₱543.8 million to ₱713.5 million as at September 30, 2026 from ₱1,257.3 million as at June 30, 2026 largely attributed to the prepayment of STI

ESG's Metrobank term loan and the reclassification of the portion of noncurrent interest-bearing loans and borrowings due within the next twelve months to current liabilities.

Total equity increased by ₱517.5 million substantially due to the net income recognized by the Group for the three-month period ended September 30, 2026.

June 30, 2026 vs. June 30, 2025

LIQUIDITY AND CAPITAL RESOURCES

(in ₱ millions except for financial ratios)	**June 30, 2026**	**June 30, 2025**	**June 2026 vs. June 2025**	
			Increase (Decrease)	
			Amount	%
Consolidated financial position				
Cash and cash equivalents	3,027.9	2,732.6	295.3	11%
Current assets	4,254.8	3,599.7	655.1	18%
Total assets	18,685.9	17,014.3	1,671.6	10%
Current liabilities	2,945.7	1,954.2	991.5	51%
Total liabilities	4,202.9	4,529.1	(326.2)	(7%)
Equity attributable to equity holders of the parent	14,344.9	12,367.1	1,977.8	16%
Total equity	14,482.9	12,485.2	1,997.7	16%
Financial ratios				
Current ratio	1.44	1.84	(0.40)	(22%)
Asset-to-equity ratio	1.29	1.36	(0.07)	(5%)
Debt-to-equity ratio (D/E)[1]	0.25	0.34	(0.09)	(26%)
Debt service cover ratio (DSCR)[2]	2.32	4.13	(1.81)	(44%)
Interest cover ratio (ICR)[3]	28.60	18.19	10.41	57%

STI ESG monitors its financial covenants in accordance with its loans and trust agreements.

	June 30, 2026	**June 30, 2025**	**June 2026 vs. June 2025**	
			Increase (Decrease)	
			Amount	%
D/E ratio[1]	0.31	0.44	(0.13)	(30%)
DSCR[2]	1.91	3.40	(1.49)	(44%)
ICR[3]	23.48	14.95	8.53	57%

1 *STI ESG monitors its D/E ratio in accordance with the financial covenants prescribed in the loan and trust agreements (see Notes 17 and 18 of the Audited Consolidated Financial Statements). As at June 30, 2026 and 2025, STI ESG is compliant with the D/E ratio requirement of all its loan and trust agreements.*

2 *DSCR for bank loan purposes is measured as earnings before interest, taxes, depreciation and amortization (EBITDA) for the last twelve months divided by the total interest-bearing debts and interest due in the next twelve months, as defined in the loan agreements. STI ESG*

is compliant with the DSCR requirement of all its loan agreements as at June 30, 2026 and 2025 (see Note 17 of the Audited Consolidated Financial Statements).

3 *Under its bond trust agreement, STI ESG is required to maintain an ICR of at least 3.00:1.00 (see Note 18 of the Audited Consolidated Financial Statements). STI ESG is compliant with the ICR requirement as at June 30, 2026 and 2025.*

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

The Group's consolidated total assets amounted to ₱18,685.9 million as at June 30, 2026 compared to ₱17,014.3 million as at June 30, 2025. Current assets amounted to ₱4,254.8 million, posting an increase of ₱655.1 million from ₱3,599.7 million while noncurrent assets grew by ₱1,016.5 million to ₱14,431.1 million as at June 30, 2026 from ₱13,414.6 million as at June 30, 2025. The increase in consolidated total assets was primarily attributable to the increases in cash and cash equivalents, receivables, property and equipment, and investment properties.

Cash and cash equivalents increased by ₱295.3 million or 11% from ₱2,732.6 million to ₱3,027.9 million as at June 30, 2025 and 2026, respectively. The Group generated net cash from operating activities amounting to ₱2,968.3 million, arising primarily from the collection of tuition and other school fees. Net cash used in investing activities amounting to ₱1,671.8 million mainly reflect disbursements related to the Group's ongoing construction projects, recently completed construction projects, and STI ESG's acquisition of parcels of land. STI WNU likewise undertook additional facilities upgrade on the University gymnasium, constructed a bullet recovery room for the College of Criminal Justice Education, a covered parking area, and a campus pavilion, and installed solar panels in its School of Basic Education (SBE) and Engineering buildings. iACADEMY also renovated the 5th floor of the iACADEMY Nexus Building in preparation for the implementation of the proposed Bachelor of Science in Culinary Arts Management Program.

The Group's net cash used in financing activities amounting to ₱1,001.5 million during the fiscal year ended June 30, 2026 is primarily attributed to (1) principal repayments aggregating to ₱704.4 million for STI ESG's term loans with Chinabank, BPI, and Metrobank, alongside interest and bond coupon payments totaling ₱172.1 million, and (2) payments of cash dividends. On December 12, 2025, STI ESG declared cash dividends amounting to ₱0.10 per share or an aggregate amount of ₱308.2 million to stockholders of record as of December 31, 2025. Of this amount, ₱304.1 million was paid on January 13, 2026 to the Parent Company and ₱4.1 million was paid to non-controlling interests as at June 30, 2026. STI WNU likewise declared cash dividends of ₱201.3 million on December 4, 2025, in favor of stockholders of record as of December 31, 2025, of which ₱201.0 million was paid on January 8, 2026 to the Parent Company. Meanwhile, the Parent Company declared cash dividends amounting to ₱0.055 per share or an aggregate amount of ₱544.8 million to stockholders of record as of January 8, 2026. The Parent Company paid the cash dividends on January 30, 2026. These cash outflows were partially offset by the ₱548.9 million proceeds from STI ESG's sale of majority of its shares in STI Holdings in August and December 2025.

Total receivables amounted to ₱895.6 million as at June 30, 2026, posting an increase of ₱357.6 million from ₱538.0 million as at June 30, 2025. The receivables balance is composed largely of amounts expected to be collected from students for tuition and other school fees and from the Department of Education (DepEd), Commission on Higher Education (CHED), Development Bank of the Philippines (DBP), and third parties for scholarships and sponsorships granted to qualified students. Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the next fiscal year.

Receivables from students pertaining to tuition and other school fees increased by ₱270.1 million from ₱436.3 million as at June 30, 2025 to ₱706.4 million as at June 30, 2026. The increase is largely attributable to the earlier commencement of classes for STI ESG's SHS and JHS segments, and STI WNU's SHS and SBE segments for SY 2026–2027. Classes for SY 2026-2027 commenced on June 29, 2026 and will end on May 7, 2027. Accordingly, the related receivables and contract liabilities for these segments for SY 2026-2027 were recognized as at June 30, 2026. In comparison, the academic cycle for STI ESG and STI WNU for SY 2025-2026 began in July 2025 and ended in June 2026, except for STI WNU's postgraduate classes which began in September 2025 and ended in August 2026. The Group satisfies its performance obligations from tuition and other school fees over time, as students simultaneously receive and consume the benefits provided by the Group through its educational services. Accordingly, tuition and other school fee revenues are recognized over the applicable school terms as the related educational services are rendered.

Receivables from DepEd amounted to ₱104.5 million as at June 30, 2026, compared to ₱19.8 million as at June 30, 2025.

As at June 30, 2026, receivables from students and DepEd include ₱250.6 million and ₱95.9 million, respectively, pertaining to tuition and other school fees for SHS and JHS students for SY 2026-2027.

The SHS Voucher Program is a financial assistance program wherein subsidies in the form of vouchers are provided to qualified SHS students who enroll in 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) is entitled to a subsidy ranging from ₱14.0 thousand to ₱22.5 thousand annually. The subsidy is administered by DepEd under the Senior High School Voucher Program through the Private Education Assistance Committee (PEAC), which facilitates the direct transfer of funds to the participating schools.

Receivables from CHED for the TES amounted to ₱5.8 million and ₱1.6 million as at June 30, 2026 and 2025, respectively. The TES is implemented pursuant to Republic Act (RA) No. 10931, also known as the Universal Access to Quality Tertiary Education Act (UAQTEA), and its Implementing Rules and Regulations (IRR), and is administered by CHED through the Unified Student Financial Assistance System for Tertiary Education (UniFAST).
Under earlier implementations of the TES program, qualified students enrolled in selected private higher education institutions (HEIs) were entitled to subsidies of up to ₱60.0 thousand per year. These subsidies were subject to a sharing arrangement between the TES student-grantee and the private HEI, with ₱40.0 thousand intended for student support and ₱20.0 thousand credited to the participating institution. Additional benefits were likewise given to persons with disabilities (PWDs) and graduates of programs with licensure exams, amounting to ₱30.0 thousand and ₱10.0 thousand per year, respectively.

UniFAST Memorandum Circular No. 5 issued in July 2023 provides, among others, that TES grants for new beneficiaries beginning first semester of SY 2023–2024 shall amount to ₱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 are entitled to an additional subsidy of ₱10.0 thousand per school year or ₱5.0 thousand per semester. Under UniFAST Memorandum Circular No. 02, Series of 2024, TES grantees shall receive the amount of ₱27.0 thousand per school year or ₱13.5 thousand per semester for students in private HEIs, while TES grantees from SUCs and LUCs shall receive an amount of ₱20.0 thousand per school year or ₱10.0 thousand per semester. Under the TES program, subsidy

amounts are released directly by CHED to the participating HEIs where the qualified students are enrolled.

Under the 2026 Revised TES Guidelines, effective beginning the first semester of SY 2026–2027, TES benefits shall be disbursed by the CHED Regional Offices directly to qualified and validated grantees, primarily through direct credit to their accounts or through check payments. When these payment methods are not applicable, the benefits may be coursed through the participating HEIs, which are required to release the amounts to the grantees within the prescribed period.TES grants are subject to the availability of funds, with subsidy amounts determined by the UniFAST Board in accordance with its guidelines and annual budgetary appropriations.

The DBP Resources for Inclusive and Sustainable Education Program (DBP RISE) grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that are determined and set by DBP. Receivables related to DBP RISE amounted to ₱1.1 million and ₱1.9 million as at June 30, 2026 and 2025, respectively.

Receivables from the franchised schools for the educational services rendered by STI ESG and for the sale of educational materials and supplies amounted to ₱93.2 million as at June 30, 2026, higher by ₱3.3 million from the ₱89.9 million balance as at June 30, 2025. Receivables for educational services are recognized based on the percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED.

Rent and related receivables decreased by ₱0.7 million to ₱58.1 million as at June 30, 2026 from ₱58.8 million as at June 30, 2025 representing collection of rental payments from various lessees during the year ended June 30, 2026.

Outstanding receivables also include amounts due 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 ₱68.2 million and ₱31.6 million as at June 30, 2026 and 2025, respectively. These receivables largely represent management fees pursuant to the management agreement executed by STI ESG and PSBA in May 2024.
The Group's allowance for expected credit losses (ECL) recognized in relation to the adoption of Philippine Financial Reporting Standards (PFRS) 9, *Financial Instruments*, increased by ₱17.0 million from ₱185.4 million as at June 30, 2025 to ₱202.4 million as at June 30, 2026. The movement primarily reflects the Group's provision for ECL amounting to ₱91.4 million during the year ended June 30, 2026, partly offset by the write-off of receivables aggregating to ₱74.4 million. These comprised of ₱62.9 million attributable to STI ESG and its subsidiaries, largely associated with tuition and other school fees for SY 2023-2024; ₱9.3 million attributable to STI WNU for SY 2021-2022; and ₱2.2 million attributable to iACADEMY for SYs 2021–2022 through 2023–2024.

Inventories decreased by 8% or ₱14.0 million from ₱169.3 million as at June 30, 2025 to ₱155.3 million as at June 30, 2026, reflecting the disposal during the year of inventory stocks carried over from the previous school year.

Prepaid expenses and other current assets went up by ₱16.5 million from ₱148.3 million to ₱164.8 million as at June 30, 2025 and 2026, respectively. The increase was primarily driven by higher prepaid taxes, input VAT, and prepaid subscriptions and licenses. Prepaid taxes increased by ₱12.0 million due

to higher local business taxes covering calendar year 2026 and excess creditable withholding taxes. Input VAT rose by ₱8.5 million from ₱70.1 million to ₱78.6 million as at June 30, 2025 and 2026, respectively, mainly arising from the Group's various construction projects. Prepaid subscriptions and licenses increased by ₱4.1 million mainly due to the renewal of subscriptions to various software licenses such as Microsoft, Adobe Creative Cloud, Toon Boom Harmony, Sophos Firewall, and the eLearning Management System. These subscriptions are normally renewed annually and recognized as expense in accordance with the terms of the agreements. These increases were partially offset by lower advances to suppliers following the application of prepayments substantially related to completed school activities.

The carrying value of STI ESG's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR), a real estate investment trust (REIT) company listed on the Philippine Stock Exchange, amounted to ₱7.19 and ₱7.42 per share or an aggregate value of ₱11.1 million and ₱11.5 million as at June 30, 2026 and 2025, respectively. STI ESG recognized dividend income from RCR amounting to ₱0.7 million and ₱0.6 million in 2026 and 2025, respectively.

Property and equipment, net of accumulated depreciation, amounted to ₱11,082.5 million and ₱10,453.5 million as at June 30, 2026 and 2025, respectively. The increase primarily reflects STI ESG's acquisition of land in Calamba, Laguna and additions to property and equipment arising from completed and ongoing projects of STI ESG, iACADEMY and STI WNU. Various school and office equipment, furniture and fixtures were also purchased during the fiscal year ended June 30, 2026.

Construction in progress as at June 30, 2026 is primarily related to the costs incurred for the construction of STI Academic Center Tanauan, STI Academic Center Meycauayan, STI Academic Center Alabang and the new school building at STI Batangas. The construction project at STI Batangas was completed in October 2026, while the Tanauan and Meycauayan projects are expected to be completed in time for the second term of SY 2026-2027. STI Academic Center Alabang is slated for completion ahead of the opening of SY 2027-2028. Also included in this account is the cost related to the construction of an additional sewage treatment plant at STI WNU and the fit-out costs for the eleventh floor of the iACADEMY Nexus building, which were completed in September 2026 and August 2026, respectively.

These additions to the "Property and equipment" account were offset by the depreciation expense recognized by the Group for the year ended June 30, 2026, reflecting the allocation of costs of these assets over their respective useful lives.

Investment properties increased by ₱372.7 million, net of depreciation expense for the year, from ₱2,024.6 million as at June 30, 2025 to ₱2,397.3 million as at June 30, 2026, primarily due to the land acquired through STI ESG's acquisition of 190.0 million common shares, representing 100% of the total issued and outstanding capital stock of Phosphene Holdings, Inc. (PHI) from Total Consolidated Asset Management, Inc. (TCAMI) on June 17, 2026. The land is valued at ₱407.6 million at acquisition date. The construction of a perimeter fence around the four-hectare property in Davao City owned by the Parent Company is underway at a cost of ₱15.0 million. This project is expected to be completed in the first quarter of 2027.

Investments in and advances to associates and joint venture increased by ₱3.0 million from ₱24.7 million to ₱27.7 million as at June 30, 2025 and 2026, respectively, due to the Group's equity share in the net income of an associate.

The carrying value of the equity instruments at Fair Value through Other Comprehensive Income (FVOCI) amounted to ₱40.7 million as at June 30, 2026 compared to ₱73.6 million as at June 30, 2025

or a decrease of ₱32.9 million. The decrease is mainly due to the sale of STI ESG's entire investments in De Los Santos Medical Center, Inc. (DLSMC), consisting of 57,972 common shares, to Metro Pacific Health Corporation (MPHC)) on May 16, 2026 for a total consideration of ₱39.5 million, equivalent to ₱681.49 per share. MPHC paid 85% of the purchase price amounting to ₱33.6 million upon execution of the deeds of absolute sale, while the balance of ₱5.9 million was paid on July 29, 2026 upon completion of the conditions specified in the said deed.

Deferred tax assets (DTA), net of the related deferred tax liability (DTL), increased by ₱4.3 million from ₱51.5 million to ₱55.8 million as at June 30, 2025 and 2026, respectively. The increase primarily represents the tax effect of the remeasurement loss recognized on the Group's pension liability, while the remaining movement primarily relates to deferred taxes on tuition and other school fees collected in advance. In accordance with statutory regulations, tuition and other school fees which are collected in advance are subject to income tax upon receipt.

Goodwill, intangible and other noncurrent assets increased by ₱40.3 million from ₱786.7 million as at June 30, 2025 to ₱827.0 million as at June 30, 2026. This increase mainly pertains to the ₱91.2 million increase in advances to suppliers, recognized under "Other noncurrent assets" with balances of ₱468.8 million and ₱377.6 million as at June 30, 2026 and 2025, respectively. Advance payments were made for the design and construction of STI Academic Center Alabang, STI Academic Center Meycauayan and STI Academic Center Tanauan. This was partially offset by the application of the deposit for future subscription on the acquisition of shares of PHI as discussed in preceding paragraphs. Advance payments were also made by iACADEMY for the fit-out of the 11th floor of its Yakal campus.

Total current liabilities increased by 51% or ₱991.5 million to ₱2,945.7 million as at June 30, 2026 from ₱1,954.2 million as at June 30, 2025. The increase was primarily driven by the reclassification of STI ESG's 10-year series bonds maturing in March 2027 to the current portion of liabilities. Unearned tuition and other school fees also increased by 148% from ₱242.8 million as at June 30, 2025 to ₱601.5 million as at June 30, 2026.

Accounts payable and other current liabilities increased by ₱57.2 million from ₱996.1 million to ₱1,053.3 million as at June 30, 2025 and 2026, respectively. Accrued expenses rose by ₱36.8 million from ₱268.2 million as at June 30, 2025 to ₱305.0 million as at June 30, 2026 largely due to school-related activities and contracted services incurred but not yet paid for as of June 30, 2026. The increase was partially offset by lower accrued interest payable as STI ESG's loan balances were reduced by principal payments made on its loan facilities with various banks and due to lower interest rates charged by the banks upon repricing during the year ended June 30, 2026. Accounts payable declined by ₱24.8 million from ₱523.0 million as at June 30, 2025 to ₱498.2 million as at June 30, 2026. The decrease was primarily driven by the full settlement of the remaining balance for the acquisition of a parcel of land in Alabang, Muntinlupa City, as well as payments for progress billings related to completed and ongoing construction projects.

Excess payments for refund amounted to ₱57.2 million and ₱76.9 million as at June 30, 2025 and 2026, respectively. These represent excess payments made by students, arising from overpayments, sponsorship adjustments, or approved scholarships. These amounts are recognized as liabilities and will remain as such until the necessary documentation to initiate the refund process is received. The refunds are expected to be settled within the next fiscal year.

Advance rent and security deposits increased by ₱12.4 million and ₱11.6 million, respectively, primarily due to the reclassification of amounts from noncurrent to current liabilities, as these are expected to be utilized or settled within the next twelve months. Conversely, other noncurrent

liabilities, which represent the noncurrent portion of advance rent and security deposits, declined by ₱15.4 million due to the reclassification previously mentioned, net of advance rental and security deposit paid by iACADEMY's new lessee.

STI ESG's bonds payable, classified as noncurrent liabilities as at June 30, 2025, were reclassified to current liabilities as at June 30, 2026, since the remaining principal amount will mature in March 2027. These relate to STI ESG's ₱3.0 billion bond issuance listed on the Philippine Dealing and Exchange Corporation (PDEx), consisting of 7-year bonds due in 2024 and 10-year bonds due in 2027. The Series 7-Year Bonds amounting to ₱2,180.0 million with fixed annual coupon rate of 5.8085% matured and were fully paid in March 2024 while the 10-year bonds with a coupon rate of 6.3756% per annum remain outstanding. The 10-year series bonds, net of deferred finance charges, amounted to ₱818.6 million and ₱816.7 million as at June 30, 2026 and 2025, respectively.

Current portion of interest-bearing loans and borrowings decreased by ₱238.5 million from ₱580.3 million as at June 30, 2025 to ₱341.8 million as at June 30, 2026 due to STI ESG's principal payments. These balances are net of deferred finance charges aggregating to ₱2.6 million and ₱4.1 million as at June 30, 2026 and 2025, respectively. The balance as at June 30, 2026 represents the current portion of the Term Loans of STI ESG with BPI and Metrobank amounting to ₱144.4 million and ₱200.0 million, respectively. The balance as at June 30, 2025 represents the current portion of the Term Loans of STI ESG with BPI, Chinabank and Metrobank amounting to ₱144.4 million, ₱240.0 million, and ₱200.0 million, respectively.

Unearned tuition and other school fees rose from ₱242.8 million as at June 30, 2025 to ₱601.5 million as at June 30, 2026. This account represents (1) advance payments for tuition and other school fees of the tertiary segment relating to the first term of SY 2026-2027, and (2) unearned portion of SHS students' assessments for SY 2026-2027, which were initially recognized by STI ESG and STI WNU as contract liabilities at the commencement of the school year. The related revenues will be recognized over time as the educational services are rendered throughout SY 2026-2027 (see preceding discussions on "Receivables").

The noncurrent portion of interest-bearing loans and borrowings decreased by ₱461.6 million from ₱1,146.1 million to ₱684.4 million as at June 30, 2025 and 2026, respectively, net of the related deferred finance charges. The decrease is due to the reclassification from non-current portion to current portion of interest-bearing loans and borrowings of the amounts that are due in the next twelve months as well as the prepayment of STI ESG's outstanding Chinabank term loan balance.

Current portion of lease liabilities increased by ₱4.1 million from ₱91.4 million as at June 30, 2025 to ₱95.5 million as at June 30, 2026, representing lease obligations which are due within the next twelve months. Noncurrent lease liabilities decreased by ₱46.8 million from ₱369.7 million as at June 30, 2025 to ₱322.9 million as at June 30, 2026. Lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of the initial application. The amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments and derecognition of obligations arising from lease terminations. The measurement and presentation of lease liabilities are recognized in the audited consolidated financial statements of the Group following the adoption of PFRS 16, *Leases.*

Income tax payable amounted to ₱35.0 million and ₱43.7 million as at June 30, 2026 and 2025, respectively.

The balances as at June 30, 2026 and 2025 largely represent the income tax obligations of STI WNU and STI ESG and several of its subsidiaries for the related fiscal years. The June 30, 2025 balance also

includes iACADEMY's income tax obligation. Income tax obligations of the Parent Company and AHC for both fiscal years, as well as iACADEMY's income tax obligation for the fiscal year ended June 30, 2026, were fully offset from their respective tax credits.

Pension liabilities increased by ₱25.9 million from ₱100.1 million to ₱126.0 million as at June 30, 2025 and 2026, respectively. This is mainly due to the remeasurement adjustments on the equity shares forming part of the Group's pension assets and recognition of pension expense during the fiscal year ended June 30, 2026. The Group contributed an aggregate of ₱26.2 million to the pension fund during the year ended June 30, 2026.

Total equity increased by ₱1,997.8 million from ₱12,485.2 million to ₱14,482.9 million, substantially due to the ₱2,014.9 million net income recognized by the Group for the year ended June 30, 2026 net of cash dividends declared by the Parent Company, STI ESG, and STI WNU in December 2025 amounting to ₱544.8 million, ₱308.2 million, and ₱201.2 million, respectively. STI ESG's disposal of 365.9 million shares in the Parent Company in August and December 2025 generated proceeds aggregating to ₱548.9 million. Prior to the disposal, these shares were treated as treasury shares and presented as "Cost of shares held by a subsidiary" in the Parent Company's consolidated statements of financial position. Consequently, cost of shares held by a subsidiary decreased by ₱364.2 million, from ₱430.4 million as at June 30, 2025 to ₱66.2 million as at June 30, 2026, reflecting the derecognition of the carrying cost of the shares sold. This transaction resulted in the increase of the consolidated equity by the equivalent amount of the proceeds.

Further, the gain on the sale of the subject shares is recognized as an increase in additional paid-in capital -by ₱184.6 million resulting from the sale of shares of the Parent Company previously held by STI ESG, as discussed above.

Cumulative actuarial gain declined by ₱26.6 million from ₱78.5 million to ₱51.9 million as at June 30, 2025 and 2026, respectively, due to the impact of unrealized remeasurement losses for the year ended June 30, 2026 resulting from the changes in market value of the investments under the Group's pension plan assets.

Unrealized fair value adjustment on equity instruments at FVOCI is down by ₱6.7 million from ₱17.4 million to ₱10.7 million as at June 30, 2025 and 2026, respectively, attributed to STI ESG's disposal of its entire investment in DLSMC. Upon disposal of the investment, STI ESG transferred the related cumulative unrealized fair value gain amounting to ₱13.4 million, net of non-controlling interests' share, to "Retained earnings". This decrease was partially offset by the fair value adjustments arising from changes in the market value of the quoted equity instruments held by the Group.
Retained earnings increased from ₱8,295.8 million to ₱9,758.1 million as at June 30, 2025 and 2026, respectively, substantially due to the ₱2,014.9 million net income recognized by the Group for the year ended June 30, 2026 less the share of non-controlling interests amounting to ₱24.9 million. Cash dividends were declared by the Parent Company, STI ESG, and STI WNU in December 2025 amounting to ₱544.8 million, ₱308.2 million, and ₱201.2 million, respectively.

June 30, 2025 vs. June 30, 2024

LIQUIDITY AND CAPITAL RESOURCES

(in ₱ millions except financial ratios)	**June 30, 2025**	**June 30, 2024**	**June 2025 vs. June 2024**	
			Increase (Decrease)	
			Amount	%

Consolidated financial position				
Cash and cash equivalents	2,732.6	1,855.5	877.1	47.3%
Current assets	3,599.7	3,659.0	(59.3)	(1.6%)
Total assets	17,014.3	15,441.8	1,572.5	10.2%
Current liabilities	1,954.2	1,770.5	183.7	10.4%
Total liabilities	4,529.1	4,869.4	(340.3)	(7.0%)
Equity attributable to equity holders of the parent	12,367.1	10,481.1	1,886.0	18.0%
Total equity	12,485.2	10,572.4	1,912.8	18.1%
Financial ratios				
Debt-to-equity ratio (D/E)*	0.34	0.44	(0.10)	(22.7%)
Current ratio	1.84	2.07	(0.23)	(11.1%)
Debt service cover ratio (DSCR)**	4.13	2.86	1.27	44.4%
Asset-to-equity ratio	1.36	1.46	(0.10)	(6.8%)
Interest cover ratio (ICR)**	18.19	11.71	6.48	55.4%

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

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

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

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

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

The Group's consolidated total assets amounted to ₱17,014.3 million as at June 30, 2025 compared to ₱15,441.8 million as at June 30, 2024. Current assets amounted to ₱3,599.7 million, posting a decline of ₱59.3 million from ₱3,659.0 million while noncurrent assets grew by ₱1,631.8 million to ₱13,414.6 million as at June 30, 2025 from ₱11,782.8 million as at June 30, 2024. The overall increase in consolidated total assets is the result of another school year of strong operations. The net increase in cash and cash equivalents amounting to ₱877.1 million was primarily driven by the Group's burgeoning profitability and more efficient collection of tuition and other school fees from students, partially offset by its financing and investing cash outflows. The net income after income tax of the Group for the year ended June 30, 2025 is ₱2,215.6 million, 38% higher than the ₱1,608.4 million net income generated for the year ended June 30, 2024.

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

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

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

Receivables from students pertaining to tuition and other school fees increased by ₱18.2 million from ₱418.1 million as at June 30, 2024 to ₱436.3 million as at June 30, 2025. Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to School Year (SY) 2024-2025, amounted to ₱19.8 million as at June 30, 2025, compared to ₱16.6 million as at June 30, 2024. The SHS Voucher Program is a financial assistance program wherein subsidies in the form of vouchers are

provided to qualified SHS students who enroll in participating institutions. A Qualified Voucher Recipient (QVR) is entitled to a subsidy ranging from ₱14,000 to ₱22,500 annually. DepEd, through the Private Education Assistance Committee, facilitates the transfer of funds to the participating schools. Accounts receivable from CHED amounted to ₱1.6 million and ₱2.4 million as at June 30, 2025 and 2024, respectively.

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

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

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

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

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

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

The carrying value of STI ESG's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR), a real estate investment trust (REIT) company listed on the Philippine Stock Exchange, amounted to ₱7.42 and ₱5.25 per share or an aggregate value of ₱11.5 million and ₱8.1 million as at June 30, 2025 and 2024, respectively. STI ESG recognized dividend income from RCR amounting to ₱0.6 million in 2025 and the same amount in 2024.

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

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

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

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

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

Investment properties increased by ₱837.6 million, net of depreciation expense for the year, from ₱1,187.0 million as at June 30, 2024 to ₱2,024.6 million as at June 30, 2025, primarily due to the reclassification of the Quezon City dacion properties amounting to ₱1,013.0 million from Noncurrent asset held for sale to Investment properties as discussed in the preceding paragraphs. This was partially offset by STI ESG's reclassification of its Meycauayan property from "Investment Properties" to "Property and Equipment" as at June 30, 2025, following the preparation for the construction of a new school building for STI Meycauayan.

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

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

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

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

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

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

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

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

Income tax payable amounted to ₱43.7 million and ₱25.3 million as at June 30, 2025 and 2024, respectively. The balances as at June 30, 2025 and 2024 represent the income tax obligations of STI ESG and several of its subsidiaries, as well as the income tax payable of STI WNU and iACADEMY for the related fiscal years. The notable increase in income tax payable is attributed to the increased profitability of the Group. Income tax obligations of the Parent Company and AHC for the years ended June 30, 2025 and 2024 were entirely offset by their respective tax credits.

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

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

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

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

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

Pension liabilities decreased by ₱29.7 million from ₱129.8 million to ₱100.1 million as at June 30, 2024 and 2025, respectively. This is mainly due to the recognition made by STI ESG of the past service cost amounting to ₱21.9 million in 2024 associated with the adoption of the STI Education Services Group, Inc. Multi-Employer Retirement Plan (STI ESG Multi-employer Retirement Plan), which was approved by the BOD of STI ESG in June 2024. The revised plan was established to streamline STI ESG's existing

retirement programs. Also, the Group recognized favorable remeasurement adjustments on the equity shares forming part of the Group's pension assets. The Group contributed an aggregate of ₱14.5 million to the pension fund during the year ended June 30, 2025.

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

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

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

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

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

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

Results of Operations

The Consolidated Statements of Comprehensive Income reflect the Group's operating and financial performance for the years ended June 30, 2026, 2025 and 2024.

The discussion below summarizes the significant factors affecting the results of operations for the three-month period ended September 30, 2026 versus the three-month period ended September 30, 2025 and fiscal years ended June 30, 2026, June 30, 2025, and June 30, 2024.

The Group's operations follow the academic cycle. For both STI ESG and STI WNU, SY 2026-2027 for the SHS and JHS segments began in late June 2026 and will end in May 2027, while the academic year for the tertiary segment commenced in early August 2026 and will conclude in June 2027. For iACADEMY, SY 2026-2027 began in August 2026 and will end in May and July 2027 for SHS and tertiary level, respectively.

For SY 2025–2026, the academic year for all levels started in late July 2025 and ended in June 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) 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. This information is provided to facilitate a comprehensive understanding and informed analysis of the results of operations of the Group

Three-month period ended September 30, 2026 vs. three-month period ended September 30, 2025

For the three-month period ended September 30, 2026, the Group generated gross revenues of ₱1,342.4 million, reflecting a 7% or ₱100.9 million decrease from the same period last year of ₱1,443.3 million. The movement in the revenues recognized by the Group reflect the changes in student population, as well as differences in the academic calendar. The later start of tertiary classes resulted in fewer instructional days within the three-month period ended September 30, 2026 compared to the same period in 2025, partially offset by the earlier start of SHS and SBE to JHS classes.

Gross profit decreased by ₱114.7 million year-on-year from ₱1,086.9 million to ₱972.2 million, resulting in a gross profit margin of 72% compared to 75% in the same period last year.

The Group recorded an operating income of ₱539.6 million for the three-month period ended September 30, 2026 as against ₱657.5 million for the same period last year. Net income after income tax amounted to ₱514.1 million this quarter, lower by ₱105.0 million than the ₱619.1 million recorded for the three-month period ended September 30, 2025.

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/losses of associates and joint venture, gain/loss on equity instruments at fair value through profit or loss (FVPL), loss on derecognition of leasehold improvements, and gain on termination of lease is ₱748.2 million for the three-month period ended September 30, 2026, a decrease of ₱129.7 million from ₱877.9 million registered during the three-month period ended September 30, 2025. 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, 2026 and 2025 are at 56% and 61%, respectively.

Years ended June 30, 2026 vs. 2025

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, up 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 stood 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%)
PSBA[1]	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
PSBA[1]	1,556	-	27	1,583
Total	**102,407**	**1,963**	**28,571**	**132,941**
Proportion of CHED:TESDA:DepEd	**77%**	**1%**	**22%**	**100%**

	SY 2024-2025			
	CHED	**TESDA**	**DEPED**[2]	**TOTAL**
STI ESG	86,447	1,760	33,167	121,374
STI WNU	11,833	-	2,670	14,503
iACADEMY	1,881	-	302	2,183
PSBA[1]	1,095		-	1,095
Total	**101,256**	**1,760**	**36,139**	**139,155**
Proportion of CHED:TESDA:DepEd	**73%**	**1%**	**26%**	**100%**

[1]PSBA pertains to students of PSBA Manila and PSBA 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, except for classes in STI WNU's School of Graduate Studies (SGS) which started 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, classes across all levels began on August 12, 2024 for STI ESG and STI WNU except for classes in STI WNU's School of Graduate Studies which commenced 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 for STI ESG and STI WNU for SY 2024–2025 were conducted entirely on a face-to-face basis. Classes for SY 2025–2026 for STI ESG were conducted face-to-face prior to the shift to a hybrid learning modality in the latter part of the academic year. Full face-to-face classes for high school students resumed effective May 11, 2026 in preparation for end-of-term activities, while classes for the tertiary segment for majority of the schools within the STI network remained on a hybrid set-up until the end of SY 2025-2026. This approach was adopted following student consultations. Some schools which indicated preference for in-person learning, have resumed full face-to-face classes around mid - May 2026. STI WNU continued conducting classes for SY 2025-2026 on a full face-to-face basis except for classes for two tertiary programs which were on hybrid modality starting May 11, 2026 until the end of the school year. iACADEMY implemented a hybrid learning format for SY 2024-2025, transitioned to a full face-to-face set-up for SY 2025-2026, and similarly adopted a hybrid approach towards the latter part of the academic year. The shift to a hybrid learning modality in the latter part of SY 2025-2026 was implemented in consideration of the prevailing external conditions, particularly the elevated transportation costs, with the objective of maintaining continuity in academic delivery for the remainder of the academic term.

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 and guidance on the conduct of face-to-face classes.

The consolidated gross revenues of the Group for the year ended June 30, 2026 reached ₱5,545.7 million, reflecting a slight decrease from ₱5,559.5 million generated for the year ended June 30, 2025. Net income after income tax declined by 9.1% to ₱2,014.9 million from ₱2,215.6 million for the years ended June 30, 2026 and 2025, respectively.

Condensed Consolidated Statements of Comprehensive Income

	Years ended June 30			
(Amounts in ₱ millions)	**2026**	**2025**	**Increase (Decrease)**	
Revenues	**5,545.7**	**5,559.5**	**(13.8)**	**0%**
Costs and expenses	3,410.5	3,195.8	214.7	7%
Operating income	**2,135.2**	**2,363.7**	**(228.5)**	**(10%)**
Other income (expenses) - net	97.9	87.6	10.3	12%
Income before income tax	**2,233.1**	**2,451.3**	**(218.2)**	**(9%)**
Provision for income tax	218.2	235.7	(17.5)	(7%)
Net income	**2,014.9**	**2,215.6**	**(200.7)**	**(9%)**
Other comprehensive income (loss)	(20.4)	31.6	(52.0)	(165%)
Total comprehensive income	**1,994.5**	**2,247.2**	**(252.7)**	**(11%)**

Tuition and other school fees slightly dipped by ₱8.6 million from ₱5,097.2 million for the year ended June 30, 2025 to ₱5,088.6 million for the year ended June 30, 2026, reflecting the overall enrollment trend for the year 2026.

STI ESG implemented tuition and other school fee adjustments for SY 2025-2026 particularly for new and 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 a 5.0% tuition fee increase for new SHS and tertiary students for its Makati campus.

Revenues from educational services increased by 6% to ₱242.2 million compared to ₱229.0 million for the years ended June 30, 2026 and 2025, respectively. Revenues from educational services to STI ESG's franchised schools are recognized based on the percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED. This account also includes management fees amounting to ₱22.5 million and ₱14.1 million for the years ended June 30, 2026 and 2025, respectively, arising from the management agreement executed in May 2024 by and among STI ESG, PSBA Manila, and PSBA Quezon City. The agreement became effective on July 1, 2024 for PSBA Quezon City and on August 1, 2024 for PSBA Manila. This agreement has a term of three (3) years, counting from the respective management commencement dates. PSBA Manila and PSBA Quezon City each pay management fees to STI ESG equivalent to 26.0% of their respective gross revenues.

Revenues from royalty fees, which are recognized based on a percentage of the tuition and other school fees collected by the franchised schools from their students in accordance with the terms of the licensing agreements, remained stable at ₱21.5 million from ₱21.3 million for the years ended June 30, 2026 and 2025, respectively.

The revenues generated from the sale of educational materials and supplies amounted to ₱100.2 million for the year ended June 30, 2026, compared to ₱119.1 million for the year ended June 30, 2025, consistent with the freshmen enrollment levels. Sales for both periods were mainly attributable to sales of uniforms. The related cost of educational materials and supplies sold amounted to ₱75.3 million compared to ₱92.9 million for the years ended June 30, 2026 and 2025, respectively, aligned with the movement in sales.

The cost of educational services registered a 9% or ₱127.5 million increase from ₱1,436.1 million to ₱1,563.6 million for the years ended June 30, 2025 and 2026, respectively. This increase is primarily attributed to higher depreciation expense, as well as software subscription costs, reported as part of the "Cost of student activities, programs and other related expenses" in the audited consolidated statements of income for the year ended June 30, 2026.

The completion of the new school buildings at STI Ortigas-Cainta and, STI Lipa, the rehabilitation work on the university gym at STI WNU, and the installation of solar panels on the university's School of Basic Education (SBE) and engineering buildings, major renovation and rehabilitation projects in certain STI ESG-owned schools, along with the acquisition of new equipment and furniture, contributed to the significant increase in the Group's depreciation expense. Depreciation and amortization reported under the cost of educational services increased by ₱66.8 million to ₱492.9million from ₱426.1 million for the years ended June 30, 2026 and 2025, respectively. Depreciation and amortization costs recognized under the general and administrative expense section increased by ₱32.5 million to ₱287.2 million from ₱254.7 million for the years ended June 30, 2026 and 2025, respectively.

Expenses attributed to student activities, programs and other related expenses increased by ₱48.8 million from ₱265.1 million to ₱313.9 million for the years ended June 30, 2025 and 2026, respectively. This account includes subscription costs for the use of eLearning Management System, MS License, Amadeus, 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. The rise in

subscription costs is likewise attributed to the Group's adoption of specialized cybersecurity and computer-aided design (CAD) platforms for the Criminology and ICT Programs such as Computer Engineering, Computer Science, and Information Technology, as well as Adobe Creative Cloud licenses used for instruction in the Multimedia Arts program. These subscriptions support the Group's initiatives to align laboratory requirements with current industry practices. The cybersecurity, CAD, and Adobe platforms allow for structured, skills-based assessments and provide students with opportunities to demonstrate competencies aligned with industry-recognized certifications. These certifications are relevant to improving graduate employability in fields where validated technical competencies are increasingly required. STI ESG recognizes the related revenues for the aforementioned as part of tuition and other school fees for owned schools and as part of other revenues for franchised schools of STI ESG.

School materials and supplies amounted to ₱37.6 million and ₱32.3 million for the years ended June 30, 2026 and 2025, respectively, largely representing materials and other consumables used in academic and practical activities in the schools, including the production of examinations and other instructional materials.

Rental expense under the cost of educational services section amounted to ₱24.0 million, compared to ₱30.4 million for the years ended June 30, 2026 and 2025, respectively, while rental expense recognized under the general and administrative expenses section amounted to ₱10.4 million, compared to ₱13.0 million for the years ended June 30, 2026 and 2025, respectively. The decreases were primarily attributable to certain lease arrangements qualifying for recognition under PFRS 16, *Leases*. Accordingly, the related right-of-use assets and lease liabilities were recognized, with the corresponding depreciation and interest expenses recorded separately, instead of recognizing the lease payments entirely as rental expense.

Gross profit decreased by ₱123.7 million from ₱4,030.5 million to ₱3,906.8 million for the years ended June 30, 2025 and 2026, respectively. The Group's gross profit margin slightly declined from 72% to 70% year-on-year.

General and administrative expenses increased by 6% or ₱104.8 million from ₱1,666.8 million to ₱1,771.6 million for the years ended June 30, 2025 and 2026, respectively.

Employees' salaries and benefits rose from ₱487.1 million to ₱520.7 million for the years ended June 30, 2025 and 2026, respectively, reflecting merit-based adjustments and performance bonuses granted to deserving employees as well as the onboarding of personnel to fill certain previously vacant plantilla positions.

Light and water expenses decreased by ₱7.5 million from ₱228.2 million to ₱220.7 million for the years ended June 30, 2025 and 2026, respectively. The decrease was primarily attributable to the pre-termination of the sublease arrangement in iACADEMY's investment property effective June 30, 2025.

Outside services including security and janitorial services are higher by ₱11.6 million from ₱173.9 million to ₱185.5 million for the years ended June 30, 2025 and 2026, respectively, mainly attributed to the increase in minimum wage rates passed on by security and janitorial service providers.

Professional fees increased by ₱13.9 million from ₱113.0 million to ₱126.9 million for the years ended June 30, 2025 and 2026, respectively, primarily due to increased fees related to corporate and legal counsel services. The increase was mainly due to higher costs for corporate and general counsel services, fees related to the disposal of STI ESG's equity interest in STI Holdings, and appraisal fees for the Group's real properties. The appraisal was conducted in accordance with PFRS Accounting

Standards to assess the assets for potential impairment and ensure that their carrying amounts remain reflective of current market conditions.

The Group recognized a provision for ECL, net of reversals, amounting to ₱91.4 million, largely representing ECLs on outstanding receivables from students' tuition and other school fees for the year ended June 30, 2026. This provision is higher by ₱31.5 million compared to ₱59.9 million recognized for the year ended June 30, 2025. The provisions for ECL in 2025 is net of reversals, representing the recovery of expected credit losses recognized in previous fiscal years. The Group recognized ECL based on the Group's historical credit loss experience adjusted with forward-looking information. The most recent receivables are assigned lower loss rates. Estimated loss rates vary over time and increase as receivables age and as credit risks increase, with the likelihood of the receivables becoming impaired. The Group likewise considered the subsequent collections of receivables from the students for prior years.

The Group likewise recognized provision for inventory obsolescence amounting to ₱0.3 million and ₱0.4 million for the years ended June 30, 2025 and 2026, respectively, representing outdated school materials & supplies and proware items which are deemed obsolete.

Advertising and promotions expenses decreased by ₱12.5 million from ₱51.8 million to ₱39.3 million for the years ended June 30, 2025 and 2026, respectively. The decline was primarily due to timing differences in the implementation of advertisements and marketing campaigns. For SY 2025–2026, classes commenced earlier, resulting in the 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 first quarter of fiscal year ended June 30, 2025.

Insurance expense is higher by ₱2.6 million from ₱22.4 million to ₱25.0 million for the years ended June 30, 2025 and 2026, respectively, due to higher premiums arising from the increase in value of insured STI ESG and STI WNU properties following recently completed projects and acquisitions.

Association dues increased by ₱6.0 million from ₱10.0 million to ₱16.0 million for the years ended June 30, 2025 and 2026, respectively, largely representing condominium dues paid by STI ESG for its investment properties.

Expenses for office supplies, transportation and travel, entertainment, and meetings and conferences, decreased by ₱3.0 million, ₱4.6 million, ₱1.8 million, and ₱1.6 million, respectively, due to lower spending needs on these activities during the year.

The Group generated an operating income of ₱2,135.2 million for the year ended June 30, 2026, representing a decrease of ₱228.5 million or 10% from the operating income of ₱2,363.7 million during the same period last year, mainly attributable to higher depreciation expenses arising from completed construction projects and purchase of school and office furniture and fixtures, coupled with lower revenue levels consistent with enrollment trends. Consequently, the Group's operating margin decreased from 43% to 39% for the years ended June 30, 2025 and 2026, respectively.

Interest expenses amounted to ₱247.4 million and ₱186.3 million for the years ended June 30, 2025 and 2026, respectively. This ₱61.1 million reduction is primarily attributed to reduced interest costs due to principal payments made by STI ESG on its Term Loan Facility with BPI and Metrobank and the full payment of STI ESG's Chinabank Term Loan. Similarly, interest rates per annum declined effective September 2025 for BPI, Chinabank, and Metrobank at 7.0588%, 7.1577%, and 7.0517% per annum, respectively, compared to 7.8735%, 7.8749%, and 7.8135% per annum, respectively, for the same

period in the previous year. Further, interest rates for BPI and Metrobank improved to 6.6607% per annum and 6.7583% per annum, respectively, effective March 2026.

Rental income decreased by ₱66.7 million or 31% year-on-year from ₱215.8 million to ₱149.1 million for the years ended June 30, 2025 and 2026. The decrease is primarily attributable to the ₱78.2 million reduction in iACADEMY's rental income following the pre-termination of a lease agreement, partially offset by increases in rental income by ₱8.0 million and ₱3.4 million earned by STI ESG and STI WNU, respectively.

A gain on termination of lease amounting to ₱14.3 million was recognized in the Group's consolidated statement of comprehensive income for the year ended June 30, 2026 compared to ₱53.3 million recognized for the year ended June 30, 2025. The gain in 2026 primarily relates to the lease agreement that was deemed terminated following STI ESG's acquisition of a parcel of land, in Calamba, Laguna, where STI Academic Center Calamba is situated. For the year 2025, iACADEMY recognized the effects of the pre-termination of a sublease agreement with a third party covering certain units in its investment property. The sublease, which was originally set to expire in 2028, was pre-terminated effective June 30, 2025, pursuant to a Termination Deed executed on March 7, 2025. In accordance with the sublease agreement and the Termination Deed, the security deposit and advance rentals were forfeited in favor of iACADEMY.

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

The Group recognized realized foreign exchange gains in its dollar-denominated cash and cash equivalents amounting to ₱0.3 million for the year ended June 30, 2026. In 2025, the Group recognized a realized foreign exchange loss of ₱5.8 million, primarily attributable to STI ESG's conversion of substantially all its US dollar money market placements to local currency and redemption of its US dollar time deposit placements in August 2024.

The Group recognized income from the recovery of previously written-off receivables amounting to ₱8.6 million for the year ended June 30, 2026, compared to ₱9.8 million in collections during the year ended June 30, 2025.

Dividend income amounted to ₱5.8 million and ₱4.3 million for the years ended June 30, 2026 and 2025, respectively. For the year ended June 30, 2026, ₱0.7 million, ₱3.3 million and ₱1.8 million were received from RCR, DLSMC, and from STI Marikina, an associate of STI ESG, respectively. For the year ended June 30, 2025, STI ESG received ₱0.6 million from RCR, ₱2.2 million from DLSMC, and ₱1.5 million from STI Marikina.

Equity share in net income of associates and a joint venture amounted to ₱3.0 million for the year ended June 30, 2026 compared to ₱3.6 million recognized for the year ended June 30, 2025 reflecting a decrease in the net income of certain associates and the joint venture of STI ESG.

Fair value loss on equity instruments at FVPL amounting to ₱0.4 million was recognized for the year ended June 30, 2026 compared to fair value gain of ₱3.4 million for the year ended June 30, 2025. These amounts represent fair value adjustments of STI ESG's investment in RCR.

The Group reported other income – net, amounting to ₱17.9 million for the year ended June 30, 2026, primarily attributable to income of ₱15.3 million recognized from the condonation of a liability recorded by STI Training Academy, Inc., a subsidiary of STI ESG. In May 2026, STI Training Academy recognized maritime simulators received from a third party with an aggregate carrying amount of ₱15.3 million, together with the corresponding liability. The liability was subsequently derecognized and recorded as other income after the third party condoned the collection of the same. For the year ended June 30, 2025, the Group reported other income - net of ₱1.0 million, which is presented net of STI ESG's bond maintenance fee of ₱0.6 million and miscellaneous income from various sources.

Income before income tax for the year ended June 30, 2026 amounted to ₱2,233.1 million, a decrease of ₱218.2 million or 9% from ₱2,451.3 million for the year ended June 30, 2025.

Provision for income tax amounted to ₱218.2 million and ₱235.7 million for the years ended June 30, 2026 and 2025, respectively.

The Group reported a net income after income tax of ₱2,014.9 million and ₱2,215.6 million for the years ended June 30, 2026 and 2025. The decrease is primarily attributable to higher depreciation expenses and lower revenues resulting from lower student enrollment. The Group's net income margin stood at 36% and 40% for the years ended June 30, 2026 and 2025, respectively.

Remeasurement loss on pension liability, net of income tax effect, amounted ₱27.0 million for the year ended June 30, 2026, compared with a remeasurement gain, net of taxes, of ₱34.6 million for the year ended June 30, 2025, reflecting the adjustments in the market value of equity shares forming part of pension assets.

The unrealized fair value adjustments on equity instruments at FVOCI amounted to ₱6.6 million for the year ended June 30, 2026, compared with a negative ₱3.0 million in 2025. This is primarily attributable to movements in the market value of quoted and unquoted equity shares held by the Group.

Net income after income tax generated for the years ended June 30, 2026 and 2025 amounted to ₱2,014.9 million and ₱2,215.6 million, respectively. Total comprehensive income amounted to ₱1,994.5 million and ₱2,247.2 million for the years ended June 30, 2026 and 2025, respectively. The decline in comprehensive income is due to the lower market value of the shares held in the retirement fund of subsidiaries.

EBITDA, defined as earnings before interest expense, interest income, provision for income tax, depreciation and amortization, equity in net earnings of associates and joint venture, gain (loss) on foreign exchange differences, fair value gain (loss) on equity instruments at FVPL, and nonrecurring gains (losses) such as gain on early extinguishment of loan, gain on termination of lease, income from condonation of liability, and loss on remeasurement of noncurrent asset held for sale, decreased from ₱3,150.1 million for the year ended June 30, 2025 to ₱2,953.5 million for the year ended June 30, 2026. Depreciation and interest expenses for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively. EBITDA margin this year is 53% compared to 57% 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 ₱1,985.2 million for the year ended June 30, 2026 compared to core income of ₱2,173.4 million for the year ended June 30, 2025. As a percentage of gross revenues, core income stood at 36% and 39% for the years ended June 30, 2026 and 2025, respectively.

Years ended June 30, 2025 vs. 2024

The enrollment figures of the Group for SY 2024-2025 indicate a robust increase of 15% as the Group's student count for SY 2024-2025 reached 138,060 compared to 119,543 enrollees in SY 2023-2024. In SY 2024-2025, the total number of new students reached 55,052, almost at par with the number of new student enrollees reported for SY 2023-2024. Furthermore, enrollment in programs regulated by CHED registered an impressive 20% increase to more than 100,000 students compared to more than 83,000 enrollees in SY 2023-2024.

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

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

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

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

	SY 2024-2025			
	CHED	**TESDA**	**DEPED***	**TOTAL**
STI ESG	86,447	1,760	33,167	121,374
STI WNU	11,833	-	2,670	14,503
iACADEMY	1,881	-	302	2,183
Total	**100,161**	**1,760**	**36,139**	**138,060**
Proportion of CHED:TESDA:DepEd	**73%**	**1%**	**26%**	**100%**

	SY 2023-2024			
	CHED	**TESDA**	**DEPED***	**TOTAL**
STI ESG	71,159	1,682	31,141	103,982
STI WNU	10,170	-	3,158	13,328
iACADEMY	1,823	-	410	2,233

Total	**83,152**	**1,682**	**34,709**	**119,543**
Proportion of CHED:TESDA:DepEd	**70%**	**1%**	**29%**	**100%**

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

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

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

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

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

Condensed Consolidated Statements of Comprehensive Income

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

Tuition and other school fees increased by ₱791.2 million from ₱4,302.3 million for the year ended June 30, 2024 to ₱5,093.5 million for the year ended June 30, 2025 primarily attributed to the significant 15% growth in enrollment. The student population of the schools under STI Holdings rose by more than 18,000 to 138,060 for SY 2024-2025 compared to 119,543 enrollees for SY 2023-2024.

STI ESG's wholly-owned and franchised schools registered an enrollment of 121,374 students, 17% more than the enrollment in SY 2023-2024. The number of new students enrolled in CHED programs increased by 7% from over 34,000 in SY 2023-2024 to almost 37,000 in SY 2024-2025. Furthermore, enrollment in programs regulated by CHED registered an impressive 20% increase from 83,152 in SY 2023-2024 compared to 100,161 students in SY 2024-2025. As CHED programs generate higher revenues per student, this increase further bolstered the Group's financial performance for the period. In addition, STI ESG implemented an average of 5% tuition fee increase for incoming tertiary students for SY 2024-2025 while STI WNU implemented an average of 6.9% increase in tuition and other school fees for new students across all levels, further contributing to the revenue growth.

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

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

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

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

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

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

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

Expenses attributed to student activities, programs and other related expenses decreased by ₱3.0 million from ₱243.1 million to ₱240.1 million for the years ended June 30, 2024 and 2025, respectively. The decrease was primarily due to costs incurred for the national youth convention held in 2024. The Group has since redirected this activity and bolstered its e-sports and sports activities. The Group likewise has strengthened the implementation of both local activities and national level competitions. These initiatives have proven to be more engaging for students — nurturing talent, leadership, and collaboration across campuses that enhance the overall student experience.

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

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

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

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

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

Light and water expenses increased significantly by ₱45.9 million from ₱182.3 million to ₱228.2 million for the years ended June 30, 2024 and 2025, respectively. Of the increase of ₱45.9 million, the amount of ₱20.7 million pertained to the cost of consumption of the lessee of iACADEMY from which the latter recognized utilities income of the same amount in 2025. The related light and water are billed to the lessee at cost plus VAT. The rest of the increase was driven by the higher kilowatt-hour consumption

associated with the capacity expansion projects, completion of newly constructed buildings, and higher student population and an increase in the average kilowatt rate being charged by the electricity supplier during the year ended June 30, 2025 compared with the same period last year. This increase in consumption was net of cost savings from the solar power system installed at STI Ortigas-Cainta in 2023, which has a total capacity of 212 kilowatts, and solar panels installed in several other schools owned and operated by STI ESG namely: STI Batangas, STI Pasay-EDSA, STI Novaliches, STI Las Piñas, and STI Sta. Mesa on various dates in 2024 with a combined capacity of 674 kilowatts of electricity.

Outside services including security and janitorial services are higher by ₱19.5 million from ₱154.4 million to ₱173.9 million for the years ended June 30, 2024 and 2025, respectively. Some schools reported an uptick in security and janitorial personnel to address the heightened operational requirements associated with the capacity expansion projects and growing student population. In addition, the higher minimum wage rates imposed by security and utility service providers contributed to the higher security and janitorial expenses.

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

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

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

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

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

June 30, 2026. On June 30, 2025, the SEC approved the amendment of the Articles of Incorporation of PHEI stating that the term of existence of PHEI is until June 30, 2026.

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

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

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

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

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

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

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

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

million loan drawn by STI ESG from its Term Loan Facility with BPI in December 2024 subject to interest rate of 7.8201% per annum and maturing on March 18, 2029. These loans from BPI and Metrobank are subject to semi-annual interest rate resetting. On the subsequent repricing dates, the interest rates for these loans of STI ESG with BPI and Metrobank were repriced at per annum rates of 7.4395% and 7.4213%, respectively, effective March 18, 2025 and at the rates of 7.0588% per annum and 7.0517% per annum, respectively, effective September 18, 2025.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

noncurrent asset held for sale, increased from ₱2,489.3 million for the year ended June 30, 2024 to ₱3,150.1 million for the year ended June 30, 2025. Depreciation and interest expenses for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively. EBITDA margin this year is 57% compared to 53% last year, reflecting the Group's operational efficiencies and the benefits of economies of scale.

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

Key Performance Indicators

The key performance indicators (KPIs) of the Group cover 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.

The top five (5) KPIs of the Group include:

		As at/Three months ended September 30		
		2026	2025	Remarks
EBITDA margin	EBITDA divided by total revenues	56%	61%	EBITDA margin decreased in 2026 compared to the same period in 2025 mainly due to the changes in enrollment and the revenues derived therefrom.
Gross profit margin	Gross profit divided by total revenues	72%	75%	Gross profit margin decreased due to the reasons mentioned above.
Return on equity (ROE)	Net income attributable to equity holders of the Parent Company (annualized) divided by average equity attributable to equity holders of the Parent Company	14%	19%	ROE is lower in 2026, reflecting the lower enrollment-driven revenues and the Group's continued investment in school facilities resulting in higher depreciation expenses.
Current Ratio	Current assets divided by current liabilities	1.34	1.59	Current ratio declined as STI ESG used its funds to fully prepay its Metrobank term loans.
Debt-to-equity ratio (D/E ratio)	Total liabilities, net of unearned tuition and	0.18	0.30	D/E ratio improved due to principal payments made by STI ESG on its Term Loans.

		As at/Three months ended September 30		
		2026	2025	Remarks
	other school fees, divided by total equity			

STI ESG monitors its financial covenants in accordance with the respective provisions under its Term Loans and Trust Agreements.

		June 2026	Remarks
D/E ratio[1]	Total liabilities, net of unearned tuition and other school fees, divided by total equity	0.31	D/E ratio improved from 0.44 in June 2025 due to principal payments made. by STI ESG on its Term Loans.
Debt service coverage ratio (DSCR)[1]	EBITDA for the last twelve months divided by total principal and interest due in the next twelve months.	1.91	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)[2]	EBITDA for the immediately preceding twelve months divided by interest due in the next twelve months	23.48	ICR is well within the threshold set under the Second Supplemental Trust Agreement which is not lower than 3.00:1.

[1] *D/E ratio under the Term Loan Agreements with BPI and Metrobank must not be more than 2.50:1.00. DSCR under the Term Loan Agreements with BPI and Metrobank must not be lower than 1.05:1.00. These financial covenants are computed annually based on the audited consolidated financial statements of the Group.*

[2] *ICR under the Trust Agreement must not be lower than 3.00:1.00*

As at September 30, 2026 and June 30, 2026, STI ESG is compliant with the aforementioned financial covenants as required by the respective agreements, (see Notes 16 and 17 of the unaudited interim condensed consolidated financial statements).

Material Changes in Balance Sheet Accounts

Cash and cash equivalents decreased by ₱262.9 million from ₱3,027.9 million to ₱2,765.0 million as at June 30, 2026 and September 30, 2026, respectively. The decrease was driven by ₱672.2 million of term loan principal repayments during the period, consisting of ₱600.0 million for the full payment of STI ESG's term loan facility with Metrobank and ₱72.2 million scheduled principal repayments to BPI. The Group generated cash from operating activities aggregating to ₱720.6 million during the three-month period ended September 30, 2026, mainly arising from the collection of tuition and other school fees. Net cash used for investing activities amounted to ₱227.5 million as funds were utilized to settle progress billings for ongoing and recently completed construction projects. The Group registered ₱756.0 million cash used in financing activities, largely attributable to aggregate principal repayments of ₱672.2 million comprising the full repayment of STI ESG's Metrobank term loan, as well as the scheduled principal repayments of STI ESG's term loans with BPI. Interest payments, largely for

STI ESG's term loans and coupon payments for STI ESG's bond issue, amounted to ₱50.0 million for the three-month period ended September 30, 2026.

Total receivables more than doubled from ₱895.6 million as at June 30, 2026 to ₱1,839.8 million as at September 30, 2026.

Receivables from students increased by ₱820.7 million from ₱706.4 million to ₱1,527.1 million as at June 30, 2026 and September 30, 2026, respectively, reflecting tuition and other school fees that are expected to be collected from the students over the related school term(s) of the school year. For both STI ESG and STI WNU, tertiary classes for SY 2026-2027 commenced on August 3, 2026 and will end on June 2, 2027. Accordingly, the related receivables and contract liabilities for the tertiary segment for SY 2026-2027 were recognized during the quarter ended September 30, 2026. iACADEMY's classes for both SHS and tertiary segments commenced in August 2026 with the related receivables and contract liabilities likewise recorded as at September 30, 2026.

Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to the current school year, amounted to ₱157.5 million as at September 30, 2026 compared to ₱104.5 million as at June 30, 2026. The ₱53.0 million increase represents additional SHS voucher subsidies from DepEd which were recognized during the three-month period ended September 30, 2026. 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 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.

Eligible learners are classified based on prescribed eligibility and prioritization criteria and are required to comply with applicable documentary and application requirements. Under DepEd Order No. 11, s. 2026, voucher applicants are prioritized according to established categories, with learners from identified social equity groups and public-school completers receiving priority consideration. Eligibility is determined based on five applicant categories (Categories A to E). The five eligibility categories of the Senior High School Voucher Program (SHS VP) differ based on the applicants' educational background and socioeconomic circumstances. Category A covers learners belonging to Social Equity Groups (SEG), while Category B includes public school Grade 10 completers. Category C consists of Alternative Learning System (ALS) and Philippine Educational Placement Test (PEPT) passers, and Category D covers learners who are Education Service Contracting (ESC) grantees. Meanwhile, Category E includes Grade 10 completers from private schools who meet the required income qualifications. Categories A to D are considered priority applicants and are required to submit their applications and complete documentary requirements directly to their chosen participating Senior High Schools, while Category E applicants must submit their applications through the Online Voucher Application Portal (OVAP).

A Qualified Voucher Recipient (QVR) in participating private institutions is entitled to a subsidy ranging from ₱14.0 thousand to ₱22.5 thousand annually. DepEd, through the Private Education Assistance Committee (PEAC), administers and facilitates the processing and release of voucher subsidies to participating schools.

Receivables from CHED for the Tertiary Education Subsidy (TES) amounted to ₱5.0 million and ₱5.8 million as at September 30, 2026 and June 30, 2026, 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 ₱60.0 thousand per school year. The TES sharing agreement states that ₱40.0 thousand goes to the TES student grantee and ₱20.0 thousand 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 ₱30.0 thousand and ₱10.0 thousand, 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 ₱20.0 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.

Receivables related to DBP Resources for Inclusive and Sustainable Education Program (DBP RISE) amounted to ₱1.0 million and ₱1.1 million as at September 30, 2026 and June 30, 2026, respectively. DBP RISE covers: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP.

Receivables 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 ₱149.4 million as at September 30, 2026, higher by ₱56.2 million from the ₱93.2 million balance as at June 30, 2026. This account represents STI ESG's receivables from franchised schools for educational services rendered and educational materials and supplies sold. The increase is largely attributed to network billing for subscriptions and assessment certifications. These receivables are expected to be settled within 30 days from the invoice dates.

Rent, utilities and other related receivables declined by ₱17.7 million to ₱40.5 million as at September 30, 2026, from ₱58.2 million as at June 30, 2026 representing collection of rental payments from various lessees during the three-month period ended September 30, 2026.

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 ₱202.4 million as at June 30, 2026 to ₱234.5 million as at September 30, 2026. This increase represents the Group's provision for ECL amounting to ₱32.1 million during the three-month period ended September 30, 2026.

Inventories decreased by ₱37.8 million or 24%, to ₱117.5 million as at September 30, 2026 from ₱155.3 million as at June 30, 2026, reflecting sales of uniforms drawn from stocks carried over from the previous fiscal year, partially offset by purchases made during the three-month period ended September 30, 2026.

Prepaid expenses and other current assets went up by 5% or ₱8.2 million from ₱164.8 million to ₱173.0 million as at June 30, 2026 and September 30, 2026, respectively. Prepaid subscriptions and licenses posted an ₱11.6 million increase from ₱30.6 million to ₱42.2 million as at June 30, 2026 and September 30, 2026, respectively, as software subscriptions were renewed. Prepaid insurance increased by ₱10.2 million due to the renewal of the Group's Health Maintenance Organization (HMO) insurance covering the fiscal year ending June 30, 2027. Prepaid taxes decreased by ₱12.1 million from

₱31.2 million to ₱19.1 million as at June 30, 2026 and September 30, 2026, respectively, reflecting the amortization of local business permits and real property taxes, both covering the year 2026.

Equity instruments at fair value through profit or loss (FVPL) decreased by 14% or ₱1.6 million from ₱11.1 million as at June 30, 2026 to ₱9.5 million as at September 30, 2026 due to fair value loss on STI ESG's investment in 1.5 million quoted equity shares of RL Commercial REIT, Inc. (RCR).

Deferred tax assets (DTA) increased by 28% or ₱15.8 million, from ₱55.8 million as at June 30, 2026 to ₱71.6 million as at September 30, 2026, largely representing taxes due on tuition and other school fees collected in advance. In accordance with statutory regulations, tuition and other school fees collected in advance are subject to income tax upon receipt.

Goodwill, intangible, and other noncurrent assets decreased by ₱41.4 million from ₱827.0 million as at June 30, 2026 to ₱785.6 million as at September 30, 2026 mainly driven by application of downpayments against the progress billings of the Group's ongoing construction projects.

Total current liabilities increased by 24% or ₱704.5 million to ₱3,650.2 million as at September 30, 2026 from ₱2,945.7 million as at June 30, 2026, mainly due to the ₱1,018.3 million increase in unearned tuition and other school fees to ₱1,619.8 million as at September 30, 2026 from ₱601.5 million as at June 30, 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 ₱160.0 million, mainly attributed to payments made for progress billings of ongoing and recently completed construction projects and interest payments made for STI ESG's loans and borrowings during the three-month period ended September 30, 2026.

Current portion of interest-bearing loans and borrowings amounted to ₱143.3 million as at September 30, 2026, net of deferred finance charges amounting to ₱1.1 million. This balance represents the current portion of STI ESG's term loan with BPI. The balance decreased by ₱198.5 million from the June 30, 2026 balance of ₱341.8 million. On the other hand, the noncurrent portion of interest-bearing loans and borrowings decreased by ₱469.3 million from ₱684.4 million to ₱215.1 million, net of deferred finance cost, as at June 30, 2026 and September 30, 2026, respectively. These decreases were due to STI ESG's principal payments made on September 18, 2026, consisting of full payment of the ₱600.0 million balance of its term loan with Metrobank and the ₱72.2 million scheduled principal payment to BPI under its term loan facility.

Current portion of lease liabilities decreased by ₱14.9 million to ₱80.5 million from ₱95.4 million as at September 30, 2026 and June 30, 2026, respectively, due to payments made on lease liabilities net of reclassifications from noncurrent to current portion. Noncurrent portion of lease liabilities decreased by ₱72.8 million to ₱250.1 million as at September 30, 2026 from ₱322.9 million as at June 30, 2026 due to the reclassification of lease obligations which are due within the next twelve months. The decrease in lease liabilities, both current and noncurrent portions, was also due to the termination of iACADEMY's lease on a building along Sen. Gil J. Puyat Avenue. The building was accounted for as a right-of use (ROU) asset under Investment properties. The new owner bought the property in July 2026 and the lease was terminated effective July 1, 2026. As a result, iACADEMY derecognized the ROU asset and the related lease liability of ₱65.6 million and recognized a ₱24.6 million "Gain on termination of lease" presented under "Other income (expenses)" in the unaudited interim condensed consolidated statement of comprehensive income. The related leasehold improvements on this property, in the amount of ₱2.5 million, were derecognized.

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 and derecognition of obligations arising from lease terminations. 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 ₱94.3 million and ₱35.0 million as at September 30, 2026 and June 30, 2026, respectively. The balance as at September 30, 2026 represents income tax due on the taxable income for the three-month period ended September 30, 2026 of STI WNU, STI ESG and some of its subsidiaries as well as the income tax payable as at June 30, 2026 which was duly settled in October 2026. Income tax due on the taxable income of the Parent Company was covered by its tax credits while iACADEMY's income tax obligations as at September 30, 2026 were covered by its tax credits and prior payments.

Other noncurrent liabilities decreased by 17% or ₱2.5 million from ₱14.9 million as at June 30, 2026 to ₱12.4 million as at September 30, 2026, mainly due to the reclassification of advance rent and refundable deposits to current liabilities.

Total equity increased by ₱517.5 million from ₱14,482.9 million as at June 30, 2026 to ₱15,000.4 million as at September 30, 2026 substantially due to the ₱514.1 million net income earned by the Group for the three-month period ended September 30, 2026. Cumulative actuarial gain increased by ₱3.1 million, reflecting changes in the market value of the equity investments held within the pension plan assets of the Group for the three-month period ended September 30, 2026.

Material Changes in Income Statement Accounts

Total revenues reached ₱1,342.4 million during the three-month period ended September 30, 2026, compared to the ₱1,443.3 million generated during the same period last year.

Condensed Consolidated Statements of Comprehensive Income

	Three-month periods ended September 30			
			Increase (Decrease)	
(Amounts in Peso millions)	**2026**	**2025**	**Amount**	**%**
Revenues	1,342.4	1,443.3	(100.9)	(7%)
Costs and expenses	802.8	785.8	17.0	2%
Operating income	539.6	657.5	(117.9)	(18%)
Other income (expenses)	31.0	31.5	(0.5)	(2%)
Income before income tax	570.6	689.0	(118.4)	(17%)
Provision for income tax	56.5	69.9	(13.4)	(19%)
Net income	514.1	619.1	(105.0)	(17%)
Other comprehensive income (loss)	3.4	(16.0)	19.4	(121%)
Total comprehensive income	517.5	603.1	(85.6)	(14%)

Tuition and other school fees amounted to ₱1,160.9 million and ₱1,277.8 million for the three-month periods ended September 30, 2026 and 2025, respectively. 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 decline primarily reflected lower SHS enrollment, together with fewer instructional days for the tertiary segment within the three-month period ended September 30, 2026, following the later commencement of classes. These effects were partially offset by the earlier start of SHS and JHS classes in STI ESG and STI WNU.

Revenues from educational services amounted to ₱74.8 million and ₱72.9 million for the three-month periods ended September 30, 2026 and 2025, respectively. 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 (PSBA Manila) and Philippine School of Business Administration, Inc.–Quezon City (PSBA Quezon City) amounting to ₱8.1 million and ₱4.3 million for the three-month periods ended September 30, 2026 and 2025, 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 ₱51.8 million and ₱39.2 million for the three-month periods ended September 30, 2026 and 2025, respectively. The ₱12.6 million increase is largely due to subscriptions and licenses charged to STI ESG franchised schools covering SY 2026-2027. These include Microsoft licenses, eLearning Management System (eLMS), cybersecurity software, Adobe, SAP, and Amadeus. This account likewise includes billings for the certification examination vouchers for CompTIA AI Essentials and Microsoft Azure AI Fundamentals. The related costs are recognized under “Student activities, programs and other related expenses” which are part of the “Cost of educational services” section.

The cost of educational services increased by ₱16.2 million from ₱315.5 million for the three-month period ended September 30, 2025 to ₱331.7 million for the three-month period ended September 30, 2026. This increase is primarily attributed to higher depreciation expenses as well as higher costs incurred for student activities and programs for the three-month period ended September 30, 2026 compared to the same period last year.

The completion of the new school building at STI Fairview, and the facility upgrades, renovation and rehabilitation works in STI WNU, iACADEMY, and in schools owned and operated by STI ESG, along with the acquisition of new equipment and furniture, led to higher depreciation charges of the Group. The increase is reflected both under the cost of educational services and the general and administrative expense sections of the unaudited interim condensed consolidated statement of comprehensive income. Depreciation expense, under cost of educational services, amounted to ₱123.5 million, compared to ₱110.8 million for the three-month periods ended September 30, 2026 and 2025, respectively, while depreciation expense under general and administrative expenses section, amounted to ₱78.3 million and ₱74.5 million for the three-month periods ended September 30, 2026 and 2025, respectively.

Expenses attributed to student activities, programs and other service costs rose by ₱2.8 million from ₱38.1 million for the three-month period ended September 30, 2025 to ₱40.9 million for the same period this year. This account includes subscription costs for the use of eLearning Management System, MS License, ADOBE, Amadeus, and eBooks, among others, as well as examination costs for

micro credentials in Cybersecurity, CompTIA AI essentials, and Microsoft Azure AI Fundamentals. The increase is largely attributed to the costs of student certification examinations, specifically for CompTIA AI essentials and Microsoft Azure AI Fundamentals. These subscriptions are generally renewed on a per term basis and are recognized as expense in accordance with the terms of the respective agreements. The subscriptions for CompTIA AI Essentials and Microsoft Azure AI Fundamentals are on as needed basis, depending on the number of learners taking up the certification examinations and are recognized as expense upon utilization of the examination voucher. The related revenues for the aforementioned are recognized as part of tuition and other school fees for owned schools and as part of other revenues for franchised schools.

Research and accreditation costs, which largely pertain to expenses incurred in relation to compliance with CHED's requirements for the maintenance of STI WNU's autonomous status, rose from ₱0.8 million to ₱1.7 million for the three-month periods ended September 30, 2025 and 2026, respectively, due to more stringent requirements for the current school year compared with the previous years.

School materials and supplies expense amounted to ₱7.5 million and ₱8.5 million for the three-month periods ended September 30, 2026 and 2025 reflecting lower purchases and utilization of student materials during the period.

The lease agreement of an STI ESG subsidiary ceased to qualify for the short-term lease accounting under PFRS 16, *Leases*, resulting in the recognition of a right-of-use asset and corresponding lease liability beginning fiscal year ending June 30, 2026. In relation to this, rent expense, under the "Cost of educational services" section, decreased by ₱1.5 million from ₱7.7 million to ₱6.2 million for the three-month periods ended September 30, 2025 and 2026, respectively. Similarly, rent expense, under the "General and administrative" section decreased by ₱0.7 million from ₱3.2 million to ₱2.5 million for the three-month periods ended September 30, 2025 and 2026, respectively.

Infrastructure and software maintenance under the "Cost of educational services" section increased from ₱4.9 million to ₱5.3 million for the three-month periods ended September 30, 2025 and 2026, respectively. Similarly, "Infrastructure and software maintenance" account under the "General and administrative" section registered a 12% increase year-on-year. This increase is primarily attributable to the upgrade of the "Helpdesk" system of STI ESG to incorporate Artificial Intelligence features to improve its overall performance, security and reliability. Helpdesk is an application which supports and services STI ESG in the management, monitoring, and resolution of system-related inquiries and support requests. The cost of accounting software used by iACADEMY also increased due to higher software subscription fees and additional users for Cebu campus.

General and administrative expenses increased by ₱3.2 million from ₱429.4 million to ₱432.6 million for the three-month periods ended September 30, 2025 and 2026, respectively, largely attributed to increases in expenses related to depreciation, salaries and benefits, advertising and promotion costs, and professional fees. These increases were partially offset by a lower provision for ECL and insurance costs for the three-month period ended September 30, 2026.

The Group recognized a provision for ECL amounting to ₱32.1 million for the three-month period ended September 30, 2026, largely representing ECLs on outstanding receivables from students' tuition and other school fees as at September 30, 2026. This provision is lower by ₱12.5 million compared to the ₱44.6 million provision recognized for the three-month period ended September 30, 2025. 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. The lower provision for ECL is primarily due to changes in the SHS and JHS academic calendar of STI ESG and STI WNU. Receivables for SHS and JHS were recognized in June 2026, reflecting the earlier start of classes for these segments. Under PFRS 9, *Financial Instruments*, lifetime expected credit losses are recognized upon initial recognition of qualifying trade receivables under the simplified approach. Accordingly, the initial ECL provisions relating to SHS and JHS receivables recognized in June 2026 were recorded in the fiscal year ended June 30, 2026, contributing to the lower provision recognized in the quarter ended September 30, 2026. The related allowance for ECL remains subject to reassessment at each reporting date.

Professional fees increased by ₱2.6 million to ₱26.1 million for the three-month period ended September 30, 2026 from ₱23.5 million for the same period last year, primarily due to increased fees related to corporate and legal counsel services, particularly in connection with STI ESG's disposal of its shares in De Los Santos Medical Center, Inc. (DLSMC). Professional fees for the current period also include consultancy fees incurred by STI Training Academy, Inc. (STI Training Academy**)** for artificial intelligence, marketing, and TESDA-related services. In addition, NAMEI Polytechnic Institute, Inc. (NAMEI) incurred higher fees for the annual inspection conducted by Det Norske Veritas Aksjeselskap Philippine Branch (DNV), and higher fees for the services of a Reserve Officers' Training Corps (ROTC) trainer. DNV is an independent certification and assurance organization which assesses and supports continued compliance with applicable management system standards and supports the maintenance of NAMEI's certification. ROTC is one of the components through which students may fulfill the NSTP graduation requirement. STI Training Academy and NAMEI are subsidiaries of STI ESG.

Advertising and promotions expenses increased to ₱12.9 million from ₱9.3 million for the three-month periods ended September 30, 2026 and 2025, respectively. The increase was primarily due to expansion of online ads placements to reach more of the Group's target market. The Group also engaged technical experts for SY 2026-2027 to streamline its digital ad productions and maximize the production timelines.

Transportation expenses increased by 8% from ₱6.4 million to ₱6.9 million for the three-month periods ended September 30, 2025 and 2026, respectively, due to rising fuel prices.

Insurance expense decreased by ₱1.6 million from ₱6.2 million to ₱4.6 million for the three-month periods ended September 30, 2025 and 2026, respectively, reflecting adjustments to the insured values.

Association dues amounted to ₱2.7 million from ₱2.1 million for the three-month periods ended September 30, 2026 and 2025, respectively, representing higher condominium dues paid by STI ESG for its investment properties.

Payment channels and other bank charges decreased from ₱2.6 million for the three-month period ended September 30, 2025 to ₱2.2 million for the three-month period ended September 30, 2026. The earlier start of the SHS and JHS academic year moved the collection of some payments to before July 1, 2026. The related convenience fees on these collections were accordingly recognized in the period in which the related tuition and other school fees were collected.

The Group generated an operating income of ₱539.6 million for the three-month period ended September 30, 2026, a decrease of ₱117.9 million from the ₱657.5 million operating income earned during the same period last year, primarily due to the lower enrollment levels.

Interest expenses decreased by ₱16.4 million from ₱56.9 million for the three-month period ended September 30, 2025 to ₱40.5 million for the same period this year. This reduction is primarily

attributed to full payment of STI ESG's Chinabank's term lona in March 2026 and the Metrobank term loan in September 2026, as well as principal payments made by STI ESG on its term loan facility with BPI. Interest rates per annum, effective September 2025, for BPI, Chinabank, and Metrobank were at 7.0588%, 7.1577%, and 7.0517%, respectively. Interest rate of STI ESG's term loan facility with BPI has been repriced at 7.5344% per annum effective September 18, 2026.

Rental income amounted to ₱31.5 million for the three-month period ended September 30, 2026, posting a ₱31.4 million decrease from the ₱62.9 million rental income recognized for the three-month period ended September 30, 2025, largely due to the termination of iACADEMY's subleasing arrangement on its leased building in Sen. Gil J. Puyat Ave. in Makati City.

Interest income decreased by ₱5.0 million from the previous year's ₱21.4 million to ₱16.4 million for the three-month period ended September 30, 2026, as STI ESG used its funds to prepay its outstanding term loan with Metrobank.

Gain on termination of lease amounting to ₱24.6 million was recognized by iACADEMY in the three-month period ended September 30, 2026 arising from the termination of its lease contract on a building located in Sen. Gil J. Puyat Avenue, Makati City (see discussion on lease liabilities in a preceding paragraph).

Equity in net losses of an associate and joint venture amounted to ₱0.1 million for the three-month period ended September 30, 2026 compared to ₱0.4 million equity share in net earnings of an associate and joint venture recognized for the same period last year, reflecting the net loss incurred by the Group's associates and joint venture.

Fair value losses on equity instruments at FVPL amounting to ₱1.6 million and ₱0.2 million were recognized for the three-month periods ended September 30, 2026 and 2025, respectively, representing adjustments in the market value of STI ESG's quoted equity shares.

The Group recognized net other expenses aggregating to ₱2.5 million for the three-month period ended September 30, 2026, largely attributed to the ₱2.5 million loss upon derecognition of iACADEMY's leasehold improvements, which was reported under "Property and equipment", in the previously leased building at Sen. Gil J. Puyat Ave., Makati City. For the three-month period ended September 30, 2025, the Group recorded net other income amounting to ₱0.7 million.

The Group reported provision for income tax amounting to ₱56.5 million and ₱69.9 million for the three-month periods ended September 30, 2026 and 2025, respectively.

Net income after tax of ₱514.1 million was recorded for the three-month period ended September 30, 2026, as against ₱619.1 million for the same period last year, a decrease of ₱105.0 million. Net income margin stood at 38%, from 43% for the same period of the previous year, resulting from the lower revenues recognized this quarter due to the enrollment trends, changes in academic calendar, and higher depreciation expense.

The Group recognized a remeasurement gain on pension liabilities amounting to ₱3.1 million and a remeasurement loss of ₱15.7 million, both net of income tax effect, for the three-month periods ended September 30, 2026 and 2025, 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 ₱0.3 million and negative ₱0.3 million for the three-month periods ended September 30, 2026 and 2025, respectively, due to the movements in the market price of quoted equity shares held by STI ESG.

Total comprehensive income of ₱517.5 million was generated for the three-month period ended September 30, 2026, compared to ₱603.1 million for the same period last year.

EBITDA is down by ₱129.7 million from ₱877.9 million to ₱748.2 million for the three-month periods ended September 30, 2025 and 2026, respectively. EBITDA margin for the three-month period ended September 30, 2026 is at 56% compared to 61% 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 ₱493.4 million for the three-month period ended September 30, 2026 compared to ₱618.9 million core income for the same period last year.

Financial Risk Disclosure

The Group's present activities expose it to liquidity, credit, interest rate and capital risks.

Liquidity risk – Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet its currently maturing commitments. The Group's liquidity profile is managed to be able to finance its operations and capital expenditure and other financial obligations. To cover its financing requirements, the Group uses internally generated funds and interest-bearing loans and borrowings. As part of its liquidity risk management program, the Group regularly evaluates the projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives.

Any excess funds are primarily invested in short-dated and principal-protected bank products that provide the flexibility of withdrawing the funds anytime. The Group regularly evaluates available financial products and monitors market conditions for opportunities to enhance yields at acceptable risk levels.

The Group's current liabilities as at June 30, 2026 are mostly made up of trade liabilities with 30 to 60-day payment terms and the current portion of interest-bearing loans and borrowings that are expected to mature within one year after reporting date. On the other hand, the biggest components of the Group's current assets are cash and cash equivalents and receivables from students and franchisees with credit terms of up to ten (10) months for installment payments and thirty (30) days, respectively.

As at September 30, 2026 and June 30, 2026, the Group's current assets amounted to ₱4,904.8 million and ₱4,254.8 million, respectively, while current liabilities amounted to ₱3,650.2 million and ₱2,945.7 million, respectively. Current liabilities include unearned tuition and other school fees amounting to ₱1,619.8 million and ₱601.5 million as at September 30, 2026 and June 30, 2026, 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.

The Group regularly monitors both the debt service coverage ratio (DSCR) for STI ESG's interest-bearing loans from local banks and the ICR for its series 10-year bonds. The ratios are based on the audited consolidated financial statements of STI ESG. The DSCR is equivalent to the EBITDA divided by the total principal and interests due for the next twelve months while the ICR is computed as

EBITDA divided by the total interests due for the next twelve months. STI ESG manages its DSCR to keep it at a level acceptable to the Group and the lender banks. Similarly, the Group monitors its ICR to keep it at a level acceptable to the Group and the bondholders.

The term loan agreement with BPI prescribes 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. The Metrobank term loan had been fully settled as at September 30, 2026. Accordingly, the related financial covenant requirements for Metrobank were no longer applicable as at September 30, 2026. STI ESG is compliant with the DSCR requirement as at June 30, 2026, as defined in the respective term loan agreements (see Note 16 of the unaudited interim condensed consolidated financial statements).

The Second Supplemental Trust Agreement replaced the DSCR measure with 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 not lower than 3.00:1.00. STI ESG's DSCRs as at June 30, 2026 and 2025, as defined in the loan agreements, are 1.91:1.00 and 3.40:1.00, respectively. STI ESG's ICRs, as defined in the bond trust agreement, as at June 30, 2026 and 2025 are 23.48:1.00 and 14.95:1.00, respectively. STI ESG is compliant with the financial covenants imposed under the loan and bond trust agreements.

Credit risk – Credit risk is the risk that the Group will incur a loss arising from students, franchisees or counterparties who fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk that the Group is willing to accept for each counterparty and by monitoring expenses in relation to such limits.

It is the Group's policy to require students to pay all their tuition and other incidental fees before they can get their report cards and other credentials. In addition, receivable balances are monitored on an ongoing basis such that exposure to bad debts is not significant.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing loans and bonds. While the Group's long-term debt has a floating interest rate, the Group elected to have the interest rate repriced every six months on its new loans and every year on the old loans, thus minimizing the exposure to market changes in interest rates. STI ESG's 7-year bonds, which had a fixed interest rate, were fully redeemed in March 2024 while the 10-year bonds, maturing in 2027, continue to carry a fixed interest rate.

The Group's exposure to interest rate risk also includes its cash and cash equivalents balance. Interest rates for the Group's cash deposits are at prevailing interest rates. Due to the magnitude of the deposits, significant changes in interest rates may also affect the statements of comprehensive income of the Group.

Capital Risk - The Group aims to achieve an optimal capital structure to reduce its cost of capital in pursuit of its business objectives, which include maintaining healthy capital ratios and strong credit ratings, maximizing shareholder value and providing benefits to other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group is not subject to externally imposed capital requirements.

The Group monitors capital using the debt-to-equity ratio, which is computed in accordance with the financial covenants prescribed in the loans and trust agreements (see Notes 17 and 18 of the Audited Consolidated Financial Statements). The Group monitors its debt-to-equity ratio to keep it at a level acceptable to the Group, the lender banks, and the STI ESG bondholders. The Group's policy is to keep the debt-to-equity ratio at a level not exceeding 1.50:1.00. STI ESG is compliant with the required debt-to-equity ratio as at June 30, 2026 and 2025 as defined in the term loan and trust agreements.

Agreements/Commitments and Contingencies/Other Matters

a. There are no changes in accounting estimates used in the preparation of the audited consolidated financial statements for the current and prior financial periods.

b. Except as provided in Note 33 of the Notes to the Audited Consolidated Financial Statements attached as part of "Exhibits and Schedules," and Note 26 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements attached as Annex "A" to the Quarterly Report for the Period ended 30 September 2026, the Group has no other financial and capital commitments.

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

d. There are no material events and uncertainties known to management that would address the past and would have an impact on the future operations of the Group.

e. There are no known trends, demands, commitments, events or uncertainties that will have an impact on the Group's liquidity except for the contingencies and commitments enumerated in Note 33 of the Notes to the Audited Consolidated Financial Statements and Note 26 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements attached as Annex "A" to the Quarterly Report for the Period ended 30 September 2026,

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 17, 18 and 33 in the Notes to the Audited Consolidated Financial Statements. 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 2026-2027, the academic year for STI ESG and STI WNU began in late June 2026 and will end in May 2027 for SHS and JHS segments while classes for the tertiary segment began in early August 2026 and will end in June 2027 with the exception of classes in STI WNU's Graduate School which commenced in September 2026 will end in August 2027. For SY 2025-2026, the academic year for STI ESG and STI WNU began in late July 2025 and ended in June 2026. Classes for STI WNU's Graduate School commenced in September 2025 and ended in August 2026. 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 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 18 of the Notes to the Audited Consolidated Financial Statements).

j. On February 27, 2024, the BOD of STI Holdings ratified the execution of a term sheet between STI Holdings, PSBA Manila, and 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"). Please refer to Note 39 of the Notes to the Audited Consolidated Financial Statements.

   The term sheet and the implementation of the transaction are subject to several conditions including, among others, the execution of mutually acceptable definitive agreements, the fulfillment of the conditions precedent, the approval of the stockholders of PSBA, and regulatory approvals.

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

A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A AS OF 30 JUNE 2026 AND INTERIM FINANCIAL STATEMENTS (SEC FORM 17-Q) AS OF 30 SEPTEMBER 2026, WILL BE PROVIDED WITHOUT CHARGE, TO ANY STOCKHOLDERS OF THE COMPANY UPON WRITTEN REQUEST ADDRESSED TO: ATTY. ARSENIO C. CABRERA, JR., CORPORATE SECRETARY, 5/F SGV II, BUILDING, 6758 AYALA AVENUE, MAKATI CITY 1226, METRO MANILA, PHILIPPINES.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STI EDUCATION SYSTEMS HOLDINGS, INC.
Issuer

ARSENIO C. CABRERA, JR.
Corporate Secretary

Date: 23 November 2026

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.phmessagesmo@sec.gov.ph

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: October 28, 2026 05:46:01 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: OST110282026811891832
Document Type: Financial Statement
Document Code: FS
Period Covered: June 30, 2026
Submission Type: Consolidated, Annual
Remarks: None

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

STI EDUCATION SYSTEMS HOLDINGS

7th Floor, STI Holdings Center
6764 Ayala Avenue, Makati City
Philippines 1226
Telefax. (632) 844-9553

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **STI Education Systems Holdings, Inc. and subsidiaries (the Group)** is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at June 30, 2026 and 2025 and for the years ended June 30, 2026, 2025, and 2024, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with the Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

EUSEBIO H. TANCO
Chairman of the Board

MONICO V. JACOB
President and Chief Executive Officer

YOLANDA M. BAUTISTA
Treasurer and Chief Financial Officer

Signed this 13th day of October 2026

REPUBLIC OF THE PHILIPPINES
(CITY OF Makati City) S.S.

SUBSCRIBED AND SWORN to me this OCT 13 2026 day of _____, 2026 at Makati City City. Affiants exhibited to me their respective Passport/SSS Numbers as follows:

Name	Number	Date/Place of Issuance
Eusebio H. Tanco	Passport No. PO992946B	03/11/19, DFA Manila
Monico V. Jacob	Passport No. P6179864B	01/26/21, DFA Manila
Yolanda M. Bautista	SSS No. 03-2678038-9	Makati City

MATHEDEO R. SEPE
Notary Public for Makati City
Appointment No. M-299
Until 31 December 2027
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 98448
Admitted to the Bar in 2026
PTR No. 10817229 / Makati / 25 February 2026
IBP No. 533857 / Manila IV / 13 February 2026

Doc/ No. 73
Page No. 16
Book No. II
Series of 2026



C O V E R S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	0	0	1	7	4	6

COMPANY NAME

STI EDUCATION SYSTEMS HOLDINGS INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@stiholdings.com.ph	(632) 8844 9553	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,259	Third Friday of November	June 30

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Arsenio C. Cabrera, Jr.	accabrera@htc-law.com.ph	(632) 8813-7111	-

CONTACT PERSON's ADDRESS

5/F SGV-II BUILDING, 6758 AYALA AVENUE, MAKATI CITY

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

Opinion

We have audited the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at June 30, 2026 and 2025, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended June 30, 2026 and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended June 30, 2026, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Goodwill

Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. As at June 30, 2026, the Group's goodwill attributable to each of the Group's cash-generating units (CGUs) that are expected to benefit from the business combination (i.e., each school operation) amounted to ₱252.3 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgments and is based on assumptions, specifically forecasted revenue growth, long-term growth rate and discount rate.

The Group's disclosures about goodwill are included in Notes 4 and 15 to the consolidated financial statements.

Audit response

We involved our internal specialist in evaluating the methodology and assumptions used. These assumptions include forecasted revenue growth, long-term growth rate and discount rate. We compared the key assumptions used, such as forecasted revenue growth and long-term growth rate against the historical performance of the CGUs and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of the goodwill.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended June 30, 2026 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended June 30, 2026, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, August 24, 2026, valid until August 23, 2029
SEC Partner Accreditation No. 115161-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027
PTR No. 10765091, January 2, 2026, Makati City

October 13, 2026

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30	
	2026	2025
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱3,027,943,448**	₱2,732,620,639
Receivables (Note 6)	**895,609,992**	538,014,530
Inventories (Note 7)	**155,304,013**	169,265,266
Prepaid expenses and other current assets (Note 8)	**164,816,063**	148,265,064
Equity instruments at fair value through profit or loss (FVPL) (Note 9)	**11,144,500**	11,501,000
Total Current Assets	**4,254,818,016**	3,599,666,499
Noncurrent Assets		
Property and equipment (Notes 10 and 28)	**11,082,514,038**	10,453,454,936
Investment properties (Note 11)	**2,397,268,091**	2,024,612,385
Investments in and advances to associates and joint venture (Notes 12 and 13)	**27,736,201**	24,718,223
Equity instruments at fair value through other comprehensive income (FVOCI) (Note 14)	**40,736,755**	73,649,156
Deferred tax assets - net (Note 29)	**55,762,864**	51,456,164
Goodwill, intangible and other noncurrent assets (Note 15)	**827,045,753**	786,701,221
Total Noncurrent Assets	**14,431,063,702**	13,414,592,085
TOTAL ASSETS	**₱18,685,881,718**	₱17,014,258,584
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 16)	**₱1,053,299,278**	₱996,072,327
Current portion of bonds payable (Note 18)	**818,563,449**	–
Current portion of interest-bearing loans and borrowings (Note 17)	**341,843,371**	580,267,162
Unearned tuition and other school fees (Note 21)	**601,531,692**	242,773,837
Current portion of lease liabilities (Note 28)	**95,451,360**	91,386,106
Income tax payable	**34,979,130**	43,674,659
Total Current Liabilities	**2,945,668,280**	1,954,174,091
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Note 17)	**684,433,079**	1,146,065,668
Bonds payable - net of current portion (Note 18)	**–**	816,706,013
Lease liabilities - net of current portion (Note 28)	**322,891,194**	369,663,874
Pension liabilities - net (Note 27)	**125,965,827**	100,097,662
Deferred tax liabilities - net (Note 29)	**109,073,128**	112,048,993
Other noncurrent liabilities (Note 19)	**14,905,909**	30,330,757
Total Noncurrent Liabilities	**1,257,269,137**	2,574,912,967
Total Liabilities *(Carried Forward)*	**4,202,937,417**	4,529,087,058

	June 30	
	2026	2025
Total Liabilities *(Brought Forward)*	**₱4,202,937,417**	₱4,529,087,058
Equity Attributable to Equity Holders of the Parent Company (Note 20)		
Capital stock	**4,952,403,462**	4,952,403,462
Additional paid-in capital	**1,324,066,858**	1,139,438,468
Cost of shares held by a subsidiary	**(66,220,478)**	(430,454,088)
Cumulative actuarial gain (Note 27)	**51,938,800**	78,504,031
Unrealized fair value adjustment on equity instruments at FVOCI (Note 14)	**10,672,964**	17,367,840
Other equity reserve	**(1,686,369,660)**	(1,686,369,660)
Share in associates' other comprehensive income (Note 12)	**321,455**	321,455
Retained earnings	**9,758,077,421**	8,295,847,265
Total Equity Attributable to Equity Holders of the Parent Company	**14,344,890,822**	12,367,058,773
Equity Attributable to Non-controlling Interests (Note 20)	**138,053,479**	118,112,753
Total Equity	**14,482,944,301**	12,485,171,526
TOTAL LIABILITIES AND EQUITY	**₱18,685,881,718**	₱17,014,258,584

See accompanying Notes to Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30		
	2026	2025	2024
REVENUES (Note 21)			
Sale of services:			
Tuition and other school fees	**₱5,088,651,452**	₱5,097,248,900	₱4,302,280,455
Educational services	**242,204,606**	228,996,954	175,161,712
Royalty fees	**21,488,132**	21,297,396	17,314,956
Others	**93,197,426**	92,818,039	72,480,280
Sale of educational materials and supplies	**100,157,932**	119,100,518	133,086,265
	5,545,699,548	5,559,461,807	4,700,323,668
COSTS AND EXPENSES			
Cost of educational services (Note 23)	**1,563,644,321**	1,436,121,252	1,318,252,381
Cost of educational materials and supplies sold (Note 24)	**75,260,960**	92,855,594	102,702,452
General and administrative expenses (Note 25)	**1,771,604,401**	1,666,841,359	1,498,548,715
	3,410,509,682	3,195,818,205	2,919,503,548
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	**2,135,189,866**	2,363,643,602	1,780,820,120
OTHER INCOME (EXPENSES)			
Interest expense (Notes 17, 18, 22 and 28)	**(186,303,499)**	(247,432,256)	(293,301,395)
Rental income (Notes 11, 28 and 30)	**149,062,634**	215,828,795	197,888,955
Interest income (Notes 5, 6 and 22)	**85,541,972**	57,394,348	57,677,714
Gain on:			
Termination of lease (Note 28)	**14,316,043**	53,291,007	–
Early extinguishment of loan (Note 17)	**–**	–	3,076,465
Recovery of accounts written off (Note 6)	**8,621,042**	9,790,490	6,526,844
Dividend income (Notes 9, 12 and 14)	**5,791,551**	4,295,391	2,890,090
Equity in net earnings of associates and joint venture (Notes 12 and 13)	**3,017,978**	3,609,544	2,009,402
Foreign exchange gain (loss) – net	**304,612**	(5,777,233)	17,257,709
Fair value gain (loss) on equity instruments at FVPL (Note 9)	**(356,500)**	3,363,500	(852,500)
Loss on remeasurement of noncurrent asset held for sale (Note 11)	**–**	(7,703,800)	–
Other income (expenses) – net (Note 10)	**17,872,621**	1,007,937	(574,027)
	97,868,454	87,667,723	(7,400,743)
INCOME BEFORE INCOME TAX	**2,233,058,320**	2,451,311,325	1,773,419,377
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)			
Current	**222,487,444**	246,405,979	160,530,048
Deferred	**(4,284,410)**	(10,690,517)	4,538,331
	218,203,034	235,715,462	165,068,379
NET INCOME *(Carried Forward)*	**2,014,855,286**	2,215,595,863	1,608,350,998

	Years Ended June 30		
	2026	2025	2024
NET INCOME *(Brought Forward)*	**₱2,014,855,286**	₱2,215,595,863	₱1,608,350,998
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss in subsequent years:			
Remeasurement gain (loss) on pension liabilities (Note 27)	**(30,026,480)**	38,476,481	43,734,635
Income tax effect on remeasurement loss (gain) on pension liabilities (Note 29)	**2,998,155**	(3,835,407)	(4,346,024)
Fair value change in equity instruments at FVOCI (Note 14)	**6,594,937**	(3,021,468)	5,315,161
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	**(20,433,388)**	31,619,606	44,703,772
TOTAL COMPREHENSIVE INCOME	**₱1,994,421,898**	₱2,247,215,469	₱1,653,054,770
Net Income Attributable To			
Equity holders of the Parent Company	**₱1,989,952,896**	₱2,191,076,517	₱1,591,191,183
Non-controlling interests	**24,902,390**	24,519,346	17,159,815
	₱2,014,855,286	₱2,215,595,863	₱1,608,350,998
Total Comprehensive Income Attributable To			
Equity holders of the Parent Company	**₱1,970,075,561**	₱2,222,219,861	₱1,635,333,005
Non-controlling interests	**24,346,337**	24,995,608	17,721,765
	₱1,994,421,898	₱2,247,215,469	₱1,653,054,770
Basic/Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company (Note 31)	**₱0.20**	₱0.22	₱0.16

See accompanying Notes to Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED JUNE 30, 2026, 2025 AND 2024

	Equity Attributable to Equity Holders of the Parent Company (Note 20)										
	Capital Stock	**Additional Paid-in Capital**	**Cost of Shares Held by a Subsidiary**	**Cumulative Actuarial Gain** (Note 27)	**Unrealized Fair Value Adjustment on Equity Instruments at FVOCI** (Note 14)	**Other Equity Reserve**	**Share in Associates' Other Comprehensive Income** (Note 12)	**Retained Earnings**	**Total**	**Equity Attributable to Non-controlling Interests** (Note 20)	**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	–	–	–	–	–	–	–	**1,989,952,896**	**1,989,952,896**	**24,902,390**	**2,014,855,286**
Other comprehensive income	–	–	–	**(26,565,231)**	**6,687,896**	–	–	–	**(19,877,335)**	**(556,053)**	**(20,433,388)**
Total comprehensive income	–	–	–	**(26,565,231)**	**6,687,896**	–	–	**1,989,952,896**	**1,970,075,561**	**24,346,337**	**1,994,421,898**
Dividend declaration	–	–	–	–	–	–	–	**(541,105,512)**	**(541,105,512)**	–	**(541,105,512)**
Partial disposal of the Parent Company's shares held by a subsidiary (Note 20)	–	**184,628,390**	**364,233,610**	–	–	–	–	–	**548,862,000**	–	**548,862,000**
Share of non-controlling interest on dividends declared by a subsidiary (Note 20)	–	–	–	–	–	–	–	–	–	**(4,409,811)**	**(4,409,811)**
Realized fair value gain on disposal of equity instruments at FVOCI (Note 14)	–	–	–	–	**(13,382,772)**	–	–	**13,382,772**	–	–	–
Payment by non-controlling interest holder of share subscription in a subsidiary	–	–	–	–	–	–	–	–	–	**4,200**	**4,200**
Balance at June 30, 2026	**₱4,952,403,462**	**₱1,324,066,858**	**(₱66,220,478)**	**₱51,938,800**	**₱10,672,964**	**(₱1,686,369,660)**	**₱321,455**	**₱9,758,077,421**	**₱14,344,890,822**	**₱138,053,479**	**₱14,482,944,301**
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	–	–	–	–	–	–	–	2,191,076,517	2,191,076,517	24,519,346	2,215,595,863
Other comprehensive income	–	–	–	34,125,314	(2,981,970)	–	–	–	31,143,344	476,262	31,619,606
Total comprehensive income	–	–	–	34,125,314	(2,981,970)	–	–	2,191,076,517	2,222,219,861	24,995,608	2,247,215,469
Dividend declaration	–	–	–	–	–	–	–	(424,231,832)	(424,231,832)	–	(424,231,832)
Partial disposal of the Parent Company's shares held by a subsidiary (Note 20)	–	20,311,167	67,688,833	–	–	–	–	–	88,000,000	–	88,000,000
Share of non-controlling interest on dividends declared by a subsidiary (Note 20)	–	–	–	–	–	–	–	–	–	(6,188,120)	(6,188,120)
Deposit for future stock subscription from non-controlling interest holder (Note 20)	–	–	–	–	–	–	–	–	–	8,000,000	8,000,000
Balance at June 30, 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
Balance at July 1, 2023	₱4,952,403,462	₱1,119,127,301	(₱498,142,921)	₱5,481,945	₱15,104,760	(₱1,686,369,660)	₱321,455	₱5,219,942,618	₱9,127,868,960	₱81,941,539	₱9,209,810,499
Net income	–	–	–	–	–	–	–	1,591,191,183	1,591,191,183	17,159,815	1,608,350,998
Other comprehensive income	–	–	–	38,896,772	5,245,050	–	–	–	44,141,822	561,950	44,703,772
Total comprehensive income	–	–	–	38,896,772	5,245,050	–	–	1,591,191,183	1,635,333,005	17,721,765	1,653,054,770
Dividend declaration	–	–	–	–	–	–	–	(282,131,221)	(282,131,221)	–	(282,131,221)
Share of non-controlling interest on dividends declared by a subsidiary (Note 20)	–	–	–	–	–	–	–	–	–	(8,358,039)	(8,358,039)
Balance at June 30, 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

See accompanying Notes to Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended June 30		
	2026	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱2,233,058,320**	₱2,451,311,325	₱1,773,419,377
Adjustments to reconcile income before income tax to net cash flows:			
Depreciation and amortization (Notes 10, 11, 15, 23 and 25)	**780,133,291**	680,788,886	625,124,560
Interest expense (Notes 17, 18, 22 and 28)	**186,303,499**	247,432,256	293,301,395
Interest income (Notes 5, 6 and 22)	**(85,541,972)**	(57,394,348)	(57,677,714)
Provision for:			
Expected credit losses (Notes 6 and 25)	**91,440,983**	59,865,757	30,463,772
Inventory obsolescence (Notes 7 and 25)	**392,946**	325,461	1,013,523
Impairment of goodwill (Notes 15 and 25)	**–**	–	14,268,891
Investments in and advances to associates and joint venture (Notes 12 and 25)	**–**	–	1,650,340
Income from condonation of liability (Note 10)	**(15,261,619)**	–	–
Gain on:			
Termination of lease (Note 28)	**(14,316,043)**	(53,291,007)	–
Sale of property and equipment	**(11,988)**	–	(485,335)
Early extinguishment of loan (Note 17)	**–**	–	(3,076,465)
Dividend income (Notes 9, 12 and 14)	**(5,791,551)**	(4,295,391)	(2,890,090)
Net change in net pension liabilities (Note 27)	**(4,158,315)**	8,793,152	33,716,304
Equity in net earnings of associates and joint venture (Notes 12 and 13)	**(3,017,978)**	(3,609,544)	(2,009,402)
Fair value loss (gain) on equity instruments at FVPL (Note 9)	**356,500**	(3,363,500)	852,500
Unrealized foreign exchange loss (gain) – net	**(304,612)**	97,392	(7,993,470)
Loss on remeasurement of noncurrent asset held for sale (Note 11)	**–**	7,703,800	–
Decrease (increase) in:			
Receivables	**(337,242,852)**	(34,776,164)	(71,683,891)
Inventories	**13,568,307**	(12,450,353)	(28,655,596)
Prepaid expenses and other current assets	**(38,984,011)**	(17,198,073)	(37,353,753)
Increase (decrease) in:			
Accounts payable and other current liabilities	**54,877,403**	(92,057,631)	122,795,331
Unearned tuition and other school fees	**252,319,414**	(20,566,462)	81,844,568
Other noncurrent liabilities	**(15,424,848)**	(2,301,241)	(21,390,354)
Net cash generated from operations	**3,092,394,874**	3,155,014,315	2,745,234,491
Income tax paid	**(208,646,527)**	(208,492,216)	(76,745,411)
Interest received	**84,584,745**	53,942,046	56,033,045
Net cash provided by operating activities	**2,968,333,092**	3,000,464,145	2,724,522,125
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Notes 10 and 36)	**(1,058,212,100)**	(775,727,708)	(931,528,841)
Investment properties (Notes 11 and 36)	**(349,479,816)**	(4,510,732)	(742,694)
Subsidiary, net of cash received (Note 38)	**33,077**	–	27,652
Payments for intangible and other noncurrent assets (Notes 15 and 36)	**(303,564,673)**	(306,179,699)	(108,399,492)
Proceeds from disposals of:			
Equity instruments at FVOCI (Notes 14 and 36)	**33,581,237**	–	–
Property and equipment	**12,000**	–	508,916
Dividends received (Notes 9, 12 and 14)	**5,791,551**	4,295,391	2,890,090
Net cash used in investing activities	**(1,671,838,724)**	(1,082,122,748)	(1,037,244,369)

(Forward)

	Years Ended June 30		
	2026	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Disposals of the Parent Company's shares held by a subsidiary (Note 20)	**₱548,862,000**	₱88,000,000	₱–
Collection of subscription receivable from subsidiary's non-controlling interest holder	**4,200**	–	–
Net proceeds from availment of long-term loans (Note 17)	**–**	198,500,000	1,488,750,000
Payments of:			
Long-term loans (Note 17)	**(704,444,445)**	(562,222,222)	(473,050,208)
Dividends (Note 20)	**(544,946,874)**	(428,326,765)	(287,597,966)
Interests (Notes 17, 18 and 22)	**(172,090,745)**	(215,551,280)	(224,187,598)
Lease liabilities (Note 28)	**(128,860,307)**	(121,524,008)	(122,452,098)
Bonds (Note 18)	**–**	–	(2,180,000,000)
Net cash used in financing activities	**(1,001,476,171)**	(1,041,124,275)	(1,798,537,870)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**304,612**	(97,392)	7,993,470
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**295,322,809**	877,119,730	(103,266,644)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,732,620,639**	1,855,500,909	1,958,767,553
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱3,027,943,448**	₱2,732,620,639	₱1,855,500,909

See accompanying Notes to Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC.
NOTES TO CONSOLIDATED COMPANY FINANCIAL STATEMENTS

1. Corporate Information

a. General

STI Education Systems Holdings, Inc. (STI Holdings or the Parent Company) and its subsidiaries (hereafter collectively referred to as the "Group") are all incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). STI Holdings was originally established in 1928 as the Philippine branch office of Theo H. Davies & Co., a Hawaiian corporation. It was reincorporated as a Philippine corporation and registered with the SEC on June 28, 1946. STI Holdings' shares were listed on the Philippine Stock Exchange (PSE) on October 12, 1976. The primary purpose of the Parent Company is to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, pledge, exchange, or otherwise dispose of real properties as well as personal and movable property of any kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned, but not to act as dealer in securities, and to invest in and manage any company or institution. STI Holdings aims to focus on education and education-related activities and investments.

STI Holdings' registered office address, which is also its principal place of business, is 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226.

b. STI Education Services Group, Inc. and Subsidiaries (collectively referred to as "STI ESG")

In September 2012, STI ESG became a subsidiary of the Parent Company through a share-for-share swap agreement with the shareholders of STI ESG. The Parent Company's ownership of STI ESG is at 98.7% as at June 30, 2026 and 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. STI ESG 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 including marine engineering, naval architecture, 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 "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 Board of Directors (BOD) approved an amendment to the Phase 1 and 2 mergers whereby STI ESG would issue shares, at par value, to the stockholders of the non-controlling interests. In 2014, STI ESG issued 1.9 million additional shares at par value to the stockholders of one of the merged schools. As at October 13, 2026, the amendment is still pending approval by the SEC.

STI ESG also requested a 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 (CARs) 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 October 13, 2026, STI ESG has not received the CARs from the BIR.

On August 5, 2022, CHED approved the transfer of the school operations of STI College Quezon Avenue, Inc. (STI Quezon Ave.) to Tanay, subject to compliance with certain requirements. On various dates in September and October 2022, CHED issued several government recognitions on programs being offered by STI Quezon Ave. These government recognitions issued in 2022 replaced those issued by CHED in 2009 due to the transfer of operations of STI Quezon Ave. to Tanay beginning SY2022-2023. The BOD and stockholders of STI Quezon Avenue, in separate meetings held on November 29, 2022, approved the amendments in its Articles of Incorporation 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.," along with the other aforementioned amendments in its Articles of Incorporation and By-Laws. On September 10, 2025, the BIR approved the change in its fiscal year.

As at June 30, 2026, 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 (see Notes 16 and 33). As at June 30, 2026 and 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 provides 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)

iACADEMY is a premier school offering specialized programs in SHS and college that are centered on Computing, Business, and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, and Cloud Computing. iACADEMY also offers programs in Accountancy, Marketing Management, Psychology, and Digital Media Management. It started operations in 2002. iACADEMY is a wholly-owned subsidiary of STI Holdings as at June 30, 2026 and 2025. iACADEMY conducts its classes in two strategically located facilities: the Nexus building along Yakal Street in Makati City and the 5th Floor of Filinvest Cebu Cyberzone Tower Two, Cebu IT Park, Cebu City.

e. Philippine School of Business Administration-Manila, Inc. (formerly STI College Novaliches, Inc.)

On March 19, 2024, the Board of Directors (BOD) of STI College Novaliches, Inc. approved the change in its corporate name to "Philippine School of Business Administration-Manila, Inc.", and other amendments to its Articles of Incorporation and By-Laws. The amendments to the Articles of Incorporation covered the: (a) revision of the primary purpose to include the offering of primary and post-graduate education; (b) 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; (c) change of principal office address; (d) extension of the corporate term to perpetual existence; (e) increase in the number of BOD from five to eleven; (f) the increase in its authorized capital stock from 5.0 million to 300.0 million shares. The amendments to the By-Laws included the: (a) notice of meeting requirements for meetings of stockholders; (b) insertion of meetings through teleconferencing, videoconferencing or other means of remote communication (c) quorum and voting requirements; and (d) the change in its fiscal year to begin on July 1 and end on June 30 of the following year. Except for the increase in its authorized capital stock and the amendment in the change of the name, all other amendments in the Articles of Incorporation and By-Laws of STI College Novaliches, Inc., were approved by the SEC on June 5, 2024 and September 13, 2024, respectively.

On June 24, 2024, STI Holdings and Philippine School of Business Administration-Manila, Inc. executed a Subscription Agreement wherein STI Holdings subscribed to 75.0 million common shares of Philippine School of Business Administration-Manila, Inc. at ₱1.0 per share or ₱75.0 million, subject to the SEC's approval of the increase in authorized capital stock of Philippine School of Business Administration-Manila, 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 Philippine School of Business Administration-Manila, Inc.'s application to increase its authorized capital stock. As a result, Philippine School of Business Administration-Manila, Inc. became a direct subsidiary of STI Holdings, with 93.75% ownership. STI ESG's ownership interest in Philippine School of Business Administration-Manila, Inc. was reduced from 100.0% to 6.25% effective January 2025.

On March 31, 2025, STI Holdings, STI ESG, and Philippine School of Business Administration - Manila, Inc. executed a Deed of Assignment (the Deed) where Philippine School of Business Administration-Manila, Inc. unconditionally and irrevocably assigned and transferred its identified assets and liabilities, including its permits and licenses, to STI ESG. The Novaliches campus of STI ESG has continued to operate as an STI ESG branch in Novaliches, Quezon City, effective January 2025.

On July 31, 2025 and August 29, 2025, the SEC approved the amendment in the corporate name of STI College Novaliches, Inc. to Philippine School of Business Administration-Manila, Inc. in its Articles of Incorporation and By-Laws, respectively.

On November 18, 2025, the SEC approved the change in Philippine School of Business Administration-Manila, Inc.'s principal address to "1029 Aurora Boulevard, Loyola Heights, Quezon City" from "STI Academic Center, Diamond Street cor. Quirino Highway, San Bartolome, Novaliches, Quezon City."

The change in fiscal year was subsequently approved by the BIR in January 2026 effective on July 1, 2026.

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 33). 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 33).

The establishment, operation, administration and management of schools are subject to the existing laws, rules and regulations, policies, and standards of DepEd, TESDA and CHED pursuant to Batas Pambansa Bilang 232, otherwise known as the "Education Act of 1982," RA No. 7796, otherwise known as the "TESDA Act of 1994," and RA No. 7722, otherwise known as the "Higher Education Act of 1994," respectively.

The accompanying consolidated financial statements were approved and authorized for issuance by the BOD of STI Holdings on October 13, 2026.

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 equity instruments at FVOCI and equity instruments at FVPL which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional and presentation currency, and all values are rounded to the nearest peso, except when otherwise indicated.

Seasonality of Operations

The Group's business is linked to the academic cycle which spans one academic year. The academic cycle for STI ESG and STI WNU for SY 2025-2026, except for postgraduate studies, began in July 2025 and ended in June 2026. The academic cycles for SY 2024-2025 and SY 2023-2024 both started in August of their respective years and ended in June of the following year. STI WNU's post graduate classes start in September and end in August of the following year. For iACADEMY, classes for SHS and tertiary programs across SY 2025-2026, SY 2024-2025, and SY 2023-2024 commenced in August of each school year and ended in May and July of the following year, respectively.

Classes across all levels for SY 2023-2024 and SY 2024-2025 were all conducted on a face-to-face basis, while classes for SY 2025–2026 were conducted predominantly on a face-to-face basis for STI ESG and STI WNU, whereas iACADEMY was on the Hybrid Learning Format for SY2023-2024 and SY2024-2025. iACADEMY transitioned to a full face-to-face setup for SY2025-2026. During the latter part of SY 2025–2026, the Group temporarily adopted a hybrid learning modality across the network, combining face-to-face and online instruction. The shift to a hybrid learning modality was implemented in consideration of the prevailing external conditions, particularly the elevated transportation costs, to support the continuity of academic delivery for the remaining academic term.

In relation to end-of-term activities of STI ESG such as the SHS expo, culminating events, and graduation ceremonies, full face-to-face classes for high school students across the STI network resumed effective May 11, 2026. Classes for the tertiary segment continued to be on a hybrid learning modality for majority of the schools within the STI network until the end of SY 2025–2026, with six (6) schools opting to revert to full face-to-face classes beginning around mid-May 2026. STI WNU continued with its face-to-face classes for SY2025-2026, except for two (2) programs where classes were held using the hybrid modality starting May 11, 2026 until the end of the school year. iACADEMY similarly adopted a hybrid approach towards the latter part of the academic year for SY2025-2026.

The Group utilizes the electronic Learning Management System (eLMS), a cloud-based software application, to manage the delivery of educational courses and/or training programs for its students. eLMS supports collaboration through integrated tools such as wikis, forums, and discussion groups. It also includes an internal messaging system with bidirectional support for emails and text messaging, as well as a portfolio system that enables students to compile work that supports their learning and achievements. eLMS is a world-class and award-winning learning management system that schools and universities across the globe are using. This platform facilitates two-way interaction between teachers and students where they can collaborate, assign and submit homework, take assessments, and track learning progress, among others. The Group has extensive experience with online learning, having utilized eLMS since 2016. This platform was crucial during the pandemic when online learning became the predominant modality. The Group continues to leverage the use of eLMS to enhance students' learning experiences through courseware content, performance tasks, and digital resources, among others, thereby ensuring continuity of education even amidst potential physical classroom disruptions.



The faculty members of the Group regularly undertake competency-based certifications and training programs. The Group adopts a hybrid approach, combining in-person and online training sessions. These training programs are essential to maintaining an acceptable level of competency among faculty members, ensuring they possess the industry-based experience and credentials necessary to effectively teach their assigned courses.

The Group remains committed to ensuring adherence to the guidelines set by the CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information and guidance on the conduct of face-to-face classes.

The 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.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include Philippine Accounting Standards (PAS) and Philippine Interpretations based on equivalent interpretations from the International Financial Reporting Interpretations Committee (IFRIC) adopted by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at June 30, 2026 and 2025 and for the years ended June 30, 2026, 2025 and 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Parent Company controls an investee, if and only if, the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights

The subsidiaries of STI Holdings, which are all incorporated in the Philippines, are as follows:

		Effective Percentage of Ownership					
		2026		2025		2024	
Subsidiaries	**Principal Activities**	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
STI ESG	Educational Institution	**99**	–	99	–	99	–
STI WNU	Educational Institution	**99**	–	99	–	99	–
iACADEMY	Educational Institution	**100**	–	100	–	100	–
Philippine School of Business Administration-Manila, Inc. [(a)]	Educational Institution	**94**	**6**	94	6	–	99
AHC	Holding Company	**100**	–	100	–	100	–
STI College Batangas, Inc. (STI Batangas)	Educational Institution	–	**99**	–	99	–	99
STI College of Kalookan, Inc. (STI Caloocan) [(b)]	Educational Institution	–	**99**	–	99	–	99
STI College of Santa Maria, Inc. (STI Sta. Maria)	Educational Institution	–	**99**	–	99	–	99
STI College Tanauan, Inc. (STI Tanauan)	Educational Institution	–	**99**	–	99	–	99
STI College Iloilo, Inc. (STI Iloilo) [(c)]	Educational Institution	–	**99**	–	99	–	99
STI Lipa, Inc. (STI Lipa)	Educational Institution	–	**99**	–	99	–	99
STI College Pagadian, Inc. (STI Pagadian) [(c)]	Educational Institution	–	**99**	–	99	–	99
STI Training Academy, Inc. (STI Training Academy)	Educational Institution	–	**99**	–	99	–	99
STI College Tuguegarao, Inc. (STI Tuguegarao) [(c)]	Educational Institution	–	**99**	–	99	–	99
NAMEI Polytechnic Institute, Inc. (NAMEI)	Educational Institution	–	**93**	–	93	–	93
NAMEI Polytechnic Institute of Mandaluyong, Inc. (NPIM) [(c)]	Educational Institution	–	**99**	–	99	–	99
De Los Santos-STI College, Inc. (De Los Santos-STI College) [(d)]	Educational Institution	–	**99**	–	99	–	99
STI Colleges of Rizal, Inc. (STI Tanay) [(e)]	Educational Institution	–	**99**	–	99	–	99
STI-College Alabang, Inc. (STI Alabang)	Educational Institution	–	**99**	–	99	–	99
Clinquant Holdings, Inc (CHI) [(f)]	Investment Company	–	**99**	–	99	–	99
Phosphene Holdings, Inc. (PHI) [(g)]	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 then STI College Novaliches, Inc. wherein STI Holdings subscribed to 75.0 million common shares of STI College Novaliches, Inc. at ₱1.00 per share. The increase in the authorized capital of STI College Novaliches, Inc. was approved by the SEC on January 27, 2025.

[(b)] A subsidiary of STI ESG through a management contract

[(c)] As at October 13, 2026, the following wholly owned subsidiaries of STI ESG — STI Iloilo, STI Pagadian, STI Tuguegarao, and NPIM are nonoperating entities. In view of their continued nonoperating status, these entities will undergo eventual dissolution or shortening of the corporate life, subject to compliance with applicable regulatory requirements.

[(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 October 13, 2026.

[(e)] A wholly-owned subsidiary of De Los Santos-STI College; formerly STI College Quezon Avenue, Inc.

[(f)] CHI became a wholly owned subsidiary of STI ESG as at June 30, 2024 (see Notes 11 and 38).

[(g)] PHI became a wholly owned subsidiary of STI ESG as at June 30, 2026 (see Notes 11 and 38).

Accounting Policies of Subsidiaries. The separate financial statements of subsidiaries are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements include the accounts of STI ESG and its subsidiaries as at June 30, except for the accounts of STI Tuguegarao and STI Iloilo whose financial reporting date ends on December 31, and STI Batangas, STI Tanauan, STI Lipa, STI Pagadian, STI Sta. Maria, De Los Santos-STI College, and STI Alabang whose financial reporting date ends on March 31. Adjustments are made for the effects of significant transactions or events that occur between the financial reporting date of the aforementioned subsidiaries and the financial reporting date of the Group's consolidated financial statements.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not wholly-owned by the Parent Company but rather held by minority interests. These are presented in profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

On transactions with non-controlling interests without loss of control, the difference between the fair value of the consideration and the book value of the share in the net assets acquired or disposed is treated as an equity transaction and is presented as part of "Other equity reserve" within the equity section in the consolidated statement of financial position.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards effective July 1, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The adoption of *Amendments to PAS 21, Lack of exchangeability,* did not have any significant impact on the consolidated financial statements.

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 June 30, 2026 on its consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Business Combination Involving Entities under Common Control

Where there are business combinations in which all the combining entities within the Group are ultimately controlled by the same ultimate parent before and after the business combination and that the control is not transitory (business combinations under common control), the Group may account such business combinations under the acquisition method of accounting or pooling of interests method, if the transaction was deemed to have substance from the perspective of the reporting entity. In determining whether the business combination has substance, factors such as the underlying purpose of the business combination and the involvement of parties other than the combining entities such as the non-controlling interest, shall be considered.

In cases where the business combination has no substance, the Group shall account for the transaction similar to a pooling of interests. The assets and liabilities of the acquired entities and that of the Group are reflected at their carrying values. The difference in the amount recognized and the fair value of the consideration given, is accounted for as an equity transaction, i.e., as either a contribution or distribution of equity. Further, when a subsidiary is disposed in a common control transaction, the difference in the amount recognized and the fair value of the consideration received, is also accounted for as an equity transaction. The Group records the difference as excess of consideration over carrying amount of disposed subsidiary and presents as separate component of equity in the consolidated statement of financial position.

Comparatives shall be restated to include balances and transactions of the entities that had been acquired at the beginning of the earliest period presented as if the companies had always been combined.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI and FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.



In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. It is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments), and
- Financial assets at FVPL

a. Financial assets at amortized cost (debt instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

  - The financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

  Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

  As at June 30, 2026 and 2025, the Group's financial assets at amortized cost include cash and cash equivalents, receivables (except for receivables from officers and employees) and deposits under "Prepaid expenses and other current assets" and "Goodwill, intangible and other noncurrent assets" accounts.

b. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held

for trading nor are contingent consideration recognized in a business combination in accordance with PFRS 3. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments at FVOCI are not subject to impairment assessment.

As at June 30, 2026 and 2025, the Group's listed and non-listed equity investments are classified as financial assets at FVOCI.

c. *Financial assets at FVPL.* Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition as at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model.

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

As at June 30, 2026 and 2025, the Group's listed equity investments for trading are classified as financial assets at FVPL.

Impairment of Financial Assets. The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs for receivables from students. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. As for the other financial assets, the Group applied a general approach in the calculation since these accounts had no significant deterioration in credit risk since their initial recognition.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and
- The Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Group

has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of ownership of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

b. Financial liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, or as other financial liabilities.

The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and in the case of other financial liabilities, net of directly attributable transaction costs which include STI ESG's bond issuance costs, such as, taxes and various fees paid to investment banks, law firms, auditors, regulators, and so on.

As at June 30, 2026 and 2025, the Group does not have financial liabilities at FVPL. The Group's financial liabilities as at June 30, 2026 and 2025 are measured at amortized cost.

Subsequent Measurement. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statement of comprehensive income.

Other financial liabilities include interest-bearing loans and borrowings, bonds payable, accounts payable and other current liabilities (excluding government and other statutory liabilities), lease liabilities, and other noncurrent liabilities (excluding advance rent and deferred lease liability).

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least ten percent (10.0%) different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined by using the weighted average method. The NRV of educational materials is the selling price in the ordinary course of business, less estimated costs necessary to make the sale. The NRV of promotional materials and school materials and supplies is the current replacement cost.

Prepaid Expenses and Other Current Assets
Prepaid expenses are carried at cost and are amortized on a straight-line basis over the period of expected usage, which is equal to or less than 12 months or within the normal operating cycle.

Creditable Withholding Taxes (CWT). CWT represents the amount of tax withheld by counterparties from the Group. These are recognized upon collection and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWT is presented as part of "Prepaid taxes" under the "Prepaid expenses and other current assets" account in the consolidated statement of financial position. CWT is stated at its estimated NRV.

Property and Equipment
The Group's property and equipment consists of land, buildings, equipment, furniture and fixtures, leasehold improvements, library holdings, construction in progress and right-of-use (ROU) assets that do not qualify as investment properties.

Property and equipment, except land, are stated at cost less accumulated depreciation, amortization and any impairment in value, excluding the costs of day-to-day servicing. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred and the recognition criteria are met. Land is stated at cost less any impairment in value.

The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling or removing the underlying asset.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives or lease term (in the case of ROU assets), whichever is shorter:

Asset Type	Number of Years
Buildings	20 to 25 years
Office and school equipment	3 to 15 years
Office and school furniture and fixtures	2 to 5 years
Leasehold improvements	5 years or term of the lease agreement, whichever is shorter
Transportation equipment	3 to 5 years
Computer equipment and peripherals	3 years
Library holdings	5 years
Renewable energy equipment	5 years

Asset Type	Number of Years
Right-of-use asset – land	25 years or term of the lease agreement, whichever is shorter
Right-of-use asset - building	2 to 10 years
Right-of-use asset - transportation equipment	3 to 5 years

The estimated useful lives and the depreciation and amortization method are reviewed periodically to ensure that the periods and depreciation and amortization method are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is charged to current operations.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognized.

Construction in progress represents structures under construction and is stated at cost less any impairment in value. This includes cost of construction and other direct costs, including any interest on borrowed funds during the construction period. Construction in progress is not depreciated until the relevant assets are completed and become available for operational use.

Investment Properties

Investment properties include land, office condominium units and buildings held by the Group for capital appreciation and rental purposes. Investment properties also include a right-of-use asset involving a building that is being subleased. Office condominium units and buildings are carried at cost less accumulated depreciation and any impairment in value, while land is carried at cost less any impairment in value. The carrying amount includes the cost of constructing a significant portion of an existing investment property if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Depreciation of office condominium units and buildings is computed on a straight-line basis over 20 to 25 years. Unless the Group is reasonably certain to obtain ownership of the leased building at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and lease term. The asset's useful life and method of depreciation are reviewed and adjusted, if appropriate, at each financial year-end.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of the property for subsequent accounting is its carrying value at the date of the change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

Construction in progress represents structures under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and become available for use, capital appreciation and or rental purposes.

The Group classifies an investment property as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such investment property classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale.

The criteria for held for sale classification are regarded as met only when the asset is available for immediate sale in its present condition and the sale is highly probable. Management must be committed to a plan to sell, which is expected to be completed within one year from the date of the classification, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the plan to sell should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Investment properties are not depreciated or amortized once classified as held for sale.

If the criteria for classification as held for sale are no longer met, the Group shall cease to classify the asset as held for sale. The Group shall measure a noncurrent asset that ceases to be classified as held for sale at the lower of: (a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset not been classified as held for sale, and (b) its recoverable amount at the date of the subsequent decision not to sell (or that the sale is not highly probable). The Group shall include any required adjustment to the carrying amount of a noncurrent asset that ceases to be classified as held for sale in profit or loss from continuing operations in the period in which the criteria are no longer met.

Asset Acquisition

When property is acquired through corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business.

When such an acquisition is not judged to be an acquisition of a business, it is not treated as a business combination. Rather, the cost to acquire the entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.

Investments in Associates and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The Group has interest in Philippine Healthcare Educators, Inc. (PHEI) a joint venture company (see Note 13). A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's interests in associates and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in the OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of associates and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit.

The financial reporting dates of the associate, joint venture and the Parent Company are identical, except for Global Resource for Outsourced Workers, Inc. (GROW) and PHEI, which follow December 31 and March 31, as their financial reporting dates, respectively, and the associates' and joint venture's accounting policies conform to those used by the Group for like transactions and events in similar circumstances. Adjustments are made for the Group's share in the effects of significant transactions or events that occur between the financial reporting date of the above-mentioned associates and joint venture and the financial reporting date of the Group's consolidated financial statements.

After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss on its investment in associates and joint venture. The Group determines at each financial reporting date whether there is any objective evidence that the investment in associates and joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and joint venture and its carrying value and recognizes the amount in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.



The associates of STI ESG, which are all incorporated in the Philippines, are as follows:

		Effective Percentage of Ownership		
Associate	**Principal Activities**	**2026**	2025	2024
Accent Healthcare/STI-Banawe, Inc. (STI Accent) [(a)]	Medical and related services	**48**	48	48
STI – College Marikina, Inc. (STI Marikina)	Educational Institution	**23**	23	23
GROW	Recruitment Agency	**16**	16	16

[(a)] *Dormant entity*

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group has assessed the useful life of intangible assets having a finite useful life to be the shorter of its contractual term or economic life. Amortization is on a straight-line basis over the estimated useful lives of three (3) years.

Impairment of Nonfinancial Assets

The carrying values of investments in and advances to associates and joint ventures, property and equipment, investment properties, intangible assets and advances to suppliers are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of the recoverable amount. Recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU). In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators.

Provisions for impairment are recognized in the consolidated statement of comprehensive income in the expense categories consistent with the function of the impaired asset, except for assets previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

For nonfinancial assets, excluding goodwill and intangible assets with indefinite useful life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment of goodwill is determined by assessing the recoverable amount of the CGUs to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which the goodwill has been allocated, an impairment loss is recognized in the consolidated statement of comprehensive income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill at the end of each reporting period.

Capital Stock and Additional Paid-in Capital

Common stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of consideration received in excess of par value are recognized as additional paid-in capital.

Cost of Shares Held by a Subsidiary

Cost of shares held by a subsidiary is accounted for similar to treasury shares, which are recorded at cost. Own equity instruments which are reacquired are deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or the cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital.

Retained Earnings and Dividend on Common Stock of the Parent Company

The amount included in retained earnings includes profit attributable to the Parent Company's equity holders and is reduced by dividends on capital stocks. Dividends on capital stocks are recognized as a liability and deducted from equity when approved by the BOD of the Parent Company. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting period.

Earnings Per Share Attributable to the Equity Holders of the Parent Company

Earnings per share (EPS) is computed by dividing net income attributable to equity holders of the Parent Company for the year by the weighted average number of shares issued and outstanding after giving retroactive effect to stock split and stock dividend declaration, if any.



Diluted EPS is calculated by dividing the net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year adjusted for the effects of any dilutive convertible common shares.

Revenue Recognition

Revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses whether it is acting as a principal or an agent in every revenue arrangement. It is acting as a principal when it has the primary responsibility for providing goods or services. The Group also acts as a principal when it has the discretion in establishing the prices and bears inventory and credit risk. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value-added tax (VAT).

The following specific recognition criteria must also be met before revenue is recognized:

Tuition and Other School Fees. Revenue from tuition and other school fees is satisfied over time and is recognized as income over the corresponding school term to which they pertain on the basis of the time lapsed over the service period. Fees received pertaining to the school year commencing after the financial reporting date are recorded under the "Unearned tuition and other school fees" account in the consolidated statement of financial position. Unearned tuition and other school fees are amortized over the related school term.

Educational Services and Royalty Fees. Revenues from educational services and royalty fees are satisfied over time based on a percentage of monthly franchise receipts and is recognized on an accrual basis in accordance with the terms of the licensing agreements.

Sale of Educational Materials and Supplies. Revenue is satisfied at a point in time and is recognized at the time of sale when control of the goods is transferred to the customer.

Other Revenues. Other revenues include income related to the software license subscriptions provided to franchised schools. These revenues are satisfied at a point in time and are recognized at the time of sale when control or rights to the goods or services are transferred to the customer.

The following are the revenue streams outside the scope of PFRS 15:

Rental Income. Rental income is recognized on a straight-line basis over the term of the lease agreement.

Interest Income. Interest income is recognized as the interest accrues considering the effective yield on the asset.

Dividend Income. Revenue is recognized when the Group's right to receive the payment is established.

The following are contract balances relative to PFRS 15, *Revenue from Contracts with Customers*:

Receivables. Receivables represent the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract. The Group's "Unearned tuition and other

school fees" account represents contract liabilities which will be recognized as revenue when the related educational services are rendered. This includes advance payment for tuition and other school fees for the school year commencing after the financial reporting date.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in profit or loss in the year these are incurred.

Pension Cost

The Group has the following pension plans (Plan) covering substantially all of its regular and permanent employees:

Entity	Type of Plan
STI ESG	Funded, noncontributory defined benefit plan
STI WNU	Funded, noncontributory defined benefit plan
iACADEMY	Unfunded, noncontributory defined benefit plan
STI ESG's subsidiaries	Unfunded, noncontributory defined benefit plan

Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs, which include current service costs, past service costs and gains or losses on non- routine settlements are recognized as expense in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Leases

The determination whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement. A reassessment is made after the inception of the lease only if one of the following applies: (a) there is a change in contractual terms, other than a renewal or extension of the agreement; (b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term; (c) there is a change in the determination of whether the fulfillment is dependent on a specified asset; or (d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and the date of renewal or extension period for scenario (b).

Right-of-use Assets. The Group classifies its ROU assets as part of property and equipment and investment properties. Refer to the accounting policies for property and equipment and investment properties.

Lease Liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term Leases and Leases with Low-value Assets. The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be



low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

The Group shall account for a modification to a lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. A lessee recognizes the effect of a rent concession by recognizing the reduction in payment as other income in profit or loss in the consolidated statement of comprehensive income.

Group as a Lessor. The Group has lease agreements for the lease of its investment properties. Leases where the Group does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the financial reporting date.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefit of net operating loss carryover (NOLCO), unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of NOLCO and MCIT can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint venture, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the financial reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; or
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid taxes" under the "Prepaid expenses and other current assets" account or "Accounts payable and other current liabilities" account in the consolidated statement of financial position.

Operating Segments

For management purposes, the Group is organized into business units based on the geographical location of the students and assets. Financial information about operating segments is presented in Note 3 to the consolidated financial statements.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provide additional information about the Group's financial position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Segment Information

For management purposes, the Group is organized into business units based on the geographical location of the students and assets, and has five reportable segments as follows:

a. Metro Manila
b. Northern Luzon
c. Southern Luzon
d. Visayas
e. Mindanao

Management monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with profit and loss in the consolidated financial statements.

On a consolidated basis, the Group's performance is evaluated based on consolidated net income and EBITDA. EBITDA is defined as earnings before interest expense, interest income, provision for income tax, depreciation and amortization, equity in net earnings of associates and joint venture, loss (gain) on foreign exchange differences, fair value loss (gain) on equity instruments at FVPL and nonrecurring gains/loss such as gain on termination of lease, gain on early extinguishment of loan, income from condonation of liability, and loss on remeasurement of noncurrent asset held for sale. Depreciation and interest expense for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively.

The following table shows the reconciliation of the consolidated net income to consolidated EBITDA:

	Year Ended June 30		
	2026	2025	2024
Consolidated net income	**₱2,014,855,286**	₱2,215,595,863	₱1,608,350,998
Depreciation and amortization [(1)] (see Notes 10, 11, 15, 23 and 25)	**682,836,272**	591,006,900	536,371,580
Interest expense [(1)] (see Notes 17, 18 and 22)	**155,695,528**	211,983,393	258,635,208
Provision for income tax (see Note 29)	**218,203,034**	235,715,462	165,068,379
Interest income (see Notes 5, 6 and 22)	**(85,541,972)**	(57,394,348)	(57,677,714)
Income from condonation of liability [(2)] (see Note 10)	**(15,261,619)**	–	–
Equity in net earnings of associates and joint venture (see Notes 12 and 13)	**(3,017,978)**	(3,609,544)	(2,009,402)
Gain on:			
Termination of lease (see Note 28)	**(14,316,043)**	(53,291,007)	–
Early extinguishment of loan (see Note 17)	**–**	–	(3,076,465)
Fair value (gain) loss on equity instruments at FVPL (see Note 9)	**356,500**	(3,363,500)	852,500
Foreign exchange loss (gain) - net	**(304,612)**	5,777,233	(17,257,709)
Loss on remeasurement of noncurrent asset held for sale (see Note 11)	**–**	7,703,800	–
Consolidated EBITDA	**₱2,953,504,396**	₱3,150,124,252	₱2,489,257,375

[(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 years ended June 30, 2026, 2025 and 2024:

	June 30, 2026					
	Metro Manila	**Northern Luzon**	**Southern Luzon**	**Visayas**	**Mindanao**	**Consolidated**
Revenues						
External revenue	**₱2,727,034,523**	**₱354,003,407**	**₱1,467,745,461**	**₱856,272,314**	**₱140,643,843**	**₱5,545,699,548**
Results						
Income before other income (expenses) and income tax	**863,352,442**	**149,170,242**	**705,329,465**	**368,550,280**	**48,787,437**	**2,135,189,866**
Equity in net earnings of associates and joint venture	**3,017,978**	**–**	**–**	**–**	**–**	**3,017,978**
Interest expense	**(174,191,617)**	**(4,126,273)**	**(4,596,009)**	**(1,035,846)**	**(2,353,754)**	**(186,303,499)**
Interest income	**71,458,644**	**37,626**	**6,963,193**	**7,071,760**	**10,749**	**85,541,972**
Other income	**168,028,403**	**399,751**	**18,051,987**	**8,645,515**	**486,347**	**195,612,003**
Provision for income tax	**(169,776,155)**	**(2,756,429)**	**(9,104,192)**	**(36,566,258)**	**–**	**(218,203,034)**
Net Income	**₱761,889,695**	**₱142,724,917**	**₱716,644,444**	**₱346,665,451**	**₱46,930,779**	**₱2,014,855,286**
EBITDA						**₱2,953,504,396**

	June 30, 2025					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱2,879,240,368	₱330,860,794	₱1,471,393,016	₱741,503,553	₱136,464,076	₱5,559,461,807
Results						
Income before other income (expenses) and income tax	1,100,748,503	145,446,016	752,551,547	320,752,381	44,145,155	2,363,643,602
Equity in net earnings of associates and joint venture	3,609,544	–	–	–	–	3,609,544
Interest expense	(231,893,516)	(4,997,974)	(6,655,104)	(928,855)	(2,956,807)	(247,432,256)
Interest income	49,405,231	30,414	4,792,903	3,157,780	8,020	57,394,348
Other income	263,642,803	1,993,792	4,994,855	2,916,711	547,926	274,096,087
Provision for income tax	(197,131,775)	(3,160,846)	(4,190,200)	(31,232,641)	–	(235,715,462)
Net Income	₱988,380,790	₱139,311,402	₱751,494,001	₱294,665,376	₱41,744,294	₱2,215,595,863
EBITDA						₱3,150,124,252

	June 30, 2024					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱2,513,519,589	₱287,297,914	₱1,165,127,321	₱656,552,012	₱77,826,832	₱4,700,323,668
Results						
Income before other income (expenses) and income tax	790,050,745	110,244,141	588,827,547	269,910,116	21,787,571	1,780,820,120
Equity in net earnings of associates and joint venture	2,009,402	–	–	–	–	2,009,402
Interest expense	(279,429,495)	(3,719,018)	(6,390,653)	(1,313,970)	(2,448,259)	(293,301,395)
Interest income	52,313,851	26,102	3,074,077	2,256,891	6,793	57,677,714
Other income	221,397,021	349,570	2,618,648	1,511,745	336,552	226,213,536
Provision for income tax	(132,141,408)	(2,212,353)	(5,150,583)	(25,564,035)	–	(165,068,379)
Net Income	₱654,200,116	₱104,688,442	₱582,979,036	₱246,800,747	₱19,682,657	₱1,608,350,998
EBITDA						₱2,489,257,375

The following tables present certain assets and liabilities information regarding geographical segments as at June 30, 2026 and 2025:

	June 30, 2026					
	Metro Manila	**Northern Luzon**	**Southern Luzon**	**Visayas**	**Mindanao**	**Consolidated**
Assets and Liabilities						
Segment assets[a]	**₱13,691,725,084**	**₱795,454,083**	**₱2,118,764,546**	**₱1,587,484,401**	**₱156,644,117**	**₱18,350,072,231**
Investments in and advances to associates and joint venture	**27,736,201**	**–**	**–**	**–**	**–**	**27,736,201**
Goodwill	**236,629,190**	**–**	**–**	**15,681,232**	**–**	**252,310,422**
Deferred tax assets – net	**26,433,324**	**2,712,701**	**13,855,065**	**11,085,008**	**1,676,766**	**55,762,864**
Total Assets	**₱13,982,523,799**	**₱798,166,784**	**₱2,132,619,611**	**₱1,614,250,641**	**₱158,320,883**	**₱18,685,881,718**
Segment liabilities[b]	**₱759,415,096**	**₱107,141,481**	**₱540,236,650**	**₱247,489,057**	**₱50,433,725**	**₱1,704,716,009**
Interest-bearing loans and borrowings	**1,026,276,450**	**–**	**–**	**–**	**–**	**1,026,276,450**
Bonds payable	**818,563,449**	**–**	**–**	**–**	**–**	**818,563,449**
Pension liabilities – net	**76,268,525**	**4,474,504**	**19,199,014**	**22,983,542**	**3,040,242**	**125,965,827**
Lease liabilities	**233,228,530**	**103,213,644**	**45,430,105**	**11,696,649**	**24,773,626**	**418,342,554**
Deferred tax liabilities – net	**109,073,128**	**–**	**–**	**–**	**–**	**109,073,128**
Total Liabilities	**₱3,022,825,178**	**₱214,829,629**	**₱604,865,769**	**₱282,169,248**	**₱78,247,593**	**₱4,202,937,417**
Other Segment Information						
Capital expenditure -						
Property and equipment and investment properties						**₱1,704,207,969**
Depreciation and amortization[c]						**682,836,272**
Noncash expenses other than depreciation and amortization						**114,997,337**

[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					
	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]						591,006,900
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.*

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. The estimates used are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements, giving due consideration to materiality. Actual results could differ from such estimates.

The Group believes the following represents a summary of these significant judgments, estimates and assumptions and related impact and associated risks in its consolidated financial statements.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Recognition of Revenue from Tuition and Other School Fees, Educational Services and Royalty Fees over time. The Group concluded that tuition and other school fees, educational services and royalty fees are to be recognized over time on the basis of time lapsed over the service period. This approach reflects the principle that revenue should be recognized as the Group satisfies its performance obligations in rendering its services to students and franchisees. Since the students and franchisees receive and consume the benefits of the services as they are provided, there is no need for another entity to re-perform the services that the Group has provided to date. This demonstrates that students simultaneously receive and consume the benefits of the Group's services as the performance obligations are satisfied over time. This likewise demonstrates that STI ESG's franchisees simultaneously receive and consume the benefits of STI ESG's performance as it is performed.

Recognition of revenue from the sale of educational materials and supplies at the point in time. Revenue from the sale of educational materials and supplies is recognized at the point in time when the control of the asset is transferred to the customer, generally upon receipt of the goods by franchisees and students. It is also the point at which the customer is obliged to pay for the asset without any further conditions or actions and the Group has transferred physical possession of the asset.

Asset Acquisition. On June 20, 2024, STI ESG and Total Consolidated Asset Management, Inc. (TCAMI), a related party, executed a deed of absolute sale for STI ESG's acquisition of 100.0% of the total issued and outstanding capital stock of TCAMI's wholly-owned subsidiary, CHI. Further, on June 17, 2026, STI ESG and TCAMI executed a deed of absolute sale for STI ESG's acquisition of 100.0% of the total issued and outstanding capital stock of TCAMI's wholly-owned subsidiary, PHI. Management considered the substance of the assets and activities of the acquired entities and assessed that the acquisition of these subsidiaries does not represent a business, but rather an acquisition of the land, the primary asset of the subsidiaries at the date of acquisition. The cost of the acquisition is allocated to the assets acquired based upon their relative fair values and no goodwill or deferred tax is recognized (see Notes 11 and 38).

Determination of Control Arising from a Management Contract. STI ESG has a management contract with STI Caloocan. Management has concluded that STI ESG, in substance, has the power to direct its relevant activities and has the means to obtain majority of the benefits of STI Caloocan, a non-stock corporation, through the management contract. Management has assessed that it has control over STI Caloocan and accordingly, classifies the entity as subsidiary effective from the date control was obtained.

Investment Properties previously classified as Noncurrent Asset Held for Sale. On June 24, 2021, the Parent Company's BOD approved the sale to an interested buyer of the Parent Company's properties located in Quezon City ("Quezon City dacion properties") which were received by the Parent Company through the deeds of dacion in 2016. Management previously considered these properties as having met the criteria to be classified as held for sale and classified the Quezon City dacion properties as "Noncurrent asset held for sale". As at June 30, 2025, management, after considering that the timing of the sale is highly uncertain, reclassified the Quezon City dacion properties from "Noncurrent asset held for sale" back to "Investment properties". The amount recognized as "Investment properties" was adjusted for the depreciation that would have been recognized had the asset not been classified as held for sale. Management remains committed to its plan to sell the Quezon City dacion properties (see Note 11).

Contingencies. The Group is currently a party in a number of cases involving claims and disputes related to collection of receivables and labor cases. The Group's estimate of the probable costs for the resolution of these claims has been developed in consultation with outside legal counsels handling defense in these matters and is based upon an analysis of potential results. Management and its legal counsels believe that the Group has substantial legal and factual bases for its position and are of the opinion that losses arising from these legal actions, if any, will not have a material adverse impact on the consolidated financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings (see Note 33).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Measurement of the Expected Credit Losses. ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the credit-adjusted effective interest rate.

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), defined as follows:

- *Probability of Default.* The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months,
- or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD.

- *Loss Given Default.* LGD represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money.

- *Exposure at Default.* EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

Simplified Approach for Receivables from Students. The Group applies the simplified approach in calculating ECLs of receivables from students. The Group develops loss rates based on days past due for each grouping of receivables per school term. The methodology is initially based on the Group's historically observed default rates. The Group then adjusts the historical credit loss experience using forward-looking information. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The Group's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Group's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;
- Determination of relationships between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The amount and timing of the ECLs, as well as the probability assigned thereto, have been based on the available information as at report date.

Incorporation of Forward-looking Information. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates and GDP growth rate. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.



The Group has not identified any uncertain event that it has assessed to be relevant to the risk of a default occurring for which it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

The Group recognized provision for ECL (net of reversal) amounting to ₱91.4 million, ₱59.9 million and ₱30.5 million for the years ended June 30, 2026, 2025 and 2024, respectively. Allowance for ECL on receivables amounted to ₱202.4 million and ₱185.4 million as at June 30, 2026 and 2025, respectively.

In June 2026 and 2025, the BOD of STI ESG approved the write-off of receivables amounting to ₱62.9 million and ₱54.9 million for the years ended June 30, 2026 and 2025, respectively. In June 2026 and 2025, the BOD of STI WNU approved the write-off of receivables amounting to ₱9.3 million and ₱42.9 million for the years ended June 30, 2026 and 2025, respectively. The Board of Governors (BOG) of iACADEMY authorized the write-off of receivables totaling ₱2.2 million in March 2026 and ₱4.1 million in June 2025.

The carrying amounts of receivables as at June 30, 2026 and 2025 are disclosed in Note 6 to the consolidated financial statements.

Estimating Useful Lives of Nonfinancial Assets. Management determines the estimated useful lives and the related depreciation and amortization charges for its property and equipment, investment properties (excluding land) and intangible assets based on the period over which the property and equipment, investment properties and intangible assets are expected to provide economic benefits. Management's estimation of the useful lives of property and equipment, investment properties and intangible assets is based on a collective assessment of industry practice, internal technical evaluation, and experience with similar assets while for intangible assets with a finite life, estimated useful life is based on economic useful benefit of the intangible assets. These estimations are reviewed periodically and could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. A reduction in the estimated useful lives of property and equipment, investment properties and intangible assets would increase recorded expenses and decrease nonfinancial assets.

There were no changes in the estimated useful lives of the Group's property and equipment, investment properties and intangible assets as at June 30, 2026 and 2025. The carrying values of nonfinancial assets subject to depreciation and amortization are as follows:

	2026	2025
Property and equipment (excluding land and construction in progress) (see Note 10)	**₱6,543,460,850**	₱6,474,996,956
Investment properties (excluding land and construction in progress) (see Note 11)	**444,278,619**	483,289,149
Intangible assets (see Note 15)	**28,172,543**	34,157,601

Impairment of Nonfinancial Assets. PFRS Accounting Standards require nonfinancial assets, excluding goodwill and intangible assets with indefinite useful life, to be tested for impairment when certain impairment indicators are present, irrespective of whether there are any indications of impairment. Nonfinancial assets include property and equipment, investment properties, investment in and advances to associates and a joint venture and intangible assets and other noncurrent assets.

Management is required to make estimates and assumptions to determine the future cash flows to be generated from the continued use and ultimate disposition of these assets in order to determine the value of these assets. While the Group believes that the assumptions used are reasonable and appropriate,

these estimates and assumptions can materially affect the consolidated financial statements. Future adverse events may cause management to conclude that the affected assets are impaired and may have a material impact on the financial condition and results of operations of the Group.

The carrying values of property and equipment, investment properties, investment in and advances to associates and a joint venture and intangible assets and other noncurrent assets are disclosed in Notes 10, 11, 12, 13 and 15, respectively.

The Group recognized a provision for impairment of its investment in a joint venture amounting to ₱1.7 million for the year ended June 30, 2024. No impairment was recognized for the year ended June 30, 2025. As at June 30, 2026 and 2025, the carrying value of the investments in and advances to associates and joint venture amounted to ₱27.7 million and ₱24.7 million, respectively (see Notes 12, 13 and 25).

Impairment of Goodwill and Intangible Assets with Indefinite Useful Life. Acquisition method requires extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets, liabilities and contingent liabilities at the acquisition date. It also requires the acquirer to recognize any goodwill as the excess of the acquisition cost over the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The Group's business acquisitions have resulted in goodwill and intangible assets with indefinite useful life which are subject to an annual impairment testing. This requires an estimation of the value in use of the CGUs to which the goodwill and intangible assets with indefinite useful life are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Using the updated information and various scenarios of future financial performance and cash flows, an assessment of the recoverability of certain assets as at reporting period was conducted.

The recoverable amounts of CGUs have been determined based on value in use calculations using cash flow projections covering a five-year period based on long-range plans approved by management. The significant assumptions used in the value in use calculations are forecasted revenue growth, long-term growth rate and discount rate.

Management used an appropriate discount rate for cash flows equal to the prevailing rates of return for a group having substantially the same risks and characteristics. Management used the weighted average cost of capital (WACC) wherein the costs of equity and debt financing are weighted. The weighted average cost of capital is the overall required return on the CGUs. A pre-tax discount rate of 12.3% and 11.9% to 12.7% were used as at June 30, 2026 and 2025, respectively. The growth rate used in extrapolating cash flows beyond the five-year period covered by the CGUs' recent budgets was 5.0%.

Impairment testing showed that the CGUs' recoverable amounts were greater than their carrying amounts, except for NPIM in 2024. The Group recognized a provision for impairment of goodwill amounting to ₱14.3 million for the year ended June 30, 2024, representing impairment of goodwill assigned to NPIM. No impairment was recognized for the years ended June 30, 2026 and 2025. Goodwill amounted to ₱252.3 million as at June 30, 2026 and 2025; while intangible assets with indefinite useful life amounted ₱27.6 million as at June 30, 2026 and 2025 (see Note 15).

Realizability of Deferred Tax Assets. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of NOLCO and MCIT to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and MCIT can be utilized. Significant management judgment is required to determine the



amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax assets recognized as at June 30, 2026 and 2025 are disclosed in Note 29 to the consolidated financial statements.

Measurement of Lease Liabilities. The Group's lease liabilities are measured based on the present value of lease payments over the lease term using the Group's IBR.

- *Determination of Lease Term*

  The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements).

  The Group determined that renewal periods of leases with longer periods are not included as part of the lease term as these are not reasonably certain to be exercised.

- *Estimating the Incremental Borrowing Rate*

  The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Group's lease liabilities as at June 30, 2026 and 2025 are disclosed in Note 28 to the consolidated financial statements.

Determining Pension Liabilities. The determination of the obligation for and cost of pension benefits is dependent on the selection of certain assumptions provided by the Group to its actuaries in calculating such amounts. Those assumptions are described in Note 28 and include, among others, discount rate and future salary increases. In accordance with Revised PAS 19, *Employee Benefits*, actual results that differ from the Group's assumptions are included in OCI and are not reclassified to profit or loss in subsequent periods. While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's pension and other pension obligations.

The carrying value of net pension liabilities as at June 30, 2026 and 2025 are disclosed in Note 27 to the consolidated financial statements.



5. Cash and Cash Equivalents

	2026	2025
Cash on hand and in banks	**₱1,253,891,085**	₱1,002,817,715
Cash equivalents	**1,774,052,363**	1,729,802,924
	₱3,027,943,448	₱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 years ended June 30, 2026, 2025 and 2024 amounted to ₱70.8 million, ₱50.2 million and ₱51.2 million, respectively (see Note 22).

6. Receivables

	2026	2025
Tuition and other school fees	**₱876,054,171**	₱515,275,821
Educational services (see Note 30)	**93,157,355**	89,866,574
Rent, utilities and other related receivables (see Note 28)	**58,156,788**	58,844,713
Receivables from officers and employees (see Note 30)	**23,155,166**	26,393,220
Interest receivables (see Notes 5 and 22)	**5,973,611**	5,016,384
Others	**41,497,212**	28,005,162
	1,097,994,303	723,401,874
Less allowance for expected credit losses	**202,384,311**	185,387,344
	₱895,609,992	₱538,014,530

The terms and conditions of the receivables are as follows:

a. Tuition and other school fees include receivables from:

	2026	2025
Students	**₱706,431,149**	₱436,284,664
DepEd (see Note 33)	**104,548,381**	19,848,963
CHED (see Note 33)	**5,811,846**	1,556,091
Development Bank of the Philippines (DBP) (see Note 33)	**1,072,075**	1,904,810
Others	**58,190,720**	55,681,293
	₱876,054,171	₱515,275,821

Receivables from students and DepEd as at June 30, 2026 include ₱250.6 million and ₱95.9 million, respectively, pertaining to tuition and other school fees of SHS and JHS students for SY 2026–2027. Classes for the SHS and JHS programs of STI ESG and the rest of basic education programs of STI WNU for SY 2026–2027 commenced on June 29, 2026 and are scheduled to end in May 2027. Accordingly, the related receivables aggregating to ₱346.5 million and contract liabilities amounting to ₱391.2 million were recognized as at June 30, 2026. Revenues pertaining to these receivables will be recognized over the applicable school terms as the related educational

services are rendered. The remaining balance principally pertains to receivables for SY 2025–2026.

Other receivables on tuition and other school fees consist mainly of amounts due from third parties for scholarships and sponsorships granted to qualified students.

These receivables are expected to be collected within the next fiscal year.

b. Receivables for educational services pertain to receivables from STI ESG's franchisees arising from educational services, royalty fees, sale of educational materials and supplies and other charges. These receivables are generally noninterest-bearing and are normally collected within 30 days. Interest is charged on past due accounts.

This account also includes outstanding receivables of STI ESG from Philippine School of Business Administration, Inc. (PSBA Manila) and Philippine School of Business Administration Inc.-Quezon City (PSBA Quezon City), collectively referred to as "PSBA", in the total amount of ₱68.2 million and ₱31.6 million as at June 30, 2026 and 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 39).

Interest earned from past due accounts amounted to ₱14.5 million, ₱7.0 million and ₱6.4 million for the years ended June 30, 2026, 2025 and 2024, respectively (see Note 22).

c. Rent, utilities and other related receivables are expected to be collected in full within the next fiscal year (see Note 28).

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 30).

e. Interest receivables represent accrued interest income on the Group's short-term investments, typically maturing within three months, and earning interest at prevailing market rates (see Notes 5 and 22).

f. Others mainly include receivables from vendors, former employees of STI ESG, and receivables from Social Security System amounting to ₱13.2 million, ₱3.9 million, and ₱9.0 million, respectively, as at June 30, 2026; and amounting to ₱ 7.2 million, ₱ 3.7 million, and ₱8.5 million, respectively, as at June 30, 2025. In addition, this account includes the receivable from Metro Pacific Health Corporation (MPHC) amounting to ₱5.9 million arising from the disposal of STI ESG's equity instrument at FVOCI (see Note 14). Also included in this account are receivables from the retirement trustee bank of STI ESG amounting to ₱ 2.3 million and ₱1.9 million, representing retirement benefits advanced by STI ESG to its former employees, as at June 30, 2026 and 2025, respectively. All outstanding receivables are expected to be collected within the next fiscal year.

The movements in allowance for expected credit losses are as follows:

	2026		
	Tuition and Other School Fees	**Others**	**Total**
Balance at beginning of year	**₱178,574,476**	**₱6,812,868**	**₱185,387,344**
Provisions - net (see Note 25)	**85,710,942**	**5,730,041**	**91,440,983**
Write-off	**(74,444,016)**	**–**	**(74,444,016)**
Balance at end of year	**₱189,841,402**	**₱12,542,909**	**₱202,384,311**

	2025		
	Tuition and Other School Fees	Others	Total
Balance at beginning of year	₱218,972,699	₱8,410,476	₱227,383,175
Provisions - net (see Note 25)	54,427,641	5,438,116	59,865,757
Write-off	(94,825,864)	(7,035,724)	(101,861,588)
Balance at end of year	₱178,574,476	₱6,812,868	₱185,387,344

In June 2026 and 2025, the BOD of STI ESG approved the write-off of receivables aggregating to ₱62.9 million and ₱54.9 million for the years ended June 30, 2026 and 2025, respectively. These receivables primarily pertain to outstanding tuition and other school fees for SY 2023–2024 and SY 2022–2023, respectively.

In June 2026, the BOD of STI WNU approved the write-off of receivables amounting to ₱9.3 million, primarily related to outstanding tuition and other school fees from SY 2021-2022. In June 2025, the BOD of STI WNU approved the write-off of receivables amounting to ₱42.9 million which largely cover outstanding tuition and other school fees for SY 2008-2009 up to SY 2012-2013 and SY2020-2021.

In March 2026 and June 2025, the BOG of iACADEMY approved the write-off of receivables from students amounting ₱2.2 million and ₱4.1 million, respectively. The receivables written off in 2026 pertain to the outstanding tuition and other school fees for SY2020-2021 and SY2021-2022 for tertiary students, and SY2022-2023 and SY2023-2024 for SHS students, while those written off in 2025 corresponded to balances of tertiary and SHS students from SY 2019–2020 and SY 2021–2022, respectively.

Recovery of accounts pertaining to tuition and other school fees which were previously written off amounted to ₱8.6 million, ₱9.8 million and ₱6.5 million for the years ended June 30, 2026, 2025 and 2024, respectively. These amounts are presented in the "Other income (expenses)" section in the consolidated statements of comprehensive income.

7. Inventories

	2026	2025
At cost:		
Educational materials:		
Uniforms	**₱121,779,607**	₱133,683,070
Textbooks and other education-related materials	**5,373,572**	7,158,545
	127,153,179	140,841,615
Promotional materials:		
Proware materials	**17,671,453**	18,833,992
Marketing materials	**406,731**	1,197,512
	18,078,184	20,031,504
School materials and supplies	**10,072,650**	8,392,147
	₱155,304,013	₱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 June 30, 2026 and 2025. Allowance for inventory obsolescence amounted to ₱25.9 million and ₱25.5 million as at June 30, 2026 and 2025, respectively. Provision for inventory obsolescence resulting from the excess of cost over the net realizable value of these obsolete inventories recognized for the years ended June 30, 2026, 2025 and 2024 amounted to ₱0.4 million, ₱0.3 million and ₱1.0 million, respectively (see Note 25).

Inventories charged to cost of educational materials and supplies sold amounted to ₱75.3 million, ₱92.9 million and ₱102.7 million for the years ended June 30, 2026, 2025 and 2024, respectively (see Note 24).

8. Prepaid Expenses and Other Current Assets

	2026	2025
Input VAT – net	**₱78,655,876**	₱70,116,861
Prepaid taxes	**31,216,481**	19,207,303
Prepaid subscriptions and licenses	**30,632,588**	26,545,057
Advances to suppliers	**14,045,185**	21,294,449
Prepaid insurance	**6,848,189**	5,752,569
Infrastructure and software maintenance	**320,833**	329,932
Others	**3,096,911**	5,018,893
	₱164,816,063	₱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 incurred on ongoing construction projects and purchase of goods and services.

Prepaid taxes primarily pertain to creditable withholding taxes and prepayments for local business taxes and real property taxes. Prepayments for local business taxes and real property taxes are recognized as expense over the applicable period, typically within the next fiscal year. Creditable withholding taxes pertain to taxes withheld by counterparties on the income payments received by the Parent Company and certain subsidiaries within the Group which will be applied against their respective future income

tax obligations. The portion of creditable withholding taxes which is not expected to be utilized within the next fiscal year is presented under "Other noncurrent assets" (see Note 15).

Prepaid subscriptions and licenses substantially pertain to Microsoft licenses, Adobe Creative Cloud, Toon Boom Harmony, Sophos Firewall, and eLearning Management System (eLMS) subscriptions which were paid in advance in preparation for the succeeding school year. These subscriptions are normally renewed annually and are recognized as expense in accordance with the terms of the respective agreements.

Advances to suppliers primarily relate to prepayments for commencement related expenses, public relations (PR) campaigns, procurement of students' school uniforms and ongoing repair and maintenance works for schools within the Group.

Prepaid insurance primarily represents vehicle insurance coverage, life, accident, and health insurance coverage of employees, and fire and other risks insurance on buildings, which are paid in advance and are recognized as expense over the period of coverage which is within one year.

Prepaid infrastructure and software maintenance include the unexpired portion of the annual support and maintenance of STI ESG's payroll system, as well as firewall and web application subscriptions. These costs are recognized as expenses over their respective periods of coverage, which are normally within one year from the effective dates of the terms of the respective agreements.

Other prepaid expenses mainly represent advance payments by STI ESG for social media marketing services and prepayments by iACADEMY for the annual maintenance of its firefighting equipment and are recognized as expense over 12 months from date of incurrence.

9. Equity Instruments at Fair Value through Profit or Loss (FVPL)

The Equity instruments at FVPL account represents the Group's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR) held for trading amounting to ₱11.1 million and ₱11.5 million as at June 30, 2026 and 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 ₱0.4 million and ₱0.9 million for the years ended June 30, 2026 and 2024, respectively, and fair value gain on equity instruments at FVPL amounting to ₱3.4 million for the year ended June 30, 2025.

STI ESG recognized dividend income from RCR amounting to ₱0.7 million for the year ended June 30, 2026 and ₱0.6 million each for the years ended June 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 year	**₱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	**302,750,393**	**211,461,580**	**95,117,183**	**21,034,569**	**17,285,304**	**19,868,292**	**80,222,129**	**6,841,704**	**21,119,999**	**514,125,821**	**–**	**110,659,672**	**2,634,726**	**1,403,121,372**
Reclassification of completed construction in progress	**–**	**202,645,605**	**44,515,234**	**1,181,259**	**9,223,908**	**–**	**–**	**(1,285,000)**	**–**	**(256,281,006)**	**–**	**–**	**–**	**–**
Lease termination (see Note 28)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(41,337,847)**	**162,276**	**(729,695)**	**(41,905,266)**
Depreciation and amortization (see Notes 23 and 25)	**–**	**(455,564,550)**	**(73,556,476)**	**(24,787,644)**	**(16,130,758)**	**(10,581,448)**	**(54,281,902)**	**(4,883,339)**	**(8,023,097)**	**–**	**(6,321,193)**	**(71,995,891)**	**(6,030,706)**	**(732,157,004)**
Balance at end of year	**₱4,053,299,018**	**₱5,663,529,894**	**₱286,285,509**	**₱72,909,115**	**₱42,062,958**	**₱27,997,478**	**₱108,704,993**	**₱16,574,415**	**₱38,493,619**	**₱485,754,170**	**₱50,635,522**	**₱228,828,991**	**₱7,438,356**	**₱11,082,514,038**
At June 30, 2026:														
Cost	**₱4,053,299,018**	**₱9,483,356,577**	**₱1,236,202,353**	**₱444,235,574**	**₱303,275,729**	**₱62,831,224**	**₱675,739,591**	**₱237,907,791**	**₱53,800,993**	**₱485,754,170**	**₱90,090,306**	**₱444,423,403**	**₱44,756,800**	**₱17,615,673,529**
Accumulated depreciation and amortization	**–**	**(3,819,826,683)**	**(949,916,844)**	**(371,326,459)**	**(261,212,771)**	**(34,833,746)**	**(567,034,598)**	**(221,333,376)**	**(15,307,374)**	**–**	**(39,454,784)**	**(215,594,412)**	**(37,318,444)**	**(6,533,159,491)**
Net book value	**₱4,053,299,018**	**₱5,663,529,894**	**₱286,285,509**	**₱72,909,115**	**₱42,062,958**	**₱27,997,478**	**₱108,704,993**	**₱16,574,415**	**₱38,493,619**	**₱485,754,170**	**₱50,635,522**	**₱228,828,991**	**₱7,438,356**	**₱11,082,514,038**

	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 year	₱3,393,880,053	₱5,573,215,322	₱120,195,782	₱51,486,397	₱41,465,646	₱11,440,548	₱87,496,264	₱14,943,478	₱9,244,638	₱304,401,419	₱106,374,068	₱200,020,251	₱12,006,941	₱9,926,170,807
Additions	216,525,190	258,018,883	88,359,431	43,543,116	6,587,604	12,323,782	43,810,369	5,113,526	6,464,848	282,627,285	–	64,058,375	7,972,597	1,035,405,006
Reclassification from investment properties (see Note 11)	140,143,382	–	–	–	–	–	–	–	–	–	–	–	–	140,143,382
Reclassification of completed construction in progress	–	284,212,122	59,245,748	–	–	–	–	–	15,661,479	(359,119,349)	–	–	–	–
Lease termination (see Note 28)	–	–	–	–	–	–	–	–	–	–	–	(13,888,769)	–	(13,888,769)
Depreciation and amortization (see Notes 23 and 25)	–	(410,459,068)	(47,591,393)	(19,548,582)	(16,368,746)	(5,053,696)	(48,541,867)	(4,155,954)	(5,974,248)	–	(8,079,506)	(60,186,923)	(8,415,507)	(634,375,490)
Balance at end of year	₱3,750,548,625	₱5,704,987,259	₱220,209,568	₱75,480,931	₱31,684,504	₱18,710,634	₱82,764,766	₱15,901,050	₱25,396,717	₱227,909,355	₱98,294,562	₱190,002,934	₱11,564,031	₱10,453,454,936
At June 30, 2025:														
Cost	₱3,750,548,625	₱9,069,691,602	₱1,098,044,081	₱423,238,137	₱283,649,337	₱42,962,933	₱596,138,897	₱233,089,178	₱32,680,993	₱227,909,355	₱148,107,223	₱401,660,063	₱64,806,208	₱16,372,526,632
Accumulated depreciation and amortization	–	(3,364,704,343)	(877,834,513)	(347,757,206)	(251,964,833)	(24,252,299)	(513,374,131)	(217,188,128)	(7,284,276)	–	(49,812,661)	(211,657,129)	(53,242,177)	(5,919,071,696)
Net book value	₱3,750,548,625	₱5,704,987,259	₱220,209,568	₱75,480,931	₱31,684,504	₱18,710,634	₱82,764,766	₱15,901,050	₱25,396,717	₱227,909,355	₱98,294,562	₱190,002,934	₱11,564,031	₱10,453,454,936

The cost of fully depreciated property and equipment still used by the Group amounted to ₱1,476.5 million and ₱1,421.0 million as at June 30, 2026 and 2025, respectively. There were no idle property and equipment as at June 30, 2026 and 2025.

Additions and Reclassifications

Land Acquisition. In October 2025, STI ESG and BDO Unibank, Inc. – Trust and Investments Group, in its capacity as trustee of the trust fund for the benefit of the planholders of Philplans First, Inc. – Education, executed a Deed of Absolute Sale covering a parcel of land located at Barrio Real, Calamba City, Laguna, with a total land area of 6,237 square meters. The property was acquired by STI ESG for a total purchase price of ₱261.9 million plus VAT of ₱31.4 million. STI ESG also settled the documentary stamp tax and transfer fees related to this acquisition aggregating to ₱8.1 million. In April 2026, STI ESG settled the transfer fees amounting to ₱1.3 million to the Registry of Deeds — Calamba City, Laguna in relation to the transfer of the certificate of title of this property. This is the site where the existing STI Academic Center Calamba is located.

In connection with STI ESG's acquisition of the Calamba property, the related lease agreement was effectively terminated on October 30, 2025. As a result, STI ESG derecognized the related lease liability of ₱54.7 million and right-of-use asset with a carrying amount of ₱40.9 million, resulting in the recognition of a gain on lease termination of ₱13.9 million for the year ended June 30, 2026 (see Note 28).

Land Acquired via Deed of Sale on Installments. On June 10, 2024, STI ESG and Avida Land Corp. (Avida) executed a contract to sell for STI ESG's acquisition of a parcel of land with a total area of 3,266 square meters, located at South Park District, Alabang, Muntinlupa City, for a total purchase price of ₱228.8 million, inclusive of taxes. The purchase price is payable in three installments: (i) the amount of ₱45.1 million, inclusive of ₱24.7 million VAT, was settled on June 10, 2024; (ii) the amount of ₱81.6 million was paid by STI ESG upon the execution of the Deed of Sale on Installments (the "Deed"); and (iii) the amount of ₱102.1 million was paid by STI ESG on the 16th month after the execution of the Deed.

On September 30, 2024, STI ESG and Avida executed the Deed. On the same date, STI ESG settled the second installment amounting to ₱81.6 million. STI ESG likewise paid ₱9.2 million for taxes and other charges related to the sale. In view of this, STI ESG recognized this acquisition as "Land" under "Property and equipment" on September 30, 2024. On the same date, the related installment payments for the asset acquisition were applied to the total purchase price, and STI ESG recognized the remaining balance of the purchase price amounting to ₱102.1 million as liability under "Accounts payable". This amount was subsequently settled in February 2026 (see Note 16).

STI ESG is entitled to physical possession and control over the lot upon execution of the Deed. As at October 13, 2026, the construction of the new STI Academic Center Alabang is ongoing and is expected to be completed in time for the opening of SY2027-2028 (see Notes 15 and 33).

Reclassification from Investment Properties to Property and Equipment. On October 1, 2022, STI ESG acquired two parcels of land with improvements in Meycauayan City, Bulacan, with a total area of 2,459 square meters for ₱140.1 million, inclusive of taxes and transfer fees. STI ESG assumed lease agreements on the property, the last of which expired in July 2025. Following the preparation for the construction of a new school building for STI Meycauayan, STI ESG reclassified the property from "Investment properties" to "Property and equipment" as at June 30, 2025.



Solar Project. The Group has completed the solar panel installation projects in several schools owned and operated by STI ESG namely: STI Pasay-EDSA, STI Novaliches, STI Las Piñas, STI Sta. Mesa, and STI Batangas. The solar panel installation project at STI Novaliches was completed in July 2024 while the rest of the projects were completed on various dates in September 2024. These projects have a combined cost of ₱22.8 million, including the costs for roofing repairs in preparation for the solar panel installation, and have an aggregate capacity of 674 kilowatts of electricity.

The solar projects at STI Calamba, STI Lipa, STI Lucena, and STI San Jose del Monte with a combined capacity of 553 kilowatts and a total project cost of ₱20.5 million, were completed as of June 30, 2026. During the fiscal year ended June 30, 2026, STI WNU also completed the installation of solar panel systems for the School of Basic Education (SBE) and Engineering Buildings. The project has a total capacity of 357 kilowatts and an aggregate cost of ₱13.4 million.

These solar projects contribute to energy cost efficiencies for the respective campuses and support the Group's sustainability initiatives.

Renovation and Rehabilitation Projects. STI ESG has undertaken renovation works at its Tanay property. The initial phase, which addressed exterior facilities, has a total contract cost of ₱14.5 million and was completed in January 2024. The subsequent phase, which focused on interior improvements, has a total project cost of ₱14.6 million, and was completed in August 2024.

STI ESG 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 all completed as at June 30, 2026.

STI WNU undertook additional facility upgrades to enhance the University's gymnasium, including the acquisition and installation of specialized audiovisual, lighting, and event production equipment, as well as other equipment, to improve the venue's functionality and overall user experience. The University likewise implemented various facility improvements across several college buildings. In addition, STI WNU also completed several infrastructure development projects during the year, including the construction of a bullet recovery room for the College of Criminal Justice Education, a covered parking area, and a campus pavilion. These projects, with an aggregate cost of ₱26.5 million, were all completed as at June 30, 2026.

iACADEMY completed renovation works on the 5th floor of the iACADEMY Nexus Building in preparation for the implementation of the proposed Bachelor of Science in Culinary Arts Management Program. The renovation works were undertaken to ensure that the facilities and learning environment comply with the operational, instructional, and safety requirements prescribed for the program. The renovation, with an aggregate cost of ₱8.9 million, was completed on March 23, 2026.

Classroom Expansion Projects. STI ESG has undertaken classroom expansion projects for several schools, namely, STI Las Piñas, STI Cubao, STI Sta Mesa, STI Caloocan, STI Lucena, STI San Jose del Monte, STI Global City, and STI Lipa. These expansion projects, with an aggregate cost of ₱140.9 million, primarily involve the partitioning of vacant or multi-purpose areas and were all completed, except for STI Lucena, as at June 30, 2025. The classroom expansion project for STI Lucena is expected to be completed by end of October 2026. These additional classrooms can accommodate an aggregate of approximately 7,000 students.

New Buildings. The new three-storey building at STI Lipa has a total cost of ₱40.0 million, which includes all costs of materials, labor, tools, equipment, furniture, and incidental expenses. The new building, which serves as the campus canteen and parking facility, was completed in December 2024.

The new five-storey school building at the STI Ortigas-Cainta campus with a total construction cost of ₱217.3 million was designed to accommodate approximately up to 4,500 students. The first and second floors of this building with aggregate cost of ₱86.9 million were completed in September 2024 while the remaining sections of the building were completed in January 2025. The first and second floors of the building were opened for use at the start of SY2024–2025. The construction of the sewage treatment plant for this new school building at STI Ortigas-Cainta is expected to be completed by end of October 2026.

The construction works for the new four-storey building with a roof deck at STI Fairview were completed in June 2026. The STI Fairview project, with a total project cost of ₱91.0 million, is designed to accommodate 1,800 additional students.

Maritime Simulators. In May 2026, STI Training Academy recognized the maritime simulators received from a third party with an aggregate value of ₱15.3 million. The related liability was subsequently reversed to other income after the third party condoned its collection.

Property and Equipment under Construction. The Group continued to invest in the expansion of its educational infrastructure with total construction in progress amounting to ₱485.8 million and ₱227.9 million as at June 30, 2026 and 2025, respectively. The balance as at June 30, 2025 primarily relates to the costs incurred by STI ESG for the construction of STI Academic Center Tanauan, and the new school buildings at STI Fairview and STI Batangas which have been completed in June and October, 2026, respectively. The construction in progress account as at June 30, 2026 includes the related costs incurred by STI ESG for the construction of STI Academic Center Meycauayan and STI Academic Center Alabang. The costs related to these ongoing projects will be recognized as "Property and equipment" upon completion.

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 7,000 students and is 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 the second term of SY 2026-2027.

The new STI Academic Center Meycauayan project has a total cost of approximately ₱731.7 million, inclusive of materials, 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 in time for the second term of SY2026-2027.

The new STI Academic Center Alabang project has a total cost of approximately ₱997.6 million, inclusive of materials, labor and overhead costs, equipment and furniture, and all other costs necessary for the completion of the project. The eight-storey building, which will include a service deck, will rise on a 3,266-square-meter property located at South Park District, Alabang, Muntinlupa City acquired in 2024. This building is expected to accommodate up to 10,000 students and is expected to be completed in time for SY2027-2028.

The construction works for the three-storey building at STI Batangas were completed during the first week of October 2026. The STI Batangas project, with a total project cost of ₱32.0 million, is expected to serve approximately 900 additional students.

The construction in progress account as at June 30, 2026 also includes fit-out costs for the eleventh floor of the iACADEMY Nexus building. The project, with a total cost of ₱35.4 million, was completed in August 2026.

As at June 30, 2026 STI WNU's construction in progress account includes the cost related to the construction of an additional sewage treatment facility with a total project cost of ₱17.5 million. This project was completed in September 2026.

As at June 30, 2025, construction in progress also included various facility renovation and improvement projects undertaken by STI WNU, including the 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 ₱2.0 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.

*Capitalized Borrowing Co*sts. Total borrowing costs capitalized as part of property and equipment amounted to ₱5.1 million for the year ended June 30, 2026 (nil for the year ended June 30, 2025). The average interest capitalization rate for the year ended June 30, 2026 was 6.85%, which was the effective rate of borrowing.

Collaterals

Transportation equipment, recognized as right-of-use assets, are pledged as security for the related lease liabilities as at June 30, 2026 and 2025 (see Note 28). The net book value of these equipment items amounted to ₱7.4 million and ₱11.6 million as at June 30, 2026 and 2025, respectively.

11. Investment Properties

	2026				
	Land	**Condominium Units and Buildings**	**Right-of-Use Asset - Building**	**Construction in Progress**	**Total**
Cost:					
Balance at beginning of year	**₱1,541,323,236**	**₱793,182,785**	**₱133,183,838**	**₱–**	**₱2,467,689,859**
Additions	**407,648,379**	**2,714,759**	**–**	**4,017,857**	**414,380,995**
Reclassification from property and equipment	**–**	**5,010,940**	**–**		**5,010,940**
Balance at end of year	**1,948,971,615**	**800,908,484**	**133,183,838**	**4,017,857**	**2,887,081,794**
Accumulated depreciation:					
Balance at beginning of year	**–**	**362,293,834**	**80,783,640**	**–**	**443,077,474**
Depreciation (see Note 25)	**–**	**28,776,060**	**12,949,229**	**–**	**41,725,289**
Reclassification from property and equipment	**–**	**5,010,940**	**–**	**–**	**5,010,940**
Balance at end of year	**–**	**396,080,834**	**93,732,869**	**–**	**489,813,703**
Net book value	**₱1,948,971,615**	**₱404,827,650**	**₱39,450,969**	**₱4,017,857**	**₱2,397,268,091**

	2025				
	Land	Condominium Units and Buildings	Right-of-Use Asset - Building	**Construction in Progress**	Total
Cost:					
Balance at beginning of year	₱676,807,317	₱780,307,090	₱133,183,838	**₱–**	₱1,590,298,245
Additions	–	4,510,732	–	–	4,510,732
Reclassification from noncurrent asset held for sale	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 year	1,541,323,236	793,182,785	133,183,838	–	2,467,689,859
Accumulated depreciation:					
Balance at beginning of year	–	335,601,702	67,683,590	–	403,285,292
Depreciation (see Note 25)	–	26,692,132	13,100,050	–	39,792,182
Balance at end of year	–	362,293,834	80,783,640	–	443,077,474
Net book value	₱1,541,323,236	₱430,888,951	₱52,400,198	**₱–**	₱2,024,612,385

As at June 30, 2026 and 2025, investment properties primarily include parcels of land and buildings and land improvements located in Quezon City and Davao City currently held by the Parent Company for capital appreciation and are not used in business.

These 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 33) 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 33). 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. These properties were initially recognized as "Investment properties" at fair value aggregating to ₱1,280.5 million at dacion date.

On June 24, 2021, the Parent Company's BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its conveyance to the Parent Company. With the classification as noncurrent asset held for sale, the Parent Company carried the said properties at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognized for the years 2021 up to the year ended June 30, 2024.

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

As at June 30, 2026 and 2025, the carrying value of the Quezon City dacion properties, presented under "Investment properties," amounted to ₱1,011.4 million and ₱1,013.0 million, respectively.

As at June 30, 2026 and 2025, investment properties also include the Group's right-of-use asset pertaining to a building; and condominium units which are held for office or commercial lease.

Renovation and fit-out works. Additions during the year ended June 30, 2026 represent capital expenditures incurred for the electrical and ventilation works in one of STI ESG's investment properties amounting to ₱2.7 million. STI ESG recorded additions amounting to ₱4.5 million, mainly related to fit-out works carried out in one of STI ESG's investment properties, during the year ended June 30, 2025.

Land Acquired through Acquisition of Shares. On June 17, 2026, STI ESG and TCAMI, executed a Deed of Absolute Sale for the acquisition of 190.0 million common shares, with a par value of ₱1.0, representing 100% of the total issued and outstanding capital stock of PHI, for ₱403.2 million. Under the Share Purchase Agreement executed in June 2024, STI ESG paid a deposit of ₱60.5 million, equivalent to 15% of the purchase price, while the remaining balance of ₱342.7 million was settled on



June 17, 2026. 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 where the construction of STI Academic Center Tanauan is ongoing (see Note 38). The land is valued at ₱407.6 million, following the allocation of the acquisition cost to other identifiable assets and liabilities of PHI which had a net liability carrying amount of ₱4.4 million.

Right-of-use Asset - Building. On May 2, 2014, iACADEMY entered into a lease agreement with Metrobank Trust and Banking Group (MBTC-TBG) for a building along Sen. Gil J. Puyat Avenue in Makati City for a period of 15 years and three months, subject to renewal upon mutual agreement. The annual rental is subject to 5.0% escalation every three years or the average of the Consumer Price Index for the last three years, whichever is higher. iACADEMY subleased the building to third parties. The leased property was sold by MBTC-TBG on July 23, 2026. The lease between iACADEMY and the new owner was terminated effective July 1, 2026. (see Note 28).

Reclassification from Property and equipment. STI ESG reclassified a property from "Property and equipment" to "Investment properties" as it is now held for future lease/sale. The property was fully depreciated as at the date of reclassification.

Investment property under construction. Construction in progress represents costs incurred for the ongoing construction of a perimeter fence to secure the four-hectare Davao dacion property. Total contract costs amounting to ₱15.0 million will be reclassified to "Land improvements" upon completion of the project. The project is estimated to be completed within the first quarter of 2027.

Description of valuation techniques used and key inputs to valuation of investment properties

The fair values of the Group's investment properties were determined by an independent professionally qualified appraiser accredited by the SEC. The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Land

Level 3 fair value of land was derived using the market approach. The market approach is a comparative approach to value which considers the sale of similar or substitute properties and related market data and establishes a value estimate by a process involving comparison. Listings and offerings may also be considered. Sales price of comparable land in close proximity (external factor) are adjusted for differences in key attributes (internal factors) such as location and size.

Using the latest available valuation report as at June 30, 2026 and 2025, the following shows the valuation technique used in measuring the fair value of the land, as well as the significant unobservable inputs used:

Quezon City properties	₱4,372,578,000
Davao property	486,226,400
Fair value per square meter:	
Quezon City properties	14,357 sq. m. at ₱288,000 per sq. m. and 918 sq. m. at ₱259,000
Davao property	40,184 sq. m. at ₱12,100 sq. m.
Valuation date	August 28, 2024/August 30, 2024
Valuation technique	Market approach
Unobservable input	Internal factors – location, size, depth, influence, and time element
Relationship of unobservable inputs to fair value	The higher the price per square meter, the higher the fair value

Management has determined that the fair value of these investment properties did not significantly change from the last valuation in August 2024.

	2026	2025
Fair value of STI ESG's land	**₱965,919,000**	₱570,917,000
Valuation date	**June 2026/June 2025**	June 2025/June 2023
Valuation technique	**Market approach**	Market approach
Unobservable input	**Net price per square meter**	Net price per square meter
Relationship of unobservable inputs to fair value	**The higher the price per square meter, the higher the fair value**	The higher the price per square meter, the higher the fair value

These refer to several parcels of land owned by STI ESG located in various locations which are primarily held for capital appreciation and rental purposes. These properties are not utilized by the Group in the conduct of its operations.

Buildings and Improvements
Level 2 fair values of buildings and improvements have been derived using the cost approach. The cost approach is based on the principle of substitution, which holds that an informed buyer would not pay more for a given property than the cost of an equally desirable alternative. The methodology of the Cost Approach is a set of procedures that estimate the current reproduction cost of the improvements, deducts accrued depreciation from all sources, and adds the value of the land. The Cost Approach is most appropriate when improvements under appraisement are relatively new (and therefore with a minimum amount of physical depreciation). As at June 30, 2026 and 2025, the fair value of the buildings and improvements amounted to ₱21.9 million.

Condominium Units and Building
Level 3 fair values of STI ESG's condominium units have also been derived using the market approach.

Using the latest available valuation report as at June 30, 2026 and 2025, the following table shows the valuation technique used in measuring the fair value of STI ESG's condominium units, as well as the significant unobservable inputs used:

	2026	2025
Fair value	**₱1,733,910,000**	₱1,591,386,000
Valuation Date	**June 2026/June 2025**	June 2025/June 2023
Valuation technique	**Market approach**	Market approach
Unobservable input	**Net price per square meter**	Net price per square meter
Relationship of unobservable inputs to fair value	**The higher the price per square meter, the higher the fair value**	The higher the price per square meter, the higher the fair value

Right-of-use Asset - Building
Level 2 fair values of right-of-use asset - building have been derived using the cost approach. The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence. As at June 30, 2026 and 2025, the fair value of right-of-use asset – building amounted to ₱230.1 million. Management has

determined that the fair value of right-of-use asset – building did not significantly change from the last valuation in September 2023.

The highest and best use of Quezon City properties is high rise mixed-use residential and commercial land development, while the highest and best use of Davao property is institutional land development. The highest and best use of STI ESG's land and condominium units and iACADEMY's "Right-of-use Asset - Building" is commercial utility.

Rental

Rental income earned from investment properties amounted to ₱123.3 million, ₱197.2 million and ₱178.7 million for the years ended June 30, 2026, 2025 and 2024, respectively (see Note 29). Expenses directly attributable to the rented properties, including real property taxes, insurance, janitorial, security services, depreciation, interest expense on lease liability, and repairs and maintenance, for the years ended June 30, 2026, 2025 and 2024 amounted to ₱83.9 million, ₱105.9 million and ₱75.5 million, respectively.

12. Investments in and Advances to Associates and Joint Venture

	2026	2025
Investments		
Acquisition costs	**₱40,963,409**	₱40,963,409
Accumulated equity in net losses:		
Balance at beginning of year	**(14,924,152)**	(18,533,696)
Equity in net earnings of associates and joint venture	**3,017,978**	3,609,544
Balance at end of year	**(11,906,174)**	(14,924,152)
Accumulated share in associates' other comprehensive income:		
Balance at beginning and end of year	**329,306**	329,306
	29,386,541	26,368,563
Less allowance for impairment loss (see Note 13)	**1,650,340**	1,650,340
	27,736,201	24,718,223
Advances (see Note 30)	**–**	48,134,540
Less allowance for impairment loss	**–**	48,134,540
	–	–
	₱27,736,201	₱24,718,223

The carrying values of the Group's investments in and advances to associates and joint venture are as follows:

	2026	2025
Associates:		
GROW	**₱25,573,500**	₱22,457,345
STI Accent*	**–**	48,134,540
Joint venture - PHEI (see Note 13)	**3,813,041**	3,911,218
	29,386,541	74,503,103
Allowance for impairment loss	**(1,650,340)**	(49,784,880)
	₱27,736,201	₱24,718,223

**The share in equity of STI Accent for the years ended June 30, 2026, 2025 and 2024 is not material to the consolidated financial statements.*

As at June 30, 2026 and 2025, the carrying amount of the investments in STI Marikina and STI Accent amounted to nil. The Group received dividends from STI Marikina which were recognized as income amounting to ₱1.8 million, ₱1.5 million and ₱1.2 million for the years ended June 30, 2026, 2025 and 2024, respectively.

Provision for impairment on investment in joint venture for the year ended June 30, 2024 amounted to ₱1.7 million (see Notes 13 and 25). There were no movements in the allowance for impairment in value of investments in associates and joint venture for the years ended June 30, 2026 and 2025. In June 2026, the BOD of STI ESG approved the write-off of advances to STI Accent aggregating ₱48.1 million.

Information about the associates is discussed below:

STI Accent. STI Accent is engaged in providing medical and other related services. It ceased operations on June 20, 2012 after the contract of usufruct between STI Accent and Dr. Fe Del Mundo Medical Center Foundation Philippines, Inc. to operate the hospital and its related healthcare service businesses was rescinded in May 2012. As at June 30, 2026 and 2025, allowance for impairment loss on the Parent Company's investment in STI Accent and related advances amounted to nil and ₱48.1 million, respectively. In June 2026, the Board of Directors of STI ESG approved the write-off of the related advances to STI Accent aggregating ₱48.1 million.

Others. The carrying amount of the Group's investments in GROW and PHEI represents the aggregate carrying values of individually immaterial associates.

The aggregate financial information of individually immaterial associates are as follows:

	2026	2025	2024
Current assets	**₱249,691,000**	₱225,645,221	₱188,843,745
Noncurrent assets	**41,188,510**	39,536,165	36,129,515
Current liabilities	**(124,962,079)**	(114,288,787)	(101,648,317)
Noncurrent liabilities	**(23,315,304)**	(18,376,458)	(12,207,467)
Equity	**₱142,602,127**	₱132,516,141	₱111,117,476

	2026	2025	2024
Revenues	**₱562,502,415**	₱495,713,767	₱389,594,161
Expenses	**(543,444,138)**	(473,231,266)	(377,531,625)
Total comprehensive income	**19,058,277**	22,482,501	12,062,536
Share in total comprehensive income	**₱3,017,978**	₱3,609,544	₱2,009,402

Terms and conditions relating to advances to associates and joint venture are disclosed in Note 30 to the consolidated financial statements.

13. Interest in Joint Venture

On March 19, 2004, STI ESG, together with the University of Makati (UMak) and another shareholder, incorporated PHEI in the Philippines. STI ESG and UMak each own 40.0% of the equity of PHEI with the balance owned by another shareholder. PHEI was envisioned as the College of Nursing of UMak.

The following were certain key terms under the agreement signed in 2003 by STI ESG and UMak:

a. STI ESG shall be primarily responsible for the design of the curriculum for the Bachelor's Degree in Nursing (BSN) and Master's Degree in Nursing Informatics, with such curriculum duly approved by the University Council of UMak;

b. UMak will allow the use of its premises as the campus of BSN while the premises of iACADEMY will be the campus of the post graduate degree; and

c. STI ESG will recruit the nursing faculty while UMak will provide the faculty for basic courses that are non-technical in nature.

On October 2, 2023, the BOD of PHEI approved the cessation of its school operations effective December 31, 2023.

The BOD of STI ESG, in its February 27, 2024 meeting, approved the termination of the Joint Venture Agreement (JVA) between STI ESG and the University of Makati. The BOD of STI ESG also directed the amendment of the Articles of Incorporation of PHEI for the purpose of shortening the corporate life of PHEI.

In a meeting of the BOD and the stockholders of PHEI held on March 3, 2025, it was agreed to shorten PHEI's corporate life to June 30, 2026. On June 30, 2025, the SEC approved the amendment of the Articles of Incorporation of PHEI stating that the term of existence of PHEI is until June 30, 2026.

STI ESG recognized a provision for impairment of its investment in a joint venture amounting to ₱1.7 million for the year ended June 30, 2024. No impairment was recognized for the years ended June 30, 2026 and 2025. The cost of STI ESG's investment in PHEI amounted to ₱5.0 million while its carrying value amounted to ₱2.3 million as at June 30, 2026 and 2025 (see Note 12).

The Group's share in the net losses of its joint venture amounted to ₱98.2 thousand, ₱33.1 thousand and ₱71.7 thousand for the years ended June 30, 2026, 2025 and 2024, respectively.

14. Equity Instruments at Fair Value through Other Comprehensive Income (FVOCI)

	2026	2025
Quoted equity shares	**₱14,615,860**	₱12,428,646
Unquoted equity shares	**26,120,895**	61,220,510
	₱40,736,755	₱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.

Disposal of Investment in De Los Santos Medical Center, Inc. (DLSMC). On May 16, 2026, STI ESG sold its entire investment (DLSMC) consisting of 57,972 common shares to MPHC for a total consideration of ₱39.5 million, equivalent to ₱681.49 per share, pursuant to Deeds of Absolute Sale (the Deeds). MPHC paid 85% of the purchase price aggregating to ₱33.6 million upon execution of the Deeds, while the remaining balance amounting to ₱5.9 million was paid in July 2026, upon completion of the conditions specified in the Deeds.

Accordingly, upon disposal of the investment, STI ESG transferred the cumulative unrealized fair value gain of ₱13.6 million, previously recognized in other comprehensive income, to retained earnings. Capital gains taxes arising from this transaction totaling to ₱2.0 million were paid by STI ESG while documentary stamp taxes aggregating to ₱43.5 thousand were settled by MPHC in accordance with the provisions of the sale agreements. The carrying value of the investment in DLSMC amounted to ₱35.1 million as at June 30, 2025 (nil as at June 30, 2026).

STI ESG recognized dividend income from unquoted equity shares at FVOCI amounting to ₱3.3 million, ₱2.2 million and ₱1.1 million for the years ended June 30, 2026, 2025 and 2024, respectively.

The rollforward analysis of the "Unrealized fair value adjustment on equity instruments at FVOCI" account (gross of noncontrolling interest) follows:

	2026	2025
Balance at beginning of year	**₱17,617,852**	₱20,639,320
Unrealized fair value adjustment on equity instruments at FVOCI	**6,594,937**	(3,021,468)
Realized fair value gain on disposal of equity instruments at FVOCI	**(13,564,537)**	**–**
Balance at end of year (see Note 20)	**₱10,648,252**	₱17,617,852

15. Goodwill, Intangible and Other Noncurrent Assets

	2026	2025
Advances to suppliers	**₱468,836,682**	₱377,556,593
Goodwill	**252,310,422**	252,310,422
Rental and utility deposits (see Note 28)	**32,862,601**	33,098,754
Intangible assets - net	**28,172,543**	34,157,601
Prepaid taxes - net of current portion	**24,901,263**	22,613,470
Deposit for asset acquisition	**12,500,000**	–
Deposit for purchase of shares	**–**	60,484,800
Others	**7,462,242**	6,479,581
	₱827,045,753	₱786,701,221

Advances to Suppliers

As at June 30, 2026 and 2025, advances to suppliers primarily represent payments made in advance for the (1) design and construction of STI Academic Center Alabang, (2) design and construction of STI Academic Center Tanauan, (3) design and set-up of the new enrollment system, and (4) implementation and subscription costs for the new financial system. The balance as at June 30, 2026 includes advance payments for the construction of STI Academic Center Meycauayan, fit-out of the 11th floor of the iACADEMY Nexus building, construction of an additional sewage treatment plant for STI WNU and purchase of various school equipment. The related costs for these projects, except for the enrollment

and financial system, will be recognized under "Property and Equipment" as construction progresses, or when the goods are received, or services are rendered (see Note 10).

The enrolment system is currently undergoing pilot testing in selected schools, with a phased rollout across the STI ESG network scheduled to commence within SY 2026-2027. The financial system is presently in the User Acceptance Testing (UAT) phase and is expected to be implemented in early 2027. The related expenditures form part of STI ESG's digital transformation capital expenditures and are currently presented as noncurrent advances to suppliers pending completion of the related implementation milestones.

As at June 30, 2025, advances to suppliers included payments for the (1) rehabilitation of STI WNU's university gymnasium, solar panels for STI WNU's SBE and Engineering buildings, (2) isolation and acoustic treatment of iACADEMY's sound room, (3) installation of iACADEMY's outdoor LED wall, and (4) renovation of the Cintiq and Multimedia Arts laboratory, and major repairs to the concrete overhead tank at iACADEMY Plaza Buendia. The related costs for these projects were recognized under "Property and Equipment" when the goods were received, or services were completely rendered (see Note 10).

Goodwill

As at June 30, 2026 and 2025, the Group's goodwill acquired through business combinations have been allocated to certain schools which are considered as separate CGUs:

	Amount
STI Caloocan	₱64,147,877
STI Cubao	28,327,670
STI Alabang (see Note 39)	23,023,960
STI Pasay-EDSA	22,292,630
STI Novaliches	21,803,322
STI WNU	15,681,232
STI Global City	11,360,085
STI Sta. Mesa	11,213,342
STI Lipa	8,857,790
STI Ortigas-Cainta	7,476,448
NAMEI	6,962,343
STI Dagupan	6,835,818
STI Meycauayan	5,460,587
STI Tanauan	4,873,058
STI Las Piñas	2,922,530
STI Batangas	2,585,492
STI Kalibo	2,474,216
STI Naga	2,305,368
STI Sta. Maria	1,776,696
STI Calbayog	1,325,721
STI Dumaguete	604,237
	₱252,310,422

Management performs its impairment test at the end of each reporting period for all the CGUs. The recoverable amounts are computed based on value-in-use calculations using cash flow projections. Future cash flows are discounted using a pre-tax rate of 12.3% as at June 30, 2026 and ranging from 11.9% to 12.7% as at June 30, 2025. The cash flow projections are based on a five-year financial planning period as approved by senior management. Management used forecasted revenue increase

ranging from 0.47% to 63.95% and 1.53% to 54.19% in June 2026 and 2025, respectively, for the next five years. For certain CGUs, management used forecasted revenue decreases ranging from 0.16% to 20.37% and 1.05% to 23.49% in June 2026 and 2025, respectively, for the next two years. The long-term growth rate applied beyond the five-year forecast is 5.00% in June 2026 and 2025. The Group recognized a provision for impairment on goodwill amounting to ₱14.3 million for the year ended June 30, 2024 (see Note 25). No impairment was recognized for the years ended June 30, 2026 and 2025.

Key assumptions used in the value-in-use calculations
The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Forecasted revenue growth – Revenue forecasts are management's best estimates considering factors such as historical/industry trends, target market analysis, government regulations and other economic factors. Revenue forecast of each CGU is primarily dependent on the number of students enrolled and tuition fee rates, which vary for each school.

- Long-term growth rate – Rates are based on published industry research.

- Discount rate – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC. The Group used the WACC rate as affected by the beta of companies with similar activities and capital structure with the CGUs. WACC is driven by cost of equity and debt which consider lending rates with a tenor of 10 years to consider both liquidity and risk.

Sensitivity to changes in assumptions
With regard to the assessment of value-in-use of the CGUs, management believes that a reasonably possible change in the assumptions would not cause the carrying values of the CGUs to materially exceed their recoverable amounts.

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.

Intangible Assets
Intangible assets substantially pertain to the license to operate a maritime school which the Group identified as intangible assets for purposes of estimating the fair value of the net assets acquired. Such intangible assets with indefinite useful life, representing the fair value of the license and agreements, amounted to ₱27.6 million as at June 30, 2026 and 2025.

This account also includes the Group's accounting and payroll software as at June 30, 2026 and 2025.

The rollforward analyses of this account follow:

	2026	2025
Cost, net of accumulated amortization:		
Balance at beginning of year	**₱34,157,601**	₱40,778,815
Additions	**265,940**	–
Amortization (see Notes 23 and 25)	**(6,250,998)**	(6,621,214)
Balance at end of year	**₱28,172,543**	₱34,157,601
Cost	**₱115,235,274**	₱114,969,334
Accumulated amortization	**(87,062,731)**	(80,811,733)
Net carrying amount	**₱28,172,543**	₱34,157,601

Prepaid Taxes
Noncurrent portion of prepaid taxes pertains to the creditable withholding taxes of the Parent Company which are not expected to be utilized in the near term and will be deductible from income tax due beyond one year from the end of the fiscal year (see Note 8).

Deposit for Asset Acquisition
Deposit for asset acquisition pertains to the 25.0% downpayment paid by Philippine School of Business Administration- Manila, Inc. to PSBA Manila and PSBA Quezon City for the purchase of school related assets, including CHED and DepEd permits and licenses, used in the operations of PSBA Manila and PSBA Quezon City (see Notes 1 and 39).

Deposit for Purchase of Shares
On June 17, 2026, STI ESG completed its acquisition of 100% of the outstanding shares of PHI from TCAMI. Accordingly, the deposit for purchase of shares amounting to ₱60.5 million, previously presented under "Goodwill, intangible and other noncurrent assets", was applied against the acquisition cost and recognized as part of "Investment properties" (see Notes 11, 30 and 38).

16. Accounts Payable and Other Current Liabilities

	2026	2025
Accounts payable (see Note 30)	**₱498,218,709**	₱523,015,333
Accrued expenses:		
School activities, programs and other related expenses	**97,956,766**	77,664,477
Contracted services	**86,688,772**	59,931,816
Salaries, wages and benefits	**64,890,285**	59,148,021
Interest	**21,053,901**	38,606,956
Utilities	**22,596,165**	17,943,317
Advertising and promotion	**7,503,187**	5,369,064
Rent (see Note 28)	**228,108**	203,108
Insurance	**52,341**	2,533,309
Others	**4,017,207**	6,756,579
Excess payments for refund	**76,886,985**	57,159,921
Statutory payables	**35,272,204**	33,797,160
Dividends payable (see Note 20)	**32,964,149**	32,395,700
Network events fund	**29,343,829**	24,387,481
Student organization fund	**14,671,795**	20,970,989
Nontrade payable (see Note 33)	**17,000,000**	17,000,000
Current portion of refundable deposits (see Note 19)	**19,243,531**	7,670,529
Current portion of advance rent (see Note 19)	**16,781,886**	4,382,575
Others	**7,929,458**	7,135,992
	₱1,053,299,278	₱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 June 30, 2025, this account included the remaining balance of ₱102.1 million for the acquisition of a parcel of land in Alabang, Muntinlupa City. This amount was settled in full on its due date on February 2, 2026 (see Note 10).

b. Accrued expenses, student organization fund, network events fund and other payables are expected to be settled within the next fiscal year.

c. Excess payments for refund represent excess payments made by students, arising from overpayments, sponsorship adjustments, or approved scholarships. These amounts are recognized as a liability and will remain as such until the necessary documentation to initiate the refund process is received. The refund is expected to be settled within the next fiscal year.

d. Statutory payables primarily include taxes payable and other payables to government agencies which are normally settled on or before the respective due dates, typically within 5 to 30 days following the end of the taxable month or quarter, in accordance with BIR regulations.

e. Dividends payable pertain to dividends declared which are unclaimed as at reporting date and are due on demand.

f. Nontrade payable pertains to a contingent consideration in relation to the acquisition of STI WNU. As at June 30, 2026 and 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 33). As at October 13, 2026, STI WNU has not collected the said receivables and no feedback has been received from the Agustin Family.

g. Current portion of refundable deposits pertain to security deposits from existing lease agreements which are expected to be settled within the next fiscal year.

h. Current portion of advance rent pertains to amount received by the Group which will be earned and applied within the next fiscal year.

i. Terms and conditions of payables to related parties are disclosed in Note 30 to the consolidated financial statements.

17. **Interest-bearing Loans and Borrowings**

This account consists of:

	2026	2025
Term loans[(a)]	**₱1,026,276,450**	₱1,726,332,830
Less current portion	**341,843,371**	580,267,162
Noncurrent portion	**₱684,433,079**	₱1,146,065,668

[(a)]Net of unamortized debt issuance costs of ₱7.1 million and ₱11.4 million as at June 30, 2026 and 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 of up to ₱1,000.0 million. The 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, and (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) and 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 commenced 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 semi-annual basis equivalent to 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 repriceable 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 repriceable 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.

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% 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.

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 and March 18, 2026 at the rates of 7.0588% per annum and 6.6607% per annum, respectively. Interest rate was repriced at 7.5344% effective September 18, 2026.

These outstanding loans are unsecured and are due based on the following schedule as at June 30, 2026:

Fiscal Year	Amount
2027	₱144,444,444
2028	144,444,444
2029	144,444,445
	₱433,333,333

The breakdown of STI ESG's Term Loan with BPI is as follows:

	2026	2025
Balance at beginning of year	**₱577,777,778**	₱500,000,000
Proceeds	**–**	200,000,000
Payments	**(144,444,445)**	(122,222,222)
Balance at end of year	**433,333,333**	577,777,778
Deferred finance cost	**(2,986,160)**	(4,086,412)
Balance at end of year	**430,347,173**	573,691,366
Less current portion	**143,344,193**	143,344,193
Noncurrent portion	**₱287,002,980**	₱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.

On September 18, 2024 and March 18, 2025, STI ESG settled the principal payments due under its BPI Term Loan facility amounting to ₱50.0 million and ₱72.2 million, respectively. STI ESG subsequently settled additional principal payments of ₱72.2 million each on September 18, 2025 and March 18, 2026. In addition, STI ESG made a principal payment amounting to ₱72.2 million on September 18, 2026, 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 was fully drawn by STI ESG, and (iii) the date the total facility was terminated or cancelled in accordance with the terms of the Term Loan Agreement.

STI ESG received from BPI an Indicative Term Sheet dated October 2, 2026 which was conformed to by STI ESG on October 12, 2026. The Indicative Term Sheet is for a Medium-Term Loan Facility of up to ₱500 million and is available for full drawdown or staggered amounts within one year from signing of the relevant loan agreement. The parameters set in the Indicative Term Sheet are substantially the same as the terms and conditions under the previous Term Loan Agreement except for the addition of a one-year grace period from date of initial drawdown for principal repayment.

Financial Covenants. The Term Loan Agreement prescribes that the following financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio not exceeding 2.50:1.00, computed by dividing Total Debt over total Equity of STI ESG.
2. Debt Service Cover Ratio (DSCR) of at least 1.05x, which is the ratio between (a) the EBITDA based on the latest Financial Statements, and (b) Debt Service.

The term "Total Debt" means the aggregate (as of the relevant date for calculation) of all interest-bearing indebtedness of STI ESG, and the term "Equity" means the sum of capital stock (common and preferred stocks), additional paid-in capital, deposit for future subscriptions, retained earnings (appropriated and unappropriated) and shareholders' advances that are intended to be infused as capital stock, as shown in the applicable financial statements of STI ESG, provided that preferred stocks shall only be considered as part of capital stock if the said preferred stocks do not earn interest.

Debt Service means the principal amortizations, interest payments and financing fees and charges falling due for the next twelve (12) months following the end of STI ESG's fiscal year. Debt Service and EBITDA shall be based on the latest audited consolidated financial statements of STI ESG and its subsidiaries.

STI ESG's D/E ratio and DSCR, as defined in the Term Loan Agreement with BPI are as follows:

	2026	2025
Total liabilities [(a)]	**₱1,844,839,899**	₱2,543,038,843
Total equity	**9,935,678,624**	8,390,859,797
D/E ratio	**0.19:1.00**	0.30:1.00

(a) *Including only all interest-bearing Indebtedness*

	2026	2025
EBITDA [(b)]	**₱2,424,638,312**	₱2,588,988,487
Total interest-bearing liabilities [(c)]	**1,270,655,831**	762,528,616
DSCR [(d)]	**1.91:1.00**	3.40:1.00

(b) *EBITDA for the last twelve months*

(c) *Total interest-bearing debts and interests due in the next twelve months*

The classification of STI ESG's 10-year series of bonds, due in March 2027, under current liabilities resulted in a lower DSCR as at reporting date. As at June 30, 2026 and 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 ₱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 ten (10) consecutive installments based on a semi-annual amortization schedule which commenced 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 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 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 (BVAL) 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 with 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 6.7583% per annum and 7.0517% per annum effective March 18, 2026 and September 18, 2025, respectively, compared to 7.8135% per annum and 7.4213% per annum effective September 18, 2024 and March 18, 2025, respectively. The proceeds of this loan were used to partially finance the full redemption of the 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 June 30, 2026:

Fiscal Year	Amount
2027	₱200,000,000
2028	200,000,000
2029	200,000,000
	₱600,000,000

The breakdown of STI ESG's Term Loan with Metrobank is as follows:

	2026	2025
Balance at beginning of year	**₱800,000,000**	₱1,000,000,000
Payments	**(200,000,000)**	(200,000,000)
Balance at end of year	**600,000,000**	800,000,000
Deferred finance cost	**(4,070,723)**	(5,571,546)
Balance at end of year	**595,929,277**	794,428,454
Less current portion	**198,499,178**	198,499,178
Noncurrent portion	**₱397,430,099**	₱595,929,276

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 has been 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.

STI ESG made principal repayments under its Metrobank Term Loan facility amounting to ₱100.0 million each on September 18, 2024 and March 18, 2025. On September 18, 2025 and March 18, 2026, STI ESG settled principal payments amounting to ₱100.0 million each under the same facility with Metrobank. Subsequently, STI ESG fully settled the remaining balance of the term loan facility with Metrobank through principal payment of ₱600.0 million on September 18, 2026.

Following the expiration of the availability period of the previous Term Loan Agreement on December 31, 2025, STI ESG entered into a new unsecured five-year term loan agreement with Metrobank on February 26, 2026, for an aggregate principal amount of up to ₱2,000.0 million. The credit facility is available for drawdown until December 31, 2026. Proceeds from the new term loan may be used to finance campus expansion projects, property and/or school acquisitions, and other general corporate purposes. The new term loan likewise provides for an interest rate based on the higher of the relevant six-month BVAL Curve rate plus a spread of 1.50% per annum, or the BSP ORRP Rate plus a spread of 0.50% per annum. The loan is repayable in ten (10) equal or nearly equal semi-annual installments commencing six (6) months from the date of initial drawdown, with the final installment due on the applicable maturity date. Each borrowing matures five (5) years from its respective drawdown date. Where there is more than one borrowing, repayment dates occur semi-annually and coincide with the applicable interest payment dates, with the amortization of each borrowing adjusted to ensure full repayment by its respective maturity date. Interest is payable semi-annually, with each interest period having a duration of six (6) months from the date of borrowing and every semi-annual period thereafter.

Except for the purpose, tenor, availability period, and pricing benchmark of the new term loan facility, the other terms and conditions, and financial covenants of the new credit facility remain substantially the same as those under the previous Term Loan Agreement (please refer to the preceding discussion). As at October 13, 2026, STI ESG has not drawn from this new Term Loan Facility.

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 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 debts/obligations of STI ESG that are due/payable in the next fiscal year, computed and determined in accordance with generally accepted accounting principles and practices in the Philippines.

STI ESG's D/E ratio and DSCR, as defined in the Term Loan Agreement with Metrobank, are as follows:

	2026	2025
Total liabilities [(a)]	**₱3,033,837,434**	₱3,716,786,223
Total equity	**9,935,678,624**	8,390,859,797
D/E ratio	**0.31:1.00**	0.44:1.00

(a) Excluding unearned tuition and other school fees

	2026	2025
EBITDA [(b)]	**₱2,424,638,312**	₱2,588,988,487
Total interest-bearing liabilities [(c)]	**1,270,655,831**	762,528,616
DSCR [(d)]	**1.91:1.00**	3.40:1.00

(b) EBITDA for the last twelve months
(c) Total interest-bearing debts and interests due in the next twelve months

The classification of STI ESG's 10-year series of bonds, due in March 2027, under current liabilities resulted in a lower DSCR as at reporting date. As at June 30, 2026 and 2025, STI ESG is in compliance with the Metrobank loan covenants. The loans under the original Term Loan Agreement with Metrobank were fully settled in September 2026.

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 up to ₱1,200.0 million. The credit facility was unsecured and was 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 provided for a grace period in principal repayments

of two (2) years from the initial drawdown date. Principal repayments were 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 had the option, on any Interest Resetting Date and upon serving a written notice, to fix the interest rate for the remaining period of the loan based on the higher of the 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 was 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 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 loans aggregating to ₱400.0 million subject to an interest rate of 5.81% per annum. As at July 31, 2020, the Term Loan Facility was fully drawn at ₱1,200.0 million. The proceeds from these loans were used for capital expenditures and working capital requirements. Interest rates for all drawdowns from the Term Loan Facility were repriced at the rates of 8.0472% per annum and 7.8749% effective September 19, 2023 and 2024, respectively. Starting from September 19, 2025, the interest rate was adjusted to 7.1577% per annum.

Provided that no event of default has occurred and is continuing, STI ESG may prepay, after the second (2nd) anniversary date of the initial drawdown, all or part of the loan, together with the accrued interest and other charges accruing thereon up to the date of prepayment. Prepayments shall not be subject to any penalties if made on an interest rate resetting date. Otherwise, STI ESG shall pay the prepayment premium based on the principal amount to be prepaid (i) from the 2nd anniversary date of the Initial Drawdown up to the 5th anniversary date of the Initial Drawdown subject to prepayment penalty at 103%; (ii) after the 5th anniversary date of the Initial Drawdown until one business day before the loan maturity date at 100% of the prepaid amount.

The embedded floating interest rate and prepayment option on the loan drawdown with China Bank was assessed as clearly and closely related to the loan, thus, not for bifurcation.

The outstanding loans as at June 30, 2025 were unsecured and due based on the following schedule:

Fiscal Year	Amount
2026	₱240,000,000
2027	120,000,000
	₱360,000,000

The movements in STI ESG's term loan with Chinabank were as follows:

	2026	2025
Balance at beginning of year	**₱360,000,000**	₱600,000,000
Repayments	**(360,000,000)**	(240,000,000)
Balance at end of year	**–**	360,000,000
Deferred finance cost	**–**	(1,786,990)
Balance at end of year	**–**	358,213,010
Less current portion	**–**	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% 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 1.5% 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 1.5% 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 settled principal payments of ₱120.0 million each under the same Term Loan facility with Chinabank. On March 19, 2026, STI ESG fully settled the outstanding principal balance of its Term Loan facility with Chinabank aggregating to ₱240.0 million.

Financial Covenants. Under the Agreement, STI ESG was required to comply with certain financial covenants, which were 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 its 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 excluded Unearned Tuition and Other School Fees, and

2. Debt Service Cover Ratio (DSCR) of a minimum of 1.05x, representing the ratio of EBITDA to Debt Service.

"Total Liabilities" referred to, 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" referred to, 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 with Chinabank, STI ESG was required to comply with certain financial covenants, including the prescribed D/E and DSCR requirements, which were tested semi-annually as at June 30 and December 31 of each year. As at June 30, 2025, STI ESG complied with all covenant requirements under the agreement, with a D/E ratio of 0.44:1.00 and a DSCR of 3.40:1.00, as defined in the loan agreement. The related term loan facility was fully settled in March 2026. Accordingly, the related financial covenant requirements were no longer applicable as at June 30, 2026.

Corporate Notes Facility

In 2014, STI ESG entered into a Corporate Notes Facility Agreement with Chinabank for up to ₱3,000.0 million. From this facility, STI ESG drew ₱1,200.0 million in 2015, while STI WNU, Inc. drew ₱300.0 million under an accession agreement. The proceeds were used for capital expenditures and general corporate purposes.

STI ESG settled ₱30.0 million of principal in March 2023 and, on September 19, 2023, paid the remaining principal balance of ₱80.0 million in full. The unamortized premium of ₱3.1 million as of that date was derecognized and recorded as "Gain on early extinguishment of loan" in the consolidated statement of comprehensive income for the year ended June 30, 2024.

iACADEMY. On September 28, 2017, iACADEMY entered into an Omnibus Loan and Security Agreement (Omnibus Agreement) with Chinabank granting iACADEMY a Term Loan Facility amounting to ₱800.0 million to refinance its ₱200.0 million short-term loan and partially finance the cost of construction of iACADEMY's Yakal campus.

iACADEMY settled the regular principal amortization amounting to ₱40.0 million on September 29, 2023. On March 7, 2024, Chinabank approved iACADEMY's request for a partial principal prepayment amounting to ₱40.0 million and the waiver of the 3.0% prepayment penalty. Subsequently, iACADEMY made a partial prepayment amounting to ₱ 40.0 million on March 29, 2024. The prepayment was applied in the inverse order of maturity according to the repayment schedule. The regular principal amortization of ₱40.0 million was also settled on March 29, 2024. On June 24, 2024, Chinabank approved iACADEMY's request to fully prepay the term loan and the waiver of the 3.0% prepayment penalty. On June 28, 2024, iACADEMY fully paid the ₱20.0 million loan balance.

Interest Expense

Interest incurred on the loans (including amortization of debt issuance costs) amounted to ₱99.2 million, ₱155.0 million and ₱103.3 million for the years ended June 30, 2026, 2025 and 2024, respectively (see Note 22).

18. **Bonds Payable**

This account consists of:

	2026[(1)]	2025[(2)]
Fixed-rate bonds due 2027	**₱820,000,000**	₱820,000,000
Less unamortized debt issuance costs	**1,436,551**	3,293,987
	₱818,563,449	₱816,706,013

[(1)] *Balance classified under current liabilities*
[(2)] *Balance classified under noncurrent liabilities*

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 or remain unchanged in the next 12 months.

A summary of the terms of STI ESG's issued and outstanding bonds is as follows:

Year Issued	Interest Payable	Term	Interest Rate	Principal Amount	Carrying Value		Features
					2026	2025	
2017	Quarterly	10 years	6.3756%	₱820,000,000	**₱818,563,449**	₱816,706,013	Callable from the 7th anniversary issue and every year thereafter until the 9th anniversary issue date

This 10-year bond series is due on March 23, 2027 at the principal amount of ₱820.0 million. As such, the carrying value of the bonds has been reclassified under current liabilities section in the statement of financial position as at June 30, 2026.

Covenants

The bonds provide certain restrictions and requirements with respect to, among others, changes 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 om 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 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 Accounting Standards."

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, 2026 and 2025 are as follows:

	2026	2025
Total liabilities [(a)]	**₱3,033,837,434**	₱3,716,786,223
Total equity	**9,935,678,624**	8,390,859,797
Debt-to-equity ratio	**0.31:1.00**	0.44:1.00

[(a)]Excluding unearned tuition and other school fees

	2026	2025
EBITDA [b]	**₱2,424,638,312**	₱2,588,988,487
Total interest payments[c]	**103,253,657**	173,181,158
Interest coverage ratio	**23.48:1.00**	14.95:1.00

[b] *EBITDA for the last twelve months*
[c] *Total interests due in the next twelve months*

As at June 30, 2026 and 2025, STI ESG is compliant 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 ₱1.4 million and ₱3.3 million at June 30, 2026 and 2025, respectively. Amortization of bond issuance costs amounting to ₱1.9 million, ₱1.7 million and ₱6.5 million for the years ended June 30, 2026, 2025 and 2024, respectively, were recognized as part of "Interest expense" account in the consolidated statements of comprehensive income.

Interest Expense
Interest expense (including amortization of bond issuance costs) associated with the bonds payable recognized in the consolidated statements of comprehensive income amounted to ₱54.1 million, ₱54.0 million and ₱151.0 million for the years ended June 30, 2026, 2025 and 2024, respectively (see Note 22).

19. Other Noncurrent Liabilities

	2026	2025
Refundable deposits - net of current portion (see Notes 16 and 30)	**₱6,059,327**	₱14,162,970
Advance rent - net of current portion (see Notes 16 and 30)	**6,047,741**	13,396,319
Deferred lease liability	**2,636,733**	2,424,852
Others	**162,108**	346,616
	₱14,905,909	₱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.

20. **Equity**

Capital Stock

Details as at June 30, 2026 and 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

The Parent Company's track record of registration of its securities are as follows:

	Number of Shares		Issue/
Date of Approval	Authorized	Issued	Offer Price
December 4, 2007[(a)]	1,103,000,000	307,182,211	₱0.50
November 25, 2011[(b)]	1,103,000,000	795,817,789	0.60
September 28, 2012[(c)]	10,000,000,000	5,901,806,924	2.22
November 7, 2012	10,000,000,000	2,627,000,000	0.90
November 28, 2012	10,000,000,000	273,000,000	0.90

[(a)] *Date when the registration statement covering such securities was rendered effective by the SEC.*
[(b)] *Date when the Parent Company filed SEC form 10-1(k) (Notice of Exempt Transaction) with the SEC in accordance with the Securities Regulation Code and its Implementing Rules and Regulations.*
[(c)] *Date when the SEC approved the increase in authorized capital stock.*

As at June 30, 2026 and 2025, the Parent Company has a total number of shareholders on record of 1,259 and 1,258, respectively.

Cost of Shares Held by a Subsidiary

This account represents 66.5 million shares and 432.4 million shares of STI Holdings owned by STI ESG with carrying values of ₱66.2 million and ₱430.5 million as at June 30, 2026 and 2025, respectively, which are treated as treasury shares in the consolidated statements of financial position.

On various dates during the fiscal year ended June 30, 2025, STI ESG sold an aggregate of 68.0 million shares of STI Holdings for a total consideration of ₱88.0 million, reducing its shareholding to 432.4 million shares. As a result, STI ESG's ownership interest in STI Holdings decreased from 5.05% as at June 30, 2024 to 4.37% as at June 30, 2025. These disposals of STI ESG's shares of 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 and December 2025, STI ESG sold an additional 185.0 million and 180.9 million shares of STI Holdings, respectively, for a total consideration of ₱277.5 million in the August transaction and ₱271.4 million for the December transaction. This further reduced STI ESG's shareholding from 432.4 million shares to 66.5 million shares, decreasing STI ESG's ownership interest in STI Holdings from 4.37% to 0.67% as at June 30, 2026. These disposals of STI ESG's shares in STI Holdings resulted in additional paid-in capital aggregating to ₱184.6 million, presented in the consolidated statement of changes in equity for the year ended June 30, 2026.

Dividends received by STI ESG related to STI Holdings shares amounting to ₱3.7 million, ₱21.5 million and ₱15.0 million for the years ended June 30, 2026, 2025 and 2024, respectively, were offset against the dividends declared as shown in the consolidated statements of changes in equity.

Other Comprehensive Income and Non-controlling Interests

	2026		
	Attributable to Equity Holders of the Parent Company	**Non-controlling interests**	**Total**
Cumulative actuarial gain (see Note 27)	**₱51,938,800**	**₱122,718**	**₱52,061,518**
Fair value changes in equity instruments at FVOCI (see Note 14)	**10,672,964**	**(24,712)**	**10,648,252**
Share in associates' other comprehensive income (see Note 12)	**321,455**	**7,851**	**329,306**
	₱62,933,219	**₱105,857**	**₱63,039,076**

	2025		
	Attributable to Equity Holders of the Parent Company	Non-controlling interests	Total
Cumulative actuarial gain (see Note 27)	₱78,504,031	₱585,812	₱79,089,843
Fair value changes in equity instruments at FVOCI (see Note 14)	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

	2024		
	Attributable to Equity Holders of the Parent Company	Non-controlling interests	Total
Cumulative actuarial gain (see Note 27)	₱44,378,717	₱70,052	₱44,448,769
Fair value changes in equity instruments at FVOCI (see Note 14)	20,349,810	289,510	20,639,320
Share in associates' other comprehensive income (see Note 12)	321,455	7,851	329,306
	₱65,049,982	₱367,413	₱65,417,395

Equity attributable to non-controlling interests as at June 30, 2026 and 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 October 13, 2026 and June 30, 2026, STI Training Academy is completing the requirements for its application to increase its authorized capital stock

Dividends declared by subsidiaries to non-controlling interest owners amounted to ₱4.4 million, ₱6.2 million and ₱8.4 million for the years ended June 30, 2026, 2025 and 2024, respectively.

Retained Earnings

a. On December 12, 2025, the Parent Company's BOD approved the declaration of cash dividends amounting to ₱0.055 per share or the aggregate amount of ₱544.8 million in favor of all stockholders of record as at January 8, 2026. The cash dividends were paid on January 30, 2026.

On December 18, 2024, the Parent Company's BOD declared cash dividends amounting to ₱0.045 per share or the aggregate amount of ₱445.7 million in favor of all stockholders of record as at January 9, 2025, paid on January 31, 2025.

On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Parent Company's BOD in favor of all stockholders of record as at January 10, 2024, paid on January 31, 2024.

b. Consolidated retained earnings include retained earnings of subsidiaries amounting to ₱7,962.4 million and ₱6,206.3 million as at June 30, 2026 and 2025, respectively, which are not available for dividend declaration. The Parent Company's retained earnings available for dividend declaration, computed based on the guidelines provided in the SEC Memorandum Circular No. 16 of 2023, amounted to ₱2,010.7 million and ₱2,054.3 million as at June 30, 2026 and 2025, respectively.

Policy on Dividends Declaration. On September 29, 2017, the Parent Company's BOD adopted a policy on the declaration of dividends starting with Fiscal Year 2017-2018.

The BOD approved a dividend declaration policy of not less than 25.0% of the core income of STI Holdings from the previous fiscal year, subject to compliance with the requirements of applicable laws and regulations, statutory limitations and/or restrictions, terms and conditions which may be imposed on STI Holdings by lenders or other financial institutions, and its investment plans and financial condition.

Core income is defined as consolidated net income after income tax derived from STI Holdings' main business which is education, and other recurring income.

The amount of dividends will be reviewed periodically by the BOD in light of the earnings, financial conditions, cash flows, capital requirements and other considerations, while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Parent Company can operate on a standalone basis.

Dividends shall be declared and paid out of the Parent Company's unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, the BOD, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of the Parent Company's earnings, cash flow, return on equity and retained earnings;
- its results for and its financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- the projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on it by any of its financing arrangements and current or prospective debt service requirements; and
- such other factors as the BOD deems appropriate.

Other Equity Reserve

Other equity reserve primarily consists of equity adjustment amounting to ₱1.7 billion resulting from the share swap transaction of the Parent Company with the shareholders of STI ESG, as discussed in Note 1.



Other equity reserve also includes the impact of common control transactions and certain transactions with non-controlling interest holders such as merger of entities within the Group and acquisition of non-controlling interests.

21. Revenues

Disaggregated Revenue Information

The disaggregated revenue information is presented in the consolidated statements of comprehensive income and segment information, as discussed in Note 3 to the consolidated financial statements, in a manner that reflects the various sources and categories of revenues generated by the Group for the years ended June 30, 2026, 2025 and 2024.

Timing of Revenue Recognition

	2026	2025	2024
Services transferred over time	**₱5,352,344,190**	₱5,347,543,250	₱4,494,757,123
Goods and services transferred at a point in time	**193,355,358**	211,918,557	205,566,545
	₱5,545,699,548	₱5,559,461,807	₱4,700,323,668

Contract Balances

The Group's receivables are disclosed in Note 6 while the contract liabilities are presented as "Unearned tuition and other school fees" in the consolidated statements of financial position. The commencement of classes for the SHS and JHS programs of STI ESG and the rest of basic education programs of STI WNU for SY 2026–2027 on June 29, 2026 resulted in the recognition of related student receivables and unearned tuition and other school fees as at June 30, 2026 (see Note 6). The related revenue recognized up to June 30, 2026 was not material to the consolidated financial statements. There is no significant change in the contract liability and the timing of revenue recognition for SY2024-2025.

Revenue recognized from amounts included in the contract liabilities at the beginning of the period amounted to ₱242.8 million, ₱171.4 million and ₱141.1 million for the years ended June 30, 2026, 2025 and 2024, respectively.

There was no revenue recognized from performance obligations satisfied in previous years for the years ended June 30, 2026, 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 June 30, 2026 and 2025, the transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) which are expected to be satisfied within one year amounted to ₱601.5 million and ₱242.8 million, respectively.

The contract liabilities as at June 30, 2026 primarily represent the unearned portion of students' assessments for SY 2026-2027, which were initially recognized as contract liabilities at the commencement of the school year. The related revenues will be recognized over time as the educational services are rendered throughout the SY 2026-2027. The balance likewise includes advance collections of tuition and other school fees relating to school terms commencing after the reporting date and will likewise be recognized as revenues in the applicable school term(s) for SY 2026-2027. The contract liabilities as at June 30, 2025, on the other hand, primarily represented advance collections of tuition and other school fees for school terms commencing after June 30, 2025, and were subsequently recognized as revenues during SY 2025-2026 as the related performance obligations were satisfied.

The Group does not have any performance obligations that are expected to be satisfied in more than one year.

22. Interest Income and Interest Expense

Sources of interest income are as follows:

	2026	2025	2024
Cash and cash equivalents (see Note 5)	**₱70,838,315**	₱50,164,024	₱51,155,982
Past due receivables (see Note 6)	**14,458,899**	6,990,318	6,441,145
Others	**244,758**	240,006	80,587
	₱85,541,972	₱57,394,348	₱57,677,714

Sources of interest expense are as follows:

	2026	2025	2024
Interest-bearing loans and borrowings (see Note 17)	**₱99,193,094**	₱155,021,045	₱103,266,244
Bonds payable (see Note 18)	**54,137,356**	54,018,658	150,979,292
Lease liabilities (see Note 28)	**30,607,971**	35,448,863	34,666,187
Others	**2,365,078**	2,943,690	4,389,672
	₱186,303,499	₱247,432,256	₱293,301,395

23. **Cost of Educational Services**

	2026	2025	2024
Faculty salaries and benefits (see Note 26)	**₱658,997,580**	₱654,635,549	₱574,421,385
Depreciation and amortization (see Notes 10 and 15)	**492,954,808**	426,113,229	386,064,977
Student activities, programs and other related expenses	**313,870,931**	265,047,731	269,329,085
Infrastructure and software maintenance	**21,648,238**	21,304,831	18,255,351
School materials and supplies	**37,573,088**	32,251,055	31,585,338
Rental (see Note 28)	**24,026,575**	30,435,481	29,663,477
Courseware development costs	**1,909,342**	1,811,602	1,703,088
Others	**12,663,759**	4,521,774	7,229,680
	₱1,563,644,321	₱1,436,121,252	₱1,318,252,381

24. **Cost of Educational Materials and Supplies Sold**

	2026	2025	2024
Educational materials and supplies	**₱62,776,409**	₱80,542,724	₱88,654,988
Promotional materials	**12,484,551**	12,312,870	14,047,464
	₱75,260,960	₱92,855,594	₱102,702,452

25. **General and Administrative Expenses**

	2026	2025	2024
Salaries, wages and benefits (see Note 26)	**₱520,719,432**	₱487,138,819	₱467,261,558
Depreciation and amortization (see Notes 10, 11 and 15)	**287,178,483**	254,675,657	239,059,583
Light and water	**220,678,517**	228,236,672	182,352,592
Outside services	**185,477,958**	173,883,534	154,406,805
Professional fees	**126,857,946**	112,995,751	100,855,267
Provision for:			
Expected credit losses (see Note 6)	**91,440,983**	59,865,757	30,463,772
Inventory obsolescence (see Note 7)	**392,946**	325,461	1,013,523
Impairment of goodwill (see Note 15)	**–**	–	14,268,891
Impairment of investments in and advances to associates and joint venture (see Note 12)	**–**	–	1,650,340
Taxes and licenses	**67,451,099**	66,100,381	45,590,196

(Forward)

	2026	2025	2024
Repairs and maintenance	**₱,201,605**	₱49,702,249	₱46,823,774
Advertising and promotions	**39,291,493**	51,790,231	52,594,676
Transportation	**39,036,569**	43,680,573	39,313,699
Insurance	**25,027,969**	22,419,716	20,046,483
Meetings and conferences	**25,016,988**	26,662,858	24,218,836
Association dues	**15,991,229**	9,980,243	5,830,526
Entertainment, amusement and recreation	**14,205,897**	16,027,081	18,107,420
Office supplies	**13,683,267**	16,665,796	11,424,364
Communication	**12,175,112**	11,402,062	11,822,826
Rental (see Note 28)	**10,415,188**	12,967,330	12,468,643
Payment channels and bank charges	**9,926,065**	8,072,719	4,889,308
Infrastructure and software maintenance	**2,750,700**	2,830,223	8,492,904
Training and seminars	**2,171,363**	1,897,727	1,635,384
Subscriptions and affiliations	**2,651,077**	2,064,828	1,437,866
Others	**7,862,515**	7,455,691	2,519,479
	₱1,771,604,401	₱1,666,841,359	₱1,498,548,715

26. **Personnel Costs**

	2026	2025	2024
Salaries and wages (see Notes 23 and 25)	**₱1,008,714,775**	₱975,680,924	₱872,215,886
Pension expense (see Note 27)	**23,163,408**	23,282,647	43,751,131
Other employee benefits	**147,838,829**	142,810,797	125,715,926
	₱1,179,717,012	₱1,141,774,368	₱1,041,682,943

27. **Pension Plans**

The Group has separate funded and unfunded, noncontributory, defined benefit pension plans covering substantially all of its faculty members and regular employees. The benefits are based on the employees' salaries and length of service.

Under the existing regulatory framework, RA No. 7641 (Retirement Pay Law) requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Retirement benefits are payable in the event of termination of employment due to: (i) early, normal, or late retirement; (ii) physical disability; (iii) voluntary resignation; or (iv) involuntary separation from service. For plan members retiring under normal, early or late terms, the retirement benefit is equal to a percentage of final monthly salary for every year of credited service.

In case of involuntary separation from service, the benefit is determined in accordance with the Termination Pay provision under the Philippine Labor Code or similar legislation on involuntary termination.

The funds are administered by the trustee banks under the supervision of the Board of Trustees of the plan. The Board of Trustees is responsible for the investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (Investment policy). The Board of Trustees implements the Investment policy in accordance with the investment strategy as well as various principles and objectives.

On June 20, 2024, the BOD of STI ESG approved the "STI Education Services Group, Inc. Multi-Employer Retirement Plan (STI ESG Multi-employer Retirement Plan)". As at October 13, 2026, STI ESG is in the process of completing the necessary requirements to update its retirement plan registered with the BIR.

The following tables summarize the components of the Group's net pension expense recognized in the consolidated statements of comprehensive income for the years ended June 30, 2026, 2025 and 2024 and the net pension assets/liabilities recognized in the consolidated statements of financial position as at June 30, 2026, 2025 and 2024:

	2026	2025	2024
Pension expense (recognized under "Salaries, wages and benefits" account):			
Current service cost	**₱14,804,254**	₱13,256,195	₱13,129,593
Past service cost	**1,923,785**	1,344,442	21,903,585
Net interest cost	**6,435,369**	8,682,010	8,717,953
	₱23,163,408	₱23,282,647	₱43,751,131

	2026	2025	2024
Net pension liabilities (recognized in the consolidated statements of financial position):			
Present value of defined benefit obligations	**₱303,601,745**	₱283,036,032	₱255,917,521
Fair value of plan assets	**(177,635,918)**	(182,938,370)	(126,136,530)
	₱125,965,827	₱100,097,662	₱129,780,991

The Group offsets its pension assets and pension liabilities on a per company basis for presentation in the consolidated statements of financial position since pension assets are restricted for the settlement of pension liabilities only.

	2026	**2025**	2024
Changes in the present value of defined benefit obligations:			
Balance at beginning of year	**₱283,036,032**	₱255,917,521	₱219,785,836
Current service cost	**14,804,254**	13,256,195	13,129,593
Past service cost	**1,923,785**	1,344,442	21,903,585
Interest cost	**18,016,850**	17,145,296	13,703,300
Benefits paid	**(10,787,751)**	(15,602,136)	(4,229,091)
Actuarial loss (gain) on obligations:			
Deviations of experience from assumptions	**804,837**	929,252	8,413,738
Financial assumptions	**(4,196,262)**	10,045,462	(16,789,440)
Balance at end of year	**₱303,601,745**	₱283,036,032	₱255,917,521
Changes in the fair value of plan assets:			
Balance at beginning of year	**₱182,938,370**	₱126,136,530	₱79,986,514
Interest income	**11,581,481**	8,463,286	4,985,347
Contributions	**26,221,230**	14,489,495	10,034,827
Benefits paid	**(9,687,258)**	(15,602,136)	(4,229,091)
Actuarial gain (loss) on plan assets	**(33,417,905)**	49,451,195	35,358,933
Balance at end of year	**₱177,635,918**	₱182,938,370	₱126,136,530

The principal assumptions used in determining pension liabilities of the Group are shown below:

	2026	2025	2024
Discount rate	**6.46%-6.93%**	6.69%-6.74%	6.21%-6.22%
Future salary increases	**5.00%-8.00%**	3.00%-8.00%	4.00%-8.00%

As of June 30, 2026, the discount rate and future salary increase rate range from 6.93% to 6.94% and from 3.00% to 8.00%, respectively.

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The major categories of the Group's total plan assets as a percentage of the fair value of the total plan assets are as follows:

	2026	2025	2024
Cash and cash equivalents	**3%**	4%	0%
Short-term fixed income	**47%**	33%	49%
Investments in equity securities	**48%**	63%	50%
Investments in debt securities	**2%**	0%	1%
	100%	100%	100%

The plan assets of the Group are maintained by the respective Trust Departments of ATRAM Trust Corporation and Land Bank of the Philippines - Trust Banking Group, and Rizal Commercial Banking Corporation Trust and Investments Group (RCBC Trust).

Details of the Group's net assets available for plan benefits and their related market values are as follows:

	2026	2025
Cash	**₱4,672,218**	₱6,965,343
Short-term fixed income	**84,052,878**	60,537,388
Investments in:		
Equity securities	**85,959,738**	114,473,089
Government securities	**2,932,864**	961,773
Others	**18,220**	777
	₱177,635,918	₱182,938,370

Short-term Fixed Income. Short-term fixed income investment includes time deposits and special savings deposits.

Investments in Equity Securities. Investments in equity securities pertain to STI ESG's Retirement Fund investment in the shares of the Parent Company which has a fair value of ₱1.23 and ₱1.64 per share as at June 30, 2026 and 2025, respectively. As at June 30, 2026, total unrealized gains from investments in equity securities of a related party amounted to ₱1.4 million while unrealized gain of ₱30.1 million was recognized as at June 30, 2025.

Investments in Debt Securities. As at June 30, 2026 and 2025, STI ESG's investments in debt securities consist of Retail Treasury bonds (RTBs) maturing on October 20, 2026, with an interest rate of 6.25% per annum; while WNU's investments in medium and long-term fixed income include Philippine peso-denominated bonds, such as government securities, whose maturities range from one (1) to 15 years and interest rates ranging from 3.65% to 6.38%. These securities are fully guaranteed by the Government of the Republic of the Philippines.

Management performs an Asset-Liability Matching Study annually. The overall investment policy and strategy of the Group's defined benefit plans are guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The average duration of the defined benefit obligation of the entities in the Group as at June 30, 2026 ranges from 9 to 16 years.

Shown below is the maturity analysis of the undiscounted benefit payments as at June 30, 2026 and 2025:

	2026	2025
Less than one year	**₱110,365,202**	₱96,658,936
More than one year to five years	**102,899,765**	76,600,668
More than five years to ten years	**127,425,404**	142,187,430
More than ten years to fifteen years	**214,606,637**	210,238,780
More than fifteen years to twenty years	**283,937,349**	251,844,660
More than twenty years	**316,568,070**	307,647,879

The Group expects to contribute ₱11.2 million to its retirement fund in 2027.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions are held constant:

	Effect on Present Value of Define Benefit Obligation		
	2026	2025	2024
Discount rates			
Increase by 1%	**(₱16,172,318)**	(₱16,511,652)	(₱15,178,823)
Decrease by 1%	**19,447,227**	19,790,639	16,691,831
Future salary increases			
Increase by 1%	**19,640,382**	20,031,996	17,033,996
Decrease by 1%	**(16,862,857)**	(17,391,945)	(15,040,385)
Employee turnover			
Increase by 10%	**1,016,509**	2,471,499	1,874,012
Decrease by 10%	**(1,016,509)**	(2,471,499)	(1,874,012)

28. **Leases**

As Lessor

The Group entered into several lease agreements, as lessors, on their buildings and condominium units under operating lease agreements with varying terms and periods. Certain leases are subject to annual repricing based on a pre-agreed rate.

As discussed in Note 11, iACADEMY leases a building in Makati City. On September 6, 2022, iACADEMY entered into a sublease agreement with a third party on this leased building, particularly the ground floor unit 1 and the entirety of the second floor up to and including the roof deck of the building, for a period of five (5) years commencing on March 15, 2023, and ending on March 14, 2028. Beginning August 1, 2023, the subleased premises included the ground floor units 2 and 3. On March 7, 2025, iACADEMY and the third party executed a Termination Deed, pre-terminating the sublease agreement effective June 30, 2025. Under the Termination Deed, the security deposit and advance rentals were agreed to be forfeited in favor of iACADEMY. Accordingly, a gain on termination of the lease amounting to ₱51.7 million was recognized in profit or loss in the consolidated statement of comprehensive income for the year ended June 30, 2025. On July 31, 2025, the third party paid iACADEMY a total of ₱43.5 million in rental fees covering the period from July to December 2025, pursuant to the terms of the Termination Deed.

On April 29, 2021, a telecommunication company entered into a sublease contract with iACADEMY for the lease of a portion of the roof deck of the leased building for its cell site for a period of 8 years effective May 1, 2021 until April 30, 2029.

On August 8, 2025, iACADEMY entered into a sublease agreement with a third party on their leased building, particularly the ground floor unit 1 of the building for a period of three (3) years commencing on July 1, 2025 and expiring on June 30, 2028.

iACADEMY's sublease contracts with third parties have been subsequently assigned to the new owner of the leased building effective August 1, 2026 (see discussion under leases "As Lessee" section).

The Group also earns rental income from occasional use of the Group's properties primarily used for school operations such as auditorium, classrooms and gymnasiums.

Total rental income for the years ended June 30, 2026, 2025 and 2024 amounted to ₱149.1 million, ₱215.8 million and ₱197.9 million, respectively (see Notes 11 and 30).

The Group receives refundable deposits as security for its observance and faithful compliance with the terms and conditions of the lease agreements and advanced rental payment which will be applied on the last months of the lease. The current and noncurrent portion of advance rent and deposit liabilities are recorded under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" account, respectively, in the consolidated statements of financial position. These pertain to the advances and refundable deposits made by the respective lessees of iACADEMY and STI ESG (see Notes 16 and 19).

Future minimum rental receivable for the remaining lease terms as at June 30, 2026 and 2025 follows:

	2026	2025
Within one year	**₱119,668,584**	₱81,324,241
After one year but not more than five years	**107,742,147**	105,324,684
Total	**₱227,410,731**	₱186,648,925

As Lessee

The Group leases land and building spaces, where the corporate office and schools are located, under operating lease agreements with varying terms and periods ranging from 1 to 25 years. The lease rates are subject to annual repricing based on a pre-agreed rate. Certain transportation equipment were acquired under lease agreements with varying terms and periods ranging from 3 to 5 years.

Total rental expense charged to operations for the years ended June 30, 2026, 2025 and 2024 amounted to ₱34.4 million, ₱43.4 million and ₱42.1 million, respectively (see Notes 23 and 25).

The Group paid the lessors refundable deposits equivalent to several months of rental payments as security for their observance and faithful compliance with the terms and conditions of the agreement (see Note 15).

The following are the amounts recognized in the consolidated statements of comprehensive income:

	2026	2025	2024
Depreciation expense of right-of-use assets included in property and equipment and investment properties (see Notes 10 and 11)	**₱97,297,019**	₱89,781,986	₱88,752,980
Interest expense on lease liabilities (see Note 22)	**30,607,971**	35,448,863	34,666,187
Expenses relating to short-term leases (see Notes 23 and 25)	**31,317,334**	40,157,502	40,070,808
Variable lease payments (see Notes 23 and 25)	**3,124,429**	3,245,309	2,061,312
	₱162,346,753	₱168,633,660	₱165,551,287

The rollforward analysis of lease liabilities are as follows:

	2026	2025
Balance at beginning of year	**₱461,049,980**	₱490,073,264
Additions (see Note 10)	**113,854,580**	72,516,280
Interest expense (see Note 22)	**30,607,971**	35,448,863
Payments	**(128,860,307)**	(121,524,008)
Lease termination (see Note 10)	**(58,309,670)**	(15,464,419)
Balance at end of year	**418,342,554**	461,049,980
Less current portion	**95,451,360**	91,386,106
Noncurrent portion	**₱322,891,194**	₱369,663,874

STI ESG. STI ESG amended its original lease agreement for STI Laoag, a school owned and operated by STI ESG, which previously covered only parts of the leased building to now leasing the entire structure. The original lease agreement, which was set to expire on September 1, 2027, was effectively terminated and replaced with a revised lease agreement. The new lease agreement covers the lease of the entire building, with a monthly rental of ₱0.5 million for a five-year term ending in May 2029.

The termination of the previous lease resulted in the derecognition of the related ROU asset for the building, with a carrying value of ₱13.9 million. STI ESG likewise recognized a gain on termination of lease amounting to ₱1.6 million, representing the difference between the carrying value of the ROU asset and the lease liability as of the lease termination date. This gain is reported under "Other income (expenses)" in the Group's consolidated statement of comprehensive income for the year ended June 30, 2025. On the other hand, the new lease agreement for STI Laoag resulted in the recognition of an ROU Asset - Building amounting to ₱26.4 million. Similarly, STI ESG, entered into new lease agreements for STI Fairview and STI Puerto Princesa. The new lease agreements resulted in the recognition of an ROU asset - Building aggregating to ₱23.2 million (see Note 10).

Effective June 1, 2026, STI ESG renewed its lease agreement for its STI Sta Maria campus for another ten-year term ending May 31, 2036. The renewal resulted in the recognition of ROU asset - Building amounting to ₱76.6 million. In addition, STI Alabang entered into a new lease agreement for its campus for a two-year term commencing September 1, 2025 and ending August 31, 2027 and resulted in the recognition of ROU asset - Building amounting to ₱17.9 million (see Note 10). In addition, STI ESG renewed several other lease agreements which resulted in the recognition of ROU asset - Building aggregating ₱16.1 million (see Note 10) as at June 30, 2026.

STI ESG acquired the Calamba property in October 2025. As a result, the lease agreement covering the property was effectively terminated on October 30, 2025, when STI ESG became the owner of the underlying asset. Consequently, STI ESG derecognized lease liabilities amounting to ₱54.7 million and right-of-use asset with a carrying amount of ₱40.9 million, resulting in recognition of a gain on lease termination of ₱13.9 million for the year ended June 30, 2026 (see Note 10).

iACADEMY. On May 2, 2014, iACADEMY entered into a lease agreement with Metrobank Trust and Banking Group (MBTC-TBG) for a building along Sen. Gil J. Puyat Avenue for a period of 15 years and three months, subject to renewal upon mutual agreement. The annual rental is subject to 5% escalation every three years or the average of the Consumer Price Index for the last three years, whichever is higher. iACADEMY subleases the building to third parties. This is presented as right-of-use asset under "Investment properties" in the consolidated statements of financial position (see Note 11).

MBTC-TBG notified iACADEMY that the leased property had been sold pursuant to a Deed of Absolute Sale dated July 23, 2026, making the new owner the lessor of iACADEMY. On July 23, 2026, iACADEMY and the new owner entered into a lease termination agreement stating that the rental

billing to iACADEMY will be discontinued effective July 1, 2026.

In connection with the lease termination agreement, iACADEMY, the new owner, and the third-party lessees entered into a Deed of Assignment, under which iACADEMY transferred to the new owner all its rights and obligations under its sublease contracts. The new owner agreed to assume and honor the terms of the sublease contracts for the remainder of the respective sublease periods, with the consent of the third-party lessees. Effective August 1, 2026, all rental income from the third-party lessees shall accrue to the new owner.

Shown below is the maturity analysis of the undiscounted lease payments:

	2026	2025
Within one year	**₱128,617,737**	₱121,772,679
After one year but not more than five years	**279,714,698**	319,160,384
More than five years	**122,334,344**	138,779,577
Total	**₱530,666,779**	₱579,712,640

29. Income Tax

All domestic subsidiaries qualifying as private educational institutions are subject to tax under RA No. 8424, "An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes" which was passed into law effective January 1, 1998. Title II Chapter IV - Tax on Corporations - Sec 27(B) of the said Act defines and provides that: a "Proprietary Educational Institution" is any private school maintained and administered by private individuals or groups with an issued permit to operate from DepEd, CHED, or TESDA, as the case may be, in accordance with the existing laws and regulations and shall pay a tax of ten percent (10.0%) on its taxable income.

The Group is subject to preferential income tax rate of 10% (MCIT rate of 2%, as the case may be).

The components of recognized net deferred tax assets and net deferred tax liabilities are as follows:

	2026	2025
Deferred tax assets:		
Lease liabilities	**₱41,179,530**	₱45,024,095
Unearned tuition and other school fees	**22,579,143**	19,871,216
Allowance for expected credit losses	**16,311,191**	15,902,222
Pension liabilities	**10,345,287**	6,413,679
Excess of cost over net realizable value of inventories	**2,585,364**	2,546,070
Advance rent	**2,010,722**	1,608,818
Accrued interest on tax deficiency	**304,592**	54,798
NOLCO	**–**	2,007,515
	95,315,829	93,428,413
Deferred tax liabilities:		
Right-of-use assets	**(31,925,437)**	(34,038,498)
Excess of fair value over derecognized receivables	**(2,834,097)**	(2,933,057)
Intangible assets	**(2,762,187)**	(2,762,187)
Excess of rental under operating lease computed on a straight-line basis	**(1,261,494)**	(1,013,097)
Unamortized debt issue costs	**(745,348)**	(1,223,839)
Unrealized foreign exchange gain	**(24,402)**	(1,571)
	(39,552,965)	(41,972,249)
Net deferred tax assets	**₱55,762,864**	₱51,456,164

	2026	2025
Deferred tax liabilities:		
Excess of fair values over carrying values of net assets acquired in business combination	**(₱118,478,716)**	(₱119,253,306)
Right-of-use assets	**(1,400,159)**	(2,437,921)
	(119,878,875)	(121,691,227)
Deferred tax assets:		
Allowance for expected credit losses	**3,678,323**	2,577,223
Unearned tuition and other school fees	**2,593,074**	2,333,341
Unamortized past service cost	**2,296,573**	1,140,758
Pension liabilities	**2,237,777**	3,590,912
	10,805,747	9,642,234
Net deferred tax liabilities	**(₱109,073,128)**	(₱112,048,993)

Certain deferred tax assets of the Group were not recognized as at June 30, 2026 and 2025 as it is not probable that future taxable profits will be sufficient against which these can be utilized.

The following are the deductible temporary differences and unused NOLCO and MCIT for which no deferred tax assets were recognized:

	2026	2025
NOLCO	**₱164,471,025**	₱239,549,995
Lease liabilities	**6,547,248**	10,809,035
Allowance for impairment of investment in and advances to associates	**1,650,340**	49,784,880
MCIT	**1,175,707**	967,500
	₱173,844,320	₱301,111,410

As at June 30, 2026 and 2025, the Group did not recognize any deferred tax asset on the allowance for impairment on investment in associate and joint venture because management does not expect to generate enough capital gains against which these capital losses can be offset. The Group, likewise, did not recognize any deferred tax asset on the allowance for impairment losses on advances to associates and joint venture since no deduction is expected to be claimed upon actual write-off of these advances in the future.

The Group has incurred NOLCO for taxable years 2024, 2025 and 2026 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years as follows:

Year	Availment Period	Amount	Additions	Applied	Expired	Amount
2026	2027-2029	₱–	₱17,972,303	₱–	₱–	₱17,972,303
2025	2026-2028	38,185,278	39,800	–	–	38,225,078
2024	2025-2027	48,928,876	–	–	–	48,928,876
2023	2024-2026	34,597,656	–	6,104,369	28,493,287	–
		₱121,711,810	₱18,012,103	₱6,104,369	₱28,493,287	₱105,126,257

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Group has incurred NOLCO for the years ended June 30, 2022 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act as follows:

Year	Availment Period	Amount	Applied	Expired	Amount
2022	2023-2027	₱73,270,837	₱19,208,889	₱–	₱54,061,948
2021	2022-2026*	64,642,498	10,982,233	48,377,445	5,282,820
		₱137,913,335	₱30,191,122	₱48,377,445	₱59,344,768

**Availment period up to end of December 2026*

The Parent Company's MCIT which can be claimed as a deduction from future regular income tax due follows:

Year Incurred	Expiry Date	Amount
2026	2029	₱401,707
2025	2028	387,000
2024	2027	387,000
2023	2026	193,500
		1,369,207
Less expired		193,500
		₱1,175,707

The reconciliation of the provision for income tax on income before income tax computed at the effect of the applicable statutory income tax rate to the provision for income tax as shown in the consolidated statements of comprehensive income is summarized as follows:

	2026	2025	2024
Provision for income tax at statutory income tax rate	**₱558,264,580**	₱612,827,831	₱443,354,844
Income tax effects of:			
Interest income already subjected to final tax	**(17,709,579)**	(12,541,006)	(12,788,996)
Dividend income	**(1,447,888)**	(1,073,848)	(722,523)
Nondeductible expenses	**(1,931,518)**	2,997,148	3,814,998
Equity in net earnings of associates and joint venture	**(754,495)**	(902,386)	(502,351)
Royalty fees subjected to final tax	**–**	(5,324,349)	(4,328,739)
Difference in income tax rates and others	**(318,218,066)**	(360,267,928)	(263,758,854)
Provision for income tax	**₱218,203,034**	₱235,715,462	₱165,068,379

Others include income tax effect of change in unrecognized deferred tax assets and expired NOLCO and MCIT.

30. 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:

	Amount of Transactions during the Year			Outstanding Receivable (Payable)			
Related Party	**2026**	2025	2024	**2026**	2025	**Terms**	**Conditions**
Associates							
STI Accent							
Reimbursement for various expenses and other charges	**₱ –**	₱ –	₱ –	**₱ –**	₱48,134,540	30 days upon receipt of billings; noninterest-bearing	Unsecured; with provision for ECL
GROW							
Rental income and other charges	**787,934**	750,410	714,676	**5,956,967**	10,114,590	30 days upon receipt of billings	Unsecured; no impairment
Reimbursement for various expenses and other charges	**376,833**	389,415	174,079	**4,091,735**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	**77,600**	–	21,166	**(196,983)**	(119,383)	Refundable upon end of contract	Unsecured
STI Marikina							
Educational services and sale of educational materials and supplies	**16,550,802**	15,951,786	15,336,320	**346,626**	433,874	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Dividend income	**1,756,890**	1,464,075	1,171,260	**–**	–	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliates*							
TCAMI							
Deposit for purchase of shares of PHI	**342,747,200**	–	60,484,800	**–**	60,484,800	15% deposit; balance payable on the third anniversary of the share purchase agreement	Unsecured; no impairment
Purchase of shares of CHI	**–**	–	180,000,000	**–**	–	Full payment upon contract execution	Unsecured; no impairment
Reimbursement for various expenses - PHI	**4,080,600**	–	–	**(4,080,600)**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses - CHI	**28,086**	–	–	**(3,499,747)**	(3,471,661)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Philhealthcare, Inc.							
Facility sharing and other charges	**10,913,341**	332,557	6,692,230	**9,359,088**	16,578	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
HMO coverage other services	**26,196,586**	20,139,063	15,842,893	**–**	(159,921)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Refundable deposits	**1,092,090**	–	–	**1,092,090**	(1,950,480)	Refundable upon end of contract	Unsecured
Reimbursement for various expenses	**1,708,283**	–	–	**1,001,617**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment

(Forward)

Related Party	Amount of Transactions during the Year 2026	2025	2024	Outstanding Receivable (Payable) 2026	2025	Terms	Conditions
Phils First Insurance Co., Inc.							
Rental and other charges	**₱5,386,957**	₱5,402,743	₱4,994,661	**₱–**	₱–	30 days upon receipt of billings; noninterest-bearing	Unsecured
Insurance	**24,653,137**	21,720,774	20,248,435	**(24,766)**	(174,330)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Philippines First Condominium Corporation							
Association dues and other charges	**10,870,866**	10,779,131	10,254,589	**(3,453)**	(1,432,591)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Philippine Life Financial Assurance Corporation							
Facility sharing, utilities and other charges	**484,809**	616,775	915,688	**190,391**	192,735	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Insurance	**319,967**	604,744	790,708	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
PhilPlans First, Inc.							
Facility sharing and other charges	**4,236,744**	4,986,600	300,000	**–**	234,330	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other	**1,783,590**	1,968,866	**–**	**256,058**	520,769	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	**–**	937,320	**–**	**(937,320)**	(937,320)	Refundable upon end of contract	Unsecured
GROW VITE Staffing Services, Inc.							
Rental income and other charges	**1,948,455**	2,820,293	2,817,347	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Janitorial and staffing services	**49,744,834**	42,046,007	36,901,349	**(6,454,825)**	(4,640,186)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	**1,053,967**	96,153	88,675	**115,712**	264,990	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposit	–	–	49,959	**(421,744)**	(421,744)	Refundable upon end of contract	Unsecured
STI Diamond							
Reimbursement for various expenses and other charges	–	–	(59,511,839)	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Venture Securities, Inc.							
Reimbursement for various expenses and other charges	**1,749,995**	353,253	–	**178,296**	177,220	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Rental income and other charges	**1,501,230**	220,714	–	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	**–**	750,615	–	**(750,615)**	(750,615)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment

(Forward)

Related Party	Amount of Transactions during the Year 2026	2025	2024	Outstanding Receivable (Payable) 2026	2025	Terms	Conditions
Techzone Philippines Inc.							
Reimbursement of insurance charges	**₱–**	₱494,492	₱–	**₱–**	₱–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Comm & Sense, Inc.							
Advertising and promotion charges	**440,000**	440,000	430,000	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
Officers and employees							
Advances for various expenses	**86,095,912**	80,486,672	69,713,869	**23,155,166**	26,393,220	Liquidated within one month; noninterest-bearing	Unsecured; no impairment
Others							
Other charges	**–**	3,278	–	**66,942**	215,766	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
				₱29,440,635	₱133,125,181		

**Affiliates are entities under common control of a majority shareholder*

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:

	2026	2025
Rent, utilities and other related receivables (see Note 6)	**₱22,308,896**	₱11,736,978
Receivables from officers and employees (see Note 6)	**23,155,166**	26,393,220
Educational services (see Note 6)	**346,626**	433,874
Advances to associates and joint venture (see Note 12)	**–**	48,134,540
Deposit for purchase of shares (see Note 15)	**–**	60,484,800
Accounts payable (see Note 16)	**(16,370,053)**	(14,058,231)
	₱29,440,635	₱133,125,181

Outstanding balances of transactions with and between subsidiaries that were eliminated at the consolidated financial statements follow:

Category	Amount of Transactions during the Year 2026	2025	2024	Outstanding Receivable (Payable) 2026	2025	Terms	Conditions
Subsidiaries							
AHC							
Payable to AHC	**₱–**	₱–	₱–	(₱63,778,000)	(₱63,778,000)	Payable upon demand; noninterest-bearing	Unsecured
Subscription payable	**–**	–	–	(64,000,000)	(64,000,000)	Noninterest-bearing	Unsecured
STI WNU							
Educational services and sale of educational materials and supplies	**20,801,562**	29,007,950	33,545,445	**–**	14,704,479	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	**8,157,578**	7,746,999	7,818,817	**–**	4,073,570	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment

Compensation and Benefits of Key Management Personnel

Compensation and benefits of key management personnel of the Group are as follows:

	2026	2025	2024
Short-term employee benefits	**₱90,433,188**	₱88,023,872	₱83,349,710
Post-employment benefits	**5,777,621**	6,822,452	4,050,244
	₱96,210,809	₱94,846,324	₱87,399,954

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.

31. 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:

	2026	2025	2024
Net income attributable to equity holders of STI Holdings (a)	**₱1,989,952,896**	₱2,191,076,517	₱1,591,191,183
Common shares outstanding at beginning and end of period (b) (see Note 20)	**9,904,806,924**	9,904,806,924	9,904,806,924
Basic and diluted earnings per share on net income attributable to equity holders of STI Holdings (a)/(b)	**₱0.20**	₱0.22	₱0.16

The basic and diluted earnings per share are the same for the years ended June 30, 2026, 2025, and 2024 as there are no dilutive potential common shares.

32. STI Gift of Knowledge Certificates (GOKs)

On December 9, 2002, the BOD of STI ESG approved the offer for sale and issue of up to ₱2.0 billion worth of GOKs.

The STI GOKs are noninterest-bearing certificates that entitle the holders or any designated scholars to redeem academic units in any member of the STI Group or equivalent academic units in any STI school on certain designated redemption dates or, to require STI ESG to pay in cash the par value of the outstanding STI GOKs on designated graduation dates. The redemption dates range from the SY2004-2005 to six (6) years from date of issue of the STI GOKs. The graduation dates range from four (4) to ten (10) years from issue date. A total offer size of 2,409,600 academic units for the entire STI Group or its equivalent units in any STI school will be offered at serial redemption dates at their corresponding par values.

In 2003, the SEC issued an Order of Registration and a Certificate of Permit to Sell Securities for the said STI GOKs.

STI ESG is planning to amend the terms of the GOKs to conform with future business strategies. As at October 13, 2026, there has been no sale nor issuance of GOKs. Hence, pursuant to Section 17.2 (a) of the Securities Regulation Code (SRC), STI ESG is not required to file the reports required under Section 17 of the SRC.

33. 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 October 13, 2026, 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.

After all of the Defendants filed their respective Answers and the parties submitted their respective Memoranda, the Trial Court rendered its 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.

After due proceedings, 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 (the "CA Decision").

On March 23, 2022, the Parent Company received the Motion for Reconsideration filed by the Heirs of Plaintiff Conrado Benitez II on the CA Decision.



After the Parent Company filed its Comment/Opposition, the Court of Appeals denied the Motion for Reconsideration in its Resolution dated January 7, 2025.

In the Resolution dated May 25, 2026, the Court of Appeals issued the Entry of Judgment for the CA Decision because no appeal was filed by the adverse parties with the Supreme Court.

Based on these circumstances, the case is deemed terminated. As of October 13, 2026, the Parent Company has filed the application for the cancellation of the *lis pendens* on the titles of the affected properties.

(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 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").

Initially, PWC-Davao failed to comply with the Compromise Agreement. However, after the Parent Company demanded that PWC-Davao comply and filed the appropriate Motion before the Trial Court, PWC-Davao ceased to occupy the Subject Premises on August 22, 2026.

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.

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 over 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 BODs and Board of Governors have no knowledge of any proceedings pending or threatened against STI ESG, STI WNU and iACADEMY or any facts likely to give rise to any litigation, claims or proceedings which might materially affect their financial position or business. Management and their legal counsels believe that STI ESG, STI WNU and iACADEMY have substantial legal and factual bases for their position and are of the opinion that losses arising from these legal actions and proceedings, if any, will not have a material adverse impact on the Group's consolidated financial position as well as in the results of their operations.

Commitments

a. Capital Commitments

As at June 30, 2026, STI ESG's significant contractual commitments include: (1) construction of STI Academic Center Alabang, (2) construction of STI Academic Center Tanauan, (3) construction of new buildings at STI Fairview and STI Batangas, and (4) building upgrade and refurbishment projects. As at June 30, 2026, STI ESG's significant contractual commitments also include the construction of STI Academic Center Meycauayan. As at June 30, 2025, the Group also had contractual commitment related to the acquisition of a parcel of land and acquisition of shares.

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, an aggregate of ₱126.7 million has been settled as at 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 was paid on February 2, 2026 (see Note 10).

On June 20, 2024, STI ESG entered into a Share Purchase Agreement with TCAMI to acquire 100% of the issued and outstanding capital stock of PHI for ₱403.2 million. A deposit of ₱60.5 million was paid upon signing of the agreement while the remaining balance was due on the third anniversary of the Share Purchase Agreement or on an earlier date mutually agreed upon by the parties. STI ESG also had the option to cancel the transaction within the three-year period after the execution of the Share Purchase Agreement, in which case, the deposit would be refundable by TCAMI. STI ESG subsequently settled the balance on June 17, 2026 upon the execution of the Deed of Absolute Sale (see Note 10).



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 ₱227.8 million and ₱194.3 million have been paid as at June 30, 2026 and 2025. STI ESG's contractual commitment and obligation for the construction of STI Academic Center Tanauan has a total contract cost of ₱438.5 million, of which ₱267.8 million and ₱109.3 million have been paid as at June 30, 2026 and June 30, 2025, respectively. Similarly, STI ESG has a contractual commitment and obligation for the construction of STI Academic Center Meycauayan. The total contract cost for the construction of the building is ₱492.2 million, of which ₱241.9 million has been paid as at June 30, 2026 (see Notes 10 and 15).

Furthermore, STI ESG's contractual commitment for the newly constructed four-storey building at STI Fairview has an aggregate cost of ₱91.0 million, of which ₱75.5 million and ₱54.9 million have been paid as at June 30, 2026 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 ₱22.6 million and ₱21.3 million have been paid as at June 30, 2026 and June 30, 2025, respectively (see Note 10).

The Group's contractual commitments for building exterior and repainting works across several schools within the STI network have an aggregate cost of ₱110.3 million, of which ₱92.4 million and ₱11.5 million have been paid as at June 30, 2026 and June 30, 2025, respectively (see Note 10).

STI WNU has contractual commitments for the upgrade of the University gymnasium facilities, installation of solar panels, construction of an additional sewage treatment plant, installation of seismic monitoring system and acquisition of various equipment. These projects have an aggregate cost of ₱85.6 million. Of this amount, ₱69.5 million has been paid as at June 30, 2026 (see Note 10).

STI WNU also has contractual commitments for the renovation of the University gymnasium, construction of sewage treatment plant, installation of fire detection and alarm system, structured cabling and air conditioning units in the School of Basic Education building, rehabilitation works on school buildings and acquisition of various equipment aggregating to ₱151.8 million, of which ₱137.2 million and ₱107.6 million have been paid as at June 30, 2026 and June 30, 2025, respectively (see Note 10).

iACADEMY has contractual commitments and obligations for the construction of its Nexus building totaling ₱827.1 million as at June 30, 2026 and 2025. Of these, ₱786.9 million has been paid as at June 30, 2026 and 2025. iACADEMY also has contractual commitments and obligations for the renovation of the 5th and fit-out of the 11th floors of iACADEMY Nexus building as at June 30, 2026. The total contract costs amounted to ₱8.9 million for the 5th floor renovation and ₱35.4 million for the 11th floor fit-out. Of these amounts, ₱8.2 million and ₱23.1 million, have been paid as at June 30, 2026, respectively (see Note 10).

b. 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. 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) enrolled in a participating private institution is entitled to a subsidy ranging from ₱14.0 thousand to ₱22.5 .0 thousand annually. The subsidy is administered by DepEd under the SHS Voucher Program through the Private Education Assistance Committee (PEAC), which facilitates the direct transfer of funds to the participating schools.

iii. On December 17, 2018, the CHED, Unified Student Financial Assistance System for Tertiary Education Board (UniFAST) and STI ESG signed a memorandum of agreement to avail of the Tertiary Education Subsidy (TES) and Student Loan Program (SLP) for its students under the Universal Access to Quality Tertiary Education Act (UAQTEA) and its Implementing Rules and Regulations (IRR). RA No. 10931 or the UAQTEA and its IRR provide among others, that to support the cost of tertiary education or any part or portion thereof, TES and SLP are established for all Filipino students who shall enroll in undergraduate and post-secondary programs of private HEIs. Accordingly, the TES and the SLP shall be administered by the UniFAST Board.

Based on RA No. 10931, the annual TES for students, subject to guidelines and implementing rules and regulations on the release of TES, enrolled in SUCs or CHED-recognized LUCs is ₱40.0 thousand. Students enrolled in select HEIs who are qualified to receive the TES, are entitled to ₱60.0 thousand a year. The TES sharing agreement states that ₱40.0 thousand shall go to the TES student grantee and ₱20.0 thousand to the private HEI. The subsidy is for Tuition and other related school fees and should cover the living allowance, books, supplies, transportation and miscellaneous expense. Additional benefits are likewise given to Persons with Disabilities (PWDs) and graduates of programs with licensure exams amounting to ₱30.0 thousand per annum and ₱10.0 thousand, respectively. Under this TES Program, CHED pays directly the schools where these students enrolled.

In July 2023, UniFast issued Memorandum Circular No. 5 for the allocation of funds for new TES grants. Qualified student grantees for SY2021-2022 from private HEIs in cities and municipalities without SUCs or LUCs, shall receive ₱40.0 thousand for the second semester of SY2022-2023 to cover their full or partial payables for tuition and other school fees. Thereafter, qualified grantees shall be considered as continuing grantees, subject to validation, for the first semester of SY2023-2024 onwards and shall receive a subsidy rate of ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. In case the tuition and other school fees is lower than

₱10.0 thousand per semester, the difference shall be given to the student. Administrative support cost remain at 1% of the total grant. Continuing TES grantees for the second semester of SY2022-2023 shall receive ₱60.0 thousand per school year or ₱30.0 thousand per semester until they graduate. New TES grantees who are PWDs shall receive an additional subsidy of ₱30.0 thousand per school year or ₱15.0 thousand per semester. New TES grantees for the first semester of SY2023-2024 shall receive ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. New TES grantees who are PWDs shall receive an additional subsidy of ₱10.0 thousand per school year or ₱5.0 thousand per semester.

The qualified TES graduates for SY2022-2023 onwards, in courses requiring licensure examinations shall receive a maximum one-time reimbursement of ₱8.0 thousand to cover the full or partial cost of taking the said licensure examinations.

UniFAST issued Memorandum Circular No. 21-2024 which states that TES grantees shall receive the amount of ₱13.5 thousand per school year for students in PHEIs, while TES grantees from SUCs and LUCs shall receive an amount of ₱ 10.0 per semester or ₱20.0 thousand per school year unless otherwise provided by the UniFAST Board.

Under the 2026 Revised TES Guidelines, effective beginning the first semester of SY2026–2027, TES benefits shall be disbursed by the CHED Regional Offices directly to qualified and validated grantees, primarily through direct credit to their accounts or through check payments. When these payment methods are not applicable, the benefits may be coursed through participating HEIs, which are required to release the amounts to the grantees within the prescribed period.

TES grants are subject to availability of funds, with subsidy amounts determined by the UniFAST Board in accordance with its implementing guidelines and subject to annual budgetary appropriations as provided under relevant UniFAST issuances.

iv. 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. This program covers successive cohorts of eligible freshmen enrolled in SY 2021-2022, SY 2022-2023 and SY 2023-2024 and throughout the duration of their respective courses or programs.

In May 2026, STI ESG and DBP executed a new MOA for the implementation of the DBP Integrated Scholastic Program for Inclusive and Responsive Education (DBP INSPIRE), which provides financial assistance to qualified students from underprivileged Filipino families enrolled in DBP-accredited tertiary schools. The program covers tuition, as well as other school fees for all year levels of the course. The program also covers student support fund intended for miscellaneous fees and living allowance to be determined and set by DBP. The program will cover qualified scholars beginning SY 2026–2027 throughout the duration of their respective courses or programs. The MOA is valid for six (6) years from execution date and is automatically renewable unless otherwise earlier terminated.

34. Financial Risk Management Objectives and Policies

The principal financial instruments of the Group comprise cash and cash equivalents and interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise working capital and major capital investment financing for the Group's operations. The Group has various other financial assets and liabilities such as receivables, accounts payable and other current liabilities which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The Group's BOD and management reviews and agrees on the policies for managing each of these risks as summarized below.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet its currently maturing commitments. The Group's liquidity profile is managed to be able to finance its operations and capital expenditures and other financial obligations. To cover its financing requirements, the Group uses internally-generated funds and interest-bearing loans and borrowings. As part of its liquidity risk management program, the Group regularly evaluates the projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives.

Any excess funds are primarily invested in short-dated and principal-protected bank products that provide the flexibility of withdrawing the funds anytime. The Group regularly evaluates available financial products and monitors market conditions for opportunities to enhance yields at acceptable risk levels.

The Group's current liabilities are mostly made up of trade liabilities with 30 to 60-day payment terms, current portion of interest-bearing loans and borrowings, and the 10-year series of bonds, representing amounts due 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 June 30, 2026 and 2025, the Group's current assets amounted to ₱4,254.8 million and ₱3,599.7 million, respectively, while current liabilities amounted to ₱2,945.7 million and ₱1,954.2 million, respectively. Current liabilities include unearned tuition and other school fees amounting to ₱601.5 million and ₱242.8 million as at June 30, 2026 and 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.

The Group regularly monitors both the debt service coverage ratio (DSCR) for STI ESG's interest-bearing loans from local banks and the interest coverage ratio (ICR) for its series 10-year bonds. The ratios are based on the consolidated financial statements of STI ESG. The DSCR is equivalent to the EBITDA divided by the total principal and interests due for the next twelve months while the ICR is computed as EBITDA divided by the total interests due for the next twelve months. The Group manages its DSCR to keep it at a level acceptable to the Group and the lender banks. Similarly, the Group monitors its ICR to keep it at a level acceptable to the Group and the bondholders.

The tables below summarize the maturity profile of the Group's financial assets held for liquidity purposes and other financial liabilities as at financial reporting date based on undiscounted contractual payments.

	2026				
	Due and Demandable	**Less than 3 Months**	**3 to 12 Months**	**More than 1 Year**	**Total**
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	**₱3,027,943,448**	**₱–**	**₱–**	**₱–**	**₱3,027,943,448**
Receivables[1]	**409,273,139**	**43,879,017**	**369,206,063**	**50,096,607**	**872,454,826**
Deposits (included as part of "Prepaid expenses and other current assets" and "Goodwill, intangible and other noncurrent assets" accounts)	**–**	**–**	**1,425,406**	**31,838,414**	**33,263,820**
Equity instruments at FVPL	**11,144,500**	**–**	**–**	**–**	**11,144,500**
Equity investments designated at FVOCI	**–**	**–**	**–**	**40,736,755**	**40,736,755**
	₱3,448,361,087	**₱43,879,017**	**₱370,631,469**	**₱122,671,776**	**₱3,985,543,349**
Financial Liabilities					
Other financial liabilities:					
Accounts payable and other current liabilities[2]	**₱911,544,186**	**₱44,519,882**	**₱26,534,144**	**₱18,428,861**	**₱1,001,027,073**
Nontrade payable	**17,000,000**	**–**	**–**	**–**	**17,000,000**
Bonds payable:					
Principal	**–**	**–**	**820,000,000**	**–**	**820,000,000**
Interest	**–**	**–**	**39,209,940**	**–**	**39,209,940**
Interest-bearing loans and borrowings:					
Principal	**–**	**172,222,222**	**172,222,222**	**688,888,889**	**1,033,333,333**
Interest	**–**	**35,193,760**	**28,849,957**	**58,406,393**	**122,450,110**
Lease liabilities	**–**	**24,504,575**	**104,113,162**	**402,049,042**	**530,666,779**
Other noncurrent liabilities[3]	**–**	**–**	**–**	**6,059,327**	**6,059,327**
	₱928,544,186	**₱276,440,439**	**₱1,190,929,425**	**₱1,173,832,512**	**₱3,569,746,562**

	2025				
	Due and Demandable	Less than 3 Months	3 to 12 Months	More than 1 Year	Total
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	₱2,732,620,639	₱–	₱–	₱–	₱2,732,620,639
Receivables[1]	107,104,811	149,678,483	100,845,502	153,992,514	511,621,310
Deposits (included as part of "Prepaid expenses and other current assets" and "Goodwill, intangible and other noncurrent assets" accounts)	–	–	324,936	34,070,423	34,395,359
Equity instruments at FVPL	11,501,000	–	–	–	11,501,000
Equity investments designated at FVOCI	–	–	–	73,649,156	73,649,156
	₱2,851,226,450	₱149,678,483	₱101,170,438	₱261,712,093	₱3,363,787,464
Financial Liabilities					
Other financial liabilities:					
Accounts payable and other current liabilities[2]	₱764,095,467	₱79,117,200	₱102,062,500	₱–	₱945,275,167
Nontrade payable	17,000,000	–	–	–	17,000,000
Bonds payable:					
Principal	–	–	–	820,000,000	820,000,000
Interest	–	–	52,279,920	39,209,940	91,489,860
Interest-bearing loans and borrowings:					
Principal	–	292,222,222	292,222,222	1,153,333,334	1,737,777,778
Interest	–	61,094,704	52,685,551	201,785,487	315,565,742
Lease liabilities	–	22,966,311	98,806,368	457,939,961	579,712,640
Other noncurrent liabilities[3]	–	–	–	14,162,970	14,162,970
	₱781,095,467	₱455,400,437	₱598,056,561	₱2,686,431,692	₱4,520,984,157

[1] *Excluding receivables from officers and employees amounting to ₱23.2 million and ₱26.4 million as at June 30, 2026 and 2025, respectively.*

[2] *Excluding government and other statutory payables amounting to ₱35.3 million and ₱33.8 million as at June 30, 2026 and 2025, respectively.*

[3] *Excluding advance rent, deferred lease liability and deferred output VAT amounting to ₱8.8 million and ₱16.2 million as at June 30, 2026 and 2025, respectively.*

The Group's current ratios are as follows:

	2026	2025
Current assets	**₱4,254,818,016**	₱3,599,666,499
Current liabilities	**2,945,668,280**	1,954,174,091
Current ratios	**1.44:1.00**	1.84:1.00

The classification of STI ESG's 10-year series of bonds, due in March 2027, under current liabilities resulted in a lower current ratio as at reporting date. Management continuously monitors STI ESG's liquidity requirements and expects to meet the related obligation through a combination of internally generated funds and long-term borrowings.

Credit Risk

Credit risk is the risk that the Group will incur a loss arising from students, franchisees or other counterparties who fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk that the Group is willing to accept for individual counterparties and by monitoring expenses in relation to such limits.

It is the Group's policy to require the students to pay all their tuition and other school fees before they can get their report cards and other credentials. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and equity instruments at FVOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. As at June 30, 2026 and 2025, there is no significant concentration of credit risk.

Credit Risk Exposures. The table below shows the maximum exposure to credit risk for the components of the consolidated statements of financial position:

	2026		2025	
	Gross Maximum Exposure[(1)]	**Net Maximum Exposure[(2)]**	Gross Maximum Exposure[(1)]	Net Maximum Exposure[(2)]
Financial Assets				
At amortized cost -				
Cash and cash equivalents (excluding cash on hand)	**₱3,026,936,584**	**₱2,990,566,614**	₱2,729,603,027	₱2,688,603,027
Receivables[(3)]	**872,454,826**	**872,454,826**	511,621,310	511,621,310
Rental deposits (included as part of "Prepaid expenses and other current assets" and "Goodwill, intangible and other noncurrent assets" account)	**33,263,820**	**33,263,520**	34,395,359	34,395,359
	₱3,932,655,230	**₱3,896,284,960**	₱3,275,619,696	₱3,234,619,696

(1) Gross financial assets before taking into account any collateral held or other credit enhancements or offsetting arrangements.
(2) Gross financial assets after taking into account any collateral held or other credit enhancements or offsetting arrangements or insurance in case of bank deposits.
(3) Excluding receivables from officers and employees amounting to ₱23.2 million and ₱26.4 million as at June 30, 2026 and 2025, respectively.

Credit Quality per Class of Financial Asset. The tables below show the credit quality by class of financial assets based on the Group's credit rating system as at June 30, 2026 and 2025:

	2026			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Credit Impaired**	**Total**
Class A	**₱3,156,829,106**	**₱489,699,768**	**₱–**	**₱3,646,528,874**
Class B	**12,247,226**	**276,437,007**	**–**	**288,684,233**
Class C	**–**	**187,283,524**	**12,542,909**	**199,826,433**
Gross carrying amount	**3,169,076,332**	**953,420,299**	**12,542,909**	**4,135,039,540**
ECL	**–**	**(189,841,401)**	**(12,542,909)**	**(202,384,310)**
Carrying amount	**₱3,169,076,332**	**₱763,578,898**	**₱–**	**₱3,932,655,230**

	2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Class A	₱2,805,347,457	₱398,568,097	₱–	₱3,203,915,554
Class B	–	165,276,037	–	165,276,037
Class C	–	85,002,580	6,812,869	91,815,449
Gross carrying amount	2,805,347,457	648,846,714	6,812,869	3,461,007,040
ECL	–	(178,574,475)	(6,812,869)	(185,387,344)
Carrying amount	₱2,805,347,457	₱470,272,239	₱–	₱3,275,619,696

The following credit quality categories of financial assets are managed by the Group as internal credit ratings. The credit quality of the financial assets was determined as follows:

- Class A – *Cash and cash equivalents, Receivables,* and *Rental and utility deposits* are classified as "Class A" based on the good credit standing or rating of the counterparty. *Receivables* classified as "Class A" are those with high probability of collection and/or customer or counterparties who possess strong to very strong capacity to meet its obligations.

- Class B – These are *Receivables* from customers who settle their obligations within tolerable delays.

- Class C – These pertain to *Receivables* from customers with payment behavior normally extending beyond the credit terms and have a high probability of becoming impaired.

The table below shows the aging analysis of receivables from students on which the amount of allowance was based on lifetime expected credit loss:

	Current	Within the Semester	After the Semester but within the School Year	After the School Year	ECL	Total
2026	**₱284,587,669**	**₱139,400,508**	**₱102,909,622**	**₱179,533,350**	**(₱189,841,402)**	**₱516,589,747**
2025	38,534,928	159,202,649	102,970,728	135,576,359	(178,574,475)	257,710,189

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing loans and bonds. While the Group's long-term debts have floating interest rates, the Group elected to have the interest rate repriced every six months on its 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, a significant change in interest rate may also affect the consolidated statements of comprehensive income.

The following table demonstrates the sensitivity, to a reasonably possible change in interest rates, with all other variables held constant, of the consolidated statements of comprehensive income and statements of changes in equity for the years ended June 30, 2026, 2025 and 2024:

	Effect on Income Before Income Tax		
Increase/decrease in Basis Points (bps)	**2026**	2025	2024
+100 bps	**(₱18,648,148)**	(₱25,770,864)	(₱29,433,333)
-100 bps	**18,648,148**	25,770,864	29,433,333

Capital Risk Management Policy

The Group's objectives when managing capital are to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

The Group monitors capital using the debt-to-equity ratio which is computed as the total of current and noncurrent liabilities, net of unearned tuition and other school fees, divided by total equity. The Group monitors its debt-to-equity ratio to keep it at a level acceptable to the Group, the lender banks and the STI ESG bondholders. The Group's policy is to keep the debt-to-equity ratio at a level not exceeding 1.50:1.00.

The Group considers its equity contributed by stockholders, net of cost of shares held by a subsidiary, as capital.

	2026	2025
Capital stock	**₱4,952,403,462**	₱4,952,403,462
Additional paid-in capital	**1,324,066,858**	1,139,438,468
Cost of shares held by a subsidiary	**(66,220,478)**	(430,454,088)
Retained earnings	**9,758,077,421**	8,295,847,265
	₱15,968,327,263	₱13,957,235,107

The Group's debt-to-equity ratios are as follows:

	2026	2025
Total liabilities*	**₱3,601,405,725**	₱4,286,313,221
Total equity	**14,482,944,301**	12,485,171,526
Debt-to-equity ratio	**0.25:1.00**	0.34:1.00

**Excluding unearned tuition and other school fees*

The Group's asset-to-equity ratios are as follows:

	2026	2025
Total assets	**₱18,685,881,718**	₱17,014,258,584
Total equity	**14,482,944,301**	12,485,171,526
Asset-to-equity ratio	**1.29:1.00**	1.36:1.00

No changes were made in the objectives, policies or processes for the years ended June 30, 2026, 2025 and 2024.

35. Fair Value Information of Financial Instruments

The following tables set forth the carrying amounts and estimated fair values of financial assets and liabilities recognized as at June 30, 2026 and 2025. There are no material unrecognized financial assets and liabilities as at June 30, 2026 and 2025.

	2026				
	Carrying Amount	**Fair Value**	**Level 1 (1)**	**Level 2 (2)**	**Level 3 (3)**
Financial Assets					
At amortized cost -					
Rental and utility deposits	**₱33,263,820**	**₱33,263,820**	**₱–**	**₱–**	**₱33,263,820**
Equity instruments designated at FVOCI	**40,736,755**	**40,736,755**	**14,615,860**	**16,100,000**	**10,020,895**
	₱74,000,575	**₱74,000,575**	**₱14,615,860**	**₱16,100,000**	**₱43,284,715**
Financial Liabilities					
Other financial liabilities at amortized cost -					
Refundable deposits	**₱25,302,858**	**₱20,289,605**	**₱–**	**₱–**	**₱19,420,746**
Bonds payable	**818,563,449**	**818,044,898**	**–**	**818,044,898**	**–**
	₱843,866,307	**₱838,334,503**	**₱–**	**₱818,044,898**	**₱19,420,746**

(1) *Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities*
(2) *Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable*
(3) *Level 3 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable*

	2025				
	Carrying Amount	Fair Value	Level 1 (1)	Level 2 (2)	Level 3 (3)
Financial Assets					
At amortized cost -					
Rental and utility deposits	₱34,395,359	₱34,395,359	₱–	₱–	₱34,395,359
Equity instruments designated at FVOCI	73,649,156	73,649,156	12,428,646	51,199,615	10,020,895
	₱108,044,515	₱108,044,515	₱12,428,646	₱51,199,615	₱44,416,254
Financial Liabilities					
Other financial liabilities at amortized cost -					
Refundable deposits	₱21,833,499	₱18,611,240	₱–	₱–	₱18,611,240
Bonds payable	816,706,013	729,004,970	–	729,004,970	–
	₱838,539,512	₱747,616,210	₱–	₱729,004,970	₱18,611,240

(1) *Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities*
(2) *Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable*
(3) *Level 3 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable*

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value.

Cash and Cash Equivalents, Receivables and Accounts Payable and Other Current Liabilities. Due to the short-term nature of transactions, the fair values of these instruments approximate the carrying amounts as of financial reporting date.

Rental and Utility Deposits. The carrying values of these deposits are not significantly different from the fair values as at June 30, 2026 and 2025. Moreover, the fair values of utility deposits are not determinable since the timing of its refund is linked to the cessation of service which is not predictable.

Equity Instruments at FVPL and FVOCI. The fair values of publicly-traded equity instruments designated at FVOCI, classified under Level 1, are determined by reference to market bid quotes as at financial reporting date. The fair values of unquoted shares are determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions. Such techniques include using recent arm's-length market transactions and reference to the current market value of another instrument which is substantially the same.

Interest-bearing Loans and Borrowings. The carrying value of floating rate interest-bearing loans and borrowings approximates fair value because of regular repricing based on market conditions.

Fixed-rate Bonds. The estimated fair value of the 10-year bonds, maturing in 2027 which carries a fixed interest rate is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows were 6.71% and 7.21% as at June 30, 2026 and 2025, respectively.

Refundable Deposits. The fair values of the refundable deposits are computed based on the present value of future cash flows discounted using the prevailing BVAL reference rates ranging from 4.94% to 6.98% and 5.13% to 6.66%as at June 30, 2026 and 2025, respectively adjusted for 2.0% credit spread rate that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

For the years ended June 30, 2026 and 2025, there were no transfers between Level 1 and 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

36. Note to Consolidated Statements of Cash Flows

The Group's material non-cash investing and financing activities follow:

a. Remaining ₱5.9 million receivable, representing 15% of the purchase price, from STI ESG's sale of its equity instrument at FVOCI in May 2026 which was subsequently collected in July 2026 (see Notes 6 and 14).

b. Recognition of right-of-use assets presented under "Property and equipment" at initial recognition of the lease at commencement date amounting to ₱113.3 million, ₱71.7 million and ₱46.2 million for the years ended June 30, 2026, 2025 and 2024, respectively (see Note 10).

c. Unpaid progress billing for construction in progress presented under "Property and equipment" amounting to ₱14.8 million, ₱44.3 million and ₱16.2 million as at June 30, 2026, 2025 and 2024, respectively (see Note 10).

d. Recognition of the maritime simulators received from a third party, with an aggregate value of ₱ 15.3 million, under "Property and equipment" in May 2026. The related liability was subsequently condoned (see Note 10).

e. Reclassifications from property and equipment to investment properties amounting to ₱187.4 million for the year ended June 30, 2024 (see Notes 10 and 11).

f. Reclassification from investment properties to property and equipment amounting to ₱140.1 million for the year ended June 30, 2025 (see Notes 10 and 11).

g. Reclassification from “Other noncurrent assets”, pertaining to advances to suppliers, to “Property and equipment” amounting to ₱196.5 million, ₱21.4 million and ₱12.9 million for the years ended June 30, 2026, 2025 and 2024, respectively (see Notes 10 and 15).

h. Reclassification from “Other noncurrent assets”, pertaining to deposits for purchase of shares, to “Investment properties” amounting to ₱60.5 million for the year ended June 30, 2026 (see Notes 11 and 15).

i. Reclassification from “Other noncurrent assets”, pertaining to deposit for asset acquisition, to “Property and equipment” amounting to ₱20.4 million for the year ended June 30, 2025 (see Note 10).

j. Accounts payable of ₱102.1 million as at June 30, 2025, related to the acquisition of a parcel of land at South Park District, Alabang, Muntinlupa City, was settled on February 2, 2026 (see Notes 10 and 16).

37. **Changes in Liabilities Arising from Financing Activities**

	July 1, 2025	**Cash Flows**	**Capitalized Borrowing Costs** (see Note 10)	**Reclassified as Current**	**Effect of Lease Termination/ Modifications** (see Notes 10 and 28)	**New/Renewed Leases** (see Note 28)	**Interest Expense** (see Note 22)	**Dividends Declared** (see Note 20)	**June 30, 2026**
Current portion of interest-bearing loans and borrowings	**₱580,267,162**	**(₱704,444,445)**	**₱–**	**₱461,632,589**	**₱–**	**₱–**	**₱4,388,065**	**₱–**	**₱341,843,371**
Bonds payable	**816,706,013**	**–**	**–**	**–**	**–**	**–**	**1,857,436**	**–**	**818,563,449**
Interest-bearing loans and borrowings - net of current portion	**1,146,065,668**	**–**	**–**	**(461,632,589)**	**–**	**–**	**–**	**–**	**684,433,079**
Lease liabilities	**461,049,980**	**(128,860,307)**	**–**	**–**	**(58,309,670)**	**113,854,580**	**30,607,971**	**–**	**418,342,554**
Dividends payable	**32,395,700**	**(544,946,874)**	**–**	**–**	**–**	**–**	**–**	**545,515,323**	**32,964,149**
Interest payable	**38,606,956**	**(172,090,745)**	**5,087,663**	**–**	**–**	**–**	**149,450,027**	**–**	**21,053,901**
	₱3,075,091,479	**(₱1,550,342,371)**	**₱5,087,663**	**₱–**	**(₱58,309,670)**	**₱113,854,580**	**₱186,303,499**	**₱545,515,323**	**₱2,317,200,503**

	July 1, 2024	Cash Flows	Gain on Early Extinguishment of Loan	Reclassified as Current)	Effect of Lease Termination/ Modifications (see Notes 10 and 28)	New/Renewed Leases (see Note 28)	Interest Expense (see Note 22)	Dividends Declared (see Note 20)	June 30, 2025
Current portion of interest-bearing loans and borrowings	₱536,274,021	(₱562,222,222)	₱–	₱606,215,363	₱–	₱–	₱–	₱–	₱580,267,162
Bonds payable	814,967,275	–	–	–	–	–	1,738,738	–	816,706,013
Interest-bearing loans and borrowings - net of current portion	1,549,840,391	198,500,000	–	(606,215,363)	–	–	3,940,640	–	1,146,065,668
Lease liabilities	490,073,264	(121,524,008)	–	–	(15,464,419)	72,516,280	35,448,863	–	461,049,980
Dividends payable	30,302,513	(428,326,765)	–	–	–	–	–	430,419,952	32,395,700
Interest payable	49,507,925	(215,551,280)	–	–	–	–	204,650,311	–	38,606,956
	₱3,470,965,389	(₱1,129,124,275)	₱–	₱–	(₱15,464,419)	₱72,516,280	₱245,778,552	₱430,419,952	₱3,075,091,479

	July 1, 2023	Cash Flows	Gain on Early Extinguishment of Loan (see Note 17)	Reclassified as Current)	Effect of Lease Termination/ Modifications	New/Renewed Leases (see Note 28)	Interest Expense (see Note 22)	Dividends Declared (see Note 20)	June 30, 2024
Current portion of interest-bearing loans and borrowings	₱262,837,889	(₱473,050,208)	₱–	₱746,281,953	₱–	₱–	204,387	₱–	₱536,274,021
Bonds payable	2,988,422,984	(2,180,000,000)	–	–	–	–	6,544,291	–	814,967,275
Interest-bearing loans and borrowings - net of current portion	808,707,735	1,488,750,000	(3,076,465)	(746,281,953)	–	–	1,741,074	–	1,549,840,391
Lease liabilities	536,759,779	(122,452,098)	–	–	–	41,099,396	34,666,187	–	490,073,264
Dividends payable	27,411,219	(287,597,966)	–	–	–	–	–	290,489,260	30,302,513
Interest payable	23,550,067	(224,187,598)	–	–	–	–	250,145,456	–	49,507,925
	₱4,647,689,673	(₱1,798,537,870)	(₱3,076,465)	₱–	₱–	₱41,099,396	₱293,301,395	₱290,489,260	₱3,470,965,389

38. Business Combination and Asset Acquisition

PHI

As discussed in Notes 4 and 11, on June 17, 2026, STI ESG and TCAMI executed a deed of absolute sale for STI ESG's acquisition of 100% of the total issued and outstanding capital stock of PHI.

The acquisition of PHI is accounted for as an asset acquisition (see Note 4). PHI's assets, which primarily consist of a parcel of land, were assigned their carrying amount based on their relative fair values. The land was valued at ₱407.6 million, after allocating the acquisition cost to other identifiable assets and liabilities of PHI which had a net liability carrying amount of ₱4.4 million.

CHI

As discussed in Note 4, on June 20, 2024, STI ESG and TCAMI executed a deed of absolute sale for STI ESG's acquisition of 100% of the total issued and outstanding capital stock of CHI.

The acquisition of CHI is accounted for as an asset acquisition (see Note 4). CHI's assets, which primarily consist of a parcel of land, were assigned their carrying amount based on their relative fair values. The land was valued at ₱182.9 million, after allocating the acquisition cost to other identifiable assets and liabilities of CHI which had a net liability carrying amount of ₱2.9 million.

39. 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, STI Holdings' assignee, 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 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. (Now "Philippine School of Business Administration-Manila, 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.

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 years counting from the management commencement date.

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 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. On June 30, 2026, STI ESH waived its right of first refusal. PSBA acknowledged STI ESH's waiver.

On February 9, 2026, Philippine School of Business Administration- Manila, Inc. entered into several Deeds of Assignment with PSBA Manila and PSBA Quezon City, covering the transfer of school-related assets of the two companies, as well as the assignment of trademarks, owned by the two schools.

Philippine School of Business Administration- Manila, Inc. executed separate Deeds of Assignment with PSBA Manila and PSBA Quezon City, respectively, for the purchase of all tangible and intangible assets used in the operations of their respective campuses. These assets include CHED and DepEd permits and licenses, scholastic records, student listings, and receivables.



Each purchase transaction carries a price of ₱25.0 million. A downpayment equivalent to 25% or ₱6.25 million was paid on the date of signing of the respective Deeds, and the balance equivalent to 75% or ₱18.75 million is payable upon fulfillment of conditions precedent, including: (i) CHED approval of the sale; (ii) dismissal of intra-corporate cases identified in the schedules; (iii) amendment of the Seller's corporate name to remove references to "PSBA"; and (iv) delivery of original and/or certified true copies of all CHED permits and licenses, original records relating to receivables arising from tuition and other school fees of students, original records and documents relating to the acquisition, maintenance and operation of the tangible/intangible assets, and original documents relating to records of all students, graduates, and alumni of PSBA Manila and PSBA Quezon City. As at October 13, 2026, the conditions precedent and regulatory approvals for the full payment of the purchase price have yet to be fulfilled.

Under the agreements, any tax, including value-added tax, or tax on any income derived by PSBA Manila and PSBA Quezon City from selling the subject assets, described in the agreements, to Philippine School of Business Administration- Manila, Inc. shall be for the respective accounts of PSBA Manila and PSBA Quezon City. Documentary stamp tax, transfer tax, registration fees and other expenses necessary or incident to the transfer of the subject assets, if any, shall be for the account of Philippine School of Business Administration- Manila, Inc.

In addition to the transfer of the school related assets, Philippine School of Business Administration-Manila, Inc. entered into separate Deed(s) of Assignment under which PSBA Manila and PSBA Quezon City, respectively, assigned all their respective trademarks, service marks, logos, trade dress, trade names, and domain names, within the definition used by the Intellectual Property Office of the Philippines (IPO) to Philippine School of Business Administration- Manila, Inc.

The assignments cover the transfer of all rights, titles, and interest in the trademarks, including goodwill, rights over pending or granted applications with the IPO, all tangible and intangible embodiments, licensing rights, rights to enforce against infringements, and the right to apply for and obtain statutory rights and registrations.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group) as at June 30, 2026 and 2025 and for each of the three years in the period ended June 30, 2026, and have issued our report thereon dated October 13, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, August 24, 2026, valid until August 23, 2029
SEC Partner Accreditation No. 115161-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027
PTR No. 10765091, January 2, 2026, Makati City

October 13, 2026

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group) as at June 30, 2026 and 2025 and for each of the three years in the period ended June 30, 2026, and have issued our report thereon dated October 13, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at June 30, 2026 and 2025 and for each of the three years in the period ended June 30, 2026 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2029
SEC Partner Accreditation No. 115161-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027
PTR No. 10765091, January 2, 2026, Makati City

October 13, 2026

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

June 30, 2026

Schedule	Content
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)
F	Guarantees of Securities of Other Issuers
G	Capital Stock
H	Reconciliation of Retained Earnings Available for Dividend Declaration
I	Map of Relationships Between and Among the Company and Its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-Subsidiaries and Associates
J	Schedule of Financial Soundness Indicators
K	Supplementary Schedule of External Auditor Fee-Related Information

SCHEDULE A – FINANCIAL ASSETS
June 30, 2026
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Value Based on Market Quotation at End of Reporting Period	Income Received and Accrued

The Group's financial asset at FVPL is less than 5% of total consolidated current assets as at June 30, 2026, thus, the schedule of financial assets is not applicable.

SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (Other than Related Parties)
June 30, 2026
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written-off	Current	Not Current	Balance at End of Period

The Group does not have receivables from individual directors, officers, employees and principal stockholders aggregating above one million pesos (₱1.0 million) or 1% of total consolidated assets, whichever is less, as at June 30, 2026.

SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

June 30, 2026

(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of Debtor and Description	Balance at Beginning of Period	Additions	Amounts Collected	Current	Not Current	Balance at End of Period	Description
Receivable of AHC from STI Holdings	₱63,778,000	–	–	₱63,778,000	–	₱63,778,000	Assignment of receivable from Unlad Resources Development Corporation
Receivable of AHC from STI Holdings	64,000,000	–	–	–	64,000,000	64,000,000	Subscription
Receivable of STI ESG from STI WNU	14,704,479	20,801,562	35,506,041	–	–	–	Educational services and sale of educational materials and supplies
Receivable of STI ESG from STI WNU	4,073,570	8,157,578	12,231,148	–	–	–	Reimbursement for various expenses and other charges

SCHEDULE D – LONG-TERM DEBT
June 30, 2026
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of interest-bearing loans and borrowings" in related Statement of Financial Position	Amount shown under caption "Bonds payable / Interest-bearing loans and borrowings - net of current portion" in related Statement of Financial Position
Metrobank / Term Loan(1) Maturity Date: March 16, 2029 Interest Rate: 6.7583% per annum (reprised at the rate of 6.7583% on March 18, 2026) No. of installment: ten (10) semi-annual installments; fully settled on September 18, 2026.	₱2,000,000,000 (Amount drawn: ₱1,000,000,000; Balance: ₱600,000,000)	₱198,499,178	₱397,430,099
BPI / Term Loan(2) Maturity Date: March 18, 2029 Interest rate: 6.6607% per annum (reprised at the rate of 7.5344% on September 18, 2026) No. of installments: ten (10) semi-annual installments	₱1,000,000,000 (Initial drawn amount: ₱500,000,000; Balance: ₱300,000,000 Second drawn amount: ₱200,000,000; Balance: ₱133,333.333)	143,344,193	287,002,980
Fixed rate bonds series 10-year(3) Interest rate: 6.3756%, respectively No. of installments: due 2027	₱5,000,0000,000 (Amount of bonds issued: 7-year series - ₱2,180,000,000; 10-year series - ₱820,000,00 Balance: ₱820,000,000)	818,563,449	–
		₱1,160,406,820	₱684,433,079

Figures are presented in the Consolidated Statement of Financial Position:
(1) presented net of deferred finance cost of ₱4.1 million
(2) presented net of deferred finance costs of ₱3.0 million
(3) presented net of bond issue cost of ₱1.4 million

SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
June 30, 2026
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of Related Party	Balance at beginning of period	Balance at end of period

The Group has no long-term loans from related parties as at June 30, 2026.

SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
June 30, 2026
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

The Group does not have guarantees of securities of other issuing entities as at June 30, 2026

SCHEDULE G – CAPITAL STOCK
June 30, 2026
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position caption	Number of Shares Reserved for Options, warrants, Conversion and Other Rights	Number of Shares held by Related Parties	Number of Shares held by Directors, Officers and Employees	Number of shares held by Others
Common Stock	10,000,000,000	9,904,806,924	None	4,616,934,860*	1,950,347,377**	3,337,524,687***

*Related Parties:			**Directors, Officers, and Employees:		
Prudent Resources, Inc.	1,621,085,049		Eusebio H.Tanco	1,666,135,444	
Biolim Holdings and Management Corp. (Formerly: Rescom Developers, Inc.)	812,626,795		Monico V. Jacob	33,784,057	
Eujo Philippines, Inc.	806,157,130		Maria Vanessa Rose L. Tanco	40,588,001	
Tantivy Holdings, Inc. (Formerly, Insurance Builders, Inc.	629,776,992		Joseph Augustin L. Tanco	3,949,001	
STI Education Services Group	66,524,895		Martin K. Tanco	114,491,907	
Eximious Holdings, Inc. (Formerly, Capital Managers and Advisors, Inc.)	425,835,332		Paolo Martin O. Bautista	4,000,000	
Philippines First Insurance Co., Inc.	65,262,000		Jesli A. Lapus	6,000,000	
			Robert G. Vergara	1,000	
Prime Power Holdings Corp.	189,666,667		Ma. Leonora V. De Jesus	1,000	
T O T A L	4,616,934,860	*	Raymond N. Alimurung	1,000	
			Antonio T. Carpio	10,000	
			Yolanda M. Bautista	5,000,001	
.	.		Arsenio C. Cabrera, Jr.	6,500,000	
			STI Employees Retirement Plan	69,885,966	
			T O T A L	1,950,347,377	**

*** Number of Shares held by Others increased by 12% as of June 30, 2026 from the last Statement of Financial Position as of June 30, 2025.

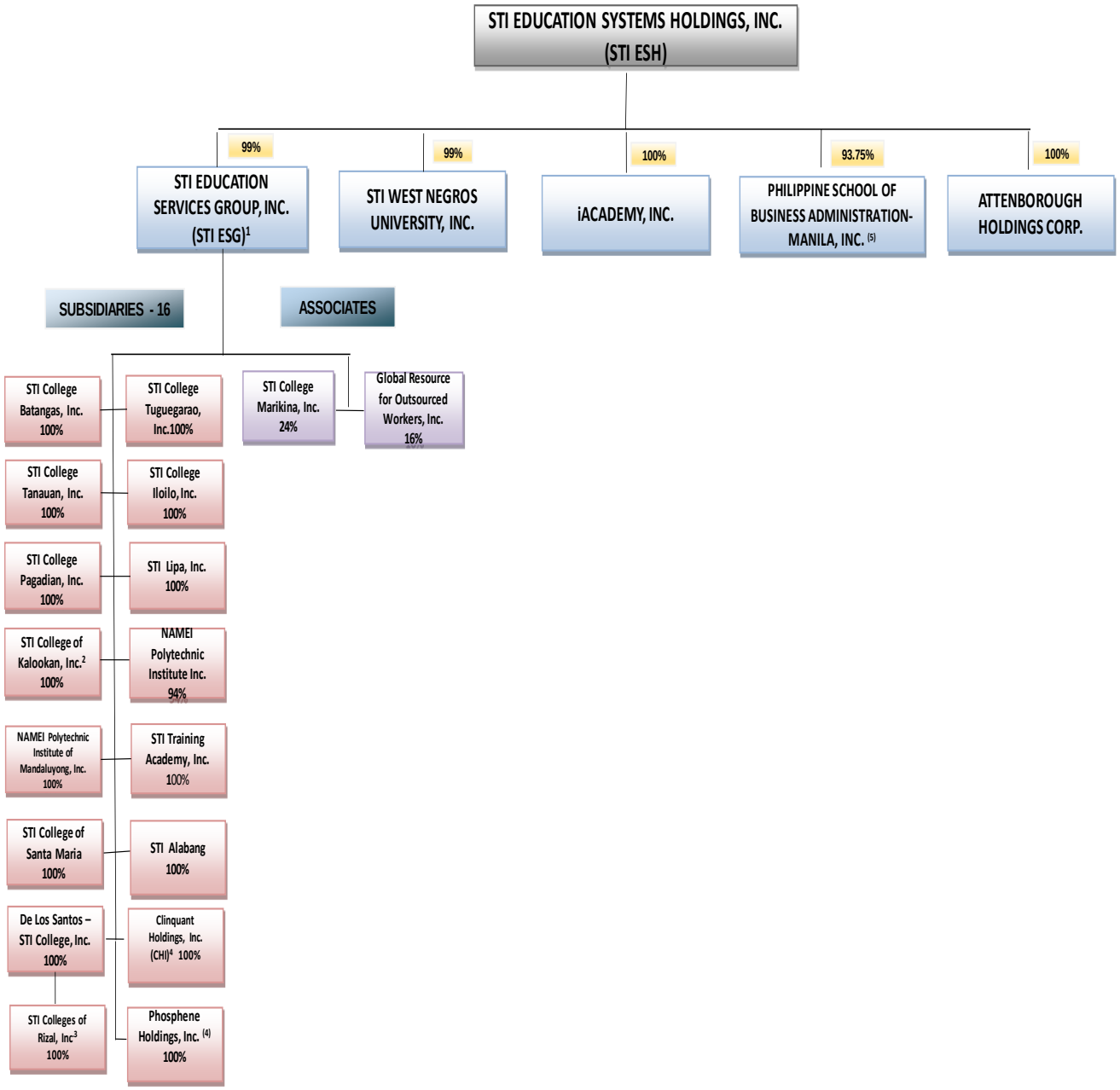
SCHEDULE H – RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As of June 30, 2026
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Unappropriated Retained Earnings, beginning of reporting period		**₱2,054,306,964**
Add: Category A: Items that are directly credited to unappropriated retained earnings		–
Less: Category B: Items that are directly debited to unappropriated retained earnings -		
Dividend declaration during the period		544,764,381
Unappropriated Retained Earnings, as adjusted		**1,509,542,583**
Add: Net income for the current year		502,183,155
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)	–	
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	–	
Add. Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting (net of tax)	–	
Sub-total		–
Adjusted Net Income		**502,183,155**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	–	
Add: Category E: Adjustments related to relief granted by the SEC and BSP	–	
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution -		
Net movement in deferred tax liability on right-of-use assets	(1,037,762)	
Sub-total		**(1,037,762)**
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION		**₱2,010,687,976**

SCHEDULE I – MAP OF RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES OR CO-SUBSIDIARIES, AND ASSOCIATES
June 30, 2026

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City



[1] STI Education Services Group, Inc. owns 0.67% equity interest in STI Holdings as at June 30, 2026.
[2] A subsidiary of STI Education Services Group, Inc. through a management contract.
[3] A wholly owned subsidiary of De Los Santos-STI College; formerly STI College Quezon Avenue
[4] In June 2026, STI ESG and TCAMI executed a deed of absolute sale for STI ESG's acquisition of 100% of the total issued and outstanding capital stock of PHI.
[5] Formerly STI College Novaliches, Inc.; STI ESG has ownership interest in the entity of 6.25% as at June 30, 2026.

SCHEDULE J – SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
June 30, 2026

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

	Formula	June 30, 2026	June 30, 2025
Current ratio	Current assets / Current liabilities	1.44	1.84
Acid test ratio	Current assets less inventories and prepayments / Current liabilities	1.34	1.68
Solvency ratios			
Debt-to-equity ratio	Total liabilities less unearned tuition & other school fees / Total equity	0.25	0.34
Asset-to-equity ratio	Total assets / Total equity	1.29	1.36
Interest coverage ratio	EBITDA for the last twelve months / Interest due in the next twelve (12) months	28.60	18.19
Return on equity	Annualized net income attributable to equity holders of the parent company / Average equity attributable to equity holders of the parent company	15%	19%
Return on assets	Annualized net income / Average total assets	11%	14%
Net profit margin	Net income after provision for income tax / Total revenues	36%	40%
Other ratios			
EBITDA margin	EBITDA * / Total revenues	53%	57%
Debt service cover ratio	EBITDA for the last twelve months / Total principal and interest due for the next twelve months	2.32	4.13

**EBITDA is earnings before interest expense, interest income, provision for income tax, depreciation and amortization, loss (gain) on foreign exchange differences, equity in net earnings of associates and joint venture, fair value loss (gain) on equity instruments at FVPL, and nonrecurring gains/loss such as gain on termination of lease, gain on early extinguishment of loan, income from condonation of liability, and loss on remeasurement of noncurrent asset held for sale. Depreciation and interest expense for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively.*

SCHEDULE K – SUPPLEMENTAL SCHEDULE OF EXTERNAL AUDITOR FEE – RELATED INFORMATION
For the year ended June 30, 2026
(With Comparative Figures for the year ended June 30, 2025)

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

	2026	2025
Total Audit Fees	**₱24,691,000**	**₱23,114,000**
Non-audit services fees:		
Other assurance services	-	-
Tax services*	132,075	-
All other services**	1,320,000	1,265,000
Total Non-Audit Fees	**1,452,075**	**1,265,000**
Total Audit and Non-Audit Fees	**₱26,143,075**	**₱24,379,000**

**General Tax Advisory*

***Billed fees for Sustainability Reporting Advisory and Corporate Governance seminar in FY2026 and FY2025*

STI EDUCATION SYSTEMS HOLDINGS | Sustainability Report 2026

Shaping the Next Generation In and Beyond the Classroom









Table of Contents

About this Report 3

Message from the Chairman and President 5

Our Organization 7

- STI Education Systems Holdings, Inc. 8
- STI Education Services Group, Inc. 9
- PSBA 10
- STI West Negros University, Inc. 13
- iACADEMY, Inc. 14

Sustainability at STI 15

- Materiality 18
  - Materiality Themes 18
- United Nations Sustainable Development Goals 19
- Stakeholder Engagement 21
- Governance 23
- Educational Philosophy 26

Performance Highlights and Initiatives 27

- System-wide Development 29
  - Quality, Affordable and Inclusive Education 29
    - Enrollment 31
  - Curriculum Development and Implementation 32
  - Student Affairs and Services 37
  - Academic Research 43
  - Managing Health and Safety in Education 49
- Economic Value 53
  - Economic Performance 54
- Environmental Initiatives 55
  - Climate Change 56
- Social Commitment 59
  - Employment 60
  - Diversity and Inclusion 62
  - Learning and Development 64
  - Safety and Well-being 67
  - Community Engagement and Partnerships 69
    - Membership in Associations 76
  - Customer Data Security and Privacy 79



About This Report

STI Education Systems Holdings, Inc. (STI Holdings), referred to as the Parent Company, operates through its subsidiaries: STI Education Services Group, Inc. (STI ESG), STI West Negros University, Inc. (STI WNU), and iACADEMY, Inc. (iACADEMY). Collectively known as the "Group," these entities have established a leading position in delivering innovative and relevant education aimed at nurturing individuals to become competent and responsible members of society. Guided by its core values, the Group continually refines its educational delivery in pursuit of sustainable development.

This report highlights the Group's commitment to advancing sustainable education in response to the evolving demands of the times. As the education landscape continues to evolve, the Group remains focused on its mission by embracing innovation, strengthening its learning delivery models, and adapting to emerging opportunities and challenges.

Moreover, this document has been prepared in compliance with Securities and Exchange Commission's (SEC) Memorandum Circular No. 4, Sustainability Reporting Guidelines for Publicly-listed Companies, covering the period July 1, 2025 to June 30, 2026. Disclosures in this report do not cover franchise schools and include only STI ESG-owned schools, STI WNU, and iACADEMY, unless explicitly stated otherwise.

To gain a comprehensive understanding of the Group's sustainability plans, all stakeholders are encouraged to read this publication in conjunction with STI Holdings' annual report for the year ended June 30, 2026, which is available on the website ***www.stiholdings.com***. This report was developed through the efforts of the STI Holdings' Sustainability Core Team, spearheaded by Cyril Cunanan, STI Compliance Officer. Feedback and queries regarding this report may be directed via email to ***info@stiholdings.com.ph***.

NOTE ON FORWARD-LOOKING STATEMENTS

This report may include forward-looking statements that articulate the Group's view regarding its risks and opportunities, based on available trends, projections, plans, and other information at the time of publication. Statements describing the Group's outlook are not intended to present or guarantee the Group's future performance. While the Group maintains that these disclosures are reasonable, it acknowledges that risks and uncertainties beyond its control may materially impact its actual performance and outcomes, potentially differing from those expressed or implied herein. The Group assumes no obligation to update these forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors that may subsequently affect them.

Message from the Chairman and President

Dear Fellow Stakeholders,

STI Holdings and its subsidiaries—STI ESG, STI West Negros University and iACADEMY (collectively, "the Group")—renewed their commitment to shape the next generation through education in School Year ("SY") 2025-2026. Serving nearly 133,000 students across the network, the Group remained steadfast in fulfilling its mission of preparing learners to respond to technological change, participate meaningfully in society, and pursue productive and responsible lives.

In this light, the Group ensured that advances in technology were well incorporated into programs to equip students with the knowledge, practical skills, values, adaptability, and sense of responsibility that are needed to respond to evolving industry, technological, and societal demands.

This unwavering focus on Curriculum Development is supported by STI ESG's Learning Delivery System, which has maintained its ISO 9001:2015 certification, affirming the institution's continued adherence to internationally recognized standards. STI WNU's Quality Management System earned the ISO 9001:2015 certification, while its Educational Organization Management System earned the ISO 21001:2018 certification from distinguished certification bodies DNV AS Philippines and TÜV SÜD PSB Philippines. iACADEMY continued to allocate resources to its Learning Management System (LMS), digital learning resources, faculty development, IT infrastructure, cybersecurity, and student support.

Additionally, the Group emphasized building students' skills beyond its facilities. Research and innovation initiatives enabled faculty and students to share their work through local and international conferences and publications, with several studies receiving Best Paper and presenter awards. Career planning, workplace-readiness programs, internships, job fairs, mentoring, and industry partnerships helped students translate academic knowledge into informed career choices and professional competencies. Leadership programs, academic and technical competitions, robotics and esports challenges, creative showcases, cultural activities, and sports further developed communication, critical thinking, collaboration, creativity, discipline, adaptability, and resilience.

During the school year, the Group further reinforced meaningful connections with community organizations. STI ESG's collaboration with foundations continued to provide well-deserving students access to quality education. Engagement with the community allowed the Game Changers of iACADEMY to apply their expertise in computing, design, and business with the view of making a positive social impact. Participation in local and national-level activities enhanced STI WNU students' skills in collaboration and professionalism. Programs spanned the provision of access to education and learning support through educational, financial, and employment assistance, to helping communities establish livelihoods and enhance skills in numeracy and literacy. The Group's determination to maintain strategic partnerships through Membership in Associations augmented its capability of staying attuned to industry and societal needs.

As the Group looks toward the future, it constantly endeavors to give its students a profound experience both within and beyond the walls of its classrooms. Through relevant and accessible education, it believes that it will produce, for the next generation, leaders who will make a truly significant contribution to the nation and to the world.

EUSEBIO H. TANCO
Chairman, STI Holdings

MONICO V. JACOB
President and CEO, STI Holdings







Our Organization







STI Education Systems Holdings, Inc. (STI Holdings)

STI Holdings is a leading education and investment corporation in the Philippines. It is recognized as one of the largest networks of schools in the country today. Its registered address and principal place of business is at the 7th Floor STI Holdings Center, 6764 Ayala Avenue, Makati City.

STI Holdings began in 1928 when Theo H. Davies and Co., a Hawaiian corporation, established a branch office in the Philippines. In 1946, Jardine-Matheson group reincorporated the entity as a Philippine company. It was listed on the Philippine Stock Exchange on October 12, 1976. In March 2010, it became part of the Tanco Group of Companies. It is the holding company within the Tanco Group that drives investment in its education business. Today, it has investments in three large educational institutions—STI ESG, STI WNU, and iACADEMY—and is also the owner of Philippine School of Business Administration-Manila, Inc. and Attenborough Holdings Corporation (AHC).



STI Education Services Group, Inc. (STI ESG)

STI ESG is the largest subsidiary of STI Holdings. It was incorporated on June 2, 1983, and is involved in setting up, maintaining, and operating educational institutions to provide pre-elementary, elementary, secondary, and tertiary as well as post-graduate courses, post-secondary and lower tertiary non-degree programs.

STI ESG began with the goal of training as many Filipinos as possible in computer programming and addressing the information technology (IT) education needs of the Philippines.

At present, STI ESG offers secondary and tertiary programs as well as post-graduate and associate programs. The colleges of STI ESG grant Associate Degrees and Baccalaureate Degrees and offer Technical Courses, and Vocational Courses in the fields of Information and Communications Technology (ICT), Business and Management, Hospitality Management, Tourism Management, Arts and Sciences, Engineering, and Education. These programs are accredited by the Commission on Higher Education (CHED) and/or the Technical Education and Skills Development Authority (TESDA). Also accredited by TESDA, the education centers of STI ESG offer technical/vocational courses for computer programming, computer technology, multimedia arts, and office administration, among others. In addition, all schools in the STI ESG network have been issued permits by the Department of Education (DepEd) to offer Senior High School (SHS). Select schools in the STI ESG network were also granted permits by DepEd to offer Junior High School (JHS). STI ESG likewise obtained permits to offer Bachelor of Science in Psychology in SY 2022-2023 and Bachelor of Science in Criminology starting SY 2023-2024.

STI ESG, whose head office is located in Cainta, Rizal, has a network of sixty-three (63) schools spread across Luzon, Visayas, and Mindanao. It is comprised of sixty (60) STI-Branded Colleges and three (3) STI-Branded Education Centers. Of the total number of schools, thirty-six (36) colleges and one (1) education center are owned while twenty-four (24) colleges and two (2) education centers are operated by franchisees.



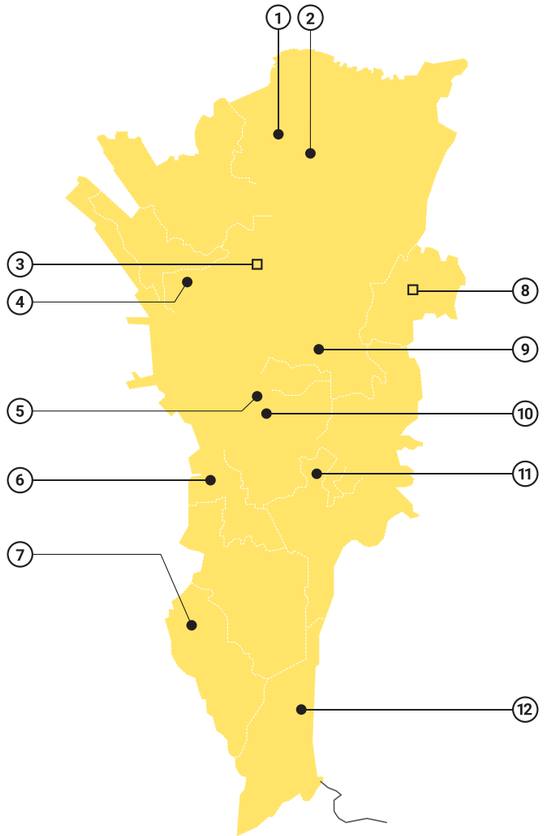


PSBA

On May 30, 2024, STI ESG executed a Management Agreement with the Philippine School of Business Administration (PSBA Manila) and the Philippine School of Business Administration, Inc. – Quezon City (PSBA Quezon City) or, collectively, PSBA. Per the Agreement, STI ESG has managed since the appointed dates therein the operations of PSBA 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.

Following the execution of the Management Agreement, various initiatives were undertaken to enhance the learning environment and support the ongoing operations of PSBA. Among these were improvements in facilities and infrastructure including the refurbishment and repainting of classrooms, hallways, and common areas; upgrading of lighting, ventilation, and air-conditioning systems in all classrooms; improvement of campus cleanliness, safety, and maintenance programs; enhancement of student lounges, faculty workspaces, and administrative offices; and, upgrading of restrooms and other basic student facilities. In the area of technology and learning resources, computers and multimedia equipment in classrooms have been installed and upgraded. The eLearning Management System (eLMS) and digital learning platforms have likewise been upgraded. To further provide academic support, library resources, both physical and digital, have also been improved.

Map 1: STI Campuses in Metro Manila



● STI ESG HO-owned campuses
□ STI ESG Franchises

Metro Manila

1. Novaliches
2. Fairview
3. Muñoz-EDSA
4. Caloocan
5. Sta. Mesa
6. Pasay-EDSA
7. Las Piñas
8. Marikina
9. Cubao
10. NAMEI
11. Global City
12. Alabang

Northern Luzon

13. Laoag
14. Vigan
15. Cauayan
16. Baguio
17. Alaminos
18. Dagupan
19. San Jose
20. Tarlac
21. Malolos
22. Balagtas
23. Meycauayan
24. Angeles
25. San Fernando
26. Baliuag
27. Sta. Maria
28. San Jose Del Monte

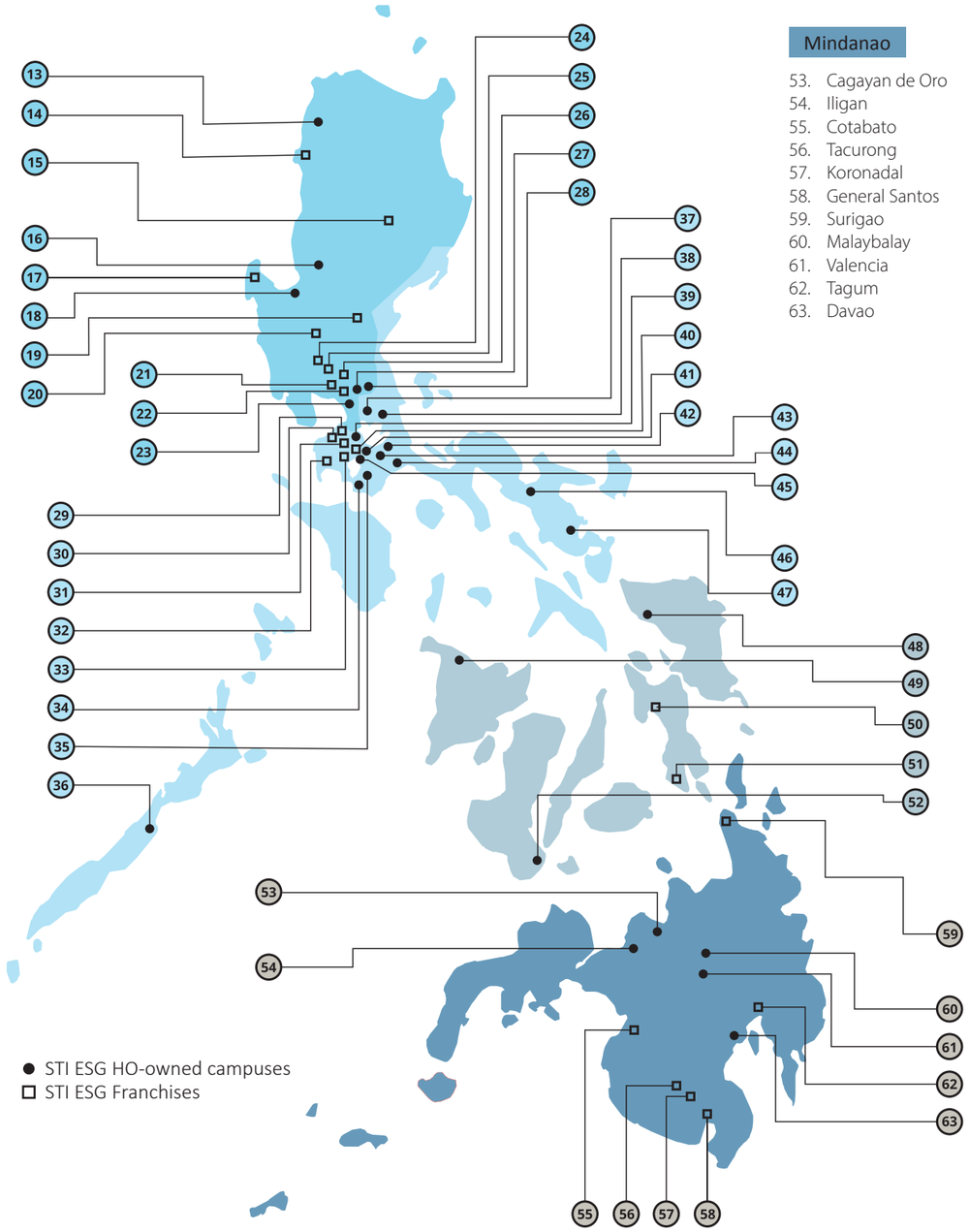
Southern Luzon

29. Bacoor
30. Rosario
31. Dasmariñas
32. Balayan
33. Tagaytay
34. Batangas
35. Lipa
36. Puerto Princesa
37. Ortigas-Cainta
38. Tanay
39. Carmona
40. Santa Rosa
41. Calamba
42. Sta. Cruz
43. San Pablo
44. Lucena
45. Tanauan
46. Naga
47. Legazpi

Visayas

48. Calbayog
49. Kalibo
50. Ormoc
51. Maasin
52. Dumaguete

Map 2: STI Campuses in Northern & Central Luzon, Southern Luzon, Visayas, and Mindanao



● STI ESG HO-owned campuses
□ STI ESG Franchises

Mindanao

53. Cagayan de Oro
54. Iligan
55. Cotabato
56. Tacurong
57. Koronadal
58. General Santos
59. Surigao
60. Malaybalay
61. Valencia
62. Tagum
63. Davao



STI West Negros University, Inc. (STI WNU)

STI WNU, a leading university in the City of Bacolod in Negros Occidental, offers a wide variety of programs and complements the courses offered by the Parent Company's other subsidiary, STI ESG. The University offers pre-elementary, elementary, secondary, including SHS, tertiary, and post-graduate courses.

STI WNU was founded by three Baptist women leaders on February 14, 1948, when the city was still reeling from the aftermath of the Second World War. The school, then West Negros College, first operated as a sectarian educational institution offering six undergraduate programs that attracted 710 students handled by 33 faculty members. It has since gone through years of providing education that is responsive to the needs of the community and was granted the University Status by CHED in June 2008.

In October 2013, the Parent Company acquired majority ownership interest in STI WNU. Since then, STI WNU's facilities have been continuously upgraded, catering to up to 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, Inc. (iACADEMY)

iACADEMY is a premier school offering specialized programs in SHS and college that are centered on Computing, Business and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, and Cloud Computing. iACADEMY also offers programs in Accountancy, Marketing Management, Psychology, and Digital Media Management.

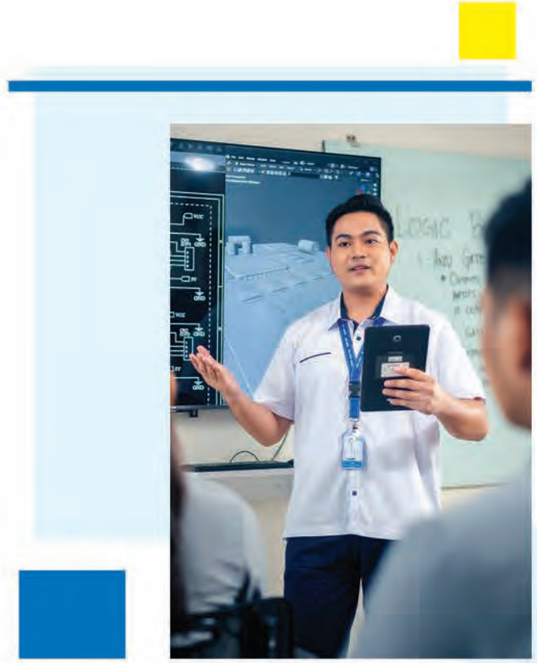
iACADEMY has been providing 24 years of non-traditional, Game Changing education, pioneering specialized programs that are technology-focused, innovative and industry-relevant.

iACADEMY was established in 2002 as a wholly-owned subsidiary of STI ESG. The school became a wholly-owned subsidiary of STI Holdings through acquisition on September 30, 2016. iACADEMY's Nexus campus, equipped with top-of-the-line multimedia arts laboratories and computer suites, is located along Yakal St. in Makati City.

iACADEMY's success in its Makati Campus has triggered expansion plans. A major growth path is to bring the type of education that iACADEMY offers closer to people in other regions of the country. In 2022, iACADEMY started setting up its first regional campus in Cebu City. The campus is located in Cebu I.T. Park, the I.T. Capital of Cebu. iACADEMY Cebu held its unveiling and blessing ceremony on January 21, 2023. The program offerings in iACADEMY Cebu include Software Engineering, Game Development, Real Estate Management, Multimedia Arts and Design, and Animation.



Sustainability at STI









System-wide Development

Launch of new degree programs
BS in Digital Media Management

132,941
students

29,949
graduates

16,947
students with Institutional or Partnership scholarship/ financial assistance

School facilities accessible for PWDs and learners with special needs

24,529
DepEd vouchers

1,151
CHED scholarship grants

Further details on the Group's activities can be found in its Annual Report (SEC Report 17-A)

Economic Value and Governance

PhP5,830M Economic value generated

PhP4,360M Economic value distributed

PhP1,470M Economic value retained

Further details on the Group's activities can be found in its Annual Report (SEC Report 17-A)

Social Commitment

1,283
Male employees

1,477
Female employees

5,340,056
Total safe man-hours

3.7%
Attrition rate

1:1
Ratio of salary of lowest paid employee against minimum wage

1
Total number of work-related injuries, fatalities, and ill-health

9,910
Total training hours provided to male employees

13,866
Total training hours provided to female employees

86
Total number of safety drills

Environmental Initiatives

58,229.64 GJ
Total energy consumption

144.65 tCO_2e
Direct (Scope 1) GHG emissions

3,415.48 GJ
Energy consumption from renewable energy

10,236.24 tCO_2e
Indirect (Scope 2) GHG emissions

Materiality

The Group aims to address all stakeholder concerns and attend to areas of its operations where it has the most material impacts. Following the guidelines and principles set by the SEC, the Group conducted its materiality assessment this year by examining external trends, global issues, and internal documents, in addition to addressing the key topics raised by its stakeholders. It considered the prevalent issues within the education sector by benchmarking against its peers, scanned media mentions related to the Group, assessed relevant publications of CHED, DepEd, and TESDA, checked advocacies of global non-governmental organizations related to education, and reviewed relevant internal policies and corporate strategies as well as the Group's social media posts to inform its materiality assessment process.

The Group carefully assessed the results and determined to include the following economic, environmental, social, and governance topics among its material sustainability topics.

Materiality Themes

System-wide Development
- Quality, Affordable and Inclusive Education
- Curriculum Development and Implementation
- Student Affairs and Services
- Academic Research
- Managing Health and Safety in Education

Social Commitment
- Employment
- Diversity and Inclusion
- Learning and Development
- Safety and Well-being
- Community Engagement and Partnerships
- Customer Data Security and Privacy

Economic Value and Governance
- Economic Performance

Environmental Initiatives
- Climate Change

United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs highlight the extent of today's social, economic, environmental, and governance issues and have set clear goals that governments, private sectors, and civil societies should strive to achieve by 2030. Educational institutions, in this regard, play a vital role as they educate the youth on the importance of delivering these goals and values to society, and eventually achieve a better and more sustainable future for all.

The Group supports the principles of the SDGs and strives to maximize its contribution through the following activities, measures, and strategies aligned with the various SDGs.



SDG 3: Good Health and Well-being

- Health insurance policy covering teachers and full-time administrative staff
- The Group fosters a culture of care by promoting mental and physical well-being initiatives, offering wellness programs, and ensuring that workplace conditions meet or exceed regulatory standards.

SDG 4: Quality Education

- Scholarships or alternative form of financial assistance for over 16,000 students within the whole STI network (aligned with SDG target 4.5)
- Senior High School Qualified Voucher Recipients and beneficiaries of the Tertiary Education Subsidy and CHED-Tulong Dunong financial assistance aggregating to over 25,000 students
- Competitive program offerings that are industry and market-driven (aligned with SDG target 4.4)
- Career orientation and internship programs for senior high school and college students (aligned with SDG target 4.4)
- Centralized courseware development to ensure the standard delivery of courses across its network of schools
- Continuity of education through digital and online technologies amid the cancellation of onsite classes due to inclement weather
- The Group delivered a diverse range of trainings and webinars to foster continuous professional development and ensure equitable access to skill-building opportunities for all employees. (aligned with SDG targets 4.3, 4.4, and 4.5)
- Industry partnerships, internships, and career placement initiatives that enhance graduate employability and workforce readiness (aligned with SDG target 4.4)

SDG 5: Gender Equality

- The Group's workforce consisted of 46% male and 54% female. (aligned with SDG target 8.5)
- Equal employment opportunity (aligned with SDG target 8.5)

SDG 8: Decent Work and Economic Growth

- PhP1,180M distributed to employees through salaries, wages and benefits supporting household incomes and economic participation (aligned with SDG targets 8.1, 8.2)
- PhP286M paid in taxes to the government, supporting public services and national economic development (aligned with SDG targets 8.1, 8.2)
- 1,112 new employee hires within the Group
- Over 29,000 graduates equipped with industry-relevant skills, contributing to workforce readiness and economic productivity (aligned with SDG targets 8.3, 8.5)

SDG 16: Peace, Justice, and Strong Institutions

- Compliance with laws, rules and regulations, policies, and standards of governing bodies covering the Group's operations

Stakeholder Engagement

The following stakeholders were identified based on the influence, representation, contribution, responsibility, and dependency of the entities within the Group. For SY 2025-2026, the Group engaged with stakeholders through different online platforms and onsite interactions, especially with respect to changes in the learning delivery system and school operations.

STAKEHOLDER GROUP	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT	KEY TOPICS RAISED	THE GROUP'S RESPONSE (REPORT REFERENCE)
Students	Regular basis	Combination of online and face-to-face orientation program, eLMS, webinars, social media	Programs or courses, school facilities, campus life, teaching, tuition fees, safety	Quality, Affordable and Inclusive Education, Curriculum Development and Implementation, Student Affairs and Services, Academic Research, Customer Data Security and Privacy, and Managing Health and Safety in Education
Faculty and Staff	Regular basis	Combination of online and face-to-face orientation program, combination of online and face-to-face trainings, social media, email	Working arrangement, trainings, career advancement, salary and benefits, health and safety	Academic Research, Employment, Learning and Development, Customer Data Security and Privacy, Diversity and Inclusion, and Safety and Well-being
Parents	Regular basis	Combination of online and face-to-face orientation program, eLMS, webinars, website, media articles, social media	Quality of education, school facilities, teaching, grades, tuition fees, safety	Quality, Affordable and Inclusive Education, Curriculum Development and Implementation, Student Affairs and Services, Academic Research, Customer Data Security and Privacy, and Managing Health and Safety in Education
Alumni	Annual or as required	Combination of online and onsite career fairs, webinars, website, social media	Employment	Student Affairs and Services, Community Engagement and Partnerships, Customer Data Security and Privacy
Board of Directors	Quarterly or as needed	Board meetings	Plans and strategies, risks, results of operations	Economic Performance, and Diversity and Inclusion
Stockholders and Investors	Quarterly, Annual, or as needed	Annual stockholders' meeting, reports, website, media articles, meetings as needed	Overall performance of the Group, results of operations, company updates	Economic Performance
Industry Partners	As required	Meetings, webinars, trainings, website, media articles, social media	Collaboration opportunities, curriculum design, graduates, employment, combination of virtual and onsite on-the-job training	Community Engagement and Partnerships
Regulators	Monthly or as needed	Meetings, online workshops, online seminars	Collaboration opportunities, access to education, curriculum, compliance requirements	Quality, Affordable and Inclusive Education, Curriculum Development and Implementation, Economic Performance, Climate Change, and Customer Data Security and Privacy
Local Community	As required	Website, media articles, social media	Community engagement, safety	Community Engagement and Partnerships

The Group collaborates with various stakeholders for compliance, strategy, information, and involvement. Stakeholders are engaged through a variety of ways, including direct dialogue, surveys, meetings or forums, social media, and sharing of information. The frequency and nature of the engagement likewise vary depending on the need and/or issues encountered.

Governance

The Group adheres to the principles and practices of good corporate governance and conducts its business in accordance with the highest level of accountability, transparency, and integrity.



Eusebio H. Tanco
Chairman of the Board



Monico V. Jacob
President and Chief Executive Officer



Joseph Augustin L. Tanco
Vice President, Investor Relations



Maria Vanessa Rose L. Tanco
Director



Paolo Martin O. Bautista
Vice President and Chief Investment and Risk Officer



Martin K. Tanco
Director



Jesli A. Lapus
Director



Robert G. Vergara
Independent Director



Ma. Leonora V. De Jesus
Independent Director



Raymond Anthony N. Alimurung
Independent Director



Justice Antonio T. Carpio (Ret.)
Independent Director



Atty. Arsenio C. Cabrera, Jr.
Corporate Secretary and Corporate Information Officer



Yolanda M. Bautista
Treasurer and Chief Financial Officer

GOVERNANCE STRUCTURE AS OF JUNE 30, 2026

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

Eusebio H. Tanco
Chairman of the Board

Monico V. Jacob
President and Chief Executive Officer

Joseph Augustin L. Tanco
Vice President, Investor Relations

Paolo Martin O. Bautista
Vice President and Chief Investment and Risk Officer

Maria Vanessa Rose L. Tanco
Director

Martin K. Tanco
Director

Jesli A. Lapus
Director

Robert G. Vergara
Independent Director

Ma. Leonora V. De Jesus
Independent Director

Raymond Anthony N. Alimurung
Independent Director

Justice Antonio T. Carpio (Ret.)
Independent Director

Atty. Arsenio C. Cabrera, Jr.
Corporate Secretary and Corporate Information Officer

Yolanda M. Bautista
Treasurer and Chief Financial Officer

The Board of Directors has the highest mandate in governance matters and in the management of the business of the Parent Company. It is the responsibility of the Board to foster the success of the Parent Company and secure its sustained competitiveness in a manner consistent with its fiduciary duty, and to promote and adhere to the principles and best practices of Corporate Governance.

EXECUTIVE COMMITTEE

Eusebio H. Tanco – Chairman
Monico V. Jacob
Yolanda M. Bautista
Martin K. Tanco

The Executive Committee has and may exercise all the powers which may be lawfully delegated, subject to such limitations as may be provided by resolution of the Board.

CORPORATE GOVERNANCE COMMITTEE

Justice Antonio T. Carpio (Ret.) – Chairman
Ma. Leonora V. De Jesus
Raymond Anthony N. Alimurung

The Corporate Governance Committee assists the Board of the Parent Company in the fulfillment of its corporate governance responsibilities in accordance with all applicable laws, rules and regulations.

AUDIT and RISK COMMITTEE

Robert G. Vergara – Chairman
Jesli A. Lapus
Martin K. Tanco
Ma. Leonora V. De Jesus
Raymond Anthony N. Alimurung

The Audit and Risk Committee assists the Board in overseeing the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules, and regulations. It also ensures that there is an effective and integrated enterprise risk management (ERM) program in place.

RELATED PARTY TRANSACTIONS COMMITTEE

Ma. Leonora V. De Jesus – Chairperson
Robert G. Vergara
Jesli A. Lapus
Raymond Anthony N. Alimurung
Justice Antonio T. Carpio (Ret.)

The Related Party Transactions Committee reviews all material related party transactions of the Parent Company and ensures that said transactions are conducted at arms' length.

Educational Philosophy

The Group strongly promotes the learner-centered approach as its paradigm for teaching and learning. Hence, every student is nurtured holistically through technology-enhanced, student-centered active learning. The Group strives to provide innovative and relevant education that nurtures students to become competent and responsible members of society.



Performance Highlights and Initiatives















System-wide Development

The Group, leveraging its network of educational entities, operates with a mission to profoundly transform individual lives through education. This mandate extends to empowering all students to fully realize their potential, fostering opportunities for social inclusion, and actively contributing to the construction of a society where every individual can employ his or her abilities, experience, and talents to effect positive change.

Quality, Affordable, and Inclusive Education

Education is the most powerful investment in an individual's future, driving economic mobility, career readiness, and personal growth. Guided by this belief, the Group remains committed to providing quality, affordable, and inclusive education that equips students with the knowledge and skills needed to succeed in a rapidly changing global environment.

To support this commitment, the Group maintains a strong quality assurance framework, industry partnerships, and market-responsive academic programs that align with workforce demands. Continuous investments in learning facilities, industry-standard laboratories, classrooms, and student spaces further enhance the educational experience and support holistic development.

The Group also promotes equitable access to education through a broad range of financial assistance programs funded by government agencies, corporate partners, non-profit organizations, and institutional scholarship initiatives. Through these efforts, the Group ensures that students from diverse backgrounds have meaningful opportunities to pursue and complete their education while fostering an environment where all learners can thrive.

To bring this commitment into practice, the Group implements programs and policies that foster safe, supportive, and inclusive learning environments while ensuring that students have the resources and opportunities needed to succeed.

Inclusive and Student-Centered Learning Environment

The Group is committed to providing a holistic educational experience that supports students' academic, emotional, and social development. Through inclusive policies, stakeholder engagement, and student support initiatives, the institution promotes a learning environment where all learners are treated with respect and provided equal opportunities to thrive.

This approach has contributed to improved student well-being, stronger engagement, and a more positive school climate. It also reinforces the development of the 4Cs: Character, adaptability to Change, effective Communication and Critical Thinking, while supporting the objectives of UN SDG 4 on Quality Education.

Policy Implementation and Student Support

At the core of STI ESG's approach is the implementation of anti-bullying and anti-harassment policies aligned with national standards. Regular training programs equip faculty, staff, and student leaders with knowledge on SOGIE (Sexuality, Gender Identity, and Expression) sensitivity, trauma-informed care, and inclusive teaching practices. The institution also invests in guidance services, mental health support, safe learning spaces, and student-led organizations that promote student welfare and inclusion.

These initiatives are designed to support a diverse student population, including learners from marginalized sectors, students with disabilities, members of the LGBTQIA+ community, and those facing mental health challenges. Parents, faculty, administrators, and community partners likewise play an active role in strengthening a culture of safety, respect, and accountability.

STI WNU's Guidance Services Center (GSC), meanwhile, supports these efforts through mental health promotion, counseling and consultation, psychological testing, training, referral services, and career development programs. Needs assessments, research, and program evaluation help the University identify emerging concerns and continuously improve its services. These initiatives also strengthen institutional trust and support the University's commitment to national education standards and global goals on inclusive and equitable education.

Among STI WNU's key initiatives is the Hiraya Pride & Ally Support Program, which provides students with a supportive space for concerns related to belonging, identity, and well-being. The Psychological First Aid Program strengthens the University's capacity to respond appropriately to emergencies, traumatic events, and serious emotional distress.

The Mental Health Program, including Mental Health Month and Suicide Prevention Month activities, promotes mental health awareness, early intervention, and appropriate help-seeking among students and employees through awareness campaigns, seminars, and training.

STI WNU also implements Gender Sensitivity and Violence Against Women and Their Children (VAWC) Awareness Programs, including the Gender Sensitivity Symposium, VAWC Seminar Forum, and Gender and Development (GAD)-School of Basic Education (SBE) activities. These initiatives promote respect, safety, awareness of rights, and inclusive behavior across the University community.

Through GSC Community Outreach Activities, STI WNU extends its student-support expertise to partner communities, contributing to stronger and more resilient communities. Meanwhile, the Exclusive Library Space for PWDs promotes accessibility, independence, and inclusion by providing a supportive learning environment for students with disabilities.

STI WNU's Institutional PWD Scholarship and Armed Forces of the Philippines Educational Benefit System Office (AFPEBSO) support qualified beneficiaries by helping reduce barriers to education and enabling students with disabilities and AFP beneficiaries to continue their studies and pursue their academic goals.

Collectively, these initiatives demonstrate the University's commitment to creating an inclusive, equitable, and supportive learning environment where every student is given meaningful opportunities to participate, develop, and succeed.

To promote accessibility and affordability, iACADEMY accepts students who qualify for the Tertiary Education Subsidy (TES), CHED-Tulong Dunong financial assistance, and Senior High School DepEd Vouchers. The institution also provides scholarship grants to academically deserving students, scholars endorsed by directors and affiliates, admission referrals, and scholarships funded through private-sector partnerships, among others. In addition, iACADEMY offers tuition installment plans to provide students and their families with more flexible and manageable payment options.

Beyond financial accessibility, iACADEMY supports the overall well-being and development of its students through various inclusive education and student support initiatives. Through its Kumustahan Sessions and Counseling Services, supported by four Guidance Counselors, the institution provides students with accessible counseling through online platforms. These services are designed to support students regardless of gender, preferences, beliefs, or individual limitations, helping foster a safe, supportive, and inclusive learning environment.

Similarly, the Digipeer ONCOL/Peer Facilitators initiative provides an additional avenue for students to seek support and guidance through peer-based engagement, with the Guidance Counselors providing oversight and support. This approach encourages students to connect with their peers while promoting awareness of mental health and emotional well-being within the school community.

iACADEMY also conducts wellness webinars and activities that address the diverse needs of its community, including PWDs, LGBTQIA+ individuals, and neurodivergent students. These activities provide learning opportunities and raise awareness about mental health, its importance, and practical ways of maintaining and improving well-being. They also equip students and employees with strategies for coping with stress and managing challenges that may affect their personal and academic or professional lives.

Through these initiatives, iACADEMY seeks to make education more accessible, inclusive, and supportive—not only by addressing financial barriers to education but also by promoting the mental, emotional, and overall well-being of its students and broader school community.

Monitoring, Engagement, and Impact

The Group continuously evaluates the effectiveness of its programs through feedback mechanisms, incident monitoring, and periodic assessments. Strong collaboration with families, community organizations, and advocacy groups further expands the support network available to students and helps address emerging needs.

Investments in digital student handbooks, advising services, training programs, and awareness campaigns have strengthened the implementation of inclusive education initiatives across campuses. As a result, students benefit from safer learning environments, reduced incidents of bullying, and greater participation in academic and co-curricular activities, contributing to a culture of empathy, collaboration, and academic success.

2026 Performance



132,941
students*

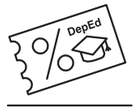
*across the network



29,949
graduates*



16,947
students with Institutional or Partnership scholarship/ financial assistance



24,529
DepEd vouchers



1,151
CHED scholarship grants

The Group monitors the retention rate and migration rate in each subsidiary. Retention rate is above 98% while migration rate is 92% for the schools in SY 2025-2026.

* Retention rate refers to the percentage of students that are able to complete the semester
** Migration rate refers to the percentage of students that continue from the previous semester

Enrollment

The Group recorded strong enrollment figures totaling 132,941 students in SY 2025-2026, though lower by 4.7% compared to 139,155 students in SY 2024-2025. Enrollees in programs regulated by the Commission on Higher Education comprised 77% of the total student population. Basic education enrollment declined following earlier class openings in public schools, which affected private school intake across the sector.

Enrollment figures include the number of students registered in the Philippine School of Business Administration and Philippine School of Business Administration, Inc.- Quezon City, which STI ESG manages by virtue of a Management Agreement executed by the parties.

Curriculum Development and Implementation

The Group, as a comprehensive and forward-looking educational institution, recognizes that a relevant and high-quality curriculum is essential to delivering transformative learning experiences and producing graduates who are not only academically proficient but also highly competent, adaptable, and industry-ready. The strategic design, implementation, and continuous improvement of curricula serve as the cornerstone of institutional effectiveness, directly influencing student performance in licensure examinations, enhancing graduate employability, strengthening professional competencies, and fostering lifelong learning. Through continuous curriculum review and enhancement, the institution ensures that its programs remain responsive to evolving industry requirements, technological advancements, and societal needs.

This commitment is supported by a strong quality assurance framework anchored on internationally recognized standards. STI ESG maintains a learning delivery system adhering to ISO 9001:2015 standards, with certification awarded by TÜV Rheinland Philippines, Inc., validating the quality of its management system. Similarly, STI WNU has pursued accreditation through multiple pathways, achieving ISO 9001:2015 certification for Quality Management System and ISO 21001:2018 certification for Educational Organization Management System (EOMS) from DNV AS Philippines. In May 2026, STI WNU was successfully granted ISO 21001:2018 certification by TÜV SÜD PSB Philippines, affirming its compliance with international standards for Educational Organizations Management Systems and strengthening its institutional quality assurance mechanisms. These certifications validate the integrity and consistency of educational processes and affirm commitment to continuous improvement and compliance with national and global regulatory benchmarks set by CHED, the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA), DepEd, and other accrediting agencies.

At the heart of this approach is a learner-centered philosophy that integrates the STI 4Cs into course content and pedagogical practices. These competencies are embedded across academic programs to help students develop both technical expertise and essential workplace skills.

By strengthening curriculum governance, faculty capability, and instructional innovation, the Group ensures that its educational offerings remain relevant, industry-aligned, and responsive to the changing demands of learners and employers.

To translate these principles into practice, the Group continuously develops and implements curricula that support learner success, industry relevance, and academic excellence across its nationwide network.

Curriculum Governance and Quality Assurance

Guided by this overarching institutional philosophy, STI ESG upholds a steadfast commitment to the continuous development and implementation of curricula that are responsive to evolving academic standards, industry demands, and the broader needs of society. The institution views curriculum as a living framework—one that must be regularly reviewed, refined, and strengthened to ensure that learners are equipped with the competencies required for meaningful participation in college, careers, and civic life. Through centralized academic leadership and close collaboration with campus-based academic administrators, faculty, industry partners, and regulatory bodies, STI ESG maintains a curriculum ecosystem that is simultaneously rigorous, relevant, and aligned with national education priorities.

The organization's curriculum strategy directly serves a wide array of stakeholders, including students, parents, faculty, academic administrators, industry partners, regulatory agencies such as DepEd and CHED, and the local communities in which STI campuses operate.

Through established review protocols, quality assurance mechanisms, and stakeholder feedback channels, the institution ensures that academic programs remain aligned with national standards and workforce requirements.

The organization supports these efforts through investments in faculty development, instructional resources, learning management systems, and academic support services. Regular feedback and evaluation processes also enable continuous improvement of academic programs and student outcomes.

Strengthened Senior High School Curriculum

A key effort in ensuring alignment with DepEd initiatives is the conceptualization of the Strengthened Senior High School Curriculum, which will be implemented network-wide across all STI Senior High School campuses nationwide. Through the coordinated efforts of the Academics Group in partnership with campus academic leaders and faculty, STI ESG develops, reviews, approves, implements, and continuously monitors the curriculum to ensure its relevance and effectiveness. This initiative has significantly improved curriculum relevance, strengthened learner competencies, elevated academic quality, and enhanced college and career readiness, while standardizing the delivery of education across the entire STI network.

Advancing Accessible and Quality Education

STI WNU's College of Arts and Sciences, through its BS in Mathematics and graduate programs, provides diverse academic and career pathways while responding to the needs of learners who may be underserved by other institutions. The College of Business Management and Accountancy continuously enhances its curriculum to ensure relevant and quality education, guided by the University's policies and Administrative and Operations Manual. Meanwhile, the College of Education focuses on developing graduates with strong professional competencies, licensure readiness, employability, global competencies, and essential life skills.

STI WNU's College of Engineering addresses student retention and industry readiness by strengthening foundational mathematics through a more balanced course structure and moving the six-week on-the-job-training (OJT) to the final semester of fourth year. This allows students to complete essential professional and design courses before entering industry training, benefiting students, faculty, and industry partners through improved academic and workplace preparation.

iACADEMY's implementation of Open and Distance e-Learning (ODeL) expands access to higher education by enabling students to pursue degree programs remotely while maintaining compliance with CHED quality standards. The impact covers academic delivery, student support, digital infrastructure, and quality assurance. Key stakeholders include students, faculty, academic and administrative personnel, CHED, industry partners, employers, and parents or guardians.

iACADEMY's management approach is guided by CHED and institutional policies on ODeL, Outcomes-Based Education (OBE), and quality assurance. Relevant policies and documents establish success metrics, accountabilities, resource requirements, and risk management measures. A continuous quality improvement framework and curriculum review manual guide program evaluation, with regular checkpoints to monitor progress and maintain quality. Resources are allocated for the LMS, digital learning resources, faculty development, IT infrastructure, cybersecurity, and student support.

As part of its commitment to academic excellence, iACADEMY pursues institutional and program-level accreditation through PACUCOA. Its recognized programs include BS in Computer Science with Level I Accredited Status, BS in Real Estate Management with Associate Status, and BS in Business Administration with Candidate Status. These external validations support continuous improvement, faculty development, student achievement, and the delivery of industry-relevant and globally competitive education.

The Group is dedicated to developing and maintaining curricula that strictly adhere to the guidelines set by regulatory bodies, including DepEd, CHED, and TESDA. All course materials are ensured to be suitable for both online and on-campus learning and are fully aligned with Outcome-based Education (OBE) principles, complete with necessary assessment tools, rubrics, and performance tasks. Furthermore, the Group actively forges partnerships with diverse organizations to provide essential student certifications and facilitate valuable on-the-job training and practicum experiences. By cultivating strong connections with industry leaders and employers, the Group ensures its students benefit from curricula that are current and equips them with marketable skills tailored to market demand.

STI ESG Programs

Basic Education

- Junior High School (Grades 7 to 10)

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics
- General Academic Strand

Technical-Vocational-Livelihood Track

- ICT Strand with specializations in:
  - Computer Programming
  - Animation
  - Illustration
  - Computer Systems Servicing
- Home Economics Strand with specializations in:
  - Commercial Cooking
  - Cookery
  - Bartending
  - Food and Beverage Services
  - Bread and Pastry Production
  - Local Guiding Services
  - Travel Services
  - Tourism Promotions Services
  - Front Office Services
- Industrial Arts Strand with specialization in:
  - Electronic Products Assembly and Servicing

Tertiary

- BS in Information Systems
- BS in Computer Science
- BS in Information Technology
- BS in Accountancy
- BS in Management Accounting
- BS in Accounting Information System
- BS in Business Administration major in Operations Management
- BS in Hospitality Management
- BS in Retail Technology and Consumer Science
- BS in Culinary Management
- BS in Tourism Management
- BS in Computer Engineering
- BA in Communication
- Bachelor of Multimedia Arts
- BA Psychology
- BS in Marine Engineering*
- BS in Marine Transportation*
- BS in Naval Architecture and Marine Engineering*
- BS Criminology
- 3-year Hotel and Restaurant Administration
- 2-year Information Technology Program
- 2-year Associate in Computer Technology
- 2-year Hospitality and Restaurant Services
- 2-year Tourism and Events Management
- 2-year Associate in Retail Technology

** These maritime programs are offered only to students of NAMEI Polytechnic College, Inc.*

STI WNU Programs

Basic Education

- Pre-Elementary (Nursery, Kinder 1 and Kinder 2)
- Elementary (Grades 1 to 6)
- Junior High School (Grades 7 to 10)

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics

Technical-Vocational Livelihood Track

- ICT Strand
- Home Economics Strand

Tertiary

- BS in Hospitality Management
- BS in Tourism Management
- BS in Criminology
- BS in Information Technology
- BS in Computer Science
- BS in Accountancy
- BS in Business Administration major in Marketing Management
- BS in Business Administration major in Financial Management
- BS in Management Accounting
- Bachelor of Early Childhood Education
- Bachelor of Physical Education
- Bachelor of Secondary Education major in English, and Filipino
- Bachelor of Elementary Education
- BS in Psychology
- BS in Mathematics
- BA in Communication
- BA in English Language
- BS in Electrical Engineering
- BS in Civil Engineering
- BS in Mechanical Engineering

School of Graduate Studies (SGS)

- Doctor of Philosophy in Educational Management
- Doctor in Public Administration
- Doctor in Business Administration
- Master of Arts in Education
- Master in Business Administration
- Master in Public Administration

iACADEMY Programs

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology Engineering, and Mathematics (Robotics)

Technical-Vocational-Livelihood Track

- ICT Strand with specializations in:
  - Computer Programming (Software Development)
  - Animation
  - Mobile App Development
  - Graphic Illustration
- Home Economics Strand with specializations in:
  - Fashion Design

Arts and Design Track

- Media and Visual Arts (Multimedia Arts)
- Music (Audio Production)

Strengthened SHS Curriculum- applicable to Grade 11 starting SY 2025-2026

Tertiary

School of Computing

- BS in Computer Science (Software Engineering)
- BS in Computer Science (Cloud Computing)
- BS in Computer Science (Data Science)
- BS in Entertainment and Multimedia Computing (Game Development)
- BS in Information Technology (Web Development)

School of Business and Liberal Arts

- BS in Business Administration major in Marketing Management
- BS in Business Administration major in eManagement
- BS in Real Estate Management
- BA in Psychology
- BS in Accountancy
- BS in Digital Media Management*

School of Design and Arts

- BS in Animation
- BA in Multimedia Arts and Design
- BA in Fashion Design and Technology
- BA in Film and Visual Effects
- BA in Music Production and Sound Design

** New program offering in SY 2025-2026*

Accreditations

STI ESG achieved distinction as one of the pioneer institutions to be awarded the ISO 9001:2015 Quality Management System (QMS) Certification. This certification represented a crucial upgrade for its Learning Delivery System (LDS) by placing heightened focus on risk-based thinking, improving applicability to educational services, and establishing increased leadership requirements. At the same time, the scope of the LDS was concurrently broadened to include the senior high school level and expanded to cover student program development and job placement assistance.

The institution reaffirmed its commitment to institutional quality and continuous operational improvement by maintaining its ISO certification through the second surveillance audit conducted by TÜV Rheinland Philippines, Inc. on November 14, 2025. This achievement builds upon the system advancements lauded during the previous audit cycle on November 15, 2024, which cited the rollout of the Human Capital Management (HCM) System, digitized exam evaluation tools, upgraded Private Automatic Branch Exchange (PABX) communications, and enhanced campus security infrastructure.

The 2025 surveillance audit highlighted significant positive findings across administrative, technological, and strategic functions. Operationally, auditors commended proactive facility management, including safety equipment acquisitions and sustainable administrative practices that direct proceeds from scrap sales toward corporate social responsibility initiatives. On the technological front, STI ESG was recognized for major infrastructure and cybersecurity upgrades, notably the acquisition of new enterprise laptops, automated internal hardware tracking, Microsoft Intune deployment, and rigorous Vulnerability Assessment and Penetration Testing (VAPT) across server and web applications.

Furthermore, the audit emphasized STI ESG's strong government relations and external industry standing. The institution was cited for active participation in national educational initiatives, including key engagements during DepEd's National Teachers' Month and National Career Expo. Auditors also noted an extensive array of institutional accolades and strategic partnerships, including a Silver Anvil Award, four Philippine Quill Awards, the Amadeus

Travel Professional Developer Award, and high-impact collaborations such as hosting ABS-CBN's Campus Patrol at STI College Ortigas-Cainta and partnering with the ASEAN Foundation and Limitless Lab to deploy the AI Ready ASEAN Program nationwide.

STI WNU continued to demonstrate its growing academic presence, ranking second among universities in Bacolod City in the latest EduRank list released on March 15, 2026. Nationally, the University improved from 193rd to 178th place. EduRank assesses institutions based on their research contributions, visibility, and alumni impact.

On April 27 to 28, 2026, PACUCOA conducted a Hybrid Accreditation Visit at STI WNU to assess six programs for Level I accreditation — BS in Management Accounting, BS in Computer Science, BS in Mathematics, BS in Tourism Management, Master in Business Administration, and Doctor in Public Administration — and BS in Civil Engineering for Candidate Status. The accreditation visit formed part of the University's continuing quality assurance efforts to uphold academic standards, strengthen institutional processes, and promote continuous improvement in the delivery of educational services.

On May 6, 2026, STI WNU was awarded the ISO 21001:2018 Certification by TÜV SÜD PSB Philippines, Inc., a certifying body recognized by the Philippine Accreditation Bureau (PAB), in compliance with CHED's requirements. This certification affirms the University's commitment to implementing and sustaining a systematic and internationally recognized Educational Organization Management System (EOMS) that promotes quality educational services and continuous improvement. It further reinforces STI WNU's dedication to learner-centered education, effective organizational processes, and a culture of sustained quality enhancement.

In addition, the Computer Science program of iACADEMY was granted Level I Formal Accredited Status for the period July 2021 to July 2024 by the PACUCOA on July 3, 2022. In May 2025, the School of Business and School of Computing of iACADEMY successfully underwent the PACUCOA accreditation processes. The BS in Computer Science program completed its Level II Re-accreditation Visit on April 15, 2025, and successfully complied with the identified compliance requirements. As of June 2026, iACADEMY is still awaiting the official issuance of the PACUCOA Level II Accreditation Certificate for the BS in Computer Science program. Meanwhile, the Orientation Visit for the BS in Real Estate Management program has been completed, marking a significant milestone in iACADEMY's accreditation journey. These accomplishments reflect iACADEMY's continued commitment to academic quality, institutional excellence, and continuous improvement.

Student Affairs and Services

The Group is deeply committed to nurturing the holistic development of every student, recognizing that true educational success extends far beyond academic achievement. At its core, the institution believes that realizing students' full potential requires a comprehensive ecosystem that supports their personal growth, social well-being, emotional resilience, and career readiness. By fostering an inclusive environment rich in peer engagement, meaningful interaction, and community-building, the Group enhances the learning experience through informal yet impactful opportunities that foster collaboration, empathy, and mutual support.

This commitment is reflected in a broadened educational journey that integrates structured social experiences, targeted career guidance, and active participation in advocacy and civic initiatives. These elements are designed to develop essential interpersonal, leadership, and problem-solving skills while preparing students for real-world challenges. Using data-driven insights from student evaluations and feedback, programs are continuously refined to align with individual interests, strengths, and developmental needs.

A whole-of-school approach ensures that all student affairs and services are thoughtfully tailored to different age groups, grade levels, and skill profiles, from early intervention programs to advanced leadership development, enabling each student to grow confidently and purposefully toward future transitions.

Central to this mission is the Group's sustained investment in professional capacity-building. Guidance counselors and student affairs personnel receive ongoing training, mentorship, and development opportunities to strengthen their expertise in areas such as mental health support, career counseling, conflict resolution, and program implementation. This commitment ensures that staff are equipped with the knowledge, tools, and ethical frameworks necessary to deliver high-quality, network-wide services that respond effectively to evolving student needs.

With an average employability rate of 72% within six to twelve months from graduation of the respondents, the Group's student affairs and services framework demonstrates effectiveness in bridging academic preparation with real-world readiness. Through a data-informed, student-centered strategy, the institution cultivates a supportive and transformative environment where learners thrive academically, personally, and professionally.

Among the Group's initiatives under Student Affairs and Services were as follows:

STI ESG

Career and Future Readiness Program

The Career and Future Readiness Program equips students with the essential knowledge, skills, and practical experiences needed to navigate informed career pathways, whether transitioning into higher education, corporate employment, or entrepreneurship. The program operates through cross-functional collaboration between internal stakeholders and industry partners, providing holistic career guidance and workforce preparation across all academic levels.

For senior high school students, the Career Planning Program (CPP) follows a structured six-stage developmental framework across Grades 11 and 12. Through targeted activities centered on self-assessment, career exploration, and decision-making, students are guided in identifying academic and professional pathways aligned with their personal strengths and aspirations. A total of 11,509 students engaged with the program in SY 2025-2026.

Concurrently, STI ESG piloted a specialized Career Development Program (CDP) for college students to address their specific developmental milestones through interactive online learning modules tailored to key academic stages: (1) Early Career Exploration modules engaged 1,886 first- to third-year students across 36 campuses, linking academic theory to industry trends; (2) Cross-Cultural Workplace Immersion, a specialized readiness webinar focused on mental well-being and workplace adaptability for students transitioning into international work environments, achieving near-total participation with 45 out of 46 eligible candidates; (3) Workplace Readiness for Graduating Students, targeted sessions aimed at refining core employability skills and easing the school-to-work transition for graduating students, engaged 4,258 students across 57 campuses. Collectively, the tertiary CDP initiative benefited 6,189 students, reflecting STI ESG's proactive commitment to elevating graduate employability and ensuring successful career transitions.

Talent Search

As one of STI ESG's flagship student development initiatives, the STI Talent Search provides students with a national platform to showcase their creative talents in music, dance, and performance while fostering confidence, self-expression, and school engagement. Signature competitions such as the STI Singing Idol, Battle of the Bands, Hataw Sayaw Dance Competition, and the Search for Mr. and Ms. STI consistently engage thousands of participants across the network, with national broadcasts streamed live on STI's official Facebook page since 2016 to reach a broader audience.

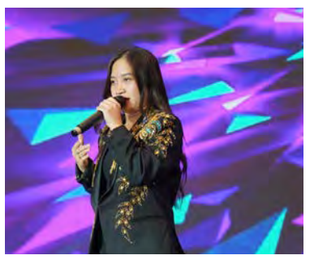
Following successful National Finals at Enchanted Kingdom in Sta. Rosa, Laguna in SY 2024-2025, the tradition of artistic excellence continued into SY 2025–2026. A total of 779 students participated in cluster-level eliminations nationwide, culminating in the National Finals held at Pradera Islands Theme Park in Lubao, Pampanga on November 21, 2025. During the national event, 117 finalists competed across the four competitions. Through this program, STI ESG continues to celebrate student achievement beyond academics, reinforcing its commitment to holistic development across the STI network.













Tagisan ng Talino (TNT)

Tagisan ng Talino (TNT) is STI ESG's annual academic competition that provides students with opportunities to demonstrate their knowledge, skills, and competencies across a wide range of academic and technical disciplines. The competition includes impromptu speech, essay writing, mobile app development, culinary arts, cake and table design, flairtending, tour guiding, coding and programming, and general knowledge. Through competitive and experiential learning activities, students are encouraged to showcase academic excellence, critical thinking, technical expertise, creativity, and problem-solving skills beyond the classroom.

During the reporting period, 860 students participated in cluster-level competitions, with 120 students advancing to the National Finals.

Tagisan ng Sining (TNS)

Tagisan ng Sining (TNS) is STI ESG's annual creative arts competition that provides students with opportunities to showcase their artistic expression, creativity, and technical skills through photography and video

production. The competition serves as a platform for students to apply visual storytelling, digital media production, and creative communication skills beyond the classroom while encouraging originality and innovation.

Sports Cup

The Sports Cup is STI ESG's annual inter-campus athletic competition that provides students with opportunities to demonstrate athletic excellence, teamwork, discipline, leadership, and sportsmanship through organized sporting events. The competition features basketball and volleyball tournaments conducted across campus, cluster, and national levels, promoting physical well-being and fostering camaraderie among students from different STI campuses.

During the reporting period, 934 student-athletes participated in cluster-level competitions, with 130 student-athletes advancing to the National Finals.

Esports Cup

Esports Cup is STI ESG's annual inter-campus digital competition that provides students with opportunities to demonstrate strategic thinking, teamwork, communication, and digital competencies through organized competitive gaming. The competition features popular esports titles such as Valorant and Mobile Legends: Bang Bang (MLBB) and promotes responsible participation in organized digital sports while fostering collaboration, leadership, and sportsmanship in a technology-driven environment.

During the reporting period, 632 students participated in cluster-level competitions, with 90 students advancing to the National Finals.

RoboQuest

RoboQuest is a pilot innovation and robotics competition introduced by STI ESG in SY 2025-2026 to provide students with opportunities to apply knowledge and skills in robotics, programming, engineering, innovation, and problem-solving through experiential learning and competitive challenges. The initiative encourages students to design, build, and test solutions while promoting collaboration, creativity, and the practical application of STEM concepts in real-world scenarios.

During its inaugural run on May 20, 2026, 23 students qualified for and competed in the National Finals. On the national stage, participants demonstrated high-level technical proficiency, creativity, and adaptability through complex robotics challenges. As an emerging platform, RoboQuest reinforces STI ESG's commitment to cultivating student interest in science, technology, and engineering, preparing learners for evolving demands in the global technology landscape.

STI WNU

Career Development and Job Placement Office Job Fair 2026

STI WNU conducted a University-wide Job Fair to facilitate employment opportunities for graduating students and strengthen engagement with prospective employers. The activity supported students' transition from higher education to the workplace while enhancing university-industry linkages. A total of 1,382 students participated in the activity during the reporting period.

Jump Start 2025

The Jump Start 2025 was organized to welcome and engage with the incoming students featuring orientation, team-building, leadership formation, and organizational engagement. The activity also featured performances, ceremonies and programs designed to foster school spirit and belongingness. The event increased campus participation, strengthened institutional pride, improved social integration among students, and helped the new students establish relationships with their peers, teachers, and student leaders.

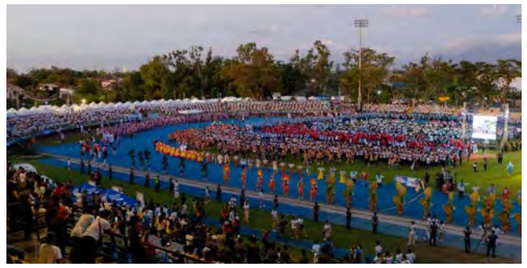
Christmas Festival of Lights 2025

The Christmas Festival of Lights is a University-wide Christmas celebration in collaboration with the City of Bacolod, with City Ordinance No. 1108 featuring illuminated festive costumes, Christmas floats, performances, and creative displays presented by different academic colleges and competing through elaborately illuminated costumes, street performances, and arena presentation with a theme "Christmas for Kids" held on December 13, 2025.



National PRISAA Negros 2026

The National PRISAA Games Negros 2026 is a prestigious national event that gathered 12,000 delegates that included student-athletes, coaches, and guests, from 17 regions across the country. STI WNU served as the host school during the said event held in Bacolod City, Negros Occidental from May 5 to 16, 2026. The event featured 22 sporting events, 4 cultural events and 2 academic competitions.



STI WNU Community Christmas Party

The University conducted a community-based Christmas outreach activity entitled "A Christmas Care: Uplifting Kids Impacted by Typhoon Tino." The program consisting of games, entertainment, gift-giving, snacks, and relief goods provided emotional support and assistance to children and families affected by Typhoon Tino while strengthening volunteerism and social responsibility among students.

Investiture of the University President

The Investiture of Dr. Ryan Mark S. Molina as the 15th University President of STI West Negros University was a significant institutional ceremony formally recognizing his assumption of the University's highest leadership position. Held at the University Gymnasium on October 1, 2025, the occasion brought together members of the University community, administrators, faculty and staff, and distinguished guests.



National Youth Convention 2026

The National Youth Convention 2026 was a significant student-centered educational gathering that allowed young learners from STI WNU and participating schools to gain new knowledge, explore current trends, and develop competencies relevant to their future careers. The convention emphasized youth development, leadership, innovation, career preparation, and personal growth. Through talks, presentations, and interactive learning activities, participants were encouraged to broaden their perspectives, strengthen their skills, and become more confident in responding to the challenges of a rapidly changing world.

Bonifacio: "Ang Supremo" 2026

On March 27, 2026, the PhilStagers Foundation presented *Bonifacio: "Ang Supremo" 2026*, a one-day theatrical production aimed at promoting appreciation of Philippine history and the performing arts. The activity provided an avenue for enhancing artistic expression, stage performance, teamwork, and discipline while fostering cultural awareness among the audience. Beyond its entertainment value, the production contributed to cultural education by deepening appreciation of the country's history, identity, and heritage. The University's STI West Street Camp rendered a contemporary dance performance during the pre-show segment while LENTE provided documentation support.



CHED Second Regional Quality Awards 2026

The CHED Second Regional Quality Awards 2026 was successfully hosted by STI WNU at the University Gymnasium on May 26, 2026, providing an avenue to recognize higher education institutions that demonstrated excellence and commitment to quality education, institutional development, and continuous improvement. The recognition further strengthened STI WNU's commitment to continuous improvement

and quality-driven institutional development, inspiring the University community to sustain effective practices, address areas for improvement, and pursue initiatives that contribute to better educational outcomes and meaningful student experiences.

Isang Dosenang Kasadyahan

The Isang Dosenang Kasadyahan was a vibrant university-wide activity that brought together students, faculty, staff, and members of the University community of camaraderie, culture, and school spirit. The event set the tone for a series of activities designed to encourage participation, teamwork, creativity, and healthy competition among students. The successful opening contributed to a more inclusive and dynamic campus environment while fostering unity, school pride, and camaraderie among the members of the University community.



iACADEMY

SOAR 2025: Beyond Possible

This year, online orientation activities were held among Grade 11 and Freshmen College students of iACADEMY about the school's mission vision, core values, academic and student life and included a virtual tour around campus. The SHS SOAR was held on July 31, 2025 while the College SOAR was conducted on August 30, 2025.

Additionally, an onsite ceremonial welcome party for the new Game Changers was organized for both Grade 11 and College students. Representatives from various student organizations performed while a DJ was also invited to the event.

Student Mentoring and Coaching Program

To help foster belongingness and increase student retention, the Office of Student Affairs and Services (OSAS) partnered with the School of Computing, Computing Students that Innovate and Lead (COMPILE), and scholars who mentored or tutored Freshmen students who signed up to refresh concepts of some of their subjects. Mentoring sessions were conducted throughout the school year and particularly during midterm and final examinations.

iACADEMY 24th Foundation Celebration

The theme for iACADEMY's 24th Foundation Anniversary centered on how iACADEMY has been changing the academic landscape for 24 years. With the collaboration among the student organizations, academics team, and various departments, different activities were organized to promote school spirit, showcase talents, and strengthen the spirit of family in school. Some of the major activities were Kick-Off Fun Run held on Ayala Avenue in Makati City, Fun Student Org Booths, Mechanical Bull, iGAMES Exhibition Games, and the culminating concert.



iLEAD

SHS and undergraduate Student Organization Officers attended a series of leadership seminars and workshops on March 21, 2026. Topics discussed included Effective Communication, Leadership Wellness and Resilience, and Digital Responsibility and Ethical Leadership.



iGAMES

To further boost school spirit and camaraderie, OSAS and iACADEMY Sports Organization (iSO) organized a sportsfest among the students from various strands and programs in December 2025 and April 2026. Various sports such as basketball, volleyball, badminton, and table tennis were featured. Also included were egames and local games such as Patintero, Agawang Panyo, among others.

Online and Onsite Counseling and Consultation

The school provided counseling, consultation, and psychosocial support to students through online platforms. Students were encouraged to reach out to their Guidance Counselor by emailing them. They could also be referred by their professors, peers, school physician, or even their parents. On-site counseling started in April 2022.

Wellness Webinars and Activities

These initiatives featured a variety of engaging and meaningful activities, including the display of positive infographics and campaigns such as #AsulisCool, Mental Health Day, and Light Up Blue. Highlights also included various stress-buster activities held throughout the school year, especially during midterm and final examinations. Collectively, these efforts aimed to create a safe, supportive, and inclusive environment for students and staff to talk about and care for their mental well-being.

School Clinic Services

iACADEMY strengthened its school clinic and health and wellness initiatives throughout SY 2025–2026 through comprehensive health assessments, HIV awareness education, mandatory random drug testing, Basic Life Support training, and regular health information dissemination. Annual physical examinations, including laboratory tests and chest X-rays, were provided to 286 students, while an HIV awareness seminar promoted informed health practices and helped address stigma. Random drug testing was conducted in compliance with CHED and Department of Labor and Employment (DOLE) requirements, with 301 students selected and 214 adequate specimens tested. In addition, students participated in Basic Life Support training covering first aid, choking response, and Automated External Defibrillator (AED) use, complemented by practical demonstrations, while weekly health tips were shared with students and employees through NEO and email.



Academic Research

Academic research stands as the foundational cornerstone of knowledge creation and intellectual progress, serving as the catalyst for meaningful discourse on the most pressing issues of our time including cultural dynamics, public health, education, and technological transformation. Through systematic and rigorous inquiry, research generates new ideas, refines methodologies, and drives technological innovations that address real-world challenges and elevate the standards of practice across disciplines. The Group's subsidiaries each champion this pursuit of knowledge through specialized research strategies designed to enhance educational quality, contribute to scholarly advancement, and respond meaningfully to broader societal needs.

STI ESG employs research-based strategies that are closely aligned with classroom instruction and learning optimization. By leveraging evidence-informed practices, the institution ensures that pedagogical approaches remain effective, adaptive, and grounded in validated insights. Through the Faculty Development Group, faculty members receive extensive training designed to strengthen their capacity to conduct research, refine their instructional processes, and provide essential mental health support and guidance to their colleagues thereby reinforcing both academic rigor and a culture of well-being within the academic community.

STI WNU is equally committed to advancing and facilitating high standards of research practice and dissemination, both within and beyond the walls of the University. The institution is dedicated to cultivating a responsive research environment charged with generating new knowledge that upgrades teaching-learning standards through a relevant and forward-looking research agenda. In pursuit of this mission, STI WNU has established international linkages with the Asian University Digital Resource Network (AUDRN) and the German Development Cooperation (GIZ), enabling collaborative scholarship, knowledge exchange, and global engagement that enrich the local research landscape.

Meanwhile, iACADEMY, through its Office of Research and Development (ORD), envisions itself as a regional research center specializing in innovative studies and creative inquiry across the fields of computing, business, liberal arts, design, and the arts. To realize this vision, iACADEMY ORD has curated various mechanisms to harness and develop the mindset and culture of academic research and excellence among its students, employees, and broader stakeholder community. These efforts reflect a deliberate commitment to fostering a vibrant research culture that produces scholarly contributions with both academic and practical value.

Collectively, these institutional initiatives underscore the Group's holistic dedication to research as a driver of educational advancement, professional development, and societal contribution—positioning each subsidiary as an active participant in the global pursuit of knowledge and innovation.

The following are research papers and creative output from some of the faculty members and students within the Group, several of which were presented either in local or international conferences and seminars during the reporting period:

International Conferences and Local Presentations

Peter Cyril Carretas conducted a study examining faculty literacy in the use of AI-powered educational tools, particularly focusing on faculty knowledge, skills, utilization, and challenges encountered in integrating artificial intelligence into teaching and learning processes. The study, titled "Faculty AI Literacy in the Use of AI-Powered Educational Tools", was presented during a research colloquium on December 3, 2025, as part of the requirements for the completion of his Master's degree in Educational Management.

Philip Alejandro presented his ethnographic research titled "Momshies Beyond the Spectacle: Constructing Queer Space in Beauty Pageant Boot Camp" at the Philippine Queer Studies Conference held at the University of the Philippines (UP) Diliman on April 24 to 26, 2026. This research explores how queer pageant handlers create and express queer spaces within beauty pageant training environments. Through this work, he gave voice to the figure of queer handlers who are crucial yet peripheral in public and academic discourse.

As part of the requirements for the degree, Master of Science in Hospitality Management, at Lourdes College Cagayan De Oro, Inc., Franz Dominique Pastor presented her study at Philippine Association for Graduate Education (PAGE) Region 10, Regional Conference on April 18, 2026, at Lourdes College Auditorium, Cagayan de Oro City. Her study titled "Determinants of Dining Loyalty Among Restaurant Guests in Cotabato City" investigated the determinants of dining loyalty among casual dining restaurant customers in Cotabato City, focusing on service quality, customer engagement, and environmentally responsible practices. Results showed that customer engagement and sustainability practices significantly influenced loyalty, while service quality was not a significant direct predictor.

Dr. Ann Gilyn B. Premarion, ECE, LPT, Jessabelle Grace L. Firmalino, MAEd, RGC2, and Donieza Bolaño, RPm presented their study titled "The Lived Experiences of Teachers in Mainstreaming Neurodivergent Students: Basis of Dynamic Inclusive Classroom Framework (DICF)" during the National, Research Conference on Gender and Development (GADCon 2026) held on March 19, 2026 at the World Palace Hotel, Davao City. Their study discussed the effect of schools' strong support on a more effective inclusive education and continuous learning of teachers.

John Ray Garcia, presented his study titled "Web-based Recruitment and Workforce Monitoring System for Private Academic Institutions" online at the HSEM 2025 International Interdisciplinary Conference on October 23, 2025. The paper was accepted for both international presentation and publication in the conference proceedings, highlighting its scholarly contribution to English language education. Garcia developed a web-based recruitment and workforce monitoring system for private academic institutions to centralize job posting management, applicant processing and ranking, employee records, attendance monitoring, leave monitoring, reporting, notifications, and role-based access control. It was designed to address fragmented and semi-manual HR processes by providing a more organized, accessible, and efficient platform for workforce-related operations.

Cherry Rafer published her paper titled "The Influence of Digital Competence on Higher Education Institutional Management through Employee Performance". This research demonstrates that employees' digital competencies directly improve institutional management in higher education by enhancing individual job performance, a finding that validates Vroom's Expectancy Theory through mediation and regression analysis of university staff data. The paper was published in the Research Journal of Business and Economics, August 2025 Edition.

Dr. Alfred Taboada published his paper in the International Journal of Innovative Research in Technology (IJRT) ISSN 232 & Impact Factor 8.412 published in Volume 12 Issue 10, March 2026 Registration ID 195060. The primary purpose of his research titled "Multi-Dimensional Impacts of Reintegration Programs on the Lives and Aspirations of Returnees" was to evaluate the efficacy of reintegration efforts and to develop an empirically grounded peacebuilding framework tailored to the Philippine landscape.

Harold Fernandez, DBA, published "The Influence of Marketing Strategies on Sales Performance of Fashion Stores in Cotabato City" on May 23, 2026, at International Journal of Research and Innovation in Social Sciences (IJRISS), an open-access platform dedicated to advancing knowledge in social sciences. The research was accepted and published in the International Journal of Research and Innovation in Social Sciences. The manuscript received a Very Satisfactory rating from the publisher and was recognized as a relevant and timely study that addresses important needs and issues in the contemporary context and local setting.

Norfaisa Didato published her thesis titled "Development of Board Game 'S.F.Y: Spark, Forge, and Yield!' in Learning Work, Power and Energy on Grade 8 Students" at The International Journal of Research and Innovation in Social Science (IJRISS), a peer-reviewed, open-access journal (ISSN 2454-6186, DOI 10.47772/IJRISS) that focuses on advancing social science scholarship globally. The study addressed the persistent challenge of suboptimal student achievement in science education, particularly in Grade 8 physics, by examining the impact of a novel board game, "S.F.Y: Spark, Forge and Yield," on the

acquisition of knowledge related to work, power, and energy. Employing a developmental research design with mixed-methods data collection, the research compared the learning outcomes of an experimental group, utilizing the board game, to a control group receiving conventional lecture-based instruction.

Richiel Cotejar published her thesis titled "Senior High School Learner's Difficulties in Statistics and Probability" at the International Journal of Research and Innovation in Social Science (IJRISS), a peer-reviewed, open-access journal (ISSN 2454-6186, DOI 10.47772/IJRISS) that focuses on advancing social science scholarship globally. The study investigates the learning difficulties encountered by senior high school learners in Statistics and Probability, focusing on the area of content knowledge and pedagogy, learning environment, and teacher's competence when grouped according to gender, track, school of origin, and average family monthly income.

Chester Cajumban published a research paper titled "Customer Service, Customer's Satisfaction and Customer's Loyalty of Selected Casual Dining Restaurants in Santa Rosa Laguna" in the International Journal of Social Science and Education Research Studies (IJSSERS) on December 12, 2025. The study focused on factors affecting Customer Service, Customer's Satisfaction and Loyalty in Santa Rosa City. In a second publication titled "Food Adoption, Transformation Strategies, and Customer Satisfaction of Selected Korean-Filipino Samgyeopsal Restaurants in Santa Rosa City, Laguna", Cajumban explored how food adaptation and transformation strategies influence customer satisfaction and repeat patronage among Korean-Filipino restaurants. His third study, "Manager's Management Style, Employees' Satisfaction and Employees' Productivity at North Park Noodle House", meanwhile examined the relationship among management style, employee satisfaction, and productivity in the food service sector, further contributing to hospitality management research.

Jonnel Mae Real published "Assessing Risk-Aware Culture in Philippine Private Higher Education: A Quantitative Case Study" and "Risk-Aware Culture and Institutional Performance in Philippine Private Higher Education: A Multi-Level Analysis" as part of the requirements for completing her doctorate degree program at University of the Cordilleras. The first research paper highlighted the need for educational institutions to strengthen organizational alignment of resources and external drivers to improve resilience and organizational performance.

The following student research papers, publications, conference presentations, and ongoing research initiatives highlight the scholarly achievements, innovation, and research productivity of the students across various campuses during SY 2025-2026.

Beginning in December 2025, students from STI College Balayan presented and published a significant portfolio of research during the 2025 Asia's Educators and Professionals International Research Conference organized by INSTABRIGHT. Among the recognized studies was "Level of Social and Emotional Stress on Learning Preferences: A Stress-Management and Learning Approaches Program", presented by Esther Julia Argente, Jshiela Mae Jolongbayan, Judylyn Matalog, and Maricar Pincil, which was recognized as one of the conference's Best Papers. Likewise, "Soygood Crinkles: Redefining the Classic Crinkle into a Guilt-Free Snack" by Xena Janella Ardios, Joross Del Mundo, Rannie Dranreb Dource, Krishna Audrey Puri, Angelo Jay Sales, and Charles Dominic Talag, "Essenzia: A Rice Brightening and Moisturizing Cream" presented by Nicole De Castro, and "CARNEVO: Organic Automotive Wax" by Laurence De Guzman, Brenda Lyka De Guzman, Ron Alfred Pantoja, Darwin Perez, and John Mark Silang were recognized as Best Papers. Additional published feasibility studies included "Barakong Bektal Café" by Maria Shamel Aquino, Mary Ann Baon, Jose Conrado Caisid, Johaira Mare Ramos, Marc Anthonides Salazar, and Yesha Mae Villaveza; "Jack Pack: Jackfruit-Based Viand in Sachet" by Kimberly Barredo, Bea Anne Rein Esteleydes, Katrina Mae Ramos, Clifford Salazar, and Mary Joy Serrano; and "SENTELLA: A Gentle Facial Wash Tablets" by Jobelle Becinal, Rojohn Cymon Diaz, Sofhiela Paula Riosa, Albert Caesar Tenorio, Lyra Trisinio, and Aila Marie Viñegas.

The same conference also featured numerous Hospitality Management and Tourism research studies. These included "Determinants on Customer's Social Media Engagement in Selected Beach Resorts in Lian, Batangas" by Ma. Ellyza Alonzo and Angel Perez; "Food Safety Knowledge and Practices of Barbecue Vendors in Balayan, Batangas" by Robert James Ape; "Career Competencies and Employability of Bachelor of Science in Hospitality Management Graduates of STI College Balayan" by John Cedric Ardina, Martin De Castro, Ulysses Macalalad, and Kim Gerald Riva, which earned both Best Research Paper and Best Poster Presenter awards; "Factors Affecting the Social Sustainability of Restorante Farmville" by Jean Rexie Bascuguin, Lei Gatdula, Rosette Magyaya, Jonathan Christopher Marasigan, and Lian Charles Poblete; "Impact of Hosting Application (AirBnB) in the Hospitality Industry in Tagaytay City" by Vincent Izhii Bausas and Le-an Yecka Castrojeres; "Food Plating Styles and Their Relationship with Restaurant Performance" by Tyrone Harry Martin Cabasis and Alexis Ilao, where Tyrone received the Best Oral Presenter award; "Employment Readiness and Career Adaptability for Job Preparation of Fourth-Year Tourism and Hospitality Management Students" by Mark Adrian Consigo and King Dave Dimafelix; "Relationship Between Learning Difficulties and Strategies Used in Cooking Techniques" by Ma. Xyrish Nadine Pacis; and "Student Perceptions and Practices on Environmental Sustainability in Hospitality Management" by Arabella Ramos.

Tourism-focused research further included "Contributing Factors in the Decline of Salakot-Making Traditions in Balayan, Batangas" by Ma. Alyza Alipio, Nickos Aaron Louis Baylosis, Arah Cabral, and Frances Celyn Moral; "Ecotourism Potential of Molino River" by Sidney Ryveth Angulo and Andrie Joy Tenorio; "Level of Tourism Satisfaction and Experience in Exploring Mt. Talamitam" by Angel Trishia Bausas, who was recognized as Best Oral Presenter; "Readiness for Agritourism Development in Tuy, Batangas" by Tobby Hans Miguel Cabasis and Daisyree De Nieva; "Promoting Paddle and Play as a Recreational Attraction in Balayan, Batangas" by Sharobel Fernando and Ma. Veronica Navarro; and "Economic Growth Contributions and Benefits of Iglesia De Nuestra Señora De La Escalera ("Lumang Simbahan")" by Alliah Ingrid Gamboa and J-Anne Manguerra.

In December 2025, STI College General Santos gained international exposure through the presentation of "HalalGuide: Halal Certification Portal with Establishment Finder" at the International Halal Science and Technology Conference (IHSATEC) 2025 in Bangkok, Thailand. The project was presented by Reymond Burdo, Adrian Isaac Gandia, Khutaro Akeshi Osano, and Earl Lawrence Tolero.

In February 2026, Mr. Riedgbelle Jhecz Maglaqui, LPT, MBA of STI College Kalibo presented "Mental Stress and Job Performance among Personnel of an Academic Institution: Basis for a Comprehensive Well-Being Program", which was later published in the World Education Connect Multi-Disciplinary e-Publication, Volume VI, Issue VI.

Research excellence continued in April 2026 when Kianz Gwyneth Cuartero, a Bachelor of Science in Tourism Management student from STI College Malaybalay, received the Best Presenter Award for "Exploring the Continuity of the Talaandig Dialect Through the Young Indigenous People in Bugcaon" during the SMART Interconnect: Student Mindanao Conference for Academic Research in Tourism and Hospitality. During the same period, STI College San Fernando earned 1st runner-up honors at the Technology & Innovation Project (TIP) Contest 2025 Grand Finals through "MedSkin: Online Inventory Management and Point of Sale (POS) System", developed and presented by Jack Harry Dean, Joan Robyn Kaye Flojo, Sean Linard Iguico, and Daniel Gregory Mendiola III.

In March 2026, STI College Ortigas-Cainta secured sixth place during the Research Congress in Cainta through the capstone project "Online Resort Booking, Reservation, and Monitoring System with Payment Verification, Sales and Auditing Report Generation, and a Website with AI Integration for Curvera Rest House". The project was presented by Marc Plarisan, Jay Arnon Sinahunon, Bastian Kyle Aguilar, and Isaac Alan Severino.

In May 2026, additional publications from STI College Balayan were recognized through the INSTABRIGHT conference. These included "Budget Mate: A Comprehensive Application for Managing Income, Finance Tracking, and Improving Personal Budgeting" by Alliana Princess Besas, Kurt Dhylan Cabesas, Aaron Gabriel Gatdula, Yñigo Ignacio, and Rod Ashlee Mananquil; "CocoaMelt Cleansing Balm" by John Nicolo Abiad, Bibianne Bea, Gerson James Gaton, Diana Mendoza, Nina Grace Maureen Relevo, and Precious Angel Vidal; "Level of Preparedness of Selected Beach Resorts in Nasugbu, Batangas" by Ana Elijah Sadia; "Financial Literacy and Budgeting Practice of Street Food Vendors in Balayan, Batangas" by Emerson Babaran and Robwil Carbona; "Level of Staff Attentiveness and Customer Satisfaction in Selected Restaurants" by Ma. Alyana Franchesca Del Rosario and Miguel Raphael Esteron; and "Sustainable Tourism Practices of Shore-Based Resorts and Their Influence on Tourist Perceptions in Bagong Silang, Calatagan,

Batangas" by Thyrone Dave Lopez and Sharmyl Margareth Montealegre.

Community-engaged technology initiatives also gained recognition in 2026. STI College Tagum received an Outstanding Stakeholder Award for its contribution to the "CCTV123 System", developed by JC Vencio, John Lourence Tano, Art Sabagala, Nickael Shem Lugnasin, and John Cyril Pacon. Subsequently, the "PORTAL Information System" for the Davao del Norte Provincial Police Office was successfully completed and presented by Lee Steven Prudente, Christian Earl Pascual, Aaron Jay Ganal, and Mariano IV Halog in June 2026.

Further strengthening STI's research publication record, STI College Novaliches achieved an international journal publication through "Evaluating the Effectiveness of a Japanese Language Learning Management System with an AI-Powered Tutor Utilizing LLaMA 3.1 8B", authored by Mark Lui Agbayani, Arel Christian Laguisma, Maria Rica Ono, and Arrabela Trajano, and published in the International Journal of Research and Innovation in Social Science (IJRISS).

Complementing these completed studies are several ongoing innovation-driven projects from STI College Muñoz-EDSA. The "CloudTree" project, developed by Jaylord Alipio, Ace Del Rosario, Jhon Genesis Madera, Thed Justin Palting, and Louie Izen Torres, advanced as a finalist in Startup Quezon City Squad 3. Similarly, "Unixeon", an AI-powered property management platform, is being developed by Romyrhei Orenciada, John Kenneth Bragas, Yiesha Diezmo, and Reychelle Mae Lazo. Meanwhile, Darren Relimbo, Diego Rivera, Earl John Aranzado, and Raven Fernandez are advancing "AI-Powered Production and Quality Monitoring of Water Hyacinth Briquettes" as an official entry to the Intellectual Property Office of the Philippines Socially Relevant Technologies Contest.

Abram Andrew Lumbang and Jay R San Pedro conducted a study entitled "Navigating the Design Thinking and Artificial Intelligence Mindsets of Filipino Educators for Ethical Course Integration", that explored how Filipino educators at a Philippine private higher education institution combine design thinking (a human-centered, iterative problem-solving approach) with AI mindsets to reimagine teaching, learning, and assessment practices among selected General Education professors. This research was recognized as one of the Best Papers at the 2025 International Conference on Educational Measurement and Evaluation (ICEME 2025), organized by the Philippine Educational Measurement and Evaluation Association Inc. (PEMEA) from August 6 to 8, 2025. The same paper was recognized as one of the Best Papers during the 2025 ENCULT XV Philippine Working Group 15 organized by the Quezon City University, Universidade Estadual de Alagoas, Brazil, & Asia-Pacific Consortium of Researchers and Educators Inc.(APCoRE) on September 26, 2025.

Jay R San Pedro and Fridolin Ting authored a non-equivalent quasi-experimental study titled "Integration of a Collaborative Artificial Intelligence in Improving Student Learning Outcomes in Data Analytics", investigating the effects of integrating collaborative GenAI on students' learning outcomes in a data analytics course within a Philippine higher education institution. Using a free and open-source statistical software, pre- and post-assessments were administered to evaluate students' academic performance. This research was recognized as one of the Best Papers in the following research conferences:

- 2025 ENCULT XV Philippine Working Group 15 organized by the Quezon City University, Universidade Estadual de Alagoas, Brazil, & Asia-Pacific Consortium of Researchers and Educators Inc.(APCoRE) on September 26, 2025.
- 26th Student-Faculty Conference on Statistical Sciences organized by the University of Los Baños on October 13, 2025 under the Graduate Student Category.
- International Research and Innovation for Sustainable Education Hybrid Conference 2025 organized by the Quezon City University and APCoRE on November 28, 2025.
- International Conference on Multiperspectives in Education (ICOME2025) organized by the Far Eastern University - Manila, December 3 to 5, 2025.

Bill Ian Alcantara, Blaise Howard Bustamante, and Jude Joseph Garcia Jr., authored "Quantifying Semiotic Validity: Measuring Conceptual Depth in Vector Retrieval Systems", a theoretical research that introduces the Semantic Depth Index (SDI) to measure semiotic validity that is a framework that evaluates whether embedding models preserve hierarchical, relational, and contextual depth rather than mere surface co-occurrence. Evaluated across seven models, three vector database environments, and 500 human-annotated pairs, SDI provides the first systematic diagnostic for optimizing retrieval architectures for genuine semantic coherence over similarity alone. This study was recognized as one of the Best Papers during the International Research and Innovation for Sustainable Education Hybrid Conference 2025 organized by the Quezon City University and APCoRE on November 28, 2025.

Anna A. Fernandez, Ma. Danica Garcia, Peach Airis B. Mejarito, and Jay R San Pedro conducted a tracer study called "Tracing Employment and Operationalization of Graduate Outcomes Among Online Learning Program Graduates", examining the employment outcomes and career predictors of college graduates who completed their degrees through remote and online learning modalities during the COVID-19 pandemic. This research was recognized as one of the Best Papers during the Asian Graduate Studies Summit 2026 organized by APCoRE from May 26 to 29, 2026.

STI WNU faculty generated substantial scholarly outputs consisting of international and local refereed research publications, book publications, creative works, utility models, industrial designs, copyrights, and trademarks. A total of 188 scholarly outputs was recorded, including 126 published research papers, 5 book publications, 13 utility models, 18 industrial designs, 7 copyrights, 4 trademarks, and 1 creative work. A total of 11 faculty members obtained national and international recognitions for research excellence, best paper awards, best presenter awards, outstanding researcher awards, and international research distinctions. Awarding institutions included (1) Institute of Industry and Academic Research Incorporated (IIARI), (2) GEO Global Educators' Organization, (3) FACCI, (4) Dong Nai Technology University, and (5) Institute for Engineering Research and Publication.

Furthermore, STI WNU was recognized as the First Place awardee in the Academic Institution Category of the Clean and Green Program, specifically honored for the Best Project Concept/Research Paper on Urban Climate Action Resiliency. The winning entry, titled "Solar Powered Automatic Watering System", was authored by Dr. Erlyn Mae Getino Desamparado and celebrated for its innovative contribution to urban climate resilience.

Managing Health and Safety in Education

The Group is firmly committed to protecting and promoting the health, safety, and well-being of every student within and around its campus premises. Recognizing that education flourishes only in environments where learners feel physically secure, emotionally supported, and psychologically safe, the institution approaches health and safety as an integrated and strategic priority. This commitment encompasses the assurance of effective safety risk management, the cultivation of a strong safety culture, and the implementation of preventive and responsive measures that address the full spectrum of risks affecting the school community. These include initiatives related to campus security, emergency preparedness, disaster risk reduction, physical safety, mental health support, and the prevention and management of risks arising from pandemics and other public health threats.

Through coordinated and sustained efforts across multiple dimensions, the Group strengthens preventive controls, response mechanisms, and awareness-building initiatives that contribute to safer, healthier, and more resilient learning environments for students, faculty, staff, and the broader school community.

Promoting Mental Health and Well-being Across the Network

STI ESG continues to strengthen its commitment to fostering a supportive, responsive, and holistic learning environment through a structured, data-informed mental health framework. During SY 2025-2026, the Mental Health and Well-being Program served as the institutional backbone for all guidance and counseling initiatives across the STI network, executed in close coordination with the Student Development and Welfare Department. Built on four core pillars: preventive education, capacity building, accessible support services, and strategic partnerships, the program registered a total of 17,937 guidance service transactions across 63 campuses during the reporting period. Through proactive awareness and early intervention strategies, STI ESG safeguards the mental health, resilience, and overall well-being of its students, faculty, and staff.

Complementing direct support services, mental health literacy initiatives continued to drive awareness, reduce stigma, and foster a proactive help-seeking culture across the network. Central to these efforts were two network-wide webinars conducted during the reporting period, which engaged a total of 1,938 members of the STI community. Designed to address the specific needs of educators and learners, the faculty-focused session reached 834 participants from 55 campuses, while the student-centered webinar gathered 1,104 participants from 48 campuses. Together, these programs reinforce STI ESG's sustained commitment to expanding mental health literacy, instilling practical self-care strategies, and providing actionable resources that cultivate a supportive and resilient educational environment.

Expanding Access to Professional Mental Health Support

STI ESG further strengthens its internal support systems through an active partnership with PhilCare under the Mindscapes Program, which delivers professional mental health services to students, faculty, and staff. The program offers direct consultations and specialized clinical care for individuals who might otherwise face financial barriers to independent treatment. During SY 2025-2026, the initiative delivered 811 consultation and support sessions, serving 381 students and 11 faculty members and staff. In addition to individual clinical care, the Mindscapes partnership enhances STI ESG's institutional wellness programs by providing licensed mental health professionals as expert speakers for campus development activities. Furthermore, the program delivers critical postvention services to campuses navigating traumatic or critical incidents, ensuring continuity of care and structured recovery support for affected communities. Through this strategic collaboration, STI ESG broadens access to timely, professional mental health resources, reinforcing its commitment to a safe and supportive educational ecosystem.

Investing in Guidance and Student Affairs Capability Building

Underpinning these mental health initiatives is STI ESG's sustained investment in the professional growth of its guidance and student affairs workforce. During SY 2025-2026, the institution strengthened the institutional delivery of responsive, student-centered support services across campuses by successfully onboarding 30 new Guidance Personnel (GPs) and ensuring that 58 existing GPs completed the Annual Guidance Personnel Training, which focused on refining foundational counseling competencies, advancing service delivery techniques, and supporting continuous professional learning.

A key highlight of the network's mental health strategy was the implementation of the RACE Against Suicide Training of Trainers (ToT) Program, conducted in partnership with the Unilab Foundation. Twenty-five (25) selected GPs completed the specialized instruction to become certified trainers, subsequently cascading the program to 532 teaching and non-teaching personnel nationwide. This initiative established a robust network of qualified RACE Gatekeepers across campuses, significantly expanding institutional capacity for early detection, crisis support, and timely referral of students experiencing mental health concerns.

Complementing these efforts, STI ESG prioritized peer support leadership and regulatory compliance. Fifty-seven (57) personnel representing 56 campuses—comprising Student Affairs Officers, Discipline Officers, and GPs—completed the newly piloted Peer Facilitators ToT program, equipping local leaders to establish and sustain peer-to-peer support networks. Reinforced by ongoing case conferences, echo sessions, and wellness workshops, these comprehensive efforts underscore STI ESG's commitment to maintaining a competent, proactive, and deeply supportive educational community.

Strengthening Campus Security and Surveillance Infrastructure

At the institutional level, STI ESG invests in physical security enhancements to reinforce its commitment to a safe and well-monitored learning environment. The installation of additional CCTV cameras inside the classrooms represents a strategic initiative to enhance campus security, improve monitoring capabilities, and protect the welfare of students, faculty, and school property. The project involves the supply, installation, configuration, and integration of CCTV cameras within designated classrooms to enable real-time surveillance and provide recorded footage for both security and administrative purposes. By strengthening visibility and oversight within the learning environment, the initiative helps deter misconduct, vandalism, theft, bullying, and other inappropriate behaviors — thereby supporting a culture of accountability, discipline, and mutual respect.

STI WNU undertook an upgrade of CCTV Cameras to enhance security, monitoring, and incident documentation, enabling faster response to incidents and better protection of personnel and property. Likewise, high-resolution CCTV cameras equipped with a recording system capable of continuous video footage were installed at the newly renovated gymnasium, to aid in effective monitoring, incident investigation, and protection of personnel and property.

STI WNU also upgraded the door access control system for faculty, staff, students, visitors, and other authorized persons entering the University campus. Turnstiles and electronic card access systems are used to regulate and monitor entry and exit points, verify authorized individuals, and prevent unauthorized access to restricted areas and offices. These initiatives strengthen campus security, improve access monitoring, support accountability, and provide a safer environment for the entire University community.

iACADEMY expanded the campus CCTV system to cover newly retrofitted areas, integrating additional surveillance points into the existing campus security monitoring system. The school likewise increased surveillance coverage and visibility across the campus, strengthened incident prevention and response, and enhanced overall campus safety and security.

iACADEMY also implemented a campus access management system using ID-based entry controls and turnstile technology. The system strengthened physical security and accountability, enabled more efficient monitoring of campus occupancy, and reduced the risk of unauthorized access.

iACADEMY implemented a QR code-based digital registration system for collecting guest and visitor information. In addition to basic visitor details, relevant emergency information is collected to facilitate timely and appropriate assistance when needed while visitors are on campus. The system strengthened visitor safety and emergency preparedness by enabling faster access to essential information during emergencies. It also improved visitor management and accountability while reducing reliance on manual registration processes.

Advancing Campus Safety and Inclusivity

STI ESG also piloted student affairs initiatives designed to enhance support services, maintain safe learning environments, and cultivate a culture of inclusion and mutual respect. In observance of the Anti-Hazing Month, the institution launched the "Belonging the Right Way" webinar series to promote positive student involvement, healthy organizational affiliations, and institutional values of inclusion. The session reinforced anti-hazing advocacy and preventive education and brought together 585 students and personnel across 52 campuses. In support of these efforts, 71 Student Affairs and Services professionals across 53 campuses completed an Anti-Hazing Prevention Webinar to sharpen their application of preventive strategies and policy enforcement. Through these initiatives, STI ESG continues to advance proactive student development while ensuring safe, inclusive, and student-centered learning environments across its network of campuses.

STI WNU installed a seismic monitoring system in the University campus on May 19, 2026, to detect and record seismic activity. The system will provide important information for emergency response, disaster preparedness, structural safety, and research. It will help the University improve earthquake awareness, protect lives and property, and strengthen overall campus safety. Earthquake monitoring improves campus safety by providing timely seismic information that supports emergency response, disaster preparedness, risk assessment, and the protection of lives and property.

STI WNU conducts annual fire and earthquake drills to strengthen the preparedness and emergency response capabilities of students, faculty, staff, and other campus personnel. The drills provide participants with practical experience in proper evacuation procedures, emergency communication, assembly points, and safety protocols. These activities help identify gaps in the University's emergency plans and improve coordination during actual fire or earthquake incidents, contributing to a safer and more resilient campus.

iACADEMY installed a roll-up door in a newly retrofitted area to establish a more controlled and secure access point while providing physical protection for the space and its assets. Additional roll-up barriers were also installed along the ground-floor perimeter to strengthen building security and provide an added layer of protection against unauthorized entry, civil disturbances, and other external threats. These measures strengthened physical access controls, improved the protection of campus facilities and assets, reduced exposure to security risks, and enhanced the overall safety and security of the campus environment. The roll-up barriers also provide protection against strong winds, heavy rain, and flying debris during typhoons and other severe weather conditions, helping safeguard the building, equipment, and occupants.

iACADEMY implemented emergency preparedness activities, including seminars, screening of related videos, information drive, and drills covering fire incidents and earthquake. This reinforced institutional resilience and the capacity of students and employees to respond effectively to emergencies, reducing potential risks to life, property, and continuity of operations.

iACADEMY established and implemented a comprehensive emergency response framework covering medical and psychological emergencies involving students, employees, and visitors during and after office hours. The protocol provides for proactive safety measures, digital visitor safety registration, defined escalation and communication procedures, first aid and medical assessment, hospital referral and transport, parent/guardian notification, and psychological emergency interventions. For school events, the protocol also requires the presence of medical personnel and designated transport support, as well as coordinated oversight among event coordinators, Security, Medical Team, and Building Administration.

A cross-functional Crisis Management Committee was established and implemented by iACADEMY to oversee institutional preparedness, coordination, decision-making, communication, and response during major emergencies, crises, and incidents that may affect the safety and continuity of school operations. The creation of this committee strengthened institutional governance and crisis preparedness; established clear leadership, roles, and escalation mechanisms during emergencies; improved coordination across key functions; and enhanced the institution's resilience and capacity to maintain critical operations during disruptive events.

iACADEMY installed additional emergency backup batteries for the elevators to support continued elevator operation and appropriate emergency response during power interruptions or other electrical disruptions. Enhanced elevator safety and infrastructure resilience reduce the risk of passengers being stranded during power interruptions.

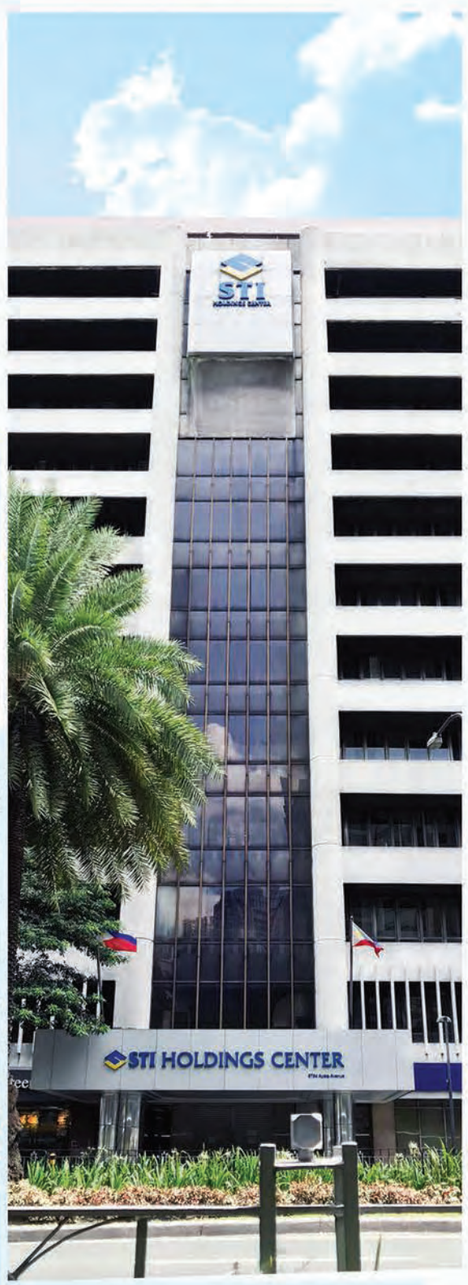
Spanning mental health, professional development, physical security, and inclusivity, these comprehensive and interconnected efforts demonstrate the Group's unwavering commitment to managing health and safety as a foundational pillar of quality education — one that protects, empowers, and enables every learner to thrive.

Economic Value

The Group is strategically focused on guaranteeing the long-term success and sustainability of the organization for the benefit of its stockholders, wider stakeholder community, and the nation.







Economic Performance

The Group contributes to the country's economic growth and development not only through its financial performance but notably through its contribution to human capital development and supply for industries both locally and globally.

A substantial portion of the economic value distributed by the Group for SY 2025-2026 was allocated toward operating costs and employee salaries, wages and benefits.

PhP5,830M Economic value generated

PhP4,360M Economic value distributed

- **PhP1,180M** — Employee wages and benefits
- **PhP286M** — Taxes given to government
- **Php.4M** — Other cost
- **PhP2,163M** — Operating costs (including payments to suppliers)
- **PhP731M** — Dividends given to stockholders and interest expense

PhP1,470M Economic value retained

Detailed information about the Group's financial performance, including its operations, net income, total capitalization, quantity of products and services provided, and entities included in the consolidated financial statements can be found in its Annual Report (SEC Form 17-A), which is available on the website ***www.stiholdings.com***.

Environmental Initiatives

The Group acknowledges that its operational activities inherently impact and interact with the surrounding communities and the natural environment. In an era marked by escalating climate concerns, resource constraints, and evolving regulatory expectations, the institution recognizes the critical need to contribute positively toward global sustainability efforts. This commitment encompasses a broad spectrum of priorities, including the mitigation of climate change, the reduction of overall energy consumption, the minimization of carbon emissions, and the strengthening of operational resilience against environmental disruptions. By embedding environmental stewardship into its governance and risk management frameworks, the Group ensures that its sustainability objectives remain closely aligned with its institutional mission of delivering continuous, high-quality education.





Climate Change

The Group's approach to climate change covers the identification and oversight of climate-related risks and opportunities that may affect its operations and long-term institutional resilience. As a material sustainability topic, it includes governance, strategies, risk management, as well as climate opportunities across its educational operations. Greenhouse gas emissions, energy use, efficiency, and resilience are treated as interconnected priorities, alongside resilient campus operations, sustainable infrastructure, and integration of climate topics into courses, outreach, and school community initiatives.

The Group recognizes that climate-related risks may arise not only from long-term environmental changes but also from operational disruptions associated with energy supply and cost volatility. These include potential increases in fuel prices, prolonged power interruptions, and escalating demand charges from utility providers, which may affect school operations, class delivery, and planned campus activities. At the same time, the transition to cleaner and more efficient energy systems presents opportunities to reduce operating costs, strengthen resilience, and lower emissions across the Group's facilities.

Renewable Energy and Campus Infrastructure

In response to the growing imperative for sustainable energy solutions, STI ESG has expanded its renewable energy portfolio through solar panel installations across key STI ESG-owned campuses, resulting in a combined capacity of approximately 1,300 kilowatt-peak (kWp). These projects reduce dependence on conventional electricity, lower carbon emissions and energy costs, and support more reliable academic operations during grid instability or peak demand.

Complementary infrastructure improvements, such as roof repairs and waterproofing, help optimize solar performance while improving campus facilities. STI WNU likewise implements renewable energy initiatives, including solar power projects, together with energy-efficient facility upgrades and the integration of energy-efficient design standards in facility modifications and new building projects.

Energy management across the Group is guided by the systematic and efficient use of electricity, fuel, and water resources. Measures include monitoring electricity and fuel consumption, optimizing classroom and facility schedules, turning off the chiller system one hour before the last class, encouraging energy-saving practices, and coordinating vehicle trips to reduce fuel consumption and associated emissions. iACADEMY also considers opportunities to minimize standard operating hours, where practicable, and to introduce vegetation in garden and roof deck areas to support a more sustainable campus environment.

Through these initiatives, the Group seeks to improve energy efficiency, expand renewable energy use, reduce their environmental footprint, and integrate sustainability considerations into campus infrastructure and daily operations.

Climate Governance

Governance of climate-related matters is embedded within STI ESG's broader management framework as it identifies, assesses, monitors, and manages climate-related risks and opportunities that may impact the institution's operations and strategic objectives. This responsibility encompasses evaluating risks associated with energy supply disruptions, extreme weather events, and evolving environmental regulations, as well as identifying opportunities tied to energy efficiency, renewable energy adoption, and operational resilience.

At STI WNU, the Physical Plant and Maintenance Office (PPMO) and concerned offices monitor and manage climate-related risks, while the Sustainability Coordinator monitors and regularly reports on energy use and emissions. Climate-related considerations are incorporated into facilities planning, maintenance, infrastructure improvements, emergency preparedness, and resource allocation.

STI WNU monitors electricity and fuel consumption, air-conditioning and refrigerant use, renewable energy generation, utility interruptions, energy-saving initiatives, and facility conditions to support continuous

improvement. Energy-management policies promote conservation, reduce fuel consumption, raise awareness of energy-related concerns, and encourage stakeholders to adopt responsible energy practices.

iACADEMY likewise recognizes the climate-related impacts associated with its operations, including emissions from diesel-generated electricity. The organization monitors energy consumption and implements measures to improve energy efficiency and reduce emissions. These efforts are supported by practical operational initiatives and employee engagement aimed at promoting responsible resource use.

The Group continues to strengthen climate-related targets, monitoring mechanisms, risk-management practices, and sustainability initiatives.

Climate Resilience and Operational Continuity

To manage climate-related risks and ensure uninterrupted learning, STI ESG implements mitigation measures such as business continuity planning, energy management initiatives, and the continued expansion of renewable energy projects. A Learning Continuity Plan, supported by learning management system content readiness, backup power and internet infrastructure for teachers, and the strategic use of online learning platforms and virtual meetings, helps ensure that educational services remain uninterrupted even in the face of adverse environmental conditions. At the Head Office, regular risk assessments are conducted to identify process improvements related to impacts of climate change, while Management provides updates and recommendations to the Board so that climate-related considerations remain integrated into strategic planning.

STI WNU is exposed to physical climate risks including extreme heat, heavy rainfall, flooding, typhoons, water stress, and power disruptions. The University addresses these risks through preventive maintenance, drainage improvements, emergency preparedness and drills, backup power systems, and measures designed to protect students, faculty, staff, and visitors during extreme weather events. Monitoring of utility interruptions and facility conditions further supports timely response and corrective action.

iACADEMY likewise considers climate-related risks that may affect employees, students, and the surrounding community. Its energy-efficiency measures, facility scheduling practices, resource-conservation initiatives, and operational planning contribute to both emissions reduction and greater operational resilience.

Through these measures, the Group continues to strengthen its capacity to prepare for, respond to, and recover from climate-related events while maintaining safe, reliable, and accessible learning and working environments.

The following tables show the Group's energy consumption and carbon footprint during the reporting period:

2026 Performance

Energy Consumption[1]

Renewable sources **3,415.48 GJ**	Diesel **1,486.84 GJ**
Gasoline **421.43 GJ**	Electricity **14,647,066.01 kWh**
LPG **176.45 GJ**	

Emissions (tonnes CO_2e)[2]

Direct (Scope 1) GHG emissions **144.65**	Total carbon footprint (Scope 1 + Scope 2) **10,380.88**
Indirect (Scope 2) GHG emissions **10,236.24**	

[1] Fuel consumption of the Group is driven primarily by the use of diesel, gasoline, and LPG to power its vehicles, generators, machineries, kitchen laboratories, and canteen stoves in STI ESG-owned campuses, STI WNU, and iACADEMY.
[2] Source of Emission Factors: US EPA Greenhouse Gas Inventory Guidance – Direct Emissions from Stationary Combustion Sources, IPCC 2006 Guidelines for National Greenhouse Inventories, and Department of Energy (DOE) National Grid Emission Factors
Source of Global Warming Potential: IPCC Sixth Assessment Report (AR6)
Source of Conversion Factors: US Energy Information Administration Energy conversion calculators, Elgas LPG conversions, Aqua-calc compound and materials volume calculator

Social Commitment

The Group's sustained success and organizational strength are predicated upon three core pillars: the expertise of its employees, the harmonious relationships fostered with community partners, and a collective dedication toward achieving a sustainable future for all. Recognizing that long-term value creation extends beyond financial performance, the Group is committed to conducting its operations in a manner that upholds the dignity, development, and well-being of its people, contributes meaningfully to the communities it serves, and advances the broader social and environmental priorities of society. Through responsible and inclusive practices across its workforce, stakeholder engagements, and community initiatives, the Group seeks to strengthen the social fabric within which it operates while reinforcing its capacity to deliver quality education.

The following disclosure outlines the Group's approach to its social commitments, beginning with Employment as a foundational element that supports the development, engagement, and resilience of its workforce.







Employment

The Group recognizes its people as the cornerstone of its institutional mission and the primary driver of sustained long-term growth. In an increasingly competitive and dynamic labor environment, the ability to attract, develop, and retain a diverse and highly capable workforce is essential to ensuring continued organizational performance and educational excellence. It approaches employment not merely as a functional necessity but as a strategic imperative, one that encompasses competitive remuneration, structured career development, robust employee engagement, and unwavering adherence to labor standards and regulatory compliance. By fostering a workplace culture grounded in service, integrity, innovation, and inclusivity, the Group seeks to cultivate a dynamic and resilient workforce that is empowered to adapt to change, drive productivity, and contribute meaningfully to the achievement of the institution's long-term objectives.

To attract and retain top-tier talent, the Group offers competitive remuneration packages, including performance-based bonuses and executive compensation structures aligned with clearly defined key performance indicators. This approach establishes a rewarding environment that motivates employees, incentivizes excellence, and encourages long-term commitment to the institution. By linking compensation to measurable performance outcomes, the Group reinforces a culture of accountability and meritocracy while ensuring that its reward systems remain equitable, transparent, and aligned with organizational priorities.

Employment Practices and Employee Engagement

STI ESG establishes employment contracts that clearly outline organizational expectations for each employee while securing his or her professional roles, tenure, benefits, and career development pathways. These agreements serve as the foundational framework for the employer-employee relationship, ensuring clarity of responsibilities and safeguarding employee rights and entitlements.

In tandem with these internal policies, STI ESG rigorously upholds principles of equality, diversity, and occupational health and well-being, ensuring full compliance with all employment requirements stipulated by DOLE and other relevant government and non-government agencies. By adhering to these regulatory standards, STI ESG mitigates legal, financial, and reputational risks while reinforcing its standing as a fair and responsible employer.

To strengthen employee engagement and foster a sense of belonging and institutional pride, STI ESG organizes regular initiatives such as the quarterly Employee Day for Head Office personnel. These activities provide employees with meaningful opportunities for connection, recognition, and rest, contributing to a balanced and motivated workforce.

STI WNU recognizes employees as essential to achieving its institutional goals, with employee welfare directly influencing satisfaction, retention, productivity, and organizational culture. The University manages employment welfare and the broader employee lifecycle through its Employment Manual, which clearly outlines employment policies, the Code of Conduct, due process, benefits, training and development, and workplace practices. The Human Resource Management Office (HRMO) continuously benchmarks employee programs, promotes career growth, and upholds principles of equality, diversity, inclusion, and performance-based incentives. Furthermore, STI WNU strictly complies with government, regulatory, and accreditation standards — including requirements from CHED, DOLE, PACUCOA, ISO, and ASEAN University Network-Quality Assurance (AUN-QA) — while forging strategic industry partnerships to strengthen its institutional reputation and community relationships.

iACADEMY's employment practices comprehensively cover the entire employee lifecycle—including recruitment, hiring, compensation and benefits, performance management, training and development, employee relations, workplace conduct, and separation. These practices are governed by established HR policies, procedures, the employee handbook, and structured communication and grievance mechanisms. Key stakeholders affected include employees, job applicants, management, and personnel involved in the employment process. iACADEMY remains committed to promoting equality, diversity, and inclusion through its existing HR policies and practices, ensuring a fair, empowering, and innovative workplace culture.

Workforce Development and Retention

Despite managing a geographically dispersed workforce, STI ESG continues to cultivate a culture of performance, collaboration, accountability, and innovation. To address workforce-related risks such as talent retention, skill gaps, and employee disengagement, STI ESG implements comprehensive human resource programs covering recruitment, learning and development, employee conduct, leave benefits, and educational assistance. These initiatives support employee growth, engagement, and long-term organizational stability.

To address workforce-related risks such as employee turnover, multi-campus management challenges, and the potential misalignment between employee expectations and organizational goals, STI WNU implements comprehensive training and development programs, employee engagement activities, and competitive compensation packages. The implementation of a newly revised faculty salary scale directly supports employee retention, morale, and job satisfaction. To attract and retain qualified talent, the University utilizes strategic recruitment initiatives, social media, and digital job platforms. Additionally, stakeholder feedback, exit interviews, and regular monitoring and evaluation processes are utilized to continuously improve HR programs, ensuring they align with institutional objectives and foster a high-performing workforce.

To safeguard against workforce-related risks such as employee turnover, managing personnel across multiple locations, and potential misalignments between employee expectations and organizational goals, iACADEMY implements robust mitigation measures. These include competitive employee benefits, structured performance management frameworks, continuous training and development programs, clear employment policies, and transparent communication and grievance channels. The organization continually identifies and capitalizes on opportunities to strengthen long-term employee retention and engagement through performance-based rewards, targeted career development pathways, and an engaged, innovative workplace culture.

Human Capital Management

As part of its ongoing digital transformation initiatives, STI ESG continues to enhance its Human Capital Management (HCM) System, which serves as the central platform for employee information and HR processes. Continuous improvements are being implemented to strengthen functionality, data accuracy, automation, and user experience. The Employee Portal and Timekeeping System are fully integrated with the HCM, enabling more efficient workforce administration, streamlined HR processes, and improved employee self-service capabilities. STI ESG remains committed to further developing these systems to support data-driven decision-making, enhance operational efficiency, and elevate the overall employee experience.

Female	1,477
Male	1,283
Total number of employees	2,760
Attrition rate	3.7%

The ratio of the salary of the lowest paid employee to the monthly minimum wage of the region where the employee is working is 1:1 for the subsidiaries of the Group.

Diversity and Inclusion

The Group values a diverse and inclusive workforce, recognizing that varied backgrounds and perspectives strengthen its people strategy and drive innovation. By fostering a respectful and equitable environment where everyone feels valued and empowered, the organization enhances collaboration, decision-making, and overall performance. Diversity and inclusion are embedded in its culture and core responsibilities, ensuring all employees can thrive and contribute meaningfully.

Commitment to an Equitable and Inclusive Workplace

STI ESG promotes equality, diversity, inclusion, and employee well-being through its policies and workplace practices, firmly integrating these principles into every facet of the employment relationship. This commitment extends across recruitment, promotions, training, working conditions, compensation, and benefits, ensuring that no employee or applicant is discriminated against on the basis of gender identity or gender expression, or any other characteristic protected under law. By embedding these standards into its core frameworks, STI ESG establishes a comfortable and supportive work environment conducive to learning, development, and long-term professional growth.

A key expression of this commitment is STI ESG's approach to gender inclusivity. In January 2023, the organization implemented the memo on Transgender Inclusion in the Workplace, introducing guidelines that allow transgender or transitioning employees to dress in the uniform corresponding to their gender identity. Through this initiative, STI ESG recognizes and affirms individual identity while promoting dignity, respect, and equal opportunity in the workplace. It likewise reinforces the institution’s commitment to maintaining a work environment free from discrimination.

STI WNU is committed to fostering an inclusive and supportive workplace where employees are valued, respected, and provided with equitable opportunities to contribute and grow. Guided by its Employment Manual and relevant institutional policies and standards, the University promotes fair and consistent employment practices, professional development, employee well-being, and career advancement.

iACADEMY is likewise committed to fostering a fair, respectful, and inclusive workplace across the employee lifecycle, from recruitment and hiring to compensation and benefits, performance management, training and development, and employee relations. The institution supports equal opportunity and non-discriminatory employment practices through established HR policies, anti-discrimination and anti-harassment measures, workplace conduct standards, and grievance mechanisms.

Building an Inclusive Culture

STI ESG recognizes that building an inclusive workplace extends beyond the establishment of policies and requires the active cultivation of an environment where diverse perspectives are valued and encouraged. While ensuring equal opportunities across a diverse workforce presents certain challenges, particularly in balancing inclusivity with the effective integration of varying viewpoints and experiences, STI ESG views diversity as a strategic advantage. By embracing the breadth of perspectives, skills, and experiences represented within its workforce, the institution strengthens its capacity for innovation, collaboration, adaptability, and informed decision-making.

Central to this approach is STI ESG's belief that inclusivity fosters a strong sense of belonging among employees. When individuals feel respected, valued, and empowered to contribute authentically, they are more likely to engage meaningfully in their work and pursue continuous personal and professional development. This sense of belonging enhances employee motivation and satisfaction while contributing to improved productivity, stronger teamwork, and better overall organizational performance. Through these efforts, STI ESG seeks to create a workplace culture where employees can thrive and contribute fully to the institution's success.

STI WNU reinforces diversity and inclusion through training and development programs, employee recognition and wellness initiatives, competitive compensation, and opportunities for professional growth. The University encourages collaboration, innovation, and respect for individual differences to foster an engaged and empowered workforce.

iACADEMY promotes an inclusive work environment that strengthens employee engagement and sense of belonging while encouraging collaboration, creativity, and innovation. These efforts are supported through employee development and performance management programs, benefits, employee communication, and accessible channels for raising workplace concerns.

Managing Risks and Unlocking Opportunities

STI ESG recognizes that the absence of a robust diversity and inclusion framework may give rise to operational, legal, and reputational risks. Discrimination, bias, or unequal treatment can adversely affect employee morale, engagement, and retention, while insufficient diversity in recruitment and leadership may limit innovation, reduce collaboration, and weaken organizational effectiveness. Non-compliance with labor regulations and diversity-related standards may further expose the institution to legal and employee relations concerns. Additionally, a workplace perceived as unwelcoming or non-inclusive may hinder the organization's ability to attract and retain qualified talent.

To address these risks, STI ESG continuously strengthens its anti-discrimination and inclusivity policies, supported by leadership commitment, employee awareness initiatives, and consistent implementation across the organization. These measures help ensure that diversity and inclusion remain embedded in workplace practices and organizational culture rather than existing solely as policy commitments.

Beyond risk mitigation, STI ESG recognizes significant opportunities arising from its commitment to diversity and inclusion. By fostering an equitable and inclusive workplace, the institution strengthens its employer brand and expands access to a broader pool of qualified and diverse talent. A workplace culture grounded in respect and belonging supports higher levels of employee engagement, productivity, innovation, and collaboration, while equal opportunities for learning, advancement, and career development contribute to stronger retention and overall organizational performance. Collectively, these efforts enhance STI ESG's reputation among employees, students, and other stakeholders as an institution that genuinely values diversity, inclusion, and employee well-being, further reinforcing its position as a responsible and forward-looking leader in the education sector.

STI WNU regularly monitors and evaluates its employee programs and HR practices through employee feedback and assessment results to identify areas for improvement. Through these efforts, the University continues to strengthen its human resource practices, support employee growth and engagement, and promote an environment where employees can contribute to the achievement of institutional objectives.

iACADEMY recognizes key diversity and inclusion risks, including unconscious bias, discrimination, inconsistent application of equal-opportunity practices, and resistance to inclusion initiatives. These risks are managed through HR policies, employee communication, training, and established grievance and complaint mechanisms. Inclusive employment practices also provide opportunities to attract and retain diverse and qualified talent, strengthen employee engagement and belonging, and foster collaboration and innovation. No material changes were made to iACADEMY's approach, and no new material diversity and inclusion initiatives were implemented during the reporting period.

2026 Performance

Percentage of female workers in the workforce	54%
Percentage of male workers in the workforce	46%
Number of employees from indigenous communities and/or vulnerable sector	89

Learning and Development

The Group recognizes its employees as vital to long-term success, underpinned by a commitment to continuous development. Comprehensive learning programs are designed to enhance current performance and build readiness for future roles, driving productivity, operational efficiency, and consistent delivery of high-quality education. While training involves investment with associated turnover risks, the Group remains confident that a skilled, engaged workforce is essential to sustaining pedagogical excellence and fulfilling its mission. Strategic, organization-wide development initiatives reinforce human capital and support enduring institutional growth.

Learning and Development Governance

STI ESG maintains a structured and strategic approach to learning and development to ensure that faculty members acquire the competencies required to perform their roles effectively and remain responsive to the evolving demands of their disciplines. Guided by its Learning and Development Policy, the institution implements development initiatives through annual budgeting, systematic training needs assessments, and continuous monitoring of training completion across the network.

To maximize the long-term value of its training investments, STI ESG implements a Training Bond Agreement for applicable development programs and conducts a structured New Employee Orientation to familiarize newly hired personnel with institutional values, policies, processes, and performance expectations. Quarterly Learning Sessions for School Administrators further support leadership development by providing updates on institutional priorities, emerging educational approaches, and operational best practices.

STI ESG recognizes that the loss of trained employees, the emergence of skills gaps, and the sustained costs associated with capability-building initiatives may pose challenges to its human capital strategy. To address these risks, the institution continuously reviews workforce development requirements, updates its training portfolio based on identified competency needs, and supports employee retention through career development opportunities and engagement initiatives. At the same time, STI ESG recognizes significant opportunities arising from its investment in learning and development, including enhanced employee competencies, improved productivity and operational efficiency, stronger employee engagement and retention, a strengthened employer brand, and sustained organizational performance.

STI WNU recognizes employee training and professional development as essential to strengthening competencies, improving service quality, enhancing employee engagement, and sustaining organizational performance. Guided by its Vision, Mission, and Objectives (VMO), the University provides resources and support for employee development, with training outcomes monitored through post-training requirements, departmental re-echo sessions, and a Plan-Do-Check-Act (PDCA) approach. The University recognizes challenges such as budget limitations, varying training quality, technology adaptation, limited post-training support, and employee burnout. At the same time, continuous employee development provides opportunities to strengthen employee retention, encourage innovation, enhance the University's reputation, and expand external and international collaboration. Wellness initiatives, including Team Day and mental health awareness programs, further support employee well-being and engagement.

iACADEMY is committed to continuous learning and employee development through programs that strengthen job performance, professional competencies, career progression, and employee well-being. The institution applies the Entrepreneurial Operating System (EOS) management approach and monitors staff and faculty development through SMART key performance indicators reviewed during regular meetings. During SY 2025–2026, iACADEMY expanded its Learning and Development initiatives to cover professional certification, instructional excellence, employee wellness, research, innovation, and community engagement. Through dedicated resources, employee feedback mechanisms, and structured development programs, the institution supports continuous learning, employee engagement, and the development of a capable, resilient, and future-ready workforce.

Faculty Capacity Building

A cornerstone of STI ESG's learning and development framework is the continuous enhancement of faculty capabilities to support quality instruction and student success. The institution's flagship Courseware-Based Training (CBT) program is designed to strengthen both teaching methodologies and content mastery across specific courses. Conducted during semester and summer breaks, the program is offered to faculty members from wholly owned and franchised schools, with course offerings determined through network-wide training needs assessments.

Complementing the CBT program is the biannual Ready to Teach faculty orientation, which prepares senior high school and tertiary faculty members for the academic year. Through this initiative, educators are aligned with academic standards, pedagogical approaches, and institutional processes prior to classroom delivery, helping ensure consistency in instructional quality across the STI network.

Together, these faculty development initiatives reinforce STI ESG's commitment to maintaining a highly competent and future-ready academic workforce capable of delivering effective, relevant, and learner-centered education.

STI WNU supports continuous faculty and employee development through training opportunities at the local, regional, national, and international levels. During SY 2025–2026, 180 of the University's 366 full-time employees, or 49.18%, participated in external professional development activities, including conferences, short courses, and seminars, to strengthen their knowledge and competencies. These activities were conducted at the local (30%), regional (33%), national (30%), and international (7%) levels, providing employees with opportunities to enhance their professional capabilities and gain exposure to current practices and developments in their respective fields.

iACADEMY strengthened faculty and employee capabilities through initiatives focused on instructional excellence, knowledge-sharing, research, and professional development. Thinking Thursday sessions provided opportunities for knowledge exchange, while classroom management training supported employees in strengthening their instructional and classroom practices. The iSEARCH Employee Research Symposium likewise promoted research capability, knowledge-sharing, and innovation among employees. Together, these initiatives foster a culture of continuous learning and collaboration while strengthening the competencies needed to deliver quality educational services.

Industry-aligned Trainings and Certifications

In addition to institution-wide development programs, STI ESG implements specialized capability-building initiatives that strengthen faculty expertise in industry-relevant disciplines and emerging technologies. These programs are delivered in partnership with industry leaders, certification bodies, and academic institutions to ensure that faculty members remain current with technological advancements, professional standards, and evolving industry requirements.



For science and technology disciplines, STI ESG partnered with the Center for Integrated STEM Education (CISTEM) to deliver the STEM Nexus Program for Teachers, providing senior high school STEM faculty with industry immersion experiences in laboratory sciences, chemical engineering, software development, power distribution, and science education. In information technology and computer engineering, faculty members underwent training in software development platforms, cybersecurity, and emerging technologies. Notably, programs such as the Cybersecurity Faculty Training, executed in partnership with Wissen International and EC-Council, prepared faculty for the integration of Ethical Hacking Essentials into IT and ICT curricula, resulting in a substantial number of educators earning official industry credentials. Similarly, the SAP S/4HANA training programs, delivered through the SAP University Alliances Program, equipped IT, Accountancy, and Business Management faculty members with the competencies needed to integrate enterprise resource planning systems into their respective courses. Faculty members likewise engaged in certification readiness programs for CompTIA Tech+, Microsoft Azure AI Fundamentals, and Siemens Solid Edge, reinforcing the institution's commitment to globally recognized technical standards.

Programs in hospitality and culinary disciplines were likewise strengthened through partnerships with industry practitioners and certified culinary professionals. Faculty members in Hospitality Management underwent specialized training in baking and pastry arts, food safety and sanitation, and property management and point-of-sale systems, ensuring alignment with industry protocols and contemporary operational practices in food preparation, production, and hospitality technology. Likewise, faculty members in Tourism Management engaged in immersive training in airline operations, in-flight attendant duties, and global distribution systems, including hands-on experience at aviation training facilities and certification preparation for the Amadeus Basic Reservation platform.

Faculty members in communication and multimedia disciplines also benefited from industry-led programs focused on broadcasting principles, professional video editing, and emerging media technologies, ensuring that curricula in these programs remained responsive to current industry trends and operational standards. Across disciplines, STI ESG also collaborated with the Wadhwani Foundation and PhilDev Foundation to strengthen entrepreneurship education by equipping faculty members with the knowledge and tools necessary to effectively deliver the Technopreneurship course using globally recognized learning platforms.

Through these industry-aligned training and certification initiatives, STI ESG continues to cultivate a workforce that is technically proficient, pedagogically current, and responsive to the evolving needs of industry. These efforts support the institution's long-term commitment to educational excellence and strengthen its ability to deliver relevant, high-quality learning experiences to its students.

STI WNU provides employees with opportunities to participate in external professional development activities in collaboration with external organizations and industry partners. These engagements expose employees to current practices, emerging trends, and developments relevant to their respective disciplines and areas of responsibility. Through these external learning opportunities, the University strengthens professional competencies, broadens employee networks, and promotes knowledge exchange and collaboration. These efforts support STI WNU's commitment to developing a competent, adaptable, and future-ready workforce.

iACADEMY provides employees with opportunities to pursue professional certifications and specialized training aligned with their roles and career development needs. During SY 2025–2026, initiatives included the Certified Human Resource Associate (CHRA), Certified Learning and Development Associate (CLDA), and Certified Learning and Development Professional (CLDP) programs, as well as specialized training in events management and other relevant areas. These initiatives strengthen technical and professional competencies while supporting career progression and organizational capability. Through professional certifications and specialized training, iACADEMY continues to develop employees who are responsive to evolving educational, organizational, and industry requirements.

2026 Performance

Total training hours provided to employees		Average training hours provided to employees	
Female	13,866.00	Female	9
Male	9,910.00	Male	8

Safety and Well-Being

The Group views safety and well-being as strategic imperatives that directly influence employee engagement, productivity, and institutional performance. Its holistic approach encompasses physical infrastructure, emergency preparedness, mental health support, and psychological safety, creating an environment where employees feel protected and valued. This commitment strengthens service quality and reinforces the Group's reputation as a people-centered organization.

To maintain these standards, health and safety committees across campuses identify risks, implement preventive measures, and ensure facility compliance. Certified emergency response teams are deployed on-site to provide rapid intervention during critical incidents, enhancing the institution's readiness and response capabilities.

Safety Governance and Workplace Protection

STI ESG maintains proactive and integrated approach to workplace safety, supported by comprehensive policies, systematic risk assessments, and mandatory safety training programs. Workplace conditions are regularly evaluated against applicable national and international standards, while facilities are maintained to meet established safety requirements. Through these measures, the institution seeks to provide a secure working environment that minimizes risks and promotes shared accountability across all levels of the organization.

To strengthen its safety culture, STI ESG encourages open communication and active employee participation in identifying and addressing workplace concerns. Employees are encouraged to report hazards, near-misses, and safety-related issues without fear of reprisal, with all reports addressed promptly and transparently. This culture of transparency and responsiveness helps reinforce trust, supports continual improvement, and encourages employees to take an active role in safeguarding both their own well-being and that of their colleagues.

STI ESG recognizes that occupational hazards, infectious disease transmission, and psychosocial risks remain inherent challenges in any organizational environment. Rather than viewing these risks solely as compliance concerns, the institution treats them as opportunities to strengthen preventive measures, enhance employee awareness, and improve workplace practices. By continuously evaluating risks and implementing appropriate controls, STI ESG reinforces its ability to anticipate emerging challenges, adapt to changing circumstances, and maintain a safe and inclusive workplace.

STI WNU maintains a safe, secure, and supportive campus environment through the coordinated efforts of its Health Services Department, Security and Safety Office, Guidance Services Center, and Physical Plant and Maintenance Office. These units implement policies and programs covering occupational safety, campus security, emergency preparedness, and medical and mental health services in accordance with University policies, PACUCOA, CHED-Regional Quality Assessment Team (RQAT), and applicable government requirements. An Occupational Safety and Health (OSH) Committee further supports the identification and resolution of health and safety concerns.

STI WNU strengthens emergency preparedness through security monitoring and patrols, regular earthquake and fire drills, situational reporting, and continuous training of security personnel. Feedback and drill assessments are used to identify gaps and improve safety practices. STI WNU recognizes risks such as injuries, communication gaps, operational disruptions, resource constraints, and security concerns, while leveraging these initiatives to strengthen safety awareness, teamwork, emergency response, accountability, and institutional resilience.

iACADEMY promotes a safe and secure learning and working environment through standardized health and safety protocols, routine risk assessments, emergency drills, and its Safe Campus Zone program. An internal crisis management or incident command system supports preparedness and coordinated response to health and safety incidents, while the institution allocates resources for medical equipment, emergency kits, clinic operations, specialized personnel, and safety training. These initiatives are implemented in accordance with Department of Health (DOH) standards and the Data Privacy Act, with employee concerns addressed through the HR Department.

iACADEMY recognizes risks including delayed identification of health concerns, regulatory non-compliance, skills gaps arising from lapsed certifications, and declining program engagement. To address these risks, iACADEMY continues to strengthen health screening compliance, emergency preparedness, and safety awareness while exploring opportunities to use health information for preventive planning and reinforce a safety-first culture.

Employee Health and Well-being

Beyond physical safety, STI ESG places significant importance on supporting the overall health and well-being of its employees. Employee wellness initiatives, including stress management workshops, mental health awareness campaigns, and access to confidential counseling services, form part of STI ESG's broader employee support framework. These initiatives are designed to promote resilience, encourage work-life balance, and foster a workplace environment where employees can perform at their best.

To further support employee welfare, STI ESG provides medical insurance benefits covering consultations and hospitalization, helping employees access necessary healthcare services while reducing the financial burden associated with illness or injury. Through these measures, the institution seeks to ensure that employees have access to both preventive and responsive health support.

By integrating safety, health, and well-being into its people management practices, STI ESG continues to foster a workplace culture that prioritizes employee protection, support, and care. These efforts contribute to a more engaged, resilient, and productive workforce while supporting the institution's long-term sustainability and success.

STI WNU supports the health and well-being of its employees and broader campus community through annual physical examinations, medical and dental consultations, first aid, health education, counseling, mental health programs, and referrals for specialized care. These services provide preventive and responsive health support while promoting a healthy and supportive environment for faculty, staff, students, and other stakeholders. Through continuous health monitoring, employee support, and wellness initiatives, the University promotes employee well-being and helps address health concerns that may affect workplace performance and engagement. These efforts complement the University's safety programs and contribute to a resilient and productive campus community.

iACADEMY supports the health and well-being of its teaching and non-teaching staff and students through Annual Physical Examinations, vision screenings, institutional drug testing, vaccination drives, Basic Life Support training, emergency drills, and other wellness initiatives. These programs promote preventive care, strengthen emergency response capabilities, and provide accessible health and wellness support to the institution's community.

iACADEMY continues to enhance its health and wellness framework by improving health screening compliance, digitizing health records, and pursuing DOH Healthy Learning Institution certification. Through these efforts, the institution seeks to strengthen preventive health practices, improve access to wellness information and support, and promote a safer and healthier learning and working environment.

2026 Performance

Safe man-hours	**5,340,056**
No. of work-related injuries*	**1**
No. of work-related fatalities	**0**
No. of work-related ill-health	**0**
No. of safety drills	**86**

** The employee received onsite first aid and was referred to a hospital for further evaluation, with all related expenses covered by the institution's insurance program.*

Community Engagement and Partnerships

The Group views community engagement and partnerships as vital extensions of its educational mission, advancing education access, empowerment, health, and social inclusion. Through collaborative initiatives, the institution reinforces its values, ensures institutional relevance, and catalyzes positive social transformation.

These partnerships enable students to develop skills through real-world participation while accessing broader networks and resources. By aligning with community needs and participating in local and national initiatives, the Group strengthens its capacity to deliver responsive and impactful education, and contribute to national development.

Social Impact and Shared Value

STI ESG's community engagement and partnerships continue to operate under established institutional guidelines governing collaboration with institutions related to academic and outreach activities, with no revisions required during the reporting period. This framework ensures coordinated, strategically aligned engagements that deliver mutual benefits to the institution and its partner communities.

No negative impacts were identified during the reporting period. However, coordinating activities and schedules across partner organizations remains an ongoing operational challenge that requires proactive planning and clear stakeholder communication.

To address these logistical demands, STI ESG is leveraging digital platforms and strengthening internal collaboration mechanisms to improve coordination, minimize inefficiencies, and scale the reach and impact of its community initiatives. Through these efforts, the institution continues to build lasting, mutually beneficial partnerships that support student development and community empowerment.

STI WNU recognizes community engagement and strategic partnerships as important components of institutional development and stakeholder relations. Through collaborations with various organizations and institutions, the University provides students with opportunities to develop their skills, confidence, and professional competencies through local and national activities, while expanding access to resources, funding opportunities, and volunteer support.

The University continues to implement established guidelines governing partnerships related to academic activities and explores appropriate tools and systems to improve coordination, efficiency, and productivity. These engagements strengthen collaboration among students, campuses, corporate partners, and other external stakeholders while creating opportunities that contribute to student development and continuous institutional improvement.

iACADEMY advances its vision of developing Creative Game Changers through community engagement programs that apply its expertise in computing, design, and business to address community needs in education, livelihood, digital literacy, and wellness. Through its Social Orientation and Community Involvement (SOCI) Unit under the External Linkages and Partnerships Department, the institution collaborates with local government units, non-profit organizations, social enterprises, and communities to develop meaningful and sustainable initiatives. Outreach activities, the Service Learning Program, and advocacy campaigns provide students, faculty, and employees with opportunities to contribute to communities while strengthening social awareness, civic responsibility, and leadership.

iACADEMY institutionalizes its community engagement through the Community Engagement Committee, which oversees program planning, stakeholder consultation, needs assessment, implementation, and monitoring. The institution manages potential risks, including unmet partner expectations, through transparent communication, realistic commitments, co-developed agreements, and regular monitoring. These partnerships create shared value by strengthening community relationships, enhancing institutional credibility, and expanding collaboration with organizations that share iACADEMY's commitment to education, inclusion, and sustainability.

Among the programs implemented by the Group with its partners are as follows:

Education Access and Learning Support

Province of Negros Occidental ICT Scholarship
This provincial scholarship supports qualified students pursuing Information and Communications Technology programs. It also provides opportunities for students to apply their knowledge and technical skills through the development of software applications and information systems that address community and government needs.

Associated Planters of Silay-Sarabia, Inc. Scholarship
The scholarship prioritizes students pursuing programs in key fields such as education, engineering, health sciences, agriculture, accountancy, maritime studies, and other disciplines that contribute to community and local development.

Bacolod Patenkinder Youth Development Foundation, Inc. Program
The program helps provide access to educational opportunities and training while also supporting the broader development and well-being of children and youth in Bacolod City and the Province of Negros Occidental.

Central Azucarera de La Carlota, Inc. Scholarship
The scholarship contributes to the development of future professionals by providing opportunities for students to complete their studies and enhance their knowledge and skills.

DOLE Special Program for Employment of Students
The program is designed to provide income that may be used for tuition, school supplies, transportation, and other educational needs, particularly for students from families with limited financial resources.

ES Marketing Scholarship Program
This private scholarship program provides educational assistance to qualified and deserving students to help support their college education and related school expenses.

First Farmers Holding Co. Incorporated Scholarship
This corporate scholarship program provides educational assistance to qualified and deserving students, helping support their college education and promote access to higher learning.

Government Assistance to Students and Teachers in Private Education (GASTPE) or Fund Assistance to Private Education (FAPE)
This government-funded financial assistance program supports qualified students who are enrolled in participating private educational institutions. The program helps reduce the financial concern in education by providing tuition assistance and promoting greater access to quality private education.

Green Scholars – Engr. Dioscoro Marañon and Engr. Paolo Petalver
This scholarship initiative provides educational assistance to qualified and deserving students, helping support their college education and related school expenses. It promotes access to higher education and opportunities for students to pursue their academic goals.

Hawaiian Philippine Company Scholarship
This company-sponsored scholarship program provides educational assistance to qualified student beneficiaries. It helps support students in pursuing their education and promotes greater access to higher learning through financial assistance.

Negros Women for Tomorrow Foundation, Inc. (NWTF)
This foundation provides educational assistance to qualified students from families with limited financial resources, supporting their pursuit of college and technical-vocational education. The program

promotes access to learning and skills development as part of NWTF's broader commitment to empowering individuals and communities.

Perpetual Educational Foundation Program
This foundation provides scholarship assistance to qualified and deserving students to help support their educational expenses. The program promotes access to higher education by helping beneficiaries continue their studies and pursue their academic goals.

Public Employment Services Office (PESO)
This local government employment assistance program connects students and jobseekers with employment opportunities, career guidance, and skills development. It may also facilitate student employment programs and other initiatives that provide financial support while helping young people gain valuable work experience.

Sagay Central Scholarship Program
This local scholarship program provides educational assistance to qualified students from Sagay City. It helps beneficiaries pursue their studies by supporting educational expenses and promoting greater access to higher education for deserving students.

SEEDS Scholarship Program
This scholarship program is supported by Jollibee, Greenwich, and Chowking. It provides educational assistance to qualified and deserving students. The program helps beneficiaries pursue their studies by supporting educational expenses and promoting access to higher education and future employment opportunities.

CHED Student Financial Assistance Programs (StuFAPs)
These CHED programs provide support such as scholarships, grants, and other forms of financial assistance to help cover educational expenses and promote access to and completion of college education by qualified Filipino students.

Congressional Tulong Dunong Grant (TD Grant)
This financial assistance program helps qualified students with their education expenses. The grant helps ease the financial burden of college education and provides beneficiaries with additional support to continue their studies and pursue academic goals.

First Farmers Holding Corporation (FFHP)
This company-sponsored scholarship program provides educational assistance to qualified student beneficiaries. It helps support their college education and related school expenses, promoting access to higher education and opportunities for academic and personal development.

MILAPAI Foundation
This foundation-sponsored scholarship program provides educational assistance to qualified students. It helps beneficiaries meet their educational needs and continue their studies, promoting access to higher education and supporting their academic and personal development.

CHED Scholarship Program (CSP)
The program helps ease educational expenses and supports students in completing their college studies, particularly those who meet the prescribed academic and financial eligibility requirements.

GROWVITE Scholarship Program
GROWVITE company facilitates scholarship grants for qualified employees and dependents of ATI and their referrals. The sponsor also endorses a list of its scholars.

UPLIFT CARES Scholarship Program
Uplift Cares provides STI Foundation with a list of its scholars as well as the details of the coverage of each scholar. Uplift Cares offers a range of programs designed to empower marginalized youth and adults through education, mentorship, and spiritual development.

Tanging Yaman Foundation Scholarship Program
The program provides scholarship grants to several applicants from various STI branches/provincial schools, whose proposals for financial assistance were duly approved by the TYF, Inc., a non-stock, non-profit corporation duly organized and existing by virtue of the laws of the Republic of the Philippines, and the terms and conditions of which have been duly accepted by STI.

SM Foundation Scholarship Program
SM Foundation is the corporate social responsibility arm of the SM Group of Companies, a Filipino conglomerate. It focuses on improving the lives of Filipinos through various social good programs in education, health, and other areas. Applicants from private schools are required to have a DepEd voucher and be Grade 10 finishers from public high schools.

Carnival Cruise Line Scholarship Program
Carnival Cruise Line desires to establish a scholarship program to financially assist deserving students for successful careers in the Tourism and Hospitality industries. Applicants are required to submit their high school grades and proof of household income below PhP500,000.00 per year.

Agustin and Anita Tanco Foundation
Agustin and Anita Tanco Foundation is a private voluntary, non-stock, non-profit corporation that certifies non-profit organizations that meet established minimum criteria for financial management. The program provides financial assistance to tertiary students who meet certain academic and economic criteria.

JTI Scholarship Program
JTI Inc. has established an education program for its employees where it intends to cover the cost of education of select employees.

SEMPHIL Cares Scholarship
Samsung Electro-Mechanics Philippines Corp. (SEMPHIL) offers scholarship programs, often as part of its corporate social responsibility (CSR) initiatives, to support students, particularly those from low-income households, in developing their skills and potential. Recipients will each receive a scholarship grant worth One Hundred Thousand Pesos (PhP 100,000.00), which they can use to pay for their cost of education with the designated STI campus.

Metrobank Scholarship and Training Opportunities for the Next Generation (STRONG)
Metrobank Foundation Inc. provides assistance for the completion of College Education for Superior students. Its scholarship program is one of the premier educational grants in the Philippines. Also known as ACCESS, this scholarship is designed to support academically gifted college students who face financial challenges. It aims to bridge the gap between talent and opportunity, enabling deserving students to pursue their college education without the burden of financial constraints. Scholarship grants are provided to eligible recipients for the designated academic semesters, as determined with finality by MBTC and MBFI.

iACADEMY's iREAD 2025
On November 22, 2025, iACADEMY brought its flagship outreach program, iREAD, to the youth beneficiaries of Unang Hakbang Foundation Incorporated (UHFI) at Bahay ni Jose, Mandaluyong City. In celebration of National Book Month, the initiative focused on game-based learning of the Filipino alphabet, letter recognition, and spelling. The activities were designed to strengthen literacy skills among 30 Kinder to Grade 3 urban poor children who were at risk of falling behind in school. iREAD 2025 was implemented through the collaboration of the SOCI, Library, and Scholarship Unit.



iACADEMY x Cartwheel Foundation Inc. iREAD Term 2
On March 14, 2026, iACADEMY partnered with Cartwheel Foundation Inc. to conduct the second installment of iREAD at the Upper Penthouse Library of iACADEMY Nexus. The initiative continued iACADEMY's commitment to bridging education gaps by engaging 13 Sama Bajau children through literacy, creativity, and cultural exchange. The learning session focused on letter recognition, counting, and tracing activities to strengthen foundational literacy skills.

Community Learning, Skills Development and Empowerment

Sustainable Bread Production Livelihood Project – Women's Association

In July 2025, the project was implemented by providing hands-on training in bread making, packaging, costing, and marketing, along with starter tools and recipes. The initiative supported income generation, strengthened household economic capacity, and encouraged community-based enterprise and knowledge-sharing.

Sustainable Tour Guiding Livelihood Project

Conducted in July 2025, this project provided women trainees with training in local history, ecology, hospitality, safety, and tour management, in partnership with the EB Magalona Tourism Office, Brgy. Tomongtong, and PhilBio. The initiative created livelihood opportunities through eco-tourism while promoting local heritage, environmental awareness, and community tourism.

Adopt a Family—Backyard Vegetable Gardening Program

The program was implemented from January to June 2026, the program supported selected households through the provision of seeds, tools, training, and guidance from university mentors. The initiative promoted household food security, improved nutrition, reduced living expenses, and sustainable self-reliance through home-based vegetable gardening.

CED Cares Tutorial Program

For SY 2025-2026, STI WNU's College of Education provided regular academic tutoring, reading, and numeracy support to school-age children in the Purok Arao Relocation Site, Brgy. Vista Alegre. The initiative aimed to address learning gaps, improve academic performance, and strengthen home-school partnerships within the community.

iACADEMYxWorld Vision Inc. Philippines—ENOUGH Campaign

On September 19, 2025, the Social Orientation and Community Involvement (SOCI) Unit of iACADEMY, in partnership with World Vision Inc. Philippines, launched the ENOUGH Campaign at the 12th Floor Auditorium. A total of 259 students listened to guest speakers from World Vision Philippines, including Pauline Navaro, Advocacy Specialist; Cyrille Ybañez, Institutional Engagement Specialist; and Ayn Bernos, World Vision Ambassador and Child Sponsor. The global initiative aims to raise awareness and inspire action against hunger, malnutrition, and food insecurity affecting millions of children worldwide.



iACADEMYxWorld Vision Inc. Philippines—Volunteering 101: How to Develop the Students of Today to be the Game Changers of Tomorrow

On October 9, 2025, the SOCI Unit, in collaboration with the Human Resources Department and World Vision Inc. Philippines, hosted another installment of the Thinking Thursday learning series. The session focused on volunteerism and how employees can inspire young people and themselves to participate in community service. A total of 41 employees from various departments participated.

Pagsasanay sa Sikolohikal na Paunang-Lunas sa Bangkal

On October 24, 2025, iACADEMY's SOCI Unit, Guidance and Counselling Unit, School of Business and Liberal Arts–Psychology Department, and Barangay Bangkal conducted the *Pagsasanay sa Sikolohikal na Paunang-Lunas sa Bangkal* workshop. The initiative gathered 30 Bangkal community representatives and the Supreme Student Government of Bangkal Senior High School for training on Psychological First Aid (PFA), a vital skill in supporting individuals during and after traumatic experiences. The activity was conducted in celebration of National Mental Health Awareness Month.

iACADEMY Community Financial Literacy Seminar and Christmas Outreach 2025

On December 13, 2025, iACADEMY, through the SOCI and OSAS, Central Student Organization, and iACADEMY Making Positive Action (iMPACT), conducted the Community Financial Literacy Seminar and Christmas Outreach 2025 at Bangkal Senior High School. The activity combined financial literacy education with iACADEMY's annual gift-giving tradition. A total of 47 community members participated in the workshop and gift-giving activity.

SOCIxSOC AI Literacy Workshop

On January 27, 2026, iACADEMY's SOCI, in partnership with the School of Computing (SOC) and with support from the Bangkal Education and Culture Committee, conducted an AI Literacy Workshop for iACADEMY and Bangkal High School students. The 38 participants gained practical skills in generative AI while learning about ethical considerations in technology use.

SOCIxSODA Canva Basics Workshop

On January 30, 2026, iACADEMY's SOCI, in collaboration with the School of Design and Arts (SODA) and with support from the Bangkal Education and Culture Committee, conducted a Canva Basics Workshop for 24 youths from Barangay Bangkal. The community-centered training equipped participants with practical digital art and design skills for education, advocacy, and community initiatives.

International Women's Day Free Self-Defense Class

On March 21, 2026, iACADEMY conducted a free martial-arts-based self-defense class under the BRAVE Women's Self-Defense Program. Organized by the SOCI and General Education Unit as part of International Women's Month, the activity introduced participants to practical self-defense techniques while emphasizing confidence, awareness, and preparedness. A total of 21 participants attended.



Disaster Response and Humanitarian Assistance

Emergency Response for Typhoon Tino Victims

On November 7, 2025, STI WNU provided emergency relief assistance to typhoon-affected families through the distribution of foods packs, hygiene kits, and essential supplies in coordination with local government units and partner agencies. The initiative addressed immediate needs and supported affected communities in their early recovery.

Call for Donation—Happy Land, Tondo Fire (October 2025)

In response to the fire that affected Happy Land, Tondo, the SOCI Unit, in partnership with the Central Student Organization, iACADEMY Junior Marketing Association (iJMA), and iACADEMY Making Positive Action (iMPACT), initiated a donation drive that generated in-kind donations



Rebuild Cebu Together—Earthquake Relief Drive (October 2025)

Following the 6.9-magnitude earthquake in Bogo City, Cebu, which affected surrounding barangays and resulted in a state of calamity in Cebu, iACADEMY organized a donation drive that generated donations of in-kind goods from the iACADEMY community.

Second Wave of Solidarity for Cebu—Typhoon Tino Relief Drive (November 2025)

Following the earthquake relief efforts, iACADEMY, through SOCI and in coordination with iMPACT, organized a second donation drive for communities in Cebu affected by Typhoon Tino. The iACADEMY community provided in-kind goods.



Health, Well-being and Community Safety

Dugtong Buhay Movement x Red Cross Youth Summit: iACADEMY Bloodletting Drive 2025

The Dugtong Buhay Movement x Red Cross Youth Summit and iACADEMY Bloodletting Drive 2025 was jointly organized by iACADEMY through the SOCI Unit and Senior High School Academics Department. The Red Cross Youth Summit was co-organized with the Philippine Red Cross–Rizal Chapter, Makati Branch, with schools under the *Asosasyon ng mga Pribadong Paaralan ng Makati Inc. (APPMI)* invited to participate in poster making, video making, and emergency-related talks.

Simultaneously, the SOCI Unit collaborated with the Department of Budget and Management, Philippine Red Cross, Philippine Coast Guard, and Philippine National Police for the bloodletting activity. A total of 151 participants registered, with 104 successful donors recorded.



TANOD 360: Community Peace and Order Program

STI WNU implemented the project in partnership with the Department of the Interior and Local Government (DILG) Bacolod City, and provided training to barangay tanods and local peace and order personnel from 10 barangays. The initiative strengthened the attendees' competencies in public safety, conflict resolution, first aid, and community relations, contributing to more effective community-based peacekeeping efforts.

Community Giving, Volunteerism and Social Inclusion

Dugtong Buhay Movement Bloodletting Activity

On April 7, 2026, STI WNU provided the venue for the largest bloodletting drive of the Dugtong Buhay Movement in Bacolod City, where a total of 372 bags of blood were collected. The activity marked the 12th hosting by STI WNU, which reflects the University's sustained commitment to this life-saving advocacy.

iACADEMYxCaritas Manila Segunda Mana Donated Goods Program Foundation Week Drop-Off (January 2026)

As part of Foundation Week 2026, iACADEMY partnered with Caritas Manila to launch the Segunda Mana Donated Goods Program. The initiative encouraged students, faculty, and staff to donate pre-loved clothing, toys, books, and other useful items. Caritas Manila provided designated drop-off boxes on campus to facilitate participation. A total of 23 donors were recorded.



iACADEMYxCartwheel Foundation Inc., "The Devil Wears Prada 2" Block Screening for a Cause

On April 29, 2026, iACADEMY, in partnership with Cartwheel Foundation Inc. (CFI), hosted a sold-out special block screening of "The Devil Wears Prada 2" at Glorietta 4, Cinema 1. The 167-seat event served as a fundraising initiative to support the Parañaque Sama Bajau children beneficiaries of CFI.

iACADEMYxCartwheel Foundation Inc. Outreach Program

On June 18, 2026, iACADEMY, through the SOCI Unit and with employee and student volunteers, conducted a welcome session and outreach activity for 19 new students at the Cartwheel Foundation Inc. Community Learning Center at Palanyag Gymnasium, San Dionisio, Parañaque. The activity included a learning session on letter recognition, writing practice, and color recognition, as well as the turnover of school supplies and requested tables funded by proceeds from the film-screening of "The Devil Wears Prada 2" for a cause.

Outcome and Impact

During SY 2025–2026, iACADEMY's Social Orientation and Community Involvement Unit directly reached over 1,000 individuals across Metro Manila and beyond through more than 15 programs covering disaster response, education, health, and community empowerment. The institution mobilized its students, faculty, and staff to provide relief goods to families affected by fires, an earthquake, and a typhoon.

Through literacy programs, scholarships, skills workshops, advocacy campaigns, humanitarian assistance, and volunteer-driven initiatives, the Group continued to invest in both the immediate needs and long-term capabilities of communities. Partnerships with organizations such as World Vision Philippines, Philippine Red Cross, Cartwheel Foundation Inc., Caritas Manila, and various scholarship foundations further strengthened the reach and sustainability of these initiatives.

Membership in Associations

For any educational institution, establishing strategic institutional linkages and memberships in associations is instrumental in continuously driving learning and innovation. These vital partnerships serve to empower academic institutions by enabling them to participate in meaningful collaborations directly aimed at enhancing opportunities for all their stakeholders.

STI ESG is active in the following associations or has fostered partnerships with known industry leaders:

- Association of Administrators in Hotel/Hospitality & Restaurant Management Educational Institutions (AAHRMEI)
- Institute of Computer Engineers of the Philippines (ICpEP)
- Internet and Mobile Marketing Association of the Philippines (IMMAP)
- Philippine Association of National Advertisers (PANA)
- Public Relations Society of the Philippines (PRSP)
- NCR School Registrar's Association (NASCRA)
- SAP/Victoria University
- SGV
- Amadeus Marketing Philippines, Inc.
- Netsynch Computer Solutions
- Oracle Academy
- Python Institute
- Red Hat Academy
- AWS Academy
- Accenture, Inc.
- PTC Aviation Training Center, Inc.
- Hilton Manila
- Globe Fintech Innovations, Inc.
- Globe Telecom
- Conrad Manila
- Smart/PLDT
- ATPI Travel Philippines, Inc.
- City of Dreams Manila
- Conti's Bakeshop & Restaurant

STI WNU has various local and international industry and organizational partners to help enrich its students' and faculty members' academic learnings and real-life skills. These include but are not limited to the following:

- Asian University Digital Resource Network, Small and Medium Enterprises Research and Development Foundation, Inc. (SERDEF)
- TESOL Asia SITE Ltd. Australia
- Universitas Galuh (Indonesia)
- Department of Science and Technology – Negros Island Region
- Nanhua University (Taiwan)
- GROW Forward JP Inc. (Japan)
- Institut Bisnis dan Informatika Kesatuan Bogor (Indonesia)
- Daegu University (South Korea)
- Keimyung, University (South Korea)
- Jose Rizal University
- Metro Bacolod Chamber of Commerce and Industry (MBCCI)
- Keimyung College (South Korea)
- University of the Philippines Open University (UPOU)
- GEO-Global Educators Organization Panasiatic Solutions
- Focus Direct, Inc.
- Wadhwani Foundation (India)
- The K YouthUp Forum (South Korea)
- STAI Putra Galuh Ciamis (Indonesia)
- Chungwoon University (South Korea)
- Today English Ltd. Partnership (TELP)
- Huachiew Chalermprakiet University
- Academia ResearchLab Inc. (India)
- Universitas Subang (Indonesia)
- Jeonbuk National University (South Korea)
- Saigon Business School (Vietnam)
- Universitas Cipasung (Indonesia)
- Pukyong National University (South Korea)
- Baekseok Culture University (South Korea)
- National Korean Maritime and Ocean University (South Korea)
- Baekseok University (SoKor)
- OK English Academy
- Catholic Ming Yuan College (Murcia, Negros Occidental)
- Local Government of Bacolod City
- Local Government of Silay City
- Globe Telecom
- Kumoh National Institute of Technology
- K5 News FM
- Virlanie FAITH, Inc.
- CM and Sons Food Products, Inc.
- Bacolod City Police Office
- Bureau of Fire Protection (BFP)

STI WNU and its students are active members of the following organizations:

- Association of Administrators in Hotel/Hospitality & Restaurant Management Educational Institutions (AAHRMEI);
- Council of Hotel and Restaurant Educators of the Philippines (COHREP);
- Tourism Educators and Movers Philippines (TEAM PHILS WV);
- Hotel and Restaurant Association of Negros Occidental (HRANO);
- Bacolod City Tourism Office and Department of Tourism Region VI;
- Philippine Association of Colleges and Schools of Business (PACSB);
- Philippine Society of IT Educators (PSITE);
- Integrated Society of Information Technology Enthusiast (ISITE);
- Junior Philippine Institute of Accountants (JPIA)
- Philippine Society of Information Technology Educators Foundation, Inc. (PSITEFI);
- Bacolod-Negros Occidental Federation of ICT (BNeFIT);
- Philippine Institute of Civil Engineers (PICE);
- Junior Philippine Society of Mechanical Engineers (JPSME);
- Institute of Integrated Electrical Engineers of the Philippines (IIEEP);
- Global Educators Professional Enhancement International, Inc. (GEPEII);
- Asian Qualitative Research Association (AQRA);
- Asian Society of Teachers for Research (ASTR);
- Asian Association of Interdisciplinary Research (AAIR);
- National Organization of Science and Educators of the Philippines, Inc. (NOSEPI);
- Philippine Association for Teachers and Educators, Inc. (PAFTEI); and
- Philippine Association of Graduate Studies (PAGE).

iACADEMY is committed to producing industry-ready Game Changers. In line with this commitment, iACADEMY is always keen to explore opportunities to forge meaningful partnerships. This includes curriculum integration with leading local and international organizations.

For SY 2025–2026, iACADEMY continued to expand its network of industry and academic partners across industries.

Professional Memberships and Academic Networks:

- AI & Analytics Association of the Philippines (AAP)
- Philippine Association of Collegiate Schools of Business (PACSB)
- Philippine Marketing Association (PMA)
- Philippine Society of Information Technology Educators (PSITE)
- Philippine Software Industry Association (PSIA)
- Game Developers Association of the Philippines (GDAP)
- Animation Council of the Philippines, Inc. (ACPI)
- Film Development Council of the Philippines (FDCP)
- Philippine Association of Academic/Research Librarians, Inc. (PAARL)
- Philippine Educational Measurement and Evaluation Association (PEMEA)
- Philippine Society for Quality (PSQ)
- Creator and Influencer Council of the Philippines (CICP)
- HIMAP (Healthcare Information Management Association of the Philippines)
- Philippine Association of Extension Program Implementors, Inc.
- Human Resource Educators' Association of the Philippines, Inc.

Technology and Certification Partnerships:

- Amazon Web Services (AWS)
- Huawei ICT Academy
- The BLOKC
- Toon Boom
- CLO Virtual Fashion
- Dolby Atmos & Avid
- Blackmagic and DaVinci Resolve

Customer Data Security and Privacy

The protection of personal information is essential to maintaining stakeholder trust, regulatory compliance, and responsible organizational governance. As the Group increasingly relies on digital systems and data-driven processes, it remains committed to safeguarding the confidentiality, integrity, and security of the information entrusted to it, making data protection a key component of its sustainable operations.

Data Governance and Risk Management

STI ESG is committed to protecting personal information and maintaining strong information security practices across its operations. Guided by its Data Privacy Policy, the institution has established a comprehensive framework for the secure collection, processing, storage, and use of personal data while ensuring compliance with applicable legal and regulatory requirements.

The framework covers a broad range of stakeholders, including students, parents, alumni, employees, and vendors or contractors whose personal information is entrusted to the institution. Through clearly defined policies, accountability mechanisms, and data protection controls, STI ESG promotes the responsible management of information and supports the confidentiality, integrity, and security of personal data.

STI ESG recognizes risks associated with unauthorized disclosure of personal information, excessive data collection, data theft, and security incidents arising from human error or negligence. To address these risks, the institution implements appropriate safeguards, monitoring mechanisms, and employee awareness initiatives designed to strengthen data protection practices and reduce the likelihood of privacy and security incidents.

At the same time, STI ESG recognizes opportunities to enhance service delivery, improve operational efficiency, and support data-informed decision-making through the responsible and secure use of information. By maintaining a proactive and compliance-driven approach to data governance, the institution reinforces stakeholder confidence and upholds its commitment to the ethical management of information assets. For more information, please refer to the STI ESG Data Privacy Policy.

STI WNU recognizes the importance of protecting the confidentiality, integrity, and security of personal and institutional information. Confidential information of students, faculty, non-teaching personnel, and administrative staff is managed through School Automate, a third-party web application. The University ensures that access is limited to authorized personnel and that institutional data are protected from unauthorized access, use, or disclosure. No data privacy or security incidents were reported during the reporting period, while continuous monitoring is maintained to minimize potential risks.

The University's data privacy and information security practices are aligned with the Data Privacy Act of 2012 and applicable regulations. Key measures include restricted and role-based system access, Windows Security features, firewall and antivirus protection, regular system updates, responsible data-handling practices, and staff cybersecurity awareness. The IT Office also serves as a channel for reporting privacy and information security concerns.

The University continuously assesses risks such as cybersecurity threats, unauthorized access, human error, system vulnerabilities, and potential data breaches that could affect stakeholder trust and institutional operations. To strengthen protection, the University continues to explore enhanced firewall, cloud security solutions, encryption tools, and other appropriate technologies, supporting a secure and trustworthy environment for all stakeholders.

iACADEMY recognizes the importance of protecting the personal and sensitive personal information of its students, alumni, faculty, and employees. As an educational institution, it collects and processes academic, health, contact, and other personal information, which may be exposed to risks such as unauthorized disclosure, improper processing, misuse, or cybersecurity incidents. The School manages these impacts in compliance with the Data Privacy Act of 2012 through the oversight of its Data Privacy Office (DPO), regular employee training, continuous enhancement of data privacy policies and procedures, and collaboration and knowledge-sharing with other data protection professionals. Relevant initiatives and activities undergo DPO review to ensure appropriate privacy safeguards and regulatory compliance.

While privacy reviews may require additional time in implementing programs or technologies, these measures strengthen data protection practices, increase stakeholder awareness, mitigate data breach risks, and reinforce trust in the institution. Key opportunities include further standardizing privacy procedures and adopting technology solutions that provide stronger and more cost-effective data protection.

Concerns regarding data privacy may be communicated to the respective data privacy officers of the schools. Throughout 2026, no substantiated customer privacy complaints were recorded, and no privacy-related grievances required remediation. The Group also did not use customer information for secondary purposes and reported no incidents involving data breaches, information leaks, theft, or loss of data.


STI
EDUCATION SYSTEMS
HOLDINGS

COVER SHEET

																												1	7	4	6

S	T	I		E	D	U	C	A	T	I	O	N		S	Y	S	T	E	M	S		H	O	L	D	I	N	G	S,
I	N	C.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S												

(Company's Full Name)

	7/	F		S	T	I		H	O	L	D	I	N	G	S		C	E	N	T	E	R								
	6	7	6	4		A	Y	A	L	A		A	V	E.	,		M	A	K	A	T	I		C	I	T	Y			
	1	2	2	6																											

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

ARSENIO C. CABRERA, JR.	(632) 8813 7111
Contact Person	Company Telephone Number

0 6	3 0	SEC FORM 17-Q For the Quarter ended 30 September 2026	Third Friday of November
Month	*Day*	FORM TYPE	*Month* *Day*
Fiscal Year			Annual Meeting

N A
Secondary License Type, If Applicable

C F D	
Dept. Requiring this Doc.	Amended Articles Number/Section

	Total Amount of Borrowings	
1 2 5 9	N A	N A
Total No. of Stocholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	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 2026**
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 [x] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [x] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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 23, 2026

Signature and Title **MONICO V. JACOB**
President and CEO

Date November 23, 2026

"Annex A"

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026 AND JUNE 30, 2026

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱2,765,009,988**	₱3,027,943,448
Receivables (Note 6)	**1,839,771,490**	895,609,992
Inventories (Note 7)	**117,503,941**	155,304,013
Prepaid expenses and other current assets (Note 8)	**173,012,018**	164,816,063
Equity instruments at fair value through profit or loss (FVPL) (Note 9)	**9,532,500**	11,144,500
Total Current Assets	**4,904,829,937**	4,254,818,016
Noncurrent Assets		
Property and equipment (Note 10)	**11,176,031,209**	11,082,514,038
Investment properties (Note 11)	**2,357,437,555**	2,397,268,091
Investments in and advances to associates and joint venture (Note 12)	**27,631,524**	27,736,201
Equity instruments at fair value through other comprehensive income (FVOCI) (Note 13)	**41,029,895**	40,736,755
Deferred tax assets - net	**71,603,376**	55,762,864
Goodwill, intangible and other noncurrent assets (Note 14)	**785,604,343**	827,045,753
Total Noncurrent Assets	**14,459,337,902**	14,431,063,702
TOTAL ASSETS	**₱19,364,167,839**	₱18,685,881,718
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 15)	**₱893,254,121**	₱1,053,299,278
Bonds payable (Note 17)	**819,047,292**	818,563,449
Current portion of interest-bearing loans and borrowings (Note 16)	**143,344,193**	341,843,371
Unearned tuition and other school fees	**1,619,780,423**	601,531,692
Current portion of lease liabilities	**80,510,875**	95,451,360
Income tax payable	**94,281,664**	34,979,130
Total Current Liabilities	**3,650,218,568**	2,945,668,280
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Note 16)	**215,058,081**	684,433,079
Lease liabilities - net of current portion	**250,068,152**	322,891,194
Pension liabilities - net	**127,247,450**	125,965,827
Deferred tax liabilities - net	**108,702,438**	109,073,128
Other noncurrent liabilities (Note 18)	**12,442,057**	14,905,909
Total Noncurrent Liabilities	**713,518,178**	1,257,269,137
Total Liabilities *(Carried Forward)*	**4,363,736,746**	4,202,937,417

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Total Liabilities *(Brought Forward)*	**₱4,363,736,746**	₱4,202,937,417
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	**1,324,066,858**	1,324,066,858
Cost of shares held by a subsidiary	**(66,220,478)**	(66,220,478)
Cumulative actuarial gain	**55,041,528**	51,938,800
Unrealized fair value adjustment on equity instruments at FVOCI (Note 13)	**10,961,264**	10,672,964
Other equity reserve	**(1,686,369,660)**	(1,686,369,660)
Share in associates' other comprehensive income	**321,455**	321,455
Retained earnings	**10,266,898,642**	9,758,077,421
Total Equity Attributable to Equity Holders of the Parent Company	**14,857,103,071**	14,344,890,822
Equity Attributable to Non-controlling Interests (Note 19)	**143,328,022**	138,053,479
Total Equity	**15,000,431,093**	14,482,944,301
TOTAL LIABILITIES AND EQUITY	**₱19,364,167,839**	₱18,685,881,718

See accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements .

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025

	Three months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
REVENUES (Note 20)		
Sale of services:		
Tuition and other school fees	**₱1,160,911,841**	₱1,277,797,494
Educational services	**74,847,231**	72,870,036
Royalty fees	**7,231,242**	7,202,798
Others	**51,759,323**	39,244,330
Sale of educational materials and supplies	**47,608,792**	46,227,129
	1,342,358,429	1,443,341,787
COSTS AND EXPENSES		
Cost of educational services (Note 21)	**331,729,217**	315,541,474
Cost of educational materials and supplies sold (Note 22)	**38,463,100**	40,912,868
General and administrative expenses (Note 23)	**432,561,403**	429,379,871
	802,753,720	785,834,213
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	**539,604,709**	657,507,574
OTHER INCOME (EXPENSES)		
Interest expense (Notes 16 and 17)	**(40,540,149)**	(56,927,492)
Rental income	**31,505,835**	62,860,650
Interest income (Notes 5 and 6)	**16,404,030**	21,437,862
Gain on termination of lease	**24,596,144**	–
Recovery of accounts written off (Note 6)	**2,992,463**	3,056,456
Dividend income (Note 9)	**170,989**	162,595
Equity in net earnings (losses) of associates and joint venture (Note 12)	**(104,677)**	414,588
Foreign exchange gain – net	**48,101**	74,255
Fair value loss on equity instruments at FVPL (Note 9)	**(1,612,000)**	(248,000)
Other income (expenses) – net (Note 10)	**(2,458,618)**	687,922
	31,002,118	31,518,836
INCOME BEFORE INCOME TAX	**570,606,827**	689,026,410
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**73,118,675**	85,479,045
Deferred	**(16,560,631)**	(15,573,034)
	56,558,044	69,906,011
NET INCOME *(Carried Forward)*	**514,048,783**	619,120,399

	Three months ended September 30	
	2026	2025
	(Unaudited)	(Unaudited)
NET INCOME *(Brought Forward)*	**₱514,048,783**	₱619,120,399
OTHER COMPREHENSIVE INCOME (LOSS)		
Items not to be reclassified to profit or loss in subsequent years:		
Remeasurement gain (loss) on pension liabilities	**3,494,298**	(17,471,492)
Income tax effect on remeasurement loss (gain) on pension liabilities	**(349,429)**	1,747,150
Fair value change in equity instruments at FVOCI (Note 13)	**293,140**	(316,516)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	**3,438,009**	(16,040,858)
TOTAL COMPREHENSIVE INCOME	**₱517,486,792**	₱603,079,541
Net Income Attributable To		
Equity holders of the Parent Company	**₱508,821,221**	₱611,504,608
Non-controlling interests	**5,227,562**	7,615,791
	₱514,048,783	₱619,120,399
Total Comprehensive Income Attributable To		
Equity holders of the Parent Company	**₱512,212,249**	₱595,677,474
Non-controlling interests	**5,274,543**	7,402,067
	₱517,486,792	₱603,079,541
Basic/Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company (Note 25)	**₱0.05**	₱0.06

See accompanying Notes to the 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, 2026 AND 2025

	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**	**Retained Earnings**	**Total**	**Equity Attributable to Non-controlling Interests** (Note 19)	**Total Equity**
Balance at July 1, 2026	**₱4,952,403,462**	**₱1,324,066,858**	**(₱66,220,478)**	**₱51,938,800**	**₱10,672,964**	**(₱1,686,369,660)**	**₱321,455**	**₱9,758,077,421**	**₱14,344,890,822**	**₱138,053,479**	**₱14,482,944,301**
Net income	–	–	–	–	–	–	–	**508,821,221**	**508,821,221**	**5,227,562**	**514,048,783**
Other comprehensive income	–	–	–	**3,102,728**	**288,300**	–	–	–	**3,391,028**	**46,981**	**3,438,009**
Total comprehensive income	–	–	–	**3,102,728**	**288,300**	–	–	**508,821,221**	**512,212,249**	**5,274,543**	**517,486,792**
Balance at September 30, 2026	**₱4,952,403,462**	**₱1,324,066,858**	**(₱66,220,478)**	**₱55,041,528**	**₱10,961,264**	**(₱1,686,369,660)**	**₱321,455**	**₱10,266,898,642**	**₱14,857,103,071**	**₱143,328,022**	**₱15,000,431,093**
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
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)	₱321,455	₱8,907,351,873	₱13,240,236,247	₱125,514,820	₱13,365,751,067

See accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025

	Three months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱570,606,827**	₱689,026,410
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 10, 11, 14, 21 and 23)	**201,746,532**	185,298,988
Interest expense (Notes 16 and 17)	**40,540,149**	56,927,492
Interest income (Notes 5 and 6)	**(16,404,030)**	(21,437,862)
Provision for expected credit losses (ECL) (Notes 6 and 23)	**32,141,907**	44,602,025
Gain on termination of lease	**(24,596,144)**	–
Dividend income (Notes 9 and 12)	**(170,989)**	(162,595)
Net change in net pension liabilities	**4,775,921**	4,174,549
Equity in net losses (earnings) of associates and joint venture (Note 12)	**104,677**	(414,588)
Fair value loss on equity instruments at FVPL (Note 9)	**1,612,000**	248,000
Unrealized foreign exchange gain – net	**(48,101)**	(34,465)
Loss on derecognition of leasehold improvements (Note 10)	**2,544,999**	–
Decrease (increase) in:		
Receivables	**(408,562,665)**	(509,040,325)
Inventories	**37,800,072**	26,274,779
Prepaid expenses and other current assets	**(15,958,115)**	(14,811,763)
Increase (decrease) in:		
Accounts payable and other current liabilities	**(160,746,720)**	(42,181,846)
Unearned tuition and other school fees	**443,025,981**	525,588,450
Other noncurrent liabilities	**(2,463,852)**	2,556,392
Net cash generated from operations	**705,948,449**	946,613,641
Income tax paid	**(6,053,979)**	(9,274,632)
Interest received	**20,682,623**	17,964,080
Net cash provided by operating activities	**720,577,093**	955,303,089
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 10)	**(131,260,302)**	(226,640,198)
Investment properties (Note 11)	**(7,010,870)**	–
Payments for other noncurrent assets (Note 14)	**(89,441,024)**	(118,747,828)
Dividends received (Note 9)	**170,989**	162,595
Net cash used in investing activities	**(227,541,207)**	(345,225,431)

(Forward)

	Three months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Long-term loans (Note 16)	**(₱672,222,222)**	(₱292,222,222)
Interests	**(49,989,682)**	(81,114,160)
Lease liabilities	**(33,805,543)**	(41,714,128)
Proceeds from disposals of the Parent Company's shares held by a subsidiary (Note 19)	**–**	277,500,000
Net cash used in financing activities	**(756,017,447)**	(137,550,510)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**48,101**	34,465
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(262,933,460)**	472,561,613
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**3,027,943,448**	2,732,620,639
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱2,765,009,988**	₱3,205,182,252

See accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

STI EDUCATION SYSTEMS HOLDINGS, INC.
NOTES TO THE UNAUDITED INTERIM CONDENSED 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, 2026 and June 30, 2026, are as follows:

		Effective Percentage of Ownership	
Subsidiaries	**Principal Activities**	**Direct**	**Indirect**
STI ESG	Educational Institution	**99**	–
STI WNU	Educational Institution	**99**	–
iACADEMY	Educational Institution	**100**	–
Philippine School of Business Administration-Manila, 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) [(c)]	Educational Institution	–	**99**
STI Lipa, Inc. (STI Lipa)	Educational Institution	–	**99**
STI College Pagadian, Inc. (STI Pagadian) [(c)]	Educational Institution	–	**99**
STI Training Academy, Inc. (STI Training Academy)	Educational Institution	–	**99**
STI College Tuguegarao, Inc. (STI Tuguegarao) [(c)]	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)	Investment Company	–	**99**
Phosphene Holdings, Inc. (PHI)	Investment Company	–	**99**

[(a)] On June 24, 2024, STI Holdings and Philippine School of Business Administration- Manila, Inc. (formerly STI College Novaliches, Inc.) entered into a subscription agreement wherein STI Holdings subscribed to the proposed increase in authorized capital stock of Philippine School of Business Administration-Manila, Inc. (formerly STI College Novaliches, Inc.) equivalent to 75.0 million common shares at ₱1.00 per share. The increase in the authorized capital stock of Philippine School of Business Administration- Manila, Inc. (formerly STI College Novaliches, Inc.) was approved by the SEC on January 27, 2025. Philippine School of Business Administration- Manila, Inc. (formerly STI College Novaliches, Inc.) became a direct subsidiary of STI Holdings on the same date.

[(b)] *A subsidiary of STI ESG through a management contract*
[(c)] *As at November 23, 2026, the following wholly owned subsidiaries of STI ESG — STI Iloilo, STI Pagadian, STI Tuguegarao, and NPIM are nonoperating entities. In view of their continued nonoperating status, these entities will undergo eventual dissolution or shortening of the corporate life, subject to compliance with applicable regulatory requirements.*
[(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 23, 2026.*
[(e)] *A wholly-owned subsidiary of De Los Santos-STI College; formerly STI College Quezon Avenue, Inc.*

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. The Parent Company's ownership of STI ESG is at 98.7% as at September 30, 2026 and June 30, 2026.

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. STI ESG 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 including marine engineering, naval architecture, 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 "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 Board of Directors (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 23, 2026, the amendment is still pending approval by the SEC.

STI ESG also requested a 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 (CARs) 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 23, 2026, STI ESG has not received the CARs from the BIR.

As at September 30, 2026, 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. As at September 30, 2026 and June 30, 2026, the Parent Company owns 99.9% of STI WNU.

STI WNU owns and operates STI West Negros University in Bacolod City. It offers primary, JHS and SHS, tertiary and post-graduate programs. It also provides technical-vocational education training services under TESDA.

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)

iACADEMY is a premier school offering specialized programs in SHS and College that are centered on Computing, Business, and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, and Cloud Computing. iACADEMY also offers programs in Accountancy, Marketing Management, Psychology, and Digital Media Management. It started operations in 2002. iACADEMY is a wholly-owned subsidiary of STI Holdings as at September 30, 2026 and June 30, 2026. iACADEMY conducts its classes in two strategically located facilities: the Nexus building along Yakal Street in Makati City and the 5th Floor of Filinvest Cebu Cyberzone Tower Two, Cebu IT Park, Cebu City.

e. Philippine School of Business Administration- Manila, Inc. (formerly STI College Novaliches, Inc.)

On March 19, 2024, the BOD of STI College Novaliches, Inc. approved the change in its corporate name to "Philippine School of Business Administration- Manila, Inc.", and other amendments to its Articles of Incorporation and By-Laws. The amendments to the Articles of Incorporation

covered the: (a) revision of the primary purpose to include the offering of primary and post-graduate education; (b) 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; (c) change of principal office address; (d) extension of the corporate term to perpetual existence; (e) increase in the number of BOD from five to eleven; (f) the increase in its authorized capital stock from 5.0 million to 300.0 million shares. The amendments to the By-Laws included the: (a) notice of meeting requirements for meetings of stockholders; (b) insertion of meetings through teleconferencing, videoconferencing or other means of remote communication (c) quorum and voting requirements; and (d) the change in its fiscal year to begin on July 1 and end on June 30 of the following year. Except for the increase in its authorized capital stock, change of principal office address and the amendment in the change of the name, all other amendments in the Articles of Incorporation and By-Laws of STI College Novaliches, Inc., were approved by the SEC on June 5, 2024 and September 13, 2024, respectively.

On June 24, 2024, STI Holdings and Philippine School of Business Administration-Manila, Inc. executed a Subscription Agreement wherein STI Holdings subscribed to 75.0 million common shares of Philippine School of Business Administration-Manila, Inc. at ₱1.0 per share or ₱75.0 million, subject to the SEC's approval of the increase in authorized capital stock of Philippine School of Business Administration-Manila, 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 Philippine School of Business Administration-Manila, Inc.'s application to increase its authorized capital stock. As a result, Philippine School of Business Administration-Manila, Inc. became a direct subsidiary of STI Holdings, with 93.75% ownership. STI ESG's ownership interest in Philippine School of Business Administration-Manila, Inc. was reduced from 100.0% to 6.25% effective January 2025.

On March 31, 2025, STI Holdings, STI ESG, and Philippine School of Business Administration - Manila, Inc. executed a Deed of Assignment (the Deed) where Philippine School of Business Administration-Manila, Inc. unconditionally and irrevocably assigned and transferred its identified assets and liabilities, including its permits and licenses, to STI ESG. The Novaliches campus of STI ESG has continued to operate as an STI ESG branch in Novaliches, Quezon City, effective January 1, 2025.

On July 31, 2025 and August 29, 2025, the SEC approved the amendment in the corporate name of STI College Novaliches, Inc. to Philippine School of Business Administration-Manila, Inc. in its Articles of Incorporation and By-Laws, respectively.

On November 18, 2025, the SEC approved the change in Philippine School of Business Administration-Manila, Inc.'s principal address to "1029 Aurora Boulevard, Loyola Heights, Quezon City" from "STI Academic Center, Diamond Street cor. Quirino Highway, San Bartolome, Novaliches, Quezon City."

The change in fiscal year was subsequently approved by the BIR in January 2026 effective on July 1, 2026.

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. 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.

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 unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for equity instruments at FVOCI and equity instruments at FVPL which have been measured at fair value. The unaudited interim condensed 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 unaudited interim condensed 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, 2026. 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 unaudited interim condensed consolidated financial statements.

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*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective as at July 1, 2026 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 unaudited interim condensed consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

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, 2026 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. For STI ESG and STI WNU, the academic cycle for Basic Education, including SHS, started on June 29, 2026 and will end on May 7, 2027, while the tertiary segment started classes on August 3, 2026 and will end on June 2, 2027. The academic cycle for STI ESG and STI WNU for SY 2025-2026 began on July 28, 2025 and ended on June 5, 2026. STI WNU's post graduate classes started on September 12, 2026 and will end on Aug. 22, 2027. Last year it started on September 6, 2025 and ended on August 23, 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 SY 2026–2027 are conducted entirely face-to-face, while classes for SY 2025–2026 were conducted predominantly on a face-to-face basis.

During the latter part of SY 2025–2026, the Group temporarily adopted a hybrid learning modality across the network, combining face-to-face and online instruction. The shift to a hybrid learning modality was implemented in consideration of the prevailing external conditions, particularly the elevated transportation costs, to support the continuity of academic delivery for the remaining academic term.

In relation to end-of-term activities, including the SHS expo, culminating events, and graduation ceremonies, full face-to-face classes for high school students across the STI network resumed effective May 11, 2026. Classes for the tertiary segment continued to be on a hybrid learning modality for majority of the schools within the STI network until the end of SY 2025–2026, with six (6) schools opting to revert to full face-to-face classes beginning around mid-May 2026. STI WNU continued with its face-to-face classes for SY 2025-2026, except for two (2) programs where classes were held using the hybrid modality starting May 11, 2026 until the end of the school year. iACADEMY similarly adopted a hybrid approach towards the latter part of the academic year for SY 2025-2026.

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 unaudited interim condensed consolidated financial statements.

On a consolidated basis, the Group's performance is evaluated based on consolidated net income and EBITDA. EBITDA is defined as earnings before interest expense, interest income, provision for income tax, depreciation and amortization, equity in net losses (earnings) of associates and joint venture, gain on foreign exchange differences, fair value loss on equity instruments at FVPL and gains/losses such as gain on termination of lease and loss on derecognition of leasehold improvements. 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	
	2026	2025
	(Unaudited)	(Unaudited)
Consolidated net income	**₱514,048,783**	₱619,120,399
Depreciation and amortization [(1)]	**180,927,861**	162,048,660
Provision for income tax	**56,558,044**	69,906,011
Interest expense [(1)]	**33,495,594**	48,506,718
Loss on derecognition of leasehold improvements [(2)]	**2,544,999**	–
Fair value loss on equity instruments at FVPL	**1,612,000**	248,000
Equity in net losses (earnings) of associates and joint venture	**104,677**	(414,588)
Gain on termination of lease	**(24,596,144)**	–
Interest income	**(16,404,030)**	(21,437,862)
Foreign exchange gain - net	**(48,101)**	(74,255)
Consolidated EBITDA	**₱748,243,683**	₱877,903,083

[(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 expenses".

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, 2026 and 2025:

	September 30, 2026 (Unaudited)					
	Metro Manila	**Northern Luzon**	**Southern Luzon**	**Visayas**	**Mindanao**	**Consolidated**
Revenues						
External revenue	**₱656,211,185**	**₱83,982,024**	**₱354,316,566**	**₱213,845,664**	**₱34,002,990**	**₱1,342,358,429**
Results						
Income before other income (expenses) and income tax	**202,198,156**	**36,505,388**	**178,620,658**	**110,397,121**	**11,883,386**	**539,604,709**
Equity in net earnings of associates and joint venture	**(104,677)**	**–**	**–**	**–**	**–**	**(104,677)**
Interest expense	**(36,474,339)**	**(2,436,547)**	**(784,016)**	**(416,231)**	**(429,016)**	**(40,540,149)**
Interest income	**13,206,112**	**9,616**	**1,316,794**	**1,868,206**	**3,302**	**16,404,030**
Other income	**52,942,936**	**138,206**	**1,121,928**	**865,504**	**174,340**	**55,242,914**
Provision for income tax	**(44,058,590)**	**(783,724)**	**(1,458,163)**	**(10,257,567)**	**–**	**(56,558,044)**
Net Income	**₱187,709,598**	**₱33,432,939**	**₱178,817,201**	**₱102,457,033**	**₱11,632,012**	**₱514,048,783**
EBITDA						**₱748,243,683**

	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

The following tables present certain assets and liabilities information regarding geographical segments as at September 30, 2026 and June 30, 2026:

	September 30, 2026 (Unaudited)					
	Metro Manila	**Northern Luzon**	**Southern Luzon**	**Visayas**	**Mindanao**	**Consolidated**
Assets and Liabilities						
Segment assets[(a)]	**₱13,737,342,495**	**₱845,778,326**	**₱2,380,071,555**	**₱1,868,059,078**	**₱181,371,063**	**₱19,012,622,517**
Investments in and advances to associates and joint venture	**27,631,524**	**–**	**–**	**–**	**–**	**27,631,524**
Goodwill	**236,629,190**	**–**	**–**	**15,681,232**	**–**	**252,310,422**
Deferred tax assets – net	**41,315,379**	**2,953,922**	**14,645,736**	**11,011,573**	**1,676,766**	**71,603,376**
Total Assets	**₱14,042,918,588**	**₱848,732,248**	**₱2,394,717,291**	**₱1,894,751,883**	**₱183,047,829**	**₱19,364,167,839**
Segment liabilities[(b)]	**₱1,115,527,460**	**₱174,855,629**	**₱821,515,328**	**₱429,962,584**	**₱77,897,264**	**₱2,619,758,265**
Interest-bearing loans and borrowings	**358,402,274**	**–**	**–**	**–**	**–**	**358,402,274**
Bonds payable	**819,047,292**	**–**	**–**	**–**	**–**	**819,047,292**
Pension liabilities – net	**76,507,174**	**4,658,496**	**19,907,231**	**23,021,977**	**3,152,572**	**127,247,450**
Lease liabilities	**156,243,078**	**100,321,178**	**42,826,212**	**10,123,602**	**21,064,957**	**330,579,027**
Deferred tax liabilities – net	**108,702,438**	**–**	**–**	**–**	**–**	**108,702,438**
Total Liabilities	**₱2,634,429,716**	**₱279,835,303**	**₱884,248,771**	**₱463,108,163**	**₱102,114,793**	**₱4,363,736,746**
Other Segment Information						
Capital expenditure - Property and equipment and investment properties						**₱290,835,716**
Depreciation and amortization[(c)]						**180,927,861**
Noncash expenses other than depreciation and amortization						**36,917,828**

	June 30, 2026 (Audited)					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Assets and Liabilities						
Segment assets[(a)]	₱13,691,725,084	₱795,454,083	₱2,118,764,546	₱1,587,484,401	₱156,644,117	₱18,350,072,231
Investments in and advances to associates and joint venture	27,736,201	–	–	–	–	27,736,201
Goodwill	236,629,190	–	–	15,681,232	–	252,310,422
Deferred tax assets – net	26,433,324	2,712,701	13,855,065	11,085,008	1,676,766	55,762,864
Total Assets	₱13,982,523,799	₱798,166,784	₱2,132,619,611	₱1,614,250,641	₱158,320,883	₱18,685,881,718
Segment liabilities[(b)]	₱759,415,096	₱107,141,481	₱540,236,650	₱247,489,057	₱50,433,725	₱1,704,716,009
Interest-bearing loans and borrowings	1,026,276,450	–	–	–	–	1,026,276,450
Bonds payable	818,563,449	–	–	–	–	818,563,449
Pension liabilities – net	76,268,525	4,474,504	19,199,014	22,983,542	3,040,242	125,965,827
Lease liabilities	233,228,530	103,213,644	45,430,105	11,696,649	24,773,626	418,342,554
Deferred tax liabilities – net	109,073,128	–	–	–	–	109,073,128
Total Liabilities	₱3,022,825,178	₱214,829,629	₱604,865,769	₱282,169,248	₱78,247,593	₱4,202,937,417
Other Segment Information						
Capital expenditure - Property and equipment and investment properties						₱1,704,207,969
Depreciation and amortization[(c)]						682,836,272
Noncash expenses other than depreciation and amortization						114,997,337

[(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 exclude those related to ROU assets.*

5. Cash and Cash Equivalents

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Cash on hand and in banks	**₱1,359,307,637**	₱1,253,891,085
Cash equivalents	**1,405,702,351**	1,774,052,363
	₱2,765,009,988	₱3,027,943,448

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, 2026 and 2025 amounted to ₱16.3 million and ₱19.6 million, respectively.

6. Receivables

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Tuition and other school fees	**₱1,816,907,896**	₱876,054,171
Educational services (see Note 24)	**149,412,883**	93,157,355
Rent, utilities and other related receivables (see Note 24)	**40,526,747**	58,156,788
Receivables from officers and employees (see Note 24)	**26,281,978**	23,155,166
Interest receivables (see Note 5)	**1,670,387**	5,973,611
Others	**39,497,817**	41,497,212
	2,074,297,708	1,097,994,303
Less allowance for expected credit losses	**234,526,218**	202,384,311
	₱1,839,771,490	₱895,609,992

The terms and conditions of the receivables are as follows:

a. Tuition and other school fees receivables substantially pertain to receivables from students and DepEd. As at September 30, 2026, these receivables principally relate to tuition and other school fees for SY 2026–2027. As at June 30, 2026, these receivables included amounts relating to SY 2026–2027, following the commencement of SHS and JHS classes on June 29, 2026. The related receivables and contract liabilities were recognized as at June 30, 2026. The remaining receivables as at June 30, 2026 principally relate to SY 2025–2026. Revenues relating to receivables for SY 2026–2027 are recognized over the applicable school terms as the related educational services are rendered. These receivables are expected to be collected within the SY 2026–2027.

   Recovery of accounts pertaining to tuition and other school fees which were previously written off amounted to ₱3.0 million and ₱3.1 million for the three-month periods ended September 30, 2026 and 2025, respectively. These amounts are presented in the "Other income (expenses)" section in the unaudited interim condensed consolidated statements of comprehensive income.

b. Receivables for educational services pertain to receivables from STI ESG's franchisees arising from educational services, royalty fees, sale of educational materials and supplies and other charges.

These receivables are generally noninterest-bearing and are normally collected within 30 days. Interest is charged on past due accounts.

This account also includes outstanding receivables of STI ESG from Philippine School of Business Administration (PSBA Manila) and Philippine School of Business Administration Inc.-Quezon City (PSBA Quezon City), collectively referred to as "PSBA", in the total amount of ₱78.0 million and ₱68.2 million as at September 30, 2026 and June 30, 2026, respectively. These receivables relate to the Management Agreement executed between STI ESG and PSBA on May 30, 2024 where STI ESG has been appointed 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 has provided the management services starting July 1, 2024 for PSBA Quezon City and starting August 1, 2024 for PSBA Manila. The management services run for a period of three (3) years counting from the management commencement date (see Note 30).

Interest earned from past due accounts amounted to ₱0.04 million and ₱1.8 million for the three-month periods ended September 30, 2026 and 2025, 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. Interest receivables represent accrued interest income on the Group's short-term investments, typically maturing within three months, and earning interest at prevailing market rates (see Note 5).

f. Others mainly include receivables from vendors, former employees of STI ESG, and receivables from Social Security System amounting to ₱13.2 million, ₱3.9 million, and ₱9.9 million, respectively, as at September 30, 2026; and amounting to ₱13.2 million, ₱3.9 million, and ₱9.0 million, respectively, as at June 30, 2026. As at June 30, 2026, this account includes the receivable from Metro Pacific Health Corporation (MPHC) amounting to ₱5.9 million arising from the disposal of STI ESG's equity instrument at FVOCI. Also included in this account are receivables from the retirement trustee bank of STI ESG amounting to ₱3.8 million and ₱2.3 million, representing retirement benefits advanced by STI ESG to its former employees, as at September 30, 2026 and June 30, 2026, respectively. All outstanding receivables are expected to be collected within the fiscal year.

7. **Inventories**

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
At cost:		
Educational materials:		
Uniforms	**₱88,217,840**	₱121,779,607
Textbooks and other education-related materials	**5,373,572**	5,373,572
(Total Carried Forward)	**93,591,412**	127,153,179

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
(Total Brought Forward)	**₱93,591,412**	₱127,153,179
Promotional materials:		
Proware materials	**14,171,164**	17,671,453
Marketing materials	**66,731**	406,731
	14,237,895	18,078,184
School materials and supplies	**9,674,634**	10,072,650
	₱117,503,941	₱155,304,013

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, 2026 and June 30, 2026. Allowance for inventory obsolescence amounted to ₱25.9 million as at September 30, 2026 and June 30, 2026. No provision was recognized for the three-month periods ended September 30, 2026 and 2025.

Inventories charged to cost of educational materials and supplies sold amounted to ₱38.5 million and ₱40.9 million for the three-month periods ended September 30, 2026 and 2025, respectively (see Note 22).

8. Prepaid Expenses and Other Current Assets

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Input VAT – net	**₱78,964,559**	₱78,655,876
Prepaid subscriptions and licenses	**42,261,731**	30,632,588
Prepaid taxes	**19,079,517**	31,216,481
Prepaid insurance	**17,053,881**	6,848,189
Advances to suppliers	**13,821,011**	14,045,185
Infrastructure and software maintenance	**695,698**	320,833
Others	**1,135,621**	3,096,911
	₱173,012,018	₱164,816,063

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 incurred on ongoing construction projects and purchase of goods and services.

Prepaid subscriptions and licenses principally comprise advance payments for SY 2026–2027 for Microsoft licenses, Adobe Creative Cloud, Toon Boom Harmony, and, eLearning Management System (eLMS), GTI School Automate and Bentley Structural Analysis And Design Professional (Bentley STAAD.Pro) software. The September 30, 2026 balance also includes prepayments for eBooks platform subscriptions, cybersecurity software, and certification examination vouchers for CompTIA AI Essentials and Microsoft Azure AI Fundamentals. These subscriptions are generally renewed on a per term basis and are recognized as expense in accordance with the terms of the respective agreements. The subscriptions for CompTIA AI Essentials and Microsoft Azure AI Fundamentals are on as needed basis, depending on the number of learners taking up the certification examinations and are recognized as expense upon utilization of the examination voucher. Cybersecurity software helps safeguard systems, networks, and data from cyber threats and unauthorized access. CompTIA and Microsoft certification examinations validate learners' knowledge and skills in essential information technology domains, including artificial intelligence. Bentley STAAD.Pro is a structural analysis and design software used by Civil Engineering students and faculty for the modeling, analysis, and design of

buildings and other structures in accordance with industry standards and engineering codes. This account also includes the current portion of the prepayment for iACADEMY's three-year Sophos firewall subscription (see Note 14).

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, which is until December 31, 2026. Creditable withholding taxes pertain to taxes withheld by counterparties on the income payments received by the Parent Company and certain subsidiaries within the Group which will be applied against their respective future income tax obligations. The portion of creditable withholding taxes which is not expected to be utilized within the next fiscal year is presented under "Other noncurrent assets" (see Note 14).

Prepaid insurance consists of various insurance coverages, including life and accident insurance, comprehensive general liability, and fire insurance on buildings (including equipment and furniture). The balance as at September 30, 2026 primarily relates to health insurance coverage for employees. These insurance premiums are normally renewed annually and are recognized as expense over the respective period of the coverage.

Advances to suppliers primarily relate to prepayments for the procurement of students' school uniforms, commencement-related expenses, public relations (PR) campaigns and prepayments in connection with the document management system and digitization of student records. As at September 30, 2026, the balance also includes advances for the procurement of training kits by STI Training Academy, a subsidiary of STI ESG. The training kits comprise voyage planning and route monitoring learning materials and related components used in maritime training programs.

Prepaid infrastructure and software maintenance include the unexpired portion of the annual support and maintenance of STI ESG's payroll system, firewall and web application subscriptions, and iACADEMY's accounting software subscription. These costs are recognized as expenses over their respective periods of coverage, which are normally within one year from the effective date of the respective agreements.

Other prepaid expenses mainly represent advance payments by STI ESG for institutional membership and bond maintenance fees and prepayments by iACADEMY for the annual maintenance of its firefighting equipment and are recognized as expense over twelve (12) months from date of incurrence.

9. Equity Instruments at Fair Value through Profit or Loss (FVPL)

The Equity instruments at FVPL account represents the Group's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR) held for trading amounting to ₱9.5 million and ₱11.1 million as at September 30, 2026 and June 30, 2026, 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 ₱1.6 million and ₱0.2 million for the three-month periods ended September 30, 2026 and 2025, respectively.

STI ESG recognized dividend income from RCR amounting to ₱0.2 million for each of the three-month periods ended September 30, 2026 and 2025.

10. **Property and Equipment**

	Land	Buildings and Improvements	Office and School Equipment	Office and School Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Computer Equipment and Peripherals	Library Holdings and Signages	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	**₱4,053,299,018**	**₱5,663,529,894**	**₱275,102,248**	**₱72,909,115**	**₱42,062,958**	**₱27,997,478**	**₱108,704,993**	**₱16,574,415**	**₱49,676,880**	**₱485,754,170**	**₱50,635,522**	**₱228,828,991**	**₱7,438,356**	**₱11,082,514,038**
Additions	**990,335**	**22,554,001**	**13,301,390**	**5,339,391**	**197,926**	**9,711,855**	**12,523,287**	**2,539,582**	**–**	**216,667,079**	**–**	**2,674,262**	**3,852,918**	**290,352,026**
Reclassification of completed construction in progress	**–**	**35,314,891**	**15,625,000**	**–**	**–**	**–**	**–**	**–**	**–**	**(50,939,891)**	**–**	**–**	**–**	**–**
Derecognition of leasehold improvements	**–**	**–**	**–**	**–**	**(2,544,999)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,544,999)**
Depreciation and amortization (see Notes 21 and 23)	**–**	**(118,473,201)**	**(22,144,149)**	**(6,466,289)**	**(4,192,993)**	**(3,669,122)**	**(13,934,682)**	**(1,267,686)**	**(3,323,063)**	**–**	**(1,360,510)**	**(18,258,769)**	**(1,199,392)**	**(194,289,856)**
Balance at end of period	**₱4,054,289,353**	**₱5,602,925,585**	**₱281,884,489**	**₱71,782,217**	**₱35,522,892**	**₱34,040,211**	**₱107,293,598**	**₱17,846,311**	**₱46,353,817**	**₱651,481,358**	**₱49,275,012**	**₱213,244,484**	**₱10,091,882**	**₱11,176,031,209**
At September 30, 2026:														
Cost	**₱4,054,289,353**	**₱9,541,130,436**	**₱1,252,396,997**	**₱449,170,435**	**₱292,783,360**	**₱72,543,081**	**₱686,473,018**	**₱240,152,204**	**₱66,461,289**	**₱651,481,358**	**₱90,090,305**	**₱441,792,850**	**₱48,609,718**	**₱17,887,374,404**
Accumulated depreciation and amortization	**–**	**(3,938,204,851)**	**(970,512,508)**	**(377,388,218)**	**(257,260,468)**	**(38,502,870)**	**(579,179,420)**	**(222,305,893)**	**(20,107,472)**	**–**	**(40,815,293)**	**(228,548,366)**	**(38,517,836)**	**(6,711,343,195)**
Net book value	**₱4,054,289,353**	**₱5,602,925,585**	**₱281,884,489**	**₱71,782,217**	**₱35,522,892**	**₱34,040,211**	**₱107,293,598**	**₱17,846,311**	**₱46,353,817**	**₱651,481,358**	**₱49,275,012**	**₱213,244,484**	**₱10,091,882**	**₱11,176,031,209**

	Land	Buildings and Improvements	Office and School Equipment	Office and School Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Computer Equipment and Peripherals	Library Holdings and Signages	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	302,750,393	211,461,580	95,117,183	21,034,569	17,285,304	19,868,292	80,222,129	6,841,704	21,119,999	514,125,821	–	110,659,672	2,634,726	1,403,121,372
Reclassification of completed construction in progress	–	202,645,605	31,854,938	1,181,259	9,223,908	–	–	(1,285,000)	12,660,296	(256,281,006)	–	–	–	–
Lease termination (see Note 11)	–	–	–	–	–	–	–	–	–	–	(41,337,847)	162,276	(729,695)	(41,905,266)
Depreciation and amortization (see Notes 21 and 23)	–	(455,564,550)	(72,079,441)	(24,787,644)	(16,130,758)	(10,581,448)	(54,281,902)	(4,883,339)	(9,500,132)	–	(6,321,193)	(71,995,891)	(6,030,706)	(732,157,004)
Balance at end of period	₱4,053,299,018	₱5,663,529,894	₱275,102,248	₱72,909,115	₱42,062,958	₱27,997,478	₱108,704,993	₱16,574,415	₱49,676,880	₱485,754,170	₱50,635,522	₱228,828,991	₱7,438,356	₱11,082,514,038
At June 30, 2026:														
Cost	₱4,053,299,018	₱9,483,356,577	₱1,223,542,057	₱444,235,574	₱303,275,729	₱62,831,224	₱675,739,591	₱237,907,791	₱66,461,289	₱485,754,170	₱90,090,306	₱444,423,403	₱44,756,800	₱17,615,673,529
Accumulated depreciation and amortization	–	(3,819,826,683)	(948,439,809)	(371,326,459)	(261,212,771)	(34,833,746)	(567,034,598)	(221,333,376)	(16,784,409)	–	(39,454,784)	(215,594,412)	(37,318,444)	(6,533,159,491)
Net book value	₱4,053,299,018	₱5,663,529,894	₱275,102,248	₱72,909,115	₱42,062,958	₱27,997,478	₱108,704,993	₱16,574,415	₱49,676,880	₱485,754,170	₱50,635,522	₱228,828,991	₱7,438,356	₱11,082,514,038

The cost of fully depreciated property and equipment still used by the Group amounted to ₱1,479.5 million and ₱1,476.5 million as at September 30, 2026 and June 30, 2026, respectively. There were no idle property and equipment as at September 30, 2026 and June 30, 2026.

Additions and Reclassifications

Facilities STI WNU completed in September 2026 the construction of a new Sewage Treatment Plant (STP) for the University with a total project cost of ₱15.6 million.

Fit-out Projects. iACADEMY completed the fit-out works on the 11th floor of the iACADEMY Nexus building on August 13, 2026 with an aggregate cost of ₱ 35.4 million. The floor serves as iACADEMY's creative hub, providing an integrated learning environment equipped with industry-standard facilities and equipment that enable students to undertake various stages of creative production, from initial planning and conceptualization to shooting, animation, editing, screening, and presentation. The interconnected studios and facilities are designed to meet the applicable industry, operational, instructional, and safety requirements of the academic programs they support. These facilities cater to the academic and practical learning needs of students enrolled in Multimedia Arts and Design, Animation, Film and Visual Effects, Game Development, Digital Media Management, and other related disciplines.

Property and Equipment under Construction. Costs of construction for ongoing projects of STI ESG amount to ₱648.1 million and ₱451.0 million as at September 30, 2026 and June 30, 2026, respectively. These consist mainly of costs incurred for the construction of STI Academic Center Alabang, STI Academic Center Meycauayan, and STI Academic Center Tanauan. Construction in progress is recognized as the construction progresses and is transferred to the related asset category under "Property and equipment" once the projects are completed and ready for use.

The new STI Academic Center Alabang project has a total cost of approximately ₱997.6 million, inclusive of materials, labor and overhead costs, equipment and furniture, and all other costs necessary for the completion of the project. The eight-storey building, which will include a service deck, will rise on a 3,266-square-meter property located at South Park District, Alabang, Muntinlupa City and acquired in 2024. This building is expected to accommodate up to 10,000 students and is expected to be completed in time for SY 2027-2028.

The new STI Academic Center Meycauayan project has a total cost of approximately ₱731.7 million, inclusive of materials, 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 in time for the second term of SY 2026-2027.

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 7,000 students and is 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 the second term of SY 2026-2027.

The construction works for the three-storey building at STI Batangas were completed in October 2026. The STI Batangas project, with a total project cost of ₱32.0 million, is expected to serve approximately 900 additional students.

As at September 30, 2026, STI WNU's construction in progress account includes the cost of the additional kitchen laboratory with a total cost of 7.3 million. The project is expected to be completed in December 2026.

Derecognition of Leasehold Improvements. Following the sale of the building along Sen. Gil Puyat Avenue, Makati City, by the former lessor, iACADEMY and the new owner mutually agreed to terminate the lease on the property. As a result, iACADEMY derecognized the leasehold improvements on the property in July 2026, which had a carrying value of P2.5 million in July 2026 (see Note 11).

*Capitalized Borrowing Co*sts. Total borrowing costs capitalized as part of property and equipment amounted to ₱2.3 million for the three-month period ended September 30, 2026 (nil for the three-month period ended September 30, 2025). The average interest capitalization rate for the three-month period ended September 30, 2026 was 6.76%, which was the effective rate of borrowing.

Collaterals

Transportation equipment, recognized as right-of-use assets, are pledged as security for the related lease liabilities as at September 30, 2026 and June 30, 2026. The net book value of these transportation equipment amount to ₱10.1 million and ₱7.4 million as at September 30, 2026 and June 30, 2026, respectively.

11. Investment Properties

	September 30, 2026 (Unaudited)				
	Land	**Condominium Units and Buildings**	**Right-of-Use Asset - Building**	**Construction in Progress**	**Total**
Cost:					
Balance at beginning of period	**₱1,948,971,615**	**₱800,908,484**	**₱133,183,838**	**₱4,017,857**	**₱2,887,081,794**
Additions	**–**	**4,107,144**	**–**	**2,903,726**	**7,010,870**
Derecognition of right-of-use asset - building	**–**	**–**	**(133,183,838)**	**–**	**(133,183,838)**
Balance at end of period	**1,948,971,615**	**805,015,628**	**–**	**6,921,583**	**2,760,908,826**
Accumulated depreciation:					
Balance at beginning of period	**–**	**396,080,834**	**93,732,869**	**–**	**489,813,703**
Depreciation (see Note 23)	**–**	**7,390,437**	**–**	**–**	**7,390,437**
Derecognition of right-of-use asset - building	**–**	**–**	**(93,732,869)**	**–**	**(93,732,869)**
Balance at end of period	**–**	**403,471,271**	**–**	**–**	**403,471,271**
Net book value	**₱1,948,971,615**	**₱401,544,357**	**₱–**	**₱6,921,583**	**₱2,357,437,555**

	June 30, 2026 (Audited)				
	Land	Condominium Units and Buildings	Right-of-Use Asset - Building	Construction in Progress	Total
Cost:					
Balance at beginning of period	₱1,541,323,236	₱793,182,785	₱133,183,838	₱–	₱2,467,689,859
Additions	407,648,379	2,714,759	–	4,017,857	414,380,995
Reclassification from property and equipment	–	5,010,940	–		5,010,940
Balance at end of period	1,948,971,615	800,908,484	133,183,838	4,017,857	2,887,081,794
Accumulated depreciation:					
Balance at beginning of period	–	362,293,834	80,783,640	–	443,077,474
Depreciation (see Note 23)	–	28,776,060	12,949,229	–	41,725,289
Reclassification from property and equipment	–	5,010,940	–	–	5,010,940
Balance at end of period	–	396,080,834	93,732,869	–	489,813,703
Net book value	₱1,948,971,615	₱404,827,650	₱39,450,969	₱4,017,857	₱2,397,268,091

As at September 30, 2026 and June 30, 2026, investment properties primarily include parcels of land and buildings and land improvements located in Quezon City and Davao City currently held by the Parent Company for capital appreciation and are not used in business.

These 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. These properties were initially recognized as "Investment properties" at fair value aggregating to ₱1,280.5 million at dacion date.

On June 24, 2021, the Parent Company's BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its conveyance to the Parent Company. With the classification as noncurrent asset held for sale, the Parent Company carried the said properties at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognized for the years 2021 up to the year ended June 30, 2024.

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

As at September 30, 2026 and June 30, 2026, the carrying value of the Quezon City dacion properties, presented under "Investment properties," amounted to ₱ 1,011.2 million and ₱ 1,011.4 million, respectively.

As at September 30, 2026 and June 30, 2026, investment properties include condominium units held for office or commercial lease. As at June 30, 2026, investment properties also included the Group's right-of-use asset related to a building held for commercial lease, which was derecognized in July 2026 following the termination of the 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.

Right-of-use Asset - Building. On May 2, 2014, iACADEMY entered into a lease agreement with Metrobank Trust and Banking Group (MBTC-TBG) for a building along Sen. Gil J. Puyat Avenue in Makati City for a period of 15 years and three months, subject to renewal upon mutual agreement. The annual rental is subject to 5.0% escalation every three years or the average of the Consumer Price Index for the last three years, whichever is higher. iACADEMY subleased the building to third parties.

The leased property was sold by MBTC-TBG in July 2026. The lease between iACADEMY and the new owner was terminated effective July 1, 2026, which resulted in the derecognition of the related right-of-use (ROU) asset – building and the corresponding lease liability of ₱65.6 million. iACADEMY recognized a gain on the termination of the lease amounting to ₱24.6 million, presented as "Gain on termination of lease" under "Other income (expenses)" in the unaudited interim condensed consolidated statement of comprehensive income. Following the lease termination, iACADEMY derecognized the related leasehold improvements on the leased property, which had a carrying value of ₱2.5 million in July 2026.

Investment property under construction. Construction in progress represents costs incurred to date for the ongoing construction of a perimeter fence to secure the four-hectare Davao dacion property. Total contract costs amounting to ₱15.0 million will be reclassified to "Land improvements" upon completion of the project. The project is estimated to be completed within the first quarter of 2027.

12. Investments in and Advances to Associate and Joint Venture

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Investments		
Acquisition costs	**₱40,963,409**	₱40,963,409
Accumulated equity in net losses:		
Balance at beginning of period	**(11,906,174)**	(14,924,152)
Equity in net earnings (losses) of associate and joint venture	**(104,677)**	3,017,978
Balance at end of period	**(12,010,851)**	(11,906,174)
Accumulated share in associate's other comprehensive income:		
Balance at beginning and end of period	**329,306**	329,306
	29,281,864	29,386,541
Less allowance for impairment loss	**1,650,340**	1,650,340
	₱27,631,524	₱27,736,201

The carrying values of the Group's investments in and advances to an associate and joint venture are as follows:

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Associate – GROW, Inc. (see Note 24)	**₱25,492,814**	₱25,573,500
Joint venture – Philippine Healthcare Educators, Inc. (PHEI)	**3,789,050**	3,813,041
	29,281,864	29,386,541
Allowance for impairment loss	**(1,650,340)**	(1,650,340)
	₱27,631,524	₱27,736,201

13. Equity Instruments at Fair Value through Other Comprehensive Income (FVOCI)

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Quoted equity shares	**₱14,909,000**	₱14,615,860
Unquoted equity shares	**26,120,895**	26,120,895
	₱41,029,895	₱40,736,755

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 unaudited interim condensed 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.

Disposal of Investment in De Los Santos Medical Center, Inc. STI ESG sold its entire investment in De Los Santos Medical Center, Inc (DLSMC) consisting of 57,972 common shares to MPHC for a total consideration of ₱39.5 million, equivalent to ₱681.49 per share, pursuant to Deeds of Absolute Sale (the Deeds) executed in May 2026. MPHC paid 85.0% or ₱33.6 million when the Deeds were signed, and the ₱5.9 million balance in July 2026, after the conditions specified in the Deeds were met.

The amount of ₱5.9 million representing the 15.0% balance of the selling price is presented as part of Accounts Receivable-Others as at June 30, 2026 (see Note 6). This amount was collected in full in July 2026.

STI ESG transferred the cumulative unrealized fair value gain of ₱13.6 million, previously recognized in other comprehensive income, to retained earnings as at June 30, 2026. Capital gains tax of ₱2.0 million was paid by STI ESG on this transaction. The carrying value of the investment in DLSMC was nil as at September 30, 2026 and June 30, 2026.

14. Goodwill, Intangible and Other Noncurrent Assets

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Advances to suppliers	**₱422,159,971**	₱468,836,682
Goodwill	**252,310,422**	252,310,422
Intangible assets - net	**28,106,306**	28,172,545
Rental and utility deposits	**34,625,058**	32,862,601
Prepaid taxes - net of current portion	**25,828,638**	24,901,263
Deposit for asset acquisition	**12,500,000**	12,500,000
Others	**10,073,948**	7,462,240
	₱785,604,343	₱827,045,753

Advances to Suppliers

As at September 30, 2026 and June 30, 2026, advances to suppliers primarily represent payments made in advance for the (1) design and construction of STI Academic Center Alabang, (2) design and construction of STI Academic Center Tanauan, (3) construction of the STI Academic Center Meycauayan, (4) design and set-up of the new enrollment system, and (5) implementation and subscription costs for the new financial system. (6) purchase of various laboratory equipment for WNU. The related costs for these projects, except for the enrollment and financial system, will be recognized under "Property and Equipment" as construction progresses, or when the goods are received, or services are rendered (see Note 10).

The enrolment system is currently undergoing pilot testing in selected schools, with a phased rollout across the STI ESG network scheduled to commence within SY 2026-2027. The financial system is expected to be implemented in early 2027. The related expenditures form part of STI ESG's digital transformation capital expenditures and are currently presented as noncurrent advances to suppliers pending completion of the related implementation milestones.

Goodwill
As at September 30, 2026 and June 30, 2026, 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, 2026 and 2025.

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, 2026 and June 30, 2026.

This account also includes the Group's accounting and payroll software as at September 30, 2026 and June 30, 2026.

The rollforward analyses of this account follow:

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Cost, net of accumulated amortization:		
Balance at beginning of period	**₱28,172,545**	₱34,157,601
Additions	**–**	265,942
Amortization (see Notes 22 and 23)	**(66,239)**	(6,250,998)
Balance at end of period	**₱28,106,306**	₱28,172,545
Cost	**₱115,235,276**	₱115,235,276
Accumulated amortization	**(87,128,970)**	(87,062,731)
Net carrying amount	**₱28,106,306**	₱28,172,545

Rental and Utility Deposits
This account includes security deposits paid to utility companies and for warehouse, school and office space rentals in accordance with the respective lease agreements.

Prepaid Taxes
Noncurrent portion of prepaid taxes pertains to the creditable withholding taxes of the Parent Company which are not expected to be utilized in the near term and will be deductible from income tax due beyond one year from the end of the fiscal year (see Note 8).

Deposit for Asset Acquisition
Deposit for asset acquisition pertains to the 25.0% downpayment paid by Philippine School of Business Administration- Manila, Inc. to PSBA Manila and PSBA Quezon City for the purchase of school related assets, including CHED and DepEd permits and licenses, used in the operations of PSBA Manila and PSBA Quezon City (see Notes 1 and 30).

Others
Others substantially consist of the prepayment made by iACADEMY for the three-year Sophos firewall subscription, which was acquired in two tranches. The first tranche was acquired as at June 30, 2026, with an acquisition cost of ₱3.5 million, while the second tranche was acquired as at September 30, 2026, with an acquisition cost of ₱4.8 million. The aggregate non-current portion included in this account are ₱4.6 million and ₱1.8 million as at September 30, 2026 and June 30, 2026, respectively (see Note 8). Aso included in this account are the professional expenses incurred related to the

acquisition of the school related assets of PSBA, together with its trademarks and patents. These amounts will be charged to the acquisition cost of these assets.

15. Accounts Payable and Other Current Liabilities

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Accounts payable (see Note 24)	**₱373,393,696**	₱498,218,709
Accrued expenses:		
Contracted services	**92,831,633**	86,688,772
School activities, programs and other related expenses	**81,801,922**	97,956,766
Salaries, wages and benefits	**73,388,038**	64,890,285
Utilities	**24,153,754**	22,596,165
Advertising and promotion	**4,737,582**	7,503,187
Interest	**2,068,694**	21,053,901
Rent	**25,000**	228,108
Insurance	**–**	52,341
Others	**1,224,213**	4,017,207
Excess payments for refund	**58,377,672**	76,886,985
Statutory payables	**35,609,554**	35,272,204
Network events fund	**34,806,741**	29,343,829
Dividends payable (see Note 19)	**32,964,149**	32,964,149
Current portion of refundable deposits (see Note 18)	**20,421,474**	19,243,531
Current portion of advance rent (see Note 18)	**17,422,198**	16,781,886
Nontrade payable	**17,000,000**	17,000,000
Student organization fund	**14,326,704**	14,671,795
Deposit for web development	**2,184,000**	1,400,000
Others	**6,517,097**	6,529,458
	₱893,254,121	₱1,053,299,278

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.

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 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 month or quarter, in accordance with the respective regulations of the applicable government agencies.

e. Dividends payable pertain to dividends declared which are unclaimed as at reporting date and are due on demand.

f. Current portion of refundable deposits pertain to security deposits from existing lease agreements which are expected to be settled within the fiscal year.

g. Current portion of advance rent pertains to amount received by the Group which will be earned and applied within the fiscal year.

h. Nontrade payable pertains to a contingent consideration in relation to the acquisition of STI WNU. As at September 30, 2026 and June 30, 2026, 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. Under 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. As at November 23, 2026, STI WNU has not received any collection of the said receivables and the Parent Company has not received any feedback from the Agustin Family.

i. Deposits for web development represent deposits received by iACADEMY for the development of a web-based school management and enrollment system. Upon completion and acceptance of the project, the deposit will be applied to the full payment of the contract.

j. Others substantially pertain to payables to the alumni association, Netflix for the Indiegenius program of iACADEMY, payables to the Parent-Teacher Association, employees' tax refund and various student deposits. These payables are expected to be settled within the fiscal year.

k. Terms and conditions of payables to related parties are disclosed in Note 24 to the unaudited interim condensed consolidated financial statements.

16. Interest-bearing Loans and Borrowings

This account consists of:

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Term loans[(a)]	**₱358,402,274**	₱1,026,276,450
Less current portion	**143,344,193**	341,843,371
Noncurrent portion	**₱215,058,081**	₱684,433,079

[(a)]Net of unamortized debt issuance costs of ₱2.7 million and ₱7.1 million as at September 30, 2026 and June 30, 2026, 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 of up to ₱1,000.0 million. The 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, and (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) and 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 commenced 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 semi-annual basis equivalent to 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 repriceable 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 repriceable 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.

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% 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.

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 and March 18, 2026 at the rates of 7.0588% per annum and 6.6607% per annum, respectively. Interest rate was repriced at 7.5344% effective September 18, 2026.

These outstanding loans are unsecured and are due based on the following repayment schedule as at September 30, 2026:

Fiscal Year	Amount
2027	₱72,222,222
2028	144,444,444
2029	144,444,445
	₱361,111,111

The breakdown of STI ESG's Term Loan with BPI is as follows:

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Balance at beginning of period	**₱433,333,333**	₱577,777,778
Payments	**(72,222,222)**	(144,444,445)
Balance at end of period	**361,111,111**	433,333,333
Deferred finance cost	**(2,708,837)**	(2,986,160)
Balance at end of period	**358,402,274**	430,347,173
Less current portion	**143,344,193**	143,344,193
Noncurrent portion	**₱215,058,081**	₱287,002,980

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.

On September 18, 2024 and March 18, 2025, STI ESG settled the principal payments due under its BPI Term Loan facility amounting to ₱50.0 million and ₱72.2 million, respectively. STI ESG subsequently settled additional principal payments of ₱72.2 million each on September 18, 2025 and March 18, 2026. In addition, STI ESG made a principal payment amounting to ₱72.2 million on September 18, 2026, 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 was fully drawn by STI ESG, and (iii) the date the total facility was terminated or cancelled in accordance with the terms of the Term Loan Agreement.

STI ESG received from BPI an Indicative Term Sheet dated October 2, 2026 which was conformed to by STI ESG on October 12, 2026. The Indicative Term Sheet is for a Medium-Term Loan Facility of up to ₱500 million and is available for full drawdown or staggered amounts within one year from signing of the relevant loan agreement. The parameters set in the Indicative Term Sheet are substantially the same as the terms and conditions under the previous Term Loan Agreement except for the addition of a one-year grace period from date of initial drawdown for principal repayment. As at November 23, 2026, the Term Loan Agreement is being finalized for execution.

Financial Covenants. The Term Loan 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, 2026 are as follows:

Total liabilities [(a)]	₱1,844,839,899
Total equity	9,935,678,624
D/E ratio	0.19:1.00

[(a)] *Including only all interest-bearing Indebtedness*

EBITDA [(b)]	₱2,424,638,312
Total interest-bearing liabilities [(c)]	1,270,655,831
DSCR [(d)]	1.91:1.00

[(b)] *EBITDA for the last twelve months*
[(c)] *Total interest-bearing debts and interests due in the next twelve months*

As at September 30, 2026 and June 30, 2026, 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 ₱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 ten (10) consecutive installments based on a semi-annual amortization schedule which commenced 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 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 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 (BVAL) 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 with 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 6.7583% per annum and 7.0517% per annum effective March 18, 2026 and September 18, 2025, respectively, compared to 7.8135% per annum and 7.4213% per annum effective September 18, 2024 and March 18, 2025, respectively. The proceeds of this loan were used to partially finance the full redemption of the 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 repayment schedule as at June 30, 2026:

Fiscal Year	Amount
2027	₱200,000,000
2028	200,000,000
2029	200,000,000
	₱600,000,000

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 has been 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.

STI ESG made principal repayments under its Metrobank Term Loan facility amounting to ₱100.0 million each on September 18, 2024 and March 18, 2025. On September 18, 2025 and March 18, 2026, STI ESG settled principal payments amounting to ₱100.0 million each under the same facility with Metrobank. Subsequently, STI ESG fully settled the remaining balance of the term loan facility with Metrobank through principal payment of ₱600.0 million on September 18, 2026.

The breakdown of STI ESG's Term Loan with Metrobank is as follows:

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Balance at beginning of period	**₱600,000,000**	₱800,000,000
Payments	**(600,000,000)**	(200,000,000)
Balance at end of period	**–**	600,000,000
Deferred finance cost	**–**	(4,070,723)
Balance at end of period	**–**	595,929,277
Less current portion	**–**	198,499,178
Noncurrent portion	**₱–**	₱397,430,099

Following the expiration of the availability period of the previous Term Loan Agreement on December 31, 2025, STI ESG entered into a new unsecured five-year term loan agreement with Metrobank on February 26, 2026, for an aggregate principal amount of up to ₱2,000.0 million. The credit facility is available for drawdown until December 31, 2026. Proceeds from the new term loan may be used to finance campus expansion projects, property and/or school acquisitions, and other general corporate purposes. The new term loan likewise provides for an interest rate based on the higher of the relevant six-month BVAL Curve rate plus a spread of 1.50% per annum, or the BSP ORRP Rate plus a spread of 0.50% per annum. The loan is repayable in ten (10) equal or nearly equal semi-annual installments commencing six (6) months from the date of initial drawdown, with the final installment due on the applicable maturity date. Each borrowing matures five (5) years from its respective drawdown date. Where there is more than one borrowing, repayment dates occur semi-annually and coincide with the applicable interest payment dates, with the amortization of each borrowing adjusted to ensure full repayment by its respective maturity date. Interest is payable semi-annually, with each interest period having a duration of six (6) months from the date of borrowing and every semi-annual period thereafter.

Except for the purpose, tenor, availability period, and pricing benchmark of the new term loan facility, the other terms and conditions, and financial covenants of the new credit facility remain substantially the same as those under the previous Term Loan Agreement (please refer to the preceding discussion). As at November 23, 2026, STI ESG has not drawn from this new Term Loan Facility.

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 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 debts/obligations of STI ESG that are due/payable in the next fiscal year, computed and determined in accordance with generally accepted accounting principles and practices in the Philippines.

STI ESG's D/E ratio and DSCR, as defined in the Term Loan Agreement with Metrobank, are as follows:

Total liabilities [(a)]	₱3,033,837,434
Total equity	9,935,678,624
D/E ratio	0.31:1.00

(a) Excluding unearned tuition and other school fees

EBITDA [(b)]	₱2,424,638,312
Total interest-bearing liabilities [(c)]	1,270,655,831
DSCR [(d)]	1.91:1.00

(b) EBITDA for the last twelve months

(c) Total interest-bearing debts and interests due in the next twelve months

As at September 30, 2026 and June 30, 2026, STI ESG is in compliance with the Metrobank loan covenants. The loans under the original Term Loan Agreement with Metrobank were fully settled in September 2026.

Term Loan Agreement with China Banking Corporation (Chinabank)

In 2019, STI ESG entered into a seven-year Term Loan Agreement with Chinabank of up to ₱1,200.0 million. As at July 31, 2020, the Term Loan Facility was fully drawn. The proceeds of this loan were used for capital expenditures and general corporate purposes.

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 settled principal payments of ₱120.0 million each under the same Term Loan facility with Chinabank. On March 19, 2026, STI ESG fully settled the outstanding principal balance and the related accrued interest on its Term Loan facility with Chinabank aggregating to ₱249.9 million.

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, in accordance with the interest rate resetting provisions of the Term Loan Agreement. The applicable interest rate of 7.1577% per annum remained in effect until the full settlement of the remaining outstanding principal balance of ₱240.0 million on March 19, 2026.

As at September 30, 2026 and June 30, 2026, no outstanding balance remained under this Term Loan Facility. Accordingly, the related financial covenant requirements were no longer applicable.

Interest Expense
Interest incurred on the loans (including amortization of debt issuance costs) amounted to ₱18.2 million and ₱33.3 million for the three-month periods ended September 30, 2026 and 2025, respectively.

17. **Bonds Payable**

This account consists of:

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Fixed-rate bonds due 2027[(1)]	**₱820,000,000**	₱820,000,000
Less unamortized debt issuance costs	**952,708**	1,436,551
	₱819,047,292	₱818,563,449

(1) Balance classified under current liabilities

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 or remain unchanged in the next 12 months.

A summary of the terms of STI ESG's issued and outstanding bonds is as follows:

Year Issued	Interest Payable	Term	Interest Rate	Principal Amount	Carrying Value		Features
					September 30, 2026	June 30, 2026	
2017	Quarterly	10 years	6.3756%	₱820,000,000	**₱819,047,292**	₱818,563,449	Callable from the 7th anniversary issue and every year thereafter until the 9th anniversary issue date

This 10-year bond series is due on March 23, 2027 at the principal amount of ₱820.0 million. The bonds payable, net of unamortized debt issuance costs, amounting to ₱819.0 million and ₱818.6 million as at September 30, 2026 and June 30, 2026, respectively, are presented as part of current liabilities in the unaudited interim condensed consolidated statements of financial position.

Covenants

The bonds provide certain restrictions and requirements with respect to, among others, changes 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 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 Accounting Standards."

All references in the Amended Trust Agreement to the defined term "Debt Service Coverage Ratio" or "DSCR" are 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, 2026 are as follows:

Total liabilities [(a)]	₱3,033,837,434
Total equity	9,935,678,624
Debt-to-equity ratio	0.31:1.00

[(a)]Excluding unearned tuition and other school fees

EBITDA [(b)]	₱2,424,638,312
Total interest payments[(c)]	103,253,657
Interest coverage ratio	23.48:1.00

[(b)] *EBITDA for the last twelve months*
[(c)] *Total interests due in the next twelve months*

As at September 30, 2026 and June 30, 2026, STI ESG is compliant 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 ₱0.9 million and ₱1.4 million at September 30, 2026 and June 30, 2026, respectively. Amortization of bond issuance costs amounting to ₱0.5 million each for the three-months ended September 30, 2026 and 2025 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 ₱13.6 million and ₱13.5 million for the three-month periods ended September 30, 2026 and 2025, respectively.

18. Other Noncurrent Liabilities

	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)
Refundable deposits - net of current portion (see Note 15)	**₱5,071,449**	₱6,059,327
Advance rent - net of current portion (see Note 15)	**4,955,651**	6,047,741
Deferred lease liability	**2,252,849**	2,636,733
Others	**162,108**	162,108
	₱12,442,057	₱14,905,909

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 the conditions and provisions in the lease. Refundable deposits are presented in the unaudited interim condensed 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, 2026 and June 30, 2026 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

The Parent Company's track record of registration of its securities is as follows:

	Number of Shares		Issue/
Date of Approval	Authorized	Issued	Offer Price
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, 2026 and June 30, 2026, the Parent Company has a total number of shareholders on record of 1,259.

Cost of Shares Held by a Subsidiary

This account represents 66.5 million shares of STI Holdings owned by STI ESG with carrying values of ₱66.2 million as at September 30, 2026 and June 30, 2026, which are treated as treasury shares in the consolidated statements of financial position.

On various dates during the fiscal year ended June 30, 2025, STI ESG sold an aggregate of 68.0 million shares of STI Holdings for a total consideration of ₱88.0 million, reducing its shareholding to 432.4 million shares. As a result, STI ESG's ownership interest in STI Holdings decreased from 5.05% as at June 30, 2024 to 4.37% as at June 30, 2025. These disposals of STI ESG's shares of 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 and December 2025, STI ESG sold an additional 185.0 million and 180.9 million shares of STI Holdings, respectively, for a total consideration of ₱277.5 million in the August transaction and ₱271.4 million for the December transaction. This further reduced STI ESG's shareholding from 432.4 million shares to 66.5 million shares, decreasing STI ESG's ownership interest in STI Holdings from 4.37% to 0.67% as at June 30, 2026. These disposals of STI ESG's shares in STI Holdings resulted in additional paid-in capital aggregating to ₱184.6 million, presented in the consolidated statement of changes in equity for the year ended June 30, 2026. STI ESG's ownership interest in STI Holdings remained the same at 0.67% as at September 30, 2026.

Other Comprehensive Income and Non-controlling Interests

	September 30, 2026 (Unaudited)		
	Attributable to Equity Holders of the Parent Company	**Non-controlling interests**	**Total**
Cumulative actuarial gain	**₱55,041,528**	**₱164,859**	**₱55,206,387**
Fair value changes in equity instruments at FVOCI (see Note 13)	**10,961,264**	**(19,872)**	**10,941,392**
Share in associates' other comprehensive income (see Note 12)	**321,455**	**7,851**	**329,306**
	₱66,324,247	**₱152,838**	**₱66,477,085**

	June 30, 2026 (Audited)		
	Attributable to Equity Holders of the Parent Company	Non-controlling interests	Total
Cumulative actuarial gain	₱51,938,800	₱122,718	₱52,061,518
Fair value changes in equity instruments at FVOCI (see Note 13)	10,672,964	(24,712)	10,648,252
Share in associates' other comprehensive income (see Note 12)	321,455	7,851	329,306
	₱62,933,219	₱105,857	₱63,039,076

Equity attributable to non-controlling interests as at September 30, 2026 and June 30, 2026 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 to the SEC of its application for increase in authorized capital stock in August 2024.

As at November 23, 2026, STI Training Academy is completing the requirements for its application to increase its authorized capital stock

Retained Earnings

On December 12, 2025, the Parent Company's BOD approved the declaration of cash dividends amounting to ₱0.055 per share or the aggregate amount of ₱544.8 million in favor of all stockholders of record as at January 8, 2026. The cash dividends were paid on January 30, 2026.

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 three-month periods ended September 30, 2026 and 2025.

Timing of Revenue Recognition

	Three months ended September 30	
	2026	2025
	(Unaudited)	(Unaudited)
Services transferred over time	**₱1,242,990,314**	₱1,357,870,328
Goods and services transferred at a point in time	**99,368,115**	85,471,459
	₱1,342,358,429	₱1,443,341,787

Contract Balances

The Group's receivables are disclosed in Note 6 while the contract liabilities are presented as "Unearned tuition and other school fees" in the consolidated statements of financial position. The commencement of classes for the SHS and JHS programs of STI ESG and the rest of basic education programs of STI WNU for SY 2026–2027 on June 29, 2026 resulted in the recognition of related student

receivables and unearned tuition and other school fees as at June 30, 2026 (see Note 6). The related revenues recognized up to June 30, 2026 were not material to the consolidated financial statements. There is no significant change in the contract liability and the timing of revenue recognition for SY 2025-2026.

Revenue recognized from amounts included in the contract liabilities at the beginning of the period amounted to ₱265.7 million and ₱168.4 million for the three-month periods ended September 30, 2026, and 2025, respectively.

There was no revenue recognized from performance obligations satisfied in previous years for the three-month periods ended September 30, 2026 and 2025.

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, 2026 and June 30, 2026, the transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) which are expected to be satisfied within (1) one year amounted to ₱1,619.8 million and ₱601.5 million, respectively.

The contract liabilities as at September 30, 2026 include unearned portion of SHS, JHS and tertiary students' assessments for SY 2026-2027, which were initially recognized as contract liabilities at the commencement of the school year. The related revenues are recognized over time as the educational services are rendered throughout the SY 2026-2027. The June 30, 2026 balance includes STI ESG and STI WNU's unearned portion of SHS and JHS students' assessment for SY 2026-2027 and advance collection of tuition and other school fees from tertiary students relating to school terms commencing after the reporting date. These amounts are recognized as revenues in the applicable school term(s) for SY 2026-2027 as the related performance obligations are satisfied.

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	
	2026	2025
	(Unaudited)	(Unaudited)
Faculty salaries and benefits	**₱143,734,994**	₱142,737,610
Depreciation and amortization (see Notes 10 and 14)	**123,480,167**	110,787,144
Student activities, programs and other related expenses	**40,943,022**	38,156,747
School materials and supplies	**7,496,853**	8,503,070
Rental	**6,217,446**	7,719,077
Infrastructure and software maintenance	**5,329,630**	4,901,109
Research and accreditation	**1,670,867**	817,740
Courseware development costs	**770,760**	390,087
Others	**2,085,478**	1,528,890
	₱331,729,217	₱315,541,474

Research and accreditation pertain to expenses related to the accreditation and compliance for the maintenance of the autonomous status of STI WNU.

Others substantially refer to charges for credit card payments made by students in the settlement of tuition fees.

22. **Cost of Educational Materials and Supplies Sold**

	Three months ended September 30	
	2026	2025
	(Unaudited)	(Unaudited)
Educational materials and supplies	**₱34,756,728**	₱36,832,888
Promotional materials	**3,706,372**	4,079,980
	₱38,463,100	₱40,912,868

23. **General and Administrative Expenses**

	Three months ended September 30	
	2026	2025
	(Unaudited)	(Unaudited)
Salaries, wages and benefits	**₱122,114,473**	₱118,006,482
Depreciation and amortization (see Notes 10, 11 and 14)	**78,266,365**	74,511,844
Light and water	**53,840,452**	53,527,808
Outside services	**46,180,908**	44,446,864
Provision for ECL (see Note 6)	**32,141,907**	44,602,025
Professional fees	**26,113,346**	23,527,424
Taxes and licenses	**14,138,255**	14,751,371
Advertising and promotions	**12,934,030**	9,320,880

(Forward)

	Three months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
Repairs and maintenance	**₱11,724,440**	₱12,126,733
Transportation	**6,920,227**	6,421,804
Meetings and conferences	**4,995,994**	4,849,384
Insurance	**4,645,509**	6,184,012
Communication	**3,042,910**	3,051,385
Office supplies	**2,944,247**	2,747,563
Association dues	**2,695,835**	2,140,629
Rental	**2,520,901**	3,157,749
Payment channels and bank charges	**2,214,585**	2,587,055
Entertainment, amusement and recreation	**1,863,620**	1,765,436
Subscriptions and affiliations	**690,104**	588,640
Infrastructure and software maintenance	**636,729**	570,605
Training and seminars	**529,414**	257,005
Others	**1,407,152**	237,173
	₱432,561,403	₱429,379,871

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:

	Amount of Transactions during the Period		Outstanding Receivable (Payable)			
Related Party	**September 30, 2026 (Unaudited)**	September 30, 2025 (Unaudited)	**September 30, 2026 (Unaudited)**	June 30, 2026 (Audited)	**Terms**	**Conditions**
Associates						
GROW, Inc.						
Rental income and other charges	**₱206,833**	₱196,984	**₱5,871,353**	₱5,956,967	30 days upon receipt of billings	Unsecured; no impairment
Utilities and dues	**92,619**	95,537	**4,085,829**	4,091,735	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	–	77,601	**(196,983)**	(196,983)	Refundable upon end of contract	Unsecured
STI Marikina						
Educational services and sale of educational materials and supplies	**5,895,795**	5,389,570	**2,114,249**	346,626	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment

(Forward)

Related Party	Amount of Transactions during the Period: September 30, 2026 (Unaudited)	Amount of Transactions during the Period: September 30, 2025 (Unaudited)	Outstanding Receivable (Payable): September 30, 2026 (Unaudited)	Outstanding Receivable (Payable): June 30, 2026 (Audited)	Terms	Conditions
Affiliates*						
Total Consolidated Asset Management, Inc. (TCAMI)						
Reimbursement for various expenses – Phosphene Holdings, Inc. (PHI)	**₱285,572**	₱–	**(₱4,390,743)**	(₱4,105,171)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses – Clinquant Holdings, Inc. (CHI)	**285,573**	–	**(3,785,320)**	(3,499,747)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Philhealthcare, Inc.						
Facility sharing and other charges	**824,463**	87,789	**945,671**	9,359,088	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
HMO coverage other services	**15,138,612**	19,800,613	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
Refundable deposits	**–**	–	**336,341**	1,092,090	Refundable upon end of contract	Unsecured
Utilities and dues	**1,290,975**	–	**1,788,767**	1,001,617	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Phils First Insurance Co., Inc.						
Rental income and other charges	**1,361,893**	1,309,938	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
Insurance	**5,479,161**	6,298,883	**(3,272,590)**	(24,766)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Philippines First Condominium Corporation						
Association dues and other charges	**2,865,188**	1,658,135	**(72,899)**	(3,453)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Philippine Life Financial Assurance Corporation						
Facility sharing, utilities and other charges	**89,999**	42,692	**141,817**	190,391	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Insurance	**1,345**	–	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
PhilPlans First, Inc.						
Facility sharing and other charges	**1,108,395**	1,009,186	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Utilities and dues	**497,508**	583,067	**348,056**	256,058	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	**–**	–	**(937,320)**	(937,320)	Refundable upon end of contract	Unsecured
GROW VITE Staffing Services, Inc.						
Rental income and other charges	**487,114**	487,114	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment

(Forward)

Related Party	Amount of Transactions during the Period: September 30, 2026 (Unaudited)	Amount of Transactions during the Period: September 30, 2025 (Unaudited)	Outstanding Receivable (Payable): September 30, 2026 (Unaudited)	Outstanding Receivable (Payable): June 30, 2026 (Audited)	Terms	Conditions
Janitorial and staffing services	**₱13,660,591**	₱12,379,379	**(₱6,775,947)**	(₱6,454,825)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Utilities and dues	**259,636**	279,967	**166,516**	115,712	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.						
Utilities and dues	**413,330**	276,300	**238,101**	178,296	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Rental income and other charges	**750,615**	–	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposits	**–**	–	**(750,615)**	(750,615)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Techzone Philippines Inc.						
Rental charges	**1,080,000**	–	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Comm & Sense, Inc.						
Advertising and promotion charges	**110,000**	–	**–**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
Officers and employees						
Advances for various expenses	**24,056,934**	15,517,833	**26,281,978**	23,155,166	Liquidated within one month; noninterest-bearing	Unsecured; no impairment
Others						
Other charges	**–**	–	**66,941**	66,942	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
			₱21,781,458	₱29,416,064		

**Affiliates are entities under common control of a majority shareholder*

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, 2026 (Unaudited)	June 30, 2026 (Audited)
Rent, utilities and other related receivables (see Note 6)	**₱13,989,392**	₱22,308,896
Receivables from officers and employees (see Note 6)	**26,281,978**	23,155,166
Educational services (see Note 6)	**2,114,249**	346,626
Accounts payable (see Note 15)	**(20,604,161)**	(16,394,624)
	₱21,781,458	₱29,416,064

Outstanding balances of transactions with and between subsidiaries that were eliminated during consolidation are as follows:

Category	Amount of Transactions during the Period: September 30, 2026 (Unaudited)	Amount of Transactions during the Period: September 30, 2025 (Unaudited)	Outstanding Receivable (Payable): September 30, 2026 (Unaudited)	Outstanding Receivable (Payable): June 30, 2026 (Audited	Terms	Conditions
Subsidiaries						
AHC						
Payable to AHC	**₱–**	₱–	**(₱63,778,000)**	(₱63,778,000)	Payable upon demand; noninterest-bearing	Unsecured
Subscription payable	**–**	–	**(64,000,000)**	(64,000,000)	Noninterest-bearing	Unsecured
STI WNU						
Educational services and sale of educational materials and supplies	**6,384,326**	1,446,556	**6,225,984**	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	**555,752**	1,715,652	**555,752**	–	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	
	2026 (Unaudited)	2025 (Unaudited)
Net income attributable to equity holders of STI Holdings (a)	**₱508,821,221**	₱611,504,608
Common shares outstanding at beginning and end of period (b)	**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)	**₱0.05**	₱0.06

The basic and diluted earnings per share are the same for the three-month periods ended September 30, 2026 and 2025 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. 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 Note 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 23, 2026, 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.
After all of the Defendants filed their respective Answers and the parties submitted their respective Memoranda, the Trial Court rendered its 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.

After due proceedings, 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 (the "CA Decision").

On March 23, 2022, the Parent Company received the Motion for Reconsideration filed by the Heirs of Plaintiff Conrado Benitez II on the CA Decision.

After the Parent Company filed its Comment/Opposition, the Court of Appeals denied the Motion for Reconsideration in its Resolution dated January 7, 2025.

In the Resolution dated May 25, 2026, the Court of Appeals issued the Entry of Judgment for the CA Decision because no appeal was filed by the adverse parties with the Supreme Court.

Based on these circumstances, the case is deemed terminated. The cancellation of the notice of *lis pendens* has been duly annotated on the titles of the affected properties.

(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 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").

Initially, PWC-Davao failed to comply with the Compromise Agreement. However, after the Parent Company demanded that PWC-Davao comply and filed the appropriate Motion before the Trial Court, PWC-Davao ceased to occupy the Subject Premises on August 22, 2026.

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.

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 over 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 BODs and Board of Governors have no knowledge of any proceedings pending or threatened against STI ESG, STI WNU and iACADEMY or any facts likely to give rise to any litigation, claims or proceedings which might materially affect their financial position or business. Management and their legal counsels believe that STI ESG, STI WNU and iACADEMY have substantial legal and factual bases for their position and are of the opinion that losses arising from these legal actions and proceedings, if any, will not have a material adverse impact on the Group's consolidated financial position as well as in the results of their operations.

Commitments

a. Capital Commitments

As at September 30, 2026 and June 30, 2026, STI ESG's significant contractual commitments include: (1) construction of STI Academic Center Alabang, (2) construction of STI Academic Center Tanauan, (3) construction of STI Academic Center Meycauayan, (4) construction of new buildings at STI Fairview and STI Batangas, and (5) building upgrade and refurbishment projects.

STI ESG has a contractual commitment and obligation for the construction of STI Academic Center Alabang. The total contract cost to put up the building is ₱ 647.7 million, of which ₱240.2 million and ₱227.8 million have been paid as at September 30, 2026 and June 30, 2026, respectively. STI ESG's contractual commitment and obligation for the construction of STI Academic Center Tanauan has a total contract cost of ₱438.5 million, of which ₱269.0 million and ₱267.8 million have been paid as at September 30, 2026 and June 30, 2026, respectively. Similarly, STI ESG has a contractual commitment and obligation for the construction of STI Academic Center Meycauayan. The total contract cost for the construction of the building is ₱492.2 million, of which ₱287.5 million and ₱241.9 million have been paid as at September 30, 2026 and June 30, 2026, respectively (see Notes 10 and 14).

Furthermore, STI ESG's contractual commitment for the newly constructed four-storey building at STI Fairview has an aggregate cost of ₱91.0 million, of which ₱79.8 million and ₱75.5 million have been paid as at September 30, 2026 and June 30, 2026, respectively. STI ESG's contractual commitment for the newly constructed three-storey building at STI Batangas has a total cost of ₱32.0 million, of which ₱22.6 million has been paid as at September 30, 2026 and June 30, 2026 (see Note 10).

STI ESG's contractual commitments for building exterior and repainting works across several schools within the STI network have an aggregate cost of ₱110.3 million, of which ₱92.4 million has been paid as at September 30, 2026 and June 30, 2026.

STI WNU has contractual commitments relating to the renovation and upgrading of the University gymnasium and its facilities, construction of the sewage treatment plant, installation of solar panels, seismic monitoring system, fire detection and alarm system, structured cabling and air-conditioning units in the School of Basic Education building, rehabilitation works on various school buildings, and the acquisition of various equipment, with an aggregate project cost of ₱191.3 million of which ₱162.8 million has been paid as of September 30, 2026 and June 30, 2026.

As at September 30, 2026 STI WNU's also has a contractual commitment for the additional kitchen laboratory with a total project cost of ₱7.3 million. Payments will be made based on progress billings in accordance with the terms of the contract. The project is expected to be completed in December 2026.

iACADEMY's contractual commitments and obligations for the construction of its Nexus building amounted to ₱827.1 million as at September 30 and June 30, 2026. Of these, ₱787.1 million has been paid as at September 30, 2026 and June 30, 2026. iACADEMY also has contractual commitments and obligations for the renovation of the 5th floor and fit-out of the 11th floor of iACADEMY Nexus building as at September 30, 2026 and June 30, 2026. The total contract costs amounted to ₱8.9 million for the 5th floor renovation and ₱35.4 million for the 11th floor fit-out. Payments made against these commitments for the 5th floor renovation amounted to ₱8.2 million as at September 30, 2026 and June 30, 2026. For the 11th floor fit-out, payments amounted to ₱33.3

million and ₱23.1 million as at September 30, 2026 and June 30, 2026, respectively (see Note 10).

b. 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. 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.

Eligible learners are classified based on prescribed eligibility and prioritization criteria and are required to comply with applicable documentary and application requirements. Under DepEd Order No. 11, s. 2026, voucher applicants are prioritized according to established categories, with learners from identified social equity groups and public-school completers receiving priority consideration. Eligibility is determined based on five applicant categories (Categories A to E). The five eligibility categories of the Senior High School Voucher Program (SHS VP) differ based on the applicants' educational background and socioeconomic circumstances. Category A covers learners belonging to Social Equity Groups (SEG), while Category B includes public school Grade 10 completers. Category C consists of Alternative Learning System (ALS) and Philippine Educational Placement Test (PEPT) passers, and Category D covers learners who are Education Service Contracting (ESC) grantees. Meanwhile, Category E includes Grade 10 completers from private schools who meet the required income qualifications. Categories A to D are considered priority applicants and are required to submit their applications and complete documentary requirements directly to their chosen participating Senior High Schools, while Category E applicants must submit their applications through the Online Voucher Application Portal (OVAP). A Qualified Voucher Recipient (QVR) in participating private institutions is entitled to a subsidy ranging from ₱14,000 to ₱22,500 annually, depending on learner category and school location. DepEd, through the Private Education Assistance Committee (PEAC), administers and facilitates the processing and release of voucher subsidies to participating schools.

iii. 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 SY 2021-2022 from private HEIs in cities and municipalities without SUCs or LUCs, shall receive ₱40.0 thousand for the second semester of SY 2022-2023 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 SY 2023-2024 onwards and shall receive a subsidy rate of ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. In case the tuition and other school fees is lower than ₱10.0 thousand per semester, the difference shall be given to the student. Administrative support cost remain at 1% of the total grant. Continuing TES grantees for the second semester of SY 2022-2023 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 SY 2023-2024 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 SY 2022-2023 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. 02, Series of 2024 which states that beginning first semester of Academic Year 2023-2024, TES grantees shall receive the amount of ₱13.5 thousand per semester or ₱27.0 thousand 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.

TES grants are subject to availability of funds, with subsidy amounts determined by the UniFAST Board in accordance with its implementing guidelines and subject to annual budgetary appropriations as provided under relevant UniFAST issuances.

Under the 2026 Revised TES Guidelines, effective beginning the first semester of SY 2026–2027, TES benefits shall be disbursed by the CHED Regional Offices directly to qualified and

validated grantees, primarily through direct credit to their accounts or through check payments. When these payment methods are not applicable, the benefits may be coursed through participating HEIs, which are required to release the amounts to the grantees within the prescribed period.

iv. 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 SY 2020-2021, 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. This program covers successive cohorts of eligible freshmen enrolled in SY 2021-2022, SY 2022-2023 and SY 2023-2024 and throughout the duration of their respective courses or programs.

In May 2026, STI ESG and DBP executed a new MOA for the implementation of the DBP Integrated Scholastic Program for Inclusive and Responsive Education (DBP INSPIRE), which provides financial assistance to qualified students from underprivileged Filipino families enrolled in DBP-accredited tertiary schools. The program covers tuition, as well as other school fees for all year levels of the course. The program also covers student support fund intended for miscellaneous fees and living allowance to be determined and set by DBP. The program will cover qualified scholars beginning SY 2026-2027 throughout the duration of their respective courses or programs. The MOA is valid for six (6) years from execution date and is automatically renewable unless otherwise earlier terminated.

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 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, 2026 do not significantly differ from the fair values of these financial instruments as at June 30, 2026.

28. Note to Unaudited Interim Condensed Consolidated Statements of Cash Flows

The Group's material non-cash investing and financing activities follow:

a. Remaining ₱5.9 million receivable as at June 30, 2026, representing 15.0% of the purchase price, from STI ESG's sale of its equity instrument at FVOCI in May 2026 which was subsequently collected in July 2026 (see Note 6).

b. Recognition of right-of-use assets presented under "Property and equipment" at initial recognition of the lease at commencement date amounting to ₱6.6 million and ₱13.4 million for the three-month periods ended September 30, 2026 and 2025, respectively (see Note 10).

c. Unpaid progress billing for construction in progress presented under "Property and equipment" amounting to ₱ 30.1 million and ₱ 64.7 million for the three-month periods ended September 30, 2026 and 2025, respectively (see Note 10).

d. Reclassification from "Other noncurrent assets", pertaining to advances to suppliers, to "Property and equipment" amounting to ₱132.0 million and ₱18.9 million for the three-month periods ended September 30, 2026 and 2025, respectively (see Notes 10 and 14).

29. **Changes in Liabilities Arising from Financing Activities**

	July 1, 2026	**Cash Flows**	**Capitalized Borrowing Costs**	**Reclassified as Current**	**Effect of Lease Termination/ Modifications**	**New/Renewed Leases**	**Interest Expense** [(1)]	**September 30, 2026**
Current portion of interest-bearing loans and borrowings	**₱341,843,371**	**(₱672,222,222)**	**₱–**	**₱469,374,998**	**₱–**	**₱–**	**₱4,348,046**	**₱143,344,193**
Bonds payable	**818,563,449**	**–**	**–**	**–**	**–**	**–**	**483,843**	**819,047,292**
Interest-bearing loans and borrowings - net of current portion	**684,433,079**	**–**	**–**	**(469,374,998)**	**–**	**–**	**–**	**215,058,081**
Lease liabilities	**418,342,554**	**(33,805,543)**	**–**	**–**	**(65,626,771)**	**4,624,232**	**7,044,555**	**330,579,027**
Dividends payable	**32,964,149**	**–**	**–**	**–**	**–**	**–**	**–**	**32,964,149**
Interest payable	**21,053,901**	**(49,989,682)**	**2,340,770**	**–**	**–**	**–**	**28,663,705**	**2,068,694**
	₱2,317,200,503	**(₱756,017,447)**	**₱2,340,770**	**₱–**	**(₱65,626,771)**	**₱4,624,232**	**₱40,540,149**	**₱1,543,061,436**

	July 1, 2025	Cash Flows	Capitalized Borrowing Costs	Reclassified as Current)	Effect of Lease Termination/ Modifications	New/Renewed Leases	Interest Expense [(1)]	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

(1) Interest expense is inclusive of amortization of deferred finance charges.

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, STI Holdings' assignee, 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 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. (Now "Philippine School of Business Administration-Manila, 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.

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 years counting from the management commencement date.

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 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. On June 30, 2026, STI Holdings waived its right of first refusal. PSBA acknowledged STI ESH's waiver.

On February 9, 2026, Philippine School of Business Administration- Manila, Inc. entered into several Deeds of Assignment with PSBA Manila and PSBA Quezon City, covering the transfer of school-related assets of the two companies, as well as the assignment of trademarks, owned by the two schools.

Philippine School of Business Administration- Manila, Inc. executed separate Deeds of Assignment with PSBA Manila and PSBA Quezon City, respectively, for the purchase of all tangible and intangible assets used in the operations of their respective campuses. These assets include CHED and DepEd permits and licenses, scholastic records, student listings, and receivables.

Each purchase transaction carries a price of ₱25.0 million. A downpayment equivalent to 25.0% or ₱6.25 million was paid on the date of signing of the respective Deeds, and the balance equivalent to 75.0% or ₱18.75 million is payable upon fulfillment of conditions precedent, including: (i) CHED approval of the sale; (ii) dismissal of intra-corporate cases identified in the schedules; (iii) amendment of the Seller's corporate name to remove references to "PSBA"; and (iv) delivery of original and/or certified true copies of all CHED permits and licenses, original records relating to receivables arising from tuition and other school fees of students, original records and documents relating to the acquisition, maintenance and operation of the tangible/intangible assets, and original documents relating to records of all students, graduates, and alumni of PSBA Manila and PSBA Quezon City. As at October 13, 2026, the conditions precedent and regulatory approvals for the full payment of the purchase price have yet to be fulfilled.

Under the agreements, any tax, including value-added tax, or tax on any income derived by PSBA Manila and PSBA Quezon City from selling the subject assets, described in the agreements, to Philippine School of Business Administration- Manila, Inc. shall be for the respective accounts of PSBA Manila and PSBA Quezon City. Documentary stamp tax, transfer tax, registration fees and other expenses necessary or incident to the transfer of the subject assets, if any, shall be for the account of Philippine School of Business Administration- Manila, Inc.

In addition to the transfer of the school related assets, Philippine School of Business Administration-Manila, Inc. entered into separate Deed(s) of Assignment under which PSBA Manila and PSBA Quezon City, respectively, assigned all their respective trademarks, service marks, logos, trade dress, trade names, and domain names, within the definition used by the Intellectual Property Office of the Philippines (IPO) to Philippine School of Business Administration- Manila, Inc.

The assignments cover the transfer of all rights, titles, and interest in the trademarks, including goodwill, rights over pending or granted applications with the IPO, all tangible and intangible embodiments, licensing rights, rights to enforce against infringements, and the right to apply for and obtain statutory rights and registrations.

STI EDUCATION SYSTEMS HOLDINGS, INC.

Financial Highlights and Key Performance Indicators

(in ₱ millions except margins, financial ratios and earnings per share)	September 30, 2026 (Unaudited)	June 30, 2026 (Audited)	Increase (Decrease) Amount	%
Condensed Consolidated Statements of Financial Position				
Cash and cash equivalents	2,765.0	3,027.9	(262.9)	(8.7)
Current assets	4,904.8	4,254.8	650.0	15.3
Noncurrent assets	14,459.3	14,431.1	28.2	0.2
Total assets	19,364.2	18,685.9	678.3	3.6
Current liabilities	3,650.2	2,945.6	704.6	23.9
Noncurrent liabilities	713.5	1,257.3	(543.8)	(43.3)
Total liabilities	4,363.7	4,202.9	160.8	3.8
Equity attributable to equity holders of the Parent Company	14,857.1	14,344.9	512.2	3.6
Total Equity	15,000.4	14,482.9	517.5	3.6
Financial ratios				
Debt-to-equity ratio (1)	0.18	0.25	(0.07)	(28.0)
Current ratio (2)	1.34	1.44	(0.10)	(6.9)
Asset–to-equity ratio (3)	1.29	1.29	-	0.0

	(Unaudited)			
	Three months ended September 30		Increase (Decrease)	
	2026	2025	Amount	%
Condensed Consolidated Statements of Income				
Revenues	1,342.4	1,443.3	(100.9)	(7.0)
Direct costs (4)	370.2	356.4	13.8	3.9
Gross profit	972.2	1,086.9	(114.7)	(10.6)
Operating expenses	432.6	429.4	3.2	0.7
Operating income	539.6	657.5	(117.9)	(17.9)
Other income (expenses) – net	31.0	31.5	(0.5)	(1.6)
Income before income tax	570.6	689.0	(118.4)	(17.0)
Net income after income tax	514.1	619.1	(105.0)	(17.0)
EBITDA (5)	748.2	877.9	(129.7)	(14.8)
Core income (6)	493.4	618.9	(125.5)	(20.3)
Net income attributable to equity holders of the Parent Company	508.8	611.5	(102.7)	(16.8)
Earnings per share (7)	0.051	0.062	(0.011)	(17.7)

	(Unaudited)			
	Three months ended September 30		Increase (Decrease)	
	2026	2025	Amount	%
Condensed Statements of Cash Flows				
Net cash from operating activities	720.6	955.3	(234.7)	(24.6)
Net cash used in investing activities	(227.5)	(345.2)	117.7	(34.1)
Net cash used in financing activities	(756.0)	(137.5)	(618.5)	450.0

Financial Soundness Indicators

	(Unaudited)			
	As at/Three months ended September 30		Increase (Decrease)	
	2026	2025	Amount	%
Liquidity Ratios				
Current ratio [2]	1.34	1.59	(0.25)	(15.7)
Quick ratio [8]	1.26	1.50	(0.24)	(16.0)
Cash ratio [9]	0.76	0.95	(0.19)	(20.0)
Solvency ratios				
Debt-to-equity ratio [1]	0.18	0.30	(0.12)	(40.0)
Asset-to-equity ratio [3]	1.29	1.42	(0.13)	(9.2)
Interest coverage ratio [11]	55.43	24.56	30.87	125.7
Debt service cover ratio [10]	14.14	4.87	9.27	190.1
Profitability ratios				
EBITDA margin [12]	56%	61%	(5%)	(8.2)
Gross profit margin [13]	72%	75%	(3%)	(4.4)
Operating profit margin [14]	40%	46%	(6%)	(12.2)
Net profit margin [15]	38%	43%	(5%)	(11.4)
Return on equity (annualized) [16]	14%	19%	(5%)	(26.7)
Return on assets (annualized) [17]	11%	14%	(3%)	(21.4)

(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/benefit from income tax, depreciation and amortization, gain/loss on foreign exchange differences, equity in net earnings/losses of associates and joint venture, gain/loss on equity instruments at FVPL, loss on derecognition of property and equipment, and gain on termination of lease. 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, 2026

Type of Accounts Receivable	Total	0-30 days	31-60 days	61-90 days	over 90 days
Current Receivables	**1,839,771,490**	**1,466,295,445**	**53,116,867**	**17,455,849**	**302,903,329**
	1,839,771,490	**1,466,295,445**	**53,116,867**	**17,455,849**	**302,903,329**

TYPE OF ACCOUNTS RECEIVABLE	NATURE/DESCRIPTION	COLLECTION PERIOD
Current Receivables	Tuition fees and other current receivables	Monthly

ANNEX "B"

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 including Marine Engineering, Naval Architecture, 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 23, 2026, 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 161,521 students, with 113,431 pertaining to owned schools and 48,090 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 basic education from nursery to SHS, tertiary and graduate programs. Its SHSl includes tracks in academic and technical-vocational-livelihood. The tertiary offering includes baccalaureate degree programs in education, hospitality and tourism management, criminology, Information Technology, arts and sciences, business and management, and engineering. It offers Graduate Programs in the fields of Business, Education, Public Administration and Criminal Justice. Its Master of Arts in Psychology program is set to begin in the second semester of academic year 2026 - 2027.

  STI WNU also has permits to provide technical-vocational education training services under the Technical Education and Skills Development Authority (TESDA).

  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 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's Makati campus offers 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, were previously granted Level I Accreditation by the Philippine Association of Colleges and Universities Commission on Accreditation, Inc. (PACUCOA). Following the completion of the Level II Reaccreditation Revisit on May 15, 2026, the Bachelor of Science in Computer Science program was granted Level II status in June 2026, valid until

July 2030. This achievement reflects iACADEMY's continuing commitment to quality education, academic excellence, and continuous improvement.

iACADEMY Cebu is currently offering CHED-recognized programs in Software Engineering, Game Development, Real Estate Management, Multimedia Arts and Design, and Animation.

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. Ten (10) filmmakers will be accepted into the program, and two (2) winning film projects will receive a production and scholarship grant from iACADEMY and Netflix. The program's goal is to prepare the participants for their future as filmmakers, support their endeavors in the field of arts, and empower them to share their distinct cultural perspectives through film. The winners of the first and second editions of the program were announced in June 2023 and April 2025, respectively. The films of the two (2) winners from the first edition proudly premiered at the Sinag Maynila Film Festival in 2024 and 2025, marking a major milestone for the program. "Bisan Abo Wala Bilin" made its debut in September 2024, followed by "Muli na Ka, Merlie" in September 2025, both showcasing compelling stories that resonated with festival audiences. The film "Bisan Abo Wala Bilin" was awarded "Best in Short Film" of 2024 in the 2025 Gawad Urian Awards held in October 2025, and "Muli na Ka, Merlie" was nominated for the Gawad Urian Awards in October 2026. The second edition, held in 2025, was in partnership with the Film Development Council of the Philippines (FDCP) and the Directors' Guild of the Philippines (DGPI). Meanwhile, the two (2) winners of the second edition are now in active production, bringing their bold creative visions to life and gearing up to captivate the big screen. Even as works-in-progress, these films are already making their mark. The first project, "Ligaw/Panangarem" ("Courting") by Finalist Kyla Romero was presented at the prestigious Cannes Film Festival in France in May 2026 as a Work-in-Progress. The second project, "Flying Sun", by Justine Borlagdan, has just finished shooting and is being scheduled for presentation.

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 continued to rank among the Top Performing Schools in the Real Estate Appraisers Licensure Examination, earning recognition from the Professional Regulation Commission as the July 2025 Top Performing School among institutions with 15 or more examinees. iACADEMY achieved an 86.67% passing rate, with five examinees ranking 2nd, 4th, 5th, 6th and 7th in the examination.

In November 2025, iACADEMY reinforced its distinction in Real Estate education by achieving an outstanding 90% passing rate in the Real Estate Appraisers Licensure Examination, significantly surpassing the national passing rate of 55.26%.

In July 2026, iACADEMY achieved a 100% passing rate in the Real Estate Appraisers Licensure Examination, with five examinees ranking 3rd, 5th, 6th, 7th and 8th, reflecting the program's continued strong performance in the licensure examination.

In December 2025, an iACADEMY graduate of the Real Estate Management Program made history by becoming the first graduate of the program to take and successfully pass the Real Estate Consultants Licensure Examination.

In April 2026, iACADEMY made history in the Real Estate Brokers Licensure Examination, emerging as the Top Performing School, achieving a 100% passing rate, and producing the Rank 1 examinee nationwide among 2,296 examinees.

In September 2026, iACADEMY achieved a 100% passing rate in the Psychometrician Licensure Examination, marking a significant milestone in Bachelor of Arts in Psychology program's commitment to developing competent and future-ready Psychology professionals.

These achievements reflect the strength of iACADEMY's program offerings, which are anchored on solid academic foundation, industry-aligned curriculum and training, and expert faculty members committed to producing graduates who excel in licensure examinations and professional practice.

Additionally, in December 2025, iACADEMY was awarded the Most Innovative School by the Global Brands Magazine, a leading brands magazine based in the United Kingdom that provides opinions and news related to various brands across the world.

In May 2026, iACADEMY officially entered the World University Rankings for Innovation (WURI) 2026, earning placements in four WURI Top 100 categories: Rank 74 in University Brand and Reputation, Rank 80 in Crisis Management, Rank 82 in Cost-Effectiveness Management, and Rank 89 in Curricular Innovation for Future Readiness. With this recognition, iACADEMY attains a formidable position among 1,927 higher education institutions from 96 countries evaluated this year, redefining higher education through innovation, adaptability, and real-world impact.

- 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 rising from the Agreements have been fully settled.

- Philippine School of Business Administration - Manila, Inc. (formerly: STI College Novaliches, Inc.) became a subsidiary of STI Holdings in January 2025. STI Holdings owns 93.75% of the outstanding capital stock of STI Novaliches, Inc. while STI ESG owns the remaining 6.25%. Prior to January 2025, STI ESG owned 100% of the school and had operated the same for its Novaliches school operations.

  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 and August 29, 2025, the SEC approved the amendment in the corporate name of STI College Novaliches, Inc. to Philippine School of Business Administration - Manila, Inc. in its Articles of Incorporation (AOI) and By-Laws, respectively.

The SEC approved on November 18, 2025, the amendment of the AOI of Philippine School of Business Administration - Manila, Inc.'s principal office address to "1029 Aurora Boulevard, Loyola Heights, Quezon City."

On September 13, 2024, the SEC approved the amended By-Laws of the then STI College Novaliches, Inc., amending, among others, 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. The change in fiscal year was subsequently approved by the BIR in January 2026 and took effect beginning July 1, 2026.

STUDENT POPULATION

The total enrollment of the Group at the start of SY 2026-2027 reached 130,722, compared to 132,941 for SY 2025-2026. The total number of enrollees in CHED programs remained stable at 102,438 for SY 2026-2027 compared to 102,407 for SY 2025-2026. Enrollment in programs regulated by CHED, Technical Education and Skills Development Authority (TESDA), and Department of Education (DepEd) as a percentage of total enrollment stands at 78%, 5%, and 17%, respectively, in SY 2026-2027 as against 77%, 1%, and 22%, respectively, in SY 2025-2026. CHED programs generate higher revenues per student relative to other levels.

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

	SY 2026-2027	**SY 2025-2026**	**Increase (Decrease)**	
			Enrollees	Percentage
STI ESG				
Owned schools	73,774	77,377	(3,603)	(5%)
Franchised schools	38,795	37,192	1,603	4%
	112,569	114,569	(2,000)	(2%)
STI WNU	14,334	14,890	(556)	(4%)
iACADEMY	1,688	1,899	(211)	(11%)
PSBA [1]	2,131	1,583	548	35%
Total Enrollees	**130,722**	**132,941**	**(2,219)**	**(2%)**

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 2026-2027			
	CHED	**TESDA**	**DEPED**[2]	**TOTAL**
STI ESG	86,702	5,793	20,074	112,569
STI WNU	12,318	296	1,720	14,334
iACADEMY	1,403	148	137	1,688
PSBA[1]	2,015	-	116	2,131
Total	**102,438**	**6,237**	**22,047**	**130,722**
Proportion of CHED:TESDA:DepEd	**78%**	**5%**	**17%**	**100%**

	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
PSBA[1]	1,556	-	27	1,583
Total	**102,407**	**1,963**	**28,571**	**132,941**
Proportion of CHED:TESDA:DepEd	**77%**	**1%**	**22%**	**100%**

[1] *PSBA pertains to students of Philippine School of Business Administration and Philippine School of Business Administration, Inc.- Quezon City. STI ESG manages both schools by virtue of a Management Contract executed in May 2024 (see discussion in paragraphs below).*

[2] *STI ESG's DepEd count represents 19,215 SHS students and 859 JHS students in SY 2026-2027 and 25,216 SHS students and 853 JHS students in SY 2025-2026. For STI WNU, the count represents 1,055 SHS students and 665 students enrolled in pre-elementary to JHS in SY 2026-2027 and 1,520 SHS students and 735 students enrolled in pre-elementary to JHS in SY 2025-2026. For iACADEMY and PSBA, the DepEd count represents SHS students.*

For SY 2026-2027, the academic year for STI ESG and STI WNU started on June 29, 2026 and will end on May 7, 2027 for SHS and JHS segments while classes for the tertiary segment began on August 3, 2026 and will end on June 2, 2027. STI WNU's School of Graduate Studies (SGS) started classes on September 12, 2026 and will end on August 22, 2027 for SY 2026-2027. For SY 2025-2026, the academic year for STI ESG and STI WNU started on July 28, 2025 and ended on June 5, 2026 while STI WNU's SGS classes began on September 6, 2025 and ended on August 23, 2026. For iACADEMY, classes started on August 6, 2026 and will end on May 27, 2027 for SHS while classes started on August 29, 2026 and will end on July 31, 2027 for the tertiary level for SY 2026-2027. In comparison, iACADEMY started SHS classes for SY 2025-2026 on August 7, 2025 and ended the academic year on May 29, 2026, while tertiary's academic year began on August 30, 2025 and ended on August 5, 2026. Classes across all levels of STI ESG, STI WNU and iACADEMY are being conducted onsite for SY 2026-2027, while in SY 2025-2026, classes were held predominantly through face-to-face instruction across all three institutions.

During the latter part of SY 2025–2026, STI ESG temporarily adopted a hybrid learning modality across the STI network, combining face-to-face and online instruction. iACADEMY similarly adopted a hybrid approach towards the latter part of SY 2025-2026. The shift to a hybrid learning modality was implemented in consideration of the prevailing external conditions, particularly the elevated

transportation costs, to support the continuity of academic delivery for the remainder of the academic term.

In relation to end-of-term activities, including the SHS expo, culminating events, and graduation ceremonies, full face-to-face classes for high school students across the STI network resumed effective May 11, 2026. Classes for the tertiary segment continued to be on a hybrid learning modality for majority of the schools within the STI Network until the end of SY 2025–2026, with six (6) schools opting to revert to full face-to-face classes beginning around mid-May 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, 2026 and 2025 and financial condition as at September 30, 2026 and June 30, 2026 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, 2026. All necessary adjustments have been made to present fairly the financial position of the Group as at September 30, 2026 and June 30, 2026 and the results of operations and cash flows of the Group for the three-month periods ended September 30, 2026 and 2025.

The Group's operations follow the academic cycle. For both STI ESG and STI WNU, SY 2026-2027 for the SHS and JHS segments began in late June 2026 and will end in May 2027, while the academic year for the tertiary segment commenced in early August 2026 and will conclude in June 2027. For iACADEMY, SY 2026-2027 began in August 2026 and will end in May and July 2027 for SHS and tertiary level, respectively.

For SY 2025–2026, the academic year for all levels started in late July 2025 and ended in June 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) 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. This information is provided to facilitate a comprehensive understanding and informed analysis of the results of operations of the Group

I. RESULTS OF OPERATIONS

Three-month period ended September 30, 2026 vs. three-month period ended September 30, 2025

For the three-month period ended September 30, 2026, the Group generated gross revenues of ₱1,342.4 million, reflecting a 7% or ₱100.9 million decrease from the same period last year of ₱1,443.3 million. The movement in the revenues recognized by the Group reflect the changes in student population, as well as differences in the academic calendar. The later start of tertiary classes resulted in fewer instructional days within the three-month period ended September

30, 2026 compared to the same period in 2025, partially offset by the earlier start of SHS and SBE to JHS classes.

Gross profit decreased by ₱114.7 million year-on-year from ₱1,086.9 million to ₱972.2 million, resulting in a gross profit margin of 72% compared to 75% in the same period last year.

The Group recorded an operating income of ₱539.6 million for the three-month period ended September 30, 2026 as against ₱657.5 million for the same period last year. Net income after income tax amounted to ₱514.1 million this quarter, lower by ₱105.0 million than the ₱619.1 million recorded for the three-month period ended September 30, 2025.

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/losses of associates and joint venture, gain/loss on equity instruments at fair value through profit or loss (FVPL), loss on derecognition of leasehold improvements, and gain on termination of lease is ₱748.2 million for the three-month period ended September 30, 2026, a decrease of ₱129.7 million from ₱877.9 million registered during the three-month period ended September 30, 2025. 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, 2026 and 2025 are at 56% and 61%, respectively.

II. FINANCIAL CONDITION

The Group's total assets as at September 30, 2026 amounted to ₱19,364.2 million, 4% or ₱678.3 million higher than the ₱18,685.9 million balance as at June 30, 2026. This increase was primarily driven by higher levels of receivables for tuition and other school fees and the continuous improvement of school facilities, partially offset by a decline in cash and cash equivalents.

Condensed Consolidated Statements of Financial Position

(Amounts in Peso millions)	**September 30, 2026**	**June 30, 2026**	**Increase (Decrease) Amount**	**%**
Cash and cash equivalents	2,765.0	3,027.9	(262.9)	(9%)
Current assets	4,904.8	4,254.8	650.0	15%
Total assets	19,364.2	18,685.9	678.3	4%
Current liabilities	3,650.2	2,945.7	704.5	24%
Total liabilities	4,363.7	4,202.9	160.8	4%
Equity attributable to equity holders of the parent	14,857.1	14,344.9	512.2	4%
Total equity	15,000.4	14,482.9	517.5	4%

Cash and cash equivalents decreased by ₱262.9 million from ₱3,027.9 million to ₱2,765.0 million as at June 30, 2026 and September 30, 2026, respectively. The decrease was primarily driven by the ₱672.2 million of term loan principal repayments during the period, which includes the prepayment of STI ESG's Term Loan Facility with Metrobank.

Total receivables more than doubled from ₱895.6 million as at June 30, 2026 to ₱1,839.8 million as at September 30, 2026. 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 school year.

Inventories decreased by ₱37.8 million or 24%, to ₱117.5 million as at September 30, 2026 from ₱155.3 million as at June 30, 2026, reflecting sales, net of purchases made, during the three-month period ended September 30, 2026.

Equity instruments at fair value through profit or loss (FVPL) decreased by 14% or ₱1.6 million from ₱11.1 million as at June 30, 2026 to ₱9.5 million as at September 30, 2026 due to fair value loss on STI ESG's investment in 1.5 million quoted equity shares of RL Commercial REIT, Inc. (RCR).

Deferred tax assets (DTA) increased by 28% or ₱15.8 million, from ₱55.8 million as at June 30, 2026 to ₱71.6 million as at September 30, 2026, largely representing taxes due on tuition and other school fees collected in advance. In accordance with statutory regulations, tuition and other school fees collected in advance are subject to income tax upon receipt.

Goodwill, intangible, and other noncurrent assets decreased by ₱41.4 million from ₱827.0 million as at June 30, 2026 to ₱785.6 million as at September 30, 2026 mainly driven by the application of downpayments against the progress billings of the Group's ongoing construction projects.

Total current liabilities increased by 24% or ₱704.5 million to ₱3,650.2 million as at September 30, 2026 from ₱2,945.7 million as at June 30, 2026, mainly due to the ₱1,018.3 million increase in unearned tuition and other school fees to ₱1,619.8 million as at September 30, 2026 from ₱601.5 million as at June 30, 2026. These unearned revenues will be recognized as income over the remaining months of the related school term(s).

Total noncurrent liabilities decreased by ₱543.8 million to ₱713.5 million as at September 30, 2026 from ₱1,257.3 million as at June 30, 2026 largely attributed to the prepayment of STI ESG's Metrobank term loan and the reclassification of the portion of noncurrent interest-bearing loans and borrowings due within the next twelve months to current liabilities.

Total equity increased by ₱517.5 million substantially due to the net income recognized by the Group for the three-month period ended September 30, 2026.

III. TOP 5 KEY PERFORMANCE INDICATORS

The key performance indicators (KPIs) of the Group cover 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.

The top five (5) KPIs of the Group include:

		As at/Three months ended September 30		
		2026	2025	Remarks
EBITDA margin	EBITDA divided by total revenues	56%	61%	EBITDA margin decreased in 2026 compared to the same period in 2025 mainly due to the changes in enrollment and the revenues derived therefrom.
Gross profit margin	Gross profit divided by total revenues	72%	75%	Gross profit margin decreased due to the reasons mentioned above.
Return on equity (ROE)	Net income attributable to equity holders of the Parent Company (annualized) divided by average equity attributable to equity holders of the Parent Company	14%	19%	ROE is lower in 2026, reflecting the lower enrollment-driven revenues and the Group's continued investment in school facilities resulting in higher depreciation expenses.
Current Ratio	Current assets divided by current liabilities	1.34	1.59	Current ratio declined as STI ESG used its funds to fully prepay its Metrobank term loans.
Debt-to-equity ratio (D/E ratio)	Total liabilities, net of unearned tuition and other school fees, divided by total equity	0.18	0.30	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 respective provisions under its Term Loans and Trust Agreements.

		June 2026	Remarks
D/E ratio[1]	Total liabilities, net of unearned tuition and other school fees, divided by total equity	0.31	D/E ratio improved from 0.44 in June 2025 due to principal payments made. by STI ESG on its Term Loans.

		June 2026	Remarks
Debt service coverage ratio (DSCR)[1]	EBITDA for the last twelve months divided by total principal and interest due in the next twelve months.	1.91	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)[2]	EBITDA for the immediately preceding twelve months divided by interest due in the next twelve months	23.48	ICR is well within the threshold set under the Second Supplemental Trust Agreement which is not lower than 3.00:1.

[1] *D/E ratio under the Term Loan Agreements with BPI and Metrobank must not be more than 2.50:1.00. DSCR under the Term Loan Agreements with BPI and Metrobank must not be lower than 1.05:1.00. These financial covenants are computed annually based on the audited consolidated financial statements of the Group.*

[2] *ICR under the Trust Agreement must not be lower than 3.00:1.00*

As at September 30, 2026 and June 30, 2026, STI ESG is compliant with the aforementioned financial covenants as required by 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 decreased by ₱262.9 million from ₱3,027.9 million to ₱2,765.0 million as at June 30, 2026 and September 30, 2026, respectively. The decrease was driven by ₱672.2 million of term loan principal repayments during the period, consisting of ₱600.0 million for the full payment of STI ESG's term loan facility with Metrobank and ₱72.2 million scheduled principal repayments to BPI. The Group generated cash from operating activities aggregating to ₱720.6 million during the three-month period ended September 30, 2026, mainly arising from the collection of tuition and other school fees. Net cash used for investing activities amounted to ₱227.5 million as funds were utilized to settle progress billings for ongoing and recently completed construction projects. The Group registered ₱756.0 million cash used in financing activities, largely attributable to aggregate principal repayments of ₱672.2 million comprising the full repayment of STI ESG's Metrobank term loan, as well as the scheduled principal repayments of STI ESG's term loans with BPI. Interest payments, largely for STI ESG's term loans and coupon payments for STI ESG's bond issue, amounted to ₱50.0 million for the three-month period ended September 30, 2026.

Total receivables more than doubled from ₱895.6 million as at June 30, 2026 to ₱1,839.8 million as at September 30, 2026.

Receivables from students increased by ₱820.7 million from ₱706.4 million to ₱1,527.1 million as at June 30, 2026 and September 30, 2026, respectively, reflecting tuition and other school fees

that are expected to be collected from the students over the related school term(s) of the school year. For both STI ESG and STI WNU, tertiary classes for SY 2026-2027 commenced on August 3, 2026 and will end on June 2, 2027. Accordingly, the related receivables and contract liabilities for the tertiary segment for SY 2026-2027 were recognized during the quarter ended September 30, 2026. iACADEMY's classes for both SHS and tertiary segments commenced in August 2026 with the related receivables and contract liabilities likewise recorded as at September 30, 2026.

Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to the current school year, amounted to ₱157.5 million as at September 30, 2026 compared to ₱104.5 million as at June 30, 2026. The ₱53.0 million increase represents additional SHS voucher subsidies from DepEd which were recognized during the three-month period ended September 30, 2026. 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 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.

Eligible learners are classified based on prescribed eligibility and prioritization criteria and are required to comply with applicable documentary and application requirements. Under DepEd Order No. 11, s. 2026, voucher applicants are prioritized according to established categories, with learners from identified social equity groups and public-school completers receiving priority consideration. Eligibility is determined based on five applicant categories (Categories A to E). The five eligibility categories of the Senior High School Voucher Program (SHS VP) differ based on the applicants' educational background and socioeconomic circumstances. Category A covers learners belonging to Social Equity Groups (SEG), while Category B includes public school Grade 10 completers. Category C consists of Alternative Learning System (ALS) and Philippine Educational Placement Test (PEPT) passers, and Category D covers learners who are Education Service Contracting (ESC) grantees. Meanwhile, Category E includes Grade 10 completers from private schools who meet the required income qualifications. Categories A to D are considered priority applicants and are required to submit their applications and complete documentary requirements directly to their chosen participating Senior High Schools, while Category E applicants must submit their applications through the Online Voucher Application Portal (OVAP).

A Qualified Voucher Recipient (QVR) in participating private institutions is entitled to a subsidy ranging from ₱14.0 thousand to ₱22.5 thousand annually. DepEd, through the Private Education Assistance Committee (PEAC), administers and facilitates the processing and release of voucher subsidies to participating schools.

Receivables from CHED for the Tertiary Education Subsidy (TES) amounted to ₱5.0 million and ₱5.8 million as at September 30, 2026 and June 30, 2026, 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 ₱60.0 thousand per school year. The TES sharing agreement states that ₱40.0 thousand goes to the TES student grantee and ₱20.0 thousand 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 ₱30.0 thousand and ₱10.0 thousand, 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 ₱20.0 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.

Receivables related to DBP Resources for Inclusive and Sustainable Education Program (DBP RISE) amounted to ₱1.0 million and ₱1.1 million as at September 30, 2026 and June 30, 2026, respectively. DBP RISE covers: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP.

Receivables 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 ₱149.4 million as at September 30, 2026, higher by ₱56.2 million from the ₱93.2 million balance as at June 30, 2026. This account represents STI ESG's receivables from franchised schools for educational services rendered and educational materials and supplies sold. The increase is largely attributed to network billing for subscriptions and assessment certifications. These receivables are expected to be settled within 30 days from the invoice dates.

Rent, utilities and other related receivables declined by ₱17.7 million to ₱40.5 million as at September 30, 2026, from ₱58.2 million as at June 30, 2026 representing collection of rental payments from various lessees during the three-month period ended September 30, 2026.

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 ₱202.4 million as at June 30, 2026 to ₱234.5 million as at September 30, 2026. This increase represents the Group's provision for ECL amounting to ₱32.1 million during the three-month period ended September 30, 2026.

Inventories decreased by ₱37.8 million or 24%, to ₱117.5 million as at September 30, 2026 from ₱155.3 million as at June 30, 2026, reflecting sales of uniforms drawn from stocks carried over from the previous fiscal year, partially offset by purchases made during the three-month period ended September 30, 2026.

Prepaid expenses and other current assets went up by 5% or ₱8.2 million from ₱164.8 million to ₱173.0 million as at June 30, 2026 and September 30, 2026, respectively. Prepaid subscriptions and licenses posted an ₱11.6 million increase from ₱30.6 million to ₱42.2 million as at June 30, 2026 and September 30, 2026, respectively, as software subscriptions were renewed. Prepaid

insurance increased by ₱10.2 million due to the renewal of the Group's Health Maintenance Organization (HMO) insurance covering the fiscal year ending June 30, 2027. Prepaid taxes decreased by ₱12.1 million from ₱31.2 million to ₱19.1 million as at June 30, 2026 and September 30, 2026, respectively, reflecting the amortization of local business permits and real property taxes, both covering the year 2026.

Equity instruments at fair value through profit or loss (FVPL) decreased by 14% or ₱1.6 million from ₱11.1 million as at June 30, 2026 to ₱9.5 million as at September 30, 2026 due to fair value loss on STI ESG's investment in 1.5 million quoted equity shares of RL Commercial REIT, Inc. (RCR).

Deferred tax assets (DTA) increased by 28% or ₱15.8 million, from ₱55.8 million as at June 30, 2026 to ₱71.6 million as at September 30, 2026, largely representing taxes due on tuition and other school fees collected in advance. In accordance with statutory regulations, tuition and other school fees collected in advance are subject to income tax upon receipt.

Goodwill, intangible, and other noncurrent assets decreased by ₱41.4 million from ₱827.0 million as at June 30, 2026 to ₱785.6 million as at September 30, 2026 mainly driven by application of downpayments against the progress billings of the Group's ongoing construction projects.

Total current liabilities increased by 24% or ₱704.5 million to ₱3,650.2 million as at September 30, 2026 from ₱2,945.7 million as at June 30, 2026, mainly due to the ₱1,018.3 million increase in unearned tuition and other school fees to ₱1,619.8 million as at September 30, 2026 from ₱601.5 million as at June 30, 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 ₱160.0 million, mainly attributed to payments made for progress billings of ongoing and recently completed construction projects and interest payments made for STI ESG's loans and borrowings during the three-month period ended September 30, 2026.

Current portion of interest-bearing loans and borrowings amounted to ₱143.3 million as at September 30, 2026, net of deferred finance charges amounting to ₱1.1 million. This balance represents the current portion of STI ESG's term loan with BPI. The balance decreased by ₱198.5 million from the June 30, 2026 balance of ₱341.8 million. On the other hand, the noncurrent portion of interest-bearing loans and borrowings decreased by ₱469.3 million from ₱684.4 million to ₱215.1 million, net of deferred finance cost, as at June 30, 2026 and September 30, 2026, respectively. These decreases were due to STI ESG's principal payments made on September 18, 2026, consisting of full payment of the ₱600.0 million balance of its term loan with Metrobank and the ₱72.2 million scheduled principal payment to BPI under its term loan facility.

Current portion of lease liabilities decreased by ₱14.9 million to ₱80.5 million from ₱95.4 million as at September 30, 2026 and June 30, 2026, respectively, due to payments made on lease liabilities net of reclassifications from noncurrent to current portion. Noncurrent portion of lease liabilities decreased by ₱72.8 million to ₱250.1 million as at September 30, 2026 from ₱322.9 million as at June 30, 2026 due to the reclassification of lease obligations which are due

within the next twelve months. The decrease in lease liabilities, both current and noncurrent portions, was also due to the termination of iACADEMY's lease on a building along Sen. Gil J. Puyat Avenue. The building was accounted for as a right-of use (ROU) asset under Investment properties. The new owner bought the property in July 2026 and the lease was terminated effective July 1, 2026. As a result, iACADEMY derecognized the ROU asset and the related lease liability of ₱65.6 million and recognized a ₱24.6 million "Gain on termination of lease" presented under "Other income (expenses)" in the unaudited interim condensed consolidated statement of comprehensive income. The related leasehold improvements on this property, in the amount of ₱2.5 million, were derecognized.

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 and derecognition of obligations arising from lease terminations. 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 ₱94.3 million and ₱35.0 million as at September 30, 2026 and June 30, 2026, respectively. The balance as at September 30, 2026 represents income tax due on the taxable income for the three-month period ended September 30, 2026 of STI WNU, STI ESG and some of its subsidiaries as well as the income tax payable as at June 30, 2026 which was duly settled in October 2026. Income tax due on the taxable income of the Parent Company was covered by its tax credits while iACADEMY's income tax obligations as at September 30, 2026 were covered by its tax credits and prior payments.

Other noncurrent liabilities decreased by 17% or ₱2.5 million from ₱14.9 million as at June 30, 2026 to ₱12.4 million as at September 30, 2026, mainly due to the reclassification of advance rent and refundable deposits to current liabilities.

Total equity increased by ₱517.5 million from ₱14,482.9 million as at June 30, 2026 to ₱15,000.4 million as at September 30, 2026 substantially due to the ₱514.1 million net income earned by the Group for the three-month period ended September 30, 2026. Cumulative actuarial gain increased by ₱3.1 million, reflecting changes in the market value of the equity investments held within the pension plan assets of the Group for the three-month period ended September 30, 2026.

V. MATERIAL CHANGES IN INCOME STATEMENT ACCOUNTS

Total revenues reached ₱1,342.4 million during the three-month period ended September 30, 2026, compared to the ₱1,443.3 million generated during the same period last year.

Condensed Consolidated Statements of Comprehensive Income

	Three-month periods ended September 30			
			Increase (Decrease)	
(Amounts in Peso millions)	**2026**	**2025**	**Amount**	**%**
Revenues	1,342.4	1,443.3	(100.9)	(7%)
Costs and expenses	802.8	785.8	17.0	2%
Operating income	539.6	657.5	(117.9)	(18%)
Other income (expenses)	31.0	31.5	(0.5)	(2%)
Income before income tax	570.6	689.0	(118.4)	(17%)
Provision for income tax	56.5	69.9	(13.4)	(19%)
Net income	514.1	619.1	(105.0)	(17%)
Other comprehensive income (loss)	3.4	(16.0)	19.4	(121%)
Total comprehensive income	517.5	603.1	(85.6)	(14%)

Tuition and other school fees amounted to ₱1,160.9 million and ₱1,277.8 million for the three-month periods ended September 30, 2026 and 2025, respectively. 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 decline primarily reflected lower SHS enrollment, together with fewer instructional days for the tertiary segment within the three-month period ended September 30, 2026, following the later commencement of classes. These effects were partially offset by the earlier start of SHS and JHS classes in STI ESG and STI WNU.

Revenues from educational services amounted to ₱74.8 million and ₱72.9 million for the three-month periods ended September 30, 2026 and 2025, respectively. 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 (PSBA Manila) and Philippine School of Business Administration, Inc.–Quezon City (PSBA Quezon City) amounting to ₱8.1 million and ₱4.3 million for the three-month periods ended September 30, 2026 and 2025, 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 ₱51.8 million and ₱39.2 million for the three-month periods ended September 30, 2026 and 2025, respectively. The ₱12.6 million increase is largely due to subscriptions and licenses charged to STI ESG franchised schools covering SY 2026-2027. These include Microsoft licenses, eLearning Management System (eLMS), cybersecurity software, Adobe, SAP, and Amadeus. This account likewise includes billings for the certification examination vouchers for CompTIA AI Essentials and Microsoft Azure AI Fundamentals. The

related costs are recognized under "Student activities, programs and other related expenses" which are part of the "Cost of educational services" section.

The cost of educational services increased by ₱16.2 million from ₱315.5 million for the three-month period ended September 30, 2025 to ₱331.7 million for the three-month period ended September 30, 2026. This increase is primarily attributed to higher depreciation expenses as well as higher costs incurred for student activities and programs for the three-month period ended September 30, 2026 compared to the same period last year.

The completion of the new school building at STI Fairview, and the facility upgrades, renovation and rehabilitation works in STI WNU, iACADEMY, and in schools owned and operated by STI ESG, along with the acquisition of new equipment and furniture, led to higher depreciation charges of the Group. The increase is reflected both under the cost of educational services and the general and administrative expense sections of the unaudited interim condensed consolidated statement of comprehensive income. Depreciation expense, under cost of educational services, amounted to ₱123.5 million, compared to ₱110.8 million for the three-month periods ended September 30, 2026 and 2025, respectively, while depreciation expense under general and administrative expenses section, amounted to ₱78.3 million and ₱74.5 million for the three-month periods ended September 30, 2026 and 2025, respectively.

Expenses attributed to student activities, programs and other service costs rose by ₱2.8 million from ₱38.1 million for the three-month period ended September 30, 2025 to ₱40.9 million for the same period this year. This account includes subscription costs for the use of eLearning Management System, MS License, ADOBE, Amadeus, and eBooks, among others, as well as examination costs for micro credentials in Cybersecurity, CompTIA AI essentials, and Microsoft Azure AI Fundamentals. The increase is largely attributed to the costs of student certification examinations, specifically for CompTIA AI essentials and Microsoft Azure AI Fundamentals. These subscriptions are generally renewed on a per term basis and are recognized as expense in accordance with the terms of the respective agreements. The subscriptions for CompTIA AI Essentials and Microsoft Azure AI Fundamentals are on as needed basis, depending on the number of learners taking up the certification examinations and are recognized as expense upon utilization of the examination voucher. The related revenues for the aforementioned are recognized as part of tuition and other school fees for owned schools and as part of other revenues for franchised schools.

Research and accreditation costs, which largely pertain to expenses incurred in relation to compliance with CHED's requirements for the maintenance of STI WNU's autonomous status, rose from ₱0.8 million to ₱1.7 million for the three-month periods ended September 30, 2025 and 2026, respectively, due to more stringent requirements for the current school year compared with the previous years.

School materials and supplies expense amounted to ₱7.5 million and ₱8.5 million for the three-month periods ended September 30, 2026 and 2025 reflecting lower purchases and utilization of student materials during the period.

The lease agreement of an STI ESG subsidiary ceased to qualify for the short-term lease accounting under PFRS 16, *Leases*, resulting in the recognition of a right-of-use asset and corresponding lease liability beginning fiscal year ending June 30, 2026. In relation to this, rent

expense, under the "Cost of educational services" section, decreased by ₱1.5 million from ₱7.7 million to ₱6.2 million for the three-month periods ended September 30, 2025 and 2026, respectively. Similarly, rent expense, under the "General and administrative" section decreased by ₱0.7 million from ₱3.2 million to ₱2.5 million for the three-month periods ended September 30, 2025 and 2026, respectively.

Infrastructure and software maintenance under the "Cost of educational services" section increased from ₱4.9 million to ₱5.3 million for the three-month periods ended September 30, 2025 and 2026, respectively. Similarly, "Infrastructure and software maintenance" account under the "General and administrative" section registered a 12% increase year-on-year. This increase is primarily attributable to the upgrade of the "Helpdesk" system of STI ESG to incorporate Artificial Intelligence features to improve its overall performance, security and reliability. Helpdesk is an application which supports and services STI ESG in the management, monitoring, and resolution of system-related inquiries and support requests. The cost of accounting software used by iACADEMY also increased due to higher software subscription fees and additional users for Cebu campus.

General and administrative expenses increased by ₱3.2 million from ₱429.4 million to ₱432.6 million for the three-month periods ended September 30, 2025 and 2026, respectively, largely attributed to increases in expenses related to depreciation, salaries and benefits, advertising and promotion costs, and professional fees. These increases were partially offset by a lower provision for ECL and insurance costs for the three-month period ended September 30, 2026.

The Group recognized a provision for ECL amounting to ₱32.1 million for the three-month period ended September 30, 2026, largely representing ECLs on outstanding receivables from students' tuition and other school fees as at September 30, 2026. This provision is lower by ₱12.5 million compared to the ₱44.6 million provision recognized for the three-month period ended September 30, 2025. 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. The lower provision for ECL is primarily due to changes in the SHS and JHS academic calendar of STI ESG and STI WNU. Receivables for SHS and JHS were recognized in June 2026, reflecting the earlier start of classes for these segments. Under PFRS 9, *Financial Instruments*, lifetime expected credit losses are recognized upon initial recognition of qualifying trade receivables under the simplified approach. Accordingly, the initial ECL provisions relating to SHS and JHS receivables recognized in June 2026 were recorded in the fiscal year ended June 30, 2026, contributing to the lower provision recognized in the quarter ended September 30, 2026. The related allowance for ECL remains subject to reassessment at each reporting date.

Professional fees increased by ₱2.6 million to ₱26.1 million for the three-month period ended September 30, 2026 from ₱23.5 million for the same period last year, primarily due to increased fees related to corporate and legal counsel services, particularly in connection with STI ESG's disposal of its shares in De Los Santos Medical Center, Inc. (DLSMC). Professional fees for the current period also include consultancy fees incurred by STI Training Academy, Inc. (STI Training Academy**)** for artificial intelligence, marketing, and TESDA-related services. In

addition, NAMEI Polytechnic Institute, Inc. (NAMEI) incurred higher fees for the annual inspection conducted by Det Norske Veritas Aksjeselskap Philippine Branch (DNV), and higher fees for the services of a Reserve Officers' Training Corps (ROTC) trainer. DNV is an independent certification and assurance organization which assesses and supports continued compliance with applicable management system standards and supports the maintenance of NAMEI's certification. ROTC is one of the components through which students may fulfill the NSTP graduation requirement. STI Training Academy and NAMEI are subsidiaries of STI ESG.

Advertising and promotions expenses increased to ₱12.9 million from ₱9.3 million for the three-month periods ended September 30, 2026 and 2025, respectively. The increase was primarily due to expansion of online ads placements to reach more of the Group's target market. The Group also engaged technical experts for SY 2026-2027 to streamline its digital ad productions and maximize the production timelines.

Transportation expenses increased by 8% from ₱6.4 million to ₱6.9 million for the three-month periods ended September 30, 2025 and 2026, respectively, due to rising fuel prices.

Insurance expense decreased by ₱1.6 million from ₱6.2 million to ₱4.6 million for the three-month periods ended September 30, 2025 and 2026, respectively, reflecting adjustments to the insured values.

Association dues amounted to ₱2.7 million from ₱2.1 million for the three-month periods ended September 30, 2026 and 2025, respectively, representing higher condominium dues paid by STI ESG for its investment properties.

Payment channels and other bank charges decreased from ₱2.6 million for the three-month period ended September 30, 2025 to ₱2.2 million for the three-month period ended September 30, 2026. The earlier start of the SHS and JHS academic year moved the collection of some payments to before July 1, 2026. The related convenience fees on these collections were accordingly recognized in the period in which the related tuition and other school fees were collected.

The Group generated an operating income of ₱539.6 million for the three-month period ended September 30, 2026, a decrease of ₱117.9 million from the ₱657.5 million operating income earned during the same period last year, primarily due to the lower enrollment levels.

Interest expenses decreased by ₱16.4 million from ₱56.9 million for the three-month period ended September 30, 2025 to ₱40.5 million for the same period this year. This reduction is primarily attributed to full payment of STI ESG's Chinabank's term lona in March 2026 and the Metrobank term loan in September 2026, as well as principal payments made by STI ESG on its term loan facility with BPI. Interest rates per annum, effective September 2025, for BPI, Chinabank, and Metrobank were at 7.0588%, 7.1577%, and 7.0517%, respectively. Interest rate of STI ESG's term loan facility with BPI has been repriced at 7.5344% per annum effective September 18, 2026.

Rental income amounted to ₱31.5 million for the three-month period ended September 30, 2026, posting a ₱31.4 million decrease from the ₱62.9 million rental income recognized for the three-

month period ended September 30, 2025, largely due to the termination of iACADEMY's subleasing arrangement on its leased building in Sen. Gil J. Puyat Ave. in Makati City.

Interest income decreased by ₱5.0 million from the previous year's ₱21.4 million to ₱16.4 million for the three-month period ended September 30, 2026, as STI ESG used its funds to prepay its outstanding term loan with Metrobank.

Gain on termination of lease amounting to ₱24.6 million was recognized by iACADEMY in the three-month period ended September 30, 2026 arising from the termination of its lease contract on a building located in Sen. Gil J. Puyat Avenue, Makati City (see discussion on lease liabilities in a preceding paragraph).

Equity in net losses of an associate and joint venture amounted to ₱0.1 million for the three-month period ended September 30, 2026 compared to ₱0.4 million equity share in net earnings of an associate and joint venture recognized for the same period last year, reflecting the net loss incurred by the Group's associates and joint venture.

Fair value losses on equity instruments at FVPL amounting to ₱1.6 million and ₱0.2 million were recognized for the three-month periods ended September 30, 2026 and 2025, respectively, representing adjustments in the market value of STI ESG's quoted equity shares.

The Group recognized net other expenses aggregating to ₱2.5 million for the three-month period ended September 30, 2026, largely attributed to the ₱2.5 million loss upon derecognition of iACADEMY's leasehold improvements, which was reported under "Property and equipment", in the previously leased building at Sen. Gil J. Puyat Ave., Makati City. For the three-month period ended September 30, 2025, the Group recorded net other income amounting to ₱0.7 million.

The Group reported provision for income tax amounting to ₱56.5 million and ₱69.9 million for the three-month periods ended September 30, 2026 and 2025, respectively.

Net income after tax of ₱514.1 million was recorded for the three-month period ended September 30, 2026, as against ₱619.1 million for the same period last year, a decrease of ₱105.0 million. Net income margin stood at 38%, from 43% for the same period of the previous year, resulting from the lower revenues recognized this quarter due to the enrollment trends, changes in academic calendar, and higher depreciation expense.

The Group recognized a remeasurement gain on pension liabilities amounting to ₱3.1 million and a remeasurement loss of ₱15.7 million, both net of income tax effect, for the three-month periods ended September 30, 2026 and 2025, 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 ₱0.3 million and negative ₱0.3 million for the three-month periods ended September 30, 2026 and 2025, respectively, due to the movements in the market price of quoted equity shares held by STI ESG.

Total comprehensive income of ₱517.5 million was generated for the three-month period ended September 30, 2026, compared to ₱603.1 million for the same period last year.

EBITDA is down by ₱129.7 million from ₱877.9 million to ₱748.2 million for the three-month periods ended September 30, 2025 and 2026, respectively. EBITDA margin for the three-month period ended September 30, 2026 is at 56% compared to 61% 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 ₱493.4 million for the three-month period ended September 30, 2026 compared to ₱618.9 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, 2026 and June 30, 2026, the Group's current assets amounted to ₱4,904.8 million and ₱4,254.8 million, respectively, while current liabilities amounted to ₱3,650.2 million and ₱2,945.7 million, respectively. Current liabilities include unearned tuition and other school fees amounting to ₱1,619.8 million and ₱601.5 million as at September 30, 2026 and June 30, 2026, 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.

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 audited 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 BPI prescribes 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. The Metrobank term loan had been fully settled as at September 30, 2026. Accordingly, the related financial covenant requirements for Metrobank were no longer applicable as at September 30, 2026. STI ESG is compliant with the DSCR requirement as at June 30, 2026, as defined in the respective 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 DSCRs, as defined in the loan agreement, as at June 30, 2026 and 2025, are 1.91:1.00 and 3.40:1.00, respectively. STI ESG's ICRs as defined in the bond trust agreement, as at June 30, 2026 and 2025, are 23.48:1.00 and 14.95:1.00, respectively. STI ESG is compliant with the financial covenants imposed under the loan and bond trust agreements.

Credit risk – Credit risk is the risk that the Group will incur a loss arising from students, franchisees or counterparties who fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk that the Group is willing to accept for each counterparty and by monitoring exposures 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, 2026, 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 or 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 2026-2027, the academic year for STI ESG and STI WNU began in late June 2026 and will end in May 2027 for SHS and JHS segments while classes for the tertiary segment began in early August 2026 and will end in June 2027 with the exception of classes in STI WNU's Graduate School which commenced in September 2026 will end in August 2027. For SY 2025-2026, the academic year for STI ESG and STI WNU began in late July 2025 and ended in June 2026. Classes for STI WNU's Graduate School commenced in September 2025 and ended in August 2026. 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 BOD of STI Holdings ratified the execution of a term sheet between STI Holdings, PSBA Manila, and 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"). Please refer to Note 30 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

   The term sheet and the implementation of the transaction are subject to several conditions including, among others, the execution of mutually acceptable definitive agreements, the fulfillment of the conditions precedent, the approval of the stockholders of PSBA, and regulatory approvals.

CERTIFICATION

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

1. I am the incumbent Corporate Secretary of **STI Education Systems Holdings, Inc.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City;

2. No changes or revisions have been made in the Information Statement, including other related documents, except for those arising from the findings or comments of the Securities and Exchange Commission - Markets and Securities Regulation Department upon its review of the Preliminary Information Statement.

3. The information set forth in the Information Statement, including other related documents, are true, complete, and correct.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 23rd day of November 2026 at Makati City.

ARSENIO C. CABRERA, JR.
Corporate Secretary

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

SUBSCRIBED AND SWORN to before me this 23rd day of November 2026 in Makati City, affiant exhibiting to me his Driver's License No. N04-91-174941 valid until 25 June 2034 issued at Land Transportation Office.

Doc. No. 191;
Page No. 40;
Book No. II;
Series of 2026.

RAINE B. RAVAL
Notary Public for Makati City
Appointment No. M-342
Until 31 December 2027
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 98746
Admitted to the Bar in 2026
PTR No. 10822870 / Makati / 10 March 2026
IBP No. 0002163 / Pasay Parañaque Las Piña
Muntinlupa / 27 February 2026

CERTIFICATION

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

1. I am the incumbent Corporate Secretary of **STI EDUCATION SYSTEMS HOLDINGS, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City;

2. The information set forth in the Information Statement ("SEC Form 20-IS") and other related documents are true, complete, and correct.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 23rd day of November 2026 at Makati City.

ARSENIO C. CABRERA, JR.
Corporate Secretary

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

SUBSCRIBED AND SWORN to before me this 23rd day of November 2026 in Makati City, affiant exhibiting to me his Driver's License No. N04-91-174941 valid until 25 June 2034 issued at Land Transportation Office.

Doc. No. 192;
Page No. 40;
Book No. II;
Series of 2026.

BUWIS
RENTAS INTERNAS
DST2025
13394151
30 PISO DOKUMENTARYO 30 PISO

RAINE B. RAVAL
Notary Public for Makati City
Appointment No. M-342
Until 31 December 2027
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 98746
Admitted to the Bar in 2026
PTR No. 10822870 / Makati / 10 March 2026
IBP No. 0002163 / Pasay Parañaque Las Piña
Muntinlupa / 27 February 2026