

INTERIM FINANCIAL STATEMENT (IFS) FOR THE QUARTER ENDED 31 MAR 2025

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	Horizontal Analysis		Vertical Analysis	
			Inc(Dec)	%age	March 31, 2025	December 31, 2024
<u>ASSETS</u>						
Current Assets						
Cash	₱ 23,866,207	₱ 12,985,567	₱ 10,880,640	84%	2%	1%
Trade and other receivables	127,079,084	141,332,095	(14,253,011)	-10%	11%	12%
Inventories	24,303,927	23,690,554	613,373	3%	2%	2%
Prepayments and other current assets	4,616,963	4,388,601	228,362	5%	0%	0%
Total Current Assets	179,866,181	182,396,817	(2,530,636)	-7208%	16%	16%
Non-current Assets						
Property and equipment - net	948,642,324	958,177,143	(9,534,819)	-1%	83%	83%
Intangible asset	583,333	653,333	(70,000)	-11%	0%	0%
Deferred tax asset	16,081,687	19,677,745	(3,596,058)	-18%	1%	2%
Total Non-Current Assets	965,307,344	978,508,221	(13,200,877)	-1%	84%	84%
TOTAL ASSETS	₱ 1,145,173,525	₱ 1,160,905,038	(15,731,513)	-1%	100%	100%
<u>LIABILITIES AND EQUITY</u>						
Current Liabilities						
Trade and other payables	₱ 103,722,347	₱ 122,303,833	(18,581,486)	-15%	9%	11%
Loans payable - current	62,500,000	62,500,000	-	0%	5%	5%
Income tax payable	2,377,989	1,312,110	1,065,879	81%	0%	0%
Other current liabilities	770,467	8,823,982	(8,053,515)	-91%	0%	1%
Advances from related parties	89,560,523	80,560,523	9,000,000	11%	8%	7%
Total Current Liabilities	258,931,326	275,500,448	(16,569,122)	-6%	23%	24%
Non-Current Liabilities						
Loans payable	484,375,000	500,000,000	(15,625,000)	-3%	42%	43%
Total Liabilities	743,306,326	775,500,448	(32,194,122)	-4%	65%	67%
Equity						
Share capital	220,100,000	219,980,000	120,000	0%	19%	19%
Share premium	226,789,000	224,434,000	2,355,000	1%	20%	19%
Accumulated deficits	(45,021,801)	(59,009,410)	13,987,609	-24%	-4%	-5%
Equity, net	401,867,199	385,404,590	16,462,609	4%	35%	33%
TOTAL LIABILITIES AND EQUITY	₱ 1,145,173,525	₱ 1,160,905,038	(15,731,513)	-1%	100%	100%

As of March 31, 2025, the Company's total assets of ₱ 1,145,173,525 slightly decrease by ₱15,731,513 from ₱1,160,905,038 balance as of December 31, 2024. This was primarily due to decrease in trade and receivables and depreciation of property and equipment and amortization of intangible asset.

The increased in Cash by ₱10,880,640 was primarily due to proceeds from issuance of shares and partly negated by cash used in operations and payment of loans.

The decrease in trade and other receivables by ₱14,253,011 was primarily due to Company's collection from PhilHealth, negated by increase in receivables from patients and reimbursements from HMO, DSWD and others.

The increase in inventories was primarily due to increase in purchases of medicines and supplies in relation to increase in revenue.

The increased in prepayments and other currents assets by ₱228,362 was primarily due to the increased in the value added tax on purchases of goods and services partly negated by lower prepaid supplies and application of prepaid income tax on income tax due.

Property and equipment decreased by 1% or ₱9,534,819 primarily due to depreciation for the three months ended March 31, 2025.

Intangible asset decreased by 11% or ₱70,000 primarily due to amortization for the three months ended March 31, 2025.

Deferred tax asset decreased by ₱3,596,058 due to the application of NOLCO by the Company for the first quarter of 2025 partly negated by recognition of DTA on MCIT and additional DTA on credit losses.

Total liabilities decreased by ₱32,194,122 primarily due to payment of loans payable and payment of payables. This is negated by the increase in advances from related parties.

Trade and other payables decreased by ₱18,581,486. This is primarily due lower purchases made to suppliers of goods and services and settlement of outstanding payables.

Other current liabilities decrease by ₱8,053,515 primarily due to payment of statutory payables during the quarter.

The Company has income tax payable of ₱2,377,989 for the three months ended March 31, 2025. Though the Company applied NOLCO, it is still subject to Minimum Corporate Income Tax.

Advances from related parties increased by ₱9,000,000 due to cash advances from shareholders for Company's working capital requirement in the first quarter of 2025.

The decrease in loans payable of ₱15,625,000 was primarily due to payment of principal.

The increased in equity was primarily due to the increase in share capital and share premium due to issuances of shares and due to net income recognized by the Company for the first quarter of 2025.

RESULTS OF OPERATIONS

The following table shows the consolidated financial highlights of the Company for the three months period ended March 31, 2025 and 2024:

	For the three months ended		Horizontal Analysis		Vertical Analysis	
	31-Mar-25	31-Mar-24	Inc (Dec)	%age	31-Mar-25	31-Mar-24
Revenues	₱ 120,847,487	₱ 84,549,491	₱ 36,297,996	43%	100%	100%
Cost of sales and services	(67,700,043)	(54,697,340)	13,002,703	24%	-56%	-65%
Other income	148,899	1,412,421	(1,263,522)	-89%	0%	2%
Operating expenses	(20,962,644)	(16,395,835)	4,566,809	28%	-17%	-19%
Finance costs	(13,684,153)	(8,833,935)	4,850,218	55%	-11%	-10%
Income expense	(4,661,937)	(1,545,464)	(3,116,473)	-202%	-4%	-2%
Net loss	₱ 13,987,609	₱ 4,489,338	₱ (9,498,271)	-212%	12%	5%

The revenue for the three months ended March 31, 2025 increased by 43% from the 2024, this was due to increase in hospital fees and sale of medicines due to the increase in the capacity bed of the hospital.

Cost of sales and services for the three months ended March 31, 2025 increased by 24% as compared with the March 31, 2024 figures. This is primarily due to increase in the majority of the expenses relative to the increase in revenue.

Other income for the three months period March 31, 2025 decreased by 89%. This was due to decrease in miscellaneous income during the first quarter.

The 28% increase in operating expenses for the three months ended March 31, 2025 compared with the three months ended March 31, 2024. This is primarily due to the significant increase in majority of the expenses relative to the increase in revenue.

Finance cost increased by 55% due to increase in loans balances as of March 31, 2025 and changes in interest rate since the rates are subject to quarterly repricing.

Increase in income tax expense by 202% due to increase of taxable income during the quarter.

The Company's operation resulted to a net income for the first quarter of 2025. This is primarily due to the increase in revenue earned in 2025.

Material Changes in Financial Condition

a. Cash increased by ₱10.880M
Primarily due to proceeds from issuance of shares and partly negated by cash used in operations and payment of loans.
b. Trade and other receivables decreased by ₱14.253M
Due to Company's collection from PhilHealth, negated by increase in receivables from patients and reimbursements from HMO, DSWD and others.
c. Inventories increased by ₱613,373
The increase in inventories was primarily due to increase in purchases of medicines and supplies in relation to increase in revenue.
d. Prepayments and other current assets increased by ₱228,362
Primarily due to the increased in the value added tax on purchases of goods and services partly negated by lower prepaid expenses and application prepaid income tax on income tax due.
e. Property and equipment decreased by ₱9.354M
Due to depreciation for the three months ended March 31, 2025.
f. Intangible asset decreased by ₱70,000
Due to amortization for the three months ended March 31, 2025.
g. Deferred tax asset decreased by ₱3.596M
Due to the application of NOLCO by the Company for the first quarter of 2025 partly negated by recognition of DTA on MCIT and additional DTA on credit losses.
h. Trade and other payables decreased by ₱18.581M
This is primarily due lower purchases made to suppliers of goods and services and settlement of outstanding payables.
i. Other current liabilities decreased by ₱8.053M
Primarily due to payment of statutory payables during the quarter.
j. Income tax payable increased by ₱2.377M
Though the Company applied NOLCO, it is still subject to Minimum Corporate Income Tax.
k. Loans payable decrease by ₱15.625M
The decrease in loans payable was primarily due to payment of principal.
l. Equity increased by ₱16.462M
Primarily due to the increase in share capital and share premium due to issuances of shares and due to net income recognized by the Company for the first quarter of 2025.

Material Changes in Operating Results

a. Revenue increased by 43% This was due to increase in hospital fees and sale of medicines due to the increase in the capacity bed of the hospital.
b. Cost of Sales and Services increased by 24% This is primarily due to increase in the majority of the expenses relative to the increase in revenue.
c. Operating Expenses increased by 28% This is primarily due to the significant increase in majority of the expenses relative to the increase in revenue.
d. Other income decreased by 89% This was due to lower miscellaneous income during the first quarter.
e. Finance cost increased by % Due to decrease in loans balances as of March 31, 2025 and changes in interest rate since the rates are subject to quarterly repricing.
f. Income tax expense increased by 55% Finance cost increased by 55% due to increase in loans balances as of March 31, 2025 and changes in interest rate since the rates are subject to quarterly repricing.
g. Net Income increased by 212% The Company's operation resulted to a net income for the first quarter of 2025. This is primarily due to the increase in revenue earned in 2025.

THE COMPANY'S KEY PERFORMANCE INDICATORS

	Mar 31, 2025	Mar 31, 2024
1. Liquidity		
a. Quick ratio - capacity to cover its short-term obligations using only its most liquid assets. [(cash + A/R) / current liabilities]	0.583:1	0.310:1
b. Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities)	0.695:1	0.537:1
2. Solvency		
a. Debt to equity ratio - indicator of which group has the greater representation in the assets of the Company. (total liabilities / equity)	1.85:1	1.819:1
3. Profitability		
a. Net profit margin - ability to generate surplus for stockholder (net income / sales)	0.116:1	0.053:1
b. Return on equity - ability to generate returns on investment of stockholders. (net income / average equity)	0.036:1	0.012:1
4. Leverage		
b. Debt to total asset ratio - the proportion of total assets financed by creditors. (total debt / total assets)	0.649:1	0.645:1
c. Asset to equity ratio - indicator of the overall financial stability of the Company. (total assets / equity)	2.85:1	2.819:1
2. Interest Rate Coverage Ratio		
a. Interest rate coverage ratio - measure of the company's ability to	2.363:1	1.683:1

<p>meet its interest payments (earnings before interest and taxes / interest expense)</p> <p>Remarks: The Company was able to meet its interest payments. The negative result was due to loss from operations.</p>		
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DISCUSSION AND ANALYSIS OF MATERIAL EVENTS AND UNCERTAINTIES

There were no material events that would trigger direct or indirect contingent financial obligation that would materially affect the company's operation, including any default or acceleration of obligation.

The Company did not enter into any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons during the period.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There were no capital expenditures for the period.

There were no significant elements of income or loss that did not arise from the Company's continuing operations.

There were no seasonal aspects that had any material effect on the financial condition or results of operations of the Company.

The Company is not a party to any lawsuit or claims arising from the ordinary course of business