



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** 0000004409

**Company Name:** 2GO GROUP, INC. Doing business under the names and styles of "2GO Travel", "2GO Freight", "2GO Suply Chain", "2GO Distribution", "ATS", "2GO", "2GO Together", "Superferry", "Superferry Travel and Leisure" and "Cebu Ferries"

**Industry Classification:** I61000

**Company Type:** Stock Corporation

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## PART I – BUSINESS AND GENERAL INFORMATION

### Item 1. Business

2GO GROUP, INC.

#### **Business Development**

2GO Group, Inc. (**2GO** or the **Company**) was incorporated in the Philippines on May 26, 1949. Pursuant to the Revised Corporation Code of the Philippines, 2GO shall have a perpetual corporate life. The Company's registered office address is 14<sup>th</sup> Floor, 15<sup>th</sup> Floor, and Roof Deck, South Tower, Four E-Com Center, Bayshore Ave., Mall of Asia (MOA) Complex, Barangay 076, Pasay City 1300. 2GO's shares of stock were publicly traded on the Philippine Stock Exchange (**PSE**) until 17 July 2023, the effective date of its voluntary delisting from the PSE Main Board.

As stated in a disclosure dated June 3, 2021, SM Investments Corporation (**SMIC**) completed its acquisition from KGLI-NM Holdings, Inc. (**KGLI-NM**) of 550,558,388 common shares representing 22.36% of the 2GO Group, Inc. (**2GO**) via a special block sale through the facilities of the PSE, resulting in the increase of SMIC's current shareholding from around 30.53% to approximately 52.85% of 2GO. Following this transaction, 2GO is now a subsidiary of SMIC. The transaction was completed on the same date of the disclosure.

On the same date, Trident Investments Holdings Pte. Ltd. (**Trident**) purchased 230,563,877 common shares in 2GO from KGLI-NM and 550,558,388 common shares from China-ASEAN Marine B.V., or a total of 781,122,265 common shares representing approximately 31.73% of 2GO. The sale transactions were transacted via special block sales through the Philippine Stock Exchange, Inc. The sale transaction was transacted via special block sale through the Philippine Stock Exchange and paid in cash.

Trident is an entity directly controlled and majority owned by Archipelago Asia Focus Fund II Pte Ltd, a company incorporated under the laws of the Republic of Singapore and is indirectly controlled by Archipelago Capital Partners Pte. Ltd. (**Archipelago**). Archipelago is a Singapore-based private equity firm that is licensed by the Monetary Authority of Singapore and invests across Southeast Asia.

#### **SMIC Tender Offer**

On February 28, 2023, the Board of Directors of SMIC approved its conduct of a tender offer for up to 378,817,279 common shares constituting 15.39% of the issued and outstanding common capital stock of 2GO, subject to an independent third party fairness opinion. On the same date, the 2GO Board approved the voluntary delisting of 2GO shares from the Main Board of PSE, subject to the successful completion of the intended tender offer by SMIC, compliance with other requirements of the PSE for voluntary delisting, and applicable regulations of the Securities and Exchange Commission.

On 10 March 2023, 2GO received the Tender Offer Report from SMIC containing the following details of the tender offer:

- a. Tender Offer Shares - up to 378,817,279 2GO common shares;
- b. Tender Offer Price – Php14.64 per common share;
- c. Tender Offer Period – March 15 to April 28, 2023; and
- d. Payment and Settlement Date – May 10, 2023.

During the tender offer period, a total of 352,690,680 common shares or approximately 14.32% of the total issued and outstanding common shares of 2GO were tendered and accepted by SMIC. The accepted Tender Offer Shares were crossed through the PSE on 5 May 2023 (**Cross Date**). The tendered shares were purchased by SMIC at the Tender Offer Price, or for a total consideration of Five Billion One Hundred Sixty-Three Million Three Hundred Ninety-One Thousand, Five Hundred Fifty-Five and 20/100 Pesos (Php5,163,391,555.20). The sale and purchase of the tendered shares were settled no later than 10 May 2023.

As a result, SMIC and Trident Investments Holdings Pte. Ltd. (**Trident**) now own over 95% of the outstanding common stock of 2GO. In particular, SMIC and Trident own a total of 2,435,983,917 common shares or 98.94% of the total outstanding common stock of 2GO, with SMIC owning 1,654,861,652 common shares or 67.21% of the total outstanding common stock of 2GO and Trident owning 781,122,265 common shares or 31.73% of the total outstanding common stock of 2GO. Publicly held shares is now at 1.06% of the total outstanding capital stock of 2GO.

Following the successful tender offer, The Philippine Stock Exchange, Inc. approved the Petition for Voluntary Delisting of 2GO, effective 17 July 2023.

### **Product Lines and Markets**

2GO and its subsidiaries (collectively referred to as the Group) provide shipping, logistics and distribution services to small and medium enterprises, large corporations, and government agencies throughout the Philippines. The shipping group operates interisland roll-on/roll-off freight and passenger vessels. The logistics group offers transportation, warehousing and distribution, cold chain solutions, domestic and international ocean and air forwarding services, customs brokerage, project logistics, and express and last mile package and e-commerce delivery. The distribution group leverages 2GO's shipping and logistics services to provide value-added distribution services to principals and customers.

The Group's various businesses are known in the market by its strong flagship brand "2GO". The Group is composed of three core business units:

1. **Sea Solutions** — known as 2GO Freight and 2GO Travel, the Sea Solutions business unit owns and operates a fleet of roll-on/roll-off freight and passenger (**ROPAX**) vessels which offer fast and reliable services and the widest choice of routes linking Luzon, Visayas, and Mindanao, through land and sea multimodal transport linkages.
2. **Logistics** — operates under the brands 2GO Express, 2GO Logistics, Special Container and Value-added Services, and Kerry Logistics. This business unit offers transportation, warehousing, cold chain solutions, auto rolling cargo shipping, containerized shipping, break bulk & LCL consolidation, ISO tank shipments, domestic and international ocean and air forwarding services, customs brokerage, project logistics, and express and last mile package and e-commerce delivery.
3. **Distribution** — known as Scanasia, this business unit leverages on more than 100 years of expertise in Logistics, Distribution, Warehousing, and Inventory Management.

### **Sea Solutions**

2GO Freight provides door-to-door and pier-to-pier transportation of raw materials and finished goods on full container load (**FCL**), less container load (**LCL**) or loose cargo shipments. Sea shipments are fulfilled via its fleet of large and medium ROPAX vessels, which are differentiated from freighter vessels as they offer speed and reliability of schedule.

2GO Travel provides comfortable and secure sea transportation between major ports nationwide. It offers a wide selection of hotel and accommodation services, as well as tours and events, on top of traditional passenger transport. Beyond routine point-to-point transport, 2GO Travel provides a leisurely and low-cost travel experience. The Company's ability to guarantee convenience and affordability underpins its positioning as the preferred means of travel around the islands.

### **Significant Subsidiaries of 2GO Group, Inc.**

#### **1. 2GO Express, Inc.**

2GO Express provides land, air, and sea transportation including courier services, general cargo, sea cargo services, and last mile delivery for e-commerce. 2GO Express operates a nationwide network of retail outlets and partner agents. In partnership with leading international courier companies, 2GO Express also provides international express document, parcel, and cargo delivery services as the local partner of FedEx.

2GO Retail brings 2GO's end-to-end solutions closer to its customers by offering services of domestic parcel delivery, FedEx international services, and sale of 2GO Travel tickets. The Retail group constantly develops services to cater to the rapidly evolving needs of the retail consumer market.

Subsidiaries of 2GO Express, Inc.

### **2GO Logistics, Inc.**

2GO Logistics provides transportation and warehousing solutions to principals throughout the Philippines, including inventory management, trucking, crossdocking, and domestic freight. 2GO Logistics leverages the Group's collective capability to serve customers nationwide given its expansive physical infrastructure of warehouses, trucks, and vessels. Through investment in modern enabling technology and process improvement, 2GO Logistics aims to provide services at the standard of international third-party logistics providers.

### **ScanAsia Overseas Inc. (SOI)**

SOI is the Distribution business unit of 2GO. It completes the end-to-end proposition of 2GO by making products of principals available at store shelves of various retail customers nationwide. SOI traces its roots to specialist distribution services for the Dairy category by representing leading brands in various Modern Trade and Food Service outlets. SOI has expanded its distribution footprint to the FMCG category and the Pharma-Convenience store channel.

On 16 December 2025, the Securities and Exchange Commission (**SEC**) approved the Articles and Plan of Merger executed on 01 December 2025 by and between SOI as surviving corporation and Special Container and Value-Added Services, Inc. (**SCVASI**) as the absorbed corporation, whereby the entire assets and liabilities of SCVASI are transferred to and absorbed by SOI.

### **Kerry Logistics (Phils.), Inc. (KLPI)**

KLPI is a joint venture between 2GO and Kerry Logistics Network Limited of Hong Kong. KLPI has strategically located branches and warehouses in Manila, Luzon, Visayas and Mindanao offering diverse services, including international and domestic air and sea freight forwarding, cargo consolidation, warehousing and domestic distribution, dangerous goods handling, customs brokerage, building logistics and exhibition logistics.

### **2GO Land Transport, Inc.**

2GO Land Transport, Inc. provides transportation, hauling or forwarding of cargo, freight, merchandise, goods, and other articles within the lawful commerce of man by means of trucks, automobiles, and both container and closed vans.

## **2. Special Container and Value Added Services, Inc. (SCVASI)**

SCVASI provides innovative and strategic transportation solutions in the cold chain and liquid transportation sector, including temperature-controlled vans and trucks (Reefer Containers for FCL and LCL), hauling service for bulk liquids (domestic and international ISO tank and Flexibags). SCVASI is also engaged in project logistics, serving both private and public sectors in industries including infrastructure, power, telecommunications, mining, and property.

On 16 December 2025, the SEC approved the Articles and Plan of Merger executed on 01 December 2025 by and between SOI as surviving corporation and SCVASI as the absorbed corporation, whereby the entire assets and liabilities of SCVASI are transferred to and absorbed by SOI.

### **Competition**

The Group considers the following as its major competitors in the domestic shipping industry: Philippine Span Asia Container Corp, Oceanic Container Lines and National Marine Corporation, Lorenzo Shipping, Solid Shipping Lines and Moreta Shipping. The Group also considers the airline industry and the Ro-Ro Nautical Highway as its indirect competitors, particularly in the travel business. Travel and freight rates are generally determined by the Philippine Liner Shipping Association (**PLSA**), the association of shipping operators, where 2GO is also a member.

Major competitors in the logistics business include domestic courier and freight forwarding companies such as LBC Express, JRS Express, and Air 21. In warehousing and trucking, the group competes with both domestic and

multinational logistics companies. In last-mile delivery, there is also added competition from regional startups such as Ninja Van and J&T Express.

### **Customers**

For freight, logistics, and distribution, 2GO caters to a broad customer base with particular strengths in the FMCG, Automotive, Industrial, Pharmaceutical and Lifestyle verticals. 2GO provides a wide range of transportation solutions including air, sea, and land, both ambient and temperature-controlled. 2GO also provides specialized warehousing and management solutions for these segments. For travel, 2GO caters to both commuters and leisure travelers, providing safe, reliable, and affordable passage nationwide.

### **Purchases of Materials, Parts and Supplies**

Fuel and vessel spare parts are the major supplies and materials needed for operations. Materials, parts and supplies are obtained mostly from local suppliers at competitive rates. The Group does not expect any shortage in any of these supplies and does not depend upon one or limited number of suppliers for said supplies.

### **Patents, Trademarks, Copyrights, Licenses, Franchises**

#### **Trademarks**

2GO is the registered owner of the following marks for a period of ten (10) years from date of registration:

<b>Mark</b>	<b>Registration No.</b>	<b>Class</b>	<b>Registration Date</b>	<b>Expiration Date</b>
2GO	4-2004-009621	39	16 October 2016	16 October 2026
2GO	4-2017-020352	39, 43	24 May 2018	24 May 2028
2GO	4-2018-004451	14, 16, 18, 20, 25, 29, 35	26 July 2018	26 July 2028
2GO	4-2019-002430	9, 14, 16, 18, 20, 24, 25, 26, 29, 35, 39, 41, 43	25 April 2019	25 April 2029
2GO	4-2019-002427	9, 14, 16, 18, 20, 24, 25, 26, 29, 35, 39, 41, 43	25 April 2019	25 April 2029
Super Ferry	4-2017-020356	39	05 April 2018	05 April 2028
Cebu Ferries	4-2017-020355	39	18 July 2019	18 July 2029
2GO Freight	4-2017-020354	39	05 April 2018	05 April 2028
2GO Rush	4-2017-020353	35, 39	24 May 2018	24 May 2028
2GO Travel	4-2017-020351	39	24 May 2018	24 May 2028
2GO Travel	4-2018-011795	41	04 October 2018	04 October 2028
2GO Express	4-2017-020349	39	12 July 2018	12 July 2028
2GO Logistics	4-2017-020448	39	05 April 2018	05 April 2028
2GO Gear	4-2018-004438	18, 21, 24, 25	08 May 2018	08 May 2028
2GO The Distance	4-2018-004436	25, 39, 43	08 May 2018	08 May 2028
2GO The Distance	4-2018-004435	25, 39, 42	08 May 2018	08 May 2028
2GO Express We Deliver What Matters When It Matters	4-2018-004446	39	28 October 2018	28 October 2028
2GO Express We Deliver What Matters When It Matters	4-2018-004439	39	28 February 2019	28 February 2029
2GO Group	4-2018-004434	25, 39, 43	28 February 2019	28 February 2029
Scanasia Overseas, Inc.	4-2018-004432	16, 25, 29, 35, 39	27 Jun 2019	27 June 2029
Scanasia Overseas, Inc.	4-2018-004449	16, 25, 29, 35, 39	02 August 2018	02 August 2028

2GO Special Container and Value Added Services, Inc.	4-2018-004431	16, 25, 29, 35, 39	26 July 2018	26 July 2028
2GO Special Containers	4-2018-004437	25, 39, 43	05 August 2018	05 August 2028
2GO Special Containers	4-2021-515087	16, 25, 29, 35	14 November 2021	14 November 2031
#Ready2GO	4-2018-007510	16, 35	14 March 2019	14 March 2029
#2GOTripOfYourLife	4-2018-007509	16, 35	14 March 2019	14 March 2029
Ship	4-2018-011792	41	07 October 2018	07 October 2028
Marex	4-2018-011791	41	28 October 2018	28 October 2028
2GOKada	4-2023-513687	35	10 August 2023	10 August 2033
Sailebration	4-2023-513683	35, 39, 43	02 September 2023	02 September 2033
Sama Sama Tayo Sa 2GO	4-2023-513682	25, 35	20 December 2023	20 December 2033
Sama Sama Tayo Sa 2GO	4-2023-513681	35	02 September 2023	02 September 2033

### **Franchises and Licenses**

2GO's vessels are duly registered with the Maritime Industry Authority (**MARINA**) and subjected to regular survey and ISM audit to ascertain its adherence to vessel and manning safety standards. The Company is a holder of several Certificates of Public Convenience (**CPC**) and Special Permits (**SP**) issued by MARINA to service domestic ports of call.

2GO's trucks and other delivery vehicles have the requisite franchises and permits from the Land Transportation & Franchising Regulatory Board (**LTFRB**) and other relevant regulatory bodies.

### **Related Party Transactions**

Related party transactions with both customers and suppliers are discussed in the Notes to the 2025 Consolidated Financial Statements.

### **Employees**

2GO has a complement of 1,842 employees as of December 31, 2025. Out of the 1,842 employees, 1,085 are in Operations, 150 are in Sales, 150 are in Sales Support, and 457 are in Support Group.

The Company has a Labor Management Council (LMC) that is a member of the Philippine Association of Labor Management Council, wherein the labor and the management cooperate as partners in ensuring a climate of harmony and industrial peace in the workplace and in achieving sustainable economic growth for their mutual welfare and benefit.

The LMC representatives are social partners of 2GO sharing a common interest in the success and growth of the enterprise and the economy. They are active contributors to corporate social responsibility – initiatives, joint-problem solving and consultation in matters involving employee welfare.

2GO's LMC holds a regular yearly convention to bring all chairmen and representatives to a forum with the principals and officers of the Company. The convention seeks to promulgate resolutions most of which are economic demands from the Labor sector and management; address all other concerns and issues; amend the charter; and to hold elections for the officers of the national LMC.

The establishment of the LMC on September 23, 1986, has given rise to more benefits and privileges to the employees. This includes among others, medical allowances, group hospitalization plan, educational assistance for qualified dependents, mortuary assistance and privilege pass for employees and their immediate family members.

In response to the COVID-19 pandemic in 2020 and 2021, the benefits program for employees included enhanced safety awareness and protocols, provision of personal protective equipment, mental wellness programs, COVID- testing and planned vaccination.

## **Government Regulations**

MARINA Memorandum Circular No. 79

The MARINA through its Memorandum Circular No. 79 requires all owners/operators of inter-island vessels engaged in Public Transport Service to secure a certificate of accreditation of domestic shipping enterprise / entities from the Authority before they can provide a water transport service.

The Circular is intended to foster standards for domestic shipping operations in order to protect public interest and to generate vital information that will enable MARINA to effectively supervise, regulate and rationalize the organizational movement, ownership and operation of all inter-island water transport utilities, and consequently, to prevent the proliferation of incompetent, inefficient, unreliable and fly-by-night operators.

The accreditation serves as a prerequisite to the granting of franchises for individual vessel operations. 2GO vessels have been issued Certificates of Public Convenience to operate in specified routes.

The Domestic Shipping Development Act of 2004 (Republic Act No. 9295)

The Domestic Shipping Development Act allows only domestic ship owners or operators to obtain franchises for carriage of cargo and/or passengers in domestic trade. On the other hand, it disallows foreign vessels to transport passengers or cargo between ports or place within the Philippine territorial waters except upon grant of a special permit by the MARINA upon certain conditions. This is in line with the law's objective to attain the State's policies of promoting Filipino ownership of vessels operated under the Philippine flag, attracting private capital to invest in the shipping industry by creating a healthy and competitive investment and operating environment, and ensuring the continued viability of domestic shipping operations, among others. The law also deregulated the domestic shipping industry by authorizing the domestic ship operators to establish their own domestic shipping rates.

In particular, RA 9295 prohibits and penalizes a domestic ship operator who, among others, shall operate without a valid certificate of public convenience; refuse to accept or carry any passenger or cargo without just cause; fail to maintain its vessels in safe and serviceable condition or violate safety rules and regulations; fail to obtain or maintain adequate insurance coverage; and/or fail to meet or maintain safe manning requirements.

## **Research and Development Activities**

As a service company, 2GO continuously innovates its products and services to meet the changing needs of our customers. This is consistent with the Group's strategy to focus its efforts on developing and maintaining its existing value-added businesses where it believes much of its future will lie.

## **Major Risks Involved in the Business of 2GO and its Subsidiaries**

With safety being the Group's priority, a safety management system was developed to tie in all these requirements and create a comprehensive system that is dynamic and auditable. The system, developed in 1999 with the assistance of the Det Norske Veritas (**DNV**), was patterned after the IMO's International Safety Management (ISM) Code. The Group's vessels and relevant shore-based offices are subjected to audits by the MARINA and are certified as compliant to the ISM Code.

Vessel officers and crew demonstrate commitment to safety through strict conduct of emergency drills and exercises, among several other activities. Various drills are conducted regularly in port and at sea. The drills include fire, collision, steering casualty, oil spill, man overboard, and abandon ship. The drills prepare them for the unlikely event of an emergency. Ship-shore drills are also performed to enhance the skills of shore-based crisis management committees in responding to emergency situations involving vessels.

Drydocking for each vessel in the fleet is conducted to ensure that the vessels' hull, machinery and critical equipment meet the requirements of the MARINA and classification societies in terms of seaworthiness. The vessels are classed with various classification societies.

In addition, the whole fleet is compliant to the National Security Programme for Sea Transport and Maritime Infrastructure (**NSPSTMI**), an International Ship and Port Security Code (**ISPS**) certification administered by the Office for Transport Security.

## **Item 2. Properties**

### **2GO Group, Inc.**

#### **Vessels**

As of December 31, 2025, 2GO and its subsidiaries own and operate a fleet of ten (10) operating vessels, consisting of nine (9) RoRo/Pax vessels and one (1) freighter. 2GO's operating vessel fleet has a combined Gross Registered Tonnage of approximately 159,295, total annual passenger capacity of approximately two million passengers and aggregate annual cargo capacity of approximately three hundred thousand twenty-foot equivalent units (**TEUs**).

Currently, 2GO operates seven (7) large RoRo/Pax vessels calling on Manila as their homeport. These vessels sail from Luzon to Visayas and Mindanao, including Palawan. Further, 2GO operates two (2) medium-sized vessels with Batangas as their homeport, plying on the Batangas-Odiongan-Caticlan and the Batangas-Caticlan-Roxas routes. 2GO also operates one (1) purely-cargo vessel, with Manila as its homeport, to complement its freight business.

#### **Container Yard and Warehousing Facilities**

The Company has one of the most extensive networks of container yards and warehousing facilities nationwide.

The Company's warehouse network consists of warehouses in Bacolod, Butuan, Cagayan de Oro, Cebu, Davao, Dumaguete, General Santos, Iligan, Iloilo, Ozamis, Palawan, Zamboanga and the Greater Manila Area. Warehouses are either owned or leased by the Company.

Most of the Company's container yards have been cemented, whether in whole or in part, to achieve greater efficiency in terminal operations, allow for shorter turnaround time in port, greater utilization in stacking of containers and lower repair and maintenance costs for the operating equipment used at the container yards.

#### **Land and Buildings**

2GO owns several pieces of land and a number of buildings and warehouses. These are used in the normal course of business.

#### **Containers, Cargo Handling Equipment and Transportation Equipment**

2GO owns and leases a variety of containers and other equipment of various types and sizes for use in its cargo operations including forklift, top loaders, yard tractors and trailers or chassis, and delivery vehicles of various sizes.

#### **Liens and Encumbrances**

Detailed discussion as regards the mortgage, liens and encumbrance over the properties of the Registrant are disclosed under the Notes of the 2025 Consolidated Financial Statements.

## **Item 3. Legal Proceedings**

There are certain legal cases filed against 2GO Group, Inc. and its subsidiaries in the normal course of business. Management and its legal counsel believe that they have substantial legal and factual bases for their position and are of the opinion that losses arising from these cases, if any, will not have a material adverse impact on the consolidated financial statements.

## **Item 4. Submission of Matters to a Vote of Security Holders**

During the Annual Stockholders' Meeting of 2GO held on 21 July 2025, shareholders of 2GO approved and ratified the amendment of the Seventh Article of the Articles of Incorporation to decrease the authorized capital stock and increase

the par value of common share from One Peso (Php 1.00) to One Thousand Pesos (Php 1,000.00), changing the authorizing capital stock from Four Billion Seventy-Four Million Nine Hundred Eight Thousand Philippine Pesos (Php4,074,908,000.00), divided into: (a) Four Billion Seventy Million Three Hundred Forty-Three Thousand Six Hundred Seventy (4,070,343,670) common shares and, (b) Four Million Five Hundred Sixty-Four Thousand Three Hundred Thirty (4,564,330) redeemable preferred shares, each with a par value of One Peso (Php 1.00) per share, to Four Billion Seventy Million Three Hundred Forty Thousand Philippine Pesos (Php 4,070,340,000.00) divided into Four Million Seventy Thousand Three Hundred Forty (4,070,340) common shares, with par value of One Thousand Pesos (Php 1,000.00) per share. The Board approved the foregoing matters during their meeting held on 26 June 2025. As of 31 December 2025, the application was still pending with the SEC.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matter

#### A. Market Information

There is no principal market where 2GO's shares are being traded.

#### B. Stockholders

The number of common shareholders of record as of December 31, 2025 is 5,369. The Top 20 common stockholders as of December 31, 2025 are as follows:

	Name	No. of Shares	Percentage
1	SM INVESTMENTS CORPORATION	1,654,861,652	66.177
2	PCD NOMINEE CORPORATION (FOREIGN)	781,169,866	31.239
3	WILLIAM GOTHONG & ABOITIZ INC	38,516,500	1.540
4	ABACUS SECURITIES CORPORATION	1,535,262	0.061
5	CONSTANTINE TANCHAN	1,262,500	0.050
6	SANTIAGO TANCHAN III	1,262,500	0.050
7	PHILIPS MULTIEMPLOYER RETIREMENT PLAN	631,250	0.025
8	RAMON RIVERO	600,000	0.024
9	DOLL AGRICULTURAL CORPORATION	519,999	0.021
10	PCD NOMINEE CORPORATION (FILIPINO)	453,673	0.018
11	AMA RURAL BANK OF MANDALUYONG, INC.	441,875	0.018
12	SUMMIT SECURITIES, INC.	440,963	0.018
13	ELIZABETH CHIU	378,750	0.015
14	JULIO & FLORENTINA LEDESMA FOUNDATION, INC.	338,500	0.014
15	RAMON R. RIVERO	320,000	0.013
16	LILIAN S. LIM	315,625	0.013
17	BDO SECURITIES CORPORATION FAO VARIOUS LOCAL INDIVIDUAL CLIENTS	286,556	0.011
18	DANIEL L. LACSON, JR.	269,708	0.011
19	BONIFACIO O. DOROY	222,960	0.009
20	CONCHITA LEDESMA	201,840	0.008

As of December 31, 2025, the total number of shares owned by the public is equivalent to 26,161,699 shares or equivalent to 1.06%.

### **C. Dividends Declaration**

There were no dividends declared during the years 2012 to date.

Per Article VI, Section 3 of the By-laws, "dividends payable out of the surplus profits of 2GO shall be declared at such time and in such manner and in such amounts as the Board of Directors shall determine; Provided that, stock dividends shall be subject to the approval of the stockholders in a meeting called for the purpose."

## PART III FINANCIAL INFORMATION

### Item 6. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The Financial information for the years ended December 31, 2025 and 2024 are as follows.

#### Results of Operations for the Years Ended December 31, 2025 and 2024

Amounts in millions	Dec 31, 2025	Dec 31, 2024	% Change
<b>Revenue</b>	<b>₱ 18,936.8</b>	<b>₱ 17,921.0</b>	<b>6%</b>
Costs of Services	15,831.7	15,531.2	(2%)
<b>Gross Profit</b>	<b>3,105.1</b>	<b>2,389.8</b>	<b>30%</b>
General and Administrative Expenses	1,375.1	1,220.4	(13%)
<b>Operating Income</b>	<b>1,730.0</b>	<b>1,169.4</b>	<b>48%</b>
Other Charges	599.5	258.2	(132%)
Provision for Income Tax	77.5	81.7	5%
<b>Net Income (Loss) from Continuing Operations</b>	<b>₱ 1,053.0</b>	<b>₱ 829.5</b>	<b>27%</b>
Net Income (Loss) from Discontinued Operations	(2.3)	(6.7)	65%
<b>Net Income (Loss)</b>	<b>₱ 1,050.7</b>	<b>₱ 822.8</b>	<b>28%</b>
<u>Add back:</u>			
Financing Charges (Interest)	476.3	554.3	14%
Provision for Income Tax	77.5	81.7	5%
Depreciation and Amortization	1,287.9	1,392.3	7%
<b>EBITDA</b>	<b>₱ 2,892.4</b>	<b>₱ 2,851.1</b>	<b>1%</b>

2GO Group, Inc. and subsidiaries (2GO or Group) delivered Net Income of ₱1.05B in 2025, 28% higher from the previous year. Revenue grew 6% year-over-year (YoY) while Operating Income increased 48% due to cost efficiencies.

Total revenue increased 6% to ₱18.9B from ₱17.9B YoY. Shipping revenue, comprised of sea freight and passenger travel, increased 3%. Sea freight increased 3% or ₱219M, while Passenger travel increased 3% or ₱86M. Logistics and other services revenue increased 9% or ₱711M. Shipping accounted for 55% and non-shipping 45% of total revenue compared to 57% and 43% respectively during 2024.

Cost of services and goods sold increased 2%. General and administrative expenses increased 13%.

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Other charges increased 132% to ₱600M in 2025 compared to ₱258M in 2024. Finance charges decreased ₱72M or 14%, while equity in net income of associates and other income decreased ₱413M or 143%.

2GO delivered EBITDA of ₱2.89B at 15.3% margin in 2025, decreased 0.6% from ₱2.85B at 15.9% margin in 2024.

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

Amounts in millions	As of		% Change
	Dec 31, 2025	Dec 31, 2024	
Current Assets	₱ 6,396.7	₱ 5,464.3	17%
Noncurrent Assets	10,231.8	10,239.2	(0%)
<b>Total Assets</b>	<b>₱ 16,628.5</b>	<b>₱ 15,703.5</b>	<b>6%</b>
Current Liabilities	₱ 8,809.1	₱ 8,155.4	8%
Noncurrent Liabilities	4,038.5	4,802.1	(16%)
<b>Total Liabilities</b>	<b>₱ 12,847.6</b>	<b>₱ 12,957.5</b>	<b>(1%)</b>
Total Equity	3,780.8	2,746.0	38%
<b>Total Liabilities and Equity</b>	<b>₱ 16,628.4</b>	<b>₱ 15,703.5</b>	<b>6%</b>

Total Assets increased 6% from ₱15.7B to ₱16.6B, while Total Liabilities decreased 1% from ₱13.0B to ₱12.8B.

### Assets

Current Assets increased 17% from ₱5.5B to ₱6.4B. Cash and Cash Equivalents decreased 9% from ₱622M to ₱567M. Trade and Other Receivables, net of Allowance for Doubtful Accounts, increased 36% from ₱2.7B to ₱3.7B.

Noncurrent Assets were flat at ₱10.2B.

### Liabilities

Current Liabilities increased 8% from ₱8.2B to ₱8.8B. Short-term Notes Payable decreased 10% from ₱2.5B to ₱2.3B.

Noncurrent Liabilities decreased 16% from ₱4.8B to ₱4.0B.

### Equity

Total Equity increased 38% from ₱2.7B to ₱3.8B as 2GO delivered Net Income of ₱1.05B in 2025.

## Key Variable and Other Qualitative and Quantitative Factors.

- (i) Any known trends, events or uncertainties (material impact on liquidity)

Except as disclosed in the management discussion or notes to the consolidated financial statements, there are no known trends, events, or uncertainties that are expected to have a material impact on the Company's liquidity

- (ii) Events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

Except as disclosed in the management discussion or notes to the consolidated financial statements, there are no other known events that will trigger direct or contingent financial obligation that is material to 2GO, including any default or acceleration of an obligation.

- (iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons during the reporting period.

Except as disclosed in the management discussion or notes to the consolidated financial statements, there is no material off-balance sheet transaction, arrangement, obligation, and other relationships of 2GO with unconsolidated entities or other persons incurred during the reporting period.

- (iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.

Capital expenditures are part of the Company's normal course of business. These are funded through cash generated from operations or additional borrowings.

(v) Any known trends, events or Uncertainties (Material Impact on Sales)

Except as disclosed in the management discussion or notes to the consolidated financial statements, there are no known trends, events, or uncertainties that are expected to affect the Group's sales.

(vi) Any Significant Elements of Income or Loss (from continuing operations)

All significant elements of income or loss from continuing operations are discussed in the management discussion and notes to the consolidated financial statements. Likewise, any significant elements of income or loss that did not arise from continuing operations are disclosed either in the management discussion or notes to the consolidated financial statements.

(vii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)

All causes for Any Material Changes from Period to Period of the FS are discussed Part III – Results of Operations above and in the management discussion and notes to the consolidated financial statements.

(viii) Seasonal Aspects that has Material effect on the FS.

Except as disclosed in the management discussion or notes to the consolidated financial statements, there are no known seasonal aspects that are expected to affect the Group's continuing operations.

### Key Performance Indicators

The following are the key financial ratios of the Group for the years ended December 31, 2025 and 2024:

	Dec 31, 2025	Dec 31, 2024
Revenue Growth	5.7%	12.3%
Net Income Margin	5.5%	4.6%
EBITDA (in Millions of Pesos)	₱ 2,892.4	₱ 2,851.1
EBITDA Margin	15.3%	15.9%
	<u>As of</u>	
	Dec 31, 2025	Dec 31, 2024
Current Ratio	0.7	0.7
Bank Debt to Total Equity Ratio	1.5	2.2
Total Liabilities to Total Equity	3.4	4.7

Net Income Margin improved to 5.5% in 2025 vs. 4.6% in 2024. EBITDA up 1% or ₱41M to ₱2.89B with 15.3% margin in 2025 compared to ₱2.85B with 15.9% margin in 2024.

Current Ratio is 0.7 as of December 31, 2025 and December 31, 2024. Bank Debt to Total Equity improved to 1.5 as of December 31, 2025, from 2.2 as of December 31, 2024, while Total Liabilities to Total Equity decreased to 3.4 from 4.7.

The Group calculates the key financial ratios as follows:

Revenue Growth	$(\text{Total Revenue current period} / \text{Total Revenue prior period}) - 1$
Net Income Margin	$\text{Net Income} / \text{Total Revenue}$
EBITDA	$\text{Net Income} + \text{Interest} + \text{Income Tax} + \text{Depreciation \& Amortization}$

EBITDA Margin	EBITDA / Total Revenue
Current Ratio	Current Assets / Current Liabilities
Bank Debt to Total Equity	Total Bank Debt / Total Equity
Total Liabilities to Total Equity	Total Liabilities / Total Equity

### **Company Outlook**

2GO continues to serve its customers and stakeholders as the Philippines' largest end-to-end logistics solutions provider. The Group provides shipping and logistics services to small and medium enterprises, large corporations, and government agencies throughout the Philippines. The shipping group primarily operates roll-on/roll-off freight and passenger vessels. The logistics group offers transportation, warehousing, cold chain solutions, domestic and international ocean and air forwarding services, customs brokerage, project logistics, and express, mid-mile and last mile package and e-commerce delivery.

For 2025, 2GO continues its corporate governance initiatives, and aims to expand and further enhance its service offerings to its customers and stakeholders. 2GO plans to achieve this through more streamlined operations and collaboration within its business units, investment in vessels and equipment, warehousing and logistics information technology solutions for customers, and synergies and best practices. Management is confident that 2GO will further its growth and become an even stronger shipping and logistics solutions provider going forward.

**Item 7. Financial Statements**

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this SEC Form 17-A.

The management is not aware of any significant or material events or transactions not included nor disclosed in the consolidated financial statements in compliance with SRC Rule 68.

**Item 8. Information on Independent Accountant and Other Related Matters**

SGV & Co. is being recommended for re-appointment as the Company’s external auditor for 2026, for approval by the stockholders at the scheduled Annual Stockholders’ Meeting. Representatives of SGV & Co. are expected to be present at the stockholders’ meeting, where they are given the opportunity to make a statement should they desire to do so, and to respond to questions from stockholders.

SGV & Co. was appointed as the external auditor of 2GO starting calendar year 2017. SGV & Co. replaced the previous auditor, R.G. Manabat and Co.

To comply with the requirement of SRC Rule 68 (3)(b)(ix) on the seven (7) year Rotation of External Auditors Signing Partner, Mr. Albert R. Bon has been the Signing Partner of the financial audit since 2020. Prior to him, Ms. Josephine H. Estomo, Partner of SGV & Co., handled the financial audit from years 2017 to 2019.

Pursuant to the Charter of the Audit Committee, the Audit Committee recommends to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. Prior to commencement of audit, the Committee is mandated to discuss with the external auditor the nature, scope and approach, of the audit including coordination of audit effort with internal audit. The Manual on Corporate Governance also provides that the Committee shall pre-approve all audit plans, scope and frequency one month before the conduct of external audit.

The Committee also evaluates the performance of the external auditor and recommends to the Board the appointment, re-appointment or removal of the external auditor. The Committee further reviews the independence of the external auditor and meets with the latter separately to discuss any matters that either party believes should be discussed privately.

The members of the Audit Committee are as follows:

- Chairman: Mr. Laurito E. Serrano (ID)\*
- Members: Mr. Paquito N. Ochoa, Jr. (ID)  
Mr. Kiat Chan  
Mr. Howard Conrad T. Sy

*\*Elected during the 21 July 2025 Annual Stockholders’ Meeting.*

The Audit Committee and the Board of Directors endorse for stockholder approval the re-appointment of SGV & Co. appointed as the external auditor for the year 2026.

(1) External Audit Fees and Services

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>	<b>Year ended December 31, 2023</b>
<b>Audit Fees</b>	<b>6,015,000</b>	<b>5,330,000</b>	<b>5,650,000</b>
<b>Audit-Related Fees</b>	-	-	-
<b>All Other Fees</b>	-	-	-
<b>TOTAL</b>	<b>6,015,000</b>	<b>5,330,000</b>	<b>5,650,000</b>

### Audit Fees

This represents professional fees paid to SGV & Co. for financial assurance services rendered for 2GO's Annual Financial Statements, review, and opinion for the SEC Annual Report as of December 31, 2025.

	<b>2025</b>	<b>2024</b>
<b>Total Audit Fees (Section 2.1a)</b>	<b>₱6,015,000</b>	<b>₱5,330,000</b>
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	462,905
All other services	-	-
<b>Total Non-audit Fees (Section 2.1b)</b>		<b>462,905</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱6,015,000</b>	<b>₱5,792,905</b>

### **Audit and Non-audit fees of other related entities (Section 2.1c)**

	<b>2025</b>	<b>2024</b>
Audit fees	₱-	₱240,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Audit and Non-audit Fees of other related entities</b>	<b>₱-</b>	<b>₱240,000</b>

### All Other Fees

This represents fees for services paid to SGV & Co. for other consultancy services rendered.

Audit services provided to 2GO by external auditor SGV & Co. have been pre-approved by the Audit Committee and recommended to the Board of Directors for approval. The Audit Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.

## PART IV - CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Registrant

The names, ages, citizenship, position and offices held or will hold, and brief description of business experience during the past 5 years (except those years stated otherwise) and other directorships held in reporting companies, including name of each company, of all directors and executive officers (as of December 31, 2025) are as follows:

#### DIRECTORS

The following are the business experience/s of the members of the Board during the last five (5) years:

**Mr. Frederic C. DyBuncio**, 66, Filipino, is the President/Chief Executive Officer and a director of 2GO and SM Investments Corporation. He is the Chairman of the Board of Atlas Consolidated Mining and Development Corporation. Prior to holding the post, he was a career banker who spent over 20 years with JP Morgan Chase and its predecessor institutions. During his stint in the banking industry, he was assigned to various executive positions where he gained substantial professional experience in the areas of credit, relationship management and origination, investment banking, capital markets, and general management. He has worked and lived in several major cities including New York, Seoul, Bangkok, Hong Kong, and Manila. He graduated from Ateneo de Manila University with a Bachelor of Science degree in Business Management and finished a Master's degree in Business Administration program at the Asian Institute of Management.

**Atty. Elmer B. Serrano**, 58, Filipino, is a Director and Corporate Secretary of 2GO. Atty. Serrano is a practicing lawyer specializing in corporate law and is the Managing Partner and founder of the law firm SERRANO LAW.

Atty. Serrano has been awarded "Asia Best Lawyer" by the International Financial Law Review (IFLR) and "Leading Lawyer-Highly Regarded" by IFLR 1000. After consistently being ranked as a "Leading Individual", Atty. Serrano was also inducted to the Legal 500's "Hall of Fame" as among the lawyers who received constant praise from clients for continued excellence.

Atty. Serrano is also the Corporate Secretary of public companies, such as, SM Investments Corporation, Atlas Consolidated Mining and Development Corporation, Premium Leisure Corp., and DFNN Inc. He is also the Corporate Information Officer of BDO Unibank, Inc. and serves as the corporate secretary of the bank's subsidiaries and affiliates. Atty. Serrano also sits as a director of several public companies. He is an Independent Director of EEI Corporation, Philippine Telegraph and Telephone Corporation and Benguet Corporation.

Atty. Serrano is also counsel to financial industry institutions such as the Bankers Association of the Philippines, the Philippine Payments Management, Inc. and the PDS Group of Companies. Atty. Serrano is a Certified Associate Treasury Professional and was among the top graduates of the Trust Institute of the Philippines in 2001. Atty. Serrano holds a Juris Doctor degree from the Ateneo de Manila University and a BS Legal Management degree from the same university.

**Atty. Paquito N. Ochoa, Jr.**, 65, Filipino, founded PNO Management and Legal Consulting in September 2016 after completing his term as a government official. He is currently the President of Manuel L. Quezon University (MLQU) from October 2020.

He is a founding member and partner (on leave) of Marcos Ochoa Serapio Tan Law Firm from 2006 to 2010 and a partner in De Mesa & Ochoa Law Offices from 1995 to 2001.

Atty. Ochoa served as Executive Secretary (Office of the President, Republic of the Philippines) from July 2010 to June 2016. During this period, he also chaired various national government committees among which were, the National Organizing Committee of the 2015 Asia-Pacific Economic Cooperation (APEC), and National Organizing Committee on the Visit of His Holiness Pope Francis in January 2015. He is the longest serving Executive Secretary to date and the only individual to serve the full term of a President.

He also served as City Administrator of the Quezon City Local Government from January 2003 to June 2010 during which period, he introduced prudent spending practices which together with improved revenue collection, allowed the City Government to balance its budget and achieve unprecedented increase in income.

During his stint as Executive Secretary, he was conferred by President Benigno S. Aquino III the Order of Sikatuna with the rank of Datu (Grand Cross, Gold Distinction) in December 2015. He was also conferred Doctor of Laws, Honoris Causa by the Palawan State University, Puerto Princesa City, Palawan.

After his career in public administration (from 2016 to present), Atty. Ochoa focused on leading a team that provides advisory services in two major areas: 1) financial advisory services which include conduct of customary financial due diligence; analysis of business operations, financial condition, and prospects; evaluation of debt capacity and capital structure alternatives; financial restructuring; pre acquisition and post-acquisition evaluation; negotiations leading to Transactions (BOT or JV); and 2) legal and regulatory compliance which include legal due diligence; preparation of contracts and other documents covering Transactions, including negotiations; and compliance with government rules and regulations.

He currently serves as an Independent Director for Belle Corporation.

Atty. Ochoa holds a Bachelor of Laws degree from the Ateneo De Manila University (class of 1985). He completed his Bachelor of Arts degree in Economics from the University of Santo Tomas in 1981.

**Mr. Howard Conrad T. Sy**, 36, Filipino, is a member of the Board of 2GO since 6 February 2024. He has been an Advisor to the Board of Directors of China Banking Corporation since April 2024. At present, he also sits as Board of Director in Bank subsidiary, China Bank Capital Corporation (CBCC). He is the Founder and President of Storamart Corporation, the largest self-storage company in the Philippines. Mr. Sy previously worked as Private Equity Associate and Private Equity Analyst at Macquarie Group's infrastructure and real assets division, handling asset and investment management. He graduated from the University of Melbourne with a Bachelor of Commerce degree.

**Sing Mein Ang**, 71, Singaporean, is a member of the Board of 2GO. He is a logistics and freight forwarding veteran with more than 35 years of experience in shipping, ocean freight forwarding, airfreight forwarding and logistics management in leading global logistics players.

From 2015 to 2017, Sam was the Group Chief Executive Officer of Quantum Solutions International as well as Famous Holdings, the freight forwarding business of Singapore Post. He was also in charge of SP Parcel (a Singapore based express company) and Couriers Please (an Australian based express company). These businesses combined generated more than \$500 million in revenue with a staff strength of more than 2,000 across 14 countries in Southeast Asia, Oceania and Europe. Concurrently, Sam was also an Executive Vice President of Singapore Post Limited and was part of its key Senior Leadership team in its transformation journey to become a leading E-Commerce Logistics player.

From 2006 to 2015, Sam was the Chief Executive Officer of DHL Global Forwarding for Southeast Asia and was a member of the DHL Global Forwarding Asia Pacific Management Board. He was responsible for its operations across Southeast Asia, with annual revenue exceeding \$1 billion and a staff strength of more than 2,500. He was also Head of the Oil and Gas sector of DHL Global Forwarding for Asia Pacific and Africa. Under his leadership, DHL Global Forwarding Singapore was awarded the Best Performance Country in Southeast Asia in 2004 and the Asia Pacific Country of the Year award in 2005.

Sam holds a Business Administration Degree from the National University of Singapore and is a graduate of INSEAD's Senior Management programme in Fontainebleau, France.

**Kiat Chan**, 54, Singaporean, is a member of the Board of 2GO Group, Inc.. He is also a Partner and Managing Director of Archipelago Capital Partners, a private equity fund manager investing in Southeast Asia. He had previously served as the Executive Vice President for Investments at Singapore Post Limited, where he led multiple transactions across Asia-Pacific that helped transform the company into a major E-Commerce Logistics player. Prior to that, he had been a consultant at McKinsey & Company, where he advised on strategy, M&A and corporate finance, working with clients across Asia-Pacific in diverse sectors including consumer, energy, transport and logistics. He graduated from the National University of Singapore with a Bachelor of Engineering (Mechanical) and holds a Master of Business Administration from INSEAD.

**Laurito E. Serrano**, 65, Filipino, is an Independent Director of 2GO. He concurrently serves as Independent Director of Rizal Commercial Banking Corporation, Axelum Resources Corp., Anglo-Philippine Holdings, Inc., Century Peak Holdings Corporation, Premium Leisure Inc., and Belle Corporation. He is also a Director in RCBC Trust Corporation, Malayan Insurance Company, and MRT Development Corporation.

As director or independent director in the above entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, governance, remuneration, related party transaction, and risk oversight committees.

Mr. Serrano is likewise a private Corporate Finance and Transaction Advisory practitioner with over 35 years of experience in financial advisory and related works. He conceptualizes and promotes advisory and project development engagements (within or outside of the Philippines) involving transaction structuring, public offerings, listing of shares, asset securitization and monetization, work-out deals, project studies, business acquisitions, and debt and equity-capital raising. His professional exposure is quite broad with primarily private-sector clients in various industry sectors.

Mr. Serrano started his professional career in the Audit and Business Advisory Group of SGV&Co. where he initially joined the assurance-practice side of the business, awarded an SGV-sponsored scholarship at the Harvard Graduate School of Business, before becoming partner in SGV&Co's Corporate Finance Consulting Group. He was likewise associated, among others, with the Metro Rail Transit Group, Fil-Estate Group, Resorts World Manila, Atlas Mining & Development Corporation, Sagittarius Mines, United Paragon Mining Corporation, and Philippine Veterans Bank.

Mr. Serrano is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of Business.

Below is the attendance of the Directors for the meetings held in the year 2025:

	No. of Meetings Attended	Total No. of Meetings	Percentage
Frederic C. Dybuncio	7	7	100.00%
Elmer B. Serrano	7	7	100.00%
Paquito N. Ochoa Jr.	7	7	100.00%
Sing Mein Ang	7	7	100.00%
Kiat Chan	7	7	100.00%
Howard Conrad T. Sy	7	7	100.00%
Laurito E. Serrano*	2	2	100.00%

\*Elected during the 21 July 2025 Annual Stockholders' Meeting.

In accordance with 2GO's By-Laws, nominations to the Board shall be submitted in writing to the Corporate Governance Committee, Board, or Corporate Secretary at least thirty (30) days before the Annual Stockholders' Meeting. This is to ensure that the Corporate Governance Committee has ample time to review and ensure that the candidates to the Board meet all the qualifications and none of the disqualifications to be a director. The Corporate Governance Committee shortlists the final candidates to the Board from the pool of candidates nominated by the shareholders. Based on the final list of candidates, directors are elected by shareholders individually.

The nomination and election process are disclosed in the Manual on Corporate Governance. Voting procedures and rights, and pertinent data on directors are included in the information statement released to shareholders before the start of the nomination period. The entire process of nomination, shortlisting, and subsequent election of directors, enables 2GO to properly identify the quality of directors that are aligned with the strategic direction of 2GO.

The Board conducts an annual assessment of its performance as a whole, its Board Committees, the individual directors, the Chairman of the Board, and the CEO/President. The evaluation is done through the Corporate Governance Committee. The evaluation criteria are based on the duties and responsibilities of the Board, the Board Committees, individual directors, Chairman and President as provided for by the 2GO's By-Laws, Manual on Corporate Governance and respective Board Committee Charters.

Moreover, per the Corporate Governance Committee Charter, the Board's annual self-assessment should be supported by an external facilitator at least once every three (3) years.

## **EXECUTIVE OFFICERS**

The following are the business experience/s of the officers during the last five years:

**Mr. William Charles Howell** has been the Chief Financial Officer and Treasurer of 2GO since July 2017 and Chief Operating Officer since November 2024. He also serves as Senior Vice President of Investments Portfolio at SM Investments Corporation. Previously, he served as CFO and Treasurer of Philippine Geothermal Production Company, Inc. Prior, Mr. Howell held roles in Corporate Development at JDS Uniphase Corporation (now Viavi Solutions Inc.), a technology company listed on the NASDAQ; and Transaction Advisory at Ernst & Young in the San Francisco Bay Area. He brings broad management experience and expertise in accounting, finance, tax, and mergers & acquisitions in various industries including software and technology, distribution, real estate, and energy, among others. He is a Certified Public Accountant in the state Georgia.

#### **Other Corporate Officers**

**Atty. Arthur A. Sy** is the Assistant Corporate Secretary and Senior Vice President for Legal Department of SM Investments Corporation. He is likewise the Assistant Corporate Secretary of SM Prime Holdings, Inc., Belle Corporation, Premium Leisure Corp, and 2GO Group, Inc. Further, he is currently the Corporate Secretary of various major companies within the SM Group of Companies and is also the Corporate Secretary of National University. Admitted to practice in the Philippines and the State of New York, Atty. Sy holds a Juris Doctor degree from Ateneo de Manila University, School of Law.

**Mr. Gener C. Lim** is a Senior Vice President of 2GO and President and founder of Special Container and Value Added Services, Inc. (SCVASI), a subsidiary of 2GO. He has been in the company for 38 years with full integrated logistics experience and pioneered 2GO's predecessor, Aboitiz International Forwarders Inc. After graduating accelerated from Air Transport Engineering and passing the CAB Air Traffic Controller Examination, he went to all the cargo IATA courses offered by Philippine Airlines Academy Learning Center. He was also previously appointed as a committee member to author and develop processes in the Philippine Economic Zone Authority. Mr. Lim was also responsible for various JV partnership and international agency agreement as a chairman of International Agency Network Committee under the Aboitiz group. He also served as a Country Manager for Jardines, Baltrans and JV execution of Kerry Logistics. He was one of the first candidates and graduates of the Aboitiz MBA program. He was also appointed to chair the Intellectual Human Capital Committee of the international group which created logistics academy partnership. Mr. Lim also established Abotrans Corporation, the first brokerage business under ATSC. He was also appointed as Philippine Ambassador of ASEAN Isotank Association. In late 2019, he created Project Logistics for 2GO.

**Ms. Frances Anne Alonzo** is the President of 2GO Express, Inc. and 2GO Land Transport, Inc., both subsidiaries of 2GO. She has more than 25 years of experience in leading various sales, marketing and commercial organizations in various industries, with expertise in planning and strategy, account expansion and diversification, solutions set-up, and business and product development. She previously served as the Vice-President for Sales at Airfreight 2100, Inc. and as General Manager of One Stop Logistics, Inc. (Magsaysay Shipping and Logistics) and held leadership roles for sales, marketing and commercial operations at UBIX Corporation, The Manila Hotel and Sofitel Philippine Plaza. Ms. Alonzo earned her degree in Bachelor of Science in Psychology from St. Paul University in Manila and completed with high honors her Master's Degree in Business Administration – Top Executive Program from the Pamantasan ng Lungsod ng Maynila (University of the City of Manila).

**Ms. Sharon May Ngo** is Ms. Sharon May Ngo is Vice-President and Business Unit Head of Freight. She has 25 years of experience in the domestic shipping industry, most recently as Sea Solutions Business Unit ahead, where she has overseen the growth in containerized volume and RORO segments. Her experience includes route optimization, pricing and product management, business development, channel development, account management, A/R and claims management, marketing, and other client-facing roles. Prior to 2GO, she held various category management roles at Coca-Cola Bottlers Philippines, Inc. and freight management roles at Aboitiz System Corp. Ms. Ngo earned her degree in Bachelor of Science in Industrial Engineering from the Mapua Institute of Technology in Manila.

**Atty. Phil Ivan A. Chan**, 44, is the Assistant Corporate Information Officer of 2GO Group, Inc. He is a co-founder of Serrano Law, with extensive experience in M&A, banking, mining and energy law, gaming, immigration, real estate, insurance, and corporate restructuring projects. He was previously a partner at Martinez Vergara Gonzalez & Serrano. In 2023, he was recognized as "Rising Star Partner" by IFLR1000. Most recently, Atty. Chan was recognized by the Legal 500 as "Leading Partner" for Corporation and M&A in its Legal 500 2026 and 2025 Rankings, and as "Cilent Coice – Philippine Lawyer" in the Asialaw 2024 awards. He also acts as the Corporate Secretary of listed company, Ferronoux Holdings, Inc. Atty. Chan holds a degree of B.S. Legal Management from Ateneo de Manila University and a Juris Doctor degree from Ateneo Law School.

**Significant Employees**

The Corporation considers the contribution of every employee important to the fulfillment of its goals.

**Family Relationships**

There are no other family relationships within the fourth degree of consanguinity known to 2GO.

**Involvement in Certain Legal Proceedings**

To the knowledge and/or information of 2GO, none of its nominees for election as directors, the present members of its Board of Directors or its executive officers, is presently or during the last five (5) years been involved in any legal proceeding in any court or government agency on the Philippines or elsewhere which would put to question their ability and integrity to serve 2GO and its stockholders.

With respect to its nominees for election as directors, the present members of its Board of Directors and its executive officers, 2GO is not aware that during the past five (5) years up to even date of: (a) 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; (b) any conviction by final judgment of such person in a criminal proceeding, excluding traffic violations and other minor offenses; (c) such person being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting such person's involvement in any type of business, securities, commodities or banking activities; and (d) such person 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.

### Item 10. Executive Compensation

The following table summarizes certain information regarding compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Chief Executive Officer and each of the four other most highly compensated executive officers. For clarity, the compensation paid is for their duties as part of the management team and not in consideration of their duties as directors of 2GO:

#### SUMMARY OF COMPENSATION TABLE

Name and Position	Year	Salary	Bonus
1. Frederic C. DyBuncio – President and Chief Executive Officer 2. Gener C. Lim – Senior Vice President of SCVASI 3. William Charles Howell – Treasurer and Chief Finance Officer 4. Sharon May M. Ngo – Vice President of Sea Solutions 5. Apollo G. Santos – Vice President of Ship Management & Technical Services	2026 Estimate	64,053,514	10,731,522
All other officers and directors as a group unnamed		91,620,673	15,393,757
1. Frederic C. DyBuncio – President and Chief Executive Officer 2. Gener C. Lim – Senior Vice President of SCVASI 3. William Charles Howell – Treasurer and Chief Finance Officer 4. Sharon May M. Ngo – Vice President of Sea Solutions 5. Apollo G. Santos – Vice President of Ship Management & Technical Services	2025	60,993,955	10,291,320
All other officers and directors as a group unnamed		85,102,501	14,445,193
1. Frederic C. DyBuncio – President and Chief Executive Officer 2. Gener C. Lim – Senior Vice President of SCVASI 3. William Charles Howell – Treasurer and Chief Finance Officer 4. Sharon May M. Ngo – Vice President of Sea Solutions 5. Apollo G. Santos – Vice President of Ship Management & Technical Services	2024	46,640,200	7,773,367
All other officers and directors as a group unnamed		52,068,549	8,681,092

#### Board Remuneration:

The members of the Board of Directors received the following remuneration in the year 2025:

Name	Total
Frederic C. DyBuncio	108,000
Elmer B. Serrano	90,000
Paquito N. Ochoa Jr.	108,000
Kiat Chan	120,000
Sam Ang	100,000
Howard Conrad T. Sy	-

Laurito E. Serrano	18,000
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2GO has no significant or special arrangements of any kind as regard to the compensation of all officers and directors other than the funded, noncontributory tax-qualified retirement plans covering all regular employees. Once an officer or director has resigned, they are no longer entitled to any compensation outside of the qualified retirement plans, if applicable.

Except for the regular company retirement plan, which by its very nature will be received by the officers concerned only upon retirement from 2GO, the above-mentioned directors and officers do not receive any profit sharing nor any other compensation in the form of warrants, options, bonuses etc.

Likewise, there are no standard arrangements that compensate directors directly or indirectly, for any services provided to 2GO either as director or as committee member or both or for any other special assignments.

#### Item 11. Security Ownership of Certain Beneficial Owners and Management

**Security ownership of certain record and beneficial owners of five per centum (5%) or more of the outstanding capital stock of the Registrant as of December 31, 2025:**

Title of Class	Name and Address of Record Owner and Relationship with 2GO	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	<b>SM Investments Corporation (SMIC)</b> 10th Floor, One E-com Center, Harbor Drive, Mall of Asia Complex, CBP-1, Pasay City	- Same -	Filipino	1,654,861,652	67.21%
Common	<b>Trident Investments Holdings Pte.</b> 138 Robinson Road #12-01, Oxley Tower Singapore 068906	- Same -	Singaporean	781,122,265	31.73%

The persons authorized to vote the shares of SM Investments Corporation is Mr. Frederic C. DyBuncio, while the President of Trident Investments Pte. is authorized to vote the shares of said corporation.

Security Ownership of Management – Record and Beneficial Owners as of December 31, 2025:

Title of Class	Name of Beneficial Owner and Position	Citizenship	Amount and Nature of Ownership Direct (D) or Indirect (I)	Class of Securities Voting	Percent of Class
Common	<b>Frederic C. DyBuncio</b> Chairman / President / Chief Executive Officer	Filipino	100 (D)	Voting	0.00%
Common	<b>Elmer B. Serrano</b> Director	Filipino	100 (D)	Voting	0.00%
Common	<b>Kiat Chan</b> Director	Singaporean	100 (I)	Voting	0.00%
Common	<b>Sing Mein Ang</b> Director	Singaporean	100 (I)	Voting	0.00%

Common	<b>Paquito N. Ochoa, Jr.</b> Independent Director	Filipino	100 (I)	Voting	0.00%
Common	<b>Laurito E. Serrano</b> Independent Director	Filipino	100 (D)	Voting	0.00%
Common	<b>Howard Conrad T. Sy</b> Director	Filipino	1 (D)	Voting	0.00%

Security Ownership of the Directors and Officers in 2GO: Common is 7 shares; Preferred – none.

#### **Voting trust holders of 5% or More**

No person holds more than five per centum (5%) of a class under a voting trust agreement or similar arrangement.

#### **SMIC Acquisition of Shares in 2GO and Tender Offer**

In a disclosure dated June 3 2021, SM Investments Corporation (SMIC) completed its acquisition from KGLI-NM Holdings, Inc. (KGLI-NM) of 550,558,388 common shares representing 22.36% of the 2GO Group, Inc. (2GO) via a special block sale through the facilities of the Philippine Stock Exchange (PSE), resulting in the increase of SMIC's current shareholding from around 30.53% to approximately 52.85% of 2GO. Following this transaction, 2GO is now a subsidiary of SMIC. The transaction was completed on the same date of the disclosure. The sale transaction was transacted via special block sale through the Philippine Stock Exchange and paid in cash.

On the same date, Trident Investments Holdings Pte. Ltd. (Trident) purchased 230,563,877 common shares in 2GO from KGLI-NM and 550,558,388 common shares from China-ASEAN Marine B.V., or a total of 781,122,265 common shares representing approximately 31.73% of 2GO. The sale transactions were transacted via special block sales through the Philippine Stock Exchange, Inc. The sale transaction was transacted via special block sale through the Philippine Stock Exchange and paid in cash.

Trident is an entity directly controlled and majority owned by Archipelago Asia Focus Fund II Pte Ltd, a company incorporated under the laws of the Republic of Singapore and is indirectly controlled by Archipelago Capital Partners Pte. Ltd. (Archipelago). Archipelago is a Singapore-based private equity firm that is licensed by the Monetary Authority of Singapore and invests across Southeast Asia.

#### **SMIC Tender Offer and Delisting of 2GO**

On February 28, 2023, the Board of Directors of SMIC approved its conduct of a tender offer for up to 378,817,279 common shares constituting 15.39% of the issued and outstanding common capital stock of 2GO, subject to an independent third party fairness opinion. On the same date, the 2GO Board approved the voluntary delisting of 2GO shares from the Main Board of PSE, subject to the successful completion of the intended tender offer by SMIC, compliance with other requirements of the PSE for voluntary delisting, and applicable regulations of the Securities and Exchange Commission.

On 10 March 2023, 2GO received the Tender Offer Report from SMIC containing the following details of the tender offer:

- a. Tender Offer Shares - up to 378,817,279 2GO common shares;
- b. Tender Offer Price – Php14.64 per common share;
- c. Tender Offer Period – March 15 to April 28, 2023; and
- d. Payment and Settlement Date – May 10, 2023.

During the Tender Offer Period, a total of 352,690,680 common shares or approximately 14.32% of the total issued and outstanding common shares of 2GO were tendered and accepted by SMIC. The accepted Tender Offer Shares were crossed through the PSE on May 5, 2023 (Cross Date). The tendered shares were purchased by SMIC at the Tender Offer Price, or for a total consideration of Five Billion One Hundred Sixty-Three Million Three Hundred Ninety-One Thousand, Five Hundred Fifty-Five and 20/100 Pesos (Php5,163,391,555.20). The sale and purchase of the tendered shares were settled no later than May 10, 2023.

As a result, SMIC and Trident Investments Holdings Pte. Ltd. (**Trident**) now own over 95% of the outstanding common stock of 2GO. In particular, SMIC and Trident own a total of 2,435,983,917 common shares or 98.94% of the total outstanding common stock of 2GO, with SMIC owning 1,654,861,652 common shares or 67.21% of the total outstanding common stock of 2GO and Trident owning 781,122,265 common shares or 31.73% of the total outstanding common stock of 2GO.

Following the successful tender offer, The Philippine Stock Exchange, Inc. approved the Petition for Voluntary Delisting of 2GO, effective on 17 July 2023.

#### **Item 12. Certain Relationships and Related Transactions**

In the ordinary course of business, 2GO has transactions with subsidiaries, associates, and other related companies consisting of ship management services, charter hire, management services, courier services, purchases of steward supplies, availment of stevedoring, arrastre, trucking, rental and repair services. 2GO needs these services to complement its services to its freight and passage customers.

The identification of the related parties transacting business with 2GO and nature of the relationship are discussed in the Notes to the financial statements as of December 31, 2025 (see "Note 20. Related Parties"). 2GO will continue to engage the services of these related parties as long as it is economically beneficial to both parties. The related party transactions stated therein have no substantial effect on the financial statements and do not involve special risks or contingencies. Transaction prices and terms are determined by the parties on an arms-length basis and approved by the Related Party Transactions Committee while material related party transactions are approved by the Board of Directors in accordance with the Material RPT Policy.

The Corporation has no transaction during the last two years or proposed transaction to which it was or is to be a party in which any of its directors, officers, or nominees for election as directors or any member of the immediate family of any of the said persons had or is to have a direct or indirect material interest.

Moreover, 2GO and its subsidiaries do not have existing or proposed transactions with parties that are considered outside of the definition of "related parties" but have the influence of negotiating the terms of material transactions that may not be available to other, more clearly independent parties on an arm's length basis.

## **PART V – CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance**

2GO Group Inc. and subsidiaries (2GO or the Company) is governed by the principles of fairness, accountability, and transparency, which is paramount to sustain its long-term growth and success. 2GO is committed in implementing the best practices in corporate governance that balance the growth and interests of all its stakeholders.

#### **BOARD STRUCTURE**

The 2GO Board of Directors is responsible for the long-term sustainability of the Company, and ensures that it balances the corporate objectives with the best interest of the shareholders and other stakeholders. It is composed of seven (7) highly respectable professionals, two (2) of whom are non-executive-independent directors. In line with corporate governance best practice, the Company's independent directors are free from management responsibilities, substantial shareholdings and material relations, all of which are perceived to impede independent judgment. Likewise, the roles of the Chairman of the Board and the Chief Executive Officer are held by separate individuals to promote a balanced Board and increase accountability and controls.

The following individuals constituted the Board of Directors for 2025:

Chairman :	Frederic C. DyBuncio, President & Chief Executive Officer
Members :	Elmer B. Serrano, Corporate Secretary & Director Paquito N. Ochoa, Jr., Independent Director Laurito E. Serrano, Independent Director* Sing Mein Ang, Director Kiat Chan, Director Howard Conrad T. Sy, Director

*\*Elected during the 21 July 2025 Annual Stockholders' Meeting.*

#### **BOARD COMMITTEES**

The Board governs through the following committees: (1) Executive Committee, (2) Corporate Governance Committee, (3) Audit Committee, (4) Risk Oversight Committee and, (5) Related Party Transaction Committee. Each committee has its own charter that can be found in the Company's website.

#### **CORPORATE GOVERNANCE COMMITTEE**

The Corporate Governance Committee is responsible for assisting the Board in fulfilling its oversight functions related to the Company's overall approach to corporate governance. The Committee also takes the lead in promulgating and overseeing the principles of good corporate governance by reviewing committee charters, the independence of directors as well as the code of ethics for executives, employees, and directors.

The members of the Corporate Governance Committee as of December 31, 2025, are as follows:

Chairman:	Paquito N. Ochoa, Jr.
Members:	Kiat Chan Elmer B. Serrano

The Corporate Governance Committee passes upon the qualifications of, and pre-screens, all candidates and prepares the list of pre-qualified nominees for directorship of the Company, including independent directors for the year of 2025-2026.

*There was one (1) meeting of the corporate governance committee as of December 31, 2025.*

## AUDIT COMMITTEE

The Audit Committee assists and advises the Board in fulfilling its oversight responsibilities to ensure the quality and integrity of the Company's accounting, financial reporting, auditing practices and internal control systems and adherence to over-all corporate governance best practice. The Committee also oversees the Company's process for monitoring compliance with laws, regulations, and performs other duties as the Board may require.

During the year, the Audit Committee monitored the execution of internal audit plan, approved the succeeding period's internal audit plan and budget as well as provided inputs to audit results, recommendations and management action plans. It also reviewed the previous year audited financial report presented by the external auditor for approval by the Board.

The Audit Committee maintains an effective working relationship with the Board by providing them assistance in promoting good corporate governance and audit-related decisions. It also ensures its objectivity by having an independent director as committee chairman.

The members of the Audit Committee are as follows:

Chairman:	Mr. Laurito E. Serrano (ID)
Members:	Mr. Paquito N. Ochoa, Jr. (ID) Mr. Kiat Chan Mr. Howard Conrad T. Sy

Below is the attendance of the Committee members for the meetings held as of December 2025:

	No. of Meetings Attended	Total No. of Meetings	Percentage
Laurito E. Serrano*	3	3	100%
Paquito N. Ochoa Jr.	4	5	80%
Kiat Chan	5	5	100%
Howard Conrad T. Sy	4	5	80%

*\*Elected during the 26 June 2025 Board Meeting*

## System of Internal Controls

The framework of control, risk management and governance processes is instilled within the 2GO group of companies. This aims to encourage incorruptibility and deter fraudulent activities within the ranks of both the Management and employees. The current processes of 2GO are continuously being reviewed by Management, Audit and External Consultants to identify areas wherein controls may be strengthened. Some of these processes are either combined and/or reduced to provide the basic elements of control and good governance needed to sustain operations.

The culture of accountability is apparent with the adherence of employees to the Employee Code of Conduct, management policies and directives in order to efficiently and effectively achieve company objectives.

The internal control system is designed to effectively safeguard assets, protect confidentiality, availability and integrity of information and as far as possible the reliability, relevance and accuracy of records; effectiveness and efficiency of operations and programs; and to ensure compliance with regulatory requirements.

Among the various measures of internal control undertaken by Management include setting and updating policies that are designed to attain the Company's goals, sourcing and maintaining competent personnel, segregation of incompatible duties and safeguarding of all critical assets.

Continuous enhancement of performance metrics and speedy resolution of audit issues raised are likewise given focus to assure risks are addressed or mitigated and company objectives are met. Resolutions of internal audit observations

are updated and discussed quarterly with Senior Management and the Audit Committee to ensure that they are timely attended to and resolved within their commitment.

2GO Management is responsible in maintaining the internal control system and ensuring that resources are properly applied in the manner and to the activities intended.

### **Internal Audit**

In accordance with the International Standards for the Professional Practice of Internal Auditing (ISPPA) and Code of Ethics by the Institute of Internal Auditors (IIA), the Internal Audit Department (IAD) continually strives to improve the proficiency, effectiveness and quality of the internal audit activities.

The IAD, headed by Mr. Alberto R. Bon, directly reports to the Audit Committee and is responsible for providing independent, objective assurance and consulting services designed to assist management in ensuring the adequacy and effectiveness of 2GO's governance, risk management and control processes in attaining its business objectives.

The IAD strives to improve on a yearly basis by attending regular audit trainings to keep abreast with the current audit standards, trends and developments. This also helps expand the IAD's audit scope and engagements.

The IAD regularly monitors the implementation of the audit recommendation against the target date set by the business unit heads. Results of these monitoring are communicated accordingly to the Senior Management and the Audit Committee. The IAD also uses a audit analytics tool/software to efficiently carry out its audit work.

The IAD continues to deliver value-added services by providing meaningful recommendations to its audit clients using a risk-based approach and methodology.

### **Executive Compensation Policy**

The corporate compensation philosophy for executive remuneration in 2GO is meritocracy based. Commensurate compensation is given based on the annual performance evaluation of its executives. Any change in compensation is subject to full discussion and concurrence by the Board upon the review and recommendation of the Corporate Governance Committee.

### **Compensation of Directors**

Unless otherwise waived by the Director, the members of the Board of Directors received the following remuneration in the year 2025:

<b>Name</b>	<b>Total</b>
Frederic C. DyBuncio	108,000
Elmer B. Serrano	90,000
Paquito N. Ochoa Jr.	108,000
Kiat Chan	120,000
Sam Ang	100,000
Howard Conrad T. Sy	-
Laurito E. Serrano	18,000

### **Corporate Governance Policies**

The 2GO Code of Business Conduct serves to guide employees' and Management's actions in line with the Company's corporate values and core principles. The Code consists of policies relating to ethical and legal standards of behavior and its applicability extends to all employees. 2GO believes that employees' adherence to desirable behaviors and conduct is a prerequisite to work excellence and indispensable to success. Reported violations of the Code are promptly investigated and treated with utmost confidentiality. Investigations of alleged Code violations and the imposition of disciplinary actions when so warranted are guided by the principles of neutrality, fairness and commensurability. There was no deviation from the application of the Code since it was adopted.

The Company also maintains a Manual on Corporate Governance which defines 2GO's compliance framework and identifies the roles and responsibilities of the Board in relation to corporate governance. The Manual sets out the duties and responsibilities of various board committees, Chairman of the Board and the Chief Executive Officer as well as the Company's policies on disclosures and transparency, and the rights and protection of shareholders. The Manual is reviewed and updated periodically and may be accessed via the Company's website.

Moreover, the Company had in place a Conflict of Interest Policy which requires all employees to immediately disclose any direct or indirect personal interest, whether pecuniary or non-pecuniary, that actually or may potentially conflict with the interest of the Company. All employees are likewise required to submit an annual disclosure of real or perceived conflict of interest. Other existing corporate governance-related policies include the Guidelines on Acceptance of Gifts and Entertainment, the Related Party Transaction Policy, and Policy on Accountability, Integrity and Vigilance otherwise known as the Company's Whistleblowing Policy. 2GO's various corporate governance-related policies and programs are regularly disseminated throughout the organization and are made public via the Company's website.

### **Information Technology Governance**

2GO continues to invest in its information technology infrastructure and software applications and to focus on applications that provide real-time visibility and tracking to its customers as it aims to improve delivery performance and overall customer service. This will also help 2GO become more operationally efficient and reduce its costs to serve. These investments will provide resiliency and redundancy and ensure our mission-critical system during and after disaster functions.

2GO's IT governance includes periodic review of existing practices and policies and adaptation of IT to current business models, as well as measuring IT systems performance.

### **Corporate Governance Outlook**

As businesses continue to open up to the global market and liberalization happens, the decision-making process becomes more diffused. This raises the level of accountability of corporate leaders to all 2GO stakeholders, including employees, customers and in particular, the shareholders. Good corporate governance, for this purpose, provides the appropriate reforms to existing practices to better adapt to the collective interests of all stakeholders. Rules must be crafted in accordance with the governance principles for which they are designed to maintain.

2GO, headed by the Board and the Management, aims to further strengthen its commitment to good corporate governance principles of accountability, transparency and integrity consistent with global best practices. 2GO strives to align, to the extent possible, the interests of individual stakeholders of the Company, and of the society in general, in the face of a more complex, open, and highly competitive global market.

### **FURTHER INFORMATION**

Further information is available on <https://2go.com.ph/about/corporate-governance/>

**PART VI – EXHIBITS AND SCHEDULES**

**Item 14. Exhibits and Reports on SEC Form 17-C**

**(a) Exhibits - See accompanying Index to Exhibits**

The exhibits, as indicated in the Index to Exhibits, are either not applicable to the Company or require no answer.

**(b) Reports on SEC Form 17-C**

*The list of the reports submitted to the Commission is as follows:*

<b>Date of Disclosure</b>	<b>Subject</b>
February 18, 2025	Approval of the 2024 Audited Financial Statements
May 9, 2025	Approval of the Unaudited Financial Statements for the First Quarter of 2025
June 16, 2025	Setting of the Annual Stockholders’ Meeting on 21 July 2025 with 15 June 2025 as the record date
June 26, 2025	Approval of the Decrease of the Authorized Capital Stock and the Increase of the par value of the common shares from Php 1.00 to Php 1,000.00
July 21, 2025	<ul style="list-style-type: none"> <li>• Election of Directors and Officers</li> <li>• Approval of the Minutes of the Annual Stockholders’ Meeting held on 18 April 2023 and Special Stockholders’ Meeting held on 6 November 2023</li> <li>• Annual Report and the Audited Financial Statements for the year ended December 31, 2023 and December 31, 2024</li> <li>• Ratification of all acts of the Board of Directors, Board Committees and Management during their respective terms of office, or from the last Annual Meeting held on 18 April 2023 to the date of this year’s meeting</li> <li>• Amendment to the Seventh Article of the Articles of Incorporation</li> <li>• Appointment SyCip Gorres Velayo &amp; Co. as External Auditor for 2025</li> </ul>
August 11, 2025	Approval of the Unaudited Financial Statements for the Second Quarter of 2025
November 4, 2025	<ul style="list-style-type: none"> <li>• Approval of the Unaudited Financial Statements for the Third Quarter of 2025</li> <li>• Equity Restructuring through the partial utilization of the additional paid-in capital to wipeout the deficit as of 31 December 2024</li> </ul>

## INDEX TO EXHIBITS, FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

### 2GO GROUP, INC.

CERTIFIED CONSOLIDATED FINANCIAL STATEMENTS WITH SUPPLEMENTARY SCHEDULES FOR THE  
SECURITIES AND EXCHANGE COMMISSION

#### TABLE OF CONTENTS

#### EXHIBIT I – CONSOLIDATED FINANCIAL STATEMENTS OF 2GO GROUP, INC. AND SUBSIDIARIES

#### EXHIBIT II – AUDITED FINANCIAL STATEMENTS OF 2GO GROUP, INC.

#### EXHIBIT III – SUBSIDIARIES OF THE REGISTRANT

The consolidated financial statements include the accounts of 2GO and the subsidiaries listed below:

	Nature of Business	Percentage of Ownership	
		2025	2024
Special Container and Value Added Services, Inc. (SCVASI) <sup>(1)</sup>	Transportation/logistics	-	100.0
2GO Express, Inc. (2GO Express)	Transportation/logistics	100.0	100.0
2GO Logistics, Inc. (2GO Logistics)	Transportation/logistics	100.0	100.0
Scanasia Overseas, Inc. (SOI) <sup>(1)</sup>	Sales of goods <sup>(5)</sup>	100.0	100.0
2GO Land Transport, Inc.	Transportation	100.0	100.0
NN-ATS Logistics Management and Holdings Co., Inc. <sup>(2)</sup>	Holdings and logistics management	100.0	100.0
Astir Engineering Works, Inc. <sup>(2) (3)</sup>	Engineering services	-	100.0
WG&A Supercommerce, Incorporated <sup>(3)</sup>	Vessels' hotel management	100.0	100.0
North Harbor Tugs Corporation	Tugboat assistance	58.9	58.9
2GO Rush Delivery, Inc. (RUSH) <sup>(4)</sup>	Transportation/logistics	100.0	100.0

<sup>1</sup> On August 9, 2023, the BOD approved the cessation of business operations, particularly the sale of goods of SOI. On June 2, 2025, the BOD approved the merger between SOI and SCVASI, with SOI as the surviving entity. The merger was approved by the SEC on December 16, 2025. SOI is 39%-owned by 2GO and 61%-owned by 2GO Express.

<sup>2</sup> In September 2020, the BOD approved the merger of these companies, with NN-ATS as the surviving entity. The SEC approved the merger on March 13, 2025.

<sup>3</sup> Ended commercial operations in 2018 or prior

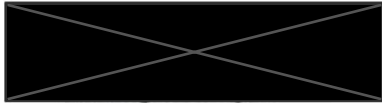
<sup>4</sup> Wound down due to non-operation

<sup>5</sup> On June 2, 2025, the BOD approved the amendment of SOI's Articles of Incorporation to update its primary purpose, secondary purpose and principal office address. The SEC approved the amendment on January 15, 2026. Accordingly, the nature of business of SOI has been updated to "Transportation/logistics".

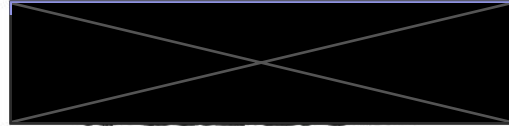
**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of TAGUIG CITY.

By:



**FREDERIC C. DYBUNCIO**  
Chairman of the Board /  
President and Chief Executive Officer



**WILLIAM CHARLES HOWELL**  
Chief Finance Officer / Treasurer



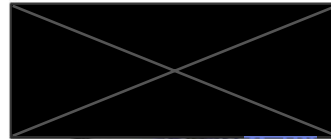
**ELMER B. SERRANO**  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this MAR 27 2026 affiants are exhibiting to me their valid and competent proof of identity, as follows:

**NAMES**

Frederic C. DyBuncio  
Elmer B. Serrano  
William Charles Howell

**ID NUMBER**



Doc. No. 211  
Page No. 44  
Book No. 4  
Series of 2026.

**MARK STEPHEN C. SY**  
Appointment No. 234 (2025-2026)  
Notary Public for Taguig City  
Until December 31, 2026  
Attorney's Roll No. 80585  
1105 Tower 2, Hight Street South Corporate Plaza  
26th Street, Bonifacio Global City, Taguig City  
PTR No. A-6789410; 01/05/2026; Taguig City  
IBP Receipt No. INV 575194; 12/29/2025; RSM Chapter  
MCLE Compliance No. VIII-0040621; valid until April 14, 2028



# 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.ph/imessagemo@sec.gov.ph



**The following document has been received:**

**Receiving:** ICTD ERMD

**Receipt Date and Time:** March 17, 2026 05:42:03 PM

## Company Information

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**SEC Registration No.:** 0000004409

**Company Name:** 2GO GROUP, INC. Doing business under the names and styles of "2GO Travel", "2GO Freight", "2GO Suply Chain", "2GO Distribution", "ATS", "2GO", "2GO Together", "Superferry", "Superferry Travel and Leisure" and "Cebu Ferries"

**Industry Classification:** I61000

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST10317202683995542

**Document Type:** Financial Statement

**Document Code:** FS

**Period Covered:** December 31, 2025

**Submission Type:** Consolidated

**Remarks:** None

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

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of **2GO Group Inc. and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the year ended December 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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 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 or members.

Sycip Gorres Velayo & Co., the independent auditors appointed by the stockholders for the year ended December 31, 2025, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



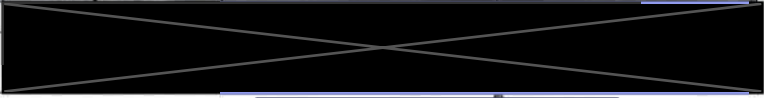
re er c . y unc o  
Chairman of the Board  
President and Chief Executive Officer



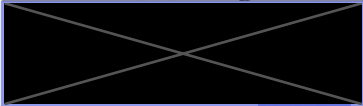
William Howell  
Chief Operating Officer, Chief Finance Officer and Treasurer

Signed this 26th day of February, 2026

SUBSCRIBED AND SWORN to before me this MAR 27 2026 in TAGUIG CITY  
by affiant exhibiting to me their competent proof of identity as follows:

Name	Passport No.	Date of Issue	Place of Issue
Frederic Cuyegkeng DyBuncio			
William Charles Howell			

Doc No. 210 ;  
Page No. 49 ;  
Book No. I ;  
Series of 2026.

  
**MARK STEPHEN C. ST**  
Appointment No. 791 (2025-2026)  
Notary Public for Taguig City  
Until December 31, 2026  
Attorney's Roll No. 80585  
1105 Tower 2, Hight Street South Corporate Plaza  
26th Street, Bonifacio Global City, Taguig City  
PTR No. A-6769410; 01/05/2026; Taguig City  
IBP Receipt No. INV 575194; 12/29/2025; RSM Chapter  
MCLE Compliance No. VIII-0040821; valid until April 14, 2028



## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
2GO Group, Inc.  
8th Floor, Tower 1, Double Dragon Plaza  
EDSA Extension cor. Macapagal Avenue  
Pasay City

### Opinion

We have audited the consolidated financial statements of 2GO Group, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of profit or loss, 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 December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information consists of the information included in the Philippine Securities and Exchange Commission (SEC) Form 17-A for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The SEC Form 17-A and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.



Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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.

SYCIP GORRES VELAYO & CO.



Albert R. Bon

Partner

CPA Certificate No. 0121479



BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 121479-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements,  
with extension up to audit of 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-135-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765020, January 2, 2026, Makati City

February 26, 2026



**2GO GROUP, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2025 AND 2024

(Amounts in Thousands)

		December 31	
	<i>Note</i>	2025	2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	₱567,276	₱622,202
Trade and other receivables	8,20	3,692,612	2,708,755
Inventories	9	194,472	215,093
Other current assets	10	1,394,204	1,918,265
<b>Total Current Assets</b>		<b>5,848,564</b>	<b>5,464,315</b>
<b>Noncurrent Assets</b>			
Property and equipment	11,17,18	7,655,634	7,663,146
Investments in associates and joint ventures	12	327,220	416,453
Goodwill	13	686,896	686,896
Deferred income tax assets	27	261,349	146,198
Other noncurrent assets	14	1,812,453	1,326,458
<b>Total Noncurrent Assets</b>		<b>10,743,552</b>	<b>10,239,151</b>
<b>TOTAL ASSETS</b>		<b>₱16,592,116</b>	<b>₱15,703,466</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Short-term notes payable	15	₱2,297,000	₱2,539,000
Trade and other payables	16,19,20	5,152,435	4,913,647
Obligations under lease - current portion	11,18	484,222	368,777
Long-term debt - current portion	11,17	839,209	333,970
<b>Total Current Liabilities</b>		<b>8,772,866</b>	<b>8,155,394</b>
<b>Noncurrent Liabilities</b>			
Noncurrent portion of:			
Long-term debt	11,17	2,391,144	3,208,978
Obligations under lease	11,18	1,153,259	1,167,491
Accrued retirement benefits	26	494,131	425,621
<b>Total Noncurrent Liabilities</b>		<b>4,038,534</b>	<b>4,802,090</b>
<b>Total Liabilities</b>		<b>₱12,811,400</b>	<b>₱12,957,484</b>

(Forward)



		<b>December 31</b>	
	<i>Note</i>	<b>2025</b>	<b>2024</b>
<b>Equity</b>			
Share capital	21	<b>₱2,500,663</b>	₱2,500,663
Additional paid-in capital	21	<b>2,498,621</b>	2,498,621
Other equity reserve	21	<b>712,245</b>	712,245
Other comprehensive losses - net	12,26	<b>(95,248)</b>	(82,027)
Deficit	21	<b>(1,861,185)</b>	(2,908,230)
Treasury shares	21	<b>(58,715)</b>	(58,715)
<b>Equity Attributable to Equity Holders of the Parent Company</b>		<b>3,696,381</b>	2,662,557
<b>Non-controlling Interests</b>		<b>84,335</b>	83,425
<b>Total Equity</b>		<b>3,780,716</b>	2,745,982
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>₱16,592,116</b>	₱15,703,466

*See accompanying Notes to the Consolidated Financial Statements.*



**2GO GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**  
(Amounts in Thousands, Except Earnings Per Common Share)

		<b>Years Ended December 31</b>		
	<i>Note</i>	<b>2025</b>	2024	2023
<b>REVENUES FROM CONTRACTS WITH CUSTOMERS</b>				
Shipping:	5,20			
Freight		<b>₱7,773,186</b>	₱7,554,456	₱6,770,492
Travel		<b>2,735,773</b>	2,649,939	2,336,846
Nonshipping:				
Logistics and other services		<b>8,427,823</b>	7,716,644	6,848,829
		<b>18,936,782</b>	17,921,039	15,956,167
<b>COST OF SERVICES AND GOODS SOLD</b>	22	<b>15,831,662</b>	15,531,275	13,221,156
<b>GROSS PROFIT</b>		<b>3,105,120</b>	2,389,764	2,735,011
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	23	<b>1,338,507</b>	1,220,353	1,240,671
<b>OPERATING INCOME FROM CONTINUING OPERATIONS</b>		<b>1,766,613</b>	1,169,411	1,494,340
<b>OTHER INCOME (CHARGES)</b>				
Equity in net earnings (loss) of associates and joint ventures	12	<b>(87,141)</b>	101,541	153,328
Financing charges	24			
Bank loans		<b>(370,598)</b>	(441,705)	(380,660)
Lease liabilities		<b>(105,466)</b>	(105,994)	(96,890)
Others - net	24	<b>(72,885)</b>	187,954	81,245
		<b>(636,090)</b>	(258,204)	(242,977)
<b>INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS</b>		<b>1,130,523</b>	911,207	1,251,363
<b>PROVISION FOR INCOME TAX</b>	27			
Current		<b>281,917</b>	105,444	137,314
Deferred		<b>(204,395)</b>	(23,741)	(33,272)
		<b>77,522</b>	81,703	104,042
<b>NET INCOME FROM CONTINUING OPERATIONS</b>		<b>1,053,001</b>	829,504	1,147,321
<b>NET LOSS FROM DISCONTINUED OPERATIONS</b>	32	<b>(2,339)</b>	(6,683)	(197,114)
<b>NET INCOME</b>		<b>₱1,050,662</b>	₱822,821	₱950,207
<b>Net Income Attributable to:</b>				
Equity holders of the Parent Company		<b>₱1,047,045</b>	₱814,573	₱939,285
Non-controlling interests		<b>3,617</b>	8,248	10,922
		<b>₱1,050,662</b>	₱822,821	₱950,207
<b>Basic/Diluted Income Per Share*</b>	28	<b>₱425.53</b>	₱331.05	₱381.73
<b>Basic/Diluted Income Per Share for continuing operations*</b>	28	<b>₱426.48</b>	₱333.77	₱461.84

See accompanying Notes to the Consolidated Financial Statements.

\*Basic/diluted income per share in 2025, 2024 and 2023 is adjusted retrospectively to consider the impact of the reverse stock split on the weighted average common shares.



**2GO GROUP, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

(Amounts in Thousands)

		Years Ended December 31		
	<i>Note</i>	2025	2024	2023
<b>NET INCOME</b>		<b>₱1,050,662</b>	<b>₱822,821</b>	<b>₱950,207</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
(LOSS) - Net of tax				
<b>Items that will not be reclassified</b>				
<b>subsequently to profit or loss:</b>				
Remeasurement gain (loss) on net				
defined benefit liability	26	(14,838)	51,157	(66,419)
Income tax effect	27	3,709	(12,789)	16,605
		(11,129)	38,368	(49,814)
Share in remeasurement gain (loss) on				
retirement benefits of associates and				
joint ventures	12	(2,092)	(12,364)	2,164
		(13,221)	26,004	(47,650)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>₱1,037,441</b>	<b>₱848,825</b>	<b>₱902,557</b>
<b>Total Comprehensive Income</b>				
<b>Attributable to:</b>				
Equity holders of the Parent Company		₱1,033,824	₱840,577	₱891,635
Non-controlling interests		3,617	8,248	10,922
		₱1,037,441	₱848,825	₱902,557

*See accompanying Notes to the Consolidated Financial Statements.*

**2GO GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company											Total Equity
	Share Capital (Note 21)	Additional Paid-in Capital (Note 21)	Other Equity Reserve (Note 21)	Share in Cumulative Translation Adjustment of an Associate	Remeasurement Losses on Accrued Retirement Benefits - Net of tax (Note 26)	Share in Remeasurement Gains (Losses) on Accrued Retirement Benefits of Associates and Joint Ventures (Note 12)	Subtotal	Deficit (Note 21)	Treasury Shares (Note 21)	Total	Non- controlling Interests	
<b>BALANCES AT JANUARY 1, 2023</b>	<b>₱2,500,663</b>	<b>₱2,498,621</b>	<b>₱712,245</b>	<b>₱5,294</b>	<b>(₱75,005)</b>	<b>₱9,330</b>	<b>(₱60,381)</b>	<b>(₱4,662,088)</b>	<b>(₱58,715)</b>	<b>₱930,345</b>	<b>₱64,255</b>	<b>₱994,600</b>
Net income for the year	-	-	-	-	-	-	-	939,285	-	939,285	10,922	950,207
Other comprehensive income (loss) for the year	-	-	-	-	(49,814)	2,164	(47,650)	-	-	(47,650)	-	(47,650)
Total comprehensive income (loss) for the year	-	-	-	-	(49,814)	2,164	(47,650)	939,285	-	891,635	10,922	902,557
<b>BALANCES AT DECEMBER 31, 2023</b>	<b>2,500,663</b>	<b>2,498,621</b>	<b>712,245</b>	<b>5,294</b>	<b>(124,819)</b>	<b>11,494</b>	<b>(108,031)</b>	<b>(3,722,803)</b>	<b>(58,715)</b>	<b>1,821,980</b>	<b>75,177</b>	<b>1,897,157</b>
Net income for the year	-	-	-	-	-	-	-	814,573	-	814,573	8,248	822,821
Other comprehensive income (loss) for the year	-	-	-	(5,294)	38,368	(7,070)	26,004	-	-	26,004	-	26,004
Total comprehensive income (loss) for the year	-	-	-	(5,294)	38,368	(7,070)	26,004	814,573	-	840,577	8,248	848,825
<b>BALANCES AT DECEMBER 31, 2024</b>	<b>2,500,663</b>	<b>2,498,621</b>	<b>712,245</b>	<b>-</b>	<b>(86,451)</b>	<b>4,424</b>	<b>(82,027)</b>	<b>(2,908,230)</b>	<b>(58,715)</b>	<b>2,662,557</b>	<b>83,425</b>	<b>2,745,982</b>
Net income for the year	-	-	-	-	-	-	-	1,047,045	-	1,047,045	3,617	1,050,662
Other comprehensive loss for the year	-	-	-	-	(11,129)	(2,092)	(13,221)	-	-	(13,221)	-	(13,221)
Total comprehensive income (loss) for the year	-	-	-	-	(11,129)	(2,092)	(13,221)	1,047,045	-	1,033,824	3,617	1,037,441
Dividends declared (Note 20)	-	-	-	-	-	-	-	-	-	-	(2,707)	(2,707)
<b>BALANCES AT DECEMBER 31, 2025</b>	<b>₱2,500,663</b>	<b>₱2,498,621</b>	<b>₱712,245</b>	<b>₱-</b>	<b>(₱97,580)</b>	<b>₱2,332</b>	<b>(₱95,248)</b>	<b>(₱1,861,185)</b>	<b>(₱58,715)</b>	<b>₱3,696,381</b>	<b>₱84,335</b>	<b>₱3,780,716</b>

See accompanying Notes to the Consolidated Financial Statements.



## 2GO GROUP, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(Amounts in Thousands)

	Note	Years Ended December 31		
		2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax from continuing operations		<b>₱1,130,523</b>	₱911,207	₱1,251,363
Loss before tax from discontinued operations	32	<b>(1,637)</b>	(6,683)	(191,482)
Income before income tax		<b>1,128,886</b>	904,524	1,059,881
Adjustments for:				
Depreciation and amortization of property and equipment and software	11,14, 22,23	<b>1,287,926</b>	1,392,213	1,286,060
Financing charges	24,32	<b>476,298</b>	554,386	495,572
Interest income	24,32	<b>(1,957)</b>	(2,771)	(619)
Loss (Gain) on disposal of property and equipment	24	<b>28,600</b>	(63,928)	(4,550)
Loss (Gain) on lease pre-termination	18,24	<b>49,536</b>	(1,335)	(66,329)
Equity in net (earnings) losses of associate and joint venture	12	<b>87,141</b>	(101,541)	(153,328)
Retirement benefit cost	26	<b>122,298</b>	82,613	95,398
Unrealized foreign exchange losses		<b>283</b>	1,382	2,033
Operating income before working capital changes		<b>3,179,011</b>	2,765,543	2,714,118
Decrease (increase) in:				
Trade and other receivables		<b>(984,214)</b>	(294,919)	991,375
Inventories		<b>20,621</b>	(24,623)	322,303
Other current assets		<b>81,603</b>	182,001	(62,399)
Other noncurrent assets		<b>35,076</b>	10,565	18,777
Increase (decrease) in trade and other payables		<b>164,214</b>	(4,620)	(169,996)
Net cash generated from operations		<b>2,496,311</b>	2,633,947	3,814,178
Contribution for retirement fund and benefits paid from book reserve	26	<b>(68,626)</b>	(35,081)	(67,132)
Interest received		<b>1,957</b>	2,771	619
Income taxes paid, including creditable withholding taxes		<b>(265,425)</b>	(379,561)	(302,219)
Net cash flows provided by operating activities		<b>2,164,217</b>	2,222,076	3,445,446
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
Additions to:				
Property and equipment	11	<b>(666,480)</b>	(2,049,523)	(2,080,587)
Software	14	<b>(13,531)</b>	(15,671)	(16,849)
Proceeds from disposal of:				
Property and equipment	11	<b>7,891</b>	296,705	26,960
Investment in an associate	12	<b>–</b>	30,000	10,000
Dividends received		<b>–</b>	–	162,581
Payments for various deposits	10,14	<b>(25,163)</b>	(22,881)	(45,588)
Net cash flows used in investing activities		<b>(697,283)</b>	(1,761,370)	(1,943,483)

(Forward)



		<b>Years Ended December 31</b>		
		<b>2025</b>	2024	2023
	<i>Note</i>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<i>31</i>				
Proceeds from availments of:				
Short-term notes payable	<i>15</i>	<b>₱990,000</b>	₱1,590,000	₱1,204,000
Long-term debt	<i>17</i>	<b>22,500</b>	-	-
Payments of:				
Short-term notes payable	<i>15</i>	<b>(1,232,000)</b>	(867,000)	(1,694,000)
Long-term debt	<i>17</i>	<b>(341,125)</b>	(340,000)	(100,000)
Obligations under lease	<i>18</i>	<b>(472,134)</b>	(426,518)	(387,075)
Interest and financing charges	<i>24</i>	<b>(486,763)</b>	(552,813)	(460,046)
Debt transaction costs	<i>17,24</i>	-	-	(25,500)
Dividends paid	<i>20</i>	<b>(2,707)</b>	-	-
Net cash flows used in financing activities		<b>(1,522,229)</b>	(596,331)	(1,462,621)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>				
		<b>369</b>	(4,208)	(1,834)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(54,926)</b>	(139,833)	37,508
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>				
		<b>622,202</b>	762,035	724,527
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>				
		<b>₱567,276</b>	₱622,202	₱762,035

*See accompanying Notes to the Consolidated Financial Statements.*



## **2GO GROUP, INC. AND SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(Amounts in Thousands, Except Number of Shares, Earnings per Share, Exchange Rate Data and When Otherwise Indicated)**

#### **1. Corporate Information and Approval of the Consolidated Financial Statements**

##### Corporate Information

2GO Group, Inc. (2GO or the Company) was incorporated in the Philippines on May 26, 1949. Its corporate life was renewed on May 12, 1995 and will expire on May 25, 2049. However, under the Revised Corporation Code of the Philippines, 2GO shall have a perpetual corporate life. The Company's registered office address is 8th Floor Tower 1, Double Dragon Plaza, EDSA Extension corner Macapagal Avenue, Pasay City, Metro Manila.

2GO and its subsidiaries (collectively referred to as the Group) provide shipping and logistics services to small and medium enterprises, large corporations, and government agencies throughout the Philippines. The shipping group operates interisland roll-on/roll-off freight and passenger vessels and interisland freighters. The logistics group offers transportation, warehousing and distribution, cold chain solutions, domestic and international ocean and air forwarding services, customs brokerage, project logistics, and express, mid-mile and last mile package and e-commerce delivery.

On February 28, 2023, the Board of Directors (BOD) of 2GO approved the voluntary delisting of 2GO shares from the PSE, subject to the successful completion of the intended tender offer by SMIC, compliance with other requirements of the Philippine Stock Exchange (PSE) for voluntary delisting, and applicable regulations of the Philippine Securities and Exchange Commission (SEC). In the Annual Stockholders' Meeting of 2GO held on April 18, 2023, stockholders owning 2,409,564,0081 shares or 97.86% of the outstanding capital stock of 2GO approved the voluntary delisting. The PSE approved the delisting effective July 17, 2023.

As of June 30, 2023, with the completion of the tender offer, 2GO's outstanding capital stock is owned by: SMIC (1,654,861,652 common shares or 67.21%); Trident (781,122,265 common shares or 31.73%); and public shareholders own 1.06%.

On June 26, 2025, the BOD approved the decrease of the authorized capital stock and the increase in the par value of common shares. The amended Articles of Incorporation was approved by the Philippine SEC on January 22, 2026.

Accordingly, 2GO is no longer considered a public company under the Philippine SEC's definition of a public company. A Petition for Voluntary Revocation of the Order of Registration and Permit to Sell Securities to the Public, and for Exemption from Reportorial Requirements under Securities Regulation Code, was filed on January 29, 2026. The Petition is still pending approval by the Philippine SEC.

On February 5, 2026, the Philippine SEC approved the equity restructuring to eliminate in full the deficit of 2GO as of December 31, 2024 (see Note 21a).

On February 25, 2026, the Philippine SEC approved the creation of additional paid-in capital (APIC) of ScanAsia Overseas, Inc. (SOI), a subsidiary of 2GO. On the same date, the Philippine SEC approved the equity restructuring to eliminate in full the deficit of SOI as of May 31, 2025 against the APIC.

##### Approval of the Consolidated Financial Statements

The accompanying consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were approved and authorized for issue by the BOD on February 26, 2026.



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## 2. Basis of Preparation and Statement of Compliance

### Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Philippine peso (Peso), which is the Group's functional and presentation currency. All values are presented to the nearest thousands, except when otherwise indicated.

### Statement of Compliance

The consolidated financial statements of the Group are prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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## 3. Material Accounting Policy Information

Accounting policies have been applied consistently to all years presented in the consolidated financial statements, except for the changes in accounting policies explained below.

### Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Group adopted the following amendments to standards starting January 1, 2025. Except as otherwise indicated, the adoption of these amendments to standards did not have any significant impact on the Group's consolidated financial statements.

#### *Effective beginning on or after January 1, 2025*

- Amendments to Philippine Accounting Standards (PAS) 21, *Lack of exchangeability*  
The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

### Standards Issued But Not Yet Adopted

Pronouncements issued but not yet effective 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 beginning on or after January 1, 2026*

- Amendments to Illustrative Examples on PFRS 7, *Financial Instruments: Disclosures*, PFRS 18, *Presentation and Disclosure in Financial Statements*, PAS 1, *Presentation of Financial Statements*, PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, PAS 26 *Accounting and Reporting by Retirement Benefit Plans* and PAS 37, *Provisions, Contingent Liabilities and Contingent Assets - Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *First-time Adoption of International Financial Reporting Standards, 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, *Consolidated Financial Statements, Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Statement of Cash Flows, Cost Method*

*Effective beginning on or after January 1, 2027*

- PFRS 17, *Insurance Contracts*
- PFRS 18
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates, Translation to a Hyperinflationary Presentation Currency*

*Deferred effectivity*

- Amendments to PFRS 10 and PAS 28, *Investments in Associates and Joint Ventures, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The material accounting policy information adopted in the preparation of the consolidated financial statements are summarized below.

#### Basis of Consolidation

The consolidated financial statements include the accounts of 2GO and the subsidiaries listed below:

	Nature of Business	Effective Percentage of Ownership	
		2025	2024
Special Container and Value Added Services, Inc. (SCVASI) <sup>(1)</sup>	Transportation/logistics	–	100.0
2GO Express, Inc. (2GO Express)	Transportation/logistics	100.0	100.0
2GO Logistics, Inc. (2GO Logistics)	Transportation/logistics	100.0	100.0
Scanasia Overseas, Inc. (SOI) <sup>(1)</sup>	Sales of goods <sup>(5)</sup>	100.0	100.0
2GO Land Transport, Inc.	Transportation	100.0	100.0
	Holdings and logistics		
NN-ATS Logistics Management and Holdings Co., Inc. <sup>(2)</sup>	management	100.0	100.0
Astir Engineering Works, Inc. <sup>(2)(3)</sup>	Engineering services	–	100.0
WG&A Supercommerce, Incorporated <sup>(3)</sup>	Vessels' hotel management	100.0	100.0
North Harbor Tugs Corporation	Tugboat assistance	58.9	58.9
2GO Rush Delivery, Inc. (RUSH) <sup>(4)</sup>	Transportation/logistics	100.0	100.0

<sup>1</sup> On August 9, 2023, the BOD approved the cessation of business operations, particularly the sales of goods, of SOI. On June 2, 2025, the BOD approved the merger between SOI and SCVASI, with SOI as the surviving entity. The merger was approved by the SEC on December 16, 2025. SOI is 39%-owned by 2GO and 61%-owned by 2GO Express.

<sup>2</sup> In September 2020, the BOD approved the merger of these companies, with NN-ATS as the surviving entity. The SEC approved the merger on March 13, 2025.

<sup>3</sup> Ended commercial operations in 2018 or prior

<sup>4</sup> Wound down due to non-operation

<sup>5</sup> On June 2, 2025, the BOD approved the amendment of SOI's Articles of Incorporation to update its primary purpose, secondary purpose and principal office address. The SEC approved the amendment on January 15, 2026. Accordingly, the nature of business of SOI has been updated to "Transportation/logistics".

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of subsidiaries are consistent with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



### Investments in Associates and Joint Ventures

The consolidated financial statements include the significant associates and joint ventures of the Group listed below.

	Nature of Business	Effective Percentage of Ownership <b>2025 and 2024</b>
Associates:		
MCC Transport Philippines (MCCP)	Container transportation	33.0
Joint Ventures:		
KLN Logistics Holdings Philippines Inc. (KLN)	Holding company	78.4
KLN Freight (Phils.), Inc (KLI) <sup>(2)</sup>	International freight and cargo forwarding	62.5

<sup>1</sup>KLN is 78.4%-owned by 2GO Express.

<sup>2</sup>Formerly Kerry Logistics (Phils.), Inc. KLI is 62.5%-owned by KLN.

All entities are incorporated in the Philippines.

### Determination of Fair Value

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interest.

### Financial Instruments

#### *Initial Recognition of Financial Instruments*

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). Trade receivables or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

#### *Financial assets*

At initial recognition, the Group classifies its financial assets as follows:

- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Financial assets measured at amortized cost

The Group has no financial assets classified as FVTPL and FVTOCI.

#### *Financial liabilities*

Financial liabilities of the Group are classified as measured at amortized cost



*Subsequent measurement*

*Financial assets measured at amortized cost*

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

The Group's cash in banks and cash equivalents, trade and other receivables and refundable deposits (presented as part of "Other current assets" account and "Other noncurrent assets" account in the consolidated statement of financial position) are classified under this category.

*Financial liabilities measured at amortized cost*

After initial recognition, these financial liabilities are carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Gains and losses on other financial liabilities are recognized in the consolidated statement of profit or loss when the liabilities are derecognized, as well as through the amortization process.

The Group's notes payable, trade and other payables excluding unearned revenue, long-term debt and obligations under lease are classified under this category.

*De-recognition of Financial Assets and Liabilities*

*Financial Assets.* A financial asset is generally derecognized when the rights to receive cash flows from the asset have expired.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

*Impairment of Financial Assets*

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information (e.g., financial difficulty or insolvency) indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



### Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost, which includes all costs directly attributable to acquisition, such as purchase price and transport costs, is primarily determined using the weighted average method. NRV of inventories for sale is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale, while NRV of inventories for usage is the estimated replacement cost. An allowance for inventory obsolescence is provided for based on the Group's historical inventory expiration experience and physical inspection.

### Discontinued Operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Additional disclosures are provided in Note 32. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

### Property and Equipment

Property and equipment, except land, is stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Land is stated at cost less any impairment in value.

Drydocking costs, consisting mainly of main engine overhaul, replacement of steel plate of the vessels' hull and related expenditures, are capitalized as a separate component of "Vessels in operations". When significant drydocking costs are incurred prior to the end of the amortization period, the remaining unamortized balance of the previous drydocking cost is derecognized in profit or loss.

Vessels under refurbishment, if any, include the acquisition cost of the vessels, the cost of ongoing refurbishments and other direct costs. Construction-in-progress represents structures under construction and is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the refurbishment of vessels and construction of property and equipment are capitalized during the refurbishment and construction period. Vessels under refurbishment and construction in progress are not depreciated until such time the relevant assets are complete and available for use but tested for impairment losses. Refurbishment of existing vessels is capitalized as part of vessel improvements and depreciated at the time the vessels are put back into operation.

Minor spare parts and service equipment are typically carried as inventory and recognized in profit or loss as consumed. Major spare parts and stand-by equipment are carried as property and equipment when an entity expects to use them during more than one period or when they can be used only in connection with an item of property and equipment.



Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, namely:

	<i>Note</i>	In Years
Vessels in operations, excluding drydocking costs and vessel equipment and improvements	4	30 - 35*
Drydocking costs		2 - 2.5
Vessel equipment and improvements		3 - 5
Containers and reefer vans		5 - 10
Terminal and handling equipment		5 - 10
Furniture and other equipment		3 - 5
Land improvements		5 - 10
Buildings and warehouses		5 - 20
Transportation equipment		5 - 10
Spare parts and service equipment		3 - 5
Leasehold improvements		Shorter of 5 - 20 or lease term

\*From the time the vessel was built.

### Goodwill

*Impairment Testing of Goodwill.* 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), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and,
- is not larger than an operating segment as defined in PFRS 8, *Operating Segments*, before aggregation.

*Frequency of Impairment Testing.* Irrespective of whether there is any indication of impairment, the Group tests goodwill acquired in a business combination for impairment at least annually.

*Allocation of Impairment Loss.* An impairment loss is recognized for a CGU if the recoverable amount of the unit or group of units is less than the carrying amount of the unit or group of units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit or group of units first to reduce the carrying amount of goodwill allocated to the CGU or group of units and then to the other assets of the unit or group of units pro rata on the basis of the carrying amount of each asset in the unit or group of units.

### Impairment of Nonfinancial Assets

The carrying values of the Group's nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or CGUs are written-down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost to sell or value in use (VIU). The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset.



### Equity

The equity of the Group consists of share capital, additional paid-in capital (APIC), treasury shares, other comprehensive income (loss) OCI and retained earnings (deficit).

Treasury shares are the Group's own equity instruments that are reacquired. Treasury shares are recognized at cost and deducted from equity.

OCI of the Group includes share in OCI of associates and remeasurement gains or losses on accrued retirement benefits.

### Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when controls of goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods and services. The specific recognition criteria for each type of revenue are as follows:

*Shipping Revenues* are recognized when the related services are rendered over time based on the estimated period travelled. Shipping revenues include revenue from ancillary services such as wharfage, arrastre, stevedoring and other freight related services.

*Logistics Revenues* are recognized when the related services have been rendered. Service fees are also recognized when cargoes are received by either shipper or consignee for export and import transactions.

*Sale of Goods* are recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods.

### Contract Balances

#### *Contract assets*

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

#### *Trade receivables*

A receivable represents 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). Refer to accounting policies of financial assets in section "Financial instruments".

#### *Contract liabilities*

If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are classified under "Trade and other payables" account in the consolidated statement of financial position. Contract liabilities are recognized as revenue when the Group performs under the contract.

### Costs and Expenses

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

### Employee Benefits

#### *Short-term Employee Benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



### *Retirement Benefits*

Majority of the subsidiaries of the Group have separate funded, noncontributory retirement plans, administered by the respective trustees, covering their respective permanent employees.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. Projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- Net interest on the net defined benefit liability or asset; and,
- Re-measurements of net defined benefit liability or asset.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs.

Re-measurements 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. 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).

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Right-of-use assets, presented under property and equipment in the consolidated statements of financial position, are recognized at the commencement date of the lease. These assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows.

	In Years
Container Yard	10
Office	10
Warehouse	10
Equipment	3-10



Lease liabilities are recognized at the commencement date of the lease and is measured at the present value of lease payments to be made over the lease term. 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. Lease liability is carried at amortized cost. Lease liabilities are 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.

The Group applies the following recognition exemptions:

- short-term lease (leases with lease term of 12 months or less from the commencement date and do not contain a purchase option); or
- low-value assets.

Lease payments under short-term leases and low value assets are recognized as rent expense on a straight-line basis over the lease term.

#### Deferred Income Taxes

Deferred tax is provided, using the balance sheet liability method, on all 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 assets are recognized for all deductible temporary differences and carryforward benefits of excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and Net Operating Loss Carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT over RCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

#### *Value-added taxes (VAT)*

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

#### *Creditable withholding taxes (CWTs)*

CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rule on Philippine income taxation. CWTs which are expected to be utilized as payment for income taxes or to be refunded within twelve (12) months are classified as current assets.

#### Basic/Diluted Earnings (Loss) Per Common Share (EPS)

Basic EPS is computed by dividing the net income (loss) from continuing operations for the period attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the period. The weighted number of shares is adjusted retrospectively for stock dividends, stock splits and reverse stock splits that occur during the year. If such changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for the current and comparative periods presented shall be based on the new number of shares.

For the purpose of computing diluted EPS, the net income (loss) from continuing operations for the period attributable to equity holders of the Parent Company and the weighted-average number of issued and outstanding common shares are adjusted for the effects of all dilutive potential ordinary shares.



The basic/diluted EPS for the discontinued are disclosed in the notes to consolidated financial statements.

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#### 4. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards requires management to make judgments, accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These judgments, estimates and assumptions are based on management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

##### 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:

##### *Determining the timing of satisfaction of performance obligation shipping and logistics and other services*

The Group assessed that performance obligation for shipping and logistics and other services are rendered to the customers over time. As a result, revenue is recognized based on the extent of progress towards completion of the performance obligation. The determination of the method to measure progress requires judgement. The Group measures progress based on the total estimated period of transit (in days) from the date the cargo is accepted by the Group until the cargo is delivered to the customer.

##### Estimates and Assumptions

The following are the key assumptions concerning the future and other key sources of estimation uncertainty, at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

##### *Provision for ECL of trade receivables and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed 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 customer's actual default in the future. Refer to Note 8.

##### *Estimation of useful lives of property and equipment*

The useful life of each of the Group's items of property and equipment is estimated based on the period over which the asset is expected to be available for use until it is derecognized. Such estimation is based on a collective assessment of similar businesses, internal technical evaluation and experience with



similar assets. Specifically, in evaluating the useful lives of the vessels and related assets, management takes into account the intended life of the vessel fleet being operated, the estimate of the economic life from the date purchased or built, development in the domestic shipping regulations, the fleet deployment plans including the timing of fleet replacements, the changes in technology, as well as the repairs and maintenance program, among others.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expenses and decrease the carrying value of property and equipment. Refer to Note 11.

*Assessment of impairment and estimation of recoverable amount of property and equipment*

The Group assesses at the end of each reporting period whether there is any indication that the property and equipment may be impaired. If such indication exists, the entity follows the accounting policy discussed in section 3, Material Accounting Policy Information (Impairment of Nonfinancial Assets).

The preparation of estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect its assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

Assets that are subject to impairment testing when impairment indicators are present (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, a drop in revenues or other external indicators) are pertaining to the property and equipment of the Group amounting to ₱7.7 billion as of December 31, 2025 and 2024 (see Note 11).

As at December 31, 2025 and 2024, management evaluated the recoverable amount of the property and equipment based on its value in use. No impairment loss was recognized on the Group's property and equipment as the recoverable amount of the assets is higher than their carrying values.

*Impairment of goodwill*

The Group performs impairment testing on goodwill at least on an annual basis or more frequently, if events or changes in circumstances indicate that these may be impaired.

The recoverable amounts of the cash-generating units have been determined based on a value-in-use calculation using cash flow projections based on financial budgets as approved by management covering five-year projections for shipping and nonshipping business. The value-in-use calculation is based on a discounted cash flows (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount for the CGUs of the shipping and nonshipping businesses are disclosed in Note 13.

*Estimation of retirement benefits costs and obligation*

The determination of the obligation and cost for pension and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions



were described in Note 26 and include, among others, discount rate and future salary increase. 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 retirement obligations.

The discount is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. Refer to Note 26.

*Recognition of deferred income tax assets*

The Group's assessment on the recognition of deferred income tax assets on deductible temporary differences and carryforward benefits of excess MCIT and NOLCO is based on the projected taxable income in future periods. Based on the projection, not all deductible temporary differences and carryforward benefits of excess MCIT and NOLCO will be realized. Consequently, only a portion of the Group's deferred income tax assets was recognized. Refer to Note 27.

*Estimation of provisions for contingencies*

The Group is involved in certain legal and administrative proceedings arising from the ordinary course of business. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates. These estimates are based on consultations with independent outside parties, historical experience and other available data. The Group does not believe that these proceedings will have a material adverse effect on its financial position and performance. It is possible, however, that significant differences in actual experience or assumption may materially affect the recorded provision. The inherent uncertainty over the outcome of these legal proceedings and other claims is brought about by the difference in the interpretation and implementation of the relevant laws and regulations. Refer to Note 19.

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## 5. Revenue from Contracts with Customers

*Disaggregated revenue information*

The disaggregation of the Group's revenue from contracts with customers is presented in the consolidated statement of profit or loss and disclosed in the operating segment information. The Group's disaggregation of revenue from contracts with customers based on categories that depict the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

*Performance obligations and timing of revenue recognition*

The Group's performance obligations are summarized below.

- Shipping and logistics and other services: performance obligations are generally satisfied over time once the delivery services are completed.
- Sale of goods: performance obligation is generally satisfied upon delivery of the goods to the customers which is the point in time where the control has been transferred to the customer. This pertains to the food and beverages sold by the shipping segment and is presented as part of travel revenue in the consolidated statements of profit or loss.

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## 6. Operating Segment Information

The Group has identified two reportable operating segments as follows:

- The shipping segment provides ocean-going transportation of passengers, rolling cargo, and freight cargo.
- The nonshipping segment provides logistics, supply chain management and other services.



The BOD monitors the operating results of its two operating 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 the operating profit or loss in the consolidated financial statements.

Segment revenue includes revenue from services between operating segments. Such revenue and related costs are fully eliminated in the consolidation. Revenues from one customer of nonshipping segment represent approximately 10.9% of the segment's total revenue. Further, there were no revenue transactions with a single customer that accounts for 10.0% or more of total revenues for the other segments.

The segment information below relates to continuing operations. The sale of goods under nonshipping segment is included in the discontinued operations and is therefore not part of the segment information presented (see Note 32).

Revenues, expenses, results of operations, assets, liabilities and other information about the business segments are as follows:

	December 31, 2025			Consolidated Balance
	Shipping	Non Shipping	Eliminations/ Adjustments	
	<i>(In Thousands)</i>			
External customers	₱10,508,959	₱8,427,823	₱-	₱18,936,782
Intersegment revenue	1,997,657	364,418	(2,362,075)	-
<b>Revenues from contracts with customers</b>	<b>₱12,506,616</b>	<b>₱8,792,241</b>	<b>(₱2,362,075)</b>	<b>₱18,936,782</b>
Income before income tax from continuing operations	₱711,672	₱418,851	₱-	₱1,130,523
Benefits from (Provision for) income tax	34,293	(111,815)	-	(77,522)
<b>Segment income from continuing operations</b>	<b>₱745,965</b>	<b>307,036</b>	<b>₱-</b>	<b>₱1,053,001</b>
<b>Segment assets</b>	<b>₱14,486,907</b>	<b>₱6,892,271</b>	<b>(₱4,787,062)</b>	<b>₱16,592,116</b>
<b>Segment liabilities</b>	<b>₱9,470,464</b>	<b>₱8,052,679</b>	<b>(₱4,711,743)</b>	<b>₱12,811,400</b>
<b>Other Information:</b>				
Capital expenditures	₱562,608	₱794,919	₱-	₱1,357,527
Depreciation and amortization	956,147	331,779	-	1,287,926
Provision for ECL - net	(2,428)	24,725	-	22,297
Equity in net earnings (loss) of associates and joint ventures	(95,656)	8,515	-	(87,141)
	December 31, 2024			
	Shipping	Non Shipping	Eliminations/ Adjustments	Consolidated Balance
	<i>(In Thousands)</i>			
External customers	₱10,204,395	₱7,716,644	₱-	₱17,921,039
Intersegment revenue	1,833,834	501,654	(2,335,488)	-
<b>Revenues from contracts with customers</b>	<b>₱12,038,229</b>	<b>₱8,218,298</b>	<b>(₱2,335,488)</b>	<b>₱17,921,039</b>
Income before income tax from continuing operations	₱627,815	283,392	-	911,207
Provision for income tax	(36,321)	(45,382)	-	(81,703)
<b>Segment income from continuing operations</b>	<b>₱591,494</b>	<b>238,010</b>	<b>-</b>	<b>₱829,504</b>
<b>Segment assets</b>	<b>₱14,139,181</b>	<b>₱4,836,757</b>	<b>(₱3,272,472)</b>	<b>₱15,703,466</b>
<b>Segment liabilities</b>	<b>₱9,850,458</b>	<b>₱6,849,042</b>	<b>(₱3,742,016)</b>	<b>₱12,957,484</b>
<b>Other Information:</b>				
Capital expenditures	₱1,968,476	₱239,940	₱-	₱2,208,416
Depreciation and amortization	1,083,566	308,647	-	1,392,213
Provision for ECL - net	16,243	18,386	-	34,629
Equity in net earnings (loss) of associates and joint ventures	114,762	(13,221)	-	101,541



	December 31, 2023			Consolidated Balance
	Shipping	Non Shipping	Eliminations/ Adjustments	
	<i>(In Thousands)</i>			
External customers	₱9,107,338	₱6,848,829	₱-	₱15,956,167
Intersegment revenue	1,595,272	361,648	(1,956,920)	-
Revenues from contracts with customers	₱10,702,610	₱7,210,477	(₱1,956,920)	₱15,956,167
Income (Loss) before income tax from continuing operations	₱1,556,755	(305,392)	-	1,251,363
Benefits from (Provision for) income tax	8,062	(112,104)	-	(104,042)
Segment income (loss) from continuing operations	₱1,564,817	(417,496)	-	₱1,147,321
Segment assets	₱13,482,768	₱4,900,841	(₱3,583,178)	₱14,800,431
Segment liabilities	₱9,724,894	₱7,145,147	(₱3,966,767)	₱12,903,274
Other Information:				
Capital expenditures	₱2,845,594	₱150,731	₱-	₱2,996,325
Depreciation and amortization*	912,278	370,861	-	1,283,139
Provision for ECL - net	5,981	43,947	-	49,928
Dividend income	162,581	-	(162,581)	-
Equity in net earnings of associates and joint ventures	144,352	8,976	-	153,328

\*Excluding depreciation and amortization amounting to ₱3.1 million presented under discontinued operations.

Reconciliation of segment income and net income reported in the consolidated statements of profit or loss follows:

	Note	Years Ended December 31		
		2025	2024	2023
		<i>(In Thousands)</i>		
Segment income		₱1,053,001	₱829,504	₱1,147,321
Loss from discontinued operations	32	(2,339)	(6,683)	(197,114)
Net income		₱1,050,662	₱822,821	₱950,207

## 7. Cash and Cash Equivalents

This account consists of:

	Note	December 31	
		2025	2024
		<i>(In Thousands)</i>	
Cash on hand and in banks	20	₱541,844	₱585,796
Cash equivalents		25,432	36,406
		₱567,276	₱622,202

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are placements for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at prevailing market rates.

Interest income earned by the Group from cash in banks and cash equivalents amounted to ₱1.5 million in 2025, ₱0.7 million in 2024, and ₱0.5 million in 2023 (see Note 24).



## 8. Trade and Other Receivables

This account consists of:

	Note	December 31	
		2025	2024
		<i>(In Thousands)</i>	
Trade		<b>₱2,943,338</b>	₱2,296,729
Contract assets		<b>943,932</b>	682,901
Nontrade	20	<b>327,938</b>	276,307
Advances to officers and employees		<b>18,740</b>	13,853
		<b>4,233,948</b>	3,269,790
Allowance for ECL		<b>(541,336)</b>	(561,035)
		<b>₱3,692,612</b>	₱2,708,755

- a. Trade receivables are noninterest-bearing and are generally on 30 to 60 days terms.
- b. Contract assets relate to revenue earned from unbilled receivables which represent amounts recognized as revenue for which the invoices have not yet been issued to the customers. As such, the balance of this account varies and depends on the timing of issuance of billing invoice to customers. The outstanding balance of this account increased in 2025 mainly due to the increase in revenue during the year.
- c. Nontrade receivables include advances to principals, passage bonds, receivable from trustee fund and insurance from other claims. These receivables are noninterest-bearing and collectible on demand.
- d. The following tables set out the rollforward of the allowance for ECL as of December 31, 2025 and 2024 and 2023:

	Note	December 31, 2025		
		Trade and Contract Assets	Nontrade	Total
		<i>(In Thousands)</i>		
Beginning		<b>₱487,461</b>	<b>₱73,574</b>	<b>₱561,035</b>
Provision	23	<b>20,994</b>	<b>1,303</b>	<b>22,297</b>
Write-off/other adjustments		<b>(29,700)</b>	<b>(12,296)</b>	<b>(41,996)</b>
Ending		<b>₱478,755</b>	<b>₱62,581</b>	<b>₱541,336</b>

	Note	December 31, 2024		
		Trade and Contract Assets	Nontrade	Total
		<i>(In Thousands)</i>		
Beginning		₱476,894	₱58,545	₱535,439
Provision	23	18,292	16,337	34,629
Write-off/other adjustments		(7,725)	(1,308)	(9,033)
Ending		₱487,461	₱73,574	₱561,035



December 31, 2023				
	<i>Note</i>	Trade and Contract Assets	Nontrade	Total
<i>(In Thousands)</i>				
Beginning		₱528,143	₱34,790	₱562,933
Provision	23	22,718	27,210	49,928
Write-off		–	(2,010)	(2,010)
Reversal		(76,367)	(1,445)	(77,812)
Other adjustments		2,400	–	2,400
Ending		₱476,894	₱58,545	₱535,439

## 9. Inventories

This account consists of:

	December 31	
	2025	2024
<i>(In Thousands)</i>		
At lower of cost and net realizable value:		
Trading goods	₱13,154	₱27,056
Materials, parts and supplies	34,402	27,356
At cost:		
Fuel, oil and lubricants	146,916	160,681
	₱194,472	₱215,093

The cost of trading goods carried at net realizable value amounted to ₱13.2 million and ₱27.1 million as of December 31, 2025 and 2024, while the cost of materials, parts and supplies carried at net realizable value amounted to ₱36.8 million and ₱29.8 million, respectively. The allowance for inventory obsolescence as of December 31, 2025 and 2024 amounted to ₱2.4 million.

Costs of inventories were recognized and presented in the following accounts in the consolidated statements of profit or loss (see Notes 22 and 23):

	<i>Note</i>	Years Ended December 31		
		2025	2024	2023
<i>(In Thousands)</i>				
Continuing operations:				
Cost of services	22	₱4,140,888	₱4,517,459	₱3,296,235
General and administrative expenses	23	5,498	4,290	4,485
Discontinued operations:	32			
Cost of goods sold		–	–	3,011,890
		₱4,146,386	₱4,521,749	₱6,312,610

The cost of inventories used is presented as “Cost of services” and pertains mainly to fuel, oil and lubricants used in vessels’ operations, food and beverages sold by the shipping segment, and materials and supplies used. The cost of inventories expensed and presented as “Cost of goods sold” pertains to the trading goods sold by the nonshipping segment. The cost of inventories presented as “General and administrative expenses” pertains to office supplies.



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## 10. Other Current Assets

This account consists of:

		December 31	
	<i>Note</i>	<b>2025</b>	2024
		<i>(In Thousands)</i>	
CWTs - current portion	<i>14</i>	<b>₱1,032,553</b>	₱1,563,541
Refundable deposits - current portion	<i>14</i>	<b>99,697</b>	104,121
Input VAT		<b>75,840</b>	59,983
Advances to suppliers and contractors		<b>25,156</b>	11,026
Prepaid expenses and others		<b>177,115</b>	185,397
		<b>1,410,361</b>	1,924,068
Allowance for impairment losses		<b>(16,157)</b>	(5,803)
		<b>₱1,394,204</b>	₱1,918,265

- a. CWTs represent creditable tax certificates which can be applied against any related income tax liability of a company in the Group to which the CWTs relate.
- b. Prepaid expenses and others include prepaid rent, insurance and taxes.



## 11. Property and Equipment

	December 31, 2025											Total
	Vessels in Operations	Containers and Reefer Vans	Terminal and Handling Equipment	Furniture and Other Equipment	Land and Improvements	Buildings and Warehouses	Transportation Equipment	Spare Parts and Service Equipment	Leasehold Improvements	Construction-In-Progress	Right-of-Use Assets	
<i>(In Thousands)</i>												
<b>Cost</b>												
January 1, 2025	₱10,442,117	₱1,770,291	₱1,248,939	₱508,899	₱495,109	₱374,108	₱514,608	₱3,276	₱623,645	₱53	₱2,706,752	₱18,687,797
Additions	486,621	27,300	28,806	76,620	4,556	7,338	55,555	–	27,679	1,177	641,875	1,357,527
Disposals/retirements	(14,043)	(239,593)	(66,730)	(12,365)	(789)	–	(12,823)	–	(80,441)	–	(514,252)	(941,036)
Reclassification/Adjustment	2,395	–	–	(10,346)	(735)	196	(4,994)	–	(9,344)	(1,177)	(293,605)	(317,610)
<b>December 31, 2025</b>	<b>10,917,090</b>	<b>1,557,998</b>	<b>1,211,015</b>	<b>562,808</b>	<b>498,141</b>	<b>381,642</b>	<b>552,346</b>	<b>3,276</b>	<b>561,539</b>	<b>53</b>	<b>2,540,770</b>	<b>18,786,678</b>
<b>Accumulated Depreciation and Amortization</b>												
January 1, 2025	5,822,918	1,470,506	789,117	431,782	164,696	314,421	341,726	3,085	508,325	–	1,178,075	11,024,651
Depreciation and amortization	553,618	58,082	87,447	36,131	4,234	7,208	24,024	190	33,750	–	447,401	1,252,085
Disposals/retirements	(14,043)	(239,592)	(36,186)	(11,405)	(789)	–	(12,790)	–	(62,523)	–	(514,252)	(891,580)
Reclassification/Adjustment	6,401	–	–	(8,824)	–	–	(4,995)	1	(21,676)	–	(225,019)	(254,112)
<b>December 31, 2025</b>	<b>6,368,894</b>	<b>1,288,996</b>	<b>840,378</b>	<b>447,684</b>	<b>168,141</b>	<b>321,629</b>	<b>347,965</b>	<b>3,276</b>	<b>457,876</b>	<b>–</b>	<b>886,205</b>	<b>11,131,044</b>
<b>Net carrying amounts</b>	<b>₱4,548,196</b>	<b>₱269,002</b>	<b>₱370,637</b>	<b>₱115,124</b>	<b>₱330,000</b>	<b>₱60,013</b>	<b>₱204,381</b>	<b>₱–</b>	<b>₱103,663</b>	<b>₱53</b>	<b>₱1,654,565</b>	<b>₱7,655,634</b>
<b>December 31, 2024</b>												
	Vessels in Operations	Containers and Reefer Vans	Terminal and Handling Equipment	Furniture and Other Equipment	Land and Improvements	Buildings and Warehouses	Transportation Equipment	Spare Parts and Service Equipment	Leasehold Improvements	Construction-In-Progress	Right-of-Use Assets	Total
<i>(In Thousands)</i>												
<b>Cost</b>												
January 1, 2024	₱10,336,219	₱1,603,709	₱1,043,865	₱522,845	₱478,287	₱369,630	₱390,276	₱2,388	₱638,614	₱1,184,671	₱2,598,061	₱19,168,565
Additions	1,357,287	188,745	243,646	34,887	17,549	4,350	175,670	888	35,013	–	150,381	2,208,416
Disposals/retirements	(2,436,007)	(22,163)	(38,572)	(59,016)	–	–	(51,338)	–	(40,398)	–	(41,690)	(2,689,184)
Adjustment	1,184,618	–	–	10,183	(727)	128	–	–	(9,584)	(1,184,618)	–	–
<b>December 31, 2024</b>	<b>10,442,117</b>	<b>1,770,291</b>	<b>1,248,939</b>	<b>508,899</b>	<b>495,109</b>	<b>374,108</b>	<b>514,608</b>	<b>3,276</b>	<b>623,645</b>	<b>53</b>	<b>2,706,752</b>	<b>18,687,797</b>
<b>Accumulated Depreciation and Amortization</b>												
January 1, 2024	7,374,706	1,436,367	750,564	454,221	160,860	307,680	369,784	2,198	481,079	–	766,207	12,103,666
Depreciation and amortization	684,476	56,040	75,933	31,945	3,836	6,755	23,280	887	40,682	–	431,773	1,355,607
Disposals/retirements	(2,236,264)	(21,901)	(37,380)	(55,336)	–	–	(51,338)	–	(12,498)	–	(19,905)	(2,434,622)
Adjustment	–	–	–	952	–	(14)	–	–	(938)	–	–	–
<b>December 31, 2024</b>	<b>5,822,918</b>	<b>1,470,506</b>	<b>789,117</b>	<b>431,782</b>	<b>164,696</b>	<b>314,421</b>	<b>341,726</b>	<b>3,085</b>	<b>508,325</b>	<b>–</b>	<b>1,178,075</b>	<b>11,024,651</b>
<b>Net carrying amounts</b>	<b>₱4,619,199</b>	<b>₱299,785</b>	<b>₱459,822</b>	<b>₱77,117</b>	<b>₱330,413</b>	<b>₱59,687</b>	<b>₱172,882</b>	<b>₱191</b>	<b>₱115,320</b>	<b>₱53</b>	<b>₱1,528,677</b>	<b>₱7,663,146</b>



*Property and equipment under lease*

Containers, reefer vans, isotanks, cargo handling equipment, and office and operational spaces as of December 31, 2025 and 2024 include units acquired under lease arrangements (see Note 18).

Set out below are the carrying amount of right-of-use assets as of December 31, 2025 and 2024.

**December 31, 2025**

	Container Yard	Office	Warehouse	Equipment	Total
	<i>(In Thousands)</i>				
<b>Cost</b>					
January 1, 2025	₱800,977	₱352,745	₱1,131,059	₱421,971	₱2,706,752
Additions	–	19,198	556,126	66,551	641,875
Expiration of lease term	–	–	(454,357)	(59,895)	(514,252)
Effect of lease reassessment	–	(293,605)	–	–	(293,605)
December 31, 2025	800,977	78,338	1,232,828	428,627	2,540,770
<b>Accumulated Depreciation</b>					
January 1, 2025	217,000	227,255	583,636	150,184	1,178,075
Depreciation	98,890	40,375	262,593	45,543	447,401
Expiration of lease term	–	–	(454,357)	(59,895)	(514,252)
Effect of lease reassessment	–	(225,019)	–	–	(225,019)
December 31, 2025	315,890	42,611	391,872	135,832	886,205
<b>Net Carrying Amount</b>	<b>₱485,087</b>	<b>₱35,727</b>	<b>₱840,956</b>	<b>₱292,795</b>	<b>₱1,654,565</b>

**December 31, 2024**

	Container Yard	Office	Warehouse	Equipment	Total
	<i>(In Thousands)</i>				
<b>Cost</b>					
January 1, 2024	₱800,977	₱352,745	₱1,146,401	₱297,938	₱2,598,061
Additions	–	–	5,461	144,920	150,381
Pre-termination	–	–	(20,803)	(20,887)	(41,690)
December 31, 2024	800,977	352,745	1,131,059	421,971	2,706,752
<b>Accumulated Depreciation</b>					
January 1, 2024	118,110	183,375	347,848	116,874	766,207
Depreciation	98,890	43,880	249,079	39,924	431,773
Pre-termination	–	–	(13,291)	(6,614)	(19,905)
December 31, 2024	217,000	227,255	583,636	150,184	1,178,075
<b>Net Carrying Amount</b>	<b>₱583,977</b>	<b>₱125,490</b>	<b>₱547,423</b>	<b>₱271,787</b>	<b>₱1,528,677</b>

In 2024, the Group pre-terminated certain leased warehouses which resulted to gain amounting to ₱1.3 million and is presented as part of “Others - net” account under “Other Income (Charges)” in the consolidated statements profit or loss (see Notes 18 and 24). In 2025, the Group shortened the lease term of an office space, which resulted to the reduction of lease liability and right-of-use asset amounting to ₱68.6 million, and recognition of pre-termination costs amounting to ₱49.5 million (see Notes 18 and 24).

*Residual value of vessels*

The Group reviews the residual value of the vessels periodically to ensure that the amount is consistent with the future economic benefits embodied in these vessels at the point of disposal. The residual value for vessels is reassessed by management based on the vessels’ lightweight, the market price of scrap metals and the history of vessel disposal.

*Capitalization of drydocking costs*

Vessels in operations also include capitalized drydocking costs amounting to ₱292.3 million in 2025, ₱100.7 million in 2024 and ₱340.8 million in 2023. The related depreciable life of drydocking costs ranges from two years to two-and-a-half years.



*Acquisition of property and equipment*

In December 2023, the Group acquired two vessels with an acquisition cost totaling to ₱1,184.6 million, and were put in commercial operation in 2024 with total cost of ₱1,529.6 million, including the refurbishment costs. In 2024, the Group acquired another vessel for total cost of ₱807.8 million.

Unpaid acquisition costs of property and equipment amounted to ₱232.7 million and ₱183.5 million as of December 31, 2025 and 2024, respectively.

*Sale and disposal of property and equipment*

The Group disposed certain property and equipment for consideration of ₱7.9 million in 2025, ₱296.7 million in 2024 and ₱27.0 million in 2023.

In 2024, the proceeds from the disposal of property and equipment pertain mainly to the sale of two vessels amounting to ₱271.1 million.

*Depreciation and amortization*

Depreciation and amortization were recognized and presented in the following accounts in the consolidated statements of profit or loss:

	Note	Years Ended December 31		
		2025	2024	2023
<i>(In Thousands)</i>				
Continuing operations:				
Cost of services and goods sold	22	₱1,208,256	₱1,309,120	₱1,180,109
General and administrative expense	23	43,829	46,487	48,137
Discontinued operations	32	–	–	2,921
		<b>₱1,252,085</b>	<b>₱1,355,607</b>	<b>₱1,231,167</b>

*Property and equipment held as collateral*

Property and equipment, including right-of-use assets, held as collateral as at December 31, 2025 and 2024 amounted to ₱2,424.9 million and ₱2,333.3 million, respectively (see Note 18). These property and equipment include the carrying value of a passenger vessel and a tugboat totaling to ₱770.3 million and ₱804.6 million as at December 31, 2025 and 2024, respectively, which are used to secure the ₱500.0 million and ₱30.0 million term loan facility agreement with Banco de Oro Unibank, Inc. (BDO) and Asia United Bank (AUB), respectively (see Note 17).

## 12. Investments in Associate and Joint Ventures

Details of investments in associate and joint ventures are as follows:

	Years ended December 31		
	2025	2024	2023
<i>(In Thousands)</i>			
Acquisition - cost:			
Balances at end of year*	₱29,634	₱29,634	₱29,634
Accumulated equity in net earnings:			
Balances at beginning of year	387,689	286,148	295,401
Dividend received	–	–	(162,581)
Equity in net earnings (loss) during the year	(87,141)	101,541	153,328
Balances at end of year	300,548	387,689	286,148
Share in remeasurement gain on retirement benefits of associate and joint ventures:			
Balances at beginning of year	(870)	11,494	9,330
Share in remeasurement gain (loss) during the year	(2,092)	(12,364)	2,164
Balances at end of year	(2,962)	(870)	11,494
	<b>₱327,220</b>	<b>₱416,453</b>	<b>₱327,276</b>

\*Includes share in cumulative translation adjustment when an associate changed its functional currency amounting to ₱5.3 million.



In August 2022, the Group sold 100% of its shares in Mober for ₱50.0 million, which is payable on installment basis. As of December 31, 2023, the amount collected was ₱20.0 million and the balance of ₱30.0 million plus 8% interest per annum was paid in 2024, and are presented as part of “Trade and other receivables” in the consolidated statements of financial position.

Summarized financial information of the Group’s associate and joint ventures and reconciliation with the carrying amount of the investments in the consolidated financial statements are set as follows:

**Statements of financial position:**

	Associates			
	MCCP		KLI	
	2025	2024	2025	2024
	<i>(In Thousands)</i>			
<b>As at December 31</b>				
Current assets	<b>₱1,108,674</b>	₱1,316,393	<b>₱585,012</b>	₱528,721
Noncurrent assets	<b>977,858</b>	1,056,924	<b>186,025</b>	207,137
Current liabilities	<b>1,062,619</b>	730,884	<b>373,966</b>	330,425
Noncurrent liabilities	<b>313,908</b>	515,621	<b>159,948</b>	169,185
Equity	<b>710,005</b>	1,126,812	<b>237,123</b>	236,248

**Statements of comprehensive income:**

	Associates					
	MCCP			KLI		
	2025	2024	2023	2025	2024	2023
	<i>(In Thousands)</i>					
<b>For the years ended December 31:</b>						
Revenue from contracts with customers	<b>₱2,432,742</b>	₱2,788,497	₱2,619,578	<b>₱897,961</b>	₱773,934	₱698,215
Net income (loss)	<b>(386,105)</b>	261,800	554,961	<b>23,580</b>	20,071	14,986
Total comprehensive income (loss)	<b>(386,105)</b>	261,800	551,647	<b>23,580</b>	20,071	14,986

Below is the reconciliation of the total equity of the associate and joint venture and the investment in associate and joint venture.

	Years ended December 31		
	2025	2024	2023
	<i>(In Thousands)</i>		
Equity	<b>₱947,128</b>	₱1,371,496	₱990,626
Effective percentage of ownership*	<b>33% to 78%</b>	33% to 78%	33% to 78%
Share in equity	<b>₱327,220</b>	₱416,453	₱327,276

\*The Group effectively owns 33% of MCCP, 49% of KLI, and 78% of KLN

**13. Goodwill**

Impairment Testing of Goodwill

As a result of a business combination in 2010, the Group carries goodwill totaling ₱686.9 million allocated to the shipping and non-shipping business amounting to ₱580.6 million and ₱106.3 million, respectively. The recoverable amounts of the CGUs were determined based on VIU calculation using cash flow projections based on financial budgets approved by senior management and BOD covering five-year period for shipping and non-shipping.



Key Assumptions Used in VIU Calculations for the Shipping Business

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

*Budgeted Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)*

Budgeted EBITDA has been based on past experience adjusted for the following:

- *Passage and cargo revenue.* Management projected travel and freight revenue in line with historical volumes and rates, adjusted for the number of round trips per year.
- *Rates, exclusive of VAT.* Management expects an increase in passage and freight rates by 3% in 2025 and 2024 and in subsequent years based on the history of rate increases.
- *Fuel prices.* Management expects fuel prices to increase in line with inflation. Management expects to recover from the Group's customers any change in fuel prices that are beyond budget through implementation of surcharge. Management believes the fuel surcharge would not cause any material change in the forecasted passenger and cargo volume.
- *Fixed operating costs and expenses.* Based on the cost savings analysis made by management, terminal operation's fixed costs are expected to increase in line with inflation, partially mitigated by ongoing optimization of sites and assets in various locations in the Philippines.
- *Terminal and overhead expenses.* Management expects that costs and expenses, in general, will increase in line with inflation.

*Discount rate*

The discount rate applied to cash flow projections was 10.3% in 2025 and 10.7% in 2024.

*Budgeted capital expenditure*

Budgeted capital expenditure is based on maintenance requirements of the shipping business' fleet and land-based assets.

*Terminal growth rate*

Cash flows beyond the five-year period are extrapolated using a growth rate of 3%.

*Sensitivity to changes in assumptions*

Other than as disclosed above, management believes that any reasonably possible change in any of the above key assumptions would not cause the carrying value of goodwill to exceed its recoverable amount.

Key Assumptions Used in VIU Calculations for the CGUs of the Nonshipping Business

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

*Budgeted Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)*

Budgeted EBITDA has been based on past experience adjusted for the following:

- *Nonshipping revenue.* Management projected nonshipping revenue in line with historical volume and rates.
- *Rates exclusive of VAT.* Management expects an increase in nonshipping revenue rates by 5% in 2025 and 3% in 2024 and in subsequent years based on the history of rate increases.
- *Cost of services.* Management expects that the cost of services will increase in line with revenue growth, and that general and administrative expenses and other operating expenses will increase due to inflation and the increasing scale of the nonshipping business.

*Discount rate*

The discount rate applied to cash flow projections was 12.6% in 2025 and 13.0% in 2024.



*Budgeted capital expenditure*

Budgeted capital expenditure is based on the process improvement of non-shipping business' information technology (IT) infrastructure.

*Terminal growth rate*

Cash flows beyond the five-year period are extrapolated using a growth rate of 3%.

*Sensitivity to changes in assumptions*

Other than as disclosed above, management believes that any reasonably possible change in any of the above key assumptions would not cause the carrying value of goodwill to exceed its recoverable amount.

**14. Other Noncurrent Assets**

	Note	December 31	
		2025	2024
<i>(In Thousands)</i>			
CWTs - net of current portion	10	<b>₱1,609,606</b>	₱1,095,812
Software		<b>36,254</b>	58,564
Refundable deposits - net of current portion	10	<b>165,918</b>	136,331
Deferred input VAT		<b>1,515</b>	5,344
Advances to suppliers and contractors		<b>2,285</b>	33,532
		<b>1,815,578</b>	1,329,583
Allowance for impairment		<b>(3,125)</b>	(3,125)
		<b>₱1,812,453</b>	₱1,326,458

- a. The software is amortized on a straight-line basis over its estimated useful life of three to five years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The movements in software are as follows:

	Note	December 31		
		2025	2024	2023
<i>(In Thousands)</i>				
<b>Cost</b>				
Balances at beginning of year		<b>₱381,488</b>	₱378,032	₱364,757
Additions		<b>13,531</b>	15,671	16,849
Disposals/Retirement		<b>(20,518)</b>	(12,215)	(3,483)
Reclassification/adjustment		–	–	(91)
Balances at end of year		<b>374,501</b>	381,488	378,032
<b>Accumulated Amortization</b>				
Balances at beginning of year		<b>322,924</b>	297,735	246,140
Amortization	23	<b>35,841</b>	36,606	54,893
Disposals/Retirement		<b>(20,518)</b>	(11,417)	(3,298)
Balances at end of year		<b>338,247</b>	322,924	297,735
<b>Carrying Amount</b>		<b>₱36,254</b>	₱58,564	₱80,297

Amortization was recognized and presented in the consolidated statements of profit or loss under “General and administrative expenses”.



- b. Refundable deposits consist of amounts paid for rental deposits which can be applied as rental payment at the end of the lease term or can be collected in cash upon termination of the lease. Provision for impairment recognized in the consolidated statement of profit or loss amounted to nil in 2025, ₱3.0 million in 2024 and ₱15.6 million in 2023 and is presented as part of “Others” under “General and Administrative Expenses”.
- c. Deferred input VAT relates primarily to the major capital expenditures and drydocking of vessels incurred prior to January 1, 2022.

## 15. Short-term Notes Payable

Notes payable represent unsecured short-term peso-denominated notes payable obtained by the Group from local banks with annual interest rates ranging from 5.50% to 6.10% in 2025, from 5.85% to 6.30% in 2024, from 5.85% to 7.50% in 2023. The notes payable were rolled over during the year.

Total interest expense incurred by the Group from short-term notes payable was ₱129.3 million in 2025, ₱160.6 million in 2024 and ₱99.2 million in 2023 (see Note 24).

## 16. Trade and Other Payables

	Note	December 31	
		2025	2024
		<i>(In Thousands)</i>	
Trade	20	<b>₱966,113</b>	₱1,109,689
Accruals:			
Expenses	20	<b>2,619,748</b>	2,391,080
Salaries and wages		<b>161,975</b>	140,719
Interest	24	<b>44,531</b>	61,027
Capital expenditure		<b>232,696</b>	183,524
Others		<b>211,632</b>	141,253
Nontrade		<b>544,956</b>	559,766
Government payables		<b>166,420</b>	101,817
Contract liabilities		<b>179,279</b>	130,950
Other payables	19	<b>25,085</b>	93,822
		<b>₱5,152,435</b>	₱4,913,647

- a. Trade and other payables are noninterest-bearing and normally have 30 to 45 days terms. Trade payables from related parties are payable on demand.
- b. Accrued expenses pertain to various expenses which were already incurred but no invoice has been received at the end of the financial reporting period.
- c. Nontrade payables consist of security deposits, advances from principals and contractors, agencies and others.



- d. Contract liabilities include advance payments received for services to be rendered. The outstanding balances of these accounts increased in 2025 due to the increase in uncompleted service of travel and freight cash transactions within the year. Set out below is the amount of revenue recognized from:

	2025	2024
	<i>(In Thousands)</i>	
Amounts included in contract liabilities at the beginning of the year	<b>₱130,950</b>	₱130,559

- e. Other payables include provision for contingencies amounting to ₱25.1 million and ₱93.8 million as at December 31, 2025 and 2024, respectively (see Note 19).

## 17. Long-term Debt

Long-term debt consists of:

	<i>Note</i>	December 31	
		2025	2024
		<i>(In Thousands)</i>	
Banco de Oro Unibank, Inc. (BDO)	20	<b>₱3,220,000</b>	₱3,560,000
Asia United Bank (AUB)		<b>21,375</b>	–
Unamortized debt arrangement fees		<b>(11,022)</b>	(17,052)
		<b>3,230,353</b>	3,542,948
Current portion		<b>839,209</b>	333,970
Noncurrent portion		<b>₱2,391,144</b>	₱3,208,978

### BDO Term Loan Facility Agreements

- a. On April 10, 2018, 2GO entered into a five-year ₱3.5 billion term loan facility agreement with BDO to refinance the outstanding balance from its previous long-term loan with BDO and to fund various capital expenditures and other general requirements. Principal borrowings are due upon maturity at the end of five years in April 2023, while interest is payable quarterly. In April 2018 and April 2020, 2GO borrowed ₱2.5 billion and ₱1.0 billion, respectively, which is subject to fixed and floating interest rate, respectively.

On April 11 and 14, 2023, 2GO repaid ₱100.0 million of the term loan and refinanced ₱3.4 billion with a new term loan facility agreement for another five-year term. The new term loan facility requires annual repayment of 10% of the outstanding principal by the anniversary date each year and balloon payment of 50% on maturity date and is subject to a floating interest rate.

The term loan facility agreements are secured by a cross suretyship among 2GO, 2GO Express, 2GO Logistics, SOI and SCVASI. In addition, 2GO is required to maintain a maximum debt-to-EBITDA ratio of 4.0 and a minimum debt service coverage ratio (DSCR) of 1.25 based on the amended facility agreement dated October 22, 2024.

Interest rate is floater at 3M BVAL plus 100 bps/.95 or floor of 7%. The floating interest rate is subject to periodic review and adjustment earlier than five banking days prior to each “Interest Setting Date” as long as the term loan remains unpaid.



- b. On April 19, 2021, 2GO entered into another five-year ₱500.0 million term loan facility agreement with BDO to partially finance acquisition and landed cost of vessel. Principal borrowings are due upon maturity at the end of five years in April 2026, while interest is payable quarterly and is subject to fixed interest rate of 4.9%. The facility was fully drawn in April 2021.

The second term loan facility agreement is secured by the Chattel Mortgage over a passenger-cargo ship named M/V Masagana with a carrying value of ₱732.7 million and ₱804.6 million as of December 31, 2025 and 2024, respectively.

2GO is required to maintain a debt-to-equity ratio not exceeding 2.5:1 based on the latest audited annual consolidated financial statements of 2GO. On December 2, 2024, the Group obtained an approval from BDO to amend this requirement. Effective 2024, the Group is required to maintain a maximum debt-to-EBITDA ratio of 4.0 and a minimum DSCR of 1.25. The Group is no longer required to maintain the maximum debt-to-equity ratio.

#### *Borrowing Costs and Debt Transaction Costs*

Interests from long-term borrowings of the Group recognized as expense totaled ₱214.6 million in 2025, ₱252.2 million in 2024 and ₱260.9 million in 2023 (see Note 24).

The Group paid ₱25.5 million, ₱3.0 million, ₱7.5 million and ₱18.8 million debt transaction cost as a result of the loan availments under BDO facility in April of years 2023, 2021, 2020 and 2018, respectively. Amortization of debt transaction costs included under financing charges amounted to ₱6.0 million in 2025, ₱6.3 million in 2024 and ₱7.3 million in 2023 (see Note 24).

#### *Compliance with debt covenants*

At December 31, 2025 and 2024, the Group was compliant with the debt-to-EBITDA and DSCR ratios.

#### AUB Term Loan Facility Agreements

On September 9, 2025, NHTC entered into a five-year ₱30.0 million term loan facility agreement with AUB to partially finance the acquisition of a tugboat. On the same date, NHTC borrowed ₱22.5 million with an interest rate of 6.5%, subject to annual repricing. Principal borrowings are payable in five years in equal monthly installments from each drawdown date while interest is payable monthly in arrears after each drawdown based on diminishing balance.

The term loan facility agreement is secured by a Comprehensive Surety Agreement and chattel mortgage over the tugboat with a carrying value of ₱37.6 million as of December 31, 2025 (nil as of December 31, 2024).

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## 18. Leases

The Group has various lease arrangements with third parties for the lease of containers, reefer vans, isotanks, cargo handling equipment, transportation equipment, warehouses, container yards and office space.

The Group also has certain leases of outlets with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.



The future minimum lease payments on the obligations under lease together with the present value of the minimum lease payments are as follows:

	December 31, 2025		December 31, 2024	
	Future Minimum Lease Payments	Present Value of Minimum Lease payments	Future Minimum Lease Payments	Present Value of Minimum Lease payments
Within one year	₱570,830	₱484,222	₱452,233	₱368,777
Two to five years	1,255,531	1,153,259	1,278,273	1,148,742
Six to 10 years	–	–	18,799	18,749
	<b>1,826,361</b>	<b>1,637,481</b>	1,749,305	1,536,268
Interest component	<b>188,880</b>	–	213,037	–
Present value	<b>₱1,637,481</b>	<b>₱1,637,481</b>	₱1,536,268	₱1,536,268

The interest expense recognized related to these leases amounted to ₱105.5 million in 2025, ₱106.0 million in 2024 and ₱96.9 million in 2023 under “Financing charges” account in the consolidated statements of profit or loss (see Note 24).

Set out below are the amounts recognized in the consolidated statement of profit or loss for the years ended December 31, 2025, 2024 and 2023 in relation to the obligation under lease and the related right-of-use assets.

	Note	Years Ended December 31		
		2025	2024	2023
<i>(In Thousands)</i>				
Continuing operations:				
Depreciation expense of right-of-use assets	11	₱447,401	₱431,773	₱382,718
Interest expense on obligation under lease	24	105,466	105,994	96,890
Rent expense - short-term leases	22,23	447,958	434,741	493,058
Rent expense - low value assets	22,23	5,563	5,399	6,326
Loss (gain) on lease pre-termination	11,24	49,536	(1,335)	(66,329)
Discontinued operations*	32	–	–	16,326
		<b>₱1,055,924</b>	₱976,572	₱928,989

\*Presented as part of costs and expenses in Note 32.

The rollforward analysis of obligation under lease for the years ended December 31, 2025 and 2024 is disclosed in Note 31.

Lease-related expenses are presented under “Cost of Services and Goods Sold”, “General and Administrative Expenses”, “Financing Charges”, and “Others - net”, as follows:

	Note	Years Ended December 31		
		2025	2024	2023
<i>(In Thousands)</i>				
Continuing operations:				
Cost of services and goods sold	22	₱864,429	₱829,500	₱841,748
General and administrative expenses	23	36,493	42,413	40,354
Financing charges	24	105,466	105,994	96,890
Loss (gain) on lease pre-termination	11,24	49,536	(1,335)	(66,329)
Discontinued operations	32	–	–	16,326
		<b>₱1,055,924</b>	₱976,572	₱928,989



## 19. Provisions and Contingencies

There are certain legal cases filed against the Group in the normal course of business. Management and its legal counsel believe that the Group has substantial legal and factual bases for its position and are of the opinion that losses arising from these cases, if any, will not have a material adverse impact on the consolidated financial statements. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position. Thus, as allowed by PAS 37, only general descriptions were provided.

The Group's provision for probable losses arising from these legal cases as at December 31, 2025 and 2024 amounted to ₱25.1 million and ₱93.8 million, respectively, and are presented as part of "Other payables" under "Trade and other payables" in the consolidated statements of financial position (see Note 16). Provision for probable losses recognized in the consolidated statements of profit or loss amounted to ₱9.9 million in 2025, ₱36.1 million in 2024 and ₱25.0 million in 2023 (see Note 23).

## 20. Related Parties

In the normal course of business, the Group has transacted with the following related parties:

<b>Relationship</b>	<b>Name</b>
Stockholders of the Company	SM Investments Corporation (SMIC)
	Trident Investments Holdings Pte. Ltd.
Subsidiaries	2GO Express, Inc. (2GO Express or EXP)
	2GO Logistics, Inc. (2GO Logistics or 2GOLI)
	Scanasia Overseas, Inc. (SOI) <sup>(1)</sup>
	2GO Land Transport, Inc. (2GO Land)
	Special Container and Value Added Services, Inc. (SCVASI) <sup>(1)</sup>
	NN-ATS Logistics Management and Holdings Corporation, Inc. (NLMHCI) <sup>(4)</sup>
	North Harbor Tugs Corporation (NHTC)
	Astir Engineering Works, Inc. (AEWI) <sup>(4)</sup>
	United South Dockhandlers, Inc. (USDI)
	WG & A Supercommerce, Inc. (WSI) <sup>(3)</sup>
2GO Rush, Inc. (Rush) <sup>(3)</sup>	
Associates	MCC Transport Philippines, Inc. (MCCP)
Joint Ventures	KLN Logistics Holdings Philippines, Inc. (KLN)
	KLN Freight (Phils.), Inc. (KLI) <sup>(2)</sup>
Other Affiliated Companies <sup>(5)</sup>	Airspeed International Corporation
	Alfamart Trading Philippines, Inc.
	ASP Airspeed Philippines, Inc.
	BDO Unibank, Inc.
	Brownies Unlimited, Inc.
	China Banking Corporation
	Coolblog Philippines, Inc.
	Costa Del Hamilo Inc.
	Digital Advantage Corp.
	Fast Retailing Philippines, Inc.
	Goldilocks Bakeshop, Inc.
	Homeworld Shopping Corporation
	International Toyworld, Inc.
	Kultura Store, Inc.

(Forward)



Relationship	Name
Other Affiliated Companies <sup>(5)</sup>	Mindpro Retail Inc.
	Mini Depato Corp.
	Online Mall Incorporated
	Prime Metroestate, Inc.
	Sanford Marketing Corporation
	SM Development Corporation
	SM Mart, Inc.
	SM Prime Holdings Inc.
	SM Retail, Inc.
	Sports Central (Manila), Inc.
	Star Appliance Center, Inc.
	Super Shopping Market, Inc.
	Supervalu, Inc.
	Waltermart Supermarket, Inc.
	Warehouse Development Company, Inc.
Watsons Personal Care Stores (Philippines), Inc.	

- (1) On August 9, 2023, the BOD approved the cessation of business operations of SOI. On June 2, 2025, the BOD approved the merger between SOI and SCVASI, with SOI as the surviving entity. The merger was approved by the SEC on December 16, 2025.
- (2) Formerly Kerry Logistics (Phils.), Inc.
- (3) Dormant companies.
- (4) In September 2020, the BOD approved the merger of these companies, with NLHMCI as the surviving entity. The SEC approved the merger on March 13, 2025.
- (5) Other affiliated companies pertain to entities controlled and related to SMIC.

The following are the revenue and income (costs and expenses) included in the consolidated statements of profit or loss with related parties:

Nature	Years Ended December 31		
	2025	2024	2023
<b>Stockholders of the Company</b>	<i>(In Thousands)</i>		
Outside services	<b>(₱82,647)</b>	(₱88,171)	(₱50,900)
Computer charges	<b>(20,928)</b>	(18,592)	(19,040)
Communication, light and water	<b>(1,792)</b>	(1,454)	(2,885)
<b>Associates and joint venture</b>			
Freight revenue	<b>6,687</b>	2,414	419
Transportation and delivery	<b>(18,422)</b>	(54,504)	(72,606)
Shared cost	<b>4,007</b>	5,343	(3,006)
Dividend income	-	-	162,581
<b>Other Affiliated Companies</b>			
Freight revenue	<b>400,734</b>	215,573	241,258
Other services	<b>241,578</b>	153,739	272,806
Rent income	<b>7,822</b>	-	-
Interest	<b>(325,061)</b>	(299,927)	(358,482)
Food and beverage	<b>(216,745)</b>	(251,062)	(234,079)
Rent	<b>(13,538)</b>	-	(42,497)
Materials and supplies used	<b>(14,511)</b>	(27,299)	(25,841)
Outside services	<b>(480)</b>	(480)	(793)
Interest income	<b>267</b>	226	358
Others - net	<b>(6,917)</b>	(6,607)	(4,016)
<b>Key Management Personnel</b>			
Short-term employee benefits	<b>(61,391)</b>	(52,934)	(58,964)
Long-term employee benefits	<b>(22,334)</b>	(7,109)	(7,159)



The consolidated statements of financial position include the following amounts with respect to the balances with related parties:

Financial Statement Account		Terms and Conditions	December 31	
			2025	2024
<i>(In Thousands)</i>				
<b>Stockholders of the Parent Company</b>	Trade payable	30 to 60 days; noninterest-bearing	<b>(₱3,101)</b>	(₱6,046)
	Accrued expenses	30 to 60 days; noninterest-bearing	<b>(8,561)</b>	(15,442)
<b>Associates and joint venture</b>	Nontrade receivables	On demand; noninterest-bearing	<b>50,562</b>	61,837
	Trade payables	30 to 60 days; noninterest-bearing	<b>(1,790)</b>	(3,751)
	Accrued expenses	30 to 60 days; noninterest-bearing	<b>(414)</b>	(295)
<b>Other Affiliated Companies</b>	Short-term loan	See Note 15	<b>(1,524,000)</b>	(1,324,000)
	Long-term debt	See Note 17	<b>(3,208,978)</b>	(3,542,948)
	Cash in bank	On demand; interest-bearing	<b>379,452</b>	395,088
	Cash equivalents	On demand; interest-bearing	<b>3,877</b>	3,983
	Nontrade receivables	On demand; noninterest-bearing	<b>108,682</b>	68,491
	Accrued expenses	30 to 60 days; noninterest-bearing	<b>(46,429)</b>	(67,872)
	Trade payables	30 to 60 days; noninterest-bearing	<b>(39,983)</b>	(22,124)

The outstanding related party balances are unsecured and settlement is expected to be in cash, unless otherwise indicated. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period through examining the financial position of the related parties and the market in which these related parties operate.

*Transactions with Subsidiaries, Associate and Other Related Parties under Common Control*

- Transactions with other associates and related companies consist of shipping and co-loading services, shared services, agency fee for manpower services, purchase of steward supplies, availment of stevedoring, arrastre, trucking, and repair services and rental.
- The Company's transactions with SCVASI and 2GO Express include shipping and forwarding services, commission and trucking services.
- The Company provides shared services to 2GO Express, SCVASI and SOI at fees based on agreed rates.
- 2GO Land provides trucking and management services to 2GO Express.
- NLMHCI provided trucking services to 2GO Express up to July 2024.
- In 2025, NHTC declared dividends amounting ₱6.7 million, of which ₱2.7 million was paid to a non-controlling shareholder.

*Intercompany Balances Eliminated during Consolidation*

The following are the intercompany balances among related parties which are eliminated in the consolidated financial statements:

Amounts owed to:	Amounts owed by:	Terms and Conditions	2025	2024
<i>(In Thousands)</i>				
<b>2GO</b>	SCVASI/EXP/2GOLI/SOI/HLP/ 2GO LAND/NLMHCI	30 to 60 days; noninterest-bearing	<b>₱2,473,244</b>	₱3,048,867
<b>EXP</b>	2GO/2GOLI/SOI/ 2GO LAND/NLMHCI	30 to 60 days; noninterest-bearing	<b>380,446</b>	332,956
<b>SOI</b>	2GO/EXP/2GOLI	30 to 60 days; noninterest-bearing	<b>69,058</b>	69,381
<b>2GOLI</b>	2GO/EXP/SOI/2GO LAND	30 to 60 days; noninterest-bearing	<b>19,306</b>	26,094
<b>SCVASI</b>	2GO/SOI	30 to 60 days; noninterest-bearing	<b>44,777</b>	101,812
<b>NLMHCI</b>	2GO/EXP/NHTC	30 to 60 days; noninterest-bearing	<b>102,647</b>	73,144
<b>2GO Land</b>	EXP/2GOLI	30 to 60 days; noninterest-bearing	<b>50,043</b>	40,579
<b>NHTC</b>	2GO	30 to 60 days; noninterest-bearing	<b>6,284</b>	5,245
<b>AEWI</b>	2GO	30 to 60 days; noninterest-bearing	<b>—</b>	7,622
<b>USDI</b>	2GO/NLMHCI	30 to 60 days; noninterest-bearing	<b>82,549</b>	47,163



## 21. Equity

### a. Share Capital

Details of share capital as at December 31, 2025 and 2024 are as follows:

	Number of Shares	Amount <i>(In Thousands)</i>
Authorized common shares at ₱1.00 par value each	4,070,343,670	₱4,070,344
Authorized preferred shares at ₱1.00 par value each	4,564,330	₱4,564
Issued and outstanding common shares	2,462,146,316	₱2,462,146

Movements in issued and outstanding capital stock follow:

Date	Activity	Issue price	Number of shares
			Common shares
May 26, 1949	Issued capital stock as of incorporation date	₱1,000.00	1,002
December 10, 1971 to			
October 26, 1998	Increase in issued capital stock	1,000.00	1,496,597,636
December 6, 2002	Reclassification of common shares to preferred shares	1.00	40,000,000
February 10, 2003	Issuance of preferred shares before redemption	1.00	-
November 18, 2003	Redemption of preferred shares	6.67	-
September 6, 2004	Issuance of common shares by way of stock dividends	1.00	393,246,555
November 22, 2004	Redemption of preferred shares	6.67	-
December 31, 2004	Issuance of common shares prior to reorganization	1.00	(756)
October 24, 2005	Issuance of common shares through share swap transactions	1.76	414,121,123
August 22 to	Conversion of redeemable preferred shares to common shares		
October 13, 2006		3.20	140,687,340
December 6 -31, 2012	Redemption of redeemable preference share	6.00	-
January 1, 2019	Issuance of common shares	1.00	16,009,916
			2,500,662,816
December 31, 2001	Treasury shares*	1.50	(38,516,500)
			2,462,146,316

\* The carrying value of treasury shares is inclusive of ₱0.9 million transaction cost.

Issued and outstanding common shares are held by 5,369 and 5,366 equity holders as of December 31, 2025 and 2024, respectively.

On November 11, 2023, the BOD approved the amendment of the Articles of Incorporation to reclassify 330 redeemable preferred shares into common shares and to increase par value of common shares from ₱1.00 to ₱1,000.00 per share.

#### *Decrease in authorized capital stock*

On June 26, 2025, the BOD approved the following:

i) Decrease of the authorized capital stock as shown below.

Authorized capital stock	From			To		
	Par value per share	Number of shares	Amount <i>(In Thousands)</i>	Par value per share	Number of shares	Amount <i>(In Thousands)</i>
Common shares	₱1.00	4,070,343,670	₱4,070,344	₱1,000.00	4,070,340	₱4,070,340
Preferred shares	1.00	4,564,330	4,564	-	-	-



- ii) Increase in the par value of common shares from ₱1.00 to ₱1,000.00 per share.

The decrease in authorized capital stock is due to the elimination of the preferred shares and the removal of fractional common shares resulting from the change in par value.

The amended Articles of Incorporation was approved by the Philippine SEC on January 22, 2026. The impact of these transactions in authorized capital stock and issued and outstanding common shares is shown below.

	From			To		
	Par value per share	Number of shares	Amount (In Thousands)	Par value per share	Number of shares	Amount (In Thousands)
<b>Authorized capital stock</b>						
Common shares	₱1.00	4,070,343,670	₱4,070,344	₱1,000.00	4,070,340	₱4,070,340
Preferred shares	1.00	4,564,330	4,564	–	–	–
<b>Issued and outstanding</b>						
common shares	1.00	2,462,146,316	2,460,578	1,000.00	2,460,578	2,460,578

*Equity restructuring*

On November 4, 2025, the BOD approved the corporate restructuring of 2GO Group, Inc.

On February 5, 2026, the SEC approved the equity restructuring to eliminate in full the deficit of 2GO as of December 31, 2024, based on its stand-alone financial statements, amounting to ₱775,039,000 against the APIC of ₱2,498,621,000, provided that the remaining of ₱1,723,582,000 cannot be applied for future losses that may be incurred by the Parent Company without prior approval of the Philippine SEC.

The impact of the equity restructuring on the APIC and consolidated deficit is shown below.

	As of December 31, 2025	Impact of restructuring (In Thousands)	After restructuring
APIC	₱2,498,621	(₱775,039)	₱1,723,582
Deficit	(1,861,185)	775,039	(1,086,146)

The restructuring has no effect on the total equity before and after the approval of the equity restructuring.

- b. Effective January 1, 2019, 2GO, as the surviving entity of the merger, issued a total of 2,176,151,907 shares with par value of One Peso (₱1.00) per share to the stockholders of Negros Navigation Co., Inc. (“NN”), former parent company and the absorbed company, in exchange for the net assets of NN. As a result, 2GO recognized the excess of the consolidated net assets of NN over the carrying value of additional shares issued by 2GO to NN stockholders as additional paid-in capital amounting to ₱1.6 billion and other equity reserves amounting to ₱712.2 million.
- c. Retained earnings include undistributed earnings amounting to ₱1,189.7 million and ₱1,022.0 million as of December 31, 2025 and 2024, representing accumulated equity in net earnings of subsidiaries and associates, which are not available for dividend declaration until received in the form of dividends from such subsidiaries and associates. Retained earnings is further restricted to the extent of the cost of the shares held in treasury and deferred income tax assets recognized as of December 31, 2025 and 2024.



## 22. Cost of Services and Goods Sold

This account consists of the following:

	Note	Years Ended December 31		
		2025	2024	2023
<i>(In Thousands)</i>				
<b>Cost of Services</b>				
Transportation and delivery		<b>₱4,043,574</b>	₱3,755,426	₱3,555,747
Fuel, oil and lubricants	9	<b>3,627,543</b>	3,967,285	2,855,993
Outside services	20	<b>3,220,478</b>	3,080,153	2,397,087
Depreciation and amortization	11	<b>1,208,256</b>	1,309,120	1,180,109
Personnel costs	25, 26	<b>993,541</b>	858,633	848,178
Repairs and maintenance		<b>768,076</b>	547,838	565,428
Rent	18,20	<b>444,779</b>	431,063	494,021
Food and beverage	9, 20	<b>355,020</b>	373,618	283,703
Arrastre and stevedoring		<b>255,462</b>	292,561	209,430
Insurance		<b>256,377</b>	262,581	233,398
Material and supplies used	9, 20	<b>158,325</b>	176,556	156,539
Communication, light and water	20	<b>146,292</b>	139,213	131,968
Taxes and licenses		<b>92,746</b>	113,506	99,356
Food and subsistence		<b>82,381</b>	82,014	76,699
Concession expenses		<b>63,902</b>	44,839	61,864
Travel expenses		<b>63,698</b>	60,107	51,927
Others		<b>51,212</b>	36,762	19,709
		<b>₱15,831,662</b>	₱15,531,275	₱13,221,156

Others include various expenses that are individually immaterial.

## 23. General and Administrative Expenses

This account consists of the following:

	Note	Years Ended December 31		
		2025	2024	2023
<i>(In Thousands)</i>				
Personnel costs	25, 26	<b>₱690,382</b>	₱606,765	₱552,496
Outside services	20	<b>110,821</b>	107,166	88,309
Computer charges	20	<b>168,497</b>	97,871	91,158
Depreciation and amortization	11, 14	<b>79,670</b>	83,093	103,030
Advertising and promotion		<b>57,331</b>	50,529	34,274
Transportation and travel		<b>54,340</b>	46,500	42,512
Provision for ECL	8	<b>22,297</b>	34,629	49,928
Service fee		<b>28,383</b>	22,836	16,524
Communication, light and water	20	<b>17,594</b>	15,793	11,059
Input VAT expense		<b>17,103</b>	18,322	14,668
Entertainment, amusement and recreation		<b>13,089</b>	11,954	6,138
Provision for litigation	19	<b>9,873</b>	36,077	24,966
Rent	18, 20	<b>8,742</b>	9,077	5,363
Taxes and licenses		<b>8,468</b>	5,288	8,144
Special projects		<b>6,020</b>	5,504	6,000
Office supplies	9	<b>5,498</b>	4,290	4,485

*(Forward)*



	Note	Years Ended December 31		
		2025	2024	2023
		<i>(In Thousands)</i>		
Repairs and maintenance		<b>₱2,441</b>	₱3,897	₱6,708
Insurance		<b>1,178</b>	808	617
Provision for impairment of assets		–	–	736
Termination cost		–	–	45,000
Others	14	<b>36,780</b>	59,954	128,556
		<b>₱1,338,507</b>	₱1,220,353	₱1,240,671

Others include various expenses that are individually immaterial such as food and subsistence and other corporate expenses (see Notes 8 and 14).

## 24. Other Income (Charges)

### Financing Charges

	Note	Years Ended December 31		
		2025	2024	2023
		<i>(In Thousands)</i>		
Interest expense on:				
Short-term notes payable	15	<b>₱129,333</b>	₱160,594	₱99,217
Long-term debt	17	<b>214,638</b>	252,243	260,869
Amortization of:				
Obligations under lease	18	<b>105,466</b>	105,994	96,890
Debt transaction costs	17	<b>6,030</b>	6,302	7,345
Other financing charges		<b>20,597</b>	22,566	13,229
		<b>₱476,064</b>	₱547,699	₱477,550

Other financing charges comprise of items that are individually immaterial. Accrued interest payable as of December 31, 2025 and 2024 amounted to ₱44.5 million and ₱61.0 million, respectively (see Note 16).

### Others - net

	Note	Years Ended December 31		
		2025	2024	2023
		<i>(In Thousands)</i>		
Interest income	7,20	<b>₱1,957</b>	₱2,768	₱561
Gain (Loss) on:				
Disposal of property and equipment	11	<b>(28,600)</b>	63,928	4,550
Pre-termination of leases	11	<b>(49,536)</b>	1,335	66,329
Recovery of previously written off accounts		–	16,847	–
Foreign exchange gain (loss)		<b>467</b>	(1,985)	(2,595)
Others - net		<b>2,827</b>	105,061	12,400
		<b>(₱72,885)</b>	₱187,954	₱81,245



In 2024, the Group sold two vessels (see Note 11). In 2024 and 2023, the Group pre-terminated certain leased warehouses (see Note 11). In 2025, the Group pre-terminated its office space (see Note 11).

“Others - net” includes write-off of long outstanding payables and accruals amounting to ₱101.0 million in 2024, prompt payment discount and other items that are individually immaterial.

## 25. Personnel Costs

Details of personnel costs are as follows:

	Note	Years Ended December 31		
		2025	2024	2023
		<i>(In Thousands)</i>		
Salaries and wages		<b>₱1,304,570</b>	₱1,158,176	₱1,093,522
Retirement benefit cost	26	<b>122,298</b>	82,613	83,949
Other employee benefits		<b>257,055</b>	224,609	223,203
		<b>₱1,683,923</b>	₱1,465,398	₱1,400,674

Other employee benefits include medical allowances and hospitalization, Social Security System, PhilHealth, Pag-ibig premiums, directors’ fee, and other items that are individually immaterial.

## 26. Retirement Benefits

The Group has funded defined benefit pension plans covering all regular and permanent employees. The benefits are based on employees’ projected salaries and number of years of service. The Group’s retirement plans meet the minimum requirement specified under Republic Act No. 7641, *Retirement Pay Law*.

The fund is administered by trustee banks under the supervision of the Board of Trustees who is also responsible for the investment strategy of the plan. The investment strategy of the Group’s defined benefit plans is 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 risks of the plans. The Group expects to contribute ₱44.0 million to the retirement fund in 2026. The Group’s transaction with the plan pertain to contribution and benefit payments.

The following tables summarize the components of retirement benefit cost included in the consolidated statements of profit or loss are as follows:

	Note	Years Ended December 31		
		2025	2024	2023
		<i>(In Thousands)</i>		
<b>From continuing operations:</b>				
Current service cost		<b>₱60,634</b>	₱58,239	₱59,242
Past service cost		<b>34,617</b>	–	–
Net interest cost		<b>27,047</b>	24,374	24,707
		<b>122,298</b>	82,613	83,949
<b>From discontinued operations:</b>	32			
Current service cost		–	–	11,449
		<b>₱122,298</b>	₱82,613	₱95,398



The following tables summarize the funded status and amounts recognized in the consolidated statements of financial position as of December 31:

	2025		
	Defined Benefit Obligations	Fair Value of Plan Assets	Accrued Retirement Benefits
	<i>(In Thousands)</i>		
<b>January 1</b>	<b>₱534,640</b>	<b>(₱109,019)</b>	<b>₱425,621</b>
<b>Net retirement benefits cost in profit or loss:</b>			
Current service cost	60,634	-	60,634
Net interest cost	34,782	(7,735)	27,047
Past service cost	34,617	-	34,617
	<b>130,033</b>	<b>(7,735)</b>	<b>122,298</b>
<b>Benefits paid from:</b>			
Plan assets	(32,522)	32,522	-
Book reserve	(1,108)	-	(1,108)
	<b>(33,630)</b>	<b>32,522</b>	<b>(1,108)</b>
<b>Remeasurement losses (gains) in other comprehensive income - actuarial changes arising from changes in:</b>			
Financial assumptions	(7,813)	-	(7,813)
Experience adjustments	32,985	-	32,985
Change in demographic assumptions	(9,100)	-	(9,100)
Return on plan assets	-	(1,234)	(1,234)
	<b>16,072</b>	<b>(1,234)</b>	<b>14,838</b>
<b>Actual contributions</b>	<b>-</b>	<b>(67,518)</b>	<b>(67,518)</b>
<b>December 31</b>	<b>₱647,115</b>	<b>(₱152,984)</b>	<b>₱494,131</b>
	2024		
	Defined Benefit Obligations	Fair Value of Plan Assets	Accrued Retirement Benefits
	<i>(In Thousands)</i>		
<b>January 1</b>	<b>₱530,488</b>	<b>(₱90,903)</b>	<b>₱439,585</b>
<b>Net retirement benefits cost in profit or loss:</b>			
Current service cost	55,894	-	55,894
Net interest cost	30,415	(6,041)	24,374
Settlement loss	2,345	-	2,345
	<b>88,654</b>	<b>(6,041)</b>	<b>82,613</b>
<b>Benefits paid from plan assets</b>	<b>(28,944)</b>	<b>28,944</b>	<b>-</b>
<b>Remeasurement losses (gains) in other comprehensive income - actuarial changes arising from changes in:</b>			
Financial assumptions	1,318	-	1,318
Experience adjustments	11,116	-	11,116
Change in demographic assumptions	(57,653)	-	(57,653)
Return on plan assets	-	(5,938)	(5,938)
	<b>(45,219)</b>	<b>(5,938)</b>	<b>(51,157)</b>
<b>Actual contributions</b>	<b>-</b>	<b>(35,081)</b>	<b>(35,081)</b>
<b>Reclassification/adjustment</b>	<b>(10,339)</b>	<b>-</b>	<b>(10,339)</b>
<b>December 31</b>	<b>₱534,640</b>	<b>(₱109,019)</b>	<b>₱425,621</b>



The plan assets available for benefits are as follows:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Cash and cash equivalents	<b>₱212</b>	₱152
Investments in government and other debt securities	<b>91,300</b>	48,343
Investments in unit investment trust fund (UITF)	<b>54,517</b>	59,964
Others	<b>6,955</b>	560
<b>Fair value of plan assets</b>	<b>₱152,984</b>	₱109,019

On November 14, 2024, the BOD approved the adoption of a Multi-Employer Retirement Plan (MERP) effective January 1, 2025. The MERP establishes a common retirement plan and trust fund covering eligible employees across all participating subsidiaries. The MERP replaces the individual retirement arrangements previously maintained by the entities and standardizes the benefit formula and funding structure under a unified plan.

The adoption of the MERP resulted in a plan amendment under PAS 19 as the revised retirement benefits under the multi-employer plan differ from the entities' previous retirement benefit arrangements. Accordingly, the Group recognized past service cost in 2025 amounting to ₱34.6 million.

The Group's plan assets do not have quoted market price in an active market except for some debt instruments held by the Group. The plan assets have diverse investments and do not have any concentration risk. The plan asset is handled by BDO Unibank Inc.

As of December 31, 2025 and 2024, the Group has no transactions with its retirement funds such as loans, investments, gratuities, or surety. The fund also does not have investments in debt or equity securities of the companies in the Group.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, and market (investment) risk. Management reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching (ALM) strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligations.

The cost of defined benefit pension plan as well as the present value of the pension obligation are determined using actuarial valuations. The Group updates the actuarial valuation every year by hiring the services of a third-party qualified actuary. The latest actuarial valuation report was as of reporting date. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining defined benefit obligation for the Group's plans as of January 1 are shown below.

	2025	2024
Discount rate	<b>6.09%-6.12%</b>	6.13%-6.14%
Future salary increase	<b>6.00%</b>	6.00%
Turnover rate	<b>5.60% - 15.60%</b>	0.00% - 7.50%

As of December 31, 2025, the discount rate, future salary increase rate and turnover rate are 6.22% to 6.30%, 6.00%, and 3.03% to 27.43%, respectively.



The accrued retirement benefits is subject to several key assumptions. Shown below is the sensitivity analysis of the retirement obligation to reasonably possible changes on each significant assumption as of December 31, 2025 and 2024.

	Increase (Decrease)	Impact on Accrued Retirement Benefits	
		2025	2024
<i>(In Thousands)</i>			
Discount rate	+1%	<b>(P41,444)</b>	(P38,261)
	-1%	<b>46,600</b>	43,663
Salary increase rate	+1%	<b>46,272</b>	43,276
	-1%	<b>(41,925)</b>	(38,641)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses.

The average duration of the defined benefit obligation is 8.3 years and 9.4 years as of December 31, 2025 and 2024, respectively.

Maturity analysis of the benefit payments:

	2025	2024
<i>(In Thousands)</i>		
Less than 5 years	<b>P347,998</b>	P244,764
5 years to 10 years	<b>468,134</b>	458,780
More than 10 years	<b>1,521,837</b>	1,660,378

## 27. Income Taxes

a. The components of provision for (benefit from) income tax are as follows:

	Years Ended December 31		
	2025	2024	2023
<i>(In Thousands)</i>			
Current:			
RCIT	<b>P274,314</b>	P68,222	P80,977
MCIT	<b>7,603</b>	37,222	56,337
	<b>281,917</b>	105,444	137,314
Deferred	<b>(204,395)</b>	(23,741)	(33,272)
	<b>P77,522</b>	P81,703	P104,042

b. The components of the Group's recognized net deferred income tax assets and liabilities are as follows:

	Years ended December 31	
	2025	2024
<i>(In Thousands)</i>		
<b>Directly recognized in profit or loss:</b>		
Deferred income tax assets on:		
Accrued retirement benefits	<b>P82,835</b>	P67,059
Unamortized past service cost	<b>6,654</b>	6,334
NOLCO	-	9,204
MCIT	<b>4,627</b>	-
Obligations under lease	<b>305,251</b>	342,985
Accruals and others	<b>132,304</b>	29,939
	<b>531,671</b>	455,521

(Forward)



	Years ended December 31	
	2025	2024
Deferred income tax liabilities on:		
Right-of-use assets	(₱295,534)	(₱328,926)
Unamortized debt arrangement fees and other taxable temporary differences	(2,858)	(4,758)
	233,279	121,837
<b>Directly recognized in OCI:</b>		
Deferred income tax asset on remeasurement of retirement benefits cost	28,070	24,361
	<b>₱261,349</b>	<b>₱146,198</b>

Deferred income tax assets on obligations under lease and deferred income tax liabilities on right-of-use assets pertain to lease arrangements that are classified as operating lease for tax purposes.

- c. Details of the Group's NOLCO and excess MCIT over RCIT which can be carried forward and claimed as tax credit against regular taxable income and regular income tax due, respectively, are as follows:

NOLCO

Year Incurred	Available Until	Amount	Applied	Expired	Balances as at December 31, 2025	
					Amount	Tax Effect
<i>(In Thousands)</i>						
2025	2028	₱548	₱-	₱-	₱548	₱137
2024	2027	6,684	-	-	6,684	1,671
2023	2026	203,308	(52,342)	-	150,966	37,742
2021*	2026	180,902	(171,440)	-	9,462	2,366
2020*	2025	97,395	(97,395)	-	-	-
		₱488,837	(₱321,177)	₱-	₱167,660	₱41,916

\*Expiration is based on "Bayanihan to Recover as One Act 2"

Excess MCIT over RCIT

Year Incurred	Available Until	Amount	Applied	Expired	Balances as at December 31, 2025	
					Amount	Tax Effect
<i>(In Thousands)</i>						
2025	2028	₱3,697	₱-	₱-	₱3,697	-
2024	2027	37,392	(34,768)	-	2,624	8,676
2023	2026	50,174	(41,498)	-	-	-
2022	2025	21,589	(16,687)	(4,902)	-	-
		₱112,852	(₱92,953)	(₱4,902)	-	₱14,997

- d. The following are the Group's NOLCO, excess MCIT over RCIT and other deductible temporary differences for which no deferred tax assets have been recognized:

	December 31	
	2025	2024
<i>(In Thousands)</i>		
Accruals and provisions	₱870,177	₱1,243,811
Allowance for ECL	541,336	561,035
Allowance for cargo losses and damages	121,687	113,166
NOLCO	167,660	451,473
Excess of MCIT over RCIT	10,370	109,155

(Forward)



	December 31	
	2025	2024
Provision for litigation	<b>₱25,084</b>	₱93,823
Obligation under lease	<b>21,378</b>	7,922
Allowance for inventory obsolescence	<b>2,405</b>	2,405
Others	<b>18,124</b>	13,006

- e. Reconciliation between the income tax expense computed at statutory income tax rate of 25% to the provision for income tax as shown in profit or loss is as follows:

	Years Ended December 31		
	2025	2024	2023
	<i>(In Thousands)</i>		
Tax effect of income at statutory rates	<b>₱282,631</b>	₱227,802	₱312,841
Income tax effects of:			
Movement in deductible temporary differences for which no deferred tax assets were recognized	<b>(71,562)</b>	(20,995)	262,403
Application of NOLCO	<b>(71,090)</b>	(108,193)	(462,485)
Application of MCIT	<b>(92,953)</b>	-	-
Nondeductible expense	<b>9,081</b>	8,657	29,740
Interest income already subjected to final tax	<b>(370)</b>	(183)	(125)
Equity in net loss (earnings) of associates and gain on sale of associate	<b>21,785</b>	(25,385)	(38,332)
	<b>₱77,522</b>	₱81,703	₱104,042

## 28. Earnings Per Share (EPS)

Basic and diluted earnings per share were computed as follows:

	Years ended December 31		
	2025	2024	2023
	<i>(In Thousands, except weighted average number of common shares and loss per common shares)</i>		
Net income for the year attributable to equity holders of the Parent Company	<b>₱1,047,045</b>	₱814,573	₱939,285
Net income for the year attributable to equity holders of the Parent Company (from continuing operations)	<b>₱1,049,384</b>	₱821,256	₱1,136,399
Weighted average number of common shares outstanding during the year	<b>2,460,578</b>	2,460,578	2,460,578
Income per common share	<b>₱425.53</b>	₱331.05	₱381.73
Income per common share (from continuing operations)	<b>₱426.48</b>	₱333.77	₱461.84

The weighted average number of common shares outstanding in 2025, 2024 and 2023 were retrospectively adjusted to consider the impact of the reverse stock split, which was approved by the Philippine SEC in January 2026 (see Note 21).

There are no potentially dilutive common shares as at December 31, 2025, 2024 and 2023.



## 29. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, short-term notes payable, long-term debt and obligations under lease. The main purpose of these financial instruments is to raise financing for the Group's operations. The Group has other various financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from operations.

The main risks arising from the Group's financial instruments are credit risk involving possible exposure to counter-party default, primarily, on its trade and other receivables; liquidity risk in terms of the proper matching of the type of financing required for specific investments and maturing obligations; foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign currency denominated placements and borrowings; and interest rate risk resulting from movements in interest rates that may have an impact on interest bearing financial instruments.

There has been no change to the Group's exposure to credit, liquidity, foreign exchange and interest rate risks on the manner in which it manages and measures the risks since prior years.

### *Credit risk*

To manage credit risk, the Group has policies in place to ensure that all customers that wish to trade on credit terms are subject to credit verification procedures and approval of the Credit Committee. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts. The Group has policies that limit the amount of credit exposure to any particular customer.

The Group's exposures to credit risks are primarily attributable to cash and collection of trade and other receivables with a maximum exposure equal to the carrying amount of these financial instruments. The Group has concentration of credit risk given that majority of the Group's cash and cash equivalents are deposited in the local affiliated bank. Management assessed and believes that the Group is not exposed to any significant risk since the local affiliated bank is a related party and is one of the country's reputable banks. The Group does not have any significant credit risk exposure to other single counterparties. As of December 31, 2025 and 2024, the Group did not hold collateral from any counterparty.

The aging per class of financial assets, contract assets and expected credit loss are as follows:

December 31, 2025

	Cash Refundable in banks    deposits		Trade Receivables					Total	Contract assets
			Current	Days Past Due					
				0 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Expected credit loss rates	-%	-%	0.00%- 7.96%	0.01%- 28.14%	0.08%- 43.23%	0.23%- 50.93%	0.43%- 100.00%	0.05%- 1.50%	
Estimated total gross carrying amount	₱519,809	₱265,615	₱1,725,525	₱443,185	₱260,474	₱41,877	₱472,277	₱2,943,338	₱943,932
Expected credit loss	₱-	₱-	₱67,871	₱20,867	₱9,810	₱967	₱369,933	₱469,448	₱9,307



December 31, 2024

	Trade Receivables								
	Cash in banks	Refundable deposits	Current	Days Past Due				Total	Contract assets
				0 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Expected credit loss rate	–%	–%	0.00%– 7.96%	0.01%– 28.14%	0.08%– 43.23%	0.23%– 50.93%	0.43%– 100.00%		0.05%– 1.50%
Estimated total gross carrying amount	₱544,791	₱240,452	₱1,064,936	₱383,809	₱137,664	₱49,280	₱661,040	₱2,296,729	₱682,901
Expected credit loss	₱–	₱–	₱71,306	₱21,923	₱10,306	₱1,016	₱378,603	₱483,154	₱4,307

*Liquidity risk*

The Group manages its liquidity profile to be able to finance its capital expenditures and service its maturing debt by maintaining sufficient cash during the peak season of the passage business. The Group regularly evaluates its projected and actual cash flows generated from operations.

The Group’s existing credit facilities with various banks are covered by the Continuing Suretyship for the accounts of the Group.

The liability of the Surety is primary and solidary and is not contingent upon the pursuit by the bank of whatever remedies it may have against the debtor or collaterals/liens it may possess. If any of the secured obligations is not paid or performed on due date (at stated maturity or by acceleration), the Surety shall, without need for any notice, demand or any other account or deed, immediately be liable therefore and the Surety shall pay and perform the same.

The following table summarizes the maturity profile of the Group’s financial assets and financial liabilities based on contractual repayment obligations and the Group’s cash to be generated from operations and the Group’s financial assets:

	December 31, 2025			
	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
<b>Financial Liabilities</b>				
Trade and other payables <sup>1</sup>	₱4,344,179	₱–	₱–	₱4,344,179
Short-term notes payable	2,297,000	–	–	2,297,000
Long-term debt <sup>2</sup>	344,500	2,896,875	–	3,241,375
Obligations under lease <sup>3</sup>	570,830	1,255,531	–	1,826,361
	<b>₱7,556,509</b>	<b>₱4,152,406</b>	<b>₱–</b>	<b>₱11,708,915</b>
<b>Financial and contract assets</b>				
Cash and cash equivalents	₱567,276	₱–	₱–	₱567,276
Trade and other receivables <sup>4</sup>	3,585,873	–	–	3,585,873
Refundable deposits	99,697	165,918	–	265,615
	<b>₱4,252,846</b>	<b>₱165,918</b>	<b>₱–</b>	<b>₱4,418,764</b>
	December 31, 2024			
	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
Trade and other payables <sup>1</sup>	₱4,163,265	₱–	₱–	₱4,163,265
Short-term notes payable	2,539,000	–	–	2,539,000
Long-term debt <sup>2</sup>	340,000	3,220,000	–	3,560,000
Obligations under lease <sup>3</sup>	452,233	1,278,273	18,799	1,749,305
	<b>₱7,494,498</b>	<b>₱4,498,273</b>	<b>₱18,799</b>	<b>₱12,011,570</b>

(Forward)



	December 31, 2024			Total
	Less than 1 Year	1 to 5 Years	Over 5 Years	
Financial and contract assets				
Cash and cash equivalents	₱622,202	₱–	₱–	₱622,202
Trade and other receivables <sup>4</sup>	2,610,108	–	–	2,610,108
Refundable deposits	104,121	136,331	–	240,452
	<b>₱3,336,431</b>	<b>₱136,331</b>	<b>₱–</b>	<b>₱3,472,762</b>

<sup>1</sup>Excludes nonfinancial liabilities amounting to ₱808.3 million and ₱750.4 million as of December 31, 2025 and 2024, respectively.

<sup>2</sup>Gross of unamortized debt arrangement fees amounting to ₱11.0 million and ₱17.1 million as of December 31, 2025 and 2024, respectively.

<sup>3</sup>Gross of interest component amounting to ₱188.9 million and ₱213.0 million as of December 31, 2025 and 2024, respectively.

<sup>4</sup>Excludes nonfinancial assets amounting to ₱106.7 million and ₱98.6 million as of December 31, 2025 and 2024, respectively.

Trade and other payables and maturing other liabilities are expected to be settled using cash to be generated from operations, drawing from existing and new credit facilities, and additional capital contribution of the shareholders.

The future interest repayment for the long-term debt is as follows:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Less than 1 Year	<b>₱258,983</b>	₱228,396
1 to 5 Years	<b>373,365</b>	426,658
Total	<b>₱632,348</b>	<b>₱655,054</b>

The undrawn loan commitments from credit facilities of the Group amounted to ₱3.2 billion as of December 31, 2025 and 2024.

#### Foreign exchange risk

Foreign currency risk arises when the Group enters into transactions denominated in currencies other than their functional currency. Management closely monitors the fluctuations in exchange rates so as to anticipate the impact of foreign currency risks associated with the financial instruments. To mitigate the risk of incurring foreign exchange losses, the Group maintains cash in banks in foreign currency to match its financial liabilities.

The Group's significant foreign currency-denominated financial assets and financial liabilities as of December 31, 2025 and 2024 are as follows:

	Currency	December 31, 2025		December 31, 2024	
		Amount in Original Currency	Total Peso Equivalent	Amount in Original Currency	Total Peso Equivalent
<i>(In Thousands)</i>					
<b>Financial Assets</b>					
Cash in banks	USD	225	<b>₱13,228</b>	485	₱28,055
Trade receivables	USD	47	<b>2,763</b>	74	4,281
		<b>272</b>	<b>₱15,991</b>	559	₱32,336
<b>Financial Liabilities</b>					
Trade and other payables	USD	348	<b>₱20,459</b>	463	₱26,782
	JPY	20,286	<b>7,619</b>	36,823	13,521
Obligation under lease	USD	2,827	<b>166,199</b>	3,193	184,699
			<b>₱194,277</b>		₱225,002
Net foreign currency denominated liabilities					
	USD	(2,903)	<b>(₱170,667)</b>	(3,097)	(₱179,145)
	JPY	(20,286)	<b>(7,619)</b>	(36,823)	(13,521)

USD 1 = ₱58.79 in December 2025 and ₱57.845 in December 2024

JPY 1 = ₱0.3756 in December 2025 and ₱0.3672 in December 2024



The Group recognized foreign exchange gain (loss) amounting to ₱0.5 million, (₱2.0 million) and (₱2.6 million) for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 24).

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax for years ended December 31, 2025, 2024 and 2023.

	Appreciation (Depreciation) of Foreign Currency	Increase (Decrease) in income before income tax		
		2025	2024	2023
<i>(In Thousands)</i>				
US Dollar (USD)	+5%	<b>(₱8,533)</b>	(₱8,957)	(₱5,982)
	-5%	<b>8,533</b>	8,957	5,982
Japanese Yen (JPY)	+5%	<b>(381)</b>	(676)	(535)
	-5%	<b>381</b>	676	535

There is no other impact on the Group's equity other than those already affecting profit or loss.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings are subject to fixed interest rates ranging from 4.9% to 6.3% and 4.9% to 7.0% in 2025 and 2024, respectively.

The Group's ₱3.2 billion long-term debt under the BDO Term Loan Facility Agreements includes ₱2.7 billion long-term debt which bear floating interest rates and exposes the Group to cash flow interest rate risk.

The table below sets forth the estimated change in the Group's income before tax (through the impact on the floating interest rate borrowings) due to parallel changes in the interest rate curve in terms of the basis points (bp) as of December 31, 2025 and 2024, with all other variables held constant. There is no other impact on the Group's equity other than those already affecting the consolidated statements of profit or loss.

	Increase (Decrease) in income before income tax	
	2025	2024
<i>(In Thousands)</i>		
100 bp rise	<b>(₱27,300)</b>	(₱30,433)
100 bp fall	<b>27,300</b>	30,433
50 bp rise	<b>(13,650)</b>	(15,217)
50 bp fall	<b>13,650</b>	15,217

#### Capital Risk Management Objectives and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and produce adequate and continuous opportunities to its employees; and to provide an adequate return to shareholders by pricing products/services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. It manages the capital structure and makes adjustments in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group's overall strategy in managing its capital remains unchanged since the prior year.



The Group considers its total equity as its capital. The Group monitors capital on the basis of the carrying amount of equity as presented on the consolidated statement of financial position. The capital ratios are as follows:

	December 31	
	2025	2024
Assets financed by:		
Creditors	77%	83%
Stockholders	23%	17%

As of December 31, 2025 and 2024, the Group met its capital management objectives.

### 30. Fair Values of Financial Instruments and Nonfinancial Assets

The table below shows the carrying amounts and fair values of financial assets and liabilities. The fair values have been determined based on Level 3 fair value hierarchy. The table below does not include the fair value information for financial assets and liabilities not measured at fair value if the carrying amounts are the reasonable approximation of their fair values.

	December 31, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<i>(In Thousands)</i>			
<b>Financial Liabilities</b>				
Long-term debts	₱3,230,353	₱3,426,135	₱3,542,948	₱3,688,657
Obligations under lease	1,637,481	1,630,971	1,536,268	1,513,144
	<b>₱4,867,834</b>	<b>₱5,057,106</b>	₱5,079,216	₱5,201,801

The following methods and assumptions are used to estimate the fair value of each class of financial instruments and nonfinancial asset:

*Cash and cash equivalents, trade and other receivables, trade and other payables, refundable deposits included under "Other current assets"*

The carrying amounts of these financial instruments approximate their respective fair values due to their relatively short-term maturities.

*Refundable deposits included under "Other noncurrent assets"*

The carrying amount of this financial instrument is carried at present value due to the long-term nature of this account. The fair value of refundable deposits was computed by discounting the expected cash flows ranging from 4.52% to 4.99% as the EIR. The computed fair value approximates the carrying amount of this account.

*Short-term notes payable*

The carrying value of short-term notes payable that reprice every three (3) months, approximates their fair value because of recent and regular repricing based on current market rate. For fixed rate loans, the carrying value approximates fair value due to its short-term maturities, ranging from three months to twelve months.



*Long-term debt*

Discount rate of 7.2% and 7.9% was used in calculating the fair value of the long-term debt as of December 31, 2025 and 2024, respectively.

*Obligations under lease*

The fair values of obligations under lease are based on the discounted net present value of cash flows using the discount rate ranging from 6.6% to 7.9% and 7.7% to 7.9% as of December 31, 2025 and 2024, respectively.

### 31. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities are as follows:

For the Year Ended December 31, 2025:

	January 1, 2025	Cash Flows		Net	Others	December 31, 2025
		Availments	Payments			
Short-term notes payable	₱2,539,000	₱990,000	(₱1,232,000)	(₱242,000)	₱-	₱2,297,000
Current portion of:						
Long-term debt	333,970	-	(341,125)	(341,125)	846,364	839,209
Obligations under lease	368,777	-	(472,134)	(472,134)	587,579	484,222
Noncurrent portion of:						
Long-term debt	3,208,978	22,500	-	22,500	(840,334)	2,391,144
Obligations under lease	1,167,491	-	-	-	(14,232)	1,153,259
Accrued interest	61,027	-	(486,763)	(486,763)	470,267	44,531
Total liabilities from financing activities	₱7,679,243	₱1,012,500	(₱2,532,022)	(₱1,519,522)	₱1,049,644	₱7,209,365

For the Year Ended December 31, 2024:

	January 1, 2024	Cash Flows		Net	Others	December 31, 2024
		Availments	Payments			
Short-term notes payable	₱1,816,000	₱1,590,000	(₱867,000)	₱723,000	₱-	₱2,539,000
Current portion of:						
Long-term debt	333,698	-	(340,000)	(340,000)	340,272	333,970
Obligations under lease	415,000	-	(426,518)	(426,518)	380,295	368,777
Noncurrent portion of:						
Long-term debt	3,542,947	-	-	-	(333,969)	3,208,978
Obligations under lease	1,422,382	-	-	-	(254,891)	1,167,491
Accrued interest	65,509	-	(552,813)	(552,813)	548,331	61,027
Total liabilities from financing activities	₱7,595,536	₱1,590,000	(₱2,186,331)	(₱596,331)	₱680,038	₱7,679,243

For the Year Ended December 31, 2023:

	January 1, 2023	Cash Flows		Net	Others	December 31, 2023
		Availments	Payments			
Short-term notes payable	₱2,306,000	₱1,204,000	(₱1,694,000)	(₱490,000)	₱-	₱1,816,000
Current portion of:						
Long-term debt	3,496,823	-	(100,000)	(100,000)	(3,063,125)	333,698
Obligations under lease	347,387	-	(387,075)	(387,075)	454,688	415,000
Noncurrent portion of:						
Long-term debt	497,977	-	-	-	3,044,970	3,542,947
Obligations under lease	1,344,512	-	-	-	77,870	1,422,382
Accrued interest	55,350	-	(460,046)	(460,046)	470,205	65,509
Total liabilities from financing activities	₱8,048,049	₱1,204,000	(₱2,641,121)	(₱1,437,121)	₱984,608	₱7,595,536



“Others” includes the effect of the following:

- a. reclassification of non-current portion to current due to the passage of time;
- b. amortization of debt transaction costs capitalized amounting to ₱6.0 million in 2025, ₱6.3 million in 2024 and ₱7.3 million in 2023;
- c. payment of debt transaction cost amounting to ₱25.5 million in 2023 (nil in 2025 and 2024);
- d. availment of obligation under lease amounting to ₱641.88 million in 2025, ₱150.4 million in 2024, and ₱939.2 million in 2023;
- e. amortization of obligation under lease, which was paid during the year and included in the “Interest and financing charges” in the consolidated statements of cash flows, amounting to ₱105.5 million in 2025, ₱106.0 million in 2024 and ₱96.9 million in 2023;
- f. pre-termination of certain obligations under lease amounting to ₱68.6 million in 2025, ₱20.8 million in 2024 and ₱396.5 in 2023; and
- g. interest incurred amounting to ₱156.2 million in 2025, ₱196.2 million in 2024 and ₱119.8 million in 2023.

### 32. Discontinued Operations

On August 9, 2023, the BOD approved the cessation of business operations of SOI as part of a plan to focus on improving core services and profitability of the Group.

The results of the discontinued operations are as follows:

	<b>For the Years Ended December 31</b>		
	<b>2025</b>	2024	2023
	<i>(In thousands)</i>		
Revenue from contracts with customers	₱–	₱–	₱2,835,654
Costs and expenses	<b>(36,448)</b>	–	(3,012,145)
Operating losses	<b>(36,448)</b>	–	(176,491)
Financing charges	<b>(234)</b>	(6,687)	(18,022)
Others - net*	<b>35,045</b>	4	3,031
Loss before income tax	<b>(1,637)</b>	(6,683)	(191,482)
Provision for income tax			
Current	<b>702</b>	–	6,000
Deferred	–	–	(368)
	<b>702</b>	–	5,632
Net loss	<b>(₱2,339)</b>	(₱6,683)	(₱197,114)
<b>Basic/Diluted Loss Per Share</b>			
<b>for discontinued operations</b>	<b>(₱0.9506)</b>	(₱2.7160)	(₱80.1088)

\* Includes interest income amounting to ₱0.0004 million in 2025, ₱0.0003 million in 2024, and ₱0.05 million in 2023.

The net cash flows incurred by the discontinued operations are as follows:

	<b>Year ended December 31</b>		
	<b>2025</b>	2024	2023
	<i>(In thousands)</i>		
Operating activities	<b>(₱975)</b>	(₱28,706)	(₱48,395)
Investing activities	–	–	(2,003)
Financing activities	–	(38,683)	(136,833)



## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
2GO Group, Inc.  
8th Floor, Tower 1, Double Dragon Plaza  
EDSA Extension cor. Macapagal Avenue  
Pasay City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of 2GO Group, Inc. and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 26, 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 Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the 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 financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Albert R. Bon  
Partner  
CPA Certificate No. 0121479



BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 121479-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements,  
with extension up to audit of 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-135-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765020, January 2, 2026, Makati City

February 26, 2026



**2GO GROUP, INC. AND SUBSIDIARIES**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**

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## 2GO GROUP, INC.

### RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in Thousands)

		<b>Unappropriated Retained earnings (deficit), beginning of reporting period</b>	<b>(¥1,209,138)</b>
<b>Add:</b>	<b>Category A:</b>	<b>Items that are directly credited to Unappropriated Retained Earnings</b>	
		Reversal of Retained Earnings Appropriation/s	—
		Effect of restatements or prior-year adjustments	—
		Others (describe nature)	—
			<hr/>
<b>Less:</b>	<b>Category B:</b>	<b>Items that are directly debited to Unappropriated Retained Earnings</b>	
		Dividend declaration during the reporting period	—
		Retained Earnings appropriated during the reporting period	—
		Effect of restatements or prior-year adjustments	—
			<hr/>
		<b>Unappropriated Retained Earnings, as adjusted</b>	<b>(1,209,138)</b>
		<b>Add/Less: Net Income (Loss) for the current year</b>	<b>745,966</b>
<b>Less:</b>	<b>Category C.1:</b>	<b>Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>	
		Equity in net income of associate/joint venture, net of dividends declared	—
		Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—
		Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
		Unrealized fair value gain of Investment Property	—
		Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards (describe nature)	—
			<hr/>
		<i>Sub-total</i>	<hr/>
<b>Add:</b>	<b>Category C.2:</b>	<b>Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>	
		Realized foreign exchange gain, except those attributable to cash and cash equivalents	—
		Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
		Realized fair value gain of Investment Property	—
		Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards (describe nature)	—
			<hr/>
		<i>Sub-total</i>	<hr/>

<b>Add:</b>	<b>Category C.3:</b>	<b>Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>	
		Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
		Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
		Reversal of previously recorded fair value gain of Investment Property	-
		Reversal of previously recorded other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
		<i>Sub-total</i>	<u>-</u>
		<b>Adjusted Net Income (Loss)</b>	<b>745,966</b>
<b>Add:</b>	<b>Category D:</b>	<b>Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>	
		Depreciation on revaluation increment (after tax)	-
		<i>Sub-total</i>	<u>-</u>
<b>Add/ (Less)</b>	<b>Category E:</b>	<b>Adjustments related to relief granted by the SEC and BSP</b>	
		Amortization of the effect of reporting relief	-
		Total amount of reporting relief granted during the year	-
		Others (describe nature)	-
		<i>Sub-total</i>	<u>-</u>
<b>Add/ (Less)</b>	<b>Category F:</b>	<b>Other items that should be excluded from the determination of the amount of available for dividends distribution</b>	
		Net movement of treasury shares (except for reacquisition of redeemable shares)	-
		Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(37,498)
		Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g. set up of right of use asset and lease liability, set up of asset and asset retirement obligation, and set up of service concession asset and concession payable	-
		Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
		Others (describe nature)	-
		<i>Sub-total</i>	<u>(37,498)</u>
		<b>Total Retained Earnings, end of reporting period available for dividend</b>	<b><u><u>(₱500,670)</u></u></b>

**2GO GROUP, INC. AND SUBSIDIARIES**

**Schedule A - Financial Assets**

**December 31, 2025**

*(Amounts in thousands)*

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in balance	Income received and accrued
	Not applicable		

(i) Each issue shall be stated separately, except that reasonable grouping, without enumeration may be made of (a) securities issued or guaranteed by the Philippine Government or its agencies and (b) securities issued by others for which the amounts in the aggregate are not more than two percent of total assets.

(ii) State the basis of determining the amounts shown in the column. This column shall be totaled to correspond to the respective balance sheet caption or captions.

(iii) This column may be omitted if all amounts that would be shown are the same as those in the immediately preceding column.

**2GO GROUP, INC. AND SUBSIDIARIES****Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)****December 31, 2025**

(Amounts in thousands)

<b>Name &amp; Designation of Debtor</b>	<b>Balance at December 31, 2024</b>	<b>Additions</b>	<b>Amounts collected/liquidated</b>	<b>Amounts written off/offset</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Balance at December 31, 2025</b>
Advances to officers and employees	₱13,401	₱5,087	(₱—)	₱—	₱18,488	₱—	₱18,488

**2GO GROUP, INC. AND SUBSIDIARIES****Schedule C - Amounts Receivable from (Payable to) Related Parties which are eliminated during the consolidation of financial statements****December 31, 2025**

(Amounts in thousands)

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		Current	Noncurrent	Balance at End of Year
			Amounts Collected	Amounts Written-off			
2GO Group, Inc.	₱3,048,867	₱–	₱575,623	–	₱2,473,244	–	₱2,473,244
2GO Express, Inc.	332,956	47,490	–	–	380,446	–	380,446
Scanasia Overseas, Inc.	69,381	–	323	–	69,058	–	69,058
2GO Logistics, Inc.	26,094	–	6,788	–	19,306	–	19,306
Special Container and Value-Added Services, Inc.	101,812	–	57,035	–	44,777	–	44,777
NN-ATS Logistics Management and Holdings Co., Inc.	73,144	29,503	–	–	102,647	–	102,647
2GO Land Transport, Inc	40,579	9,464	–	–	50,043	–	50,043
North Harbor Tugs Corporation	5,245	1,039	–	–	6,284	–	6,284
United South Dockhandlers, Inc.	47,163	36,250	864	–	82,549	–	82,549
Astir Engineering Works, Inc.	7,622	–	7,622	–	–	–	–
	<b>₱3,752,863</b>	<b>₱123,746</b>	<b>₱648,255</b>	–	<b>₱3,228,354</b>	–	<b>₱3,228,354</b>

**2GO GROUP, INC. AND SUBSIDIARIES****Schedule D - Long-term debt****December 31, 2025**

(Amounts in thousands)

<b>Title of Issue and Type of Obligation</b>	<b>Amount Authorized by Indenture</b>	<b>Amount Shown Under Caption "Current portion of long-term debt" in Related Balance Sheet</b>	<b>Amount Shown Under Caption "Long-term debt" in Related Balance Sheet</b>
Philippine Peso-denominated term loan			
BDO	₱3,208,978	₱834,709	₱2,374,269
AUB	21,375	4,500	16,875
	₱3,230,353	₱839,209	₱2,391,144

**2GO GROUP, INC. AND SUBSIDIARIES**

**Schedule E - Indebtedness to Related Parties (Long-term loans from Related Companies)**

**December 31, 2025**

Name of Affiliates	Beginning Balance (in thousands)	Ending Balance (in thousands)
--------------------	--	-------------------------------------

**Not applicable**

**2GO GROUP, INC. AND SUBSIDIARIES**  
**Schedule F - Guarantees of Securities of Other Issuers**  
**December 31, 2025**

Name of issuing entity of securities guaranteed by the Company for which statement is filed	Title of Issue of each class of securities guaranteed	Total amount of guaranteed outstanding	Amount owned by person or which statement is filed	Nature of Guarantee
---	---	--	--	---------------------

**Not applicable**

**2GO GROUP, INC. AND SUBSIDIARIES****Schedule G - Capital Stock****December 31, 2025**

<b>Title of Issue</b>	<b>Number of Shares Authorized</b>	<b>Number of Shares Issued and outstanding as shown under related balance sheet caption</b>	<b>Number of Shares reserved for options, warrants, conversion and other rights</b>	<b>Number of shares held by related parties</b>	<b>Directors, officers and employees</b>	<b>Others</b>
Common shares	4,070,343,670	2,462,146,316	–	2,435,983,917	600	26,161,799
Preferred shares	4,564,330	–	–	–	–	–

## 2GO GROUP, INC. AND SUBSIDIARIES

### SUPPLEMENTARY SCHEDULE ON FINANCIAL SOUNDNESS INDICATORS DECEMBER 31, 2025 AND 2024

(Amounts in Thousands, Except for Ratios)

Ratio	Formula	2025	2024
Current ratio	Total Current Assets Divided by Total Current Liabilities	0.67	0.67
	Total Current Assets	5,848,564	
	Divided by: Total Current Liabilities	8,772,866	
	Current Ratio	0.67	
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	0.49	0.41
	Total Current Assets	5,848,564	
	Less: Inventories	194,472	
	Other current assets	1,394,204	
	Quick assets	4,259,888	
	Divided by: Total Current Liabilities	8,772,866	
Acid test ratio	0.49		
Solvency ratio	Net income before Depreciation & Amortization (Net loss from continuing operations plus depreciation and amortization) divided by Interest Bearing Debt	0.41	0.36
	Net income from continuing operations	1,053,001	
	Add: Depreciation and Amortization	1,287,926	
	Net income before depreciation and Amortization	2,340,927	
	Short Term Notes	2,297,000	
	Long Term Notes	3,230,353	
	Obligations under finance lease	185,484	
	Divided by: Interest Bearing Debt	5,712,837	
	Solvency Ratio	0.41	

<b>Ratio</b>	<b>Formula</b>	<b>2025</b>	<b>2024</b>
<b>Debt-to-equity ratio</b>	Total Liabilities divided by Total Stockholders' Equity	3.39	4.72
	Total Liabilities	12,811,400	
	Divided by: Total Stockholders' Equity	3,780,716	
	Debt-to-equity ratio	3.39	
<b>Asset-to-equity ratio</b>	Total Assets divided by Total Stockholders' Equity	4.39	5.72
	Total Assets	16,592,116	
	Divided by: Total Stockholders' Equity	3,780,716	
	Asset-to-equity ratio	4.39	
<b>Interest rate coverage ratio</b>	Earnings from continuing operations before income tax divided by interest expense	3.37	2.66
	Earnings from continuing operations before income tax	1,130,523	
	Add: Finance Charges	476,064	
	Less: Interest Income	1,957	
		1,604,630	
	Divided by: Interest expense	476,064	
Interest rate coverage ratio	3.37		
<b>Return on equity</b>	Net income from continuing operations divided by Average Total Stockholders' Equity	0.32	0.36
	Net income from continuing operations	1,053,001	
	Divided by: Average Total Stockholders' Equity	3,263,349	
		0.32	
<b>Return on assets</b>	Net income from continuing operations divided by Average Total Assets	0.07	0.05
	Net income from continuing operations	1,053,001	
	Divided by: Average Total Assets	16,147,791	
	Return on assets	0.07	
<b>Net profit margin</b>	Net income from continuing operations divided by Total revenue	0.06	0.05
	Net income from continuing operations	1,053,001	
	Divided by: Total Revenue	18,936,782	
	Net profit margin	0.06	

**2GO GROUP, INC. AND SUBSIDIARIES****SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR****FEE-RELATED INFORMATION****DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>Total Audit Fees (<i>Section 2.1a</i>)</b>	<b>₱6,015,000</b>	<b>₱5,330,000</b>
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	462,905
All other services	–	–
<b>Total Non-audit Fees (<i>Section 2.1b</i>)</b>	<b>–</b>	<b>462,905</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱6,015,000</b>	<b>₱5,792,905</b>



# 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.ph/imessagemo@sec.gov.ph



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**Company Name:** 2GO GROUP, INC. Doing business under the names and styles of "2GO Travel", "2GO Freight", "2GO Suply Chain", "2GO Distribution", "ATS", "2GO", "2GO Together", "Superferry", "Superferry Travel and Leisure" and "Cebu Ferries"

**Industry Classification:** I61000

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST10317202683995556

**Document Type:** Financial Statement

**Document Code:** FS

**Period Covered:** December 31, 2025

**Submission Type:** Parent, Annual

**Remarks:** None

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of **2GO GROUP, INC.** (the Company) is responsible for the preparation and fair presentation of the parent company financial statements including the schedules attached therein, for the year ended December 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the parent company financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Sycip Gorres Velayo & Co., the independent auditors appointed by the stockholders for the year ended December 31, 2025, has audited the parent company financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



Frederic C. DyBuncio  
Chairman of the Board  
President and Chief Executive Officer



William Howell  
Chief Operating Officer, Chief Finance Officer and Treasurer

Signed this 26th day of February 2026.



## **INDEPENDENT AUDITOR'S REPORT**

The Stockholders and the Board of Directors  
2GO Group, Inc.  
8th Floor Tower 1, Double Dragon Plaza  
EDSA Extension cor. Macapagal Avenue  
Pasay City

### **Report on the Audit of the Parent Company Financial Statements**

#### **Opinion**

We have audited the parent company financial statements of 2GO Group, Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and parent company statements of profit or loss, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the parent company financial position of the Company as at December 31, 2025 and 2024, and its parent company financial performance and its parent company cash flows for the years then ended 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 Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of the parent company financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the parent company financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Company'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 Company'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 parent company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

### **Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 30 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of 2GO Group, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Albert R. Bon

Partner

CPA Certificate No. 0121479



BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 121479-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements,  
with extension up to audit of 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-135-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765020, January 2, 2026, Makati City

February 26, 2026



**2GO GROUP, INC.****PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

(Amounts in Thousands)

		December 31	
	<i>Note</i>	2025	2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7, 19	₱247,964	₱266,247
Trade and other receivables	8, 19	4,793,556	4,209,363
Inventories	9	170,692	190,400
Other current assets	10	767,347	960,670
<b>Total Current Assets</b>		<b>5,979,559</b>	<b>5,626,680</b>
<b>Noncurrent Assets</b>			
Property and equipment	11, 16, 17	6,536,896	6,993,958
Investments in subsidiaries and an associate - at cost	12	319,628	319,628
Deferred income tax assets	26	216,534	95,642
Other noncurrent assets	13	1,208,044	944,475
<b>Total Noncurrent Assets</b>		<b>8,281,102</b>	<b>8,353,703</b>
<b>TOTAL ASSETS</b>		<b>₱14,260,661</b>	<b>₱13,980,383</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Short-term notes payable	14	₱1,662,000	₱1,645,000
Trade and other payables	15, 18, 19	3,304,534	3,176,532
Current portion of:			
Long-term debt	16	829,978	333,970
Obligations under lease	11, 17	245,016	242,545
<b>Total Current Liabilities</b>		<b>6,041,528</b>	<b>5,398,047</b>
<b>Noncurrent Liabilities</b>			
Noncurrent portion of:			
Long-term debt	16	2,378,999	3,208,978
Obligations under lease	11, 17	682,280	996,909
Accrued retirement benefits	25	338,525	284,840
<b>Total Noncurrent Liabilities</b>		<b>3,399,804</b>	<b>4,490,727</b>
<b>Total Liabilities</b>		<b>9,441,332</b>	<b>9,888,774</b>
<b>Equity</b>			
Share capital	20	2,500,663	2,500,663
Additional paid-in capital	20	2,498,621	2,498,621
Other equity reserve	20	(11,700)	(11,700)
Other comprehensive loss	25	(80,467)	(62,221)
Deficit	20	(29,073)	(775,039)
Treasury shares	20	(58,715)	(58,715)
<b>Total Equity</b>		<b>4,819,329</b>	<b>4,091,609</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>₱14,260,661</b>	<b>₱13,980,383</b>

See accompanying Notes to the Parent Company Financial Statements.



**2GO GROUP, INC.****PARENT COMPANY STATEMENTS OF PROFIT OR LOSS**

(Amounts in Thousands)

		Years Ended December 31	
	<i>Note</i>	2025	2024
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<i>5, 19</i>		
Freight		<b>₱9,060,095</b>	₱8,696,888
Passage		<b>2,736,664</b>	2,649,939
Other services		<b>709,857</b>	696,865
		<b>12,506,616</b>	12,043,692
<b>COST OF SERVICES</b>	<i>21</i>	<b>10,340,776</b>	10,259,552
<b>GROSS PROFIT</b>		<b>2,165,840</b>	1,784,140
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<i>22</i>	<b>1,018,467</b>	970,781
<b>OPERATING INCOME</b>		<b>1,147,373</b>	813,359
<b>OTHER INCOME (CHARGES)</b>			
Financing charges	<i>23</i>		
Bank loans		<b>(320,069)</b>	(383,637)
Lease liabilities		<b>(68,772)</b>	(83,395)
Others - net	<i>23</i>	<b>(46,859)</b>	166,725
		<b>(435,700)</b>	(300,307)
<b>INCOME BEFORE INCOME TAX</b>		<b>711,673</b>	513,052
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	<i>26</i>		
Current		<b>173,470</b>	34,768
Deferred		<b>(207,763)</b>	(28,241)
		<b>(34,293)</b>	6,527
<b>NET INCOME</b>		<b>₱745,966</b>	₱506,525

*See accompanying Notes to the Parent Company Financial Statements.*

**2GO GROUP, INC.****PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME****(Amounts in Thousands)**

		<b>Years Ended December 31</b>	
	<i>Note</i>	<b>2025</b>	<b>2024</b>
<b>NET INCOME</b>		<b>₱745,966</b>	<b>₱506,525</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS) -</b>			
Net of tax			
<b>Item that will not be reclassified subsequently to</b>			
<b>profit or loss:</b>			
Remeasurement gain (loss) on accrued			
retirement benefits	25	<b>(24,328)</b>	32,430
Income tax effect	26	<b>6,082</b>	(8,108)
		<b>(18,246)</b>	24,322
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>₱727,720</b>	<b>₱530,847</b>

*See accompanying Notes to the Parent Company Financial Statements.*

**2GO GROUP, INC.**

**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

(Amounts in Thousands)

	Share Capital (Note 20)	Additional Paid-in Capital (Note 20)	Other Equity Reserves (Note 20)	Remeasurement Losses on Accrued Retirement Benefit - Net of Tax (Note 25)	Deficit (Note 20)	Treasury Shares	Total Equity
<b>BALANCE AT JANUARY 1, 2024</b>	<b>₱2,500,663</b>	<b>₱2,498,621</b>	<b>(₱11,700)</b>	<b>(₱86,543)</b>	<b>(₱1,281,564)</b>	<b>(₱58,715)</b>	<b>₱3,560,762</b>
Net income for the year	–	–	–	–	506,525	–	506,525
Other comprehensive income for the year	–	–	–	24,322	–	–	24,322
Total comprehensive income for the year	–	–	–	24,322	506,525	–	530,847
<b>BALANCE AT DECEMBER 31, 2024</b>	<b>2,500,663</b>	<b>2,498,621</b>	<b>(11,700)</b>	<b>(62,221)</b>	<b>(775,039)</b>	<b>(58,715)</b>	<b>4,091,609</b>
Net income for the year	–	–	–	–	745,966	–	745,966
Other comprehensive loss for the year	–	–	–	(18,246)	–	–	(18,246)
Total comprehensive income (loss) for the year	–	–	–	(18,246)	745,966	–	727,720
<b>BALANCE AT DECEMBER 31, 2025</b>	<b>₱2,500,663</b>	<b>₱2,498,621</b>	<b>(₱11,700)</b>	<b>(₱80,467)</b>	<b>(₱29,073)</b>	<b>(₱58,715)</b>	<b>₱4,819,329</b>

See accompanying Notes to the Parent Company Financial Statements.



**2GO GROUP, INC.****PARENT COMPANY STATEMENTS OF CASH FLOWS****(Amounts in Thousands)**

		Years Ended December 31	
	Note	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		<b>₱711,673</b>	₱513,052
Adjustments for:			
Depreciation and amortization of property and equipment and software cost	11, 13 21, 22	<b>956,144</b>	1,083,565
Financing charges	23	<b>388,841</b>	467,032
Gain on disposal of property and equipment	23	<b>(1,055)</b>	(65,779)
Loss on lease pre-termination	11, 23	<b>49,536</b>	–
Interest income	7, 19, 23	<b>(536)</b>	(232)
Unrealized foreign exchange loss (gain)		<b>334</b>	(4,576)
Retirement benefit cost	25	<b>55,423</b>	50,741
Operating income before working capital changes		<b>2,160,360</b>	2,043,803
Decrease (increase) in:			
Trade and other receivables		<b>(584,193)</b>	183,246
Inventories		<b>19,708</b>	(23,566)
Prepaid expenses and other current assets		<b>18,911</b>	38,789
Increase (decrease) in trade and other payables		<b>57,900</b>	(92,770)
Cash generated from operations		<b>1,672,686</b>	2,149,502
Interest received		<b>536</b>	232
Contribution to retirement fund and benefits paid from book reserve	25	<b>(22,578)</b>	(15,311)
Income taxes paid, including creditable withholding taxes		<b>(169,211)</b>	(182,223)
Net cash provided by operating activities		<b>1,481,433</b>	1,952,200
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to:			
Property and equipment	11	<b>(511,878)</b>	(1,955,182)
Software costs	13	<b>(10,688)</b>	(10,620)
Proceeds from sale of property and equipment	11	<b>6,020</b>	266,270
Payments for various deposits		<b>(19,168)</b>	(1,402)
Net cash used in investing activities		<b>(535,714)</b>	(1,700,934)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from availments of short-term notes payable	29 14	<b>890,000</b>	1,490,000
Payments of:			
Short-term notes payable	14	<b>(873,000)</b>	(735,000)
Long-term debt	16	<b>(340,000)</b>	(340,000)
Obligations under lease	17	<b>(243,570)</b>	(213,873)
Interest and financing charges	23	<b>(397,098)</b>	(465,502)
Net cash used in financing activities		<b>(963,668)</b>	(264,375)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
		<b>(334)</b>	4,576
<b>NET DECREASE IN CASH</b>		<b>(18,283)</b>	(8,533)
<b>CASH AT BEGINNING OF YEAR</b>		<b>266,247</b>	274,780
<b>CASH AT END OF YEAR</b>	7	<b>₱247,964</b>	₱266,247

See accompanying Notes to the Parent Company Financial Statements.



## **2GO GROUP, INC.**

### **NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS**

(Amounts in Thousands, Except Number of Shares, Exchange Rate Data and When Otherwise Indicated)

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#### **1. Corporate Information and Approval of the Parent Company Financial Statements**

##### Corporate Information

2GO Group, Inc. (2GO or the Company) was incorporated in the Philippines on May 26, 1949. Its corporate life was renewed on May 12, 1995 and will expire on May 25, 2049. However, under the Revised Corporation Code of the Philippines, 2GO shall have a perpetual corporate life. It is primarily engaged in the business of operating Roll-on Roll-off (ROPAX) and freighter vessels for purposes of transporting cargo and passengers by sea within of the Philippines. The Company's registered office address is 8th Floor Tower 1, Double Dragon Plaza, EDSA Extension corner Macapagal Avenue, Pasay City, Metro Manila.

On February 28, 2023, the Board of Directors (BOD) of 2GO approved the voluntary delisting of 2GO shares from the PSE, subject to the successful completion of the intended tender offer by SMIC, compliance with other requirements of the PSE for voluntary delisting, and applicable regulations of the Philippine Securities and Exchange Commission (SEC). In the Annual Stockholders' Meeting of 2GO held on April 18, 2023, stockholders owning 2,409,564,0081 shares or 97.86% of the outstanding capital stock of 2GO approved the voluntary delisting. The PSE approved the delisting effective July 17, 2023.

As of June 30, 2023, with the completion of the tender offer, 2GO's outstanding capital stock is owned by: SMIC (1,654,861,652 common shares or 67.21%); Trident (781,122,265 common shares or 31.73%); and public shareholders own 1.06%.

On June 26, 2025, the BOD approved the decrease of the authorized capital stock and the increase in the par value of common shares. The amended Articles of Incorporation was approved by the Philippine SEC on January 22, 2026.

Accordingly, 2GO is no longer considered a public company under the Philippine SEC's definition of a public company. A Petition for Voluntary Revocation of the Order of Registration and Permit to Sell Securities to the Public, and for Exemption from Reportorial Requirements under Securities Regulation Code, was filed on January 29, 2026. The Petition is still pending approval by the Philippine SEC.

On February 5, 2026, the Philippine SEC approved the equity restructuring to eliminate in full the deficit of 2GO as of December 31, 2024 (see Note 20a).

##### Approval of the Parent Company Financial Statements

The accompanying parent company financial statements as at December 31, 2025 and 2024 and for the years then ended were approved and authorized for issue by the BOD on February 26, 2026.

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#### **2. Basis of Preparation and Statement of Compliance**

##### Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis. The parent company financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. All values are presented to the nearest thousands, except when otherwise indicated.

The Company also prepared and issued consolidated financial statements for the same period in which it consolidates all its investments in subsidiaries and associates and interests in joint ventures. Such consolidated financial statements provide information about the economic activities.



### Statement of Compliance

The parent company financial statements are prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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### 3. **Material Accounting Policy Information**

Accounting policies have been applied consistently to all years presented in the parent company financial statements, except for the changes in accounting policies explained below.

#### Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Company adopted the following amendments to standards starting January 1, 2025. Except as otherwise indicated, the adoption of these amendments to standards did not have any significant impact on the Company's financial statements.

*Effective beginning on or after January 1, 2025*

- Amendments to Philippine Accounting Standards (PAS) 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

#### Standards Issued But Not Yet Adopted

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.

*Effective beginning on or after January 1, 2026*

- Amendments to Illustrative Examples on PFRS 7, *Financial Instruments: Disclosures*, PFRS 18, *Presentation and Disclosure in Financial Statements*, PAS 1, *Presentation of Financial Statements*, PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, PAS 26, *Accounting and Reporting by Retirement Benefit Plans* and PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets, Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *First-time Adoption of International Financial Reporting Standards, 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, *Consolidated Financial Statements, Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Statement of Cash Flows, Cost Method*



*Effective beginning on or after January 1, 2027*

- PFRS 17, *Insurance Contracts*
- PFRS 18
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates, Translation to a Hyperinflationary Presentation Currency*

*Deferred effectivity*

- Amendments to PFRS 10, and PAS 28, *Investments in Associates and Joint Ventures, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The material accounting policy information adopted in the preparation of the parent company financial statements are summarized below.

#### Investments in Subsidiaries and Associates

Investment in subsidiaries and associates are carried at cost less any accumulated impairment in value.

#### Determination of Fair Value

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interest.

#### Financial Instruments

##### *Initial Recognition of Financial Instruments*

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). Trade receivables or for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

##### *Financial assets*

At initial recognition, the Company classifies its financial assets as follows:

- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Financial assets measured at amortized cost

The Company has no financial assets classified as FVTPL and FVTOCI.

##### *Financial liabilities*

Financial liabilities of the Company are classified as measured at amortized cost.



*Subsequent measurement*

*Financial assets measured at amortized cost*

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

The Company's cash in banks and cash equivalents, trade and other receivables and refundable deposits (presented as part of "Other current assets" account and "Other noncurrent assets" account in the parent company statements of financial position) are classified under this category.

*Financial liabilities measured at amortized cost*

After initial recognition, these financial liabilities are carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Gains and losses on other financial liabilities are recognized in the parent company statement of profit or loss when the liabilities are derecognized, as well as through the amortization process.

The Company's notes payable, trade and other payables excluding unearned revenue, long-term debt and obligations under lease are classified under this category.

*De-recognition of financial assets and liabilities*

*Financial assets.* A financial asset is generally derecognized when the rights to receive cash flows from the asset have expired.

*Financial liabilities.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

*Impairment of financial assets*

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information (e.g., financial difficulty or insolvency) indicates that the Company is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost, which includes all costs directly attributable to acquisition, such as purchase price and transport costs, is primarily determined using the weighted average method. NRV of inventories for sale is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale, while NRV of inventories for usage is the estimated replacement cost. An allowance for inventory obsolescence is provided for based on the Company's historical inventory expiration experience and physical inspection.

Property and Equipment

Property and equipment, except land, is stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Land is stated at cost less any impairment in value.

Drydocking costs, consisting mainly of main engine overhaul, replacement of steel plate of the vessels' hull and related expenditures, are capitalized as a separate component of "Vessels in operations". When significant drydocking costs are incurred prior to the end of the amortization period, the remaining unamortized balance of the previous drydocking cost is derecognized in profit or loss.

Vessels under refurbishment, if any, include the acquisition cost of the vessels, the cost of ongoing refurbishments and other direct costs. Construction-in-progress represents structures under construction and is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the refurbishment of vessels and construction of property and equipment are capitalized during the refurbishment and construction period. Vessels under refurbishment and construction in progress are not depreciated until such time the relevant assets are complete and available for use but tested for impairment losses. Refurbishment of existing vessels is capitalized as part of vessel improvements and depreciated at the time the vessels are put back into operation.

Minor spare parts and service equipment are typically carried as inventory and recognized in profit or loss as consumed. Major spare parts and stand-by equipment are carried as property and equipment when an entity expects to use them during more than one period or when they can be used only in connection with an item of property and equipment.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, namely:

	<i>Note</i>	<i>In Years</i>
Vessels in operations, excluding drydocking costs and vessel equipment and improvements	4	30 - 35*
Drydocking costs		2 - 2.5
Vessel equipment and improvements		3 - 5
Containers and reefer vans		5 - 10
Terminal and handling equipment		5 - 10
Furniture and other equipment		3 - 5
Land improvements		5 - 10
Buildings and warehouses		5 - 20
Transportation equipment		5 - 10
Spare parts and service equipment		3 - 5
Leasehold improvements		Shorter of 5 - 20 or lease term

*\*From the time the vessel was built.*



### Impairment of Nonfinancial Assets

The carrying values of the Company's nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or CGUs are written-down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost to sell or value in use (VIU). The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in the parent company statement of profit or loss in those expense categories consistent with the function of the impaired asset.

### Equity

The equity of the Parent Company consists of share capital, additional paid-in capital (APIC), treasury shares, other comprehensive income (loss) (OCI) and retained earnings (deficit).

Treasury shares are the Company's own equity instruments that are reacquired. Treasury shares are recognized at cost and deducted from equity.

OCI of the Company includes gains or losses on accrued retirement benefits.

### Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when controls of goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods and services. The specific recognition criteria for each type of revenue are as follows:

*Shipping revenues* are recognized when the related services are rendered over time based on the estimated period travelled. Shipping revenues include revenue from ancillary services such as wharfage, arrastre, stevedoring and other freight related services.

### Contract balances

#### *Contract assets*

If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

#### *Trade receivables*

A receivable represents the Company'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). Refer to accounting policies of financial assets in section for "Financial instruments - initial recognition and subsequent measurement."

#### *Contract liabilities*

If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are classified under "Trade and other payables" account in the parent company statements of financial position. Contract liabilities are recognized as revenue when the Company performs under the contract.

### Costs and Expenses

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.



## Employee Benefits

### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### *Retirement benefits*

The Company has a funded, noncontributory retirement plan, administered by the trustee, covering its permanent employees.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. Projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- Net interest on the net defined benefit liability or asset; and
- Re-measurements of net defined benefit liability or asset.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs.

Re-measurements 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. 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).

## Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Right-of-use assets, presented under property and equipment in the parent company statements of financial position, are recognized at the commencement date of the lease. These assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

	In Years
Container Yard	10
Office	10
Warehouse	10
Equipment	3-10



Lease liabilities are recognized at the commencement date of the lease and is measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liability is carried at amortized. Lease liabilities are 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.

The Company applies the following recognition exemptions:

- short-term lease (leases with lease term of 12 months or less from the commencement date and do not contain a purchase option); or
- low-value assets.

Lease payments under short-term leases and low value assets are recognized as rent expense on a straight-line basis over the lease term.

#### Deferred Income Taxes

Deferred tax is provided, using the balance sheet liability method, on all 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 assets are recognized for all deductible temporary differences and carryforward benefits of excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and Net Operating Loss Carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT over RCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

#### *Value-added taxes (VAT)*

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

#### *Creditable Withholding Taxes (CWTs)*

CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rule on Philippine income taxation. CWTs which are expected to be utilized as payment for income taxes or to be refunded within twelve (12) months are classified as current assets.

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#### 4. **Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the parent company financial statements in compliance with PFRS Accounting Standards requires management to make judgments, accounting estimates and assumptions that affect the amounts reported in the parent company financial statements and accompanying notes. These judgments, estimates and assumptions are based on management's evaluation of relevant facts and circumstances as at the date of the parent company financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.



### Judgments

In the process of applying the Company'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 parent company financial statements:

#### *Determining the timing of satisfaction of performance obligation shipping and logistics and other services*

The Company assessed that performance obligation for shipping and other services are rendered to the customers over time. As a result, revenue is recognized based on the extent of progress towards completion of the performance obligation. The determination of the method to measure progress requires judgement. The Company measures progress based on the total estimated period of transit (in days) from the date the cargo is accepted by the Company until the cargo is delivered to the customer.

### Estimates and Assumptions

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

#### *Provision for ECL of trade receivables and contract assets*

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed 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 Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Refer to Note 8.

#### *Estimation of useful lives of property and equipment*

The useful life of each of the Company's items of property and equipment is estimated based on the period over which the asset is expected to be available for use until it is derecognized. Such estimation is based on a collective assessment of similar businesses, internal technical evaluation and experience with similar assets. Specifically, in evaluating the useful lives of the vessels and related assets, management takes into account the intended life of the vessel fleet being operated, the estimate of the economic life from the date purchased or built, development in the domestic shipping regulations, the fleet deployment plans including the timing of fleet replacements, the changes in technology, as well as the repairs and maintenance program, among others.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expenses and decrease the carrying value of property and equipment. Refer to Note 11.



*Assessment of impairment and estimation of recoverable amount of property and equipment*

The Company assesses at the end of each reporting period whether there is any indication that the property and equipment may be impaired. If such indication exists, the entity follows the accounting policy discussed in Note 3, Material Accounting Policy Information (Impairment of Nonfinancial Assets).

The preparation of estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect its assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

Assets that are subject to impairment testing when impairment indicators are present (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, a drop in revenues or other external indicators) are pertaining to the property and equipment of the Company amounting to ₱6.5 billion and ₱7.0 billion as of December 31, 2025 and 2024, respectively (see Note 11).

As at December 31, 2025 and 2024, management evaluated the recoverable amount of the property and equipment based on its value in use. No impairment loss was recognized on the Company's property and equipment as the recoverable amount of the assets is higher than their carrying values.

*Estimation of retirement benefits costs and obligation*

The determination of the obligation and cost for pension and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions were described in Note 25 and include, among others, discount rate and future salary increase. While it is believed that the Company's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's pension and other retirement obligations.

The discount is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. Refer to Note 25.

*Recognition of deferred income tax assets*

The Company's assessment on the recognition of deferred income tax assets on deductible temporary differences and carryforward benefits of excess MCIT and NOLCO is based on the projected taxable income in future periods. Based on the projection, not all deductible temporary differences and carryforward benefits of excess MCIT and NOLCO will be realized. Consequently, only a portion of the Company's deferred income tax assets was recognized. Refer to Note 26.

*Estimation of provisions for contingencies*

The Company is involved in certain legal and administrative proceedings arising from the ordinary course of business. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates. These estimates are based on consultations with independent outside parties, historical experience and other available data. The Company does not believe that these proceedings will have a material adverse effect on its financial position and performance. It is possible, however, that significant differences in actual experience or assumption may materially affect the recorded provision. The inherent uncertainty over the outcome of these legal proceedings and other claims is brought about by the difference in the interpretation and implementation of the relevant laws and regulations. Refer to Note 18.



## 5. Revenue from Contracts with Customers

### *Disaggregated revenue information*

The disaggregation of the Company's revenue from contracts with customers is presented in the parent company statement of profit or loss and disclosed in the operating segment information. The Company's disaggregation of revenue from contracts with customers based on categories that depicts the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

### *Performance obligations and timing of revenue recognition*

Freight, passage, and others other services: performance obligations are generally satisfied over time once the delivery services are completed.

## 6. Operating Segment Information

The Company has identified two reportable operating segments as follows:

- The shipping segment provides ocean-going transportation of passengers, rolling cargo, and freight cargo.
- The nonshipping segment provides logistics, supply chain management and other services.

The BOD monitors the operating results of its two operating 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 the operating profit or loss in the parent company financial statements.

Segment revenue includes revenue from services between operating segments. Such revenue and related costs are fully eliminated in the consolidation. Revenues from one customer of nonshipping segment represent approximately 10.9% of the segment's total revenue. Further, there were no revenue transactions with a single customer that accounts for 10.0% or more of total revenues for the other segments.

Revenues, expenses, results of operations, assets, liabilities and other information about the business segments are as follows:

	December 31, 2025			Parent company Balance
	Shipping	Non Shipping	Eliminations/ Adjustments	
	<i>(In Thousands)</i>			
External customers	P10,508,959	P8,427,823	(P6,430,166)	P12,506,616
Intersegment revenue	1,997,657	364,418	(2,362,075)	-
<b>Revenues from contracts with customers</b>	<b>P12,506,616</b>	<b>P8,792,241</b>	<b>(P8,792,241)</b>	<b>P12,506,616</b>
Income before income tax	P711,672	P418,851	(P418,850)	P711,673
Benefit from (Provision for) income tax	34,293	(111,815)	111,815	34,293
<b>Segment income</b>	<b>P745,965</b>	<b>P307,036</b>	<b>(P307,035)</b>	<b>P745,966</b>
<b>Segment assets</b>	<b>P14,486,907</b>	<b>P6,892,271</b>	<b>(P7,118,517)</b>	<b>P14,260,661</b>
<b>Segment liabilities</b>	<b>P9,470,464</b>	<b>P8,052,679</b>	<b>(P8,081,811)</b>	<b>P9,441,332</b>
<b>Other Information:</b>				
Capital expenditures	P562,608	P794,919	(P794,919)	P562,608
Depreciation and amortization	956,147	331,779	(331,782)	956,144
Provision for expected credit losses	(2,428)	24,725	(24,725)	(2,428)
Equity in net earnings (loss) of associates and joint ventures	(95,656)	8,515	87,141	-



	December 31, 2024			
	Shipping	Non Shipping	Eliminations/ Adjustments	Parent company Balance
	<i>(In Thousands)</i>			
External customers	₱10,204,395	₱7,716,644	(₱5,877,347)	₱12,043,692
Intersegment revenue	1,833,834	501,654	(2,335,488)	-
Revenues from contracts with customers	<b>₱12,038,229</b>	<b>₱8,218,298</b>	<b>(₱8,212,835)</b>	<b>₱12,043,692</b>
Income before income tax	₱627,815	₱283,393	(₱398,156)	₱513,052
Benefit from (Provision for) income tax	(36,321)	(45,382)	75,176	(6,527)
Segment income	<b>₱591,494</b>	<b>₱238,011</b>	<b>(₱322,980)</b>	<b>₱506,525</b>
Segment assets	<b>₱14,139,181</b>	<b>₱4,836,757</b>	<b>(₱4,995,555)</b>	<b>₱13,980,383</b>
Segment liabilities	<b>₱9,850,458</b>	<b>₱6,849,042</b>	<b>(₱6,810,726)</b>	<b>₱9,888,774</b>
Other Information:				
Capital expenditures	₱1,968,476	₱239,940	(₱239,941)	₱1,968,475
Depreciation and amortization	1,083,566	308,647	(308,648)	1,083,565
Provision for expected credit losses	16,243	1,538	(1,538)	16,243
Equity in net earnings (loss) of associates and joint ventures	114,762	(13,221)	(101,541)	-

## 7. Cash and Cash Equivalents

This account consists of:

	Note	December 31	
		2025	2024
		<i>(In Thousands)</i>	
Cash on hand		<b>₱39,042</b>	₱33,064
Cash in banks and cash equivalents	19	<b>208,922</b>	233,183
		<b>₱247,964</b>	<b>₱266,247</b>

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are placements for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at prevailing market rates.

Interest income earned by the Company from cash in banks amounted to ₱109 thousand in 2025 and ₱118 thousand in 2024 (see Note 23).

## 8. Trade and Other Receivables

This account consists of:

	Note	December 31	
		2025	2024
		<i>(In Thousands)</i>	
Trade	19	<b>₱1,445,525</b>	₱892,709
Contract assets		<b>299,835</b>	315,706
Nontrade	19	<b>3,115,279</b>	3,071,727
Advances to officers and employees		<b>8,246</b>	8,027
		<b>4,868,885</b>	4,288,169
Allowance for ECL		<b>(75,329)</b>	(78,806)
		<b>₱4,793,556</b>	<b>₱4,209,363</b>

- a. Trade receivables are noninterest-bearing and are generally on 30 to 60 days terms.
- b. Contract assets relate to revenue earned from unbilled receivables which represent amounts



recognized as revenue for which the invoices have not yet been issued to the customers. As such, the balance of this account varies and depends on the timing of issuance of billing invoice to customers. The outstanding balance of this account decreased in 2025 due to the increase in issued billings within the year.

- c. Nontrade receivables include advances to principals, suppliers and contractors, passage bonds and insurance from other claims. These receivables are noninterest-bearing and collectible on demand.
- d. The following tables set out the rollforward of the allowance for ECL:

December 31, 2025			
Note	Trade and Contract Assets	Nontrade	Total
<i>(In Thousands)</i>			
Beginning	₱43,854	₱34,952	₱78,806
Write-off/adjustment	–	(3,477)	(3,477)
Ending	₱43,854	₱31,475	₱75,329

December 31, 2024			
Note	Trade and Contract Assets	Nontrade	Total
<i>(In Thousands)</i>			
Beginning	₱43,854	₱21,734	₱65,588
Provision	–	16,243	16,243
Write-off/adjustment	–	(3,025)	(3,025)
Ending	₱43,854	₱34,952	₱78,806

## 9. Inventories

This account consists of:

	December 31	
	2025	2024
<i>(In Thousands)</i>		
At cost:		
Fuel, oil and lubricants	₱138,605	₱153,169
Trading goods	13,154	27,056
At net realizable value:		
Materials, parts and supplies	18,933	10,175
	₱170,692	₱190,400

The cost of materials, parts and supplies carried at net realizable value amounted to ₱19.8 million and ₱11.0 million as at December 31, 2025 and 2024, respectively. The allowance for inventory obsolescence as at December 31, 2025 and 2024 amounted to ₱0.8 million. The Company did not recognize any write-down of inventories to NRV in 2025 and 2024.



Costs of inventories were recognized and presented in the following accounts in the parent company statements of profit or loss:

	<i>Note</i>	December 31	
		2025	2024
		<i>(In Thousands)</i>	
Cost of services	21	<b>₱3,917,388</b>	₱4,298,762
General administrative expenses	22	<b>3,813</b>	2,883
		<b>₱3,921,201</b>	<b>₱4,301,645</b>

The cost of inventories used is presented as “Cost of services” and pertains mainly to fuel, oil and lubricants used in vessels’ operation and food and beverages sold by the shipping segment and materials and supplies used. The cost of inventories presented as “General and administrative expenses” pertains to materials and supplies used.

#### 10. Other Current Assets

This account consists of:

	<i>Note</i>	December 31	
		2025	2024
		<i>(In Thousands)</i>	
CWTs - current portion	13	<b>₱638,125</b>	₱844,890
Refundable deposits - current portion	13	<b>18,181</b>	18,510
Advances to suppliers/contractors		<b>15,550</b>	1,086
Prepaid expenses and others		<b>95,491</b>	96,184
		<b>₱767,347</b>	<b>₱960,670</b>

- a. CWTs represent creditable tax certificates which can be applied against any related income tax liability of the Company.
- b. Prepaid expenses and others include prepaid insurance and taxes and licenses.



## 11. Property and Equipment

December 31, 2025											
	Vessels in Operations	Containers and Reefer Vans	Terminal and Handling Equipment	Furniture, Spare parts Other Equipment	Land Improvements	Buildings and Warehouses	Transportation Equipment	Leasehold Improvements	Construction in Progress	Right-Of-Use Asset	Total
<i>(In Thousands)</i>											
<b>Cost</b>											
January 1, 2025	₱10,049,294	₱1,513,645	₱1,040,793	₱203,085	₱495,108	₱369,190	₱331,160	₱348,508	₱-	₱1,818,760	₱16,169,543
Additions	416,609	26,788	19,862	42,884	4,556	6,984	35,902	7,846	1,177	-	562,608
Disposals/retirements	(14,043)	(239,593)	(19,883)	(5,271)	(789)	-	(5,777)	(66,801)	-	(59,895)	(412,052)
Reclassifications/adjustments	2,395	-	-	(1,391)	(735)	196	-	712	(1,177)	(293,605)	(293,605)
December 31, 2025	10,454,255	1,300,840	1,040,772	239,307	498,140	376,370	361,285	290,265	-	1,465,260	16,026,494
<b>Accumulated Depreciation and Amortization</b>											
January 1, 2025	5,530,842	1,273,217	664,650	177,693	164,696	311,318	168,037	256,886	-	628,246	9,175,585
Depreciation and amortization	506,051	45,582	72,691	15,287	4,234	6,901	18,136	17,590	-	240,279	926,751
Disposals/retirements	(14,043)	(239,592)	(17,519)	(5,264)	(789)	-	(5,775)	(51,245)	-	(59,895)	(394,122)
Reclassifications/adjustments	6,401	-	-	-	-	-	-	-	-	(225,017)	(218,616)
December 31, 2025	6,029,251	1,079,207	719,822	187,716	168,141	318,219	180,398	223,231	-	583,613	9,489,598
<b>Net Carrying Amounts</b>	<b>₱4,425,004</b>	<b>₱221,633</b>	<b>₱320,950</b>	<b>₱51,591</b>	<b>₱329,999</b>	<b>₱58,151</b>	<b>₱180,887</b>	<b>₱67,034</b>	<b>₱-</b>	<b>₱881,647</b>	<b>₱6,536,896</b>
December 31, 2024											
	Vessels in Operations	Containers and Reefer Vans	Terminal and Handling Equipment	Furniture, Spare parts Other Equipment	Land Improvements	Buildings and Warehouses	Transportation Equipment	Leasehold Improvements	Construction in Progress	Right-Of-Use Asset	Total
<i>(In Thousands)</i>											
<b>Cost</b>											
January 1, 2024	₱9,980,282	₱1,350,025	₱842,126	₱192,889	₱478,287	₱364,712	₱160,419	₱327,697	₱1,184,618	₱1,818,760	₱16,699,815
Additions	1,320,401	185,783	229,086	16,410	17,548	4,350	175,310	19,587	-	-	1,968,475
Disposals/retirements	(2,436,007)	(22,163)	(30,419)	(5,589)	-	-	(4,569)	-	-	-	(2,498,747)
Reclassifications	1,184,618	-	-	(625)	(727)	128	-	1,224	(1,184,618)	-	-
December 31, 2024	10,049,294	1,513,645	1,040,793	203,085	495,108	369,190	331,160	348,508	-	1,818,760	16,169,543
<b>Accumulated Depreciation and Amortization</b>											
January 1, 2024	7,122,382	1,251,511	631,507	171,008	160,861	304,847	156,870	239,184	-	380,387	10,418,557
Depreciation and amortization	644,724	43,607	63,113	12,235	3,835	6,449	15,736	17,724	-	247,859	1,055,282
Disposals/retirements	(2,236,264)	(21,901)	(29,970)	(5,550)	-	-	(4,569)	-	-	-	(2,298,254)
Reclassifications	-	-	-	-	-	22	-	(22)	-	-	-
December 31, 2024	5,530,842	1,273,217	664,650	177,693	164,696	311,318	168,037	256,886	-	628,246	9,175,585
<b>Net Carrying Amounts</b>	<b>₱4,518,452</b>	<b>₱240,428</b>	<b>₱376,143</b>	<b>₱25,392</b>	<b>₱330,412</b>	<b>₱57,872</b>	<b>₱163,123</b>	<b>₱91,622</b>	<b>₱-</b>	<b>₱1,190,514</b>	<b>₱6,993,958</b>



*Property and equipment under lease*

Containers, cargo handling equipment and transportation equipment and office and operational spaces as of December 31, 2025 and 2024 include units acquired under lease arrangements (see Note 17).

Set out below are the carrying amounts of right-of-use assets.

**December 31, 2025**

	Container Yard	Office	Warehouse	Equipment	Total
	<i>(In Thousands)</i>				
<b>Cost</b>					
January 1, 2025	₱800,978	₱300,022	₱657,865	₱59,895	₱1,818,760
Effect of lease reassessment	-	(293,605)	-	-	(293,605)
Expiration of lease term	-	-	-	(59,895)	(59,895)
December 31, 2025	800,978	6,417	657,865	-	1,465,260
<b>Accumulated depreciation</b>					
January 1, 2025	217,002	200,015	155,329	55,900	628,246
Depreciation	98,890	27,750	109,644	3,995	240,279
Effect of lease reassessment	-	(225,017)	-	-	(225,017)
Expiration of lease term	-	-	-	(59,895)	(59,895)
December 31, 2025	315,892	2,748	264,973	-	583,613
<b>Net Carrying Amounts</b>	₱485,086	₱3,669	₱392,892	₱-	₱881,647

**December 31, 2024**

	Container Yard	Office	Warehouse	Equipment	Total
	<i>(In Thousands)</i>				
<b>Cost</b>					
January 1, 2024 and December 31, 2024	₱800,978	₱300,022	₱657,865	₱59,895	₱1,818,760
<b>Accumulated depreciation</b>					
January 1, 2024	118,112	166,679	45,685	49,911	380,387
Depreciation	98,890	33,336	109,644	5,989	247,859
December 31, 2024	217,002	200,015	155,329	55,900	628,246
<b>Net Carrying Amounts</b>	₱583,976	₱100,007	₱502,536	₱3,995	₱1,190,514

In 2025, the Company shortened the lease term of an office space, which resulted to the reduction of lease liability and right-of-use asset amounting to ₱68.6 million, and recognition of pre-termination costs amounting to ₱49.5 million (see Notes 17 and 23).

*Residual value of vessels*

The Company reviews the residual value of the vessels periodically to ensure that the amount is consistent with the future economic benefits embodied in these vessels at the point of disposal. The residual value for vessels is reassessed by management based on the vessels' lightweight, the market price of scrap metals and the history of vessel disposal.

*Capitalization of drydocking costs*

Vessels in operations also include capitalized drydocking costs incurred amounting to ₱270.7 million in 2025 and ₱100.7 million in 2024. The related depreciable life of drydocking costs ranges from two years to two-and-a-half years.

*Acquisition of property and equipment*

In December 2023, the Group acquired two vessels with an acquisition cost totaling to ₱1,180.2 million, and were put in commercial operation in 2024 with total cost of ₱1,529.6 million, including the refurbishment cost. In 2024, the Group acquired another vessel for total cost of ₱807.8 million.



Unpaid acquisition costs of property and equipment amounted to ₱216.6 million and ₱165.8 million as of December 31, 2025 and 2024, respectively (see Note 15).

*Sale and disposal of property and equipment*

The Company disposed certain property and equipment for consideration of ₱6.0 million in 2025 and ₱266.3 million in 2024. The cash proceeds in 2024 include the proceeds from disposal of the two vessels.

*Depreciation and amortization*

Depreciation and amortization were recognized and presented in the following accounts in the parent company statements of profit or loss:

	Note	Years Ended December 31	
		2025	2024
		<i>(In Thousands)</i>	
Cost of services and goods sold	21	<b>₱884,468</b>	₱1,010,092
General and administrative expense	22	<b>42,283</b>	45,190
		<b>₱926,751</b>	<b>₱1,055,282</b>

*Property and equipment held as collateral*

Property and equipment, including right-of-use assets, held as collateral as at December 31, 2025 and 2024 amounted to ₱1,614.3 million and ₱1,995.1 million, respectively. These property and equipment include the carrying value of one vessel amounting to ₱732.7 million and ₱804.6 million as at December 31, 2025 and 2024, respectively, which is used to secure the ₱500.0 million term loan facility agreement with BDO (see Note 16).

## 12. Investments in Subsidiaries and an Associate

As at December 31, 2025 and 2024, the subsidiaries and an associate of the Company, all incorporated in the Philippines, are the following:

Nature of Business	Effective Percentage of Ownership	
	2025	2024
Subsidiaries:		
Special Container and Value Added Services, Inc. (SCVASI) <sup>(1)</sup>	–	100.0
2GO Express, Inc. (2GO Express) and Subsidiaries	100.0	100.0
2GO Logistics, Inc. (2GO Logistics)	100.0	100.0
Scanasia Overseas, Inc. (SOI) <sup>(1)</sup>	100.0	100.0
2GO Land Transport, Inc.	100.0	100.0
WG&A Supercommerce, Incorporated (WSI) <sup>(3)</sup>	100.0	100.0
NN-ATS Logistics Management and Holdings Co., Inc. <sup>(2)</sup> and Subsidiaries:(NALMHCI)	100.0	100.0
Astir Engineering Works, Inc. (AEWI) <sup>(2)(3)</sup>	–	100.0
North Harbor Tugs Corporation (NHTC)	58.9	58.9
Associate:		
MCC Transport Philippines (MCCP)	33.0	33.0

<sup>1</sup> On August 9, 2023, the BOD approved the cessation of business operations, particularly the sales of goods, of SOI. On June 2, 2025, the BOD approved the merger between SOI and SCVASI, with SOI as the surviving entity. The merger was approved by the SEC on December 16, 2025. SOI is 39% owned by 2GO and 61%-owned by 2GO Express.

<sup>2</sup> In September 2020, the BOD approved the merger of these companies, with NALMHCI as the surviving entity. The SEC approved the merger on March 13, 2025.

<sup>3</sup> Ended commercial operations in 2018 or prior

<sup>4</sup> On June 2, 2025, the BOD approved the amendment of SOI's Articles of Incorporation to update its primary purpose, secondary purpose and principal office address. The SEC approved the amendment on January 15, 2026. Accordingly, the nature of business of SOI has been updated to "Transportation/logistics".



The details of the Company's investments in subsidiaries and an associate accounted for under the cost method are as follows:

	<b>December 31</b>	
	<b>2025</b>	2024
	<i>(In Thousands)</i>	
Subsidiaries:		
2GO Express	<b>₱260,628</b>	₱260,628
NALMHCI	<b>37,500</b>	37,500
SOI	<b>5,000</b>	–
SCVASI	–	5,000
WSI	<b>250</b>	250
	<b>303,378</b>	303,378
Associate - M CCP	<b>16,500</b>	16,500
	<b>319,878</b>	319,878
Less allowance for impairment losses	<b>250</b>	250
	<b>₱319,628</b>	₱319,628

Summarized financial information of the Company's subsidiaries and associate are set as follows:

	<b>Subsidiaries</b>					
	<b>2GO Express</b>		<b>SOI*</b>		<b>Others**</b>	
	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024
	<i>(In Thousands)</i>					
<b>As at December 31:</b>						
Current assets	<b>₱1,977,853</b>	₱1,345,410	<b>₱1,670,038</b>	₱1,328,816	<b>₱219,160</b>	₱190,221
Noncurrent assets	<b>786,908</b>	175,006	<b>491,360</b>	472,414	<b>29,362</b>	29,362
Current liabilities	<b>2,267,583</b>	1,789,724	<b>2,139,269</b>	1,920,067	<b>183,375</b>	125,551
Noncurrent liabilities	<b>262,706</b>	86,215	<b>217,761</b>	231,620	–	30,308
Equity (Capital Deficiency)	<b>234,472</b>	(355,523)	<b>(195,632)</b>	(350,457)	<b>65,147</b>	63,724
<b>For the years ended December 31:</b>						
Revenue from contracts with customers	<b>₱3,749,332</b>	₱3,677,543	<b>₱3,588,477</b>	₱3,096,525	<b>₱–</b>	₱54,353
Net income	<b>585,123</b>	7,577	<b>150,429</b>	121,041	<b>1,423</b>	10,545

\*Balances were adjusted retrospectively to effect the merger with SCVASI, an entity under common control.

\*\*Includes balances that were adjusted retrospectively to effect the merger of NALMHCI and AEWI, entities under common control.

	<b>Associate - M CCP</b>	
	<b>2025</b>	2024
<b>As at December 31:</b>		
Current assets	<b>₱1,108,674</b>	₱1,316,393
Noncurrent assets	<b>977,858</b>	1,056,924
Current liabilities	<b>1,602,619</b>	730,884
Noncurrent liabilities	<b>313,908</b>	515,622
Equity	<b>710,005</b>	1,126,811
<b>For the years ended December 31:</b>		
Revenue from contracts with customers	<b>₱2,432,742</b>	₱2,788,497
Net income (loss)	<b>(386,105)</b>	261,800



### 13. Other Noncurrent Assets

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
CWTs - net of current portion	<b>₱1,079,024</b>	₱783,565
Software	<b>22,763</b>	41,468
Advances to suppliers and contractors	<b>2,285</b>	33,532
Refundable deposits - net of current portion	<b>103,955</b>	84,458
Deferred input VAT	<b>17</b>	1,452
<b>Carrying Amount</b>	<b>₱1,208,044</b>	<b>₱944,475</b>

- a. The software is amortized on a straight-line basis over its estimated useful life of three to five years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The movements in Software are as follows:

	Note	December 31	
		2025	2024
		<i>(In Thousands)</i>	
<b>Cost</b>			
Balances at beginning of year		<b>₱211,694</b>	₱201,074
Additions		<b>10,688</b>	10,620
Disposal		<b>(15,612)</b>	-
<b>Balances at end of year</b>		<b>206,770</b>	211,694
<b>Accumulated Amortization</b>			
Balances at beginning of year		<b>170,226</b>	141,943
Amortization	22	<b>29,393</b>	28,283
Disposal		<b>(15,612)</b>	-
<b>Balances at end of year</b>		<b>184,007</b>	170,226
<b>Carrying Amount</b>		<b>₱22,763</b>	<b>₱41,468</b>

Amortization was recognized and presented in the parent company statements of profit or loss under "General and administrative expenses".

- b. Refundable deposits consist of amounts paid for rental deposits which can be collected in cash upon termination of the lease. The balance as of December 31, 2025 and 2024 is net of impairment allowance of ₱3.0 million.

### 14. Short-term Notes Payable

Notes payable represents unsecured short-term peso-denominated notes payable obtained by the Company from local banks with annual interest rates ranging from 5.00% to 6.10% in 2025 and from 5.85% to 6.30% in 2024. The notes payable were rolled over during the year.

Total interest expense incurred by the Company from short-term notes payable was ₱85.7 million in 2025 and ₱109.0 million in 2024 (see Notes 19 and 23).



## 15. Trade and Other Payables

	Note	December 31	
		2025	2024
<i>(In Thousands)</i>			
Trade	19	₱716,418	₱858,744
Accrued expenses			
Expenses	19	1,299,702	1,226,281
Capital expenditure		216,550	165,820
Withholding and other taxes		105,595	34,812
Interest		43,234	57,521
Salaries and wages		85,402	74,904
Others		82,134	65,034
Nontrade	19	588,242	505,555
Contract liabilities		147,570	101,158
Other payables	18	19,687	86,703
		<b>₱3,304,534</b>	<b>₱3,176,532</b>

- Trade and other payables are noninterest-bearing and normally have 30 to 45 days terms. Trade payables from related parties are payable on demand.
- Accrued expenses pertain to various expenses which were already incurred but no invoice has been received at the end of the financial reporting period.
- Nontrade payables consist of security deposits, advances from principals and contractors, payables due to government agencies, due to related parties and others.
- Contract liabilities include advance payments received for services to be rendered. The outstanding balances of these accounts increased in 2025 due to the increase in uncompleted service of travel and freight cash transactions within the year. Set out below is the amount of revenue recognized from:

	December 31	
	2025	2024
<i>(In Thousands)</i>		
Amounts included in contract liabilities at the beginning of the year	₱101,158	₱15,843

- Other payables pertain to provision for contingencies amounting to ₱19.7 million and ₱86.7 million as at December 31, 2025 and 2024, respectively (see Note 18).

## 16. Long-term Debt

Long-term debt consists of:

	Note	December 31	
		2025	2024
<i>(In Thousands)</i>			
Banco de Oro Unibank, Inc. (BDO)	19	₱3,220,000	₱3,560,000
Unamortized debt arrangement fees		(11,023)	(17,052)
Noncurrent portion		3,208,977	3,542,948
Current portion		829,978	333,970
Noncurrent portion		<b>₱2,378,999</b>	<b>₱3,208,978</b>



#### BDO Term Loan Facility Agreements

- a. On April 10, 2018, 2GO entered into a five-year ₱3.5 billion term loan facility agreement with BDO to refinance the outstanding balance from its previous long-term loan with BDO and to fund various capital expenditures and other general requirements. Principal borrowings are due upon maturity at the end of five years in April 2023, while interest is payable quarterly. In April 2018 and April 2020, 2GO borrowed ₱2.5 billion and ₱1.0 billion, respectively, which is subject to fixed and floating interest rate, respectively.

On April 11 and 14, 2023, 2GO repaid ₱100 million of the term loan and refinanced ₱3.4 billion with a new term loan facility agreement for another five-year term. The new term loan facility requires annual repayment of 10% of the outstanding principal by the anniversary date each year and balloon payment of 50% on maturity date and is subject to a floating interest rate.

The term loan facility agreements are secured by a cross suretyship among 2GO, 2GO Express, 2GO Logistics, SOI and SCVASI. In addition, 2GO is required to maintain a maximum debt-to-earnings before interest, tax, depreciation and amortization (EBITDA) ratio of 4.0 and a minimum debt service coverage ratio (DSCR) of 1.25 based on the amended facility agreement dated October 22, 2024.

Interest rate is floater at 3M BVAL plus 100 bps/.95 or floor of 7%. The floating interest rate is subject to periodic review and adjustment earlier than five banking days prior to each "Interest Setting Date" as long as the term loan remains unpaid.

- b. On April 19, 2021, 2GO entered into another five-year ₱500.0 million term loan facility agreement with BDO to partially finance acquisition and landed cost of vessel. Principal borrowings are due upon maturity at the end of five years in April 2026, while interest is payable quarterly and is subject to fixed interest rate of 4.9%. The facility was fully drawn in April 2021.

The second term loan facility agreement is secured by the Chattel Mortgage over a passenger-cargo ship named M/V Masagana with a carrying value of ₱732.7 million and ₱804.6 million as of December 31, 2025 and 2024, respectively.

2GO is required to maintain a debt-to-equity ratio not exceeding 2.5:1 based on the latest audited annual consolidated financial statements of 2GO. On December 2, 2024, the Company obtained an approval from BDO amending this requirement. Effective 2024, the Group is required to maintain a maximum debt-to-EBITDA ratio of 4.0 and a minimum DSCR of 1.25. The Group is no longer required to maintain the maximum debt-to-equity ratio.

#### *Borrowing costs and debt transaction costs*

Interests from long-term borrowings of the Company recognized as expense totaled ₱214.6 million in 2025 and ₱252.2 million in 2024 (see Note 23).

The Company paid ₱25.5 million, ₱3.0 million, ₱7.5 million and ₱18.8 million debt transaction cost as a result of the loan availments under BDO facility in April of years 2023, 2021, 2020 and 2018, respectively. Amortization of debt transaction costs included under financing charges amounted to ₱6.0 million in 2025 and ₱6.3 million in 2024 (see Note 23).

#### *Compliance with debt covenants*

At December 31, 2025 and 2024, the Company was compliant with the debt-to-EBITDA and DSCR ratios.



## 17. Leases

The Company has various lease arrangements with third parties for the lease of containers, cargo handling equipment transportation equipment, warehouse, container yard and office space.

The Company also has certain leases with lease terms of 12 months or less and with low value. The Company applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

The future minimum lease payments on the obligations under lease together with the present value of the minimum lease payments are as follows:

	December 31, 2025		December 31, 2024	
	Future Minimum Lease Payments	Present Value of Minimum Lease Payments	Future Minimum Lease Payments	Present Value of Minimum Lease Payments
	<i>(In Thousands)</i>			
Within one year	₱295,871	₱245,016	₱312,342	₱242,545
Two to five years	743,911	682,280	1,094,846	978,159
Six to 10 years	–	–	18,796	18,750
	<b>1,039,782</b>	<b>927,296</b>	1,425,984	1,239,454
Interest component	112,486	–	186,530	–
Present value	<b>₱927,296</b>	<b>₱927,296</b>	₱1,239,454	₱1,239,454

The net carrying values of the above property and equipment held by the Company under leases disclosed in Note 11 to the parent company financial statements are summarized as follows:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Cost	₱1,465,260	₱1,818,760
Less accumulated depreciation	583,613	628,246
Net book value	<b>₱881,647</b>	₱1,190,514

Interest expense recognized related to these leases amounted to ₱68.8 million in 2025 and ₱83.4 million in 2024 under “Financing charges” in the parent company statements of profit or loss (see Note 23).

Set out below are the amounts recognized in the parent company statements of profit or loss in relation to the obligation under lease and right-of-use assets for the years ended December 31, 2025 and 2024:

	Note	Years Ended December 31	
		2025	2024
		<i>(In Thousands)</i>	
Depreciation expense of right-of-use assets	11	₱240,279	₱247,859
Interest expense on obligations under lease	23	68,772	83,395
Rent expense - short-term leases	21,22	58,903	56,520
Rent expense - low-value assets	21,22	109,422	104,994
Loss on lease pre-termination	11,23	49,536	–
		<b>₱526,912</b>	₱492,768

The roll forward analysis of obligation under lease for the years ended December 31, 2025 and 2024 is disclosed in Note 29.



Lease-related expenses are presented under “Cost of Services”, “General and Administrative Expenses” and “Financing charges” as follows:

	Note	Years Ended December 31	
		2025	2024
<i>(In Thousands)</i>			
Cost of services	21	<b>₱372,781</b>	₱367,505
General and administrative expenses	22	<b>35,823</b>	41,868
Financing charges	23	<b>68,772</b>	83,395
Loss on pre-termination	11,23	<b>49,536</b>	–
		<b>₱526,912</b>	₱492,768

## 18. Provisions and Contingencies

There are certain legal cases filed against the Company in the normal course of business. Management and its legal counsel believe that the Company has substantial legal and factual bases for its position and are of the opinion that losses arising from these cases, if any, will not have a material adverse impact on the parent company financial statements. Disclosure of additional details beyond the present disclosures may seriously prejudice the Company’s position. Thus, as allowed by PAS 37, only general descriptions were provided.

The Company’s provision for probable losses arising from these legal cases as at December 31, 2025 and 2024 amounted to ₱19.7 million and ₱86.7 million, respectively, are presented as part of “Other payables” under “Trade and other payables” in the parent company statements of financial position (see Note 15). Provision for probable losses recognized in the parent company statements of profit or loss amounted to ₱7.5 million in 2025 and ₱34.0 million in 2024 (see Note 22).

## 19. Related Parties

In the normal course of business, the Company has transacted with the following related parties:

Relationship	Name
Stockholders of the Company	SM Investments Corporation (SMIC) Trident Investments Holdings Pte. Ltd.
Subsidiaries	2GO Express, Inc. (2GO Express or EXP) 2GO Logistics, Inc. (2GO Logistics or 2GOLI) ScanAsia Overseas, Inc. (SOI) <sup>(1)</sup> 2GO Land Transport, Inc. (2GO Land) Special Container and Value Added Services, Inc. (SCVASI) <sup>(1)</sup> NN-ATS Logistics Management and Holdings Corporation, Inc. (NALMHCI) North Harbor Tugs Corporation (NHTC) United South Dockhandlers, Inc. (USDI)
Associate	MCC Transport Philippines, Inc. (MCCP)
Joint Ventures	KLN Logistics Holdings Philippines, Inc. (KLN) KLN Freight (Phils.), Inc. (KLI) <sup>(2)</sup>
Other Affiliated Companies <sup>(3)</sup>	Supervalue, Inc. Super Shopping Market, Inc. BDO Unibank, Inc. Prime Metroestate, Inc. SM Retail, Inc. Watsons Personal Care Stores (Philippines), Inc. Brownies Unlimited, Inc. Goldilocks Bakeshop, Inc.

(Forward)



Relationship	Name
Other Affiliated Companies <sup>(2)</sup>	Sanford Marketing Corporation
	China Banking Corporation
	SM Prime Holdings Inc.
	Alfamart Trading Philippines, Inc.
	Homeworld Shopping Corporation
	Mini Depato Corp.
	Star Appliance Center, Inc.
	Warehouse Development Company, Inc.
	ASP Airspeed Philippines, Inc.
	Airspeed International Corporation
	International Toyworld, Inc.
	Kultura Store, Inc.
	Walmart Supermarket, Inc.
	Online Mall Incorporated
	Sports Central (Manila), Inc.
	Costa Del Hamilo Inc.
	Digital Advantage Corp.
	Fast Retailing Philippines, Inc.
	Mindpro Retail Inc.
	SM Mart, Inc.
SM Development Corporation	

<sup>(1)</sup> On August 9, 2023, the BOD approved the cessation of business operations of SOI. On June 2, 2025, the BOD approved the merger between SOI and SCVASI, with SOI as the surviving entity. The merger was approved by the SEC on December 16, 2025.

<sup>(2)</sup> Formerly Kerry Logistics (Phils.), Inc.

<sup>(3)</sup> Other affiliated companies pertain to entities controlled and related to SMIC

The following are the revenue and income (costs and expenses) included in the parent company statements of profit or loss with related parties:

		December 31	
Nature		2025	2024
		<i>(In Thousands)</i>	
<b>Stockholders of the Company</b>	Outside services	<b>(₱82,647)</b>	(₱53,980)
	Computer charges	<b>(16,509)</b>	(17,582)
	Communication, light and water	<b>(1,792)</b>	(1,454)
<b>Subsidiaries</b>	Freight revenue	<b>1,444,314</b>	1,183,389
	Shared cost income	<b>430,068</b>	458,527
	Travel, rental, handling and other revenues	<b>123,275</b>	218,312
	Outside services	<b>(112,740)</b>	(130,054)
	Transportation and delivery	<b>(84,469)</b>	(142,831)
	Arrastre and stevedoring	<b>(13,544)</b>	(14,654)
	Rent	<b>(145)</b>	(1,551)
	Sales related expenses	<b>(44,719)</b>	(195)
	Other expenses	<b>(1,402)</b>	(1,766)
	<b>Associate/Joint ventures</b>	Freight expense	-
Shared cost		<b>4,007</b>	5,343
Freight revenue		-	127
<b>Other Affiliated Companies</b>	Freight	<b>186,840</b>	116,433
	Other services	<b>201,080</b>	127,491
	Food and beverage	<b>(216,745)</b>	(251,062)
	Interest expense	<b>(281,422)</b>	(256,237)
	Service fee	<b>480</b>	480
	Materials, parts and supplies	<b>(14,511)</b>	(27,299)
	Rent income	<b>7,822</b>	-
	Interest income	<b>99</b>	-
	Others - net	<b>(6,675)</b>	(6,607)
<b>Key Management Personnel</b>	Short-term employee benefits	<b>(38,156)</b>	(29,585)
	Long-term employee benefits	<b>(11,546)</b>	(6,584)



The parent company statements of financial position include the following amounts with respect to the balances with related parties:

	Financial Statement Account	Terms and Conditions	December 31	
			2025	2024
<i>(In Thousands)</i>				
<b>Stockholders of the Company</b>	Trade and other payables	30 to 60 days; noninterest-bearing	<b>(₱2,908)</b>	<b>(₱18,331)</b>
<b>Subsidiaries</b>	Trade receivables	30 to 60 days; noninterest-bearing	<b>147,038</b>	134,359
	Nontrade receivables	On demand; noninterest-bearing	<b>3,011,968</b>	2,942,633
	Trade payables and other payables	30 to 60 days; noninterest-bearing	<b>(3,728)</b>	(136,993)
	Due to related parties	30 to 60 days; noninterest-bearing	<b>(419,622)</b>	(239,081)
<b>Associate</b>	Trade receivables and other receivables	30 to 60 days; noninterest-bearing	<b>50,426</b>	49,681
	Trade payables and other payables	30 to 60 days; noninterest-bearing	—	(22)
<b>Other Affiliated Companies</b>	Short-term loan	See Note 14	<b>(989,000)</b>	(430,000)
	Long-term loan	See Note 16	<b>(3,208,977)</b>	(3,542,948)
	Cash in bank	On demand, interest-bearing	<b>146,086</b>	144,063
	Cash equivalents	On demand, interest-bearing	<b>1,142</b>	1,142
	Trade receivables and other receivables	30 to 60 days; noninterest-bearing	<b>1,140</b>	50,750
	Trade payables and other payables	30 to 60 days; noninterest-bearing	<b>(83,216)</b>	(86,048)

The outstanding related party balances are unsecured and settlement is expected to be in cash, unless otherwise indicated. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period through examining the financial position of the related parties and the market in which these related parties operate.

*Transactions with Shareholders, Subsidiaries, Associates and Other Related Parties under Common Control*

- Transactions with other associates and related companies consist of shipping services, shared services, agency fee for manpower services, purchase of steward supplies, availment of stevedoring, arrastre, trucking, repair services and rental.
- The Company's transactions with SCVASI and 2GO Express include shipping and forwarding services, commission and trucking services.
- The Company provides shared services to 2GO Express, SCVASI and SOI at fees based on agreed rates.
- In 2025, the Company assigned its nontrade receivables from SOI to 2GO Express amounting to ₱750.0 million.

## 20. Equity

### a. Share Capital

Details of share capital as at December 31, 2025 and 2024 are as follows:

	Number of Shares	Amount
<i>(In Thousands)</i>		
Authorized common shares at ₱1.00 par value each	4,070,343,670	₱4,070,344
Authorized preferred shares at ₱1.00 par value each	4,564,330	₱4,564
Issued and outstanding common shares	2,462,146,316	₱2,462,146



Movements in issued and outstanding capital stock follow:

Date	Activity	Issue price	Number of shares
			Common shares
May 26, 1949	Issued capital stock as of incorporation date	₱1,000.00	1,002
December 10, 1971 to October 26, 1998	Increase in issued capital stock	1,000.00	1,496,597,636
December 6, 2002	Reclassification of common shares to preferred shares	1.00	40,000,000
February 10, 2003	Issuance of preferred shares before redemption	1.00	–
November 18, 2003	Redemption of preferred shares	6.67	–
September 6, 2004	Issuance of common shares by way of stock dividends	1.00	393,246,555
November 22, 2004	Redemption of preferred shares	6.67	–
December 31, 2004	Issuance of common shares prior to reorganization	1.00	(756)
October 24, 2005	Issuance of common shares through share swap transactions	1.76	414,121,123
August 22 to October 13, 2006	Conversion of redeemable preferred shares to common shares	3.20	140,687,340
December 6 -31, 2012	Redemption of redeemable preference share	6.00	–
January 1, 2019	Issuance of common shares	1.00	16,009,916
			2,500,662,816
December 31, 2001	Treasury shares*	1.50	(38,516,500)
			2,462,146,316

\* The carrying value of treasury shares is inclusive of ₱0.9 million transaction cost.

Issued and outstanding common shares are held by 5,369 and 5,366 equity holders as of December 31, 2025 and 2024, respectively.

On November 11, 2023, the BOD approved the amendment of the Articles of Incorporation to reclassify 330 redeemable preferred shares into common shares and to increase par value of common shares from ₱1.00 to ₱1,000.00 per share.

*Decrease in authorized capital stock*

On June 26, 2025, the BOD approved the following:

- i) Decrease of the authorized capital stock as shown below.

Authorized capital stock	From			To		
	Par value per share	Number of shares	Amount (In Thousands)	Par value per share	Number of shares	Amount (In Thousands)
Common shares	₱1.00	4,070,343,670	₱4,070,344	₱1,000.00	4,070,340	₱4,070,340
Preferred shares	1.00	4,564,330	4,564	–	–	–

- ii) Increase in the par value of common shares from ₱1.00 to ₱1,000.00 per share.

The decrease in authorized capital stock is due to the elimination of the preferred shares and the removal of fractional common shares resulting from the change in par value.

The amended Articles of Incorporation was approved by the Philippine SEC on January 22, 2026. The impact of these transactions in authorized capital stock and issued and outstanding common shares is shown below.

Authorized capital stock	From			To		
	Par value per share	Number of shares	Amount (In Thousands)	Par value per share	Number of shares	Amount (In Thousands)
Common shares	₱1.00	4,070,343,670	₱4,070,344	₱1,000.00	4,070,340	₱4,070,340
Preferred shares	1.00	4,564,330	4,564	–	–	–
<b>Issued and outstanding common shares</b>	1.00	2,462,146,316	2,460,578	1,000.00	2,460,578	2,460,578



*Equity restructuring*

On November 4, 2025, the BOD approved the corporate restructuring of 2GO Group, Inc.

On February 5, 2026, the SEC approved the equity restructuring to eliminate in full the deficit of 2GO as of December 31, 2024 amounting to ₱775,039,000 against the APIC of ₱2,498,621,000, provided that the remaining of ₱1,723,582,000 cannot be applied for future losses that may be incurred by the Parent Company without prior approval of the Philippine SEC.

The impact of the equity restructuring is shown below.

	As of December 31, 2025	Impact of restructuring	After restructuring
	<i>(In Thousands)</i>		
Additional paid-in capital	₱2,498,621	(₱775,039)	₱1,723,582
Retained earnings (Deficit)	(29,073)	775,039	745,966

The restructuring has no effect on the total equity before and after the approval of the equity restructuring.

- b. Effective January 1, 2019, 2GO, as the surviving entity of the merger, issued a total of 2,176,151,907 shares with par value of One Peso (₱1.00) per share to the stockholders of Negros Navigation Co., Inc. (“NN”), former parent company and the absorbed company, in exchange for the net assets of NN. As a result, 2GO recognized the excess of the net assets of NN over the carrying value of additional shares issued by 2GO to NN stockholders as an additional paid-in capital amounting to ₱1.6 billion.
- c. Retained earnings is restricted to the extent of the cost of the shares held in treasury and deferred income tax assets recognized as of December 31, 2025 and 2024.
- d. Other equity reserves pertain to the Company’s excess investment cost over the net assets of acquired entities under common control during the time of the acquisition.

## 21. Cost of Services

This account consists of the following:

	<i>Note</i>	2025	2024
		<i>(In Thousands)</i>	
Fuel, oil and lubricants	9, 19	<b>₱3,460,845</b>	₱3,810,852
Outside services	19	<b>2,458,896</b>	2,311,402
Transportation and delivery	19	<b>1,111,878</b>	923,921
Depreciation and amortization	11	<b>884,468</b>	1,010,092
Repairs and maintenance		<b>694,593</b>	461,968
Food and beverage	9	<b>355,020</b>	373,618
Personnel costs	24, 25	<b>339,084</b>	300,995
Insurance		<b>222,812</b>	223,968
Arrastre and stevedoring	19	<b>182,291</b>	226,782
Rent	17	<b>160,254</b>	152,982
Materials and supplies used	9	<b>101,523</b>	114,292
Concession expense		<b>100,673</b>	73,384
Communication, light and water		<b>92,126</b>	90,274
Food and subsistence		<b>77,356</b>	77,939
Taxes and licenses		<b>33,263</b>	57,879
Others		<b>65,694</b>	49,204
		<b>₱10,340,776</b>	₱10,259,552



## 22. General and Administrative Expenses

This account consists of the following:

	<i>Note</i>	<b>2025</b>	2024
<i>(In Thousands)</i>			
Personnel costs	24, 25	<b>₱566,800</b>	₱501,520
Computer-related charges		<b>111,249</b>	96,467
Outside services	19	<b>72,614</b>	71,463
Depreciation and amortization	11, 13	<b>71,676</b>	73,473
Advertising		<b>55,306</b>	45,275
Transportation and travel	19	<b>38,039</b>	36,004
Insurance		<b>26,779</b>	22,199
Input VAT expense		<b>16,153</b>	17,084
Communication, light and water		<b>14,369</b>	13,463
Entertainment, amusement and recreation		<b>9,528</b>	7,753
Rent	17, 19	<b>8,071</b>	8,532
Provision for litigation	18	<b>7,451</b>	34,014
Taxes and licenses		<b>6,753</b>	4,894
Material and supplies used	9	<b>3,813</b>	2,883
Repairs and maintenance		<b>1,053</b>	809
Service fees		<b>715</b>	431
Provision for (reversal of) ECL	8	<b>(2,428)</b>	16,243
Others		<b>10,526</b>	18,274
		<b>₱1,018,467</b>	₱970,781

Others consist of various expenses that are individually immaterial such as food and subsistence, and other corporate expenses.

## 23. Other Income (Charges)

### Financing Charges

	<i>Note</i>	<b>2025</b>	2024
<i>(In Thousands)</i>			
Interest expense on:			
Short-term notes payable	14	<b>₱85,693</b>	₱109,033
Long-term debt	16	<b>214,638</b>	252,243
Amortization of:			
Obligation under lease	17	<b>68,772</b>	83,395
Debt transaction costs	16	<b>6,030</b>	6,302
Other financing charges		<b>13,708</b>	16,059
		<b>₱388,841</b>	₱467,032

Other financing charges comprise of items that are individually immaterial. Accrued interest payable as of December 31, 2025 and 2024 amounted to ₱43.2 million and ₱57.5 million, respectively (see Note 15).



Others - net

	<i>Note</i>	<b>2025</b>	2024
<i>(In Thousands)</i>			
Gain on disposal of property and equipment	<i>11</i>	<b>₱1,055</b>	₱65,779
Loss on lease pre-termination	<i>11</i>	<b>(49,536)</b>	-
Interest income	<i>7,19</i>	<b>536</b>	232
Foreign exchange losses		<b>(677)</b>	(2,669)
Others - net		<b>1,763</b>	103,383
		<b>(₱46,859)</b>	<b>₱166,725</b>

“Others - net” includes write-off of long outstanding payables and accruals amounting to ₱101.0 million in 2024, prompt payment discount and other items that are individually immaterial.

**24. Personnel Costs**

Details of personnel costs are as follows:

	<i>Note</i>	<b>2025</b>	2024
<i>(In Thousands)</i>			
Salaries and wages		<b>₱724,129</b>	₱635,461
Retirement benefit costs	<i>25</i>	<b>55,423</b>	50,741
Other employee benefits		<b>126,332</b>	116,313
		<b>₱905,884</b>	<b>₱802,515</b>

Other employee benefits include medical allowances and hospitalization, Social Security System, PhilHealth, Pag-IBIG premiums, directors’ fee and other items that are individually immaterial.

**25. Retirement Benefits**

The Company has funded defined benefit pension plans covering all regular and permanent employees. The benefits are based on employees’ projected salaries and number of years of service. The Company’s retirement plans meet the minimum requirement specified under Republic Act No. 7641, *Retirement Pay Law*.

The fund is administered by trustee banks under the supervision of the Board of Trustees who is also responsible for the investment strategy of the plan. The investment strategy of the Company’s defined benefit plans is 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 risks of the plans. The Company expects to contribute ₱16.0 million to the retirement fund in 2026. The Company’s transaction with the plan pertain to contribution and benefit payments.

The following tables summarize the components of retirement benefit cost included in the parent company statements of profit or loss are as follows:

	Years Ended December 31	
	<b>2025</b>	2024
<i>(In Thousands)</i>		
Current service cost	<b>₱33,754</b>	₱34,477
Past service cost	<b>4,463</b>	-
Net interest cost	<b>17,206</b>	16,264
	<b>₱55,423</b>	<b>₱50,741</b>



The following tables summarize the fund status and amounts recognized in the parent company statements of financial position:

	December 31, 2025		
	Defined Benefit Obligations	Fair Value of Plan Assets	Accrued Retirement Benefits
<b>January 1</b>	<b>₱309,371</b>	<b>(₱24,531)</b>	<b>₱284,840</b>
<i>(In Thousands)</i>			
<b>Net retirement benefits cost in profit or loss:</b>			
Current service cost	33,754	–	33,754
Net interest cost	19,207	(2,001)	17,206
Past service cost	4,463	–	4,463
	<b>57,424</b>	<b>(2,001)</b>	<b>55,423</b>
<b>Benefits paid from:</b>			
Plan assets	(12,279)	12,279	–
Book reserve	(258)	–	(258)
	<b>(12,537)</b>	<b>12,279</b>	<b>(258)</b>
<b>Remeasurement losses (gains) in other comprehensive income - actuarial changes arising from changes in:</b>			
Demographic assumptions	1,034	–	1,034
Financial assumptions	(4,137)	–	(4,137)
Experience adjustments	27,308	–	27,308
Return on plan assets	–	123	123
	<b>24,205</b>	<b>123</b>	<b>24,328</b>
<b>Actual contributions</b>	<b>–</b>	<b>(22,320)</b>	<b>(22,320)</b>
<b>Reclassification/ transfer to the plan</b>	<b>2,802</b>	<b>(6,290)</b>	<b>(3,488)</b>
<b>December 31</b>	<b>₱381,265</b>	<b>(₱42,740)</b>	<b>₱338,525</b>

	December 31, 2024		
	Defined Benefit Obligations	Fair Value of Plan Assets	Accrued Retirement Benefits
<b>January 1</b>	<b>₱304,242</b>	<b>(₱22,402)</b>	<b>₱281,840</b>
<i>(In Thousands)</i>			
<b>Net retirement benefits cost in profit or loss:</b>			
Current service cost	34,477	–	34,477
Net interest cost	17,600	(1,336)	16,264
	<b>52,077</b>	<b>(1,336)</b>	<b>50,741</b>
<b>Benefits paid from plan assets</b>	<b>(17,314)</b>	<b>17,314</b>	<b>–</b>
<b>Remeasurement losses (gains) in other comprehensive income - actuarial changes arising from changes in:</b>			
Demographic assumptions	(38,178)	–	(38,178)
Financial assumptions	376	–	376
Experience adjustments	8,168	–	8,168
Return on plan assets	–	(2,796)	(2,796)
	<b>(29,634)</b>	<b>(2,796)</b>	<b>(32,430)</b>
<b>Actual contributions</b>	<b>–</b>	<b>(15,311)</b>	<b>(15,311)</b>
<b>December 31</b>	<b>₱309,371</b>	<b>(₱24,531)</b>	<b>₱284,840</b>



The plan assets available for benefits are as follows:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Cash and cash equivalents	₱79	₱50
Investments in government and other debt securities	476	445
Investments in unit investment trust fund (UITF)	41,725	24,034
Others	460	2
<b>Fair value of plan assets</b>	<b>₱42,740</b>	<b>₱24,531</b>

On November 14, 2024, the BOD approved the adoption of a Multi-Employer Retirement Plan (MERP) effective January 1, 2025. The MERP establishes a common retirement plan and trust fund covering eligible employees across all participating subsidiaries. The MERP replaces the individual retirement arrangements previously maintained by the entities and standardizes the benefit formula and funding structure under a unified plan.

The adoption of the MERP resulted in a plan amendment under PAS 19 as the revised retirement benefits under the multi-employer plan differ from the entities' previous retirement benefit arrangements. Accordingly, the Company recognized past service cost in 2025 amounting to ₱4.5 million.

The Company's plan assets do not have quoted market price in active market except for some debt instrument by the Company. The plan assets have diverse investments and do not have any concentration risk. The plan assets are handled by BDO Unibank, Inc.

As of December 31, 2025 and 2024, the Company has no transactions with its retirement funds such as loans, investments, gratuities, or surety. The fund also does not have investments in debt or equity securities of the companies in the Company.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk, and market (investment) risk. Management reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching (ALM) strategy and investment risk management policy. The Company's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Company monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligations.

The cost of defined benefit pension plan as well as the present value of the pension obligation are determined using actuarial valuations. The Company updates the actuarial valuation every year by hiring the services of a third-party qualified actuary. The latest actuarial valuation report was as of reporting date. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining DBO for the Company's plans as of January 1 are shown below.

	2025	2024
Discount rate	6.12%	6.13%
Future salary increase	6.00%	6.00%
Turnover rate	6.37%-22.55%	0%-7.50%

As of December 31, 2025, the discount rate, future salary increases rate and turnover rate used were 6.28%, 6.00%, and 7.30% - 23.37%, respectively.



The accrued retirement benefits is subject to several key assumptions. Shown below is the sensitivity analysis of the retirement obligation to reasonably possible changes on each significant assumption as of December 31, 2025 and 2024:

	Increase (Decrease)	Impact on Accrued Retirement Benefits	
		2025	2024
<i>(In Thousands)</i>			
Discount rate	+1%	<b>(₱24,212)</b>	(₱20,075)
	-1%	<b>27,177</b>	22,572
Salary increase rate	+1%	<b>26,983</b>	22,375
	-1%	<b>(24,490)</b>	(20,277)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses.

The average duration of the defined benefit obligation at the end of the reporting period is 6.7 years and 6.9 years as of December 31, 2025 and 2024, respectively.

Maturity analysis of the benefit payments:

	2025	2024
<i>(In Thousands)</i>		
Less than 5 years	<b>₱208,004</b>	₱152,250
More than 5 year to 10 years	<b>353,809</b>	289,498
More than 10 years	<b>843,426</b>	718,515

## 26. Income Taxes

a. The components of provision for (benefit from) income tax are as follows:

	Years Ended December 31	
	2025	2024
<i>(In Thousands)</i>		
Current		
RCIT	<b>₱173,470</b>	₱-
MCIT	-	34,768
	<b>173,470</b>	34,768
Deferred	<b>(207,763)</b>	(28,241)
	<b>(₱34,293)</b>	₱6,527



- b. The components of the Company's recognized net deferred income tax assets and liabilities are as follows:

	Years Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
<b>Directly recognized in profit or loss</b>		
Deferred income tax assets on:		
Accrued retirement benefits	<b>₱57,809</b>	₱50,470
NOLCO	-	9,204
Unamortized past service cost	<b>1,892</b>	3,067
Obligations under lease	<b>231,824</b>	309,863
Accruals and others	<b>121,357</b>	2,780
	<b>412,882</b>	375,384
Deferred income tax liability on:		
Right-of-use assets	<b>(220,411)</b>	(296,216)
Unamortized debt arrangements fees and others	<b>(2,759)</b>	(4,266)
	<b>189,712</b>	74,902
<b>Directly recognized in OCI</b>		
Deferred income tax asset on remeasurement of		
accrued retirement benefit costs	<b>26,822</b>	20,740
	<b>₱216,534</b>	₱95,642

Deferred income tax assets on obligations under leases and deferred income tax liabilities on right-of-use assets pertain to lease arrangements that are treated as operating lease for tax purposes.

- c. Details of the Company's NOLCO and excess MCIT over RCIT which can be carried forward and claimed as tax credit against regular taxable income and regular income tax due, respectively are as follows:

<u>NOLCO</u>					<b>Balances as at December 31, 2025</b>	
Year incurred	Available until	Amount	Applied in 2025	Expired	<i>(In Thousands)</i>	
					Amount	Tax
2021*	2026	₱36,817	(₱36,817)	₱-	₱-	₱-

\*Expiration is based on "Bayanihan to Recover as One Act 2"

Excess MCIT over RCIT

					<b>Balances as at December 31, 2025</b>	
Year incurred	Available until	Amount	Applied in 2025	Expired	<i>(In Thousands)</i>	
					Amount	
2024	2027	₱34,768	(₱34,768)	₱-	₱-	
2023	2026	41,498	(41,498)	-	-	
2022	2025	16,687	(16,687)	-	-	
<b>Total</b>		<b>₱92,953</b>	<b>(₱92,953)</b>	<b>₱-</b>	<b>₱-</b>	



- d. The following are the Company's NOLCO, excess MCIT over RCIT, and other deductible temporary differences for which no deferred tax assets have been recognized:

	Years Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Accruals and provisions	<b>₱101,822</b>	₱641,517
Allowance for:		
ECL	<b>75,329</b>	78,806
Cargo losses and damages	<b>66,666</b>	58,933
Impairment of refundable deposit	<b>3,025</b>	3,025
Inventory obsolescence	<b>836</b>	836
Impairment of asset	<b>736</b>	736
Unrealized foreign exchange loss	<b>334</b>	2,999
Impairment of investment in subsidiary	<b>250</b>	250
Excess MCIT over RCIT	-	92,953

- e. Reconciliation between the income tax expense computed at statutory income tax rate of 25% to the provision for income tax as shown in profit or loss is as follows:

	Years Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Tax effect of income at statutory rates	<b>₱177,918</b>	₱128,263
Income tax effects of:		
Deductible temporary difference for which no deferred income tax assets were recognized	<b>(119,312)</b>	(16,497)
Nondeductible expenses	<b>81</b>	3,683
Interest income already subjected to final tax	<b>(27)</b>	(29)
Application of NOLCO for which no deferred income tax assets were recognized	-	(108,893)
Application of excess MCIT over RCIT for which no deferred income tax assets were recognized	<b>(92,953)</b>	-
	<b>(₱34,293)</b>	₱6,527

## 27. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash and cash equivalents, short-term notes payable, long-term debt and obligations under lease. The main purpose of these financial instruments is to raise financing for the Company's operations. The Company has other various financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from operations.

The main risks arising from the Company's financial instruments are credit risk involving possible exposure to counter-party default, primarily, on its trade and other receivables; liquidity risk in terms of the proper matching of the type of financing required for specific investments and maturing obligations; foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign currency denominated placements and borrowings; and interest rate risk resulting from movements in interest rates that may have an impact on interest bearing financial instruments.

There has been no change to the Company's exposure to credit, liquidity, foreign exchange, and interest rate risks on the manner in which it manages and measures the risks since prior years.



*Credit risk*

To manage credit risk, the Company has policies in place to ensure that all customers that wish to trade on credit terms are subject to credit verification procedures and approval of the Credit Committee. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts. The Company has policies that limit the amount of credit exposure to any particular customer.

The Company's exposures to credit risks are primarily attributable to cash and collection of trade and other receivables with a maximum exposure equal to the carrying amount of these financial instruments. The Company has concentration of credit risk given that majority of the Company's cash and cash equivalents are deposited in the local affiliated bank. Management assessed and believes that the Company is not exposed to any significant risk since the local affiliated bank is a related party and is one of the country's reputable banks. The Company does not have any significant credit risk exposure to other single counterparties. As of December 31, 2025 and 2024, the Company did not hold collateral from any counterparty.

The aging per class of financial assets and contract assets and the expected credit loss are as follows:

	Trade Receivables								Contract assets
	Cash Refundable in banks deposits		Current	Days Past Due				Total	
				0 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Expected credit loss rates	-%	-%	0.00% - 3.09%	0.01% - 6.05%	0.08% - 12.14%	0.71% - 20.33%	3.55% - 100.00%		-%
Estimated total gross carrying amount	₱207,780	₱125,161	₱1,138,826	₱168,439	₱36,480	₱12,465	₱89,315	₱1,445,525	₱299,835
Expected credit loss	₱-	₱-	₱8,094	₱13,439	₱4,500	₱865	₱16,956	₱43,854	₱-

	Trade Receivables								Contract assets
	Cash Refundable in banks deposits		Current	Days Past Due				Total	
				0 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Expected credit loss rate	-%	-%	0.00% - 3.09%	0.01% - 6.05%	0.08% - 12.14%	0.71% - 20.33%	3.55% - 100.00%		-%
Estimated total gross carrying amount	₱231,904	₱108,968	₱609,167	₱185,128	₱34,520	₱12,781	₱51,113	₱892,709	₱315,706
Expected credit loss	₱-	₱-	₱3,577	₱711	₱355	₱597	₱38,614	₱43,854	₱-

*Liquidity risk*

The Company manages its liquidity profile to be able to finance its capital expenditures and service its maturing debt by maintaining sufficient cash during the peak season of the passage business. The Company regularly evaluates its projected and actual cash flows generated from operations.

The Company's existing credit facilities with various banks are covered by the Continuing Suretyship for the accounts of the Company.

The liability of the Surety is primary and solidary and is not contingent upon the pursuit by the bank of whatever remedies it may have against the debtor or collaterals/liens it may possess. If any of the secured obligations is not paid or performed on due date (at stated maturity or by acceleration), the Surety shall, without need for any notice, demand or any other account or deed, immediately be liable therefore and the Surety shall pay and perform the same.



The following table summarizes the maturity profile of the Company's financial assets and financial liabilities based on contractual repayment obligations and the Company's cash to be generated from operations and the Company's financial assets:

	December 31, 2025			Total
	Less than 1 Year	1 to 5 Years	Over 5 Years	
<i>(In Thousands)</i>				
<b>Financial Liabilities</b>				
Trade and other payables <sup>1</sup>	₱2,780,610	₱–	₱–	₱2,780,610
Short-term notes payable	1,662,000	–	–	1,662,000
Long-term debt <sup>2</sup>	340,000	2,880,000	–	3,220,000
Obligations under lease <sup>3</sup>	295,871	743,911	–	1,039,782
	<b>₱5,078,481</b>	<b>₱3,623,911</b>	<b>₱–</b>	<b>₱8,702,392</b>
<b>Financial Assets</b>				
Cash and cash equivalents	₱247,964	₱–	₱–	₱247,964
Trade and other receivables <sup>4</sup>	4,700,854	–	–	4,700,854
Refundable deposits	18,181	103,955	–	122,136
	<b>₱4,966,999</b>	<b>₱103,955</b>	<b>₱–</b>	<b>₱5,070,954</b>
<b>December 31, 2024</b>				
	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
<i>(In Thousands)</i>				
<b>Financial Liabilities</b>				
Trade and other payables <sup>1</sup>	₱2,746,824	₱–	₱–	₱2,746,824
Short-term notes payable	1,645,000	–	–	1,645,000
Long-term debt <sup>2</sup>	340,000	3,220,000	–	3,560,000
Obligations under lease <sup>3</sup>	312,342	1,094,846	18,796	1,425,984
	<b>₱5,044,166</b>	<b>₱4,314,846</b>	<b>₱18,796</b>	<b>₱9,377,808</b>
<b>Financial Assets</b>				
Cash and cash equivalents	₱266,247	₱–	₱–	₱266,247
Trade and other receivables <sup>4</sup>	4,114,933	–	–	4,114,933
Refundable deposits	18,510	84,458	–	102,968
	<b>₱4,399,690</b>	<b>₱84,458</b>	<b>₱–</b>	<b>₱4,484,148</b>

<sup>1</sup> Excluding nonfinancial liabilities amounting to ₱523.9 million and ₱429.7 million as of December 31, 2025 and 2024, respectively.

<sup>2</sup> Gross of unamortized debt arrangement fees amounting to ₱11.0 million and ₱17.1 million as of December 31, 2025 and 2024, respectively.

<sup>3</sup> Gross of interest component amounting to ₱112.5 million and ₱186.5 million as of December 31, 2025 and 2024, respectively.

<sup>4</sup> Excluding nonfinancial assets amounting to ₱92.7 million and ₱94.4 million as of December 31, 2025 and 2024, respectively, and current portion of receivable from a related party in 2025 and 2024.

Trade and other payables and maturing other liabilities are expected to be settled using cash to be generated from operations, drawing from existing and new credit lines, and additional capital contribution of the shareholders.

The future interest repayment for the long-term debt is as follows:

	December 31	
	2025	2024
<i>(In Thousands)</i>		
Less than 1 Year	₱193,838	₱228,396
1 to 5 years	232,820	426,658
<b>Total</b>	<b>₱426,658</b>	<b>₱655,054</b>



The undrawn loan commitments from credit facilities of the Company amounted to ₱3.2 billion as of December 31, 2025 and 2024.

*Foreign exchange risk*

Foreign currency risk arises when the Company enters into transactions denominated in currencies other than their functional currency. Management closely monitors the fluctuations in exchange rates so as to anticipate the impact of foreign currency risks associated with the financial instruments.

To mitigate the risk of incurring foreign exchange losses, the Company maintains cash in banks in foreign currency to match its financial liabilities.

The Company has no significant foreign currency-denominated financial assets and financial liabilities as of December 31, 2025 and 2024.

The Company has recognized foreign exchange loss amounting to ₱0.7 million and ₱2.7 million in December 31, 2025 and 2024, respectively.

There is no other impact on the Company's equity other than those already affecting profit or loss.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's borrowings are subject to fixed interest rates ranging from 4.9% to 6.3% and 4.9% to 7.0% in 2025 and 2024, respectively.

The Company's ₱3.2 billion long-term debt under the BDO Term Loan Facility Agreements includes ₱2.7 billion long-term debt which bear floating interest rates and exposes the Company to cash flow interest rate risk.

The table below sets forth the estimated change in the Company's income before tax (through the impact on the floating interest rate borrowings) due to parallel changes in the interest rate curve in terms of the basis points (bp) as of December 31, 2025 and 2024, with all other variables held constant. There is no other impact on the Company's equity other than those already affecting the parent company statements of profit or loss.

	<b>Increase (Decrease) in income before income tax</b>	
	<b>2025</b>	<b>2024</b>
	<i>(In Thousands)</i>	
100 bp rise	<b>(₱27,086)</b>	(₱30,433)
100 bp fall	<b>27,086</b>	30,433
50 bp rise	<b>(13,543)</b>	(15,217)
50 bp fall	<b>13,543</b>	15,217

Capital Risk Management Objectives and Procedures

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and produce adequate and continuous opportunities to its employees; and to provide an adequate return to shareholders by pricing products/services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. It manages the capital structure and makes adjustments in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may adjust the amount of dividends paid to shareholders, return



capital to shareholders, issue new shares, or sell assets to reduce debt. The Company's overall strategy in managing its capital remains unchanged since the prior year.

The Company considers its total equity as its capital. The Company monitors capital on the basis of the carrying amount of equity as presented on the parent company statements of financial position. The capital ratios are as follows:

	December 31	
	2025	2024
Assets financed by:		
Creditors	<b>66%</b>	71%
Stockholders	<b>34%</b>	29%

As of December 31, 2025 and 2024, the Company met its capital management objectives.

## 28. Fair Values of Financial Instruments and Nonfinancial Assets

The table below shows the carrying amounts and fair values of financial assets and liabilities, including their level in the fair value hierarchy. The table below does not include the fair value information for financial assets and liabilities not measured at fair value if the carrying amounts are the reasonable approximation of their fair values.

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<i>(In Thousands)</i>			
<b>Financial Liabilities</b>				
Long-term debts	<b>₱3,208,977</b>	<b>₱3,408,240</b>	₱3,542,948	₱3,688,657
Obligations under lease	<b>927,296</b>	<b>939,381</b>	1,239,454	1,223,508
	<b>₱4,136,273</b>	<b>₱4,347,621</b>	₱4,782,402	₱4,912,165

The following methods and assumptions are used to estimate the fair value of each class of financial instruments and non-financial assets:

*Cash and cash equivalents, trade and other receivables, trade and other payables, refundable deposits included under "Other current assets"*

The carrying amounts of these financial instruments approximate their respective fair values due to their relatively short-term maturities.

*Refundable deposits included under "Other noncurrent assets"*

The carrying amount of this financial instrument is carried at present value due to the long-term nature of this account. The fair value of refundable deposits was computed by discounting the expected cash flows ranging from 4.52% to 4.99% as the EIR. The computed fair value approximates the carrying amount of this account.

*Short-term notes payable*

The carrying value of short-term notes payable that reprice every three (3) months, approximates their fair value because of recent and regular repricing based on current market rate. For fixed rate loans, the carrying value approximates fair value due to its short-term maturities, ranging from three months to twelve months.





“Others” includes the effect of the following:

- a. reclassification of non-current portion to current due to the passage of time;
- b. amortization of debt transaction costs capitalized amounting to ₱6.0 million in 2025 and ₱6.3 million in 2024;
- c. amortization of obligation under lease which was paid during the year and included in the “Interest and financing charges” in the statements of cash flows, amounting to ₱68.8 million in 2025 and ₱83.4 million in 2024;
- d. remeasurement of lease liability amounting to ₱68.6 as a result of lease pre-termination in 2025; and
- e. interest incurred amounting to ₱105.43 million in 2025 and ₱131.4 million in 2024.

### 30. Supplementary Information Required Under Revenue Regulation No. 15-2010

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, companies are required by the Bureau of Internal Revenue (BIR) to provide in the notes to the parent company financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the parent company financial statements which were prepared in accordance with PFRS Accounting Standards.

The following are the tax information required for the taxable year ended December 31, 2025:

- a. Value Added Tax (VAT)

	<b>Amount</b>
	<i>(In Thousands)</i>
1. Output VAT	₱1,489,475
Basis of Output VAT:	
Vatable sales	₱12,318,840
Sales to government	93,452
Zero-rated sales	20,689
Exempt sales	179,321
	<u>₱12,612,302</u>
2. Input VAT	
Beginning of the year	₱-
Capital goods amortization	1,424
Current year's domestic purchases:	
Goods other than capital goods	504,055
Capital goods not exceeding P1.0 million	882
Services lodged under other accounts	599,464
Importation of goods other than capital goods	43,464
Input tax attributable to exempt sales	(11,480)
Utilized for the year	<u>(1,137,809)</u>
Balance at the end of the year	<u>₱-</u>

The Company's sales are subject to VAT while its importation and purchases from other VAT-registered individuals or corporations are subject to input VAT. The vat rate is 12%.

Zero-rated sales of services consist of sales which were rendered to BOI and PEZA registered enterprises and sale of vessels which were paid for in foreign currency and were accounted for in



accordance with the rules and regulations of the Bangko Sentral ng Pilipinas [Sections 108 (B)(2) and (3) of the NIRC, as amended].

Exempt sales consist of sales made for the transport of senior citizens on actual transportation fare for domestic sea transport (Section 10, Revenue Regulations No. 7-2010).

b. Withholding Taxes

	<b>Amount</b>
	<i>(In Thousands)</i>
Tax on compensation and benefits	₱118,446
Expanded withholding taxes	169,292
Final withholding taxes	420
	<b>₱288,158</b>

c. Landed Costs

Details of the Company's importations are shown below:

	<b>Amount</b>
	<i>(In Thousands)</i>
Total landed cost of imports	₱362,194
Custom duties	18,097
	<b>₱380,291</b>

d. All Other Taxes (Local and National)

	<b>Amount</b>
	<i>(In Thousands)</i>
<b><i>Other taxes paid during the year recognized under "Taxes and licenses" account under "Cost of Services", "General and Administrative Expenses" and "Others-net"</i></b>	
License and permit fees	₱9,763
Real estate taxes	4,427
Documentary stamp tax	122
Others	25,704
	<b>₱40,016</b>

Information on the excise taxes are not applicable since there are no Company transactions in the current year that are subject to these taxes.

e. Tax Cases

As at December 31, 2025, the Company has no pending tax court cases.



**INDEPENDENT AUDITOR'S REPORT  
ON THE SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION**

The Stockholders and the Board of Directors  
2GO Group, Inc.  
8th Floor Tower 1, Double Dragon Plaza  
EDSA Extension cor. Macapagal Avenue  
Pasay City

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of 2GO Group, Inc. as at December 31, 2025 and 2024 and for the years then ended, and have issued our report thereon dated February 26, 2026. Our audits were made for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the management of 2GO Group, Inc. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic parent company financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Albert R. Bon  
Partner  
CPA Certificate No. 0121479



BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026  
SEC Partner Accreditation No. 121479-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements,  
with extension up to audit of 2025 financial statements

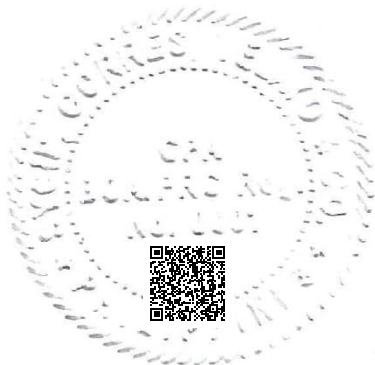
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-135-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765020, January 2, 2026, Makati City

February 26, 2026



## 2GO GROUP, INC.

### RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in Thousands)

		<b>Unappropriated Retained earnings (deficit), beginning of reporting period</b>		<b>(¥1,209,138)</b>
<b>Add:</b>	<b>Category A:</b>	<b>Items that are directly credited to Unappropriated Retained Earnings</b>		
		Reversal of Retained Earnings Appropriation/s	—	
		Effect of restatements or prior-year adjustments	—	
		Others (describe nature)	—	—
				<hr/>
<b>Less:</b>	<b>Category B:</b>	<b>Items that are directly debited to Unappropriated Retained Earnings</b>		
		Dividend declaration during the reporting period	—	
		Retained Earnings appropriated during the reporting period	—	
		Effect of restatements or prior-year adjustments	—	
				<hr/>
		<b>Unappropriated Retained Earnings, as adjusted</b>		<b>(¥1,209,138)</b>
		<b>Add/Less: Net Income (Loss) for the current year</b>		<b>745,966</b>
<b>Less:</b>	<b>Category C.1:</b>	<b>Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
		Equity in net income of associate/joint venture, net of dividends declared	—	
		Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—	
		Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
		Unrealized fair value gain of Investment Property	—	
		Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
				<hr/>
		<i>Sub-total</i>		—
<b>Add:</b>	<b>Category C.2:</b>	<b>Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
		Realized foreign exchange gain, except those attributable to cash and cash equivalents	—	
		Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
		Realized fair value gain of Investment Property	—	
		Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
				<hr/>
		<i>Sub-total</i>		—

<b>Add:</b>	<b>Category C.3:</b>	<b>Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>	
		Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
		Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
		Reversal of previously recorded fair value gain of Investment Property	-
		Reversal of previously recorded other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
		<i>Sub-total</i>	<u>-</u>
		<b>Adjusted Net Income (Loss)</b>	<b>745,966</b>
<b>Add:</b>	<b>Category D:</b>	<b>Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>	
		Depreciation on revaluation increment (after tax)	-
		<i>Sub-total</i>	<u>-</u>
<b>Add/ (Less)</b>	<b>Category E:</b>	<b>Adjustments related to relief granted by the SEC and BSP</b>	
		Amortization of the effect of reporting relief	-
		Total amount of reporting relief granted during the year	-
		Others (describe nature)	-
		<i>Sub-total</i>	<u>-</u>
<b>Add/ (Less)</b>	<b>Category F:</b>	<b>Other items that should be excluded from the determination of the amount of available for dividends distribution</b>	
		Net movement of treasury shares (except for reacquisition of redeemable shares)	-
		Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(37,498)
		Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g. set up of right of use asset and lease liability, set up of asset and asset retirement obligation, and set up of service concession asset and concession payable	-
		Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
		Others (describe nature)	-
		<i>Sub-total</i>	<u>(37,498)</u>
		<b>Total Retained Earnings, end of reporting period available for dividend</b>	<b><u><u>(P500,670)</u></u></b>