CASH-EXPRESS

Financial Statements 2023

ACYATAN & CO.
Certified Public Accountants

CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
(Formerly: Cashxpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)

Financial Statements
December 31, 2023 and 2022

CASH-EXPRESS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **CASH-EXPRESS PHILIPPINES FINANCING INC. under the business style and name of Cash-Express** *(Formerly: Cashxpress South East Asia Lending Inc. Doing business under CashXpressPH Lending)* is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

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

Acyatan & Co., CPAs, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

VYTAUTAS OLSAUSKAS
Chairman of the Board

ANDREI GORDIENKO
President

GINO P. BERTULFO
Treasurer

Signed this 15th day of April 15, 2024.

Unit 3101 Trade and Financial Tower, 7th Ave. cor 32nd St.,
Fort Bonifacio, Global City, Taguig City
E: hr@cash-express.ph T: (632) 5310-4229
W: cash-express.ph

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
(Formerly: Cashxpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)
Unit 3101 Trade and Financial Tower, 7th Ave. cor 32nd St.
Fort Bonifacio, Global City, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CASH-EXPRESS PHILIPPINES FINANCING INC.** Under the business style and name of Cash-Express *(Formerly: Cashxpress South East Asia Lending Inc. Doing business under CashXpressPH Lending)* ("the Company"), which comprise the Statements of Financial Position as of December 31, 2023 and 2022, and the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the years then ended, and Notes to Financial Statements, including material accounting policies information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **CASH-EXPRESS PHILIPPINES FINANCING INC.** Under the business style and name of Cash-Express *(Formerly: Cashxpress South East Asia Lending Inc. Doing business under CashXpressPH Lending)* as of December 31, 2023 and 2022, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance of the Financial Statements

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

In preparing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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 financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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 Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2022 as disclosed in Note 24 to the 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ACYATAN & CO., CPAs

EFREN N. ACYATAN
Senior Partner
CPA Certificate No. 074169
Tax Identification No. 101-085-150
BOA/PRC Accreditation No. 0141 effective until April 30, 2026
SEC Group C Accreditation
Partner No. 74169-SEC, effective until Financial Period 2025
Firm No. 0141-SEC, effective until Financial Period 2025
BIR Accreditation No. 07-100406-001-2021
Issued on December 31, 2021, effective until December 30, 2024
PTR No. 5424355; Issued on 01-02-2024 at Mandaluyong City

April 15, 2024
Mandaluyong City-Philippines

ACYATAN & CO.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT
(In compliance with SRC Rule 68)

The Board of Directors and Stockholders
CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
(Formerly: Cashxpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)
Unit 3101 Trade and Financial Tower, 7th Ave. cor 32nd St.
Fort Bonifacio, Global City, Taguig City

We have audited the accompanying financial statements of **CASH-EXPRESS PHILIPPINES FINANCING INC.** Under the business style and name of Cash-Express *(Formerly: Cashxpress South East Asia Lending Inc. Doing business under CashXpressPH Lending)* for the calendar year ended December 31, 2023, on which we have rendered the attached report dated April 15, 2024.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the Company has one (1) stockholder owning one hundred (100) or more shares each of the Company's capital stock as of December 31, 2022, as disclosed in Note 12 to the financial statements.

ACYATAN & CO., CPAs

EFREN N. ACYATAN
Senior Partner
CPA Certificate No. 074169
Tax Identification No. 101-085-150
BOA/PRC Accreditation No. 0141 effective until April 30, 2026
SEC Group C Accreditation
Partner No. 74169-SEC, effective until Financial Period 2025
Firm No. 0141-SEC, effective until Financial Period 2025
BIR Accreditation No. 07-100406-001-2021
Issued on December 31, 2021, effective until December 30, 2024
PTR No. 5424355; Issued on 01-02-2024 at Mandaluyong City

April 15, 2024
Mandaluyong City-Philippines

CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
(Formerly: CashXpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)

STATEMENTS OF FINANCIAL POSITION
As of December 31, 2023 and 2022

(In Philippine Peso)	*Notes*	**2023**	2022
ASSETS			
CURRENT ASSETS			
Cash	*5*	**55,471,585**	9,877,324
Loans and Other Receivables, Net	*6*	**86,807,223**	14,835,498
Other Current Assets	*7*	**2,410,648**	6,014,514
		144,689,456	30,727,336
NONCURRENT ASSETS			
Property and Equipment, Net	*8*	**3,190,409**	2,289,182
Security Deposits	*9*	**1,014,450**	314,400
Right-of-Use Asset	*17*	**3,683,329**	1,546,665
Deferred Tax Assets	*19*	**28,195,036**	12,666,129
		36,083,224	16,816,376
TOTAL ASSETS		**180,772,680**	47,543,712
LIABILITIES AND CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Accrued Expenses and Other Payables	*10*	**9,537,725**	1,382,079
Lease Liability	*17*	**3,014,799**	1,986,089
Income Tax Payable	*19*	**4,230,801**	-
		16,783,325	3,368,168
NONCURRENT LIABILITIES			
Loans Payable	*11*	**232,962,649**	86,443,357
Lease Liability	*17*	**788,922**	-
		233,751,571	86,443,357
TOTAL LIABILITIES		**250,534,896**	89,811,525
CAPITAL DEFICIENCY			
Share Capital	*12*	**12,000,000**	12,000,000
Deficit	*12*	**(81,762,216)**	(54,267,813)
TOTAL CAPITAL DEFICIENCY		**(69,762,216)**	(42,267,813)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY		**180,772,680**	47,543,712

(See Accompanying Notes to Financial Statements)

CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
(Formerly: CashXpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)

STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2023 and 2022

(In Philippine Peso)	*Notes*	**2023**	2022
REVENUES	*13*	**405,791,462**	33,115,840
COST OF SERVICES	*14*	**(123,738,052)**	(14,621,996)
GROSS INCOME		**282,053,410**	18,493,844
OPERATING EXPENSES	*15*	**(312,820,292)**	(67,040,974)
OPERATING LOSS		**(30,766,882)**	(48,547,130)
OTHER INCOME/(EXPENSES)	*16*	**(8,025,627)**	(634,942)
NET LOSS BEFORE TAX		**(38,792,509)**	(49,182,072)
INCOME TAX BENEFIT	*19*	**11,298,106**	9,721,603
NET LOSS FOR THE YEAR		**(27,494,403)**	(39,460,469)

The Company has no Other Comprehensive Income for the years 2023 and 2022.

(See Accompanying Notes to Financial Statements)

CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
(Formerly: CashXpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)

STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2023 and 2022

(In Philippine Peso)	**Share Capital** *(Note 12)*	**Deficit** *(Note 12)*	**Total**
Balances as at December 31, 2021	12,000,000	(14,807,344)	(2,807,344)
Net Loss for the Year	-	(39,460,469)	(39,460,469)
Balances as at December 31, 2022	**12,000,000**	**(54,267,813)**	**(42,267,813)**
Net Loss for the Year	**-**	**(27,494,403)**	**(27,494,403)**
Balances as at December 31, 2023	**12,000,000**	**(81,762,216)**	**(69,762,216)**

(See Accompanying Notes to Financial Statements)

CASH-EXPRESS PHILIPPINES FINANCING INC.

Under the business style and name of Cash-Express

(Formerly: CashXpress South East Asia Lending Inc.

Doing business under CashXpressPH Lending)

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

(In Philippine Peso)	*Notes*	**2023**	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss Before Tax		**(38,792,509)**	(49,182,072)
Adjustments for:			
Interest Income Earned	*5*	**(3,375)**	(1,669)
Interest Expense on Lease Liability	*17*	**239,385**	169,622
Unrealized Forex Loss	*11*	**6,269,591**	646,951
Provision for Credit Losses	*6*	**213,902,218**	12,436,128
Depreciation Expense	*15*	**4,822,691**	3,056,895
Net Income/(Loss) before Working Capital Changes		**186,438,001**	(32,874,145)
Decrease/(Increase) in Assets:			
Loans and Other Receivables	*6*	**(285,873,943)**	1,942,049
Other Current Assets	*7*	**3,603,866**	(3,216,683)
Security Deposits	*9*	**(700,050)**	(10,000)
Increase/(Decrease) in Current Liabilities:			
Accrued Expenses and Other Payables	*10*	**8,155,646**	(28,099)
Net Cash Used in Operating Activities		**(88,376,480)**	(34,186,878)
Interest Income Received	*5*	**3,375**	1,669
Net Cash Used in Operating Activities		**(88,373,105)**	(34,185,209)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property and Equipment	*8*	**(3,109,969)**	(1,023,365)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Lease Liabilities	*17*	**(3,172,366)**	(1,716,500)
Proceeds from loan obtained	*11*	**140,249,701**	37,536,063
Net Cash Provided by Operating Activities		**137,077,335**	35,819,563
NET INCREASE IN CASH		**45,594,261**	610,989
CASH BALANCE, JANUARY 1		**9,877,324**	9,266,335
CASH BALANCE, DECEMBER 31	*5*	**55,471,585**	9,877,324

(See Accompanying Notes to Financial Statements)

NOTE 1 - GENERAL INFORMATION

CASH-EXPRESS PHILIPPINES FINANCING INC. under the business style and name of Cash-Express ***(Formerly: Cashxpress South East Asia Lending Inc. Doing business under CashXpress PH Lending)*** (the "Company") is a private, stock corporation registered with the Philippine Securities and Exchange Commission (SEC) under Reg. No. CS201951088 on March 20, 2019. The original primary purpose of the Company is to engage in online and offline direct lending platform to all consumers, business, personal, payday, advance, salary loan and to do all acts and things necessary or incidental for the attainment of the above purposes under the Lending Regulation Act of 2007.

On March 20, 2019, the Company was granted a Certificate of Authority to operate as a lending company in accordance with the Lending Company Regulation Act of 2007 (R.A No. 9474) and its implementing rules and regulations, and subject to the representations and commitments set forth in its application under Certificate of Authority No. 2918.

On December 01, 2022, the Articles of Incorporation was amended to change its corporate name to CASH-EXPRESS PHILIPPINES FINANCING INC. under the business style and name of Cash-Express and its primary purpose to engage in the business of extending offline and online credit facilities to consumers and to industrial, commercial, or agricultural enterprises, by direct lending or by discounting or factoring commercial papers or accounts receivable, or by buying and selling contracts, leases, chattel mortgages, or other evidence of indebtedness, or by financial leasing of movable as well as immovable property (Sec. 3. of Republic Act No. 8556 known as the Financing Company Act of 1998). Provided, however, that there shall be continuing compliance of SEC Memorandum Circulars on 1) Prohibition of Unfair Debt Collection Practices of Financing Companies (FC) and Lending Companies (LC) and 2) Disclosure Requirements on Advertisements for Financing Companies and Lending Companies and Reporting of Online Lending Platforms (MC Nos. 18 and 19, Series of 2019. respectively).

On December 23, 2022, the Company was granted a Certificate of Authority to operate as a financing company in accordance with the Financing Company Act of 1998 (R.A No. 8556) and its implementing rules and regulations, and subject to the representations and commitments set forth in its application under Certificate of Authority No. 1306.

The Company is wholly owned by NOKITA, AUB, a Lithuanian company with a registered address at Laisves Pr. 60-1108, Villnius, Lithuania.

Going Concern
The Company's operations for the current year have resulted in a net loss of ₱27,494,403 thereby increasing its previously accumulated deficit from ₱54,267,813 to ₱81,762,216 as of December 31, 2023. The Company's total liabilities have exceeded its total assets by ₱69,762,216 only. The Company's accumulated deficit was due to pre-operating expenses, provision for credit losses and loss on sale of receivables. Management had reviewed its financial condition and operations and believed that positive results of operations could be achieved in the succeeding years.

The Board of Directors of the Company resolved to undertake the following steps and measures to improve its operations, financial condition and achieve profitability in the next calendar years:

1. Increase loan disbursement of a higher quality portfolio;
2. Improve collection efficiency;
3. Stricter monitoring and controlling operating expenses.

Accordingly, the financial statements have been prepared on a going concern basis. These financial statements do not include any adjustments relating to the recoverability and classifications of carrying amounts of assets and liabilities that might result, should the Company be unable to continue as a going concern.

The Company's registered and principal place of business is at Unit 3101 Trade and Financial Tower, 7th Ave. cor 32nd St, Fort Bonifacio, Global City, Taquiq City. This was previously located at Level 10-1, One Global Place 25th Street corner 5th Avenue, Fort Bonifacio, Taguig City, Fourth District NCR, Philippines.

Approval for Issuance of Audited Financial Statements
On April 15, 2024, the Board of Directors of **CASH-EXPRESS PHILIPPINES FINANCING INC. (Doing business under Cash-Express)** (Formerly: Cashxpress South East Asia Lending Inc. (Doing business under CashXpress PH Lending)) approved and authorized the issuance of these audited financial statements as of and for the years ended December 31, 2023 and 2022.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of Compliance
The financial statements have been prepared in compliance with the Philippine Financial Reporting Standard (PFRS) issued by the Philippine Financial Reporting Standards Council.

The Company opted to present a single Statements of Comprehensive Income.

Functional and Presentation Currency
They are presented in Philippine Peso (₱) which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso.

Basis of Measurement
The financial statements have been prepared on a historical costs basis unless stated otherwise.

NOTE 3 - MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated

Adoption of Amended Standards

Effective in 2023 that are relevant to the Company

The Company adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

- **Amendments to PAS 1 and PFRS Practice Statement 2,** *Disclosure Initiative – Accounting Policies* - The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, Making Materiality Judgements, is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The application of these amendments is reflected in the Company's financial statements under Notes 3.

- **Amendments to PAS 8,** *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. The application of these amendments had no significant impact on the Company's financial statements.

- **Amendments to PAS 12,** *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments narrowed the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Company's financial statements.

Effective in 2023 that is not relevant to the Company

Among the amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules,* are not relevant to the Company's financial statements.

Effective Subsequent to 2023 but not Adopted Early
There are amendments to existing standards effective for annual periods subsequent to 2023, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Company's financial statements:

- **Amendments to PAS 1**, *Classification of Liabilities as Current or Non-current* (effective from January 1, 2024) – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The application of these amendments had no significant impact on the Company's financial statements.

- **Amendments to PAS 1**, *Non-current Liabilities with Covenants* (effective from January 1, 2024) – The amendments clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. The amendments also stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability and adding guidance about lending conditions and how these can impact classification including requirements for liabilities that can be settled using an entity's own instruments. The application of these amendments had no significant impact on the Company's financial statements.

- **Amendments to PAS 7**, *Cash Flow Statements* **and PFRS 7**, *Financial Statements disclosures - Supplier Finance Arrangements* (effective from January 1, 2024) – The amendments require additional disclosures that complement the existing disclosures in these two Standards. They require entities to disclose the terms and conditions of the arrangement, the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are included on the statement of financial position, ranges payment due dates, and liquidity risk information. The application of these amendments had no significant impact on the Company's financial statements.

- **Amendments to PFRS 16**, *Lease Liability in a Sale and Leaseback* (effective from January 1, 2024) – The amendment issued additional guidelines on accounting for sale and leaseback transactions. The application of these amendments had no significant impact on the Company's financial statements.

- **Amendments to PAS 21**, *The Effect of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025) – The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increases the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements. The application of these amendments had no significant impact on the Company's financial statements.

- **PFRS 17,** *Insurance Contracts* – This standard will replace PFRS 4, Insurance Contracts. It requires insurance liabilities to be measured at current fulfillment value and provides a more uniform measurement and presentation approach to achieve consistent, principle-based accounting for all insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. An amendment to the standard was issued to (i) reduce costs of transition by simplifying some requirements of the standard, (ii) make financial performance easier to explain, and (iii) ease transition by deferring the effectivity of the standard from 2021 to 2023 and by providing additional relief to reduce the effort required when applying PFRS 17 for the first time.

  In response to the challenges brought by the Covid-19 pandemic, the Insurance Commission issued Circular Letter 2020-062, Amendment of Section 1 of Circular Letter No. 2018-69, Deferral of IFRS 17 Implementation, which provides a two-year deferral on the implementation of the standard from the 2023 effectivity date. Therefore, all life and nonlife insurance companies in the Philippines shall adopt PFRS 17 for annual periods beginning on or after January 1, 2025. The application of these amendments had no significant impact on the Company's financial statements.

Financial Instruments

Initial Recognition and Measurement
Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The Company classifies its financial assets at initial recognition under the following categories:
(a) Financial assets at FVPL,
(b) Financial assets at amortized cost and
(c) Financial assets at fair value through other comprehensive income (FVOCI).

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

Financial Assets at Amortized Cost
Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

As at December 31, 2023 and 2022, the Company's cash, loans and other receivables and security deposits are classified under this category.

Financial Liabilities at Amortized Cost
Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2023 and 2022, the Company's accrued expenses, loans payable and lease liability are classified under this category.

Impairment of Financial Assets
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL on it loans and other receivables is recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is 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). When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Other Current Assets

Other current assets represent loan prefunding and prepayments which is carried cost less any portion that has already been consumed or that has already expired.

Property and Equipment

Property and Equipment are carried at costs less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on the straight-line basis, net of any estimated residual value over the estimated useful lives of the assets, as follows:

Items of Property and Equipment	Estimated Useful Life
Office Equipment	3-5 years
Furniture and Fixtures	3-5 years

Impairment of Nonfinancial Assets

The Company's property and equipment, and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Equity

Share Capital
Share Capital is determined using the par value of shares that have been issued and paid-up.

Deficit
Deficit represents all current and prior period results of operations as reported in the Statements of Comprehensive Income.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

(a) *Interest Income on Loans Receivable* -Interest income from lending activities is recognized as the interest accrues using the effective interest method. Effective interest method exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument include any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The adjusted carrying amount is calculated based on the original effective interest rate. The change in the carrying amount is recorded as Interest Income. Any interest accrued and not collected is reversed on the year the loan is known to be uncollectible.

    Once the recorded value of a financial asset or group of similar financial assets has been reduced due to a credit loss, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

    Interest on interest-bearing placements and securities is recognized as the interest accrues, taking into account the effective yield on the asset.

(b) *Service Charges and Other Fees* are recognized as earned when collected or when there is a reasonable degree of certainty as to their collectability.

(c) *Interest Income on Deposit* is recognized when earned net of final taxes.

Expense Recognition

Expenses are decreases in economic benefits in the form of decreases in assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the goods or services are received or when the expenses are incurred.

Direct Costs
This account includes payment provider charges, verification expenses, interest on loans payable, salaries expense and other benefits, SSS, PHIC and HDMF contributions, advertising and promotion, taxes and licenses, utilities expense, maintenance and aircon dues, bank service charge, depreciation expense, postage, telephone and communication, and IT services. These are recognized in profit or loss in the period they are incurred.

Operating Expenses
This account represents expenses such as loss on sale of receivable, provision for credit losses, taxes and licenses, salaries and other benefits, depreciation expense, office supplies, utilities expense, transportation and courier, contracted services, representation and entertainment, debt collection fee, loss on rental deposit, maintenance and aircon dues, professional fees, interest expense on lease liability, SSS, HDMF and PHIC contribution, building permit and fees, rental expense, repairs and maintenance, licenses and subscription, bank service charges, insurance expense, advertising and promotion, covid-related expenses, meetings and conferences, postage, telephone and communication, training and seminars and other costs that cannot be associated directly with the sale of services.

Finance Costs
Finance costs comprise interest expense on the lease liability. This is recognized in profit or loss in the period they are incurred using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of the assets until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Income Taxes

Income tax expense includes current tax expense and deferred tax expense. The current tax expense is based on taxable profit for the year. Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any net operating loss carry over (NOLCO) or excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). The net carrying amount of deferred tax asset is reviewed at each reporting date and any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Employee Benefits

Short-term Employee Benefits
Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve (12) months after the end of the annual reporting period in which the employees render the related services. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid as an expense when services have been rendered. Any remaining unpaid services are recognized as a liability (accrued expenses).

Retirement Benefits
The Company has no retirement benefit plan as yet, as the Company is only in its fourth (5th) year of operations.

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 consideration.

Company as Lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- *Right-of-use Asset*

The Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is carried at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The costs of right-of-use asset include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. 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 asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The Company depreciates its right-of-use asset over the lease term.

The balance of right-of-use asset is presented separately in the Statements of Financial Position.

- *Lease Liability*

At the commencement date of the lease, the Company recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at initial application of PFRS 16, if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Interest expense on lease liability is computed using the effective interest method using the incremental borrowing rate of six percent (6%) per annum. Interest on lease liability is presented separately as Interest Expense in the Statements of Comprehensive Income.

The lease liability is presented separately in the Statements of Financial Position.

Related Party Transactions and Relationships

A related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities that are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Foreign Currency

Foreign currency transactions are initially recognized using the spot rate of exchange at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currency are translated into the functional currency using the closing rate as of the reporting date. Gains and losses arising from foreign currency transactions are recognized immediately in profit and loss.

Provisions and Contingencies

Provisions are recognized only when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to transfer economic benefits in a settlement, and the amount of provision can be estimated reliably.

Contingent assets and liabilities are not recognized in the financial statements.

Fair Value Measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety; which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs of the asset or liability.

NOTE 4 – MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in compliance with PFRS requires the Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities if any. Future events may occur which can cause the assumptions used in arriving at the estimates to change/ the effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgment

In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimates and assumptions, which have the most significant effect on the amount recognized in the financial statements.

Estimating the Incremental Borrowing Rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure the lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The incremental borrowing rate used by the Company to discount the lease payment as of January 1, 2023 and 2022 is six percent (6%).

Estimates and Assumptions

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

Determination of ECL on Receivables
The Company incorporates a forward-looking assessment of whether the credit risk on its financial instruments has increased since its initial recognition.

The Company considers a range of relevant forward-looking macro-economic factors affecting the ability of the customer to settle the receivables. These factors include gross domestic product and unemployment rate in the locations where it provides its loans. The Company also considers external actual and forecast information, including those published by government bodies and monetary authorities.

The Company reviews its receivable portfolio to assess impairment at least on an annual basis. In determining whether credit loss should be recorded in the Statements of Comprehensive Income, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets.

Expected credit loss recognized in 2023 and 2022 amounted ₱213,902,218 and ₱12,436,128, respectively. The carrying amount of receivables is disclosed in Note 6.

Estimating the Useful Lives of Property and Equipment
The useful lives of property and equipment are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are 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 assets. In addition, the estimation of the useful lives of property and equipment is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets.

There were no changes in the estimated useful lives of property and equipment during the years 2023 and 2022. Useful lives of property and equipment are disclosed in Note 3.

Impairment of Non-Financial Assets
The Company assesses annually whether there is any indication that nonfinancial asset is impaired. If such indication exists, the Company estimates the recoverable amount of the asset in accordance with the Company's accounting policy.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation.

An impairment loss is charged pro-rata to the other assets in the cash-generating unit. All assets are subsequently reassessed for an indication that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

No impairment loss was recognized in 2023 and 2022. The carrying amount of property and equipment is disclosed in Note 8.

Determination of Realizable Amount of Deferred Tax Assets
The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as of December 31, 2023 and 2022 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 19.

NOTE 5 – CASH

This account consists of:

(In Philippine Peso)	**2023**	2022
Cash in Banks	**55,466,585**	9,873,087
Cash on Hand	**5,000**	4,237
	55,471,585	9,877,324

Cash in banks earn interest at respective bank interest rate. Interest income earned amounted to ₱3,375 and ₱1,669 in 2023 and 2022, respectively.

NOTE 6 – LOANS AND OTHER RECEIVABLES, NET

This account consists of:

(In Philippine Peso)	**2023**	2022
Loans Receivables	**164,750,614**	27,912,538
Advances to Employees	**10,423**	12,037
Other Receivables	**210,000**	70,000
Gross Receivables	**164,971,037**	27,994,575
Allowance for Credit Losses	**(78,163,814)**	(13,159,077)
Loans and Other Receivables, Net	**86,807,223**	14,835,498

The Company's loans receivable are loans extended to individual borrowers that are unsecured and have terms ranging from five (5) to twenty (20) days and are subject to an interest rate of 1% to 2.3% per day. Starting March 2022, the Company's has changed its loan product terms to six (6) months payable on installment basis either every 7 days or 14 days with interest rate of 1-2% per day.

During the years 2023 and 2022, the Company sold loan portfolio at a loss of ₱63,327,956 and ₱27,310,137, respectively. Proceeds from the sale amounted to ₱2,503,689 and ₱1,502,720 for the years 2023 and 2022, respectively. These loan portfolios are those clients who can no longer be contacted despite earnest effort.

Advances to Employees pertain to salary and cash advances to employees which are deductible from their salary.

Other Receivables pertain to maternity benefit paid to employees and receivables from Social Security System.

On March 1, 2022, the Securities and Exchange Commission issued Memorandum Circular No. 3 Series of 2022, implementing the Bangko Sentral ng Pilipinas Circular 1133 Series of 2021 on the Ceiling on interest rates and other fees charged by lending companies, financing companies and their online lending platforms.

Movement on Allowance for Credit Losses is as follows:

(In Philippine Peso)	**2023**	2022
Beginning	**13,159,077**	722,949
Provision for Credit Loss	**213,902,218**	12,436,128
Written-off Accounts	**(148,897,481)**	-
Ending	**78,163,814**	13,159,077

NOTE 7 – OTHER CURRENT ASSETS

This account consists of:

(In Philippine Peso)	**2023**	2022
Loan Prefunding	**1,413,329**	6,014,514
Prepayments	**997,319**	-
	2,410,648	6,014,514

Loan Prefunding pertains to funds provided by the Company to its third-party loan disbursement partners. This fund is being used for the disbursement of approved loan applications.

Prepayments include to advance rental to the lessor and advance payment for credit card.

NOTE 8 – PROPERTY AND EQUIPMENT, NET

Movements on property and equipment follow:

2023			
(In Philippine Peso)	Office Equipment	Furniture and Fixture	Total
Cost			
Beginning	**3,621,676**	**329,215**	**3,950,891**
Additions	**2,234,919**	**875,050**	**3,109,969**
Disposals	-	-	-
Ending	**5,856,595**	**1,204,265**	**7,060,860**
Accumulated Depreciation			
Beginning	**1,483,233**	**178,476**	**1,661,709**
Depreciation	**1,940,250**	**268,492**	**2,208,742**
Disposals	-	-	-
Ending	**3,423,483**	**446,968**	**3,870,451**
Net Carrying Value, December 31, 2023	**2,433,112**	**757,297**	**3,190,409**

2022			
(In Philippine Peso)	Office Equipment	Furniture and Fixture	Total
Cost			
Beginning	2,617,057	310,469	2,927,526
Additions	1,004,619	18,746	1,023,365
Disposals	-	-	-
Ending	3,621,676	329,215	3,950,891
Accumulated Depreciation			
Beginning	583,311	83,721	667,032
Depreciation	899,922	94,755	994,677
Disposals	-	-	-
Ending	1,483,233	178,476	1,661,709
Net Carrying Value, December 31, 2023	2,138,443	150,739	2,289,182

Depreciation for 2023 charged to cost of services and operating expenses amounted to ₱2,087,258 and ₱121,484, respectively. Depreciation for 2022 are charged all to operating expenses.

As of December 31, 2023 and 2022, the Company has reviewed the carrying values of property and equipment. Based on the evaluation, there are no indications that the assets were impaired.

NOTE 9 – SECURITY DEPOSITS

Security deposits pertain to deposits in connection with its lease agreement amounting to ₱1,014,450 and ₱314,400 as of December 31, 2023 and 2022, respectively.

NOTE 10 – ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

(In Philippine Peso)	**2023**	2022
Percentage Tax Payable	**7,610,487**	-
Withholding Taxes Payable	**950,841**	320,953
DST Payable	**486,415**	153,759
SSS, HDMF and PHIC Payable	**349,490**	173,408
Accrued Expenses	**140,492**	135,000
VAT Payable	**-**	598,959
	9,537,725	1,382,079

Accrued Expenses include accrued professional fees and due to vendors.

NOTE 11 – LOANS PAYABLE

This account pertains to a loan obtained from UAB Aldega and UAB DN Invest, both a Lithuanian Company. The loan bears interest of 15.50% per annum. The loan is payable after two (2) years and renewable upon agreement of both parties. The Company started to obtain a loan in 2021 to finance its operations.

This loan is unsecured and no collateral has been used to secure the loan.

Details of loans payable are as follows:

(In Philippine Peso)	**2023**	2022
Beginning	**86,443,357**	48,260,343
Additions	**140,249,701**	37,536,063
Unrealized Forex Loss *(Note 16)*	**6,269,591**	646,951
	232,962,649	86,443,357

The loan is Euro currency denominated amounting to Euro 3,789,625 and Euro 1,451,500 as of December 31, 2023 and 2022, respectively.

During the years 2023 and 2022, interest recognized in connection with this loan amounted to ₱1,665,113 and ₱2,039,332, respectively *(Note 14)*.

NOTE 12 – EQUITY

Share Capital

The Company is authorized to issue one million five hundred thousand (1,500,000) ordinary shares with a par value of ten Peso (₱10.00) per share.

As of December 31, 2023 and 2022, the Company has subscribed and paid-up ordinary shares of 1,200,000 amounting to ₱12,000,000 only.

The reconciliation of the outstanding share capital for the years 2023 and 2022 follows:

	2023		2022	
	No. of Shares	**Amount (in ₱)**	No. of Shares	Amount (in ₱)
Beginning	**1,200,000**	**₱12,000,000**	1,200,000	₱12,000,000
Issued	-	-	-	-
Reacquired	-	-	-	-
Ending	**1,200,000**	**₱12,000,000**	1,200,000	₱12,000,000

As of December 31, 2023, one (1) stockholder owns at least one hundred (100) shares of the Company's outstanding capital stock.

Deficit

As of December 31, 2023 and 2022, the accumulated deficit already amounted to ₱81,762,216 and ₱54,267,813, respectively.

NOTE 13 – REVENUES

This account consists of:

(In Philippine Peso)	**2023**	2022
Interest Income on Loans	**383,963,086**	31,642,891
Fines and Other Fees	**21,828,376**	1,472,949
	405,791,462	33,115,840

NOTE 14 – COST OF SERVICES

This account consists of:

(In Philippine Peso)	**2023**	2022
Marketing Expenses	**45,345,199**	-
Salaries and Other Benefits	**20,288,654**	3,782,600
IT Services	**16,015,177**	5,298,196
Verification Services	**14,277,176**	2,418,479
Payment provider	**10,525,828**	1,083,389
Taxes and Licenses *(Note 24)*	**5,725,635**	-
Postage, Telephone and Communication	**4,641,251**	
Depreciation Expense *(Note 8)*	**2,087,258**	-
SSS, HDMF and PHIC Contribution	**1,986,254**	-
Interest Expense on Loans	**1,665,113**	2,039,332
Utilities Expense	**577,484**	-
Maintenance and Aircon Dues	**304,503**	-
Bank service charge	**298,520**	-
	123,738,052	14,621,996

NOTE 15 - OPERATING EXPENSES

This account consists of:

(In Philippine Peso)	**2023**	2022
Provision for Credit Losses *(Note 6)*	**213,902,218**	12,436,128
Loss on Sale of Receivable	**63,327,956**	27,310,137
Taxes and Licenses *(Note 24)*	**20,018,851**	789,871
Salaries and Other Benefits	**7,846,130**	15,330,091
Depreciation Expense *(Note 8 & 17)*	**2,735,433**	3,056,895
Office Supplies	**869,819**	152,671
Utilities Expense	**577,484**	386,365
Transportation and Courier	**506,625**	173,308
Contracted Services	**462,636**	111,735
Representation and Entertainment	**417,195**	116,073
Debt Collection fee	**410,177**	55,703
Loss on Rental Deposit	**314,400**	-
Maintenance and Aircon Dues	**304,503**	-
Professional Fees	**300,589**	1,563,350
Interest Expense on Lease Liability *(Note 17)*	**239,385**	169,622
SSS, HDMF and PHIC Contribution	**180,680**	1,033,788
Building Permit and Fees	**96,158**	-
Rental Expense *(Note 17)*	**93,996**	-
Repairs and Maintenance	**86,900**	117,018
Licenses and Subscription	**62,505**	24,723
Bank Service Charges	**29,477**	97,382
Insurance Expense	**1,870**	4,365
Marketing Expenses	**-**	2,840,294
Covid-Related Expenses	**-**	17,006
Meetings and Conferences	**-**	2,129
Postage, Telephone and Communication	**-**	1,168,728
Training and Seminars	**-**	8,143
Miscellaneous	**35,305**	75,449
	312,820,292	67,040,974

Miscellaneous includes other office expenses.

NOTE 16 – OTHER INCOME/(EXPENSES)

This account consists of:

(In Philippine Peso)	**2023**	2022
Interest Income - Deposits *(Note 5)*	**3,375**	1,669
Realized Forex Gain	**(1,759,411)**	10,340
Unrealized Forex Loss *(Note 11)*	**(6,269,591)**	(646,951)
	(8,025,627)	(634,942)

NOTE 17 – LEASE COMMITMENT

Company as Lessee

The Company entered into a lease agreement covering the administrative office space. The lease agreement term is 2 years, starting October 16, 2020 to October 15, 2022, with a monthly fixed rental of ₱80,000 with no escalation rate. The lease agreement was renewed for another 2 years with monthly rental of ₱80,000. In April 2024, this agreement has been pre-terminated.

On June 30, 2021, the Company has entered into an additional lease agreement for an additional administrative office with a term of one (1) year from August 1, 2021 to July 31, 2022, with a monthly rental of ₱65,000 only. The lease agreement was renewed for another 1 year up to July 31, 2023 with monthly rental of ₱57,570. In April 2024, this agreement has been pre-terminated.

On February 20, 2023, the Company has entered into a lease agreement for new administrative office with a term of two (2) years from April 1, 2024 to March 31, 2026, with a monthly rental of ₱229,500 in the first year and ₱237,150 on the second year, both exclusive of VAT. The lease can be renewed subject to agreement of both parties.

The roll forward analysis of right-of-use assets for the years 2023 and 2022 is as follows:

(In Philippine Peso)	**2023**	2022
Cost		
Beginning Balance	**5,317,244**	2,932,636
Adjustments	**(1,142,714)**	-
Additions	**5,893,327**	2,384,608
Disposals	**(4,174,530)**	-
Ending Balance	**5,893,327**	5,317,244
Accumulated Depreciation		
Beginning Balance	**3,770,579**	1,708,361
Depreciation	**2,613,949**	2,062,218
Disposals	**(4,174,530)**	-
Ending Balance	**2,209,998**	3,770,579
Net Book Value	**3,683,329**	1,546,665

The following are the amounts recognized in the Statements of Comprehensive Income for the years 2023 and 2022:

(In Philippine Peso)	**2023**	2022
Depreciation Expense on ROU Asset	**2,613,949**	2,062,218
Interest Expense on Lease Liability	**239,385**	169,622
	2,853,334	2,231,840

The roll forward analysis of lease liabilities for the years 2023 and 2022 is as follows:

(In Philippine Peso)	**2023**	2022
Beginning	**1,986,089**	1,148,359
Adjustments	**(1,142,714)**	-
Additions	**5,893,327**	2,384,608
Interest Expense	**239,385**	169,622
Payments	**(3,172,366)**	(1,716,500)
Ending	**3,803,721**	1,986,089

The current and noncurrent portion of lease liability as of December 31, 2023 and 2022, are as follows:

(In Philippine Peso)	**2023**	2022
Current portion	**3,014,799**	1,986,089
Noncurrent portion	**788,922**	-
	3,803,721	1,986,089

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2023 and 2022:

(In Philippine Peso)	**2023**	2022
Within 1 Year	**3,161,592**	720,000
Later than 1 Year	**796,824**	-
	3,958,416	720,000

Contingent Liabilities

The Company has no pending court/legal cases filed by outside parties – individuals or juridical persons. The Management believes that there are neither provisions nor contingent liabilities that need to be presented in the financial statements as of December 31, 2023 and 2022.

NOTE 18 – RELATED PARTY TRANSACTIONS

In the normal course of business, the Company has transactions with its related parties. None of the transactions incorporate special terms and conditions and no guarantees were given or received. Related party transactions are usually settled in cash.

The related party transactions are as follows:

Category	Year	Amount	Outstanding Balance	Terms	Conditions
UAB ALDEGA					
(With Common Director)					
Loans Payable	**2023**	**146,278,738**	**225,278,424**	Subject to 15.5% annual interest; payable within 2 years, payable in cash	Unsecured
	2022	36,694,280	78,999,686		
UAB DN INVEST					
(With Common Director)					
Loans Payable	**2023**	**240,554**	**7,684,225**	Subject to 15.5% annual interest; payable within 2 years, payable in cash	Unsecured
	2022	1,488,734	7,443,671		

Compensation to Key Management Personnel

The total remuneration to key management personnel, which pertains to short-term benefits, amounted to:

(In Philippine Peso)	**2023**	2022
Salary	**6,977,038**	4,960,503
13th-month and Other Benefits	**470,391**	895,661
	7,447,429	5,856,164

NOTE 19 – INCOME TAX

The current income tax expense represents Regular Corporate Income Tax (RCIT).

The reconciliation between income tax expense at the statutory tax rate and as presented in the Statements of Comprehensive Income is as follows:

(In Philippine Peso)	**2023**	2022
Net Loss before Tax	**(9,698,127)**	(9,836,414)
Add/(Deduct):		
Interest Income *(Note 5)*	**(844)**	(334)
Unrealized forex loss *(Note 16)*	**1,567,398**	129,390
DTA adjustment on lease payments	**(21,972)**	(14,245)
DTA adjustment on allowance for credit losses	**(657,954)**	-
DTA adjustment on NOLCO	**(2,486,607)**	-
	(11,298,106)	(9,721,603)

The Company is subject to MCIT starting 2023. The computation of MCIT is as follows:

(In Philippine Peso)	**2023**
Taxable Gross Income	**282,053,410**
Tax rate	**1.50%**
	4,230,801

Effective July 1, 2023, in pursuance to the CREATE Act and Revenue Regulation Memorandum Circular No. 69-2023, the rate of MCIT shall change back to two percent (2%) from 1%. The Company is subject to an average MCIT rate of 1.5% for the year 2023.

The Company's income tax payable for 2023 is ₱4,230,801.

The details of Deferred Tax Assets are as follows:

(In Philippine Peso)	**2023**	2022
Provision for Credit Loss	**19,540,954**	2,631,816
NOLCO	**4,393,183**	9,946,428
Deferred Charges - MCIT	**4,230,801**	-
Lease Liability	**30,098**	87,885
	28,195,036	12,666,129

The details of Deferred Charges MCIT are summarized below:

Year Incurred	**Amount**	**Application**	**Expiration**	**Ending**	**Expiry Year**
2023	4,230,801	-	-	4,230,801	2026
	4,230,801	**-**	**-**	**4,230,801**	

The details of Net Operating Loss Carry-Over (NOLCO) are summarized below:

Year Incurred	**Amount**	**Application**	**Expiration**	**Ending**	**Expiry Year**
2022	35,585,322	(18,012,592)	-	17,572,730	2025
2021	10,415,511	(10,415,511)	-	-	2026
2020	3,731,309	(3,731,309)	-	-	2025
	49,732,142	**(32,159,412)**	**-**	**17,572,730**	

Under the Republic Act No. 11494, also known as the Bayanihan to Recover as One Act (Bayanihan 2 Act) and as implemented under Revenue Regulation No. 25-2020, the NOLCO for taxable years 2021 and 2020 may be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of loss.

NOTE 20 - RISK MANAGEMENT OBJECTIVES AND POLICIES

The main purpose of the Company's financial instruments is to fund its operations and capital expenditures. The Company is exposed to financial risks through its financial assets and financial liabilities. The most important components of this financial risk arising from the use of financial instruments are credit risk, liquidity risk and market risk.

The Board of Directors (BOD) reviews and approves policies for managing each of these risks. The Company monitors market risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Company's risk management policies are summarized as follows:

Credit Risk

Credit risk represents the potential loss that the Company would incur if the counterparties fail to perform under the contractual obligations. The Company is exposed to this risk for various financial instruments arising from cash in banks, loans and other receivables and security deposits.

To address this risk, the Company's credit exposures from its lending operations passed through stringent procedures in extending credit terms to clients. In addition, the Company deals only with recognized and credit-worthy borrowers.

The aging analysis of the Company's financial assets as of December 31, 2023 and 2022 is as follows:

	December 31, 2023						
		Past Due but not Impaired					
(In Philippine Peso)	Neither Past Due nor Impaired	Up to 3 Months	More than 3 to 6 Months	More than 6 months to 1 Year	More than 1 Year	Past Due and Impaired	Total
Cash in Banks	55,466,585	-	-	-	-	-	55,466,585
Loans and Other Receivables, Net	54,381,319	3,347,483	13,423,889	15,654,532	-	-	86,807,223
Security Deposits	1,014,450	-	-	-	-	-	1,014,450
	110,862,354	3,347,483	13,423,889	15,654,532	-	-	143,288,258

	December 31, 2022						
		Past Due but not Impaired					
(In Philippine Peso)	Neither Past Due nor Impaired	Up to 3 Months	More than 3 to 6 Months	More than 6 months to 1 Year	More than 1 Year	Past Due and Impaired	Total
Cash in Banks	9,873,087	-	-	-	-	-	9,873,087
Loans and Other Receivables, Net	6,968,083	7,405,227	414,283	46,092	1,813	-	14,835,498
Security Deposits	314,400	-	-	-	-	-	314,400
	17,155,570	7,405,227	414,283	46,092	1,813	-	25,022,985

The computation of Expected Credit Loss (ECL) for the years 2023 and 2022 are as follows:

December 31, 2023								
	Current	Past Due						
(In Philippine Peso)	-	1-5 days	6-30 days	31-90 days	91-180 days	181 days - 1 Year	Over 1 Year	Total
Loans Receivables, Gross	60,179,932	4,291,645	22,006,375	78,272,662	-	-		164,750,614
Advances to Employees	10,423	-	-	-	-	-	-	10,423
Gross Receivables	60,190,355	4,291,645	22,006,375	78,272,662	-	-	-	164,761,037
ECL Rate	10%	22.00%	39.00%	80.00%	90.00%	95.00%	99.00%	-
Estimated Credit Loss	6,019,036	944,162	8,582,486	62,618,130	-	-	-	78,163,814

December 31, 2022								
	Current	Past Due						
(In Philippine Peso)	-	1-5 days	6-30 days	31-90 days	91-180 days	181 days - 1 Year	Over 1 Year	Total
Loans Receivables, Gross	7,652,499	1,537,595	5,490,938	7,985,508	4,142,827	921,841	181,330	27,912,538
Advances to Employees	12,037	-	-	-	-	-	-	12,037
Gross Receivables	7,664,536	1,537,595	5,490,938	7,985,508	4,142,827	921,841	181,330	27,924,575
ECL Rate	10.00%	18.00%	39.00%	65.00%	90.00%	95.00%	99.00%	
Estimated Credit Loss	766,454	276,767	2,141,466	5,190,580	3,728,544	875,749	179,517	13,159,077

The table below shows the maximum exposure to the credit risk of the Company's financial assets, without taking into account any collateral and other credit enhancements as of December 31, 2023 and 2022:

(In Philippine Peso)	**2023**	2022
Cash in Bank	**55,466,585**	9,873,087
Loans and Other Receivables, Net	**86,807,223**	14,835,498
Security Deposits	**1,014,450**	314,400
	143,288,258	25,022,985

Cash in Bank
The credit risk for cash in bank is considered negligible since the counterparty is a reputable bank with high-quality external credit ratings. Deposits are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 for every depositor per banking institution.

Loans and Other Receivables
With respect to receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Receivables consist mainly of advances to a related party of which the risk of none payment is low.

Receivables that are neither past due nor impaired are current and collectible.

Liquidity Risk

Liquidity risk is the risk arising from the failure of the Company to meet maturing obligations due to mismatch in cash flows and incidence of high past-due loans which may put pressure on the Company's liquidity position.

The Company manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Company maintains a substantial amount of cash in depository banks to meet maturing obligations as they become due. Also, collections from receivables may be used as payment for maturing obligations in case cash in banks falls short.

As of December 31, 2023 and 2022, the Company's liabilities have maturities which are presented below:

December 31, 2023				
(In Philippine Peso)	Less than 6 Months	6 Months to 1 Year	More than 1 Year	Total
Accrued Expenses and Other Payables	**140,492**	**-**	**-**	**140,492**
Lease Liability	**1,471,931**	**1,542,868**	**788,922**	**3,803,721**
Loans Payable	**-**	**-**	**232,962,649**	**232,962,649**
	1,612,423	**1,542,868**	**233,751,571**	**236,906,862**

December 31, 2022				
(In Philippine Peso)	Less than 6 Months	6 Months to 1 Year	More than 1 Year	Total
Accrued Expenses and Other Payables	135,000	-	-	135,000
Lease Liability	1,748,469	237,620	-	1,986,089
Loans Payable	-	-	86,443,357	86,443,357
	1,883,469	237,620	86,443,357	88,564,446

Accrued Expenses and Other Payables as of December 31, 2023 and 2022 exclude SSS, HDMF & PHIC Payable, Withholding Taxes Payable, VAT Payable and DST Payable.

Market Risk

Interest Rate Risk
The Company is not exposed to any significant interest rate risk. Interest rate risk is the potential loss arising from changes in market rates. The interest rates that the Company passed on to the borrowers are usually fixed and generally at equal market rates. Thus, exposure to interest rate risk is minimal.

The average interest rates of the Company's financial instruments by the period of maturity are as follows:

	December 31, 2022			December 31, 2022		
	Less than 6 Months	6 Months to 1 Year	More than 1 Year	Less than 6 Months	6 Months to 1 Year	More than 1 Year
Financial Assets:						
Cash in Banks	**0-0.5%**			0-0.5%		
Loans Receivable	**1-2.3%**	**1-2.3%**	**1-2.3%**	1-2.3%	1-2.3%	1-2.3%
Financial Liability:						
Loans Payable			**15.50%**			15.50%

NOTE 21 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values of the Company's financial assets and liabilities, and the corresponding fair value hierarchy:

	December 31, 2023			
	Carrying	Fair Value		
(In Philippine Peso)	Value	Level 1	Level 2	Level 3
Financial Assets:				
Cash in Bank	**55,466,585**	**-**	**55,466,585**	**-**
Loans and Other Receivables	**86,807,223**	**-**	**86,807,223**	**-**
Security Deposits	**1,014,450**	**-**	**1,014,450**	**-**
	143,288,258	**-**	**143,288,258**	**-**
Financial Liabilities:				
Accrued Expenses and Other Payable	**140,492**	**-**	**140,492**	**-**
Lease Liability	**3,803,721**	**-**	**3,803,721**	**-**
Loans Payable	**232,962,649**	**-**	**232,962,649**	**-**
	236,906,862	**-**	**236,906,862**	**-**

Accrued Expenses and Other Payable excludes SSS, HDMF and PHIC Payable, Withholding Taxes Payable, VAT Payable and DST Payable

	December 31, 2022			
	Carrying	Fair Value		
(In Philippine Peso)	Value	Level 1	Level 2	Level 3
Financial Assets:				
Cash in Bank	9,873,087	-	9,873,087	-
Loans and Other Receivables	14,835,498	-	14,835,498	-
Security Deposits	314,400	-	314,400	-
	25,022,985	-	25,022,985	-
Financial Liabilities:				
Accrued Expenses and Other Payables	135,000	-	135,000	-
Lease Liability	1,986,089	-	1,986,089	-
Loans Payable	86,443,357	-	86,443,357	-
	88,564,446	-	88,564,446	-

Accrued Expenses and Other Payable excludes SSS, HDMF and PHIC Payable, Withholding Taxes Payable, VAT Payable and DST Payable

NOTE 22 - CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company also ensures compliance with externally imposed capital requirements.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders or issue new shares. No changes were made in the objective policies or processes for the years ended December 31, 2023 and 2022.

The Company considers the following as capital:

(In Philippine Peso)	**2023**	2022
Share Capital	**12,000,000**	12,000,000
Deficit	**(81,762,216)**	(54,267,813)
	(69,762,216)	(42,267,813)

The Company monitors capital on the basis of the carrying amount of equity presented on the face of the Statements of Financial Position. Capital for the reporting period under review is summarized as follows:

(In Philippine Peso)	**2023**	2022
Total Liabilities	**250,534,896**	89,811,525
Total Equity	**(69,762,216)**	(42,267,813)
	(3.59):1.00	(2.12):1.00

Under the Implementing Rules and Regulations (IRR) of Lending Company Regulation Act of 2007 (Republic Act No. 9474), a lending company shall have a minimum paid-up capital of One Million Peso (₱1,000,000), unless the SEC prescribes a higher minimum capitalization, if warranted by the circumstances. For branch extension, additional capital is required in the amount of ₱300,000 in Metro Manila and first-class cities; ₱150,000 for second class and other cities and ₱75,000 for municipalities.

Based on Republic Act No. 8556, otherwise known as the "Financing Company Act of 1998", financing companies located in Metro Manila and other first-class cities shall have a paid-up capital of not less than Ten million Peso (₱10,000,000) only.

No changes were made in the objective, policies and processes during the years ended December 31, 2023 and 2022.

As of December 31, 2023 and 2022, the Company complied with the required minimum capitalization.

NOTE 23 - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Company's liabilities arising from financing transactions for the years 2023 and 2022 are as follows:

(In Philippine Peso)	January 1, 2023	Additions	Cash Flows	Interest	Unrealized Loss	December 31, 2023
Lease Liability	1,986,089	4,750,613	(3,172,366)	239,385	-	3,803,721
Loans Payable	86,443,357	140,249,701	(1,665,113)	1,665,113	6,269,591	232,962,649
	88,429,446	145,000,314	(4,837,479)	1,904,498	6,269,591	236,766,370

(In Philippine Peso)	January 1, 2022	Additions	Cash Flows	Interest	Unrealized Loss	December 31, 2022
Lease Liability	1,148,359	2,384,608	(1,716,500)	169,622	-	1,986,089
Loans Payable	48,260,343	37,536,063	-	-	646,951	86,443,357
	49,408,702	39,920,671	(1,716,500)	169,622	646,951	88,429,446

There are no other changes in the Company's liabilities arising from financing activities.

The Company had no material non-cash financing activities during the years 2023 and 2022.

NOTE 24 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BIR UNDER RR 15-2010

In compliance with the requirements set forth by Revenue Regulation 15-2010 issued by the Bureau of Internal Revenue, hereunder is information on taxes, duties and license fees paid or accrued during the taxable year:

a. Percentage Tax

The Company is subject to percentage tax on its gross income as indicated on its Certificate of Registration (COR) issued by the Bureau of Internal Revenue (BIR). Percentage tax is imposed on interest, commissions and discounts from lending activities at 5% or 1%, depending on the remaining maturities of instruments from which such receipts are derived, and at 7% on non-lending fees and commissions, trading and foreign exchange gains and other items constituting gross income.

During the year 2023, the Company has remitted percentage tax of ₱19,916,198.

b. Value Added Tax

Details of the Company's net sales/receipts, output and input VAT accounts are as follows:

Output VAT

The Company is a VAT-registered with an output tax declaration of ₱896,099 for the year 2023 based on the vatable sales amounting to ₱7,467,493, pursuant to the provisions of NIRC of 1997 under Title IV, Sec. 108 (A).

The Company has no zero-rated sales, sales to government and exempt sales during the year 2023.

Input VAT

The amount of VAT input taxes claimed are broken down as follows:

(In Philippine Peso)	
Balance at January 1	-
Current year's domestic purchases/payments	-
or importations for:	-
Purchase of Goods Other than Capital Goods	-
Importation of Goods Other than Capital Goods	-
Purchased of Domestic Services	**126,927**
Total	**126,927**
Input VAT applied to Output VAT	**(126,927)**
Balance at December 31	**-**

c. Taxes and Licenses

Details of Taxes and Licenses presented under Operating Expenses in Statements of Comprehensive Income follow:

(In Philippine Peso)	
Percentage Tax Expense	**19,916,198**
Documentary Stamp Tax	**5,725,635**
Business Permits	**63,916**
SEC Annual Fee	**12,817**
BIR Annual Registration Fee	**500**
Other Permits and Licenses	**25,420**
	25,744,486

d. Withholding Taxes Payable

(In Philippine Peso)	
Withholding taxes on compensation	**1,898,206**
Final Withholding Tax	**750,569**
Expanded Withholding Tax	**552,027**
	3,200,802

e. Documentary Stamp Tax

The Company paid documentary stamp taxes of ₱5,725,635 for the year 2023 in connection with its loans payable and loans issued to borrowers.

f. Excise Tax

The Company did not enter into any transaction subject to the excise tax.

g. Importations

The Company has no importations during the year.

h. Tax Assessments

The Company has no final tax assessments and cases pending before the BIR as of December 31, 2023. Likewise, the Company has no other pending tax cases outside the administration of the BIR as of the said year.

-oOOo-

CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
(Formerly: CashXpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)

SCHEDULE OF SELECTED FINANCIAL RATIOS

(As required under Revised SRC Rule 68, as amended Part 1 5 (C))

For the Years Ended December 31, 2023 and 2022

	2023	2022
a. Liquidity Ratios		
Current Ratio		
Current Assets / Current Liabilities	**8.62 : 1**	9.12 : 1
Quick Ratio		
Cash & Cash Equivalents + Short-term Investments + Receivables / Current Liabilities	**8.48 : 1**	7.34 : 1
Cash Ratio		
Cash & Cash Equivalents + Invested Funds / Current Liabilities	**3.31 : 1**	2.93 : 1
b. Solvency Ratio		
After Tax Net Profit + Depreciation / Liabilities	**-0.09 : 1**	-0.41 : 1
c. Debt to Equity Ratio		
Total Liabilities / Total Equity	**-3.59 : 1**	-2.12 : 1
d. Asset to Equity Ratio		
Total Assets / Total Equity	**-2.59 : 1**	-1.12 : 1
e. Interest Rate Coverage Ratio		
Earnings Before Interest & Taxes / Interest Expense	**-19.37 : 1**	-21.26 : 1
f. Profitability Ratios		
Return on Assets		
Net Income / Average Total Assets	**-0.24 : 1**	-0.83 : 1
Return on Equity		
Net Income / Average Equity	**0.49 : 1**	1.75 : 1

CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
(Formerly: CashXpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)

SCHEDULE OF SELECTED FINANCIAL RATIOS
(As required under Revised SRC Rule 68 Part 1 5 (D))

For the Years Ended December 31, 2023 and 2022

	2023	2022
a. Ratio or Percentage of Total Real Estate Investment to Total Assets		
Real Estate Investments / Total Assets	*n/a*	*n/a*
b. Ratio of Total Receivables to Total Assets		
Total Receivables / Total Assets	**0.48 : 1**	0.31 : 1
c. Ratio of Total DOSRI Receivables to Net Worth		
DOSRI Receivables / Total Equity	*n/a*	*n/a*
d. Amount of Receivables from a Single Corporation to Total Receivables		
Receivable from Single Corporation / Total Receivables	*n/a*	*n/a*

**INDEPENDENT AUDITORS' REPORT
TO ACCOMPANY INCOME TAX RETURN**

The Board of Directors and Stockholders
CASH-EXPRESS PHILIPPINES FINANCING INC.
Under the business style and name of Cash-Express
*(Formerly: Cashxpress South East Asia Lending Inc.
Doing business under CashXpressPH Lending)*
Unit 3101 Trade and Financial Tower, 7th Ave. cor 32nd St.
Fort Bonifacio, Global City, Taguig City

We have audited the accompanying financial statements of **CASH-EXPRESS PHILIPPINES FINANCING INC.** Under the business style and name of Cash-Express *(Formerly: Cashxpress South East Asia Lending Inc. Doing business under CashXpressPH Lending)* which comprise the Statements of Financial Position as of December 31, 2023 and 2022, and the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the years then ended, on which we have rendered the attached report dated April 15, 2024.

In compliance with Revenue Regulations No. V-020, we are declaring the following:

1. The supplementary information on taxes and licenses is presented in Note 24 to the financial statements.

2. No partner of our Firm is related by consanguinity or affinity to the president, manager, senior officers or principal stockholders of the Company.

ACYATAN & CO., CPAs

EFREN N. ACYATAN
Senior Partner
CPA Certificate No. 074169
Tax Identification No. 101-085-150
BOA/PRC Accreditation No. 0141 effective until April 30, 2026
SEC Group C Accreditation
Partner No. 74169-SEC, effective until Financial Period 2025
Firm No. 0141-SEC, effective until Financial Period 2025
BIR Accreditation No. 07-100406-001-2021
Issued on December 31, 2021, effective until December 30, 2024
PTR No. 5424355; Issued on 01-02-2024 at Mandaluyong City

April 15, 2024
Mandaluyong City-Philippines