

# Asiatel Outsourcing Ltd.

## Management's Discussion and Analysis

For the period from February 6, 2025 to December 31, 2025  
(Prospectus / RTO of CPC on TSXV)

**MD&A Date: March 27, 2026**

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## NOTICE TO READER

This Management's Discussion and Analysis ("MD&A") is prepared in the style contemplated by Form 51-102F1 and is intended to accompany the audited consolidated financial statements of Asiatel Outsourcing Ltd. ("AOL" or the "Company") and its subsidiary (collectively, the "Group") for the period from February 6, 2025 to December 31, 2025 (the "Period"). This MD&A should be read together with the audited consolidated financial statements for the Period and the related notes (the "Financial Statements"), which have been prepared in accordance with IFRS Accounting Standards.

AOL was incorporated on February 6, 2025 and acquired ATI on February 17, 2025 in a transaction under common control. As a result, the Period represents the Company's first reporting period as a holding company, and comparability to prior-period issuer-level results is limited.

Unless otherwise stated, all financial information in this MD&A is presented in Philippine pesos ("P=" or "PHP"). Certain subsequent financings and intended use of proceeds are presented in Canadian dollars ("CAD").

Corporate structure: AOL is a Cayman Islands holding company. Asia Teleservices Inc. ("ATI") is the principal operating subsidiary in the Philippines.

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## **1. DATE OF MD&A**

This MD&A is dated March 27, 2026.

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## **2. CAUTION REGARDING FORWARD-LOOKING INFORMATION**

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities laws. Forward-looking information includes, but is not limited to, statements regarding: (i) the anticipated completion and timing of the reverse takeover transaction (the “RTO”) with New Media Capital 2.0 Inc. (the “CPC”), (ii) expectations regarding future growth (including expected growth of approximately 25% in 2026), (iii) expansion into Canada (iv) planned expansion of delivery capacity in the Philippines, (v) IT enhancements and AI alliances and commercialization of AI-enabled offerings, (vi) development and productization of niche services, and (vii) the anticipated closing of additional financing, including amounts described as the “President’s List”.

Forward-looking information is based on management’s current expectations and assumptions as of the date of this MD&A and is subject to risks, uncertainties and other factors that may cause actual results to differ materially. These risks include, among others: completion risk for the RTO and associated financings; customer and end-customer concentration; related party risks; competition; wage inflation and availability of skilled labour; execution risk in entering new markets; foreign exchange fluctuations; regulatory and tax changes; cybersecurity and technology implementation risk; AI commercialization and partner-related risks; and the ability to maintain service quality and client satisfaction.

Readers are cautioned not to place undue reliance on forward-looking information. The Company undertakes no obligation to update forward-looking information except as required by law.

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### **3. BASIS OF PRESENTATION AND MANAGEMENT RESPONSIBILITY**

This MD&A provides management’s assessment of the consolidated financial condition, results of operations and cash flows of AOL and its subsidiary (collectively, the “Group”) for the Period.

This MD&A should be read in conjunction with the Financial Statements, which have been prepared in accordance with IFRS Accounting Standards. The Group’s functional and presentation currency is the Philippine peso.

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### **4. CORPORATE STRUCTURE AND BUSINESS OVERVIEW**

#### **4.1 Formation and acquisition of operating subsidiary**

- AOL was incorporated in the Cayman Islands on February 6, 2025.
- On February 17, 2025, AOL acquired 99.99% of ATI, a Philippines-based operating company, from Asia Telecom Holdings Limited (“ATHL”).
- AOL and ATHL are under common control (the same individual shareholders). The acquisition was accounted for as a common control business combination, with the difference between the consideration and the net assets acquired reflected in equity as an other equity reserve (see the Financial Statements).

#### **4.2 Business**

ATI delivers outsourcing and managed services from the Philippines, including contact center operations, business process outsourcing, and related support services. The business is people-intensive and focused on providing skilled delivery teams to support client programs.

Export services comprise a significant majority of the Group’s revenues, with its key accounts including enterprises across several countries, primarily through its related party, Asia Telecom Holdings Limited (ATHL).

The Group is also advancing technology-enabled offerings through AI alliances, including applications developed by File AI, one of the Group’s AI partners. To support commercialization of these offerings, the Group is recruiting a Philippines-based sales agent focused on increasing sales and adoption of AI-enabled applications across target customer segments.

#### **4.3 Key operating metrics (internal / non-IFRS)**

Management monitors certain operating indicators that are not standardized under IFRS and may not be comparable to metrics used by other companies:

- Headcount: approximately 500 FTEs

- Attrition rate: approximately 15%, which management believes is below industry averages of 30 to 40%

These are supplementary financial measures used by management to track capacity.

## 5. SELECTED FINANCIAL INFORMATION (IFRS)

### 5.1 Statement of comprehensive income highlights (Period)

- Service revenues: P=343,764,166
- Cost of services: (P=307,707,860)
- Gross income: P=36,056,306
- General and administrative expenses: (P=28,791,482)
- Income before income tax: P=6,632,615
- Income tax expense: (P=2,656,888)
- Net income: P=3,975,727
- Total comprehensive income: P=3,034,048

### 5.2 Statement of financial position highlights (December 31, 2025)

- Cash: P=17,839,205
- Trade and other receivables: P=9,024,868
- Property and equipment (including right-of-use asset): P=17,251,058
- Total assets: P=48,495,860
- Trade and other payables: P=8,230,797
- Due to related party: P=11,441,786
- Lease liabilities (current and non-current): P=10,251,802
- Net retirement liability: P=6,304,772
- Total liabilities: P=36,595,691
- Total equity: P=11,900,169

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## 6. RESULTS OF OPERATIONS

### 6.1 Revenue

Service revenues for the Period were P=343.8 million. Revenues included:

- Export sales: P=325.8 million
- Local sales: P=18.0 million

Management estimates that approximately 95% of Period revenues were derived from ATHL, a related party. ATHL, in turn, services a portfolio of end customers, including three major companies responsible for approximately 70% of ATHL-related revenue, as well as approximately 12 SME customers, located in Singapore, Australia, the United States, the United Kingdom, Hong Kong and the Netherlands, among other markets.

The Group's Period revenue profile reflects a high level of customer and related party concentration. Management considers diversification of customers, geographies and service lines to be a key strategic priority.

## 6.2 Revenue concentration

The Group's related-party intermediary, Asia Telecom Holdings Limited (ATHL), generates a substantial portion of its revenue from three major clients:

1. **Client 1:** Global payment solutions provider registered in USA with main operation base in the United Kingdom
  - Offers payment solutions through a proprietary mobile application, targeting Overseas Migrant Workers in Europe and North America.
  - Raised approximately USD 85 million through pre-seed, Series A, and Series B funding.
  - ATHL has worked with this client for approximately five years, and the Group provides customer support, financial transaction assistance, and related services.
2. **Client 2:** Employer of Record (EOR) platform based in the United States
  - Platform that helps companies hire talent globally and supports international compliance.
  - Raised approximately USD 39 million through pre-seed and Series A funding.
  - ATHL has partnered with this client for over three years, with the Group providing onboarding support, compliance management, and customer service.
3. **Client 3:** Convergence and event sales provider based in Singapore
  - Long-term partner of ATHL for over eight years.
  - The Group supports this client with sales coordination, lead generation, and post-event services.

The remaining clients come from diverse regions, including Australia, the Netherlands, Ireland, Singapore, and Hong Kong. They have been associated with the business for over three years, with some staying as long as eight years.

The Group's reliance on ATHL and a small number of key clients creates a degree of customer concentration risk. Management considers this risk to be mitigated by the longstanding nature of these relationships, the financial strength and market position of the principal clients, as demonstrated by their funding history and commercial presence, and the close strategic alignment between ATHL and AOL arising from their common ownership.

In addition, the private placement funding is expected to support AOL's efforts to diversify its client base in Canada, as reflected in the planned utilization of proceeds.

From the third quarter of 2025, the Group began building its own direct customer base, onboarding four clients in Canada and generating approximately P4million in revenue to date. Monthly revenue from these clients reached approximately P1.5million in December 2025, reflecting steady month-on-month growth. Management views this as an important step in diversifying revenue streams and reducing reliance on related-party revenues. To further mitigate concentration risk, the Group is focused on expanding its customer base and service offerings, entering additional markets, (with a focus on Canada in the next 12 months),

maintaining strong client satisfaction and delivery performance, and continuing to invest in sales, marketing and public company communication capabilities

### **6.3 Cost of services and gross margin**

Cost of services was P=307.7 million, driven primarily by personnel costs, reflecting the labour-intensive nature of outsourced service delivery. Gross income was P=36.1 million.

### **6.4 General and administrative expenses**

General and administrative expenses were P=28.8 million, including professional fees, personnel costs, and other administrative expenses. Management expects professional fees and compliance costs may remain elevated as the Group advances through the RTO process and public company readiness activities.

### **6.5 Other income (charges)**

The Group recorded net other charges of approximately (P=0.6 million), driven primarily by foreign exchange losses and lease interest expense, partially offset by interest income.

### **6.6 Income taxes**

Income tax expense was P=2.7 million for the Period.

### **6.7 Net income and comprehensive income**

Net income for the period was P4.0million, while total comprehensive income was P3.0million, reflecting retirement-related remeasurements recognized in other comprehensive income. Earnings for the period were impacted by ongoing legal and other professional fees associated with the RTO.

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## **7. LIQUIDITY AND CAPITAL RESOURCES**

### **7.1 Cash position and working capital**

At December 31, 2025, cash was P=17.8 million. Current assets were P=27.3 million and current liabilities were P=25.5 million, resulting in positive working capital of approximately P=1.8 million.

### **7.2 Cash flows**

- Net cash from operating activities: P=2.3 million. Operating cash flow was impacted by an increase in trade and other receivables.
- Net cash from investing activities: P=4.5 million, reflecting cash acquired in connection with the acquisition and capital expenditures during the Period.
- Net cash from financing activities: P=10.9 million, driven primarily by financing and related party funding arrangements reflected in the Financial Statements.

### 7.3 Financing subsequent to year-end

Subsequent to December 31, 2025, AOL completed a private placement financing for gross proceeds of approximately CAD \$760,000, which closed in February 2026. In addition, AOL has received the funds to close an additional approximately CAD \$250,000 under the President's List arrangement upon completion of the RTO.

The proceeds of the private placement are held by AOL pending completion of the RTO and are expected to be deployed following completion of the RTO, including through funding ATI's growth initiatives and paying listing and transaction costs, as applicable.

Management believes that existing cash, operating cash flows together with the proceeds of the Private Placement, are expected to be sufficient to fund planned operations and currently anticipated expenditures for at least the next 12 months.

The Company expects to complete the RTO with New Media Capital 2.0 Inc. on the TSXV in Q2 2026, subject to TSXV acceptance, regulatory approvals and customary closing conditions. There can be no assurance that the RTO will be completed on the timeline currently expected.

### 7.4 Use of proceeds

Assuming completion of the concurrent financing for aggregate gross proceeds of CAD \$1,250,000, management currently anticipates using the proceeds as follows:

Use of Funds	CAD
Expansion of delivery seat capacity in the Philippines (facilities, recruitment, onboarding)	250,000
IT enhancements and AI alliances (integration, licensing, platform development)	200,000
Niche service development (productization of new verticals and pilot programs)	100,000
Establishment of Canadian office (initial set-up and operating runway)	150,000
Investor relations (IR materials, PR, roadshows, digital IR campaigns)	100,000
Cost of listing, legal, accounting and offering expenses	250,000
Working capital (general corporate purposes)	200,000
<b>Total</b>	<b>1,250,000</b>

Management may reallocate proceeds based on business requirements, timing of expenditures, market conditions, and opportunities available, subject to applicable regulatory requirements.

### 7.5 Indebtedness

The Group had no bank loans at December 31, 2025. The statement of financial position includes:

- Lease liabilities of P=10.3 million (current and non-current), and
- Amounts due to related parties of P=11.4 million, unsecured, non-interest bearing and without fixed repayment terms.

## **8. RELATED PARTY TRANSACTIONS AND ECONOMIC DEPENDENCE**

### **8.1 Nature of related party relationships**

The Company's principal operating subsidiary, ATI, provides services primarily to Asia Telecom Holdings Limited ("ATHL"), a related party. AOL and ATHL are under common control.

### **8.2 Related party transactions**

As stated earlier, Management estimates that approximately 95% of Period revenues were derived from ATHL, a related party. The Group also had amounts due to related parties of P=11.4 million at December 31, 2025, which were unsecured, non-interest bearing and without fixed repayment terms.

Related party transactions are disclosed in the Financial Statements. Such transactions are measured and recorded in accordance with applicable IFRS requirements and disclosed in the notes to the Financial Statements.

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## **9. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

The Group's significant contractual obligations relate primarily to leases. At December 31, 2025, undiscounted lease payment obligations disclosed in the Financial Statements were:

- Within one year: P=5,926,587
- After one year but not more than five years: P=4,938,823

The Group also has amounts due to related parties without fixed repayment terms.

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## **10. OFF-BALANCE SHEET ARRANGEMENTS**

Based on the Financial Statements, the Group did not have material off-balance sheet arrangements. Management will continue to monitor for any guarantees, indemnities or other arrangements that may require disclosure as the Group expands and enters new markets.

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## **11. SIGNIFICANT ACCOUNTING POLICIES; CRITICAL JUDGMENTS AND ESTIMATES**

The Financial Statements describe material accounting policies and the significant judgments and estimates applied in preparing them. Areas involving significant management judgment or estimation include:

- accounting for the acquisition under common control,
- revenue recognition (including evaluation of performance obligations and timing of satisfaction),
- leases (including determination of incremental borrowing rates),
- retirement benefit obligations (actuarial assumptions and remeasurement),
- expected credit loss assessment for receivables, and
- income taxes (current and deferred tax assets and liabilities).

### **11.1 Financial Instruments and Risk Management**

The Group is exposed in the normal course of business to certain financial and operational risks through its financial instruments and business activities, including credit risk, liquidity risk, foreign currency risk and other business risks. The Group's financial instruments principally consist of cash, trade receivables and trade payables. Management monitors these exposures and, where considered appropriate, implements measures to manage the associated risks.

### **11.2 Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from trade receivables, which have historically consisted predominantly of balances due from related parties and a limited number of significant customers.

The Group assesses expected credit losses on its receivables based on management's evaluation of collectability, historical experience, and forward-looking information. While no provision for expected credit losses has been recognized as at the reporting date on the basis that such receivables are considered collectible and credit risk is assessed as minimal, there can be no assurance that counterparties will continue to satisfy their obligations as they become due. Any failure by customers or related parties to make payments on a timely basis could have a material adverse effect on the Group's cash flows, financial condition and results of operations.

### **11.3 Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they become due. The Group's ability to meet its obligations depends on, among other things, the timely collection of receivables, the maintenance of adequate cash balances, and the continued generation of cash flows from operations.

Management believes that the Group currently has sufficient cash resources to meet its liabilities as they become due.

## **11.4 Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Group is exposed to foreign currency risk to the extent that certain revenues, expenses, assets or liabilities are denominated in currencies other than its functional currency.

Management considers the Group's net exposure to foreign currency risk to be limited, as a significant portion of such exposure is passed on to customers through contractual arrangements.

## **11.5 Other Risk Factors**

### **Risks Related to Completion of the RTO and Related Financings**

Completion of the RTO and any related financing transactions is subject to a number of conditions, including prevailing market conditions, the negotiation and execution of definitive documentation, the receipt of all required corporate, regulatory and securityholder approvals, and acceptance by the TSXV. The Company is close to completing its Private Placement successfully and is actively engaging with ASC and TSXV to meet the requirements to their satisfaction.

### **Competition**

The Group operates in a highly competitive outsourcing and managed services industry. The Group competes with local and international service providers, some of which may have greater financial, technical, marketing or operational resources. Increased competition, pricing pressure, changing client requirements, or the Group's failure to maintain differentiated service offerings could adversely affect the Group's ability to attract and retain customers, sustain pricing levels and maintain profit margins. Based on its long history in this field, and its strong core team, the Group is confident and capable to compete in this environment

### **Dependence on Key Personnel; Talent Retention and Wage Inflation**

The Group's success depends in part on its ability to attract, train, retain and motivate qualified personnel. Competition for skilled employees may be significant, and labour market conditions may result in wage inflation and increased employee turnover. If the Group is unable to recruit and retain personnel on commercially acceptable terms, or if labour costs increase beyond management's expectations, the Group's operating costs, service quality and customer relationships may be adversely affected. The loss of key personnel could also have a material adverse effect on the Group's business, financial condition and results of operations. The Group's core team has an average tenure of more than 10 years. Supported by sound business practices and employee-focused policies, the Group's attrition rate remains well below industry averages, demonstrating its ability to effectively manage workforce-related challenges as they arise.

### **Risks Relating to Expansion into New Markets and Services**

The Group's growth strategy includes expanding into new geographic markets, with a focus on Canada in the next 12 months), and broadening its service offerings. Such initiatives involve a number of risks, including longer sales cycles, delays in customer acquisition, challenges in hiring and integrating personnel, compliance with local legal and regulatory requirements, increased operating costs, and competition from established market participants. There can be no assurance that the Group will successfully implement its expansion strategy or that such initiatives will achieve anticipated revenues or profitability. Having successfully expanded into multiple geographies in connection with its Telecom Division, including the establishment of ATI's current operations in the Philippines, management is familiar with the associated challenges and is confident in its ability to manage them effectively.

## **12. OUTLOOK AND BUSINESS STRATEGY (2026)**

Management expects growth of approximately 25% in 2026, supported by:

- Expanding delivery capacity in the Philippines through facilities and seat expansion, recruitment, and onboarding.
- IT enhancements and AI alliances intended to improve delivery efficiency, workforce productivity, and service quality.
- Commercialization of AI-enabled offerings: The Group is working with AI partners, including File AI, to support the integration and commercialization of AI-enabled applications. In 2026, the Group expects to enhance go-to-market execution by recruiting a Philippines-based sales agent focused on driving AI application sales and supporting cross-sell opportunities within existing and new customer relationships.
- Canadian market entry, including establishment of a Canadian office and enhanced business development capability. Management expects to build Canadian-facing business development capacity, including a business development executive focused on Canada, and is in discussion with a professional digital and social media marketing agency to develop go-to-market strategy and campaigns.
- Service quality and account expansion, including a client satisfaction executive at ATI focused on customer experience, renewals and expansions.
- Niche service development, including potential offerings such as engineering talent solutions for the mining industry, accounting and finance services, and investor relations-related support services where appropriate.

This outlook constitutes forward-looking information and is subject to the risks described in this MD&A.

## **13. OUTSTANDING SHARE CAPITAL AND SECURITIES**

At December 31, 2025, the Company had 100 shares issued and outstanding and share premium of P=11.46 million. The capital structure is expected to change in connection with the RTO and any concurrent financings. The Company will update its disclosure as required in the prospectus and related filings.

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## **14. DISCLOSURE CONTROLS AND PROCEDURES (DC&P) AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)**

### **14.1 Disclosure Controls and Procedures (DC&P)**

Management is responsible for establishing and maintaining appropriate disclosure controls and procedures (“DC&P”). DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company in its public filings is recorded, processed, summarized and reported within the time periods specified by applicable securities legislation and TSXV requirements, and that such information is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosure.

As the Company advances the RTO and prepares to operate as a public issuer, DC&P are being enhanced, including through the development of disclosure processes, reporting calendars, and internal review and approval procedures. The Company also expects to engage an investor relations firm in Canada to assist with investor relations communications and to support the Company in coordinating the timely release of information to the market in accordance with applicable exchange guidelines and securities law requirements. While third-party service providers may support execution, management remains responsible for the Company’s disclosure.

### **14.2 Internal Control over Financial Reporting (ICFR)**

Management is responsible for establishing and maintaining adequate internal control over financial reporting (“ICFR”). ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In connection with the RTO process and public company readiness, the Company’s ICFR is being enhanced. Enhancements may include additional finance and accounting resources, formalization of policies and procedures, improved segregation of duties where practicable, and refinements to period-end reporting controls. Due to inherent limitations, ICFR may not prevent or detect all misstatements. A control system, no matter how well designed, can provide only reasonable assurance.

### **14.3 Changes in ICFR**

During the Period ended December 31, 2025, there were no changes in ICFR that materially affected, or are reasonably likely to materially affect, the Company's ICFR. Subsequent to year-end, management commenced initiatives to enhance ICFR in anticipation of becoming a public issuer.

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## **15. SUBSEQUENT EVENTS (TO THE DATE OF THIS MD&A)**

Subsequent to December 31, 2025:

- AOL completed a private placement financing for gross proceeds of approximately CAD \$760,000 in February 2026. The proceeds are held by AOL pending completion of the RTO and are intended to be deployed to support ATI's growth initiatives and to pay listing and transaction costs, as applicable.
- AOL expects an additional approximately CAD \$250,000 under the President's List arrangement to close upon completion of the RTO.
- AOL continued preparations for the RTO with New Media Capital 2.0 Inc. on the TSXV. Management expects completion in Q2 2026, subject to TSXV acceptance, regulatory approvals and customary closing conditions.
- Management advanced commercialization and market-entry initiatives, including building Canadian business development capacity (including a business development executive for Canada), engaging a professional digital and social media marketing agency, appointing a client satisfaction executive at ATI, recruiting a Philippines-based sales agent to enhance AI sales of applications developed by File AI (an AI partner)

## **16. NON-IFRS MEASURES AND ADDITIONAL OPERATING METRICS**

This MD&A includes certain operating metrics such as FTE headcount, attrition rate, and management estimates regarding customer concentration. These measures are not defined under IFRS and may not be comparable to similar measures used by other companies. These metrics are intended to provide additional context regarding operational performance and capacity.

## **17. ATI REVENUE COMPARISON BY SERVICE CATEGORIES**

**Below is the breakdown on the services offered by ATI and comparison of % to total revenue generated**

	<b>2024</b>	<b>2025</b>
	%	%
<b>BPO Outsourcing</b>	25	20
<b>Customer Service</b>	4	4
<b>Employer of Record (EOR)</b>	44	58
<b>Lead Gen &amp; Inside sales</b>	8	5
<b>IT support</b>	3	3
<b>Back Office Support</b>	11	6
<b>Others</b>	6	4

## **18. ANALYSIS OF ATI RESULTS 2025 AS COMPARED WITH 2024**

The following summarizes the results of operations of ATI (now Asiatel ) for the years ended December 31, 2025 and December 31, 2024.

Service revenues increased by ₱179,039,221, or 95.73%, from ₱187,019,813 in 2024 to ₱366,059,034 in 2025. This growth was primarily driven by higher service utilization resulting from the increase in the number of employees supported for the Company's employer of record (EOR) clients. The increase reflects the continued expansion of client workforce requirements during the period, which led to higher billing volumes.

Cost of services rose by ₱172,398,293, or 104.81%, from ₱164,474,206 in 2024 to ₱336,872,499 in 2025. The increase was mainly attributable to higher direct personnel costs, including salaries and related employee benefits, arising from the larger number of employees deployed and serviced for EOR clients in line with business growth.

Consequently, gross profit increased by ₱6,640,928, or 29.46%, from ₱22,545,607 in 2024 to ₱29,186,535 in 2025. However, gross margin declined from 12.05% in 2024 to 7.97% in 2025, primarily because cost of services grew at a faster rate than revenues, largely due to higher salary-related expenses associated with the expanded workforce.

General and administrative expenses increased by ₱1,707,717, or 11.06%, from ₱15,441,398 in 2024 to ₱17,149,115 in 2025. This was mainly due to higher personnel-related costs and increased corporate overhead, as the Company strengthened its administrative support structure to accommodate its expanding operations.

Despite the rise in operating expenses, net income increased by ₱3,753,364, or 71.23%, from ₱5,269,056 in 2024 to ₱9,022,420 in 2025. The improvement was primarily driven by robust revenue growth from expanded EOR client activity, which more than offset the increases in both direct and operating costs, resulting in improved overall profitability