

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATION

Plan of Operation

Pacifica Holdings, Inc. (the "Corporation") has not commenced commercial operations to date.

On 16 July 2007, the Company redirected the focus of its business to exploration, operation, management, and marketing of mining claims after the SEC approved its Amended Articles of Incorporation reflecting changes dealing with the reversion of its primary purpose to mineral exploration, extending the corporate life for another fifty (50) years, and changing the par value from Php1.00 to Php0.005.

In preparation for its mining activities, additional amendments to the Articles of Incorporation have been approved by the stockholders on 23 November 2007 which include an increase in the Company's authorized capital stock to 500 million and the declassification of "Class B" shares. The declassification of "Class B" was approved by the SEC on 10 December 2008.

Having redirected its purpose to mining, the Company began looking for mining-related business opportunities. During the stockholders' meeting on 14 August 2009, the stockholders approved the execution of an Operating Agreement between the Company and Zam-Iron Mining Corporation (Zam-Iron), which Operating Agreement was signed on 8 December 2009. Under the Operating Agreement, the Company was granted an exclusive right to explore, develop, and extract mining products from Kabalasan Mining Rights, which covers potential gold, silver, and iron deposits in Kabalasan and Siay, Zamboanga, Sibugay Province, containing 136.5 meridional blocks or 11,056.50 hectares. Further, the consideration for the rights granted will be in the form of royalties which shall be paid by the Company to Zam-Iron. It was approved then that the loan of Php50 million extended by the Company to Zam-Iron on 2 January 2008 would be treated as advanced royalties.

On 15 November 2013, Zam-Iron informed the Company that it received a letter from the Mines and Geosciences Bureau IX stating that its office had issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse was to file an appeal to the Mines and Geosciences Bureau central office in Manila. To date, no update was given by Zam-Iron to the Company regarding the status of their application and operations.

On 22 November 2013, the Company informed Zam-Iron that insofar as it was concerned, Zam-Iron failed to fulfill its obligations under the Memorandum of Agreement signed on 2 January 2008 and Operating Agreement signed in December 2009 and was thus deemed in default. The Company demanded for the full refund of Php50 million prepaid royalties with interest and waived its right in the event of default to take over the operation and production of the mining operation since Zam-Iron failed to secure the necessary exploration permit.

Consequently, the Company determined that its prepaid royalties to Zam-Iron may no longer be realized since the Mines and Geosciences Bureau Region IX had issued in 2013 an order of denial to Zam-Iron for the latter's application for mining exploration with finality. Accordingly, the Company provided full allowance for probable losses for the prepaid royalties in 2013. The carrying value of prepaid royalties amounted to nil as of 31 December 2014 and 2013 and was included in the impairment and write-off on 28 August 2015.

Moreover, the Company also started to get involved in power-related business activities as another business option. Power plant operation is one of its secondary purposes. In 2009 and 2010, it participated in various biddings of the Power Sector Assets and Liabilities Management Corporation (PSALM) for projects like appointment as IPP Administrator for the contracted capacities of the San Roque Multi-Purpose Hydroelectric Power Plant in San Manuel, Pangasinan; Bakun Hydroelectric Power Plant in Alilem, Ilocos Sur; Benguet Mini-Hydro in Benguet, Cordillera Administrative Region; Ilijan Combined Cycle Power Plant in Batangas City; Malaya Thermal Power Plant in Pililia, Rizal; Unified Leyte Geothermal Power Plants in Leyte and the Naga Power Plant Complex in Naga, Cebu. Unfortunately, the Company lost the biddings to its opponents.

For the years ending 31 December 2025 and fiscal year ending 31 December 2024, the Company experienced net losses amounting to Php326K and Php4.4M, respectively. The decrease in net losses in 2025 is attributed to lower expenses during the year. In 2023, the Company's net loss amounted to Php1.6M.

Fund requirements for the current and preceding years have been sourced internally. Management also initiated to source funds to satisfy the cash requirements for the acquisition or purchase of mining claims, rights, and power-related business as may be cautiously identified by the Company. On 21 June 2011, the Company conducted a delinquency sale on its unpaid subscriptions. On 4 December 2015, the Company applied for the relisting of these delisted delinquent shares. As of 31 December 2015, the application is pending before the PSE.

As additional steps to source funds, the Company is looking at an increase in authorized capitalization and the invitation of strategic partners to invest in the Company. In fact, during the annual stockholders' meeting on 26 October 2017, the stockholders approved to increase the Corporation's authorized capital stock from Php200 million up to an amount to be determined by the Board not exceeding Php5 billion.

On 26 November 2019, the SEC approved certain amendments to the Company's Articles of Incorporation, including the amendment to the Seventh Article of the Articles of Incorporation: (i) increasing the par value of the common shares of stock of the Company from Php 0.005 per share to Php 1.00 per share, resulting in a decrease of the common shares of the Company then outstanding from 40 billion shares to 200 million shares; and (ii) increasing the authorized capital stock of the Company from Php200 million divided into 200 million shares with par value of Php 1.00 per share to Php700 million divided into 700 million shares with par value of Php 1.00 per share, or an increase in the authorized capital stock of Php 500 million. The increase in the authorized capital stock of the Company from Php200 million to Php700 million will allow the Company to be poised to issue additional shares as a way of raising funds for future opportunities of growth.

The Company has sufficient funds in its bank accounts to support its anticipated fund requirements for the next twelve (12) months.

To date, the Company is still non-operational.

Notably, the Company has been recently transformed into a holding company. As such, its primary activities are now confined to investing, purchasing, obtaining, subscribing, acquiring, owning, using, holding, selling, conveying, assigning, transferring, exchanging, mortgaging, pledging, taking options to, dealing in, or disposing of real and personal properties of every kind and description. Product research and development is no longer a priority of the Company.

There is no intended purchase or sale of plant or significant equipment of the Company within the next twelve (12) months. Neither is there any significant change in the number of the Company's employees.

The losses incurred by the Company are essentially due to its lack of revenue and commercial operation. In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. The Company's management is exploring options to strengthen the balance sheet, address liquidity constraints, or pursue acquisitions or initiatives to reverse such losses in the next twelve (12) months, despite its current non-operating state. At any rate, the Company's management believes such losses will not have a material effect on the financial statements of the Company.

Analysis and Financial Condition and Results of Operations

Full Fiscal Years

Since the Company has no commercial operation to date and has not generated revenues for the fiscal years ending 31 December 2025, 2024 and 2023, it posted losses. Losses are generally attributed to administrative expenses incurred plus the occasional impairment and write-off of uncollectible assets. The following table shows the consolidated financial highlights of the Company for the current fiscal

year ended 31 December 2025 with comparative figures of the previous years and as of 31 December 2024 and 2023.

	31 December 2025	31 December 2024	31 December 2023
Income Statement Data Total			
Revenues	1,877,296	1,879,637	1,881,346
Net Loss	325,506	4,436,694	1,627,220
Balance Sheet Data Total			
Current Assets	105,332,883	105,676,143	109,586,235
Furniture, Fixtures & Equipment	0	0	0
Other Non-Current Assets	0	0	0
Total Assets	105,332,883	105,676,143	109,586,235
Total Liabilities	2,136,567	2,154,321	1,627,719
Stockholders' Equity	103,196,316	103,521,822	107,958,516
Total Liabilities & Stockholders' Equity	105,332,883	105,676,143	109,586,235
Current Ratio	49.300	49.053	67.325
Solvency Ratio	0.020	0.020	0.015
Debt-to-Equity Ratio	0.021	0.021	0.015

Based on the above table, the following are key performance indicators of the Company for 2025, 2024 and 2023:

- (i) The current net loss of Php326K and net loss of Php4.4M in 2024 are mainly due to administrative expenses. It is the same scenario with 2023 loss of Php1.6M.
- (ii) Stringent controls are utilized on incurring expenses. Management maintains a generally cautious stance in identifying mining opportunities in order to maximize the Company's gross margin. Consequently, Management has taken a conservative stand in approving any potential mining or power-related activity and will keep the same stance in the next twelve (12) months.
- (iii) Working Capital Ratio or Current Ratio – This will measure how liquid the Company is and its ability to meet its current obligations. It is computed by dividing total current assets with the total current liabilities.

The liquidity of the Company for fiscal year 2025 increased to 49.300 from 49.053 in 2024. The current ratio of the Company in 2023 was 67.325.

- (iv) Debt Management Ratio or Solvency Ratio – This is computed by dividing the total liabilities by the total assets.

For 2025, the solvency ratio is the same as 2024 at 0.020 while 2023 is at 0.015.

- (v) Debt-to-Equity Ratio – This will explain the relationship between how the assets were financed by the Company's creditors and its stockholders. This is computed by dividing the total liabilities over the stockholders' equity.

For 2025, the debt-to-equity ratio is at 0.021 similar to 2024. This is due to relatively regular administrative expenses incurred for the Company's compliance and operational expenses. For 2023, this ratio is at 0.015.

By comparing accounts in the Balance Sheets and Statements of Operations for the period ending 31 December 2025, 2024 and 2023, the following are the material changes and their causes:

Changes in Financial Condition.

2025 vs. 2024

(i) Current Assets

Current assets decreased from Php105,676,143 in 2024 to Php105,332,883 in 2025. This was due to administrative expenses spent during the year..

(ii) Input Taxes

In 2025 and 2024, input tax resulted to nil due to impairment loss provided.

(iii) Property and Equipment

There was no acquisition of property and equipment for 2025 and 2024. The current period balance of property and equipment resulted to nil after it was determined to be impaired and its corresponding accumulated depreciation was closed to Retained Earnings.

(iv) Current Liabilities

The current liabilities decreased from Php2.154M in 2024 to Php2.137M in 2025 due to payment of accruals of professional fees and other expenses.

(v) Deficit

Comprehensive losses for the fiscal years ended 31 December 2025 and 2024 represent the various administrative expenses incurred.

2024 vs. 2023

(i) Current Assets

Current assets decreased from Php109,586,235 in 2023 to Php105,676,144 in 2024. This was due to administrative expenses spent during the year.

(ii) Input Taxes

In 2024 and 2023, input tax resulted to nil due to impairment loss provided.

(iii) Property and Equipment

There was no acquisition of property and equipment for 2024 and 2023.

(iv) Current Liabilities

The current liabilities increased from Php1.63 in 2023 to Php2.15M in 2024 due to accruals of professional fees and other expenses.

(v) Deficit

Comprehensive losses for the fiscal years ended 31 December 2024 and 2023 represent the various administrative expenses incurred.

2023 vs. 2022

(vi) Current Assets

Current assets decreased from Php110,774,968 in 2022 to Php109,586,235 in 2023. This was due to administrative expenses spent during the year.

(vii) Input Taxes

In 2023 and 2022, input tax resulted to nil due to impairment loss provided.

(viii) Property and Equipment

There was no acquisition of property and equipment for 2023 and 2022.

(ix) Current Liabilities

The current liabilities increased from Php1.19M in 2022 to Php1.63 M in 2023 due to accruals of professional fees and other expenses.

(x) Deficit

Comprehensive losses for the fiscal years ended 31 December 2023 and 2022 represent the various administrative expenses incurred.

Changes in Operating Results.

2025 vs 2024 vs 2023

The Company has not yet commenced commercial operations. There were no mining activities or exploration as of 31 December 2025. The exploration works for Zam-Iron were not commenced. On 15 November 2013, Zam-Iron received a letter from the Mines and Geosciences Bureau IX stating that their office had issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse was to file an appeal to the Mines and Geosciences Bureau central office in Manila. The Company had already determined that its prepaid royalties to Zam-Iron may no longer be realized. Accordingly, the Company provided full allowance for probable losses for the prepaid royalties in 2013. The carrying value of prepaid royalties amounted to nil as of 31 December 2014 and 2013. The Company thereafter deemed that the recovery of the Company's receivables was remote. The Board of Directors on 28 August 2015 unanimously approved the impairment and write-off of the following items from its books of account: (i) accounts receivable from 9th Kingdom Investment, Inc., (ii) advances to Mikro-Tech Capital, Inc., (iii) prepaid royalties in favor of Zam-Iron Mining Corporation, (iv) accounts receivable from LRSI and Stradec, and (v) retained deficit. This was ratified by the stockholders during the annual stockholders' meeting on 16 October 2015.

On 26 November 2019, the SEC approved certain amendments to the Company's Articles of Incorporation, including the amendment of the Second Article to: (i) change the primary purpose of the Company to reflect that of a holding company, (ii) to include the power to guarantee as among the Company's secondary purposes, and (iii) to align such secondary purposes to the business of the Company as a holding company.

In 2019, the Company became a subsidiary of Unido Capital Holdings, Inc. (UCHI or ultimate and immediate parent company). Prior to 2019, UCHI and iHoldings, Inc. had majority ownership of the Company, with 36.52% and 27.65 ownership interest, respectively. UCHI holds 60.94% ownership interest in the Company as of December 31, 2019 until present. UCHI currently conducts business as an investment holding company.

In 2025, the Comprehensive Loss decreased from Php4.4M in 2024 to Php326K due mainly to lower administrative expenses incurred for taxes and licenses and professional fees. In 2023, the

Comprehensive Loss increased from Php281K in 2022 to Php1.6M due to minimal net losses resulting from interest income earned from loan receivable from a related party.

Material Events and Uncertainties.

For 2025 and 2024, the Company has nothing to report on the following other than the disclosures mentioned in the Notes to financial statements and discussed above:

- (i) Any known trends, demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.
- (ii) Events that will trigger direct or contingent financial obligation that are material to the Company, including any default or acceleration of obligation. The Company is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments. The Company has no trade payables and there is no significant amount in its other payables that has not been paid within the stated terms.
- (iii) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- (iv) Any material commitment for capital expenditures.
- (v) Any known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues, income from continuing operations.
- (vi) Any significant elements of income or loss that did not arise from the issuer's continuing operations.
- (vii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Pacifica Holdings, Inc. shares are actively traded in the Philippine Stock Exchange. The following are the quarterly high and low prices of the Company's shares traded at the Philippine Stock Exchange, Inc. for the last three (3) years:

Quarter	2024		2023		2022		2021	
	Common Shares		Common Shares		Common Shares		Common Shares	
	High	Low	High	Low	High	Low	High	Low
1 st	1.420	1.040	2.200	1.610	3.120	2.500	6.940	3.060
2 nd	1.000	0.990	2.240	1.600	2.940	2.010	3.990	3.500
3 rd	-	-	1.750	1.000	2.300	2.060	3.670	3.000
4 th	-	-	1.260	1.050	2.100	1.820	3.350	2.840

As of 27 September 2024 (last trading day of the third quarter of 2024), the closing price of the Company's common shares listed in the PSE is Php1.20.

Holders

The Company's capital stock consists of common shares. As of 30 September 2024, 99.41% are Filipino-owned while 0.59% are foreign-owned.

There are 1,454 stockholders as of 30 September 2024 and the common shares issued and outstanding are 325,000,000,000.

The following are the list of the top twenty (20) stockholders of the Company as of 30 September 2024.

	Stockholders' Name	Nationality	Number of Shares	Ownership Percentage
1	PCD Nominee Corporation (Filipino)	Filipino	289,017,618	88.93%
2	Alexandra L. Laperal	Filipino	3,832,500	1.18%
3	Rosamaria Laperal	Filipino	3,199,000	0.98%
4	Oliverio L. Laperal, Jr.	Filipino	3,072,400	0.95%
5	Victorina Heras	Filipino	3,029,302	0.93%
6	Regina L. Concepcion	Filipino	3,000,000	0.92%
7	Desiderio L. Laperal	Filipino	2,772,500	0.85%
8	LMI Holdings Corporation	Filipino	2,260,000	0.70%
9	PCD Nominee Corporation (Foreign)	Foreign	1,880,713	0.58%
10	Chiong & Company, Inc.	Filipino	477,650	0.15%
11	Oliverio G. Laperal	Filipino	476,192	0.15%
12	Ansaldo, Godinez & Co., Inc.	Filipino	379,300	0.12%
13	Benjamin Co Ca & Co., Inc.	Filipino	371,922	0.11%
14	Vicente Goquiolay & Co., Inc.	Filipino	348,150	0.11%
15	Industrial Horizons, Inc.	Filipino	266,000	0.08%

Dividends

The Corporation has not declared any cash or stock dividend during the past three years.

Recent Sale of Unregistered Securities

On June 21, 2011, the Corporation conducted a delinquency sale of 14,654,784,000 delisted delinquent shares, the results of which were reported to the Securities and Exchange Commission and the Philippine Stock Exchange. This corporate act confirms the Corporation's initiative to source funds. As of the date of the preparation of this report, all winning bidders have fully paid their bids.

On 26 November 2019, the SEC approved certain amendments to the Company's Articles of Incorporation, including the amendment to the Seventh Article of the Articles of Incorporation: (i) increasing the par value of the common shares of stock of the Company from Php 0.005 per share to Php 1.00 per share, resulting in a decrease of the common shares of the Company then outstanding from 40 billion shares to 200 million shares; and (ii) increasing the authorized capital stock of the Company from Php200 million divided into 200 million shares with par value of Php 1.00 per share to Php700 million divided into 700 million shares with par value of Php 1.00 per share, or an increase in the authorized capital stock of Php 500 million.

Out of the Php500 million increase in the authorized capital stock of the Company, Unido Capital Holdings, Inc. subscribed to 125,000,000 common shares of the Company at their new par value of Php1.00 per share. Prior to such subscription, Unido Capital Holdings, Inc. owned and held a total of 14,609,684,000 shares at the par value of Ph 0.005 (or 73,048,420 shares at the par value of Php 1.00 per share) representing 36.52% of the outstanding capital stock of the Company immediately prior to the increase in the authorized capital stock.

The additional subscription of 125,000,000 shares constitutes 38.46% of the resulting outstanding capital stock of the Company of 325,000,000 shares. As a result of the additional subscription of 125,000,000 shares, Unido Capital Holdings, Inc. now directly owns a total of 198,048,420 shares, representing 60.94% of the current aggregate outstanding capital stock of the Company.

Financial Statements

The Audited Financial Statements for the year ended 31 December 2025 is attached hereto as Annex "D". The Quarterly Report for the quarter ended 31 March 2026 is likewise attached hereto as Annex "F". The Interim Unaudited Financial Statements of the Corporation for the period ended 31 March 2026 are incorporated herein by reference.

Information on Independent Accountant

The external auditor of the Company is the accounting firm of Isla Lipana & Co. The Board, upon the recommendation of the Company's Audit Committee, approved the appointment of Isla Lipana & Co. as the Company's independent auditor for 2025 based on their performance and qualifications. The Audit Committee is composed of Mr. Mark Werner J. Rosal (independent director) as Chairman, and Messrs. Alexander S. Roleda and Christian Francis C. Reyes as members.

The appointment of Isla Lipana & Co. will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.

Representatives of Isla Lipana & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The financial statements of the Company as of and for the year ended 31 December 2025 were audited by Isla Lipana & Co. Sycip, Gorres, Velayo & Co. previously acted as the Company's independent public accountant until 2014, while Punongbayan & Araullo acted as the Company's independent public accountant from 2015 until 2020.

There was no event during the two most recent fiscal years where Isla Lipana & Co. had any disagreement with the Company with regard to any matter relating to accounting principles or practices or financial statements disclosure or auditing scope or procedure. There was no case of independent accountant to dismiss or to decline to stand for re-election after completion of the current audit.

To comply with the requirements of SRC Rule 68 (3)(b)(iv), the signing partners of Isla Lipana & Co. shall be rotated every five (5) years or earlier. The partner-in-charge for the year 2025 is Mr. Paul Chester U. See. He is likewise the recommended partner-in-charge for the ensuing year.

Further, Isla Lipana & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Apart from audit-related services, the independent auditors of the Company have not rendered tax, accounting, compliance, advice, planning, and other tax services for the Company within the last two (2) fiscal years.

Audit and Audit-Related Fees

The following table sets forth the aggregate fees billed for the past three (3) years for professional services rendered by of Isla Lipana & Co. (2025, 2024 and 2023):

Year	Audit & Audit-Related Fees	Tax Fees	Other Fees
2025	560,000	0	0
2024	545,000	0	0
2023	530,000	0	0

No aggregate fees were billed in the past fiscal year for professional services rendered by the external auditor for tax accounting, compliance, advice, planning and any other form of tax services.

No other aggregate fees were billed in the past fiscal year for products and services provided by the external auditor.

The Audit Committee has approved the payment of the above audit fees for the audit service rendered by Isla Lipana & Co for the years 2025, 2024 and 2023.

CORPORATE GOVERNANCE

The Company’s Articles of Incorporation, Amended By-Laws, Manual on Corporate Governance (“CG Manual”), together with the respective charters of its Board of Directors and the Board Committees, as well as its company policies, incorporate the principles and best practices of corporate governance embodied in the Revised Corporation Code of the Philippines and the corporate governance-related issuances of the SEC and the PSE. The inclusion of good governance principles in the foregoing documents, and the adoption of the best practices of corporate governance company- wide, highlight the Company’s commitment to observing the highest standards of corporate governance.

The Board spearheads the promotion and observance of good corporate governance. In line with the principles and recommendations under the SEC’s MC No. 19, Series of 2016, or the Code of Corporate Governance for Publicly Listed Companies (“CG Code”), the Board has approved the adoption of the Company’s key Board charters to guide its members in the Board’s oversight functions.

In compliance with prevailing SEC regulations and the PSE’s disclosure rules, the Company’s structured and unstructured disclosures and other information, as well as its Articles of Incorporation, By-Laws, the Board and the Board Committee Charters are accessible by investors and the general public through the Company’s website and portal in PSE EDGE.

On 31 May 2017, the Company submitted its revised Manual on Corporate Governance, in compliance with the leading practices on good corporate governance and related SEC rules and regulations. From the effectivity of its CG Manual to the date of this report, there is no known material deviation by the Company from its CG Manual.

In accordance with the CG Manual, the Board, together with Management, has conducted annual trainings on corporate governance. Since 2015, the Board and its key executive officers attend compliance and governance trainings by leading service providers to ensure that they are aligned with the developments in and/or best practices on good corporate governance and financial reporting.

The Company's Board has also conducted annual self-evaluation exercises to assess and evaluate their respective performance in the governance roles they have been entrusted with. The Company submits its Integrated Annual Corporate Governance Report (I-ACGR) annually and has submitted its I-ACGR for 2023 on 23 May 2024.