COVER SHEET

A	1	9	9	9	0	8	8	7	4

S.E.C. Registration Number

D	F	N	N		I	N	C	.

&		S	U	B	S	I	D	I	A	R	I	E	S

(Company's Full Name)

L	2		L	5		1	4	T	H		F	L	O	O	R									
P	H	I	L	I	P	P	I	N	E		S	T	O	C	K		E	X	C	H	A	N	G	E
T	O	W	E	R		5	T	H		A	V	E	N	U	E		C	O	R	N	E	R		
2	8	T	H		S	T	R	E	E	T		B	O	N	I	F	A	C	I	O				
G	L	O	B	A	L		C	I	T	Y		T	A	G	U	I	G		C	I	T	Y		
P	H	I	L	I	P	P	I	N	E	S		1	6	3	4									

(Business Address: No. Street/City/Province)

ELISAIRE T. LACSON	(02) 8396-5270
Contact Person	Company Telephone Number

September 30, 2026

1	2	3	1	SEC Form 17-Q			
Month	*Day*			FORM TYPE		*Month*	*Day*
Fiscal Year						Annual Meeting	

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders | Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SEC REG. NO. A199908874

DFNN INC.
(Consolidated 3rd Quarter)

Office Address:

L2-L5 14TH Floor Philippine Stock Exchange Tower
5TH Avenue, corner 28TH Street, Bonifacio Global City
Taguig City 1634

Telephone No.: (02) 8396-5270

Fiscal Year Ending: December 31, 2026

SEC FORM 17-Q

Active Secondary License Type and File Number: None

November 19, 2026

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

1. For the quarterly period ended September 30, 2026

2. Commission identification number A199908874

3. BIR Tax Identification No. 202-955-796-000

4. Exact name of registrant as specified in its charter

   DFNN INC.

5. Province, country or other jurisdiction of incorporation or organization

   Manila, Philippines

6. Industry Classification Code: [ ] (SEC Use Only)

.....
.....

7. Address of registrant's principal office
Postal Code 1634

   L2-L5 14TH Floor Philippine Stock Exchange Tower
   5TH Avenue corner 28TH Street
   Bonifacio Global City, Taguig
   Metro Manila, Philippines 1634

8. Registrant's telephone number, including area code

   (02) 8396-5270

9. Former name, former address and former fiscal year, if changed since last report

   Not Applicable

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares, PhP 1.00 par value	**400,000,000**

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [X] No [ ]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [x] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

See attached Financial Reports

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the company's consolidated financial statements. Such consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the Philippines ("Philippine GAAP").

For the nine months ended September 30, 2026, the DFNN Group continued to operate in a challenging environment. Consolidated revenue declined 33.4% to ₱137.0 million from ₱205.9 million in the same period last year, mainly due to a 67.8% decrease in commission income following the delinking of online gaming platforms from e-wallet providers. This was partly offset by a 4.7% increase in service-fee income from software development and maintenance, a 13.2% reduction in costs and expenses, and lower interest expense. As a result, the Group's net loss narrowed to ₱370.3 million from ₱384.7 million a year earlier.

The Group continued to broaden its revenue base through technology-enabled services and platforms while maintaining a disciplined approach to operating costs and capital allocation. Its subsidiaries remain engaged in electronic-gate projects for international airports, and its gaming platforms are being expanded through additional content, sub-brands and payment integrations. LottoMatik® continues its nationwide rollout, supported by LottoMatik® Rewards, a digital engagement program launched in June 2026 to encourage continued player participation. These initiatives support the Group's longer-term transition toward a more diversified, technology-enabled business portfolio.

To strengthen its financial position, the Company is seeking approval from the Securities and Exchange Commission to increase its authorized capital stock from ₱500 million to ₱2.0 billion, as approved by stockholders on March 27, 2026. The increase will allow additional share subscriptions and the conversion of certain debt to equity, which are intended to reduce the Group's capital deficiency and lower interest and penalty charges. Together with long-lead-time projects scheduled for completion within the year, these measures are expected to contribute positively to the Group's financial performance.

Management will continue to prioritize operating efficiency, disciplined capital allocation and prudent financial management while advancing the Group's capital restructuring initiatives. At the same time, the Company will selectively pursue technology-driven opportunities where DFNN and its subsidiaries can leverage their existing capabilities, partnerships and infrastructure.

Nine Months ended September 30

2026 vs. 2025

Revenue for the nine months ended September 30, 2026 amounted to ₱137.0 million, a decrease of ₱68.9 million or 33.4% compared to the same period last year with recorded total revenue of ₱205.9 million.

The Group posted loss before interest, taxes, depreciation and amortization of ₱261.9 million versus a loss before interest, taxes, depreciation and amortization of ₱248.1 million for the same period last year, an increase of ₱13.8 million from the same period last year.

Consolidated Results of Operation

(In ₱ Million)	For the 9 Months Ended Sept 30 2026	2025	Fav/(Unfav) Variance	%
Revenue	**137.0**	205.9	(68.9)	(33.4%)
Cost and expenses	**402.2**	463.3	61.1	13.2%
Depreciation and amortization	**18.7**	21.0	2.3	11.0%
Income (loss) from operations	**(283.9)**	(278.5)	(5.4)	(1.9%)
Other income (charges)	**(89.0)**	(108.8)	19.8	18.2%
Provision for (benefit from) income tax	**(2.6)**	(2.6)	-	0.0%
Net Income (Loss)	**(370.3)**	(384.7)	14.4	3.7%
EBITDA/(Loss)	**(261.9)**	(248.1)	(13.8)	(5.6%)

Material Changes for Revenue/Other Revenue

(3rd Quarter 2026 vs. 2025)

Total revenue during the nine months of 2026 decreased by 33.4% compared to the same period of 2025 mainly due to the decrease in commission income.

- **Commission Income.** The revenue from share-based income generated from licensed gaming operations for the nine months ended September 30, 2026 decreased by 67.8%. Total revenue in this category amounted to ₱23.4 million for the nine-month period ended September 30, 2026 compared to ₱72.5 million for the same period in 2025. The decrease is attributable to revenue decline from the online gaming platform by 71%..
- **Service Fee Income.** Revenue generated from the development and maintenance of software solutions during the nine-month period ended September 30, 2026 amounted to ₱86.2 million, an increase of 4.7% compared to the same period last year.
- **Sale of Goods.** Revenue generated from the contract between PCSO for Lottomatik amounted to ₱25.0 million for period ended September 30, 2026, a decrease of ₱10.7 million or 30.0% compared to the same period last year.

Material Changes for Costs and Expenses

(3rd Quarter 2026 vs. 2025)

For the nine-month period ended September 30, 2026 the DFNN Group had consolidated cost and expenses in the amount of ₱402.2 million, a decrease of ₱61.1 million or 13.2% compared to the same period last year.

- **Services fees and other fees.** Service fees for the nine months ended September 30, 2026 amounted to ₱158.0 million which showed a decrease of ₱26.9 million or 14.5% compared to similar period last year. This is attributable to the decrease in costs associated with the software development and maintenance of software solutions and software license fees.

- **Personnel cost.** Personnel costs increased by ₱2.3M compared with the same period last year, driven by additional headcount hired to support new projects.

- **Travels, transportation and logistics costs.** The increase is attributable to the increase in local and foreign transportation and business related travel expenses.

Key Performance Indicators:

(In ₱ Million)	**September 30, 2026**	September 30, 2025
Current Assets	753.5	824.4
Total Assets	1,439.6	1,586.8
Current Liabilities	2,466.8	1,917.4
Total Liabilities	2,701.6	2,216.3
Total Equity	(1,262.0)	(629.5)

Financial Ratios:		**30-Sept-26**	30-Sept-25
Operating Income Margin	Operating Income / Revenue	(207.2%)	(135.3%)
Current Ratio	Current Assets / Current Liabilities	0.3	0.4
Current Assets to Total Assets	Current Assets / Total Assets	52.3%	52.0%
Debt to Equity Ratio	Total Liabilities / Total Equity	(2.1)	(3.5)
Asset to Equity Ratio	Total Assets / Total Equity	(1.1)	(2.5)
Return on Total Assets	EBIT / Total Assets	(19.5%)	(17.0%)
Return on Total Equity	Net Income / Total Equity	29.3%	61.1%
Interest Rate Coverage Ratio	EBIT / Interest Expense	(3.0)	(2.3)

Financial Condition

As of September 30, 2026, DFNN's Total Assets stood at approximately ₱1.4 billion. DFNN had no significant long-term debt. Stockholders' Equity (Deficit) amounted to (₱1.3 billion).

The Company's cash position remained liquid throughout the nine-month period. DFNN had consolidated cash and cash equivalents amounting to ₱68.0 million as of September 30, 2026.

DFNN had no material commitments for capital expenditures as of September 30, 2026.

Other Current Assets consist mainly of intangible assets and project advances including rental deposits and other advances from affiliates.

Accounts payable and accrued expenses generally consist of trade payables, lease liabilities and accrued interest on unpaid payables.

On 9 April 2003, the Company entered into an Equipment Lease Agreement (ELA) with the Philippine Charity Sweepstakes Office (PCSO) for lotto betting systems. The PCSO Board of Directors subsequently rescinded the ELA, prompting DFNN to file a Request for Arbitration. On 21 May 2015, the Arbitration Panel ordered PCSO to pay DFNN an original arbitral award of Php27,000,000.00.

Following a Petition for Correction by DFNN, the Regional Trial Court (RTC) of Makati City corrected the arbitral award to Php310,095,149.75 plus 6% interest, which became a preliminary step for DFNN to file a claim with the Commission on Audit (COA). Although the Court of Appeals denied multiple appeals from PCSO, the Supreme Court eventually promulgated a Decision on 30 June 2021 (in consolidated cases G.R. No. 232801 and G.R. No. 234193) that reversed the Php310 Million corrected award and reinstated the original Php27 Million arbitral award. The Supreme Court denied DFNN's Motion for Reconsideration for these consolidated cases with finality on 20 April 2022.

In a related case (G.R. No. 249787), the Supreme Court issued a Decision dated 24 October 2024 that denied the Petition filed by PCSO against DFNN for being moot due to supervening events. The Court ruled that because the Php310 Million award was invalidated, determining the propriety of the Writ of Execution issued by the RTC Makati had also become moot.

To exhaust legal remedies, DFNN had filed a Motion for Reconsideration regarding this matter; however, the Supreme Court denied this Motion with finality on 8 August 2025. The Supreme Court has ordered the finality of the case and stated that no further pleadings shall be entertained.

As a result, the judicial controversy regarding the Php310 Million award is officially closed and terminated. Previously, the COA had dismissed DFNN's Petition for Enforcement of Money Claim on 22 March 2023, stating it had to wait for the Supreme Court to resolve all related issues in G.R. No. 249787 with finality before it could make a ruling.

While the amended Php310 Million award has been reversed, the original Php27 Million arbitral award remains in favor of DFNN and has not yet been collected. This Php27 Million award is DFNN's remaining recognized claim against the PCSO.

On November 7, 2024, the Company entered into an agency agreement with the Philippine Charity Sweepstakes Office (PCSO) as a Level 2 Corporate-Owned Chain Business (COCB) Lotto Agent. Under the agreement, the Company owns and operates “LottoMatik®”, a point-of-sale (POS) platform with terminals used to transact online and generate online lotto tickets. In return, the Company is entitled to commission income based on retail receipts, net of tax. The agency agreement was effective for an initial period of two (2) years, unless terminated earlier, and is renewable for a further three (3) years upon mutual agreement of the parties.

The Company has engaged and authorized certain subagents to manage LottoMatik® terminals and sell lotto tickets at their respective locations. The Company is required to comply with the terms of the agency agreement, including maintaining the committed number of POS terminals.

Additional Private Placements for Future Capital Stock. The DFNN Board of Directors approved the issuance of 15,722,992 common shares at Php 2.8629 per share, raising Php 45,013,353.80, with 6,289,197 shares allocated to Nautilus International Management Corp. (NIMC) and 9,433,795 shares to Asia Defense and Armament Corporation (ADAC). Additionally, the Board approved a future private placement of 35,515,000 common shares, contingent on a capital stock increase, with 14,206,000 shares allocated to NIMC and 21,309,000 shares to ADAC. Proceeds from these placements will be used to settle debts, invest in the cybersecurity and AI sectors and/or develop new gaming platforms, and cover taxes and fees for the issuance and listing of the new shares. Management was authorized to set pricing and terms for the additional placement.

During the Special Stocholders' Meeting held on March 27, 2026, the stockholders approved the increase in authorized capital stock, subject to the approval of the SEC.

	Authorized Capital Stock	
	After Increase	Before Increase
Common shares at ₱1 par value	**₱1,900,000,000**	₱400,000,000
Preferred shares at ₱1 par value	**100,000,000**	100,000,000
	₱2,000,000,000	₱500,000,000

During the same meeting, the stockholders also approved the issuance of 100.0 million preferred shares to be issued out of unissued capital stock, under such terms and conditions as approved by the BOD, and listing of said shares.

On 15 April 2026, the Parent Company filed its application for the increase in authorized capital stock with the SEC.

Material Events After The Reporting Period

Renewal of PCSO Authority to Operate. Subsequent to September 30, 2026, the PCSO renewed the Company's Authority to Operate as a Level 2 Corporate-Owned Chain Business (COCB) Lotto Agent for an additional three (3) years, effective November 16, 2026 until November 15, 2029. The renewed authority remains subject to applicable PCSO rules, regulations, and issuances.

Status of SEC Application for Increase in Authorized Capital Stock. Following several rounds of evaluation, the Company submitted its latest compliance with the SEC's comments on November 4, 2026. As of the date of this report, the application remains under final review by the SEC. The subscriptions of NIMC and ADAC under the additional private placement are expected to be completed upon approval of the capital increase, subject to the applicable subscription terms and regulatory requirements.

Other than those stated above, there were no significant changes or events that impacted DFNN's continuing operations.

To the best of the Company Management's knowledge, Management is not aware of any trend, demand, commitment, event or uncertainty that will have a material impact on the issuer's liquidity. Management is not aware of any event that may trigger any material direct or contingent financial obligation, including any default or acceleration of an obligation. Management is not aware of any material off-balance sheet transaction, arrangement, obligation (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period. Management is not aware of any trend, event or uncertainty that may have a material impact (favorable or unfavorable) on the Company's net sales/revenues/income from continuing operations. Management is not aware of any significant element of income or loss that did not arise from the Company's continuing operations.

Material Changes in the financial condition of DFNN

(September 30, 2026 vs. December 31, 2025)

Cash & Cash Equivalents. The increase in cash is mainly due to the cash collected from operations.

Receivables. The decrease in receivables is attributable to the decrease in the daily gross hold with the Gaming Sites as a results of gaming operations and advances made to affiliated companies.

Investments in equity instruments - current. The account represents quoted equity securities purchased by iWave, IEST and LuckyU Inc.

Other Current Assets. The increase in the balance of this account is due purchase of inventories.

Property and Equipment. The decrease in the balance was attributable to depreciation of fixed assets.

Goodwill and Intangible Assets. Intangible asset pertains to license acquired through business combination, software license and goodwill. The license represents contract with PAGCOR. The decrease was mainly due to the straight line amortization of the account.

Accounts Payable and Other Current Liabilities. Current liabilities increase due to the recognition of interest and penalties on loan.

SIGNATURES

Pursuant to the requirements of the Securities Regulations Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

For: **DFNN INC.**

Ramon C. Garcia Jr.
Chairman of the Board

SUBSCRIBED AND SWORN TO
before me this 19 NOV 2026
at Taguig City, affiant
exhibited to me his/her _____
_____.

Ricardo F. Banaag
President / Chief Executive Officer

Elisaire T. Lacson
Chief Financial Officer

ATTY. CHERIE MAE R. ALAMAG
Notary Public for and in the City of Taguig
Appointment No. 80 (2025-2026)
Valid until December 31, 2026
Roll of Attorneys No. 68613
PTR No. A-6717435; 01/05/2026; Taguig City
IBP Lifetime Member No. 016368; Batangas Chapter
MCLE Compliance No. VIII-0010704; 07/17/2024
(MCLE valid until April 14, 2028)
Unit 2315, Philippine Stock Exchange Tower,
5th avenue cor. 28th Street, Bonifacio Global City, Taguig City

Doc. No. 501
Page No. 102
Book No. VII
Series of 2026

DFNN INC. And Subsidiaries

Consolidated Financial Statements as at December 31, 2025 and
Unaudited Quarters ended September 2026 and September 2025

DFNN INC. & SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Philippine Pesos)

	UNAUDITED September 30, 2026	AUDITED December 31, 2025
ASSETS		
Current Assets		
Cash	67,929,307	38,973,609
Receivables	553,631,832	808,802,867
Investments in equity instruments - current	16,008,209	16,008,209
Other current assets	115,892,323	112,301,568
Total Current Assets	**753,461,671**	**976,086,253**
Noncurrent Assets		
Goodwill and intangible assets	151,443,210	167,424,612
Investments in debt and equity instruments - noncurrent	214,116,058	200,932,059
Investment in associates	750,000	750,000
Property and equipment – net	30,744,483	31,813,734
Right of use of assets	128,868,097	128,868,097
Deferred tax assets	87,613,252	87,613,252
Other noncurrent assets	72,613,424	68,608,305
Total Noncurrent Assets	**686,148,524**	**686,010,059**
TOTAL ASSETS	**1,439,610,195**	**1,662,096,312**
TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)		
Current Liabilities		
Accounts payable and other current liabilities	2,162,948,083	2,030,065,532
Short-term loans payable	94,879,525	104,518,837
Current portion of lease liabilities	204,572,641	204,572,042
Current portion of loans payable	4,378,162	4,378,162
Total Current Liabilities	**2,466,778,411**	**2,343,534,573**
Noncurrent Liabilities		
Deferred tax liabilities	30,914,695	34,624,458
Deposits for future stock subscriptions	3,000,000	3,000,000
Retirement benefits liability	36,232,963	36,232,963
Loans payable	6,340,389	7,451,004
Lease liability - non current	154,921,470	154,921,470
Other noncurrent liabilities	3,395,698	3,688,034
Total Noncurrent Liabilities	**234,805,215**	**239,917,929**
TotalLiabilities	**2,701,583,626**	**2,583,452,502**
Equity (Capital Deficiency)		
Capital stock	400,000,000	400,000,000
Additional paid-in capital	308,416,835	308,416,835
Treasury Stock	(36,189,023)	(36,189,023)
Equity reserve	(49,230,618)	(49,230,618)
Stockoptions outstanding	36,233,922	36,233,922
Other comprehensive Income	(69,486,530)	(67,507,639)
Retained Earnings	(1,476,187,323)	(1,476,187,323)
Net Income (loss)	(360,828,500)	–
	(1,247,271,237)	**(884,463,846)**
Non-controlling interest	(14,702,194)	(36,892,344)
Total Equity	**(1,261,973,431)**	**(921,356,190)**
TOTAL LIABILITIES AND EQUITY	**1,439,610,195**	**1,662,096,312**

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Philippine Pesos)

	For the 3 months		For the 9 months	
	July to September		January to September	
	2026	2025	2026	2025
REVENUE				
Commission Income	1,715,787	7,102,563	23,361,519	72,536,756
Service fees	21,932,312	17,953,275	86,228,062	82,341,199
Sale of goods	6,442,987	14,732,267	25,003,002	35,710,373
Rental income	–	5,131,034	2,437,801	15,264,812
	30,091,086	**44,919,139**	**137,030,384**	**205,853,140**
COST AND EXPENSES				
Service & other fees	76,380,687	81,068,987	157,972,485	184,868,819
Travels, transportation and logistics costs	15,894,280	11,155,313	46,356,718	44,089,297
Personnel	18,715,636	22,674,385	70,830,230	68,527,054
Rent and utilities	1,104,286	7,753,601	39,605,566	38,313,380
Others	7,648,372	11,517,803	87,434,519	127,538,319
INCOME(LOSS) BEFORE DEPRECIATION AND AMORTIZATION	**(89,652,175)**	**(89,250,950)**	**(265,169,134)**	**(257,483,729)**
DEPRECIATION AND AMORTIZATION	**5,367,690**	**7,991,422**	**18,723,020**	**21,024,245**
INCOME (LOSS) FROM OPERATIONS	**(95,019,865)**	**(97,242,372)**	**(283,892,154)**	**(278,507,974)**
Interest expense	(12,486,774)	(51,196,316)	(92,296,534)	(118,168,492)
Interest Income	1,277,919	3,683,919	3,180,077	10,564,955
Foreign exchange losses-net	473,866	34,124	1,179,259	(15,087)
Other income-net	(619,096)	2,754,941	(1,060,375)	(1,178,654)
INCOME (LOSS) BEFORE INCOME TAX	**(106,373,950)**	**(141,965,704)**	**(372,889,727)**	**(387,305,252)**
PROVISION FOR (BENEFIT FROM) INCOME TAX	**(1,750,671)**	**(1,218,165)**	**(2,595,992)**	**(2,640,946)**
NET INCOME (LOSS)	**(104,623,279)**	**(140,747,539)**	**(370,293,735)**	**(384,664,306)**
Other Comprehensive Income (Loss)				
Cumulative Translation Adjustment	**(1,610,504)**	**(127,211)**	**(2,444,805)**	**(1,409,235)**
TOTAL COMPREHENSIVE INCOME (LOSS)	**(106,233,783)**	**(140,874,750)**	**(372,738,540)**	**(386,073,541)**
Net Income (Loss) Attributable To:				
Equity Holders for the Parent Company	**(97,522,023)**	**(135,613,345)**	**(360,828,500)**	**(374,325,191)**
Non-Controlling Interests	(7,101,256)	(5,134,194)	(9,465,235)	(10,339,115)
	(104,623,279)	**(140,747,539)**	**(370,293,735)**	**(384,664,306)**
Comprehensive Income (Loss) Attributable To:				
Equity Holders for the Parent Company	**(98,864,217)**	**(135,719,362)**	**(362,866,000)**	**(375,499,647)**
Non-Controlling Interests	(7,369,566)	(5,155,388)	(9,872,540)	(10,573,894)
	(106,233,783)	**(140,874,750)**	**(372,738,540)**	**(386,073,541)**
Basic Earnings /(Loss) Per Share attributable to Equity holders of the Parent Company	**(0.24)**	**(0.32)**	**(0.90)**	**(0.88)**

DFNN INC. & SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Philippine Pesos)

	Capital Stock	Additional Paid-In Capital	Stock Options Outstanding	Equity Reserve	Other Comprehensive Income	(Deficit) Retained Earning	Treasury Stock	Non-Controlling Interest	Total
Balances at January 1, 2026	**400,000,000**	**308,416,835**	**36,233,922**	**(49,230,618)**	**(67,507,639)**	**(1,476,187,323)**	**(36,189,023)**	**(36,892,344)**	**(921,356,190)**
Translation Adjustment	–	–	–	–	(1,978,891)	–		(407,299)	(2,386,190)
Issuance of Preferred shares	–	–	–	–	–	–	–	32,062,684	32,062,684
Net loss for the period	–	–	–	–	–	(360,828,500)	–	(9,465,235)	(370,293,735)
Balances at September 30, 2026	**400,000,000**	**308,416,835**	**36,233,922**	**(49,230,618)**	**(69,486,530)**	**(1,837,015,823)**	**(36,189,023)**	**(14,702,194)**	**(1,261,973,431)**
Balances at January 1, 2025	**384,277,008**	**279,126,473**	**36,233,922**	**(49,230,618)**	**77,898,893**	**(916,459,940)**	**(37,777,746)**	**(47,279,283)**	**(273,211,291)**
Translation Adjustment	–	–	–	–	(289,811)	–		(234,777)	(524,588)
Unrealized loss in FVOCI	–	–	–	–	(41,892,288)	–	–	–	(41,892,288)
Issuance of equity shares	41,489,884	29,290,362	–	–	–	–	–	–	70,780,246
Net Income for the period	–	–	–	–	–	(374,325,190)	–	(10,339,115)	(384,664,305)
Balances at September 30, 2025	**425,766,892**	**308,416,836**	**36,233,922**	**(49,230,618)**	**35,716,794**	**(1,290,785,128)**	**(37,777,746)**	**(57,853,175)**	**(629,512,225)**

DFNN INC. & SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Philippine Pesos)

	For the 9 Months Ended September 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss)	**(360,828,500)**	(374,325,191)
Adjustments for:		
Depreciation and amortization	18,723,020	21,024,245
Interest Expense	92,296,534	118,168,492
Interest Income	(3,180,077)	(10,564,955)
Operating income (loss) before working capital changes	**(252,989,023)**	(245,697,409)
Decrease (increase) in:		
Receivables	255,172,756	173,358,251
Other current assets	(3,590,756)	225,469
(Decrease) increase in:		
Accounts payable and other current liabilities	61,206,820	14,994,507
Net cash from (used in) operations	**59,799,797**	(57,119,182)
Income taxes paid	(3,709,763)	(1,020,621)
Interest received	3,178,359	2,278,827
Net cash from (used In) operating activities	59,268,393	(55,860,975)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(1,672,367)	(40,567,163)
Investment in associates	-	(5,000,000)
Increase in other noncurrent assets	(4,005,119)	(11,672,927)
Financial assets at FVOCI	(15,162,889)	(388,206)
Financial assets at FVPL	-	(11,067,800)
Net cash from (used in) investing activities	**(20,840,375)**	(68,696,096)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of treasury stock	-	41,489,884
Issuance of equity shares	-	29,290,362
Changes in noncontrolling interest	22,190,146	(10,573,892)
Net proceeds from (Payments of) loan	(31,662,466)	76,384,213
Net cash from (used in) financing activities	**(9,472,320)**	136,590,567
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**28,955,698**	12,033,496
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	**38,973,609**	50,022,019
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**67,929,307**	62,055,515

DFNN

Aging of Receivables

As of September 30, 2026

	Current	1-30	31-60	61-90	Over 90	TOTAL
Trade	1,504,252	3,008,909	3,201,887	543,793	353,392,522	361,651,363
Accrued Interest Receivable	–	–	–	–	112,101,500	112,101,500
Loans Receivable	–	–	–	–	29,106,667	29,106,667
Others	17,195,629	5,596,112	7,461,483	3,730,741	16,788,336	50,772,302
TOTAL	**18,699,881**	**8,605,021**	**10,663,370**	**4,274,535**	**511,389,025**	**553,631,832**