

# COVER SHEET

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S.E.C. Registration Number

L O R E N Z O   S H I P P I N G  
C O R P O R A T I O N

(Company's Full Name)

2 0 T H   F L O O R ,   T I M E S   P L A Z A   B L D G . ,  
U N I T E D   N A T I O N S   A V E N U E ,  
E R M I T A ,   M A N I L A

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

A M E L I T A   M .   I N T A L A N

Contact Person

8 5 2 7 - 5 5 5 5

Company Telephone Number

0 3 3 1 2 0 2 5

Month   Day   Year

Fiscal Year

1 7 Q

FORM TYPE

0 6 2 5 2 0 2 4

Month   Day   Year

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total no. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = please use **black ink** for scanning purposes

SEC Number 48909

FILE Number \_\_\_\_\_

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**LORENZO SHIPPING CORPORATION**

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(Registrant's Full Name)

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20TH FLOOR, TIMES PLAZA BUILDING  
UNITED NATIONS AVENUE, ERMITA, MANILA

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(Registrant's Address)

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(632) 567-21-71 TO 80

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Telephone Numbers

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March 31, 2025

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(Quarter Ending)

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QUARTERLY INTERIM FINANCIAL STATEMENTS (SEC FORM 17-Q)

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(Form Type)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT TO SECTION 17 OF THE  
SECURITIES REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER

1. For the quarterly period ended: 31 March 2025
2. Commission Identification Number: 48909
3. BIR Tax Identification Number: 000-628-958
4. Exact name of registrant as specified in its charter:  
**Lorenzo Shipping Corporation**
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: 1006  
**20th Floor, Times Plaza Building, United Nations Avenue, Ermita, Manila**
8. Registrant's telephone number including area code:  
**(632) 8527-5555**
9. Former name, former address and former fiscal year, if changed since last report:  
**N/A**
10. Securities registered pursuant to SRC Rule 68.1
- | Title of Each Class | Number of Shares<br>Issued and outstanding |
|---------------------|--|
| <b>Common Stock</b> | <b>824,642,251</b>                         |
11. Are any or all of the securities listed on the Philippine Stock Exchange?  
Yes  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 preceeding 12 months (or for such shorter period the registrant was required to file such reports.

Yes

No

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

Yes

No

**PART 1 - FINANCIAL INFORMATION**

Item 1. Financial Statements

Financial Statements and if applicable, Pro-Forma Financial Statements meeting the requirements of SRC Rule 68.1. Form and Content of Financial Statements, shall be furnished as specified therein.

Please refer to attached Exhibit 1

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


Please refer to Exhibit 2  
Please refer to Exhibit 2.1

**SIGNATORIES**

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


**Lorenzo Shipping Corporation**

by:



**REYNOLD JOHN B. MADAMBA**  
President

Date May 15, 2025.....



**AMELITA M. INTALAN**  
Chief Financial Officer

Date May 15, 2025.....

# **Exhibit 1**

## **Financial Statements**

**LORENZO SHIPPING CORPORATION**

Balance Sheet

March 31, 2025 and December 31, 2024

(Currency Expressed in Philippine Peso)

	<u>Unaudited</u> March 31 2025	<u>Audited</u> December 31 2024	<u>% Change</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	101,132,877	102,795,802	-2%
Trade and other receivables	493,751,977	494,982,314	0%
Contract assets	2,283,287	4,087,974	-44%
Inventories	49,219,101	49,219,101	0%
Prepayments and other current assets	211,673,303	148,726,399	42%
<b>TOTAL CURRENT ASSETS</b>	<b>858,060,545</b>	<b>799,811,590</b>	<b>7%</b>
<b>NON-CURRENT ASSETS</b>			
Property and equipment, net	1,127,558,869	1,168,251,911	-3%
Computer software	1,940,973	2,164,932	-10%
Deferred tax assets - net	6,721,639	6,721,640	0%
Other noncurrent assets	733,001,430	732,597,858	0%
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,869,222,911</b>	<b>1,909,736,341</b>	<b>-2%</b>
<b>TOTAL ASSETS</b>	<b>2,727,283,456</b>	<b>2,709,547,931</b>	<b>1%</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other current liabilities	1,584,540,663	1,482,267,586	7%
Short-term borrowings	416,858,251	413,912,279	1%
Current portion of long-term borrowings	28,146,901	39,410,790	-29%
Current portion of long-term borrowing - related party	83,504,119	83,504,119	0%
Current portion of lease liabilities	51,448,616	51,448,615	0%
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,164,498,550</b>	<b>2,070,543,389</b>	<b>5%</b>
<b>NONCURRENT LIABILITIES</b>			
Long-term borrowings, net of current portion	32,301,991	32,301,991	0%
Long-term borrowing - related party, net of current portion	116,906,332	116,906,331	0%
Lease liabilities, net of current portion	170,068,141	182,544,108	-7%
Retirement benefit obligation	107,389,091	106,653,471	1%
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>426,665,556</b>	<b>438,405,901</b>	<b>-3%</b>
<b>TOTAL LIABILITIES</b>	<b>2,591,164,106</b>	<b>2,508,949,290</b>	<b>3%</b>
<b>STOCKHOLDERS' EQUITY</b>			
<b>EQUITY</b>			
Common stock - 1 par value	825,652,251	825,652,251	0%
Additional paid-in capital	459,791,492	459,791,492	0%
Deposit for future stock subscription	108,293,944	-	
Revaluation increment	77,354,524	77,354,523	0%
Actuarial losses on defined benefit obligation	(27,469,474)	(27,469,474)	0%
Deficit	(1,304,377,537)	(1,131,604,301)	15%
Treasury shares at cost	(3,125,850)	(3,125,850)	0%
<b>TOTAL EQUITY</b>	<b>136,119,350</b>	<b>200,598,641</b>	<b>-32%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,727,283,456</b>	<b>2,709,547,931</b>	<b>1%</b>

**LORENZO SHIPPING CORPORATION**

Unaudited Statements of Income (Loss)

March 31, 2025 and March 31, 2024

(Currency Expressed in Philippine Peso)

	<u>1st Quarter</u>		<u>% Change</u>
	<u>2025</u>	<u>2024</u>	
<b>REVENUES</b>			
Freight	<u>425,014,444</u>	<u>635,405,735</u>	<u>-33%</u>
<b>DIRECT COSTS</b>			
Cost of services	475,317,101	597,648,228	-20%
Terminal expenses	<u>69,520,320</u>	<u>60,844,938</u>	<u>14%</u>
Total	<u>544,837,421</u>	<u>658,493,166</u>	<u>-17%</u>
<b>GROSS PROFIT</b>	(119,822,977)	(23,087,431)	419%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	(38,971,223)	(42,791,516)	-9%
<b>FINANCE COSTS AND OTHER CHARGES, net</b>	(15,200,890)	(14,910,941)	2%
	(54,172,113)	(57,702,458)	
<b>OTHER INCOME, net</b>	1,521,855	(4,767,927)	-132%
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<u>(172,473,235)</u>	<u>(85,557,816)</u>	<u>102%</u>
PROVISION FOR INCOME TAX	300,000	650,003	-54%
<b>NET INCOME (LOSS)</b>	<u>(172,773,235)</u>	<u>(86,207,819)</u>	<u>100%</u>
<b>EARNING (LOSS) PER SHARE</b>			
Basic/Diluted	<b>(0.21)</b>	<b>(0.16)</b>	

**LORENZO SHIPPING CORPORATION**  
 Unaudited Statements of Comprehensive Income (Loss)  
 March 31, 2025 and March 31, 2024  
 (Currency Expressed in Philippine Peso)

	<b>2025</b>	<b>2024</b>	<b>% Change</b>
	<b>Jan - March</b>	<b>Jan - March</b>	
<b>NET INCOME (LOSS)</b>	(172,773,235)	(86,207,819)	100%
<b>OTHER COMPREHENSIVE INCOME</b>	-		
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>(172,773,235)</b>	<b>(86,207,819)</b>	<b>100%</b>

**LORENZO SHIPPING CORPORATION**

Unaudited Statements of Changes in Equity

March 31, 2025 and March 31, 2024

(Currency Expressed in Philippine Peso)

	<b>Common Stock</b>	<b>Additional Paid-in Capital</b>	<b>Deposit for future stock subscription</b>	<b>Revaluation Increment on land</b>	<b>Actuarial Losses on Defined Benefit Plan</b>	<b>Deficit</b>	<b>Treasury Shares</b>	<b>Total</b>
Balances at December 31, 2024	825,652,251	459,791,492		77,354,523	(27,469,474)	(1,131,604,301)	(3,125,850)	200,598,641
Net income for the period	-	-		-	-	(172,773,235)	-	(172,773,235)
Deposit for future stock subscription		-	108,293,944	-	-	-	-	108,293,944
<b>Balances at March 31, 2025</b>	<b>825,652,251</b>	<b>459,791,492</b>	<b>108,293,944</b>	<b>77,354,523</b>	<b>(27,469,474)</b>	<b>(1,304,377,536)</b>	<b>(3,125,850)</b>	<b>136,119,350</b>
Balances at December 31, 2023	555,652,251	459,791,492		72,643,024	(28,605,970)	(589,819,746)	(3,125,850)	466,535,201
Net income for the period	-	-		-	-	(86,207,819)	-	(86,207,819)
Cash Dividends Declared	-	-		-	-	-	-	-
<b>Balances at March 31, 2024</b>	<b>555,652,251</b>	<b>459,791,492</b>	<b>-</b>	<b>72,643,024</b>	<b>(28,605,970)</b>	<b>(676,027,565)</b>	<b>(3,125,850)</b>	<b>380,327,382</b>

**LORENZO SHIPPING CORPORATION**  
Unaudited Statements of Cash Flows  
For the Period Ending March 31, 2025 and March 31, 2024  
(Currency Expressed in Philippine Peso)

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before provision for income tax	(172,473,235)	(85,557,816)
Adjustments:		
Depreciation and amortization	53,114,868	46,733,030
Finance costs and other charges	15,200,890	14,910,941
Net change in retirement benefit obligation	735,620	2,826,831
Interest income	(6,374)	(13,673)
Operating income (loss) before working capital changes	(103,428,230)	(21,100,687)
Decrease (increase) in:		
Trade and other receivables	1,230,337	16,846,273
Contract assets	1,804,687	(1,087,195)
Prepayments and other current assets	(62,946,904)	(9,293,657)
Other noncurrent assets	(403,572)	(89,350)
Increase (decrease) in accounts payable and other current liabilities	101,973,077	40,638,226
Net cash flows from operations	(61,770,605)	25,913,611
Interest received	6,374	13,673
Net cash flows from (used in) operating activities	(61,764,230)	25,927,284
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(12,197,867)	(3,802,972)
Net cash flows used in investing activities	(12,197,867)	(3,802,972)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deposit for future stock subscription	108,293,944	
Proceeds from short-term borrowings	45,000,000	32,400,000
Payments of:		
Short-term borrowings	(42,054,028)	(40,611,316)
Long-term borrowings	(11,263,889)	(16,819,444)
Principal portion of lease liabilities	(12,475,967)	(4,141,008)
Finance costs and other charges	(15,200,890)	(14,910,941)
Net cash flows used in financing activities	72,299,171	(44,082,709)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,662,925)	(21,958,398)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	102,795,802	99,128,666
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>101,132,877</b>	<b>77,170,268</b>

# **LORENZO SHIPPING CORPORATION**

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## **NOTES TO FINANCIAL STATEMENTS**

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### **1. Corporate Information and Status of Operations**

#### Corporate Information

Lorenzo Shipping Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 17, 1972 primarily to engage in domestic inter-island cargo shipping activities.

The Company is majority-owned by National Marine Corporation (NMC), a domestic holding company. A. Magsaysay, Inc. (AMI) is the ultimate parent of the Company.

The Company's common shares of stock are traded in the Philippine Stock Exchange (PSE).

The Company is a holder of several Certificates of Convenience and special permits issued by the Maritime Industry Authority to service certain domestic ports of call.

The Company's registered and principal business address is 20th Floor Times Plaza Building, United Nations Avenue, Ermita, Manila.

#### Status of Operations

The Company incurred net loss of ₱541.78 million in 2024. The Company has a deficit of ₱1.13 billion and ₱589.82 million as of December 31, 2024 and 2023, respectively. In addition, the Company's total current liabilities exceeded its total current assets by ₱1.27 billion and ₱1.07 billion as of December 31, 2024 and 2023, respectively.

Management believes that with the Company's available unused credit facilities, the continued financial support from and deferral of payment of payables to its affiliates and continued revenue enhancement programs (i.e. rate adjustments and recovery charges, among others) and cost reduction initiatives (i.e. fuel consumption rationalization, technological enhancements, among others) to further improve the results of its operations, the Company will be able to generate sufficient cash flows from its operations to meet its obligations as and when they fall due. As such, the financial statements have been prepared on a going concern basis of accounting.

The financial statements of the Company as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were approved and authorized for issuance by the Board of Directors on April 14, 2025.

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### **2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures**

#### Basis of Preparation

The accompanying financial statements have been prepared under the historical cost basis except for land which is carried at revalued amounts. The financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency, and rounded to the nearest millions, except when otherwise indicated.

### Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amended standards effective in 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these amended standards did not have an impact on the financial statements of the Company:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

### Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements.

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

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

#### *Effective beginning on or after January 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

#### *Effective beginning on or after January 1, 2027*

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

#### *Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

### Financial Instruments – Initial Recognition and Subsequent Measurement

#### a. Financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost,

fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

As at December 31, 2024 and 2023, the Company does not have financial assets at FVOCI and FVTPL.

*Subsequent measurement – Financial assets at amortized cost*

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables, security deposits included under other noncurrent assets.

*Impairment*

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are 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 EIR. 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.

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

For trade receivables and contract assets, the Company applies the simplified approach in calculating ECLs, as permitted by PFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and considered to be low credit risk investments.

For other debt financial instruments such as other receivables and security deposits included under other noncurrent assets, the Company applies the general approach. Therefore, the Company track changes in credit risk at every reporting date.

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

b. Financial liabilities

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings at amortized cost, or as derivatives designated as hedging instruments in an effective hedge appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings net of directly attributable transaction costs.

The Company's financial liabilities include accounts payable and other current liabilities, borrowings, lease liabilities and long-term borrowing to a related party.

*Subsequent measurement*

After initial recognition, loans and borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the EIR amortization process.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Materials and spare parts	-	purchase cost using first-in, first-out method
Fuel, diesel and lubricants	-	purchase cost using first-in, first-out method

Net realizable value is the estimated replacement cost.

An allowance for losses and obsolescence is determined based on a regular review and management evaluation of movement and condition of spare parts and supplies.

Property and Equipment

Property and equipment, except for land, are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met.

Land is initially measured at cost. After initial recognition, land is measured at fair value less any accumulated impairment in value. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. All of the Company's land properties had been revalued as determined by an independent firm of appraisers. The appraisal increment, net of the related tax effect, is credited to the "Revaluation increment" account included as other comprehensive income in the statement of comprehensive income and as other component of equity in the equity section of the statement of financial position, except to the extent

that it reverses a revaluation decrease of the same asset previously recognized in the statement of income, in which case the increase is recognized in the statement of income.

A revaluation deficit is recognized in the statement of income, except that a deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve. Upon disposal, any revaluation increment relating to the particular asset being sold is transferred to retained earnings.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged in the statement of income in the period in which the costs are incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation is computed on a straight-line basis less its residual value over the estimated useful life (EUL) as follows:

Category	Number of Years
Land improvements	3
Vessels, excluding drydocking costs and vessel tools and equipment	35*
Drydocking costs	3
Container vans and improvements	5-10
Buildings, warehouses, terminal premises and equipment and leasehold improvements	3-10
Office furniture and equipment	5
Transportation equipment	5
Vessel tools and equipment	5

*\*From the time the vessel was built*

Major overhaul costs incurred during drydocking of vessels are capitalized and depreciated over a 3-year period or the next drydocking, whichever comes first. When significant drydocking costs are incurred prior to the expiry of the 3-year depreciation period, the remaining costs of the previous drydocking are written off in the period of the subsequent drydocking. Drydocking costs are recorded as part of "Vessels" under property and equipment.

Leasehold improvements are depreciated over their estimated useful lives or the term of the lease, whichever is shorter.

Fully depreciated property and equipment are retained in the accounts until these are no longer in use. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from the continued use of the item.

Any gain or loss arising on derecognition of the property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income in the year the asset is derecognized.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

### Impairment of Nonfinancial Assets

The carrying values of the Company's nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indication exists, the Company estimates the asset's recoverable amount. If the carrying value exceeds the estimated recoverable amount, the assets or CGU is written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use (VIU). The fair value less cost to sell is the amount obtainable from the sale of an asset in an arms' length transaction between knowledgeable, willing parties, less costs of disposal. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Impairment losses are recognized in the statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exist or may have decreased. In such case, the recoverable amount is estimated. Any previously recognized impairment loss is reversed only when there is a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Accordingly, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount of that would have been determined, net of depreciation and amortization, had no impairment loss been recognized in prior years. Such reversal is recognized in the statement of income unless the asset is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation or amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods and services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

The specific recognition criteria for each type of revenue are as follows:

#### *Ocean freight*

Revenues derived from ocean freight services are recognized when the related services are rendered over time based on the on the estimated period travelled (number of days) of the cargoes or goods delivered over the period of the date of acceptance up to the delivery date.

#### *Other vessel revenue - Trucking*

Revenue from trucking services are recognized when the related services are rendered over time based on the timing of delivery (number of days) of the cargoes to the customer.

#### *Other vessel revenues - Storage*

Storage fees for each container van are recognized over time based on the number of days storage is availed of.

#### *Other vessel revenues - Port charges*

Revenues from port charges such as arrastre, wharfage, Lift On - Lift Off (LOLO), stevedoring and weighing fee, etc. are recognized over time based on the timing of the service performance (number of days).

## Contract Balances

### *Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

### *Contract liability*

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

## Provisions

Provisions are recognized only when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## Taxes

### *Current income tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of reporting period.

### *Deferred income tax*

Deferred tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

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

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

For its VAT-registered activities, when VAT from sale of services (Output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as VAT payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sale of services (Output VAT), the excess is recognized as an asset in the statement of financial position up to the extent of the recoverable amount.

#### Capital Stock

Capital stock is determined using the par value shares that have been issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued.

The Company's capital stock pertains to common stock. Direct costs incurred related to the issuance of new common stock such as accounting and legal fees, printing costs and taxes are shown in equity as deduction, net of tax, from proceeds.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When the shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received.

In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at fair value of the share issued or fair value of the liability settled, whichever is more reliably determinable.

#### Retirement Benefit Obligation

The retirement benefit obligation is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the

discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to the statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

#### Earnings (Loss) per Share (EPS)

Basic EPS is calculated by dividing net income (loss) for the year attributable to common shareholders by the number of shares issued and outstanding at the end of the year after giving retroactive effect to regular stock dividends declared and stock rights exercised during the year, if any.

#### Leases

##### *Company as a lessee*

##### *ROU assets*

The Company recognizes ROU assets (included in 'Property and equipment') at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, 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 ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term as follows:

<u>Category</u>	<u>Number of Years</u>
Container Yard	2-7
Container Vans	2-5
Warehouse and Equipment	4-4.5
Office Space	2-7

ROU asset is subject to impairment in accordance with the Company's policy on impairment of nonfinancial assets.

#### *Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities 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 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 the lease commencement date 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 liabilities 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.

#### *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of container yard, container van, warehouse and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of that are considered of low value.

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

#### Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

#### Segment Reporting

The Company and its branches and agencies are operating as one reportable segment engaged in domestic inter-island cargo shipping activities within the Philippines. Therefore, neither business nor geographical segment information is presented.

#### Events After the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the end of reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

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#### 4. Significant Accounting Judgments and Estimates

The preparation of the accompanying financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and the accompanying notes. The judgments and estimates used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of the financial statements. Actual results could differ from such estimates.

##### Judgments

In the process of applying the Company's accounting policies, management has made judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

##### *Use of going concern assumption*

The use of the going concern assumption involves management making judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. Management's assessment requires significant judgement that are based on assumptions which are subject to a higher level of estimation uncertainty due to the current economic conditions. Management takes into account a whole range of factors which include, but are not limited to, the forecasted level of revenue, gross margin, operating cost, capital expenditures, and maturity profile of debt and interest repayments and timing of significant cash flows used in the forecast, and the other potential sources of financing given the economic uncertainties caused by the volatility of fuel prices. The Company has no plans to liquidate. Management believes that it will be able to generate future income and obtain sources of financing. Accordingly, the financial statements are prepared on a going concern basis since management has future plans, including revenue enhancements and cost reduction programs, with regards to the Company as disclosed in Note 1.

##### *Revenue from contracts with customers*

The Company applied the judgment that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations in a bundled freight revenue*

The Company determined that the following performance obligations are capable of being distinct: (1) ocean freight revenue, (2) trucking services, (3) port charges, (4) storage. The Company has determined that these services are capable of being distinct in the context of the contract.

Consequently, the Company allocated a portion of the transaction price to the different performance obligations, taking into consideration its stand-alone rates.

##### Estimations

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk causing material adjustments to the carrying amounts of the assets and liabilities within the next financial years are discussed below:

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

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

The provision matrix is initially based on the Company's historical observed default rates. The Company then calibrates the matrix to adjust the historical credit loss experience with forward-looking

information. For instance, if forecast economic conditions (e.g. consumer price index) are expected to deteriorate over the next year which can lead to an increased number of defaults in the shipping and logistics sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying values of trade receivables and contract assets amounted to ₱406.20 million and ₱568.06 million as of December 31, 2024 and 2023, respectively (see Note 6).

#### *Estimation of impairment of property and equipment*

The Company assesses at the end of each reporting period whether there is any indication that the property and equipment and other non-financial assets may be impaired. If such indication exists, the Company shall estimate the recoverable amount of the asset, which is the higher of an asset's fair value less costs to sell and its VIU. In estimating the VIU, the Company is required to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those cash flows.

Determining the recoverable amounts of property and equipment, which involves the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the use of estimates and assumptions that can materially affect the Company's financial statements. Future events could indicate that these property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations of the Company. Refer to Note 9 for the assumptions used.

The carrying values of property and equipment, excluding land, amounted to ₱986.07 million and ₱1.24 billion as of December 31, 2024 and 2023, respectively (see Note 9).

#### *Fair value of land properties*

The Company carries its land properties at revalued amount with changes in fair value recognized in OCI. The fair value of the Company's land is based on the valuation carried out by independent appraiser. The valuation was arrived by reference to market evidence of transaction prices of similar properties.

External appraisers used market approach to value the land properties by using sales comparison method in particular. The valuation analysis involved key assumptions such as listing prices of reasonably comparable properties and adjustments related to the characteristics of the land properties such as size, location, utility, and other relevant conditions. The key assumptions used to determine the fair value of the land properties are provided in Note 9.

Revaluation increment on land properties recognized under equity amounted to ₱77.35 million and ₱72.64 million, net of the applicable tax, as at December 31, 2024 and 2023, respectively. Net book values of revalued land properties amounted to ₱182.18 million and ₱175.90 million as of December 31, 2024 and 2023, respectively (see Note 9).

#### *Realizability of deferred tax assets*

The Company reviews the carrying amounts of deferred tax assets at reporting date and reduces it to the extent that it is no longer probable that sufficient taxable income will be available to allow all or

part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and level of future taxable profits together with future tax planning strategies.

As at December 31, 2024 and 2023, the Company recognized deferred tax assets amounting to ₱85.56 million and ₱85.09 million.

*Leases - Estimating the incremental borrowing rate*

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The Company estimates the incremental borrowing rate using observable inputs like the risk-free rate and adjust it for factors such as the credit rating of the Company and the terms and conditions of the lease.

The Company's lease liabilities amounted to ₱233.99 million and ₱229.54 million as of December 31, 2024 and 2023, respectively.

*Retirement benefit obligation*

The cost of the defined benefit obligation plan and the present value of the pension obligation are determined using an actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The carrying amount of the Company's retirement benefit obligation amounted to ₱106.65 million and ₱105.61 million as of December 31, 2024 and 2023, respectively.

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## 5. Cash and Cash Equivalents

	2025	2024
Cash on hand	<b>₱1,368,000</b>	₱1,268,000
Cash in banks	<b>99,233,019</b>	100,995,944
Cash equivalents	<b>531,858</b>	531,858
	<b>₱101,132,877</b>	₱102,795,802

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short term deposits made for varying periods of up to three (3) months and earns interest at the respective short-term deposit rates.

Interest income, amounted to ₱.006 million, ₱.014 million, and ₱0.016 million in First Quarters of 2025, 2024, and 2023, respectively (see Note 19).

## 6. Trade and Other Receivables and Contract Assets

	2025	2024
Trade:		
Third parties	₱554,224,015	₱540,161,839
Related parties	15,480,987	23,675,646
	<b>₱569,705,002</b>	<b>₱563,837,485</b>
Less allowance for ECL	163,867,935	161,721,556
	<b>405,837,067</b>	<b>402,115,929</b>
Non-trade - related parties	12,602,045	17,986,888
Others	75,312,865	74,879,497
	<b>₱493,751,977</b>	<b>₱494,982,314</b>

Trade receivables are noninterest-bearing and have varying credit terms.

Non-trade receivables include advances to related parties for the rental of container yard, container vans, cost sharing of office space. These receivables are noninterest-bearing and collectible on demand.

Others include dues from social security system, claims, advances to employees, insurance and others. These receivables are noninterest-bearing.

The Company has contract assets amounting to ₱2.28 million and ₱4.09 million as of March 31, 2025 and 2024, respectively, which is net of allowance for ECL of ₱0.04 million.

## 7. Inventories

As of March 31, 2025 and 2024, fuel, diesel and lubricants amounted to ₱49.22 million. These are carried at cost, which is lower than the net realizable value.

## 8. Prepayments and Other Current Assets

	2025	2024
Advances to suppliers	₱74,064,929	₱67,815,888
Input VAT	120,688,428	66,958,848
Prepaid expenses	12,775,707	12,029,598
CWTs	2,306,171	83,997
Others	1,838,068	1,838,068
	<b>₱211,673,303</b>	<b>₱148,726,399</b>

CWTs represent the current portion of the amount withheld by the Company's customers in relation to its sale of services. These are recognized when the related sales are earned and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations.

Prepaid expenses include prepaid insurance and prepaid importation charges.

## 9. Property and Equipment

### a. At Cost

March 31, 2025

	Vessels and Drydocking Costs	Container Vans and Improvements	Buildings, Warehouses, and Terminal Premises	Leasehold improvement	Machinery and Equipment	Office Furniture and Equipment	Transportation Equipment	Vessel Tools and Equipment	Construction-in- Progress	ROU Assets	Total
<b>Cost</b>											
Balances at January 1, 2025	₱1,940,982,499	₱420,125,232	₱19,005,773	₱65,166,025	₱295,242,168	₱81,266,404	₱34,698,618	₱311,126,094	₱8,481,409	₱413,845,306	₱3,589,939,528
Additions	–	–	–	–	–	140,025	–	–	12,057,843	–	12,197,868
Balances at March 31, 2025	1,940,982,499	420,125,232	19,005,773	65,166,025	295,242,168	81,406,429	34,698,618	311,126,094	20,539,252	413,845,306	3,602,137,396
<b>Accumulated depreciation</b>											
Balances at January 1, 2025	1,301,317,717	393,839,479	16,060,880	61,017,458	261,274,103	79,280,310	28,429,442	260,878,455	–	201,767,773	2,603,865,617
Depreciation for the year	28,783,487	–	233,556	78,419	639,907	293,225	347,657	4,554,272	–	17,960,387	52,890,910
Balances at March 31, 2025	1,330,101,204	393,839,479	16,294,436	61,095,877	261,914,010	79,573,535	28,777,099	265,432,727	–	219,728,160	2,656,756,527
<b>Net book values</b>	<b>₱610,881,295</b>	<b>₱26,285,753</b>	<b>₱2,711,337</b>	<b>₱4,070,148</b>	<b>₱33,328,158</b>	<b>₱1,832,894</b>	<b>₱5,921,519</b>	<b>₱45,693,367</b>	<b>₱20,539,252</b>	<b>₱194,117,146</b>	<b>₱945,380,869</b>

December 31, 2024

	Vessels and Drydocking Costs	Container Vans and Improvements	Buildings, Warehouses, and Terminal Premises	Leasehold improvement	Machinery and Equipment	Office Furniture and Equipment	Transportation Equipment	Vessel Tools and Equipment	Construction-in- Progress	ROU Assets	Total
<b>Cost</b>											
Balances at January 1, 2024	₱2,285,940,658	₱420,125,232	₱18,737,915	₱65,166,025	₱296,168,592	₱80,778,061	₱34,090,218	₱392,639,763	₱–	₱392,850,544	₱3,986,497,008
Additions	50,339,581	–	267,858	–	588,000	896,290	1,336,971	26,063,558	8,481,409	76,223,582	164,197,249
Disposals	(395,297,740)	–	–	–	(1,514,424)	(407,947)	(728,571)	(107,577,227)	–	–	(505,525,909)
Derecognition	–	–	–	–	–	–	–	–	–	(55,228,820)	(55,228,820)
Balances at December 31, 2024	1,940,982,499	420,125,232	19,005,773	65,166,025	295,242,168	81,266,404	34,698,618	311,126,094	8,481,409	413,845,306	3,589,939,528
<b>Accumulated depreciation</b>											
Balances at January 1, 2024	1,403,103,033	393,839,479	14,985,347	60,286,277	260,296,305	78,319,597	27,732,495	328,181,194	–	179,080,759	2,745,824,486
Depreciation for the year (Notes 15, 16 and 17)	139,191,369	–	1,075,533	731,181	2,363,627	1,368,659	1,352,661	23,359,733	–	77,915,834	247,358,597
Derecognition	–	–	–	–	–	–	–	–	–	(55,228,820)	(55,228,820)
Disposals	(240,976,685)	–	–	–	(1,385,829)	(407,946)	(655,714)	(90,662,472)	–	–	(334,088,646)
Balances at December 31, 2024	1,301,317,717	393,839,479	16,060,880	61,017,458	261,274,103	79,280,310	28,429,442	260,878,455	–	201,767,773	2,603,865,617
<b>Net book values</b>	<b>₱639,664,782</b>	<b>₱26,285,753</b>	<b>₱2,944,893</b>	<b>₱4,148,567</b>	<b>₱33,968,065</b>	<b>₱1,986,094</b>	<b>₱6,269,176</b>	<b>₱50,247,639</b>	<b>₱8,481,409</b>	<b>₱212,077,533</b>	<b>₱986,073,911</b>

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## 10. Computer Software

	2025	2024
Cost	<b>₱4,479,168</b>	₱4,479,168
Accumulated amortization:		
Beginning balances	<b>2,314,236</b>	1,418,403
Amortization (Note 16)	<b>223,959</b>	895,833
Ending balances	<b>2,538,195</b>	2,314,236
Net book values	<b>₱1,940,973</b>	₱2,164,932

Computer software pertain to acquired Synchronized Access and Integrated Link (SAIL) used for the Company's operation. No impairment loss was recognized for software and licenses since management believes that the future benefits will accrue to the Company over the assets' remaining useful life.

Computer software is amortized on a straight-line basis over its estimated useful economic life of five (5) years and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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## 11. Other Noncurrent Assets

	2025	2024
CWTs - net of current portion	<b>₱599,964,702</b>	₱599,964,702
Deferred input VAT	<b>115,541,477</b>	115,541,477
Deposits - net of allowance for impairment loss amounting to ₱4.10 million in 2024 and 2023	<b>16,969,974</b>	16,566,402
Others	<b>525,277</b>	525,277
	<b>₱733,001,430</b>	₱732,597,858

CWTs represent the noncurrent portion of the amount withheld by the Company's customers in relation to its sale of services. These are classified as noncurrent due to assessment of the Company that these CWTs are not realizable within 12 months after the reporting date.

Deferred input VAT relates primarily to the major capital expenditures and dry docking of vessels.

Deposits consist of amounts paid for rental deposits which are refundable at the end of the lease term.

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## 12. Accounts Payable and Other Current Liabilities

	2025	2024
Trade:		
Third parties	<b>₱670,136,385</b>	₱613,744,373
Related parties	<b>436,058,692</b>	437,397,900
Output VAT payable	<b>104,929,090</b>	52,620,215
Deferred output VAT	<b>31,317,402</b>	30,742,044
Accrued expenses:		
Outside services	<b>42,314,193</b>	30,852,255
General and administrative	<b>55,744,924</b>	47,880,047
Repairs, maintenance and supplies for vessels	<b>32,945,800</b>	27,404,396
Other taxes payable	<b>3,778,599</b>	5,558,918
Other accrued expenses	<b>10,979,873</b>	10,879,057
Amounts owed to related parties	<b>164,706,880</b>	208,402,088
Others	<b>31,628,825</b>	16,786,293
Total	<b>₱1,584,540,663</b>	₱1,482,267,586

Trade payables are non-interest bearing and are normally settled within 12 months from the end of the reporting period.

Output VAT payable pertains to VAT liabilities for the Company's billed services as at reporting date.

Deferred output VAT from uncollected services, prior to the effectivity of Republic Act No. 11976, otherwise known as the Ease of Paying Taxes Act (EoPT), shall be recognized as application to input once collected from customers.

Accrued expenses are obligations on the basis of normal credit terms and do not bear interest. These pertain to accruals made based on prior month's billings and/or contracts of the Company and are normally settled within 12 months from the end of the reporting period.

Outside services includes cargo and port expenses incurred in relation to the Company's normal shipping operations.

Others include payroll-related expenses incurred but not yet paid and accruals for payment to retired employees outside of the retirement fund.

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### 13. Borrowings

Short-term borrowings consist of:

	2025	2024
Bank of the Philippine Islands (BPI)	<b>₱166,885,000</b>	₱166,885,000
Banco de Oro Unibank Inc. (BDO)	<b>95,973,251</b>	85,587,279
Metropolitan Bank and Trust Company (MBTC)	<b>54,000,000</b>	61,440,000
Chinabank Corporation (CBC)	<b>100,000,000</b>	100,000,000
	<b>₱416,858,251</b>	₱413,912,279

Movements in short-term debt recognized in the statement of financial position are as follows:

	2025	2024
Balances at beginning of year	<b>₱413,912,279</b>	₱341,963,292
Net availments	<b>2,945,972</b>	71,948,987
Balances at end of year	<b>₱416,858,251</b>	₱413,912,279

Short-term borrowings from local banks, with maturity ranging from 28 to 365 days, bear annual interest at 7.50% to 8.84% and 5.90% to 8.50% in 2024 and 2023, respectively. Short-term borrowings are generally not secured, however, the Company's short-term loan with Banco de Oro Unibank Inc. (BDO) is secured by the Company's trade receivables.

Long-term borrowings consist of:

	2025	2024
Balance of loan obtained from RCBC of ₱137.00 million, availed last May 6, 2020 and will mature on May 6, 2027. The loan is payable monthly in 72 equal monthly installments starting May 6, 2021. Annual interest rate is equal to the BVAL plus 2.5% spread. Interest rate ranges from 8.78% to 9.00% in 2024, 4.46% to 8.78% in 2023 and 4.33% to 4.46% in 2022.	<b>₱49,472,222</b>	₱55,180,555
Balance of loan obtained from China Banking Corporation (CBC) of ₱200.00 million, availed of last September 9, 2015 and will mature on September 9, 2025. The loan is payable quarterly in 36 equal quarterly installments starting December 9, 2016. Annual interest rate is equal to 90-day BVAL rate plus 1.25% inclusive of GRT and BSP overnight borrowing rate plus spread of 0.125% inclusive of GRT, whichever is higher, subject to quarterly repricing. Interest rate ranges from 8.00% to 7.50% in 2024, 6.00% to 8.00% in 2023 and 4.75% to 6.00% in 2022.	<b>₱11,111,111</b>	₱16,666,667
	<b>60,583,333</b>	71,847,222
Less deferred financing costs	<b>(134,441)</b>	(134,441)
	<b>60,448,892</b>	71,712,781
Less current portion	<b>(28,146,901)</b>	(39,410,790)
Noncurrent portion	<b>₱32,301,991</b>	₱32,301,991

Movements in long-term debt recognized in the statement of financial position are as follows:

	2025	2024
Balances at beginning of year	<b>₱71,712,781</b>	₱138,833,360
Amortization of deferred financing cost	-	157,200
Payments	<b>(11,263,889)</b>	(67,277,779)
Balances at end of year	<b>₱60,448,892</b>	₱71,712,781

As of December 31, 2024 and 2023, the Company did not meet the minimum current, debt-to-equity and debt service coverage ratios required under the Company's long-term loan agreement with RCBC. Prior to year-end, the Company's lender issued a waiver of default action against the breach of loan covenants as of December 31, 2024 and 2023. Accordingly, the Company continues to pay long-term loans based on original credit terms.

Interest paid on short-term and long-term borrowings amounted to ₱12.99 million, and ₱14.24 million in March 31, 2025, and March 31, 2024, respectively.

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#### 14. Freight Revenue

##### Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers.

	<b>March 31, 2025</b>	March 31, 2024
Ocean freight	<b>₱267,532,250</b>	₱398,191,935
Other vessel revenues:		
Trucking	<b>54,656,190</b>	83,717,649
Port charges	<b>102,062,276</b>	150,963,385
Storage	<b>763,728</b>	2,532,766
	<b>₱425,014,444</b>	₱635,405,735

##### Contract Balances

###### *Trade receivables*

The Company's trade receivables, net of allowance for ECL, amounted to ₱405.84 million and ₱402.12 million as at March 31, 2025 and December 31, 2024, respectively (see Note 6).

###### *Contract assets*

The Company's contract assets amounted to ₱2.28 million and ₱4.09 million as at March 31, 2025 and December 31, 2024, respectively (see Note 6).

###### *Performance obligations and timing of revenue recognition*

The Company's performance obligations represent ocean freight and other vessel related revenues such as trucking, port charges and storage which are generally satisfied over time once the related services are performed.

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#### 15. Cost of Services

	<b>March 31, 2025</b>	March 31, 2024
Materials, supplies and facilities	<b>₱137,430,010</b>	₱165,633,411
Outside services		
Trucking	<b>74,664,629</b>	103,195,671
Sea transport service	<b>58,243,795</b>	73,830,639
Arrastre	<b>32,484,431</b>	43,909,720
Cargo charges	<b>24,802,029</b>	31,723,076
Craneage	<b>22,533,275</b>	27,324,993
Stevedoring charges	<b>13,677,900</b>	15,757,686
Vessel related charges	<b>25,759,221</b>	28,634,653
Container rental	<b>11,036,703</b>	12,209,563
Depreciation (Note 9)	<b>33,337,760</b>	39,810,114
Personnel cost	<b>14,501,452</b>	17,469,177
Vessel insurance	<b>9,292,406</b>	16,494,806
Voyage	<b>13,796,827</b>	15,165,992
Taxes and licenses	<b>539,627</b>	1,537,716
Others	<b>3,217,036</b>	4,951,011
	<b>₱475,317,101</b>	₱597,648,228

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**16. Terminal Expenses**

	<b>March 31, 2025</b>	March 31, 2024
Depreciation (Notes 9 and 10)	<b>₱18,184,346</b>	₱5,143,242
Personnel cost	<b>10,631,296</b>	10,021,837
Materials, supplies and facilities	<b>8,512,448</b>	10,409,394
Outside services	<b>11,669,047</b>	10,021,053
Rental	<b>15,824,310</b>	19,870,954
Lift-on/lift-off (LOLO) charges	<b>1,154,120</b>	726,287
Lease amortization	-	86,161
Others:		
Utilities	<b>1,290,609</b>	1,595,385
Taxes and licenses	<b>917,898</b>	180,432
Office supplies	<b>380,736</b>	479,236
Container van insurance	<b>220,582</b>	421,402
Other terminal charges	<b>734,928</b>	1,889,555
	<b>₱69,520,320</b>	₱60,844,938

Outside services include security and temporary services.

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**17. General and Administrative Expenses**

	<b>March 31, 2025</b>	March 31, 2024
Personnel cost	<b>₱16,216,002</b>	₱15,793,442
Outside services	<b>9,775,009</b>	11,748,444
Taxes and licenses	<b>2,126,441</b>	3,770,302
Provision for ECL on trade receivables and contract assets (Note 6)	<b>2,146,378</b>	3,199,166
Communication, light and water	<b>1,859,606</b>	1,717,835
Depreciation (Note 9)	<b>1,592,763</b>	1,779,674
Transportation and travel	<b>1,333,807</b>	680,998
Service fees	<b>1,491,546</b>	795,916
Supplies	<b>564,139</b>	629,292
Employees' training and staff meeting	<b>121,379</b>	530,535
Entertainment, amusement and recreation	<b>322,315</b>	325,913
Repairs and maintenance	<b>319,388</b>	188,894
Rental	<b>381,261</b>	536,581
Advertising	<b>120,000</b>	70,000
IT subscription licenses	<b>156,760</b>	81,000
Others	<b>444,429</b>	943,524
	<b>₱38,971,223</b>	₱42,791,516

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## 18. Finance Costs and Other Charges

	March 31, 2025	March 31, 2024
Interest expense on:		
Borrowings	₱12,987,038	₱14,244,192
Lease liabilities	2,167,478	593,205
Bank and other financing charges	46,374	73,544
	<b>₱15,200,890</b>	<b>₱14,910,941</b>

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## 19. Other Income (Charges) - Net

	March 31, 2025	March 31, 2024
Rental income and others	₱1,078,969	₱1,124,861
Income (loss) from insurance claims	512,259	(4,575,382)
Net foreign exchange losses	(75,747)	(1,331,079)
Interest income from bank deposits (Note 5)	6,374	13,673
	<b>₱1,521,855</b>	<b>(₱4,767,927)</b>

Income from insurance claims refers to shipping, container LOLO and other claims, which are part of the normal operating cycle of the Company, collected during the year.

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## 20. Equity

### Capital Stock

On July 22, 1996, the Company listed its common stock with the PSE, wherein it offered 300,751,880 shares to the public at the issue price of ₱5.96 per share.

On September 4, 2006, the SEC approved the increase in the Company's authorized capital stock from ₱700.0 million divided into 400.0 million common shares, and 300.0 million preferred shares, both with a par value of ₱1.0 per share, to ₱1.0 billion divided into 895,058,756 common shares and 104,941,244 preferred shares, both with a par value of ₱1.00 per share. In separate meetings, the BOD and the shareholders resolved that the increase of the authorized capital stock shall be funded by the declaration of stock dividends equivalent to 75,187,967 common shares with a par value of ₱1.00 per share. On October 3, 2006, the PSE approved the application of the Company to list additional shares relating to the issuance of stock dividends.

On December 29, 2006, certain shareholders owning 96,125,243 preferred shares opted to convert their shares into 1 common share per 1 preferred share, plus stock dividends equivalent to 86.96% common share for every preferred share (equivalent to 83,587,161 shares). The Company filed Form 10.1 with SEC for the exemption from registration requirements of the converted 96,125,243 preferred shares into 179,712,404 common shares.

On September 21, 2007, the SEC approved the amendment of Article VII of the Company's Articles of Incorporation through the retirement of 8,816,001 preferred shares and conversion of 96,125,243 preferred shares into common shares resulting in the reduction of the Company's authorized capital stock to 991,183,999 with par value of ₱1.00 per share.

On November 28, 2007, the PSE has approved the Company's application to list additional 96,125,243 common shares to cover the underlying common shares for the conversion of a total of 96,125,243 preferred shares at a conversion rate of one (1) common share for every one (1) convertible preferred share. In addition, the PSE has approved the application of the Company to list additional 83,587,161 common shares, with a par value of ₱1.00 per share, to cover the 86.96% stock dividend declaration to the stockholders who opted to convert their preferred shares to common shares in 2007.

On December 26, 2024, the Company received ₱270 million capital infusion from NMC through issuance of additional shares from the unissued portion of the authorized capital stock to help settle its existing liabilities and for other general corporate purposes. The BOD approved the issuance of 270,000,000 common shares at its par value of ₱1.00 per share.

Presented below is the reconciliation of common stock as of March 31, 2025 and December 31, 2024:

	<b>2025</b>	2024
Authorized shares - ₱1 par value	<b>991,183,999</b>	991,183,999
Issued shares, beginning	<b>825,652,251</b>	555,652,251
Additions during the year	-	270,000,000
Issued shares, ending	<b>825,652,251</b>	825,652,251
Shares reacquired	<b>1,010,000</b>	1,010,000

The Company has 894 and 899 shareholders as of December 31, 2024 and 2023, respectively.

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## 21. Earnings (Loss) Per Share

Following are the bases for the computation of loss per share as of December 31:

	<b>March 31, 2025</b>	March 31, 2024
Net income (loss) available to common shareholders	<b>(₱172,773,235)</b>	(₱86,207,819)
Weighted average number of outstanding common shares	<b>824,642,251</b>	554,642,251
Basic and diluted earnings (loss) per share	<b>(₱0.21)</b>	(₱0.16)

## **Exhibit 2**

# **Management's Discussion**

**LORENZO SHIPPING CORPORATION**  
Management Discussion and Analysis or Plan of  
Operation for the Three Months Ending March 31, 2025  
and 2024

**RESULT OF OPERATION**

Lorenzo Shipping Corporation's (LSC or the "Company") total revenues for the three months ended March 31, 2025, amounted to P425.01 million, which was P210.39 million lower than the revenue reported in the same period in 2024. TEU volumes were lower by 27.79% compared to last year's period. The decrease was due to fewer voyages brought about by reduced fleet capacity.

The Company ended Q1 with a gross loss of P119.82 million. There was a decrease in direct costs amounting to P113.66 compared to last year's period.

General and administrative expenses were P38.97 million, which was P3.82 million lower than last year's P42.79 million.

Net finance costs amounted to P15.20 million for the three months, which was 2% higher or P.28 million higher than the P14.91 million of the same period in 2024 due to loan borrowings.

In 2025, the Company posted a net "other income" of P1.52 million, which is P6.29 million higher than in 2024. The increase was attributable to claims proceeds in 2025 compared with 2024.

Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) amounted to a negative P104.20 million in 2025 compared with P23.98 million in 2024.

Considering the above, LSC's operating results for the three months ending on March 31, 2025, were a net income after tax loss of P172.77 million compared with a net loss of P86.21 million over the same period in 2024. The loss resulted in an equivalent loss per share of negative P0.19 in the first quarter of 2025 compared with a loss per share of P0.16 over the same period in 2024.

**LSC's comparative financial performance is presented herein:**

	<u>1st Quarter</u>		<u>% Change</u>
	<u>2025</u>	<u>2024</u>	
<b>REVENUES</b>			
Freight	425,014,444	635,405,735	-33%
<b>DIRECT COSTS</b>			
Cost of services	475,317,101	597,648,228	-20%
Terminal expenses	69,520,320	60,844,938	14%
Total	544,837,421	658,493,166	-17%
<b>GROSS PROFIT</b>	(119,822,977)	(23,087,431)	419%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	(38,971,223)	(42,791,516)	-9%
<b>FINANCE COSTS AND OTHER CHARGES, net</b>	(15,200,890)	(14,910,941)	2%
	(54,172,113)	(57,702,458)	
<b>OTHER INCOME, net</b>	1,521,855	(4,767,927)	-132%
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	(172,473,235)	(85,557,816)	102%
PROVISION FOR INCOME TAX	300,000	650,003	-54%
<b>NET INCOME (LOSS)</b>	<u>(172,773,235)</u>	<u>(86,207,819)</u>	<u>100%</u>

### FINANCIAL POSITION

As of March 31, 2025, total assets amounted to P2.73 billion, which was P17.74 million or 1% higher than at the end of December 31, 2024. Cash, trade and other accounts receivables, and other current assets increased from P799.81 million at the end of 2024 to P858.06 million by March 31, 2025.

Total non-current assets decreased by P40.51 million at the end of the 1<sup>st</sup> Quarter of 2025 from P1.91 billion as of the end of 2024 to P1.87 billion, coming from reductions in property and equipment.

Total Liabilities increased by 3% or P82.21 million from P2.51 billion at the end of 2024 to P2.59 billion by March 2025. Principal loan repayments during the first quarter of 2025 amounted to P53.31 million. Lease liability paid amounted to P12.48 million during the first quarter of 2025. LSC's total loans declined by P8.31 million from P485.62 million at the end of 2024 to P477.31 by March 31, 2025.

The net loss of the 1<sup>st</sup> quarter increased the retained earnings deficit of LSC to P1.30 billion from P1.13 billion at the end of 2024. As of March 31, 2025, the total Stockholder's Equity stood at P136.12 million.

LSC's financial position is presented below:

	<u>Unaudited</u> March 31 2025	<u>Audited</u> December 31 2024	<u>% Change</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	101,132,877	102,795,802	-2%
Trade and other receivables	493,751,977	494,982,314	0%
Contract assets	2,283,287	4,087,974	-44%
Inventories	49,219,101	49,219,101	0%
Prepayments and other current assets	211,673,303	148,726,399	42%
<b>TOTAL CURRENT ASSETS</b>	<b>858,060,545</b>	<b>799,811,590</b>	<b>7%</b>
<b>NON-CURRENT ASSETS</b>			
Property and equipment, net	1,127,558,869	1,168,251,911	-3%
Computer software	1,940,973	2,164,932	-10%
Deferred tax assets - net	6,721,639	6,721,640	0%
Other noncurrent assets	733,001,430	732,597,858	0%
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,869,222,911</b>	<b>1,909,736,341</b>	<b>-2%</b>
<b>TOTAL ASSETS</b>	<b>2,727,283,456</b>	<b>2,709,547,931</b>	<b>1%</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other current liabilities	1,584,540,663	1,482,267,586	7%
Short-term borrowings	416,858,251	413,912,279	1%
Current portion of long-term borrowings	28,146,901	39,410,790	-29%
Current portion of long-term borrowing - related party	83,504,119	83,504,119	0%
Current portion of lease liabilities	51,448,616	51,448,615	0%
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,164,498,550</b>	<b>2,070,543,389</b>	<b>5%</b>
<b>NONCURRENT LIABILITIES</b>			
Long-term borrowings, net of current portion	32,301,991	32,301,991	0%
Long-term borrowing - related party, net of current portion	116,906,332	116,906,331	0%
Lease liabilities, net of current portion	170,068,141	182,544,108	-7%
Retirement benefit obligation	107,389,091	106,653,471	1%
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>426,665,556</b>	<b>438,405,901</b>	<b>-3%</b>
<b>TOTAL LIABILITIES</b>	<b>2,591,164,106</b>	<b>2,508,949,290</b>	<b>3%</b>
<b>STOCKHOLDERS' EQUITY</b>			
<b>EQUITY</b>			
Common stock - 1 par value	825,652,251	825,652,251	0%
Additional paid-in capital	459,791,492	459,791,492	0%
Deposit for future stock subscription	108,293,944	-	
Revaluation increment	77,354,524	77,354,523	0%
Actuarial losses on defined benefit obligation	(27,469,474)	(27,469,474)	0%
Deficit	(1,304,377,537)	(1,131,604,301)	15%
Treasury shares at cost	(3,125,850)	(3,125,850)	0%
<b>TOTAL EQUITY</b>	<b>136,119,350</b>	<b>200,598,641</b>	<b>-32%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,727,283,456</b>	<b>2,709,547,931</b>	<b>1%</b>

## **Top Five Performance Indicators**

The following key results determine LSC's financial performance:

1. Current ratio – this represents the ratio between current assets and current liabilities, which measures the liquidity and efficiency of LSC's ability to pay off its short-term liabilities with its current assets.
2. Debt to equity ratio – measures the financial leverage of LSC, how much debt is used to finance assets relative to the amount of value represented in shareholders' equity.
3. Net revenues – mainly composed of freight services recognized based on cargo loaded during the year, taking into account all direct costs related to the cargo and capacity costs incurred during the year.
4. Net income before tax – is a quick indicator of the financial health of LSC.
5. Accounts receivables (A/R) turnover – measures how efficiently LSC collects its receivables.

The table below represents the key performance indicators of LSC over the last three (3) years:

Performance Indicators	1st Quarter		Full Year	
	2025	2024	2024	2023
Current Ratio	0.40	0.47	0.39	0.49
Debt-to-equity-ratio	19.04	6.95	12.51	5.63
Net revenues	P425.01 million	P635.41 million	P2.339 billion	P3.280 billion
Net income (loss) before tax	(P172.47 million)	(P85.56 million)	(P543.46) million	P105.14 million
A/R turnover	0.85	0.99	4.10	4.25

- i. LSC is unaware of any event that will trigger direct or contingent financial obligations that are material to LSC, including any default or acceleration of an obligation.
- ii. LSC is unaware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of LSC with unconsolidated entities or other persons created during the reporting period.
- iii. LSC is not aware of any material commitments for capital expenditures.
- iv. LSC is unaware of any known trends, events, or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales, revenues, or income from continuing operations.
- v. LSC is not aware of any significant elements of income or loss that did not arise from the registrant's continuing operations.
- vi. LSC is unaware of any seasonal aspects that had a material effect on the financial condition or results of operations.

## **Plan of Operation**

To get back to profitability, the company is focusing on consistently meeting its vessel schedules through a comprehensive rehabilitation of vessels and land-based equipment, as it continuously implements operational efficiency measures such as system upgrades, quality initiatives, cost rationalization, and asset optimization. The plan of the operation for the succeeding quarters includes the following:

1. Our top priority is vessel maintenance and equipment reliability to improve customer experience in cargo deliveries by sea and land.
2. Voyage optimization through the employment of yield management strategies to ensure maximum margins per completed sailing.
3. Process improvements assisted by innovation and technology to achieve operational efficiencies.
4. Subsisting progress in billing and collection to enhance cash flows for sustaining payables to vendors, suppliers, and service providers.
5. Development of land- and sea-based employees' physical, mental, and emotional welfare to maintain high morale and maximize productivity.
6. Adopting risk-mitigation measures and continuously strengthening statutory compliance to guarantee business continuity.

# **Exhibit 2.1**

## **Financial Indicators**

### **Accounts Receivable Aging**

**LORENZO SHIPPING CORPORATION**

## Financial Indicators

For the Period Ending March 31, 2025 and 2024

<b>Financial Ratios</b>	<b>2025</b>	<b>2024</b>
<u>Liquidity Ratios</u>		
Current ratio	0.40	0.47
Accounts receivable turnover	0.85	0.99
Acid test ratio	0.27	0.34
Funds from operations	(₱61,770,605)	₱25,913,611
<u>Solvency Ratios</u>		
Times interest earned	(10.38)	(2.02)
Earnings (Loss) before interest and taxes (EBIT)	(₱157,318,719)	(₱70,720,419)
Earnings (Loss) before interest, taxes, depreciation and amortization (EBITDA)	(₱104,203,851)	(₱23,987,389)
Debt to equity ratio	19.04	6.95
Debt ratio	0.95	0.87
Equity ratio	0.05	0.13
<u>Profitability Ratios</u>		
Return on revenue or Net profit ratio	-40.6%	-13.5%
Operating profit margin	-37.0%	-11.1%
Return on total assets (ROA) vs. EBIT	-5.8%	-2.3%
Return on assets (ROA)	-6.3%	-2.9%
Return on owners' equity	-127%	-23%

**LORENZO SHIPPING CORPORATION**  
**ACCOUNTS RECEIVABLES AGING**  
**AS OF 31 MARCH 2025**

<i>Particulars</i>	<i>Total</i>	<i>Current</i>	<i>1 - 30 Days</i>	<i>31 - 60 Days</i>	<i>61 - 90 Days</i>	<i>91 - 120 Days</i>	<i>121-180 Days</i>	<i>181 - 365 Days</i>	<i>366 Days - 2 Years</i>	<i>Over 2 Years</i>
Agencies	1,478,547	-	145,389	-	-	-	-	-	-	1,333,158
Branches	59,188,447	18,964,639	3,232,617	759,560	-	-	-	47,141	(145,632)	36,330,122
Manila	436,935,734	241,904,436	41,756,756	8,249,898	4,842,872	505,193	2,711,136	(1,124,232)	(276,603)	138,366,276
<b>Grand Total</b>	<b>497,602,727</b>	<b>260,869,074</b>	<b>45,134,762</b>	<b>9,009,459</b>	<b>4,842,872</b>	<b>505,193</b>	<b>2,711,136</b>	<b>(1,077,091)</b>	<b>(422,235)</b>	<b>176,029,556</b>