



CERTIFICATION

ALLDAY MARTS, INC. (the "Company") hereby certifies that except for Ms. Camille A. Villar, none of the directors and officers of the Company named in the Information Statement for the Annual Meeting of its shareholders for the year 2025 works in the government as of the date hereof.

Ms. Villar is currently a duly elected Senator. She is not disqualified from being, and does not require any consent or approval to serve as, a director of the Company on account of her said position.

Issued this 26th day of May 2025.

ALLDAY MARTS, INC.

By:


ARBIN OMAR CARIÑO

Corporate Secretary

CERTIFICATION OF INDEPENDENT DIRECTORS

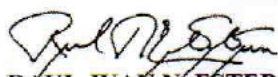
I, **Raul Juan N. Esteban**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AllDay Marts, Inc.** and have been its independent director since June 23, 2021
2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Philippine Survey and Research Center	Managing Director	1989-Present
Vistamalls, Inc.	Independent Director	2014-Present
AllHome Corp.	Independent Director	2023-Present
VistaREIT, Inc.	Independent Director	2022-Present

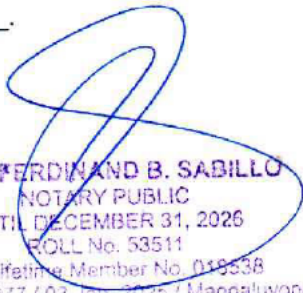
3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of **AllDay Marts, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
6. I shall inform the corporate secretary of **AllDay Marts, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 26 2025 at MANDALUYONG CITY


RAUL JUAN N. ESTEBAN
Affiant

SUBSCRIBED AND SWORN to before me this MAY 26 2025 at MANDALUYONG CITY, affiant personally appeared before me and exhibited to me his valid ID [REDACTED] expiring on _____.

Doc. No. 215
Page No. 44
Book No. V
Series of 2025.


ATTY. FERDINAND B. SABILLO

NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ROLL No. 53511

IBP Lifetime Member No. 019538

PTR No. 5700677 / 03 Jan. 2025 / Mandaluyong City
MCLE Compliance No. VII-0018781 Issued dated 25 May 2022
Notarial Commission Appointment No. 0314-25
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

CERTIFICATION OF INDEPENDENT DIRECTORS

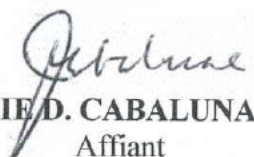
I, **Jessie D. Cabaluna**, Filipino, of legal age and a resident of [REDACTED]
[REDACTED] after having been duly sworn to in accordance with law do hereby
declare that:

1. I am a nominee for independent director of **AllDay Marts, Inc.** and have been its independent director since July 8, 2019.
2. I am affiliated with the following companies or organizations:

Company / Organization	Position / Relationship	Period of Service
AllHome Corp.	Independent Director	2019-Present
Stetchworth	President	18 September 2019 to present
Anvaya Cove Beach and Nature Club, Inc.	Independent Director	30 July 2021 to present
Areit, Inc.	Independent Director	3 December 2021 to present
Alveira Country Club	Independent Director	21 March 2023 to present
SyCip Gorres Velayo & Co. (SGV)	Partner	1978 to 2017

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of **AllDay Marts, Inc.**, as provided for Sec 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
6. I shall inform the corporate secretary of **AllDay Marts, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done, this JUL 01 2025 at MANDALUYONG CITY.


JESSIE D. CABALUNA
Affiant

SUBSCRIBED AND SWORN to before me this JUL 01 2025
at MANDALUYONG CITY,
_____, affiant personally appeared before me and exhibited to me her
valid Passport No. [REDACTED] expiring on November 21, 2029.

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Series of 2025.


ATTY. ARBIN OMAR P. CARIÑO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ROLL No. 57146
IBP Lifetime Member No. 018537
PTR No. 5700682 / 03 Jan. 2025 / Mandaluyong City
MCLE Compliance No. VII-0020373 issued dated 03 June 2022
Notarial Commission Appointment No. 0388-25
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

COVER SHEET

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(Company's Full Name)

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

Maria Cristina O. Barao

Contact Person

(+632) 8830-1900

Company Telephone Number

1	2
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Month

3	1
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Day

Calendar Year

20-IS Preliminary Information Statement
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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this
Doc.

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Amended Articles
Number/Section

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Total No. of

Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the annual meeting of stockholders of ALLDAY MARTS, INC. (the "**Company**" or "**ALLDY**") for the year 2025 will be held online on **7 July 2025, Monday at 10:00 a.m.** with the proceedings livestreamed and voting conducted in absentia through the Company's secure voting online facility which may be accessed through the Company's website for the 2024 AGM: <https://corporate.allday.com.ph/asm2025>.

The order of business thereat as follows:

- I. Call to order
- II. Certification of service of notice and presence of quorum
- III. Approval of the minutes of the last Annual Meeting of Stockholders held on July 1, 2024
- IV. Presentation of the President's Report, Management Report and Audited Financial Statements as of and for the year ended December 31, 2024
- V. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting
- VI. Election of the members of the Board of Directors, including the Independent Directors, for the year 2025
- VII. Appointment of External Auditors
- VIII. Other Matters
- IX. Adjournment

Minutes of the 2024 Annual Meeting of Stockholders is available at the website of the Company, <https://corporate.allday.com.ph>.

The Board of Directors has fixed **5 June 2025** as the record date for the determination of stockholders entitled to notice of, and to vote at, said Annual Stockholders' Meeting.

In light of the current circumstances, and to ensure the safety and welfare of the Company's stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and voting only in absentia or by appointing the Chairman of the meeting as their proxy.

Stockholders who intend to participate in the meeting via remote communication and to exercise their vote in absentia must notify the Corporate Secretary by registering *in absentia* on or before **4 July 2025**. All information submitted will be subject to verification and validation by the Corporate Secretary.

Stockholders who intend to appoint a proxy should submit duly accomplished proxy forms on or before **4 July 2025** at the Office of the Corporate Secretary at **Upper Ground Floor, Worldwide Corporate Center, Shaw Boulevard, Mandaluyong City** and/or by email to **omar_carino@rlsclawoffices.com**.

The procedures for participating in the meeting through remote communication and for casting of votes in absentia are set forth in the Information Statement.


ARBIN OMAR P. CARINO
Corporate Secretary

AGENDA DETAILS AND RATIONALE

1. Certification of service of notice and presence of quorum

The Corporate Secretary, Atty. Arbin Omar P. Cariño, will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- (i) Stockholders may attend the meeting remotely through <https://corporate.allday.com.ph/asm2025> (the "Website"). Stockholders may send their questions or comments prior to the meeting by e-mail at ir@allday.ph. The Website shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office within a reasonable period after the meeting.
- (ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who voted in absentia and by proxy.
- (iv) Voting shall only be allowed for stockholders registered in the Company's Electronic Voting in Absentia System provided in the Company's website for the 2025 Annual Meeting of Stockholders or through the Chairman of the meeting as proxy.
- (v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- (vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
- (vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

2. Approval of the minutes of the last Annual Meeting of Stockholders held on 1 July 2024

The minutes of the last Annual Meeting of Stockholders held on 1 July 2024 will be presented for approval by the stockholders, in keeping with Section 49(a) of the Revised Corporation Code.

A copy of such minutes has been uploaded on the Company's website.

3. Presentation of the President's Report, Management Report and Audited Financial Statements as of and for the year ended 31 December 2024

The audited financial statements ("AFS") of the Company as of and for the year ended 31 December 2024 (as audited by Punongbayan & Araullo), a copy of which is incorporated in the Definitive Information Statement for this meeting, will be presented for approval by the stockholders. The Acting President and COO of the Company, Ms. Magdalena G. De Guzman, will deliver a report to the stockholders on the Company's performance for the year 2024 (which will include highlights from the AFS) and the outlook for 2025.

The Board and Management of the Company believe it is in keeping with the Company's thrust to at all times observe best corporate governance practices, that the results of operations and financial condition of the Company be presented and explained to the shareholders. Any comment from the shareholders, and their approval or disapproval of these reports, will provide guidance to the Board and Management in their running of the business and affairs of the Company.

4. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting

Ratification by the stockholders will be sought for all the acts and resolutions of the Board of Directors and all the acts of Management taken or adopted from the date of the last annual stockholders' meeting until the date of this meeting. A brief summary of these resolutions and actions is set forth in the Definitive Information Statement for this meeting. Copies of the minutes of the meetings of the Board of Directors are available for inspection by any shareholder at the offices of the Company during business hours.

The Board and Management of the Company believe it is in keeping with the Company's thrust to at all times observe best corporate governance practices, that ratification of their acts and resolutions be requested from the shareholders in this annual meeting. Such ratification will be a confirmation that the shareholders approve the manner that the Board and Management run the business and affairs of the Company.

5. Election of the members of the Board of Directors, including the Independent Directors, for the year 2025

The Corporate Secretary will present the names of the persons who have been duly nominated for election as directors of the Company in accordance with the By-Laws and Revised Manual on Corporate Governance of the Company and applicable laws and regulations. The voting procedure is set forth in the Definitive Information Statement for this meeting.

6. Appointment of External Auditors

The Audit Committee is endorsing to the stockholders the re-appointment of Punongbayan & Araullo ("P&A") as external auditor of the Company for the fiscal year 2025.

PROXY

[NOTE: Stockholders who would like to be represented thereat by a proxy may choose to execute and send a proxy form to the Office of the Corporate Secretary, Atty. Arbin Omar P. Cariño at Upper Ground Floor, Worldwide Corporate Center, Shaw Boulevard, Mandaluyong City on or before 4 July 2025. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to omar_carino@rlsclawoffices.com.]

The undersigned stockholder of ALLDAY MARTS, INC. (the "Company") hereby appoints _____ or in his absence, the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote _____ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company on 7 July 2025 at 10:00 a.m. and at any adjournment thereof for the purpose of acting on the following matters:

- | | |
|---|--|
| 1. Approval of the Minutes of the Annual Stockholders Meeting of the Company held on 1 July 2024
☐ Yes ☐ No ☐ Abstain | 5. Appointment of Punongbayan & Araullo ("P&A") as external auditor
☐ Yes ☐ No ☐ Abstain |
| 2. Approval of the Audited Financial Statements for the period ended 31 December 2024
☐ Yes ☐ No ☐ Abstain | |
| 3. Ratification of all acts and resolutions of the Board of Directors and Management for the year 2024 until date of the meeting
☐ Yes ☐ No ☐ Abstain | |
| 4. Election of the members of the Board of Directors, including the Independent Directors, for the year 2025 | _____
Printed name of Stockholder |

Name	No. of votes
Manuel B. Villar Jr.	_____
Camille A. Villar	_____
Frances Rosalie T. Coloma	_____
Manuel Paolo A. Villar	_____
Magdalena G. De Guzman	_____
Jessie D. Cabaluna	_____
Raul Juan N. Esteban	_____

Signature of Stockholder /
Authorized representative

Date

This proxy should be received by the Corporate Secretary on or before 4 July 2025, the deadline for submission of proxies.

This proxy when properly executed will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. (As amended on 7 July 2021 by at least a majority of the Board of Directors and by the Stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation)

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person.

Notarization of this proxy is not required.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
☐ Preliminary Information Statement
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter: **ALLDAY MARTS, INC.**
3. **Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **CS201629673**
5. BIR Tax Identification Code **009-491-731-000**
6. **LGF Building B, Evia Lifestyle Center, Daanghari Road,**
Almanza Dos, Las Piñas City **1750**
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(+632) 8830-1900 / (+632) 8830-1901**
8. Date, time and place of the meeting of security holders
7 July 2025, 10:00 a.m. (via Remote Communication)
9. Approximate date on which the Information Statement is first to be sent or given to security holders
1 July 2025
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:
- | Title of Each Class | Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding |
|---------------------------------------|---|
| Common stock (As of 3/31/2025) | 22,857,145,000 shares |
11. Are any or all of registrant's securities listed in a Stock Exchange?
Yes ☒ No ☐
- Name of Stock Exchange: **Philippine Stock Exchange**
Class of securities listed: **Common Stocks**

**WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

PART I

INFORMATION STATEMENT

GENERAL INFORMATION

Date, time and place of meeting of security holders.

Date: July 7, 2025
Time: 10:00 a.m.
Place: Las Piñas City (via Remote Communication)
Link: <https://corporate.allday.com.ph/asm2025>

The corporate mailing address of the principal office of the Registrant is LGF Building B, Evia Lifestyle Center, Daanghari Road, Almanza Dos, Las Piñas City, Philippines.

This Information Statement may be accessed by the Company's stockholders beginning July 1, 2025 at the Company's website, <https://corporate.allday.com.ph>.

Dissenters' Right of Appraisal

Under Section 80, Title X, of the Revised Corporation Code of the Philippines ("Corporation Code"), any stockholder of the Registrant shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided by the Revised Corporation Code:

- (1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
- (3) In case of merger or consolidation; and
- (4) In case of investments in another corporation, business or purpose.

The appraisal right, when available, may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares; Provided, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder upon surrender of his certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, Further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

None of the matters that are proposed to be taken up during the meeting gives a dissenter a right of appraisal.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

No director has informed the Registrant in writing that he intends to oppose any action to be taken at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Number of shares outstanding as of 31 March 2025

Common: 22,857,145,000

(b) Record Date: 5 June 2024

Each common share of stock of the Registrant is entitled to one (1) vote. Pursuant to Article V, Section 4 and Article VI Section 1 of the Registrant's By-Laws, all stockholders of the corporation shall have the right to participate and vote during meetings of the stockholders, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder and filed with the corporate secretary within five business days before the scheduled meeting.

Stockholders entitled to vote are also entitled to cumulative voting in the election of directors. Section 23 of the Revised Corporation Code provides, in part, that: "...in stock corporations, stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation at the time fixed in the bylaws or where the bylaws are silent, at the time of election. The said stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit..."

Equity Ownership of Foreign and Local Shareholders

Foreign and local security ownership as of March 31, 2025:

Class	Filipino		Foreign		Total Shares Outstanding
	Shares	Percent of Class	Shares	Percent of Class	
Common	21,548,312,149	94.27%	1,308,832,851	5.73%	22,857,145,000
Total	21,548,312,149		1,308,832,851		22,857,145,000

Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners of more than 5.0% of the voting securities as of March 31, 2025:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership¹
Common Shares	AllValue Holdings Corp. LGF Bldg B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City Shareholder	Record Owner is also beneficial Owner	Filipino	15,309,286,000	66.98%
Common Shares	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6776 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial Owner	Filipino	6,223,298,097	27.23%
Common Shares	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6776 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial Owner	Non-Filipino	1,318,099,903	5.77%

Security ownership of certain management as of March 31, 2024:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares	Manuel B. Villar Jr. C. Masibay Street, BF Resort Village, Las Piñas City	15,309,286,000 – Indirect	Filipino	66.98%
Common Shares	Manuel B. Villar Jr. C. Masibay Street, BF Resort Village, Las Piñas City	1,000,000 - Direct	Filipino	0.00%
Common Shares	Camille A. Villar C. Masibay Street, BF Resort Village, Las Piñas City	1,000,000 - Direct	Filipino	0.00%
Common Shares	Frances Rosalie T. Coloma 1-10 Granwood Villas, BF Homes Quezon City	1,000,000 - Direct	Filipino	0.00%
Common Shares	Manuel Paolo A. Villar C. Masibay Street, BF Resort Village, Las Piñas City	1,000,000 - Direct	Filipino	0.00%
Common Shares	Benjamarie Therese N. Serrano 103 Parklane St., La Marea Subdivision, San Pedro Laguna	1,000,000 - Direct	Filipino	0.00%
Common Shares	Jessie D. Cabaluna 87 Molave Ave., Molave Park Merville, Paranaque City	1,000 - Direct	Filipino	0.00%
Common Shares	Raul Juan N. Esteban 2238 Alexandra Condominium, Meralco Ave., Pasig City 2238	1,000 - Direct	Filipino	0.00%
TOTAL		15,314,288,000		67.00%

Except as indicated in the above table, none of the above-listed officers and management indirectly own shares of the Registrant. Except as aforementioned, no other officers of the Registrant hold, directly or indirectly, shares in the Registrant.

Based on the total issued and outstanding capital stocks as of March 31, 2025 of 22,857,145,000 common shares.

¹ Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of AllValue Holdings Corp. The right to vote the shares held by AllValue Holdings Corp. in this annual meeting is expected to be, exercised by Mr. Villar.

² PCD Nominee Corporation is the registered owner of shares beneficially owned by participants in the Philippine Depository & Trust Corporation, a private company organized to implement an automated book entry system of handling securities transactions in the Philippines (PCD). Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Except as indicated above, as of Record Date, the Company is not aware of any investor beneficially owning shares lodged with the PCD which comprise more than five percent (5%) of the Company's total outstanding capital stock.

Voting Trust Holders of 5.0% or More

As of March 31, 2025, there is no party holding any voting trust for 5% or more of total shares outstanding.

Changes in Control

The Registrant is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Registrant. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

Directors and Executive Officers of the Registrant

Term of Office

Each director holds office until the annual meeting of stockholders held next after his election and his successor shall have been elected and qualified, except in case of death, resignation, disqualification or removal from office. The term of office of the officers is coterminous with that of directors that elected or appointed them.

Background Information

The following are the names, ages and citizenship of the incumbent directors/independent directors and officers of the Registrant:

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>	<u>CITIZENSHIP</u>
Manuel B. Villar Jr.	74	Chairman	Filipino
Camille A. Villar	39	Vice Chairman	Filipino
Frances Rosalie T. Coloma	61	Director	Filipino
Manuel Paolo A. Villar	47	Director	Filipino

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>	<u>CITIZENSHIP</u>
Jessie D. Cabaluna	67	Independent Director	Filipino
Raul Juan N. Esteban	62	Independent Director	Filipino
Magdalena G. De Guzman	57	Director, Acting President, Chief Operating Officer	Filipino
Maria Cristina O. Barao	43	Treasurer, Chief Financial Officer and Compliance Officer	Filipino
Mark B. Nacario	38	Investor Relations Officer	Filipino
Arbin Omar P. Cariño	43	Corporate Secretary	Filipino

The following states the business experience of the incumbent directors and officers of the Registrant for the last five (5) years:

Manuel B. Villar, Jr. *Chairman of the Board.* Mr. Villar, 74, was Senator of the Philippines from 2001 to June 2013. He served as Senate President from 2006 to 2008. He also served as a Congressman from 1992 to 2001 and as Speaker of the House of Representatives from 1998 to 2000. A Certified Public Accountant, Mr. Villar graduated from the University of the Philippines in 1970 with the degree of Bachelor of Science in Business Administration and in 1973 with the degree of Masters in Business Administration. He founded Camella Homes in the early 1970s and successfully managed said company over the years, to become the largest homebuilder in the Philippines now known as the Vista Land Group. Mr. Villar is also Chairman of the Board of Vistamalls, Inc. (formerly Starmalls, Inc.), AllHome Corp., AllValue Holdings Corp. and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). He is a member of the following organizations: Makati Business Club, Manila Golf Club, Management Association of the Philippines, Financial Executive Institute of the Philippines (FINEX), Philippine Institute of Certified Public Accountants, and the Villar Social Institute for Poverty Alleviation and Governance (SIPAG).

Camille A. Villar. *Vice Chairman.* Ms. Villar, 39, graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management in 2006. She took Management in Business Administration, Global Executive MBA Program in Instituto de Estudios Superiores de la Epres (IESE) Business School, Barcelona, Spain in 2014. She joined the Corporate Communications Group of Brittany from 2010 to 2013 and was Managing Director of Vista Land Commercial from 2008 to 2010. She is a Director of Vistamalls, Inc. (formerly Starmalls, Inc.) and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). She is also the Concurrent President of All Value Holdings Corp., and the Vice Chairman of AllHome Corp. Ms. Villar is currently a Senator of the Philippines.

Frances Rosalie T. Coloma. *Director.* Ms. Coloma, 61, graduated cum laude from the University of the Philippines with the degree of Bachelor of Science in Business Administration and Accountancy in 1984. She is a Certified Public Accountant. She was previously the Finance Manager of Alcatel Philippines, Inc. (2002 to 2003) and Intel Philippines, Inc. (2003 to 2005), Country Controller of Ericsson Telecommunications Philippines, Inc. (2005 to 2009), Deal Finance Manager of Accenture Delivery Center, Philippines (2009 to 2010), and Assistant General Manager of Maersk Global Services, Philippines (2010). Ms. Coloma was also the Chief Financial Officer and Chief Information Officer of Golden Bria Holdings, Inc. (now Golden MV Holdings, Inc.) from 2016 to 2019. She was also the Chief Financial Officer of Vistamalls, Inc. (formerly Starmalls, Inc.) from 2012 to 2016 and of AllHome Corp. from 2019 to 2021. She is currently the Treasurer and a Director of AllHome Corp. and Director of Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.).

Manuel Paolo A. Villar. *Director.* Mr. Villar, 47, graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with a Bachelor of Science in Economics and Bachelor of Applied Science in 1999. He was an Analyst for McKinsey & Co. in the United States from 1999 to 2001. He joined the Vista Land Group in 2001 as Head of Corporate Planning then became the Chief Financial Officer of the Company in 2008. He was elected President and Chief Executive Officer of the Company in July 2011 and President of Vistamalls, Inc. (formerly Starmalls, Inc.) in June 2019. In addition, he is the CEO and Chairman of St. Augustine Gold and Copper Limited and Chairman of TVI Resources Development Philippines, Inc., Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation, Vista Residences, Inc., VistaREIT, Inc., and Powersource Phils Development Corp. Mr. Villar is also the majority shareholder of Prime Asset Ventures, Inc., and director of Fine Properties, Inc, AllHome Corp., and Premiere Island Power REIT Corporation.

Magdalena G. De Guzman, *Acting President and Chief Operating Officer.* Ms. Magdalena, 57, graduated from the University of Sto. Tomas, with a degree in AB Behavioral Science in 1988. She began her career in the real estate industry, serving as Administrative Head and eventually as Operating Head from 2001 to 2008. She handled the post of Purchasing Head before transitioning to the retail sector, where she held the role of merchandising head of ALLHome from 2015 to 2017. In 2018, she returned back to housing industry as Administrative Group Head. She joined PAVI Group in 2022 where she currently leads the Purchasing Group and the Regulatory and Compliance Departments.

Jessie D. Cabaluna. *Independent Director.* Ms. Cabaluna, 67, graduated with a degree in Bachelor of Science in Commerce, major in Accounting from University of St. La Salle in 1977. She also completed the Management Development Program from the Asian Institute of Management in 1988, and Advance Management Program from the Harvard Business School in 2012. Ms. Cabaluna also completed Finance for Corporate Directors Program in 2017. She was previously a Partner at SGV & Co. from 1997 to 2017. She is presently an independent director of AllHome. Corp.

Raul Juan N. Esteban. *Independent Director.* Mr. Esteban, 62, graduated from the Ateneo de Manila University with a degree of Bachelor of Science in Management Engineering. He became a brand manager of Unilever Philippine from 1983 to 1986. He was the Country Representative of PPF (A Subsidiary of Unilever) from 1986 to 1988. He was Founding Partner of AGB-Nielsen Philippines and was Chairman until 2012. He held various positions in the Advertising Board of the Philippines, Advertising Congress, MORES (Marketing & Opinion Research Society of the Philippines) and ESOMAR (World Association of Marketing, Social, and Opinion Research) from 2000 to present. Currently, he is the Managing Director of Philippine Survey and Research Center Inc. Mr. Esteban is currently an independent director of Vistamalls, Inc. (formerly Starmalls, Inc.)

Maria Cristina O. Barao. *Treasurer, Chief Financial Officer and Compliance Officer.* Ms. Barao, 43, graduated from the Pamantasan ng Lungsod ng Maynila in 2001 with a Bachelor of Science in Accountancy. She was previously the Senior Accountant and Chief Accountant of Camella Homes, Crown Asia Properties Inc., and Brittany Corporation from 2009 to 2018.

Mark B. Nacario, *Investor Relations Officer.* Mr. Nacario, 37, graduated from the University of Nueva Caceres in 2008 with the degree of Bachelor of Science in Accountancy. He is a Certified Public Accountant. He joined the Villar group in 2009 and has been with the company for 15 years. He worked as an accounting lead from 2009 to 2012 and became supervisor from 2012 to 2015 in Camella Homes. He then served as Group Senior Cost Accountant of Vistaland from 2015 to 2018. He handled a position as Finance and Accounting Manager of MGS Corporation's subsidiaries, the Villar's construction arm from 2018 to 2021. He became the Accounting Manager of AllDay Retail from 2021 to 2022. He served as Accounting Manager of Villar's food group arm, Cmstar Management Inc. from 2022 to 2024. And presently as Finance Manager of the AllValue Group.

Arbin Omar P. Cariño. *Corporate Secretary.* Mr. Cariño, 43, graduated from the De La Salle University. He took up Bachelor of Science in Chemistry and Bachelor of Secondary Education major

in Physics and Math. Mr. Cariño earned his law degree from the San Beda College of Law. He is the Corporate Secretary of All Bank, Inc. and AllHome Corp.

All the incumbent Directors above have one (1) year term of office and all have been nominated for re-election to the Board of Directors.

The By-Laws of the Registrant conforms with SRC Rule 38, as amended, with regard to the nomination of independent directors of the Registrant. Article I, Sections 2, 3 and 4 of the Registrant's By-Laws provide as follows:

"Section 2. Directors - The members of the Board of Directors must have at least one (1) share of the capital stock of the corporation. They shall serve for a period of one (1) year and until their successors are elected and qualified. The Board of Directors shall have at least two (2) independent directors, or such number constituting at least twenty percent (20%) of such Board of Directors. At each organizational meeting of the Board of Directors following the annual meeting of the stockholders of the corporation, the Board of Directors may elect a Chairman, who shall preside at all meetings of the Board of Directors and stockholders, and a Vice Chairman, who shall preside at meetings of the Board of Directors and stockholders in the absence of the Chairman.

Section 3. Election - The directors shall be elected from among the stockholders during the annual meeting of the stockholders at the principal office of the corporation.

Section 4. Disqualification - In addition to the disqualification of directors under Section 26 of the Revised Corporation Code, no stockholder convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Revised Corporation Code of the Philippines, committed within five (5) years prior to the date of election, shall qualify as a director. A stockholder shall not be eligible to be elected as a director if he is engaged in any business which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

- (a) If he is an officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any corporation (other than one in which the Corporation owns at least 30% of the capital stock) engaged in a business which the Board of Directors, by at least three-fourths (3/4) vote, determines to be competitive or antagonistic to that of the Corporation; or
- (b) If he is an officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any other corporation or entity, engaged in any line of business of the corporation, when in the judgment of the Board of Directors, by at least three-fourths (3/4) vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or
- (c) If the Board of Directors, in the exercise of its judgment in good faith, determines, by at least three-fourths (3/4) vote, that he is the nominee of any person set forth in (a) or (b);

In determining whether or not a person is a controlling person, beneficial owner, or the nominee of another, the Board of Directors may take into account such factors as business and family relationship.

Notwithstanding the foregoing prohibition, a stockholder may still be qualified or eligible for nomination or election to the Board of Directors if:

- (a) The perceived competing business controls the corporation (i.e., competing

business owns at least majority of the corporation), is under common control with the corporation (i.e., the same ultimate beneficial stockholder has control of both corporations), or is controlled by the corporation (i.e., at least majority of the competing business is owned by the corporation); or

- (b) The perceived competing business is a related party to the corporation where the nominee in question is a person identified as a person with significant influence over the corporation and the perceived competing business or the nominee in question is a member of the key management personnel of the corporation and the perceived competing business.

For the proper implementation of this provision, all nominations for the election of directors by the stockholders shall be submitted in writing to the Corporate Governance Committee on or before such date that the Board of Directors may fix.”

On the other hand, SRC Rule 38, as amended, provide in part as follows:

“8. Nomination and Election of Independent Director/s

The following rules shall be applicable to all covered companies:

- A. The Nomination Committee (the "Committee") shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the Registrant's information or proxy statement or such other reports required to be submitted to the Commission.
- B. Nomination of independent director/s shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
- C. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.
- D. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Registrant is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.
- E. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders'/memberships' meeting.”

The Registrant has complied with the guidelines on the nomination and election of independent directors set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The independent directors, namely, Ms. Jessie D. Cabaluna and Mr. Raul Juan N. Esteban were nominated and elected on 4 July 2023.

Under recommendation 5.3 of SEC Memorandum Circular No. 19, Series of 2016, the SEC allows

independent directors the maximum tenure of nine (9) years to sit in the Board of a publicly listed company. The tenure of the independent directors is still within the permissible period under the said SEC recommendation as Ms. Jessie D. Cabaluna and Mr. Raul Juan N. Esteban were elected as independent directors in 2021.

Appraisals and Performance Report for the Board

Attendance of each director of the Corporation in Board meetings held during the year 2023 as follows:

<i>Director's Name</i>	April 25	May 15	May 27	June 28	August 13	October 21	November 13	Attendance Percentage
Manuel B. Villar, Jr.	P	P	P	P	P	P	P	100%
Camille A. Villar	P	P	P	P	P	P	P	100%
Manuel Paolo A. Villar	P	P	P	P	P	P	P	100%
*Benjaminie Therese N. Serrano	P	P	P	P	P	-	-	71%
**Magdalena G. De Guzman	-	-	-	-	-	P	P	29%
Frances Rosalie T. Coloma	P	P	P	P	P	P	P	100%
Raul Juan N. Esteban	P	P	P	P	P	P	P	100%
Jessie D. Cabaluna	P	P	P	P	P	P	P	100%

Legend: (A) Absent, (P) Present, (-) Not Applicable

** Died/Term Ended on September 5, 2024*

*** Elected on October 21, 2024*

The Board has established committees to assist in exercising its authority in monitoring the performance of the Company in accordance with its Corporate Governance Manual and Code of Business Ethics.

Term of Office

Directors elected during the annual meeting of stockholders will hold office for one year until their successors are duly elected and qualified. A director who was elected to fill any vacancy holds office only for the unexpired term of his predecessor.

Resignations/Declined Nominations

To date, no Director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting due to disagreement with the Registrant on any matter relating to the Registrant's operations, policies or practices.

Significant Employees

The Registrant has no other significant employee other than its Executive Officers.

Family Relationships

Manuel B. Villar, Jr., is the father of Manuel Paolo A. Villar and Camille A. Villar. Except for said relationship, none of the aforementioned Directors or Executive Officers is related to the others by consanguinity or affinity within the fourth civil degree.

Certain Relationships and Related Transactions

As of March 31, 2024, the Villar Family Companies held 66.98% of the total issued and outstanding common share capital of the Company.

The Company in its ordinary course of business, engage in transactions with the Villar Family Companies and their respective subsidiaries. The Company's policy with respect to related-party transactions is to ensure that these transactions are entered into on terms at least comparable to those available from unrelated third parties.

The transactions with related parties for the year ended December 31, 2024 are discussed in the Company's 2024 Audited Financial Statements attached in this Information Statement. Please see Notes 2.17, pages 18 to 19 and Note 19, pages 43 to 44 of the Notes to the Financial Statements accompanying the Company's 2024 Audited Financial Statements. All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions.

The Company's directors and employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management. None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2024.

Involvement in Certain Legal Proceedings

None of the aforementioned Directors or Executive Officers is, or has been, involved in any criminal or bankruptcy proceeding, or is, or has been, subject to any judgment of a competent court barring or otherwise limiting his involvement in any type of business, or has been found to have violated any securities laws during the past five (5) years and up to the latest date.

Compensation of Directors and Executive Officers

Executive Compensation

The executive officers of the Registrant are currently receiving and will continue to receive fixed salaries on a monthly basis from the respective subsidiaries or businesses of the Registrant that they manage. The compensation for its executive officers for the year 2023 and 2024 (actual) and 2025 (projected) are as shown below:

Names	Position	Year	Salary
Aggregate executive compensation for the following key management officers:			
Magdalena G. De Guzman	President and COO	Actual 2023	₱ 21.6 M
		Actual 2024	₱ 23.8 M

Maria Cristina O. Barao	Treasurer, CFO and Compliance Officer	Projected 2025	₱ 25.9 M
Arbin Omar Cariño	Corporate Secretary		
Mark B. Nacario	Investor Relations Officer		
Aggregate executive compensation for all other officers and directors, unnamed		Actual 2023	₱ 21.9 M
		Actual 2024	₱ 24.1 M
		Projected 2025	₱ 26.0 M

The total annual compensation paid to the above-named officers and directors was paid in cash. The annual compensation includes the basic salary, the mid-year and 13th month bonus. No other annual compensation was given to above-named officers and directors except for the mentioned annual compensation package.

Standard arrangements

Other than payment of reasonable per diem of ₱50,000.00 per non-executive director for every meeting, there are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director during 2024.

Director	Total Remuneration in 2024
Manuel B. Villar Jr.	₱-
Camille A. Villar	-
Frances Rosalie T. Coloma	-
Manuel Paolo A. Villar	-
Benjaminarie Therese N. Serrano	-
Jessie D. Cabaluna	350,000
Raul Juan N. Esteban	350,000
Total	₱700,000

Other arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly by the Company, during 2024 for any service provided as a director.

Employment contract between the company and executive officers

There are no special employment contracts between the Company and the named executive officers.

Warrants and options held by the executive officers and directors

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group.

Significant employee

While the Company values the contribution of each of its executive and non-executive employees, the Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

Independent Public Accountants

The auditing firm of Punongbayan & Araullo ("P&A") is being recommended for election as external auditor for the current year. The Company is compliant with SRC Rule 68, (3), (b), (iv), requiring the rotation of external auditors or engagement partners for a period of five (5) consecutive years as P&A has been the external auditor of the Company since 2020.

Representatives of the said firm are expected to be present at the annual stockholders' meeting and will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions. In 2024, the Registrant's auditors performed an agreed-upon procedure for the KPI report on electricity and water consumption.

Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods.

There are no disagreements with auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company and its subsidiaries.

Audit Committee's Approval Policies and Procedures

In relation to the audit of the Registrant's annual financial statements, the Registrant's Corporate Governance Manual provides that the audit committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Registrant; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Registrant with acceptable auditing and accounting standards and regulations.

The Audit Committee of the Registrant is composed of Ms. Jessie D. Cabaluna, Chairman, and Mr. Manuel Paolo A. Villar and Mr. Raul Juan N. Esteban, members.

Audit and Audit-Related Fees

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by P&A.

	<u>2024</u>	<u>2023</u>
	<i>(In ₱ Thousands with VAT)</i>	
Audit and Audit-Related Fees	₱ 1,760.0	₱ 1,600.0
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements		

All Other Fees	795.0	640.0
Total	₱ 2,555.0	₱ 2,240.0

P&A does not have any direct or indirect interest in the Company. Other than the agreed upon procedure for the KPI report on electricity and water consumption, no other assurance and related services were rendered.

Tax Fees

Except as provided above, the Registrant did not pay any tax fees and other fees to its external auditors.

Authorization or Issuance of Securities Other than for Exchange

Not applicable. The Company has not issued any authorization or issuance of securities other than for Exchange in 2024.

Modification or Exchange of Securities

Not applicable. There has not been any modification or exchange of securities.

Mergers, Consolidations, Acquisitions and Similar Matters

Not applicable. The Company is not subject of any merger or consolidation.

Acquisition or Disposition of Property

The Company has not acquired or disposed any other property in 2024.

Restatement of Accounts

Not applicable. The Company has not restated any accounts.

OTHER MATTERS

Action with Respect to Reports

The following reports will be submitted for approval and reference by the stockholders:

1. Minutes of the last Annual Meeting of Stockholders held on July 1, 2024, covering the following matters: (i) approval of the minutes of the Annual Stockholders' Meeting held on July 3, 2023; (ii) presentation of the President's Report, Management Report and Audited Financial Statements for the year ended 31 December 2023; (iii) ratification of all acts and resolutions of the Board of Directors and Management since the annual stockholders' meeting held in July 3, 2023; (iv) election of the members of Board of Directors, including the Independent Directors of the Company for the ensuing fiscal year; (v) appointment of the external auditor of the Company for the fiscal year 2024; and (vi) other matters.

2. The President's Report; and
3. Audited Financial Statements for the year 2024.

The 2024 Annual Meeting of the Shareholders was held via remote communication and was attended by the shareholders, the Board of Directors, and various officers of the Corporation. The shareholders were allowed to vote on each agenda item presented to them for approval, with the number of votes approving each agenda item indicated in their respective sections in the Minutes. The shareholders were also given the opportunity through electronic mail to ask questions, express opinion, and make suggestions on various issues related to the Corporation. In compliance with Section 49 of the Revised Corporation Code, the Minutes of the Annual Meeting of the Shareholders held on July 1, 2024 and the 2024 Definitive Information Statement contain the following: (a) a description of the voting and tabulation procedures used in the meeting, (b) a description of the opportunity given shareholders to ask questions and a description of the nature of the questions, (c) matters discussed and resolutions reached and the record of the voting results for each agenda item and (d) a list of the directors and shareholders who attended the meeting.

Matters Not Required to be Submitted

There are no matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

Amendment of Charter, Bylaws or Other Documents

There are no amendments of articles of incorporation and by-laws in 2024.

Other Proposed Actions

1. Ratification of all acts and resolutions of the Board of Directors and Management for the year 2024 until the date of the meeting, as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and the PSE. These minutes cover the approval of the quarterly and annual reports of the Registrant filed with the SEC and the PSE; resignation/election of members of the Board of Directors; appointment of authorized signatures for various transactions in the normal course of business of the Company as well as opening and closure of various investment and/or deposit accounts.
2. Election of External Auditors

Voting Procedures

Manner of voting

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them in the same principle among as many candidates as he shall see fit. Unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

Voting requirements

- (a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.
- (b) With respect to the adoption of the Audited Financial Statements for the year ended 31 December 2024, as well as the approval or ratification of the other actions set forth under the heading “Other Proposed Actions” above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

Method of counting votes

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the stockholders.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company’s stock transfer agent. The Corporate Secretary shall report the results of voting during the meeting.

PART II

MANAGEMENT REPORT

I. FINANCIAL STATEMENTS

The Financial Statements of the Registrant as of and for the year ended December 31, 2024 are incorporated herein in the accompanying Index to Financial Statements and Supplementary Schedules.

II. INFORMATION ON INDEPENDENT ACCOUNTANT

Punongbayan & Araullo (P&A) independent certified public accountants, audited the Company's consolidated financial statements without qualification as of and for the years ended December 31, 2020, 2021, 2022, 2023 and 2024, included in this report. Mary Grace A. Punay is the current audit partner for the Company.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. P&A has neither shareholding in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. P&A will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by P&A.

	<u>2024</u>	<u>2023</u>
	<i>(In ₱ Thousands with VAT)</i>	
Audit and Audit-Related Fees	₱ 1,760.0	₱ 1,600.0
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements		
All Other Fees	795.0	640.0
Total	₱ 2,555.0	₱ 2,240.0

P&A does not have any direct or indirect interest in the Company. Other than the agreed upon procedure for the KPI report on electricity and water consumption, no other assurance and related services were rendered.

III. AUDIT COMMITTEE'S APPROVAL AND PROCEDURES FOR THE SERVICES OF THE EXTERNAL AUDITOR

The scope, extent, and nature of the services to be referred to, and/or rendered by the appointed external auditor of the Company has been unanimously approved by the audit committee in a meeting duly called for the purpose, including the fees to be paid for the services thus rendered and/or referred. In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual provides that the audit committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

I. MANAGEMENT'S DISCUSSION AND ANALYSIS

REVIEW OF FIRST QUARTER END 2025 VS FIRST QUARTER END 2024

Quarter Ended March 31, 2025 compared to quarter ended March 31, 2024

	Unaudited March 31, 2025	Unaudited March 31, 2024	Horizontal Analysis	Vertical Analysis	
	(In millions of PHP)		% Change	1Q2025	1Q2024
Sales	1,768.01	2,467.91	-28.36%	100%	100%
Cost of Merchandise Sold	1,095.45	1,953.88	-43.93%	62%	79%
Gross Profit	672.57	514.03	30.84%	38%	21%
Support, Fees, Rentals, and Other Revenues	38.52	13.04	195.45%	2%	1%
Gross Profit including Other Revenues	711.09	527.06	34.92%	40%	21%
Total Operating Expenses	279.57	410.07	-31.82%	16%	17%
Profit Before Tax	17.46	107.52	-83.76%	1%	4%
Tax Expense					
Current	6.09	10.52	-42.06%	0%	0%
Deferred	-24.68	0.00	#DIV/0!	-1%	0%
	-18.58	46.68			
NET PROFIT	36.04	97.00	-62.84%	2%	4%

Sales

The company recorded sales of ₱1,403.1 million for the quarter ended 31 March 2025, a decrease of 43.1% from ₱2,467.9 million for the quarter ended 31 March 2024. This was brought about by low performing stores with intense market competition.

Cost of Merchandise Sold

For the quarter ended 31 March 2025, cost of merchandise sold was at ₱1,111.2 million, a decrease of 43.1% compared to ₱1,954.8 million for the same period in 2024, largely driven by the decrease in sales in existing stores.

Support, Fees, Rentals and Other Income

Support, fees, rentals and other income decreased by 2.2% from ₱13.0 million for the quarter ended 31 March 2024 to ₱12.7 million for the quarter ended 31 March 2025 primarily due to the decrease in sales which are generally the basis for vendor incentives and support.

Other Operating Expenses

Selling Expenses

Selling expenses decreased by 22.4% to ₱136.1 million for the quarter ended 31 March 2025 from ₱257.1 million for the same period in 2024 primarily due to the following:

- Increase in delivery fees from ₱0.3 million for the quarter ended 31 March 2024 to ₱0.4 million for the quarter ended 31 March 2025 on account of adjustment in the delivery rates for the period.
- Decrease in advertising and promotions from ₱3.0 million for the quarter ended 31 March 2024 to ₱1.3 million for the quarter ended 31 March 2025 due to lesser out of home billboards and print outs as the company focuses on social medial campaigns which is more affordable with wide reach.
- Decrease in operating supplies from ₱5.1 million for the quarter ended 31 March 2024 to ₱1.0

million for the quarter ended 31 March 2025 due to cost-cutting measures implemented

- Decrease in salaries, wages, and other employee benefits from ₱31.5 million for the quarter ended 31 March 2024 to ₱29.2 million for the quarter ended 31 March 2025 due to manpower rationalization.
- Decrease in agency fee from ₱60.0 million for the quarter ended 31 March 2024 to ₱18.1 million for the quarter ended 31 March 2025 attributable to the reduction of manpower from agencies.
- Decrease in communication and utilities from ₱72.6 million for the quarter ended 31 March 2024 to ₱48.0 million for the quarter ended 31 March 2025 due primarily to cost-saving initiatives.
- Decrease in rentals from ₱69.5 million for the quarter ended 31 March 2024 to ₱34.0 million for the quarter ended 31 March 2025 due to lower sales recorded during the period. Rent is charged as a percentage of sales.
- Decrease in repairs and maintenance from ₱6.0 million for the quarter ended 31 March 2024 to ₱1.0 million for the quarter ended 31 March 2025 due to cost-cutting measures implemented.
- Decrease in merchant fee from ₱9.4 million for the quarter ended 31 March 2024 to ₱3.6 million for the quarter ended 31 March 2025 attributable to decline in sales for the period

General and administrative expenses

General and administrative expenses decreased by 6.2% from ₱153.0 million for the quarter ended 31 March 2024 to ₱143.5 million for the quarter ended 31 March 2025 primarily due to the following:

- Decrease in professional fees from ₱1.4 million for the quarter ended 31 March 2024 to ₱0.6 million for the quarter ended 31 March 2025 due to timing difference in the payment of audit fees, board of directors' fees, and consultancy fees for sustainability reporting.
- Decrease in taxes and licenses from ₱12.0 million for the quarter ended 31 March 2024 to ₱7.1 million for the quarter ended 31 March 2025 due to decrease in revenues.
- Increase in depreciation and amortization from ₱129.0 million for the quarter ended 31 March 2024 to ₱132.0 million for the quarter ended 31 March 2025 due to amortization of capitalized interest and capitalized refurbishments.
- Decrease in miscellaneous expense from ₱0.2 million for the quarter ended 31 March 2024 to ₱0.1 million for the quarter ended 31 March 2025 due to cost-cutting measures implemented.
- Decrease in insurance from ₱5.0 million for the quarter ended 31 March 2024 to ₱2.2 million for the quarter ended 31 March 2025 due to adjustment in insurance coverages.
- Decrease in dues and subscription from ₱2.1 million for the quarter ended 31 March 2024 to ₱1.0 million for the quarter ended 31 March 2025 due to cost-saving measures implemented.
- Decrease in travel and transportation from ₱3.4 million for the quarter ended 31 March 2024 to ₱1. million for the quarter ended 31 March 2025 due to cost-saving measures implemented.

FINANCIAL CONDITION

As of 31 March 2025 vs. December 2024

	Unaudited March 31, 2025	Audited December 31, 2024	Horizontal Analysis % Change	Vertical Analysis	
	(In millions of PHP)			1Q2025	1Q2024
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,262.78	1,493.39	-15.44%	11.54%	13.52%
Trade and other receivables – net	370.92	353.11	5.04%	3.39%	3.20%
Merchandise inventories	2,802.33	2,820.54	-0.65%	25.61%	25.53%
Other current assets	1,517.63	1,379.92	9.98%	13.87%	12.49%
Total current assets	<u>5,953.66</u>	<u>6,046.96</u>	-1.54%	54.41%	54.74%
NON-CURRENT ASSETS					
Property and equipment – net	4,084.11	4,073.84	0.25%	37.32%	36.88%
Other non-current assets	395.20	358.98	10.09%	3.61%	3.25%
Total non-current assets	<u>4,988.93</u>	<u>5,000.10</u>	-0.22%	45.59%	45.26%
TOTAL ASSETS	<u>10,942.59</u>	<u>11,047.07</u>	-0.95%	100.00%	100.00%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	343.57	388.74	-11.62%	3.14%	3.52%
Loans payable – current portion	1,051.22	2,096.26	-49.85%	9.61%	18.98%
Lease Liabilities – current portion	13.64	13.64	0.00%	0.12%	0.12%
Income tax payable	6.09	8.78	-30.61%	0.06%	0.08%
Total current liabilities	<u>1,414.52</u>	<u>2,507.42</u>	-43.59%	12.93%	22.70%
NON-CURRENT LIABILITIES					
Lease Liabilities – net of current portion	182.87	184.34	-0.80%	1.67%	1.67%
Loans payable – net of current portion	1,764.01	793.33	122.35%	16.12%	7.18%
Deferred tax liabilities – net	400.36	409.83	-2.31%	3.66%	3.71%
Retirement benefit obligation	53.94	53.94	0.00%	0.49%	0.49%
Total non-current liabilities	<u>2,401.17</u>	<u>1,441.45</u>	66.58%	21.94%	13.05%
Total Liabilities	<u>3,815.69</u>	<u>3,948.87</u>	-3.37%	34.87%	35.75%
EQUITY					
Capital stock	2,285.71	2,285.71	0.00%	20.89%	20.69%
Additional paid-in capital	3,316.67	3,316.67	0.00%	30.31%	30.02%
Revaluation reserves – net	-11.03	-4.09	169.60%	-0.10%	-0.04%
Retained earnings	1,535.54	1,499.91	2.38%	14.03%	13.58%
Total Equity	<u>7,126.89</u>	<u>7,098.20</u>	0.40%	65.13%	64.25%
TOTAL LIABILITIES AND EQUITY	<u>10,942.59</u>	<u>11,047.07</u>	-0.95%	100.00%	100.00%

Total assets amounting to ₱10,942.6 million as of 31 March 2025 recorded a slight decrease of 1.0% from the reported amount of ₱11,047.1 million in 31 December 2024 due to the following:

- Cash decreased by 15.4% from ₱1,496.4 million as of 31 December 2024 to ₱1,265.7 million as of 31 March 2025 due primarily to higher sales for the period.
- Receivables increased by 5.0% from ₱353.1 million as of 31 December 2024 to ₱371.0 million as of 31 March 2025 due to timing of collections.
- Merchandise inventories slightly decreased by 0.6% from ₱2,820.5 million as of 31 December 2024 to ₱2,802.3 million as of 31 March 2025 due primarily to inventory optimization.
- Prepayments and other current assets increased by 33.0% from ₱1,738.0 million as of 31 December 2024 to ₱1,910.0 million as of 31 March 2025 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

- Property and equipment increased by 13.0% from ₱4,074.0 million as of 31 December 2024 to ₱4,594.0 million as of 31 March 2025 due primarily to capitalized refurbishments for the period.
- Right-of-use assets decreased by 3.3% from ₱116.7 million as of 31 December 2024 to ₱112.9 million as of 31 March 2025 due primarily to amortization for the period.
- Other non-current assets slightly decreased by 0.1% from ₱395.7 million as of 31 December 2024 to ₱395.2 million as of 31 March 2025 due primarily to security deposit.

Total liabilities amounting to ₱3,838.6 million as of 31 March 2025 recorded a decrease of 2.8% from the reported amount of ₱3,949.0 million in 31 December 2024. This was due to the following:

- Trade and other payables decreased by 10.0% from ₱380.8 million as of 31 December 2024 to ₱343.6 million as of 31 March 2025 due to payments made for the period.
- Loans payable including non-current portion decreased by 2.5% from ₱2,815.2 million as of 31 December 2024 to ₱1,736.7 million as of 31 March 2025 due to settlement of matured loans.
- Lease liability including non-current portion decreased slightly by 1.0% from ₱198.0 million as of 31 December 2024 to ₱196.5 million as of 31 March 2025 due to lease payments made.
- Deferred tax liabilities increased by 3.7% from ₱410.0 million to ₱425.0 for the quarter ended 31 March 2025 attributable to additional temporary tax differences recognized for the period.
- Retirement benefit obligation remained unchanged at ₱54.0 million.

Total equity slightly increased by 0.2% from ₱7,090.5 as of 31 December 2024 to ₱7,104.9 million as of 31 March 2025 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2023	12/31/2022
Sales (₱ millions)	₱ 9,252.8	₱ 10,193.9
Sales Growth (%)	-9.2%	4.4%
Gross Profit Margin (%) ⁽¹⁾	20.8%	20.2%
Net Profit or Loss (₱ millions)	268.0	369.2
Net Profit Margin (%) ⁽²⁾	3.0%	3.6%

Notes:

(a) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Sales

(b) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Sales

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Sales decreased for the quarter ended 31 March 2025 compared to the quarter ended 31 March 2024 due to a low same store sales growth of existing stores

Gross Profit Margin remained unchanged for the quarter ended 31 March 2025.

Net Profit or Loss and Net Profit Margin decreased for the quarter ended 31 March 2025 compared to the quarter ended 31 March 2024 attributable to the low sales for the period.

Material Changes to the Company's Balance Sheet as of 31 March 2025 compared to 31 December 2024 (increase/decrease of 5% or more)

Cash decreased by 15.4% from ₱1,496.4 million as of 31 December 2024 to ₱1,265.7 million as of 31 March 2025 due primarily to higher sales for the period.

Receivables increased by 5.0% from ₱353.1 million as of 31 December 2024 to ₱371.0 million as of 31 March 2025 due to timing of collections.

Prepayments and other current assets increased by 33.0% from ₱1,738.0 million as of 31 December 2024 to ₱1,910.0 million as of 31 March 2025 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

Property and equipment increased by 13.0% from ₱4,074.0 million as of 31 December 2024 to ₱4,594.0 million as of 31 March 2025 due primarily to capitalized refurbishments for the period.

Trade and other payables decreased by 10.0% from ₱380.8 million as of 31 December 2024 to ₱343.6 million as of 31 March 2025 due to payments made for the period.

Material Changes to the Company's Statement of income for the 3-month of 2025 compared to the 3- month of 2024 (increase/decrease of 5% or more)

The company recorded sales of ₱1,403.1 million for the quarter ended 31 March 2025, a decrease of 43.1% from ₱2,467.9 million for the quarter ended 31 March 2024. This was brought about by low performing stores with intense market competition.

For the quarter ended 31 March 2025, cost of merchandise sold was at ₱1,111.2 million, a decrease of 43.1% compared to ₱1,954.8 million for the same period in 2024, largely driven by the decrease in sales in existing stores.

Selling expenses decreased by 22.4% to ₱136.1 million for the quarter ended 31 March 2025 from ₱257.1 million for the same period in 2024.

General and administrative expenses decreased by 6.2% from ₱153.0 million for the quarter ended 31 March 2024 to ₱143.5 million for the quarter ended 31 March 2025.

Finance cost decreased by 19.0% from ₱9.5 million for the quarter ended 31 March 2024 to ₱7.7 million for the quarter ended 31 March 2025 due to capitalizing of borrowing cost.

Finance income increased by 54.4% from ₱0.07 million for the quarter ended 31 March 2024 to ₱0.1 million for the quarter ended 31 March 2025. The increase was primarily attributable to the higher average cash balance during the quarter ended 31 March 2025 compared to the quarter ended 31 March 2024.

Provision for income tax decreased by 58.5% from ₱10.5 million for the quarter ended 31 March 2024 to ₱4.3 million for the quarter ended 31 March 2025 due to lower taxable income for the period.

As a result of the foregoing, our net income decreased by 86.5% to ₱13.1 million for the quarter ended 31 March 2025 from ₱97.0 million net income for the quarter ended 31 March 2024.

There is no other material change in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion.

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 March 2025 and as of 31 March 2024.

REVIEW OF YEAR END 2024 VS YEAR END 2023

Year Ended December 31, 2024 compared to year ended December 31, 2023

	FY2024	FY2023	Horizontal Analysis	Vertical Analysis	
	(In millions of PHP)		% Change	1Q2025	1Q2024
Sales	9,252.82	10,193.89	-9.23%	100%	100%
Cost of Merchandise Sold	7,327.52	8,139.06	-9.97%	79%	80%
Gross Profit	1,925.30	2,054.84	-6.30%	21%	20%
Support, Fees, Rentals, and Other Revenues	52.51	125.52	-58.17%	1%	1%
Gross Profit including Other Revenues	1,977.81	2,180.36	-9.29%	21%	21%
Total Operating Expenses	1,544.06	1,652.55	-6.57%	17%	16%
Profit Before Tax	368.62	492.04	-25.08%	4%	5%
Tax Expense					
Current	39.56	33.25	18.99%	0%	0%
Deferred	61.10	89.57	-31.79%	1%	1%
	100.66	122.82			
NET PROFIT	267.96	369.22	-27.43%	3%	4%

Sales

The company recorded sales of ₱9,253.0 million for the year ended 31 December 2024, a decrease of 9.2% from ₱10,194.0 million for the year ended 31 December 2023. This was brought about by low performing stores where there is intense market competition.

Cost of Merchandise Sold

For the year ended 31 December 2024, cost of merchandise sold was at ₱7,327.5 million, a decrease of 10.0% compared to ₱8,138.0 million for the same period in 2023, largely driven by the decrease in sales.

Support, Fees, Rentals and Other Income

Support, fees, rentals and other income decreased by 58.2% from ₱125.5 million for the year ended 31 December 2023 to ₱52.5 million for the year ended 31 December 2024 primarily due to the decrease in sales which are generally the basis for vendor incentives and support.

Other Operating Expenses

Selling Expenses

Selling expenses decreased by 13.4% to ₱928.0 million for the year ended 31 December 2024 from ₱1,072.0 million for the same period in 2023 primarily due to the following:

- Decrease in rentals from ₱293.4 million for the year ended 31 December 2023 to ₱249.1 million

for the year ended 31 December 2024 due to lower sales recorded during the period.

- Decrease in communication and utilities from ₱293.0 million for the year ended 31 December 2023 to ₱271.4 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.
- Decrease in agency fee from ₱244.8 million for the year ended 31 December 2023 to ₱203.3 million for the year ended 31 December 2024 due primarily to deployment rationalization of store personnel.
- Increase in salaries, wages, and other employee benefits from ₱120.1 million for the year ended 31 December 2023 to ₱128.1 million for the year ended 31 December 2024 due to rate adjustments and provision for post-employment benefits
- Decrease in merchant fee from ₱42.1 million for the year ended 31 December 2023 to ₱36.2 million for the year ended 31 December 2024 attributable to decline in sales for the period.
- Decrease in repairs and maintenance from ₱26.7 million for the year ended 31 December 2023 to ₱13.0 million for the year ended 31 December 2024 due to cost-cutting measures implemented.
- Decrease in operating supplies from ₱27.6 million for the year ended 31 December 2023 to ₱14.5 million for the year ended 31 December 2024 due to cost-cutting measures implemented.
- Decrease in advertising and promotions from ₱21.5 million for the year ended 31 December 2023 to ₱10.4 million for the year ended 31 December 2024 due to social media boosting and printing of promotional materials.
- Decrease in delivery fees from ₱2.7 million for the year ended 31 December 2023 to ₱1.5 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.

General and administrative expenses

General and administrative expenses increased by 12.4% from ₱516.6 million for the year ended 31 December 2023 to ₱581.0 million for the year ended 31 December 2024 primarily due to the following:

- Increase in depreciation and amortization from ₱467.0 million for the year ended 31 December 2023 to ₱532.3 million for the year ended 31 December 2024 due to the increase in the number of stores and amortization of capitalized interest.
- Decrease in taxes and licenses from ₱53.5 million for the year ended 31 December 2023 to ₱45.5 million for the year ended 31 December 2024 due to lower sales tax base.
- Increase in professional fees from ₱4.3 million for the year ended 31 December 2023 to ₱4.4 million for the year ended 31 December 2024 due to audit fees, board of directors' fees, and consultancy fees for sustainability reporting.
- Decrease in travel and transportation from ₱19.2 million for the year ended 31 December 2023 to ₱11.1 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.
- Decrease in insurance from ₱18.0 million for the year ended 31 December 2023 to ₱16.2 million for the year ended 31 December 2024 due to adjustment in rates and coverages.
- Decrease in dues and subscription from ₱15.4 million for the year ended 31 December 2023 to ₱6.1 million for the year ended 31 December 2024 due to cost-saving measures implemented.
- Decrease in miscellaneous expense from ₱3.4 million for the year ended 31 December 2023 to ₱1.0 million for the year ended 31 December 2024 due to cost-cutting measures implemented.

Finance Cost

Finance cost increased by 81.4% from ₱36.0 million for the year ended 31 December 2023 to ₱65.3 million for the year ended 31 December 2024 primarily due to the increase in interest expense from lease liability.

Finance Income

Finance income decreased by 10.0% from ₱0.27 million for the year ended 31 December 2023 to ₱0.24 million for the year ended 31 December 2024. The decrease was primarily attributable to the lower average cash balance during the year ended 31 December 2024 compared to the year ended 31 December 2023.

Provision for Income Tax

Provision for income tax increased by 22.6% from ₱100.1 million for the year ended 31 December 2023 to ₱122.8 million for the year ended 31 December 2024 due to lower taxable income for the period.

Net Profit

As a result of the foregoing, our net income decreased by 27.4% to ₱268.0 million for the year ended 31 December 2024 from ₱369.2 million for the year ended 31 December 2023.

FINANCIAL CONDITION

As of 31 December 2024 vs. 31 December 2023

	FY2024	FY2023	Horizontal Analysis	Vertical Analysis	
	(In millions of PHP)		% Change	1Q2025	1Q2024
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,493.39	1,003.63	48.80%	13.52%	10.45%
Trade and other receivables – net	353.11	190.74	85.13%	3.20%	1.99%
Merchandise inventories	2,820.54	2,081.92	35.48%	25.53%	21.68%
Other current assets	1,379.92	1,012.33	36.31%	12.49%	10.54%
Total current assets	<u>6,046.96</u>	<u>4,288.62</u>	41.00%	54.74%	44.65%
NON-CURRENT ASSETS					
Property and equipment – net	4,073.84	4,236.11	-3.83%	36.88%	44.10%
Other non-current assets	358.98	390.59	-8.09%	3.25%	4.07%
Total non-current assets	<u>5,000.10</u>	<u>5,316.10</u>	-5.94%	45.26%	55.35%
TOTAL ASSETS	<u>11,047.07</u>	<u>9,604.72</u>	15.02%	100.00%	100.00%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	388.74	362.78	7.16%	3.52%	3.78%
Loans payable – current portion	2,096.26	1,389.65	50.85%	18.98%	14.47%
Lease Liabilities – current portion	13.64	10.98	24.21%	0.12%	0.11%
Income tax payable	8.78	0.00		0.08%	0.00%
Total current liabilities	<u>2,507.42</u>	<u>1,763.41</u>	42.19%	22.70%	18.36%
NON-CURRENT LIABILITIES					
Lease Liabilities – net of current portion	184.34	197.98	-6.89%	1.67%	2.06%
Loans payable – net of current portion	793.33	347.22	128.48%	7.18%	3.62%
Deferred tax liabilities – net	409.83	352.20	16.36%	3.71%	3.67%
Retirement benefit obligation	53.94	30.11	79.16%	0.49%	0.31%
Total non-current liabilities	<u>1,441.45</u>	<u>927.52</u>	55.41%	13.05%	9.66%
Total Liabilities	<u>3,948.87</u>	<u>2,690.93</u>	46.75%	35.75%	28.02%
EQUITY					
Capital stock	2,285.71	2,285.71	0.00%	20.69%	23.80%
Additional paid-in capital	3,316.67	3,316.67	0.00%	30.02%	34.53%
Revaluation reserves – net	-4.09	6.32	-164.77%	-0.04%	0.07%
Retained earnings	<u>1,499.91</u>	<u>1,305.09</u>	14.93%	13.58%	13.59%
Total Equity	<u>7,098.20</u>	<u>6,913.79</u>	2.67%	64.25%	71.98%

Total assets amounting to ₱11,047.1 million as of 31 December 2024 recorded an increase of 15.0% from the reported amount of ₱9,604.7 million in 31 December 2023 due to the following:

- Cash increased by 49.0% from ₱1,003.6 million as of 31 December 2023 to ₱1,493.4 million as of 31 December 2024 proceeds of loan refinancing and payment timing of purchases.
- Receivables increased by 85.1% from ₱191.0 million as of 31 December 2023 to ₱353.1 million as of 31 December 2024 collection timing from corporate accounts.
- Merchandise inventories increased by 35.5% from ₱2,081.9 million as of 31 December 2023 to ₱2,820.5 million as of 31 December 2024 due primarily to increase in inventory purchases during the period
- Prepayments and other current assets increased by 36.3% from ₱1,012.3 million as of 31 December 2023 to ₱1,380.3 million as of 31 December 2024 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.
- Property and equipment decreased by 4.0% from ₱4,236.1 million as of 31 December 2023 to ₱4,074.0 million as of 31 December 2024 due primarily to depreciation for the period.
- Intangible assets decreased by 19.1% from ₱557.2 million as of 31 December 2023 to ₱450.5 million as of 31 December 2024 due to amortization for the period.
- Right-of-use assets decreased by 11.6% from ₱132.1 million as of 31 December 2023 to ₱116.7 million as of 31 December 2024 due primarily to amortization for the period.
- Other non-current assets decreased by 0.5% from ₱411.1 million as of 31 December 2023 to ₱390.6 million as of 31 December 2024 due primarily to amortization for the period.

Total liabilities amounting to ₱3,948.8 million as of 31 December 2024 recorded an increase of 46.7% from the reported amount of ₱2,690.5 million in 31 December 2023. This was due to the following:

- Trade and other payables increased by 7.1% from ₱362.8 million as of 31 December 2023 to ₱389.0 million as of 31 December 2024 due to timing of payments made for the period.
- Loans payable including non-current portion increased by 128.4% from ₱1,736.8 million as of 31 December 2023 to ₱2,889.6 million as of 31 December 2024 primarily due to loan refinancing for the period.
- Lease liability including non-current portion decreased by 5.3% from ₱209.0 million as of 31 December 2023 to ₱198.0 million as of 31 December 2024 due to lease payments made.
- Deferred tax liabilities increased by 16.4% from ₱352.2 million as of 31 December 2022 to ₱409.8 million as of 31 December 2024 attributable to additional temporary tax differences recognized for the period.
- Retirement benefit obligation increased by 79.2% from ₱30.1 million as of 31 December 2023 to ₱54.0 million as of 31 December 2024.

Total equity increased by 2.7% from ₱6,913.8 million as of 31 December 2023 to ₱7,098.0 million as of 31 December 2024 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2023	12/31/2022
Sales (₱ millions)	₱ 9,252.8	₱ 10,193.9

Sales Growth (%)	-9.2%	4.4%
Gross Profit Margin (%) ⁽¹⁾	20.8%	20.2%
Net Profit or Loss (₱ millions)	268.0	369.2
Net Profit Margin (%) ⁽²⁾	3.0%	3.6%

Notes:

1) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Sales

2) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Sales

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

The company recorded sales of ₱9,253.0 million for the year ended 31 December 2024, a decrease of 9.2% from ₱10,194.0 million for the year ended 31 December 2023. This was brought about by low performing stores where there is intense market competition.

Gross Profit Margin slightly increased for the year ended 31 December 2024 compared to the year ended 31 December 2023 driven by inflation.

Net Profit and Net Profit Margin decreased for the year ended 31 December 2024 compared to the year ended 31 December 2023 attributable to the lower sales for the period.

Material Changes to the Company's Statement of Income as of 31 December 2024 compared to 31 December 2023 (increase/decrease of 5% or more)

The company recorded sales of ₱9,253.0 million for the year ended 31 December 2024, a decrease of 9.2% from ₱10,194.0 million for the year ended 31 December 2023. This was brought about by low performing stores where there is intense market competition.

For the year ended 31 December 2024, cost of merchandise sold was at ₱7,327.5 million, a decrease of 10.0% compared to ₱8,138.0 million for the same period in 2023, largely driven by the decrease in sales.

Support, fees, rentals and other income decreased by 58.2% from ₱125.5 million for the year ended 31 December 2023 to ₱52.5 million for the year ended 31 December 2024 primarily due to the decrease in sales which are generally the basis for vendor incentives and support.

Selling expenses decreased by 13.4% to ₱928.0 million for the year ended 31 December 2024 from ₱1,072.0 million for the same period in 2023.

General and administrative expenses increased by 12.4% from ₱516.6 million for the year ended 31 December 2023 to ₱581.0 million for the year ended 31 December 2024

Material Changes to the Company's Balance Sheet as of 31 December 2024 compared to 31 December 2023 (increase/decrease of 5% or more)

Cash increased by 49.0% from ₱1,003.6 million as of 31 December 2023 to ₱1,493.4 million as of 31 December 2024 proceeds of loan refinancing and payment timing of purchases.

Receivables increased by 85.1% from ₱191.0 million as of 31 December 2023 to ₱353.1 million as of 31 December 2024 collection timing from corporate accounts.

Merchandise inventories increased by 35.5% from ₱2,081.9 million as of 31 December 2023 to ₱2,820.5 million as of 31 December 2024 due primarily to increase in inventory purchases during the period

Prepayments and other current assets increased by 36.3% from ₱1,012.3 million as of 31 December 2023 to ₱1,380.3 million as of 31 December 2024 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

Intangible assets decreased by 19.1% from ₱557.2 million as of 31 December 2023 to ₱450.5 million as of 31 December 2024 due to amortization for the period.

Right-of-use assets decreased by 11.6% from ₱132.1 million as of 31 December 2023 to ₱116.7 million as of 31 December 2024 due primarily to amortization for the period.

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 December 2024 and as of 31 December 2023.

REVIEW OF YEAR END 2023 VS YEAR END 2022

Year Ended December 31, 2023 compared to year ended December 31, 2022

	For the year ended December 31, 2023 2022 (in millions of ₱)		Horizontal analysis	Vertical analysis	
			% Change	2023 % of Total Sales	2022 % of Total Sales
Sales.....	₱10,193.9	₱9,759.7	4.4%	100.0%	100.0%
Cost of merchandise sold	8,139.1	7,756.9	4.9%	79.5%	79.5%
Gross Profit.....	2,054.8	2,002.8	2.6%	20.2%	20.5%
Other income	125.5	51.4	144.3%	1.2%	0.5%
Gross Profit with Other income .	2,180.4	2,054.2	6.1%	21.4%	21.0%
Other operating expenses.....	1,652.6	1,553.3	6.4%	16.2%	15.9%
Operating Profit.....	527.8	500.9	5.4%	5.2%	5.1%
Finance income (costs)					
Loss from fire damage - net	-	(71.8)		-0.7%	-0.7%
Finance costs.....	(36.0)	(27.5)	31.0%	-0.3%	-0.3%
Finance income	0.3	0.3	-18.0%	0.0%	0.0%
Profit Before Tax.....	492.0	401.9	22.4%	4.1%	4.1%
Tax expense	122.8	100.1	22.6%	1.0%	1.0%
Net profit	369.2	301.8	-22.4%	3.1%	3.1%

Sales

The company recorded sales of ₱10,193.9 million for the year ended 31 December 2023, an increase of 4.4% from ₱9,759.7 million for the year ended 31 December 2022. The increase was attributable to sales growth from existing stores and revenue contribution of new stores.

Cost of Merchandise Sold

For the year ended 31 December 2023, cost of merchandise sold was at ₱8,139.1 million, an increase of 4.9% compared to ₱7,756.9 million for the same period in 2022, largely driven by the increase in sales in existing stores and incremental sales from the four new stores added during the period.

Support, Fees, Rentals and Other Income

Support, fees, rentals and other income increased by 144.3% from ₱51.4 million for the year ended 31 December 2022 to ₱125.5 million for the year ended 31 December 2023 due to increase in vendor support fees and opening of new stores.

Other Operating Expenses

Selling Expenses

Selling expenses increased by 3.4% to ₱1,071.9 million for the year ended 31 December 2023 from ₱1,036.6 million for the same period in 2022 primarily due to the following:

- Increase in rentals from ₱281.0 million for the year ended 31 December 2022 to ₱293.5 million for the year ended 31 December 2023 due to higher sales recorded during the period. Rent is charged as a percentage of sales.
- Increase in communication and utilities from ₱273.3 million for the year ended 31 December 2022 to ₱292.8 million for the year ended 31 December 2023 primarily as a result of higher electricity rate and increasing number of stores.
- Increase in agency fee from ₱235.5 million for the year ended 31 December 2022 to ₱244.8 million for the year ended 31 December 2023 attributable to the additional manpower from agencies.
- Increase in salaries, wages, and other employee benefits from ₱103.3 million for the year ended 31 December 2022 to ₱120.1 million for the year ended 31 December 2023 due to the additional manpower in the central office and for new stores.
- Decrease in merchant fee from ₱43.9 million for the year ended 31 December 2022 to ₱42.1 million for the year ended 31 December 2023 primarily due to lower debit and credit card sales for the period.
- Decrease in repairs and maintenance from ₱41.6 million for the year ended 31 December 2022 to ₱26.7 million for the year ended 31 December 2023 due to efficient store asset management initiatives.
- Decrease in operating supplies from ₱37.1 million for the year ended 31 December 2022 to ₱27.6 million for the year ended 31 December 2023 due to company's initiative to transition to paperless processes.
- Increase in advertising and promotions from ₱18.1 million for the year ended 31 December 2022 to ₱21.6 million for the year ended 31 December 2023 due to social media boosting and printing of promotional materials.
- Despite a rise in revenues for the year ended 31 December 2023, delivery fees remained fixed at ₱2.8 million as more customers prefer shop in-stores than online

General and administrative expenses

General and administrative expenses increased by 12.4% from ₱516.6 million for the year ended 31 December 2022 to ₱581.0 million for the year ended 31 December 2023 primarily due to the following:

- Increase in depreciation and amortization from ₱400.8 million for the year ended 31 December 2022 to ₱467.0 million for the year ended 31 December 2023 due to the increase in the number of stores and amortization of capitalized interest.
- Increase in taxes and licenses from ₱49.5 million for the year ended 31 December 2022 to ₱53.5 million for the year ended 31 December 2023 due to increase in number of stores as well as increase in revenues.
- Increase in professional fees from ₱3.8 million for the year ended 31 December 2022 to ₱4.3 million for the year ended 31 December 2023 due to audit fees, board of directors' fees, and consultancy fees for sustainability reporting.

- Increase in travel and transportation from ₱19.1 million for the year ended 31 December 2022 to ₱19.2 million for the year ended 31 December 2023 due to increasing fuel prices and increased logistics activities.
- Increase in insurance from ₱13.2 million for the year ended 31 December 2022 to ₱17.9 million for the year ended 31 December 2023 due primarily to the increase in the number of stores and adjustment in insurance coverages.
- Decrease in dues and subscription from ₱25.5 million for the year ended 31 December 2022 to ₱15.4 million for the year ended 31 December 2023 due to cost-saving measures implemented.
- Decrease in miscellaneous expense from ₱4.9 million for the year ended 31 December 2022 to ₱3.4 million for the year ended 31 December 2023 due to cost-cutting measures implemented.

Finance Cost

Finance cost increased by 31% from ₱27.5 million for the year ended 31 December 2022 to ₱36.0 million for the year ended 31 December 2023 primarily due to the increase in interest expense from lease liability.

Finance Income

Finance income decreased by 18.0% from ₱0.32 million for the year ended 31 December 2022 to ₱0.27 million for the year ended 31 December 2023. The decrease was primarily attributable to the lower average cash balance during the year ended 31 December 2023 compared to the year ended 31 December 2022.

Provision for Income Tax

Provision for income tax increased by 22.6% from ₱100.1 million for the year ended 31 December 2022 to ₱122.8 million for the year ended 31 December 2023 due to higher taxable income for the period.

Net Profit

As a result of the foregoing, our net income increased by 22.4% to ₱369.2 million for the year ended 31 December 2023 from ₱301.8 million for the year ended 31 December 2022.

For the 12-month of 2023, there was no seasonal aspect that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

FINANCIAL CONDITION

As of 31 December 2023 vs. 31 December 2022

	For the period ended		Horizontal analysis	Vertical Analysis	
	December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022
	(in millions of ₱)		% Change	% of Total Assets	
ASSETS					
Current Assets					
Cash	₱1,003.6	₱992.2	14.8%	10.9%	10.6%
Receivables	190.7	132.0	23.2%	1.4%	1.5%
Merchandise inventories	2,081.9	1,797.9	17.3%	19.7%	20.8%
Due from related parties.....	-	-		0.0%	0.0%
Prepayments and other					10.7%
current assets	1,012.3	853.2	28.8%	9.3%	

Total Current Assets.....	4,288	3,775.4	19.5%	41.3%	43.6%
Non-current Assets					
Property and equipment - net	4,236.1	4,243.1	-1.0%	46.5%	45.5%
Intangible assets - net	557.3	554.4	-4.4%	6.1%	5.0%
Right-of-use assets - net	132.1	147.5	-13.0%	1.6%	1.9%
Other non-current assets.....	390.6	411.1	-4.9%	4.5%	4.2%
Total Non-current Assets.....					56.4%
	5,316.1	5,356.1	-2.0%	58.7%	
TOTAL ASSETS.....	9,604.7	9,131.5	6.9%	100.0%	100.0%
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	362.8	592.8	-28.4%	6.5%	6.2%
Loans payable	1,389.7	1,247.8	11.4%	13.7%	11.0%
Lease liabilities	11.0	8.6	27.3%	0.1%	0.1%
Due to parent company	-	-		0.0%	0.0%
Dividends payable	-	-		0.0%	0.0%
Income tax payable	-	-		0.0%	0.0%
Total Current Liabilities.....	1,763.4	1,849.2	-1.3%	20.3%	17.3%
Non-current Liabilities					
Loans payable	347.2	184.6	88.1%	2.0%	5.3%
Lease liabilities	198.0	209.0	-7.5%	2.3%	2.5%
Deferred tax liabilities - net.....	352.2	262.7	34.1%	2.9%	2.1%
Retirement benefit obligation .	30.1	22.0	36.8%	0.2%	0.2%
Deposits for future stock subscription.....	-	-		0.0%	0.0%
Total Non-current Liabilities ...					10.1%
	927.5	678.2	36.1%	7.4%	
Total Liabilities.....	2,690.9	2,527.5	8.7%	27.7%	27.4%
Equity					
sCapital stock	2,285.7	2,285.7	0.0%	25.0%	26.0%
Additional paid-in capital	3,316.7	3,316.7	0.0%	36.3%	37.8%
Revaluation reserves.....	6.4	6.4	-1.0%	0.1%	
Retained earnings	1,305.1	995.3	40.9%	10.9%	8.7%
Total Equity.....	6,913.8	6,604.1	6.2%	72.3%	72.6%
TOTAL LIABILITIES AND EQUITY		9,131.5	6.9%	100%	100%

Total assets amounting to ₱9,604.7 million as of 31 December 2023 recorded an increase of 5.2% from the reported amount of ₱9,131.5 million in 31 December 2022 due to the following:

- Cash increased by 1.2% from ₱992.2 million as of 31 December 2022 to ₱1,003.6 million as of 31 December 2023 due primarily to higher sales for the period.
- Receivables increased by 44.4% from ₱132.0 million as of 31 December 2022 to ₱190.7 million as of 31 December 2023 due to collections made.
- Merchandise inventories increased slightly by 15.8% from ₱1,797.9 million as of 31 December 2022 to ₱2,081.9 million as of 31 December 2023 due primarily to increase in inventory purchases during the period on account of higher sales and buying of stocks for the incoming holidays.
- Prepayments and other current assets increased by 18.6% from ₱853.2 million as of 31 December 2022 to ₱1,012.3 million as of 31 December 2023 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.
- Property and equipment decreased by 0.2% from ₱4,243.1 million as of 31 December 2022 to ₱4,236.1 million as of 31 December 2023 due primarily to depreciation for the period.

- Intangible assets increased by 0.5% from ₱554.4 million as of 31 December 2022 to ₱557.2 million as of 31 December 2023 due to amortization for the period.
- Right-of-use assets decreased by 10.4% from ₱147.5 million as of 31 December 2022 to ₱132.1 million as of 31 December 2023 due primarily to amortization for the period.
- Other non-current assets decreased by 0.5% from ₱411.1 million as of 31 December 2022 to ₱390.6 million as of 31 December 2023 due primarily to security deposit paid.

Total liabilities amounting to ₱2,690.9 million as of 31 December 2023 recorded an increase of 6.5% from the reported amount of ₱2,527.5 million in 31 December 2022. This was due to the following:

- Trade and other payables decreased by 38.8% from ₱592.8 million as of 31 December 2022 to ₱362.8 million as of 31 December 2023 due to payments made for the period.
- Loans payable including non-current portion increased by 21.3% from ₱1,432.4 million as of 31 December 2022 to ₱1,736.8 million as of 31 December 2023 primarily due to loan payments for the period.
- Lease liability including non-current portion decreased by 4.0% from ₱217.6 million as of 31 December 2022 to ₱209.0 million as of 31 December 2023 due to lease payments made.
- Deferred tax liabilities increased by 34.1% from ₱262.7 million as of 31 December 2022 to ₱352.2 million as of 31 December 2023 attributable to additional temporary tax differences recognized for the period.
- Retirement benefit obligation increased by 36.8% from ₱22.0 million as of 31 December 2022 to ₱30.1 million as of 31 December 2023.

Total equity increased by 4.7% from ₱6,604.1 million as of 31 December 2022 to ₱6,913.8 million as of 31 December 2023 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2023	12/31/2022
Sales (₱ millions)	₱10,193.9	₱9,759.7
Sales Growth (%)	4.4%	3.2%
Gross Profit Margin (%) ⁽¹⁾	20.2%	20.5%
Net Profit (₱ millions)	369.2	301.8
Net Profit Margin (%) ⁽²⁾	3.6%	3.1%

Notes:

3) *Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Sales*

4) *Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Sales*

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Sales increased for the year ended 31 December 2023 compared to the year ended 31 December 2022 due to the same store sales growth of existing stores and the additional revenues generated from the new stores.

Gross Profit Margin slightly decreased for the year ended 31 December 2023 compared to the year ended 31 December 2022 due to the higher cost of merchandise driven by inflation.

Net Profit and Net Profit Margin increased for the year ended 31 December 2023 compared to the year ended 31 December 2022 attributable to the reduction of cost production without

sacrificing quality.

Material Changes to the Company's Balance Sheet as of 31 December 2023 compared to 31 December 2022 (increase/decrease of 5% or more)

Receivables increased by 44.4% from ₱132.0 million as of 31 December 2022 to ₱190.7 million as of 31 December 2023 due to collections made.

Prepayments and other current assets increased by 18.6% from ₱853.2 million as of 31 December 2022 to ₱1,012.3 million as of 31 December 2023 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

Right-of-use assets decreased by 10.4% from ₱147.5 million as of 31 December 2022 to ₱132.1 million as of 31 December 2023 due primarily to amortization for the period.

Trade and other payables decreased by 38.8% from ₱592.8 million as of 31 December 2022 to ₱362.8 million as of 31 December 2023 due to payments made for the period.

Deferred tax liabilities increased by 34.1% from ₱262.7 million as of 31 December 2022 to ₱352.2 million as of 31 December 2023 attributable to additional temporary tax differences recognized for the period.

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 December 2023 and as of 31 December 2022.

IV. NATURE AND SCOPE OF BUSINESS

AllDay Marts, Inc. (the “Company”) is the fastest growing supermarket operator in the Philippines and a leading player in the mid-premium supermarket segment. Since its incorporation in December 2016, the Company has grown to 40 physical stores as of December 31, 2024, with an aggregate net selling space of approximately 60,000 sqm across 25 cities and municipalities in the Philippines. Thirty-one of the stores are located in Mega Manila, six stores are in Luzon (outside Mega Manila) and three stores are in the Visayas region. The Company offers an assortment of imported and locally manufactured products from approximately 4,200 brands consisting of about 40,000 SKUs that fall under three key categories, namely fresh items, food items and non-food items.

The Company’s principal office address is LGF Building B, Evia Lifestyle Center, Daanghari Road, Almanza Dos, Las Piñas City, Philippines, with contact number: (+632) 8830-1900 or (+632) 8830-1901, and its corporate website is www.allday.com.ph.

V. MARKET FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

The Company’s common shares are being traded at the Philippine Stock Exchange. The high and low sales prices for each quarter within the last three fiscal years as traded on the Philippine Stock Exchange are as follows:

Quarter	2025			2024			2023		
	High	Low	Close	High	Low	Close	High	Low	Close
1 st	0.135	0.098	0.1	0.163	0.152	0.163	0.152	0.425	0.480
2 nd	0.114	0.0954	0.1	0.150	0.130	0.150	0.130	0.300	0.325
3 rd				0.130	0.122	0.130	0.122	0.260	0.260
4 th				0.133	0.121	0.133	0.121	0.219	0.225

The market capitalization of ALLDY as of December 31, 2024, based on the closing price of ₱0.133 per share, was approximately ₱3.04 billion.

As of June 30, 2025, ALLDY’s market capitalization stood at ₱2.28 billion based on the ₱0.1 per share closing price.

Price Information as of the Latest Practicable Trading Date

<u>Trading Date</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
1 July 2025	0.10	0.097	0.10

Stockholders

There are approximately 23 holders of common equity security of the Company as of March 31, 2025 (based on the number of accounts registered with the Stock Transfer Agent).

The following are the top 20 holders of the common securities of the Company:

	Stockholder's Name	Common Shares	Percentage
1	AllValue Holdings Corp.	15,309,286,000	66.98%
2	PCD Nominee Corporation - Filipino	6,232,477,149	27.26%
3	PCD Nominee Corporation - Non Filipino	1,304,290,851	5.73%
4	Eduardo M. Nitro or Elinda C. Nitro	4,330,000	0.02%
5	Manuel Bamba Villar Jr.	1,000,000	0.00%
6	Camille Aguilar Villar	1,000,000	0.00%
7	Manuel Paolo Aguilar Villar	1,000,000	0.00%
8	Frances Rosalie Toribio Coloma	1,000,000	0.00%
9	Benjaminarie Therese Serrano	1,000,000	0.00%
10	Rudy A. Verano	300,000	0.00%
11	Emmanuel Del Prado	283,000	0.00%
12	Mark Louie Apao	210,000	0.00%
13	Myra P. Villanueva	150,000	0.00%
14	Myrna P. Villanueva	150,000	0.00%
15	Milagros P. Villanueva	150,000	0.00%
16	Rogelio Pescos Montanez	125,000	0.00%
17	Lilibeth S. Apao or Socrates Apao	105,000	0.00%
18	Agnes Victoria D. Casal	90,000	0.00%
19	Juan Trinidad Lim	65,000	0.00%
20	Marietta V. Cabreza	30,000	0.00%
	TOTAL	22,857,142,000	
	Other Stockholders	3,000	0.00%
	Total issued and outstanding common shares as of March 31, 2024	22,857,145,000	100.00%

Dividends

₱0.0032 per share Regular Cash Dividend

Declaration date: November 13, 2024

Record date: November 27, 2024

Payment date: December 12, 2024

₱0.0026 per share Regular Cash Dividend

Declaration date: August 15, 2023

Record date: September 12, 2023

Payment date: October 04, 2023

Dividend Policy

The Registrant's Board is authorized to declare dividends. A cash dividend declaration does not require any further approval from the Registrant's shareholders. A stock dividend declaration requires the further approval of shareholders representing not less than two-thirds of the Registrant's outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the Banko Sentral ng Pilipinas.

The Company intends to maintain an annual dividend payment ratio of 15% to 30% of net income after tax for the preceding fiscal year, payable primarily in cash. However, the Board of Directors, in its discretion, may decide to declare dividends to be payable in property or shares. The declaration of dividends shall also be subject to the requirements of applicable laws and regulations, compliance with the company's loan covenants and other circumstances which restrict the payment of dividends. Circumstances which could restrict its ability to pay cash dividends include, but are not limited to, when the company undertakes major projects and developments requiring substantial cash expenditures. The Board, may, at any time, modify such dividend payout ratio depending upon the results of operations and future projects and plans and other considerations.

The Registrant is allowed under Philippine laws to declare property and stock dividends, subject to certain requirement.

Record Date

Pursuant to existing Philippine SEC rules, cash dividends declared by a company must have a record date not less than 10 nor more than 30 days from the date the cash dividends are declared. With respect to stock dividends, the record date is to be not less than 10 or more than 30 days from the date of shareholder approval, provided however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC.

Recent Sale of Unregistered Securities

There have been no other sales of unregistered securities in the past three years.

Stock Options

None.

VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Company's Board has adopted a Revised Manual on Corporate Governance. The Company's Revised Manual on Corporate Governance describes the terms and conditions by which the Company intends to conduct sound corporate governance practices that are consistent with the relevant laws and regulations of the Republic of the Philippines, and which seek to enhance business transparency and build shareholder value.

Ultimate responsibility and oversight of the Company's adherence to superior corporate governance practices rests with the Board of Directors. As a policy matter, the Board will hold monthly meetings, at which any number of relevant corporate governance issues may be raised for discussion.

Practical oversight of the Company's corporate governance standards is exercised through the Board's Corporate Governance Committee.

The Company is committed to building a solid reputation for sound corporate governance practices, including a clear understanding by its Directors of the Company's strategic objectives, structures to ensure that such objectives are realized, systems to ensure the effective management of risks and the systems to ensure the Company's obligations are identified and discharged in all aspects of its business. Each January, the Company will issue a certification to the Philippines Securities and Exchange Commission and the Philippine Stock Exchange that it has fulfilled its corporate governance obligations.

As of the date of this report, there are no known material deviations from the Company's Manual of Corporate Governance. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED AS FOLLOWS:

**AllDay Marts, Inc.
LGF Building B, EVIA Lifestyle Center,
Daanghari Road, Almanza Dos, Las Piñas City**

Attention: Maria Cristina Barao

PART III

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Report is true, complete and correct. This report is signed in the City of Las Piñas on the 1st day of July 2025.

By:



MARIA CRISTINA O. BARAO
Treasurer, Chief Financial Officer and
Compliance Officer

Date: July 1, 2025

COVER SHEET

C	S	2	0	1	6	2	9	6	7	3
S.E.C. Registration Number										

[illegible]

(Company's Full Name)

[illegible]

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

Maria Cristina O. Barao

Contact Person

8830-1900

Company Telephone Number

1	2
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Month

3	1
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Day

Calendar Year

17-Q

FORM TYPE

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Month

--	--

Day

Annual Meeting

Secondary License Type, If
Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

--	--	--	--	--	--	--	--	--

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended : March 31, 2025
2. SEC Identification number: CS-201629673
3. BIR Tax Identification No: 009-491-731
4. Exact name of issuer as specified in its charter AllDay Marts, Inc
5. Metro Manila, Philippines
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. LGF EVIA Lifestyle Center, Daanghari, Almanza Dos, Las Piñas City 1750
Address of issuer's principal office Postal Code
8. (632) 8830-1900
Issuer's telephone number, including area code
9. N/A
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding And amount of debt outstanding
Common stock (as of 03/31/2025 net of nil treasury shares)	22,857,145,000

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

Yes [x] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange Common Stock

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and SRC Rule 17 thereunder, and Section 25 and 177 of the Revised Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period of 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 []

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ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	<u>Notes</u>	Unaudited March 31, 2025	Audited Dec 31, 2024
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	5	P 1,262,779,346	P 1,493,385,855
Receivables	6	370,922,972	353,111,116
Merchandise inventories	7	2,802,325,272	2,820,544,241
Due from related parties	18	-	-
Prepayments and other current assets	8	1,517,629,866	1,379,922,958
Total Current Assets		5,953,657,456	6,046,964,170
NON-CURRENT ASSETS			
Property and equipment - net	9	4,084,112,950	4,073,840,909
Intangible assets - net	11	396,723,456	450,540,371
Right-of-use asset - net	10	112,894,528	116,743,204
Other non-current assets	8	395,198,635	358,979,753
Total Non-current Assets		4,988,929,569	5,000,104,237
TOTAL ASSETS		P 10,942,587,025	P 11,047,068,407
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	12	P 343,565,347	P 388,742,762
Loans payable	13	1,051,219,270	2,096,256,372
Lease liability	10	13,641,024	13,641,024
Due to parent company	18	-	-
Dividends payable	19	-	-
Income tax payable		6,093,576	8,781,620
Total Current Liabilities		1,414,519,217	2,507,421,778
NON-CURRENT LIABILITIES			
Loans payable	13	1,764,010,663	793,333,333
Lease liability	10	182,867,825	184,342,951
Deferred tax liabilities - net	18	400,357,499	409,833,016
Retirement benefit obligation	17	53,937,180	53,937,180
Deposits for future stock subscription	18	-	-
Total Non-current Liabilities		2,401,173,167	1,441,446,480
Total Liabilities		3,815,692,384	3,948,868,258
EQUITY			
Capital stock	20	2,285,714,500	2,285,714,500
Additional paid-in capital		3,316,671,118	3,316,671,118
Revaluation reserves		(11,030,196)	(4,091,389)
Retained earnings		1,535,539,219	1,499,905,920
Total Equity		7,126,894,641	7,098,200,149
TOTAL LIABILITIES AND EQUITY		P 10,942,587,025	P 11,047,068,407

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	<u>Notes</u>	Unaudited Jan-Mar Q1-2025	Unaudited Jan-Mar Q1-2024
SALE OF GOODS	14	P 1,403,137,818	P 2,467,910,463
COST OF MERCHANDISE SOLD	15	<u>1,111,208,716</u>	<u>1,953,884,269</u>
GROSS PROFIT		291,929,102	514,026,194
SUPPORT, FEES, RENTALS AND			
OTHER INCOME	14	<u>12,749,687</u>	<u>13,038,392</u>
GROSS PROFIT INCLUDING			
OTHER INCOME		<u>304,678,789</u>	<u>527,064,586</u>
OTHER OPERATING EXPENSES	15		
Selling expenses		135,657,297	311,966,663
General and administrative expenses		<u>143,910,035</u>	<u>98,103,043</u>
		<u>279,567,332</u>	<u>410,069,707</u>
OPERATING PROFIT		<u>25,111,457</u>	<u>116,994,879</u>
OTHER INCOME (CHARGES)			
Finance costs	16	(7,759,759)	(9,546,206)
Finance income	5, 8	105,785	68,498
Loss from fire damage - net	16	—	—
		<u>(7,653,975)</u>	<u>(9,477,708)</u>
PROFIT BEFORE TAX		<u>17,457,482</u>	<u>107,517,171</u>
TAX EXPENSE	18		
Current		6,093,576	10,516,221
Deferred		<u>(24,677,093)</u>	—
		<u>(18,583,517)</u>	<u>10,516,221</u>
NET PROFIT		<u>36,040,999</u>	<u>97,000,950</u>
TOTAL COMPREHENSIVE INCOME		<u>P 36,040,999</u>	<u>P 97,000,950</u>
Basic and Diluted Earnings per Share	21	<u>P 0.00</u>	<u>P 0.00</u>

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

(Amounts in Philippine Pesos)

	Capital Stock <u>(see Note 20)</u>	Additional Paid-in Capital <u>(see Note 20)</u>	Revaluation Reserves <u>(see Notes 17 and 20)</u>	Retained Earnings <u>(see Note 20)</u>	Total Equity
Balance at January 1, 2025	P 2,285,714,500	P 3,316,671,118	(P 4,091,389)	P 1,499,905,920	P 7,098,200,149
Dividends declared	-	-	-		
Total comprehensive income					
(loss) for the year	—	—	—	36,040,999	36,040,999
Balance at March 31, 2025	<u>P 2,285,714,500</u>	<u>P 3,316,671,118</u>	<u>(P 4,091,389)</u>	<u>P 1,535,946,919</u>	<u>P 7,134,241,148</u>
Balance at January 1, 2024	P 2,285,714,500	P 3,316,671,118	P 6,316,818	P 1,305,085,998	P 6,913,788,434
Dividends declared	-	-	-	(73,142,864)	(73,142,864)
Total comprehensive income					
(loss) for the year	—	—	(10,408,207)	267,962,786	257,554,579
Balance at December 31, 2024	<u>P 2,285,714,500</u>	<u>P 3,316,671,118</u>	<u>(P 4,091,389)</u>	<u>P 1,499,905,920</u>	<u>P 7,098,200,149</u>
Balance at January 1, 2023	P 2,285,714,500	P 3,316,671,118	P 6,380,329	P 995,291,622	P 6,604,057,569
Dividends declared	-	-	-	(59,428,577)	(59,428,577)
Total comprehensive income					
(loss) for the year	—	—	(63,511)	369,222,953	369,159,442
Balance at December 31, 2023	<u>P 2,285,714,500</u>	<u>P 3,316,671,118</u>	<u>P 6,316,818</u>	<u>P 1,305,085,998</u>	<u>P 6,913,788,434</u>
			P		
Balance at January 1, 2022	P 2,285,714,500	P 3,316,671,118	-	P 766,670,545	P 6,369,056,163
Dividends declared	-	-	-	(73,142,864)	(73,142,864)
Total comprehensive income for the year			6,380,329	301,763,941	308,144,270
Balance at December 31, 2022	<u>P 2,285,714,500</u>	<u>P 3,316,671,118</u>	<u>P 6,380,329</u>	<u>P 995,291,622</u>	<u>P 6,604,057,569</u>

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	<u>Notes</u>	Unaudited <u>Jan-Mar Q1-2025</u>	Unaudited <u>Jan-Mar Q1-2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		P 17,457,482	P 107,517,171
Adjustments for:			
Depreciation and amortization	15	131,734,288	129,000,326
Finance costs	16	7,759,759	9,546,206
Finance income	16	(105,785)	(68,498)
Loss from fire damage - net	16	—	—
Operating profit before working capital changes		156,845,745	245,995,205
Increase in receivables		(17,811,856)	28,065,034
Increase in merchandise inventories		18,218,969	(27,188,801)
Decrease (increase) in prepayments and other current assets		(137,706,908)	(86,878,630)
Decrease (increase) in other non-current assets		(36,218,882)	(326,314)
Increase (decrease) in trade and other payables		(45,177,415)	61,425,808
Increase in retirement benefit obligation		—	—
Cash generated from (used in) operations		(61,850,347)	221,092,302
Cash paid for income taxes		-	-
Interest received		105,785	68,498
Net Cash From (Used in) Operating Activities		(61,744,563)	221,160,800
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to intangible assets	11	-	-
Advances paid to contractors	8	-	-
Additions to property and equipment	9	(31,673,366)	(43,580,764)
Proceeds from insurance claim on loss from fire damage	16	—	—
Net Cash Used in Investing Activities		(31,673,366)	(43,580,764)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of loans	13	172,396,599	398,229,957
Repayment of loans	13	(246,756,372)	(398,413,180)
Interest paid for loans payable	13	(56,712,772)	(37,486,564)
Dividends paid	20	-	-
Repayment of lease liabilities	10	(6,116,036)	(4,593,543)
Net Cash From (Used in) Financing Activities		(137,188,581)	(42,263,330)
NET INCREASE IN CASH		(230,606,509)	135,316,706
CASH AT BEGINNING OF YEAR		1,493,385,855	1,003,630,272
CASH AT END OF YEAR		P 1,262,779,346	P 1,138,946,978

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

AllDay Marts, Inc. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on December 22, 2016. The Company is primarily engaged in retailing, merchandising, buying, selling, marketing, importing, exporting, franchising, acquiring, holding, distributing, warehousing, trading, exchanging, or otherwise dealing in all kinds of products and services.

The Company's shares were listed in the Philippine Stock Exchange on November 3, 2021.

The Company is a subsidiary of AllValue Holdings Corp. (AllValue or the parent company), which is a subsidiary of Fine Properties Inc. (FPI or the ultimate parent company). AllValue and FPI are incorporated and domiciled in the Philippines. Both companies are presently engaged in the business of a holding company; to buy and hold shares of other companies either by subscribing unissued shares of the capital stock in public or private offerings.

The registered office address and principal place of business of the Company is located at LGF Evia Lifestyle Center, Daang Hari, Brgy. Almanza Dos, Las Piñas City. The registered offices and principal places of business of AllValue and FPI are located at 3rd Level Starmall Las Piñas, CV Starr Avenue, Philamlife Village, Pamplona, Las Piñas City.

1.2 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2024 (including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Company's Board of Directors (BOD) on May 14, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 *Basis of Preparation of Financial Statements*

(a) *Statement of Compliance with Philippine Financial Reporting Standards*

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) *Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expense in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) *Prior period error*

During the year, the Company identified errors on certain amounts in the statement of cash flows for the year ended December 31, 2023. The correction of these errors has resulted in the following changes to the previously reported amounts in the statement of cash flows for the year ended December 31, 2023.

<i>(Amounts in PHP)</i>	<u>As previously reported</u>	<u>Effect of restatement</u>	<u>As restated</u>
<i>Cash flows from operating activities:</i>			
Increase in receivables	(59,784,967)	1,597,903	(58,187,064)
Decrease (increase) in other non-current assets	(94,704,919)	93,227,482	(1,477,437)
Increase (decrease) in trade and other payables	(230,042,376)	(8,901,726)	(238,944,102)
Increase in retirement benefit Obligation	7,485,910	<u>(1,597,903)</u>	5,888,007
		84,325,756	
<i>Cash flows from investing activities –</i>			
Advances paid to contractors	46,613,741	(93,227,482)	(46,613,741)
<i>Cash flows from financing activities –</i>			
Interest paid for loans payable	(124,029,630)	<u>8,901,726</u>	(115,127,904)
Net effect in cash		<u><u>-</u></u>	

The restatements presented on the preceding page did not affect the balances in the 2023 statement of financial position, 2023 statement of comprehensive income and 2023 statement of changes in equity. There is also no impact on the basic and diluted earnings per share as previously presented for the year ended December 31, 2023.

(d) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 ***Adoption of Amended PFRS Accounting Standards***

(a) *Effective in 2024 that are Relevant to the Company*

The Company adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	: Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	: Leases – Lease Liability in a Sale and Leaseback

Discussed below and in the succeeding page are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.

- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The required disclosures under these amendments are disclosed in Note 13.
- (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Company's financial statements.
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Company's financial statements.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, none of these are expected to have significant impact on the Company's financial statements:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Company commits to purchase or sell the asset).

(i) Classification and Measurement of Financial Assets

Currently, the only classification that applies to the Company is financial assets at amortized cost.

The Company's financial assets at amortized cost are presented under Current Assets as Cash, Receivables, Short-term investments under Prepayments and Other Current Assets and Security deposits under Other Non-current Assets in the statement of financial position.

(ii) Impairment of Financial Assets

At the end of the reporting period, the Company assesses its expected credit losses (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost. The Company considers a broader range of information in assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The ECL on trade and other receivables are estimated by applying the simplified approach using a provision matrix developed based on the Company's historical credit loss experience and credit information that are specific to the debtors, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

Policies on recognizing ECL on cash, short-term investments and security deposits are presented in Note 23.2(a) and (c).

(b) Financial Liabilities

Financial liabilities include trade and other payables (except provisions and tax-related liability), loans payable and dividends payable. Refund liabilities are measured using the probability-weighted average amount approach similar to the expected value method under PFRS 15, *Revenue from Contracts with Customers*.

2.4 Merchandise Inventories

The cost of merchandise inventories is determined using the moving average method. Merchandise inventories are measured at lower of cost and net realizable value.

2.5 Property and Equipment

Following initial recognition at cost, items of property and equipment are measured at cost less accumulated depreciation and amortization and any accumulated impairment losses.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Equipment	3 to 15 years
Furniture and fixtures	9 years

Leasehold improvements are amortized over their estimated useful lives of 20 years or the lease term, whichever is shorter.

2.6 Intangible Assets

Intangible assets include acquired computer software which is accounted for under the cost model. Capitalized cost is amortized on a straight-line basis over the estimated useful life of five to eight years as the life of this intangible asset is considered finite.

2.7 Revenue and Expense Recognition

Revenue arises mainly from the sale of merchandise inventories.

The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(d).

The following specific recognition criteria must be met before revenue is recognized:

- a) *Sale of merchandise* – Revenue is recognized when the control transfers at a point in time with the customer, i.e., generally when the customer purchased the merchandise. For individual customers, payment of the transaction price is due immediately at the point the customer purchases the merchandise. On the other hand, invoices for merchandise purchased by corporate customers are due based on agreed terms and are provided upon receipt of merchandise by the customer. For e-commerce sales, revenue is recognized when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.
- b) *Delivery fees* – Delivery fees are charged for the transportation of merchandise from the Company's stores to a certain destination as agreed with the customer. Delivery fees are recognized over time as the services are provided. Payment of delivery fees is due immediately, i.e., upon the customer's purchase of merchandise.
- c) *Miscellaneous* – Miscellaneous income comprise of support received from supplier for store opening and clearance sales. Miscellaneous is recognized at a point in time when support is received from supplier.

The policy on the recognition of income from rentals is presented in Note 2.8(b).

There were no contracts containing significant right of return arrangements which remain outstanding during the reporting periods since the Company's policy with customers for most of its sale of merchandise pertain to outright return which are recognized immediately. Relative to this outright return arrangement, the amount of revenues is also immediately adjusted as of the end of the reporting periods.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them for award credits on future purchases. The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The stand-alone selling price is estimated based on the equivalent value given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Company's historical experience. A liability is recognized for revenue relating to the loyalty points at the time of the initial sales transactions. Revenues from loyalty points are recognized when the points are redeemed by the customer.

Revenue from loyalty points that are not expected to be redeemed by the customer is recognized in proportion of the pattern of rights exercised by customers. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(d).

Costs and expenses are recognized in profit or loss upon utilization of the goods or services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs, which are included as part of the cost of any related qualifying assets.

2.8 Leases

(a) Company as a Lessee

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company's lease contracts for certain stores contain variable lease payment terms. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss when incurred.

(b) Company as a Lessor

The Company applies judgment in determining whether a lease contract is a finance or operating lease. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

2.9 Employee Benefits

The Company provides post-employment benefits to employees through a defined benefit plan, a defined contribution plan and other employee benefits.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

2.10 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized.

2.11 Impairment of Non-financial Assets

The Company's property, and equipment, right-of-use assets, intangible assets and other non-financial assets are subject to impairment testing.

3. **SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of the Company's 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 related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 ***Critical Management Judgment in Applying Accounting Policies***

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

(a) Determination of Lease Term of Contracts with Renewal Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Company did not include the renewal period as part of the lease term for leases of some of its stores and warehouse due to the provision in its contracts that requires mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

The lease term is reassessed if an option is actually exercised or not exercised or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

(b) Determination of Timing of Satisfaction of Performance Obligations

In determining the appropriate method to use in recognizing the Company's revenues from sale of merchandise, management determines that revenue is recognized at a point in time when the control of the goods have passed to the customer, i.e., generally when the customer acknowledges delivery of the goods.

Miscellaneous income comprised of support received from supplier for store opening and clearance sales. Miscellaneous income is recognized at a point in time when supports are received from supplier.

On the other hand, revenues from delivery fees are recognized over time when the Company transfers control of the services over time as the performance of contractually agreed tasks are rendered. The management considers the output method under PFRS 15 as the Company recognizes revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the services promised under the contract.

(c) *Determination Whether the Loyalty Points Provide Material Rights to Customers*

The Company has a loyalty points programme which allows customers to accumulate points that can be redeemed for future purchases at any of the Company's store outlets, subject to a minimum number of points obtained. The loyalty points give rise to a separate performance obligation as they provided a material right to the customer. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience.

As of December 31, 2024 and 2023, liability arising from customer loyalty programme amounted to P1.4 million and P1.3 million, respectively (see Note 12).

(d) *Determination of Transaction Price and Amounts Allocated to Performance Obligations*

The transaction price for a contract is allocated amongst the material right and other performance obligations identified in the contract based on their stand-alone selling prices, which are all observable. The transaction price for a contract excludes any amounts collected on behalf of third parties [e.g., value added tax (VAT)].

The transaction price is considered receivable to the extent of products sold with a right to avail customer loyalty points, right of return, discounts and rebates. The transaction price of customer loyalty points is allocated amongst the material right and other performance obligations identified in the contract based on the stand-alone selling prices, which are all observable. The Company measures its revenue net of consideration allocated to the fair value of the point credits.

Management has assessed that the amount involved for the right of return is not material and, in most cases, customers could exchange the returned items with another merchandise in the store within the prescribed period (i.e., within seven days from date of purchase). Discounts and rebates are identifiable to specific goods and are recognized as reduction against the revenue recognized from sale of merchandise.

(e) *Determination of ECL on Receivables*

The Company uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments to the extent applicable that have similar loss patterns (i.e., by geography, product type, or customer type and rating). The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's receivables are disclosed in Note 23.2(b).

(f) *Distinction Between Operating and Finance Leases as a Lessor*

The Company has entered into various lease agreements as a lessor. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Management has assessed that the Company's lease arrangements are all operating leases.

(g) *Capitalization of Borrowing Costs*

The Company determines whether the amount of borrowing costs qualify for capitalization as part of the cost of the qualifying asset or should be expensed outright. The accounting treatment for the finance costs is determined by assessing whether the asset is a qualifying asset taking into consideration the period of time needed to bring the asset for its intended use. Failure to make the right judgment will result in the misstatement of assets and net profit.

(h) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 22.

3.2 Key Sources of Estimation Uncertainty

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

(a) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 23.2.

(c) *Determination of Net Realizable Value of Merchandise Inventories*

In determining the net realizable value of merchandise inventories, management takes into account the most reliable evidence available at the time the estimates are made. The Company's products are subject to inventory obsolescence. Moreover, future realization of the carrying amounts of merchandise inventories as presented in Note 7 is affected by price changes of the products and the costs incurred necessary to make a sale. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's merchandise inventories within the next financial reporting period.

(d) *Estimation of Useful Lives of Property and Equipment, Right-of-Use Assets, and Intangible Assets*

The Company estimates the useful lives of property and equipment, right-of-use assets and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of these properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

There was no change in the estimated useful lives of these assets in 2024, 2023 and 2022. The carrying amounts of property and equipment, right-of-use assets and intangible assets are analyzed in Notes 9, 10 and 11, respectively.

(e) *Evaluation of Impairment of Non-financial Assets*

The Company's property and equipment, right-of-use assets, intangible assets and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Though management believes that the assumptions used in the estimation of recoverable values are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, no impairment losses are required to be recognized on the Company's non-financial assets as of December 31, 2024 and 2023.

(f) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2024 and 2023 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 18.

(g) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and expected salary increase rates. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses, and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense, and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 17.2.

4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's BOD – its chief operating decision-maker. The Company's BOD is responsible for assessing performance of the operating segments.

The Company has only one reportable segment which is the trading business.

Further, the Company has only one geographical segment as all of its operations are based in the Philippines.

The revenue of the Company consists mainly of sales to external customers through its retail and e-commerce channels.

The Company has no significant customer which contributed to 10% or more to the revenue of the Company.

5. CASH

Cash include the following components as of December 31:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Cash on hand	8,130,666	7,154,000
Cash in banks	<u>1,254,648,679</u>	<u>1,486,231,855</u>
	<u>1,262,779,345</u>	<u>1,493,385,855</u>

Cash in banks generally earn interest based on daily bank deposit rates and interest income is recognized as the interest accrues taking into account the effective yield. Interest income earned on bank deposits is presented as part of Finance Income under Other Income (Charges) in the statements of comprehensive income (see Note 16.1).

6. RECEIVABLES

This account is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Trade receivables:			
Third parties		349,676,514	263,311,668
Related parties	19.1	-	77,415,662
Non-trade receivables		21,246,458	12,383,786
Others	17.2	-	-
		<u>370,922,972</u>	<u>353,111,116</u>

Trade receivables are due from various customers, including credit card companies, and have credit terms ranging from 2 days to 30 days.

Non-trade receivables comprise of the Company's receivables arising from delivery fees, rental income and miscellaneous income.

Others pertain to the receivable for the transferred retirement benefit obligation from a related party under common ownership.

All of the Company's receivables have been assessed for impairment using the ECL model. Management believes that no allowance for ECL is required since there has no significant change in the credit quality of the accounts as of March 31, 2025 and 2024 [see Note 23.2(b)].

7. MERCHANDISE INVENTORIES

Merchandise inventories pertain to goods owned by the Company, which include food and non-food items, pharmaceutical products and dry goods, among others, that are traded under the normal course of business and amounted to P2,820.5 million and P2,081.9 million as of March 31, 2025 and 2024, respectively (see Note 15.1).

The Company did not provide any allowance for inventory obsolescence as the merchandise inventories are deemed realizable above cost. Hence, merchandise inventories were all stated at cost, which is lower than net realizable value, as of December 31, 2024 and 2023.

Cost of merchandise inventories charged to operations are presented as Cost of Merchandise Sold in the statements of comprehensive income (see Note 15.1).

In relation to the fire incident in the Alabang store on January 8, 2022, the Company wrote-off certain merchandise inventories amounting to P58.0 million (see Note 16.2). There was no similar event in 2024 and 2023.

8. PREPAYMENTS AND OTHER ASSETS

The composition of this account is shown below.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Current:			
Advances for purchases		1,170,407,547	995,788,842
Input VAT		302,717,905	303,567,971
Deferred input VAT		-	36,061,723
Prepayments		23,505,106	23,505,114
Store supplies		17,999,308	17,999,308
Short term investments		3,000,000	3,000,000
Creditable withholding tax		-	-
		<u>1,517,629,866</u>	<u>1,379,922,958</u>
Non-current:			
Advances to contractors		282,639,160	282,639,160
Security deposits	10	76,497,752	76,340,593
Deferred input VAT		-	-
		<u>395,198,635</u>	<u>358,979,753</u>
		<u>1,912,828,501</u>	<u>1,738,902,711</u>

Advances for purchases pertains to advances that will be applied for future purchase of merchandise inventories and services.

Deferred input VAT pertains to the input VAT on purchases of services and the unamortized portion of the VAT on capital goods exceeding P1.0 million from purchases prior to 2022.

Prepayments include prepaid expenses for rentals, advertising, communication, insurance, dues and subscription, utilities, marketing and others.

Store supplies pertain to expendable items consumed during Company's operations.

Short term investments refer to the Company's time deposits with original maturities of more than three months to one year and are subject to insignificant risk of changes in value. These investments earn effective interest of 0.55% both in 2025 and 2024. Interest income from time deposits in 2025 and 2024 is presented as part of Finance income under Other Income (Charges) in the statements of comprehensive income (see Note 16.1).

Advances to contractors pertain to advances made to various contractors for the construction of several items under property and equipment.

9. PROPERTY AND EQUIPMENT - Net

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2025 and 2024 are shown below.

<i>(Amounts in PHP)</i>	<u>Leasehold Improvements</u>	<u>Furniture and Fixtures</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
March 31, 2025					
Cost	3,815,716,217	356,302,320	1,211,847,963	528,943,861	5,912,832,039
Accumulated depreciation and amortization	<u>(885,102,819)</u>	<u>(226,354,536)</u>	<u>(717,261,734)</u>	<u>-</u>	<u>(1,828,719,089)</u>
Net carrying amount	<u>2,930,635,077</u>	<u>129,947,783</u>	<u>494,586,230</u>	<u>528,943,861</u>	<u>4,084,112,950</u>
December 31, 2024					
Cost	3,815,716,217	356,302,320	1,169,270,832	483,001,934	5,824,291,303
Accumulated depreciation and amortization	<u>(840,188,030)</u>	<u>(217,030,642)</u>	<u>(693,231,722)</u>	<u>-</u>	<u>(1,750,450,394)</u>
Net carrying amount	<u>2,975,528,187</u>	<u>139,271,678</u>	<u>476,039,110</u>	<u>483,001,934</u>	<u>4,073,840,909</u>
December 31, 2023					
Cost	3,629,382,592	345,224,540	1,151,527,849	538,751,316	5,664,886,297
Accumulated depreciation and amortization	<u>(657,547,514)</u>	<u>(178,388,188)</u>	<u>(592,836,872)</u>	<u>-</u>	<u>(1,428,772,574)</u>
Net carrying amount	<u>2,971,835,078</u>	<u>166,836,352</u>	<u>558,690,977</u>	<u>538,751,316</u>	<u>4,236,113,723</u>
January 1, 2023					
Cost	3,381,333,982	336,552,451	1,129,554,556	521,640,950	5,369,081,939
Accumulated depreciation and amortization	<u>(489,297,375)</u>	<u>(140,972,450)</u>	<u>(495,740,606)</u>	<u>-</u>	<u>(1,126,010,431)</u>
Net carrying amount	<u>2,892,036,607</u>	<u>195,580,001</u>	<u>633,813,950</u>	<u>521,640,950</u>	<u>4,243,071,508</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2025 and 2024 is shown below and in the succeeding page.

<i>(Amounts in PHP)</i>	<u>Leasehold Improvements</u>	<u>Furniture and Fixtures</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance at January 1, 2025, net of accumulated depreciation and amortization	2,975,528,187	139,271,678	476,039,110	483,001,934	4,073,840,909
Additions	21,678	-	42,577,131	45,941,927	88,540,736
Transfer from CIP	-	-	-	-	-
Depreciation and amortization charges for the year	<u>(44,914,789)</u>	<u>(9,323,895)</u>	<u>(24,030,012)</u>	<u>-</u>	<u>(78,268,695)</u>
Balance at March 31, 2025, net of accumulated depreciation and amortization	<u>2,930,635,077</u>	<u>129,947,783</u>	<u>494,586,230</u>	<u>483,001,934</u>	<u>4,084,112,950</u>
Balance at January 1, 2024, net of accumulated depreciation and amortization	2,971,835,078	166,836,352	558,690,977	538,751,316	4,236,113,723
Additions	19,428,468	581,304	7,752,774	131,642,460	159,405,006
Transfer from CIP	166,905,157	10,496,476	9,990,209	(187,391,842)	-
Depreciation and amortization charges for the year	<u>(182,640,516)</u>	<u>(38,642,454)</u>	<u>(100,394,850)</u>	<u>-</u>	<u>(321,677,820)</u>
Balance at December 31, 2024, net of accumulated depreciation and amortization	<u>2,975,528,187</u>	<u>139,271,678</u>	<u>476,039,110</u>	<u>483,001,934</u>	<u>4,073,840,909</u>

<i>(Amounts in PHP)</i>	<u>Leasehold Improvements</u>	<u>Furniture and Fixtures</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance at January 1, 2023, net of accumulated depreciation and amortization	2,892,036,607	195,580,001	633,813,950	521,640,950	4,243,071,508
Additions	105,915,903	8,672,089	21,973,293	159,243,073	295,804,358
Transfer from CIP	142,132,707	-	-	(142,132,707)	-
Depreciation and amortization charges for the year	<u>(168,250,139)</u>	<u>(37,415,738)</u>	<u>(97,096,266)</u>	<u>-</u>	<u>(302,762,143)</u>
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>2,971,835,078</u>	<u>166,836,352</u>	<u>558,690,977</u>	<u>538,751,316</u>	<u>4,236,113,723</u>
Balance at January 1, 2022, net of accumulated depreciation and amortization	2,456,546,561	198,532,182	712,787,216	621,916,270	3,989,782,229
Additions	277,206,092	7,242,465	22,455,533	334,914,349	641,818,439
Transfer from CIP	385,841,524	30,232,609	19,115,536	(435,189,669)	-
Write-off relating to fire loss	(81,182,512)	(4,756,829)	(26,524,639)	-	(112,463,980)
Depreciation and amortization charges for the year	<u>(146,375,058)</u>	<u>(35,670,426)</u>	<u>(94,019,696)</u>	<u>-</u>	<u>(276,065,180)</u>
Balance at December 31, 2022, net of accumulated depreciation and amortization	<u>2,892,036,607</u>	<u>195,580,001</u>	<u>633,813,950</u>	<u>521,640,950</u>	<u>4,243,071,508</u>

The gross carrying amounts and accumulated depreciation of furniture and fixtures subject to operating lease at the beginning and end of March 31, 2025 and 2024 are shown below.

<i>(Amounts in PHP)</i>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Cost	286,926,637	286,926,637	279,231,199
Accumulated depreciation and amortization	<u>(152,034,093)</u>	<u>(121,366,112)</u>	<u>(100,761,007)</u>
Net carrying amount	<u>134,892,544</u>	<u>165,560,525</u>	<u>178,470,192</u>

A reconciliation of the carrying amounts of furniture and fixtures subject to operating lease at the beginning and end of March 31, 2025 and 2024 is shown below.

<i>(Amounts in PHP)</i>	<u>March 31, 2025</u>	<u>2024</u>	<u>2023</u>
Beginning, net of accumulated depreciation and amortization	165,560,525	178,470,192	194,283,609
Additions	-	7,695,438	4,453,860
Disposal	-	-	-
Depreciation and amortization charges for the year	<u>(30,667,982)</u>	<u>(20,605,105)</u>	<u>(20,267,277)</u>
Ending, net of accumulated depreciation and amortization	<u>134,892,544</u>	<u>165,560,525</u>	<u>178,470,192</u>

The amount of depreciation and amortization is presented as part of Depreciation and amortization under General and Administrative Expenses in the statements of comprehensive income (see Note 15.2).

In March 31, 2025, and 2024, borrowing costs amounting to P55 million, P131.6 million, and P92.7 million, respectively, based on capitalization rate ranging from 6.50% to 9.75% for specific borrowings in those periods, were capitalized (see Note 13).

There were no items of property and equipment that were used as collateral for any of the Company's short-term and long-term loans.

The Company also recognized rental income from its operating leases as a lessor, which consists of variable lease arrangements, amounting to P32.5 million, P100.8 million and P31.4 million in 2024, 2023 and 2022, respectively, and is presented as part of Support, Fees, Rentals and Other Income in the statements of comprehensive income (see Note 14).

10. LEASES

The Company is a lessee under non-cancellable operating leases covering its store outlets and warehouse with lease terms ranging from 2 years to 20 years. With the exception of leases with variable consideration, only one lease contract is reflected on the statements of financial position as a right-of-use asset and a lease liability. This lease contract covers a store outlet with a remaining lease term of eight years and nine years as of December 31, 2024 and 2023, respectively.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. The leases contain an option to renew the lease which requires mutual agreement of both parties. The Company is prohibited from selling or pledging the underlying leased assets as security. The Company must keep the leased properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts. There are no leases with options to purchase or terminate. The Company has no short-term leases and leases of low-value assets.

The security deposits paid in connection with the leases amounted to P76.3 million and P74.2 million as of December 31, 2024 and 2023, respectively, and is presented as Security deposits under Other Non-current Assets in the statements of financial position (see Note 8). Management believes that no allowance for ECL is required for security deposits since there has been no significant change in the credit quality of the this account [see Note 23.2(c)].

10.1 *Right-of-use Asset*

The carrying amounts of the Company's right-of-use asset from store outlet and the movements at beginning and end of 2025 and 2024 are shown below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Cost	<u>209,111,455</u>	<u>209,111,455</u>
Accumulated amortization:		
Balance at beginning of year	92,368,251	76,973,542
Amortization for the year	<u>3,848,677</u>	<u>15,394,709</u>
Balance at end of year	<u>96,216,927</u>	<u>92,368,251</u>
Carrying amount	<u>112,894,528</u>	<u>116,743,204</u>

The amount of depreciation is presented as part of Depreciation and amortization under General and Administrative Expenses in the statements of comprehensive income (see Note 15.2).

10.2 *Lease Liability*

Lease liability presented in the statements of financial position are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current	13,641,024	13,641,024
Non-current	<u>182,867,825</u>	<u>184,342,951</u>
	<u>196,508,849</u>	<u>197,983,975</u>

The reconciliation of the carrying amounts of the lease liability are as follows:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of year		197,983,975	208,966,287
Repayment	10.4	(6,116,036)	(30,229,458)
Accretion of interest	10.4	<u>4,640,910</u>	<u>19,247,146</u>
Balance at end of year		<u>196,508,849</u>	<u>197,983,975</u>

As of March 31, 2025 and 2024, the Company has no commitments for leases entered into but which had not commenced nor termination options to its lease contracts.

The lease liability is secured by the related underlying assets. The maturity analysis of lease liability as at December 31 are as follows:

(Amounts in PHP)	Within one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 to 9 years	Total
<u>December 31, 2024</u>								
Lease payments	31,740,930	33,327,977	34,994,376	36,744,095	38,581,299	40,510,364	68,057,412	283,956,453
Finance charges	<u>(18,099,906)</u>	<u>(16,687,638)</u>	<u>(14,976,650)</u>	<u>(12,929,549)</u>	<u>(10,504,867)</u>	<u>(7,656,630)</u>	<u>(5,117,238)</u>	<u>(85,972,478)</u>
Net present values	<u>13,641,024</u>	<u>16,640,339</u>	<u>20,017,726</u>	<u>23,814,546</u>	<u>28,076,432</u>	<u>32,853,734</u>	<u>62,940,174</u>	<u>197,983,975</u>
<u>December 31, 2023</u>								
Lease payments	30,229,457	31,740,930	33,327,977	34,994,376	36,744,095	38,581,299	108,567,777	314,185,911
Finance charges	<u>(19,247,146)</u>	<u>(18,099,906)</u>	<u>(16,687,638)</u>	<u>(14,976,650)</u>	<u>(12,929,549)</u>	<u>(10,504,867)</u>	<u>(12,773,868)</u>	<u>(105,219,624)</u>
Net present values	<u>10,982,311</u>	<u>13,641,024</u>	<u>16,640,339</u>	<u>20,017,726</u>	<u>23,814,546</u>	<u>28,076,432</u>	<u>95,793,909</u>	<u>208,966,287</u>

10.3 Lease Payments Not Recognized as Liabilities

The Company also entered into lease agreements that contain variable payments linked to sales generated from certain stores (see Note 19.2). The expenses relating to these leases amounting to P249.1 million, P293.5 million and P281.0 million in 2024, 2023 and 2022 are presented as Rentals under Selling Expenses in the statements of comprehensive income (see Note 15.2).

If the sales of the Company had changed by an average of +/-1.0%, the variable rent expense would have changed by +/- P2.5 million, +/- P2.7 million and +/- P2.6 million in 2024, 2023 and 2022, respectively.

10.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P30.2 million, P28.8 million and P27.4 million in 2024, 2023 and 2022, respectively. Interest expense in relation to lease liabilities amounted to P19.2 million, P20.2 million and P20.9 million in 2024, 2023 and 2022, respectively, and is presented as part of Finance costs under Other Income (Charges) - Net in the statements of comprehensive income (see Note 16.1).

11. INTANGIBLE ASSETS

The gross carrying amounts and accumulated amortization of intangible assets at the beginning and end of 2025, 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cost	972,878,293	972,878,293	884,372,161
Accumulated amortization	<u>(576,154,835)</u>	<u>(522,337,922)</u>	<u>(327,115,688)</u>
	<u>396,723,456</u>	<u>450,540,371</u>	<u>557,256,473</u>

A reconciliation of the carrying amounts of intangible assets at the beginning and end of 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year, net of accumulated amortization	450,540,371	557,256,473	554,449,898
Additions	-	88,506,132	151,555,360
Amortization charges for the year	<u>(53,816,915)</u>	<u>(195,222,234)</u>	<u>(148,748,785)</u>
Balance at end of year, net of accumulated amortization	<u>396,723,456</u>	<u>450,540,371</u>	<u>557,256,473</u>

The amortization charges during the year is presented as part of Depreciation and amortization under General and Administrative Expenses in the statements of comprehensive income (see Note 15.2).

Intangible assets are subject to impairment whenever there is an indication of impairment. No impairment losses were recognized in 2024, 2023 and 2022 as the recoverable amounts of the intangible assets determined by management are higher than their carrying values.

There were no contractual commitments entered into in 2024, 2023 and 2022.

12. TRADE AND OTHER PAYABLES

The composition of this account is shown below.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Trade payables		307,405,444	333,701,189
Accrued expenses	13	30,450,739	47,010,197
Withholding taxes and other government payables		4,301,616	6,623,828
Customer loyalty rewards liability		1,407,548	1,407,548
		<u>343,565,347</u>	<u>388,742,762</u>

Trade payables arise from the Company's purchases of merchandise inventories and other direct costs. These are noninterest-bearing and have credit terms ranging from seven to 30 days.

Accrued expenses are liabilities arising from unpaid interest, agency service fee, utilities, professional fees and other expenses.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them to award credits for future purchases. The Company recognized a deferred revenue for the unredeemed points.

13. LOANS PAYABLE

The account consists of:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Current:			
Short-term loans	13.1	2,063,800,997	1,929,589,705
Current portion of long-term loans	13.2	166,666,667	166,666,667
		2,230,467,664	2,096,256,372
Non-current – Long-term loans	13.2	584,762,269	793,333,333
		<u>2,815,229,933</u>	<u>2,889,589,705</u>

Presented below and in the succeeding page is the reconciliation of the Company's loans payable.

<i>(Amounts in PHP)</i>	<u>Short-term Loans</u>	<u>Long-term Loans</u>	<u>Total</u>
Balance as of January 1, 2025	1,929,589,705	960,000,000	2,889,589,705
Additional borrowings	172,396,599	-	172,396,599
Repayments of borrowings	(38,185,308)	(208,571,064)	(246,756,372)
Balance at March 31, 2025	2,063,800,997	751,428,936	2,815,229,933

<i>(Amounts in PHP)</i>	Short-term Loans	Long-term Loans	Total
Balance as of January 1, 2024	1,052,259,334	684,615,384	1,736,874,718
Additional borrowings	2,766,814,749	585,000,000	3,351,814,749
Repayments of borrowings	(1,889,484,378)	(309,615,384)	(2,199,099,762)
Balance at December 31, 2024	1,929,589,705	960,000,000	2,889,589,705

<i>(Amounts in PHP)</i>	Short-term Loans	Long-term Loans	Total
Balance as of January 1, 2023	1,063,176,816	369,230,769	1,432,407,585
Additional borrowings	1,601,069,927	500,000,000	2,101,069,927
Repayments of borrowings	(1,611,987,409)	(184,615,385)	(1,796,602,794)
Balance at December 31, 2023	1,052,259,334	684,615,384	1,736,874,718
Balance as of January 1, 2022	780,000,000	653,846,154	1,433,846,154
Repayments of borrowings	(1,197,000,000)	(184,615,385)	(1,381,615,385)
Additional borrowings	1,380,176,816	-	1,380,176,816
Reclassification	100,000,000	(100,000,000)	-
Balance at December 31, 2022	1,063,176,816	369,230,769	1,432,407,585

The total interest expense incurred on these loans amounted to P175.9 million, P124.0 million and P98.3 million in 2024, 2023 and 2022, respectively. The related borrowing costs amounting to P131.6 million, P109.8 million and P92.7 million in 2024, 2023 and 2022, respectively, were capitalized as part of property and equipment, based on capitalization rate ranging from 6.50% to 9.75% for specific borrowing in those years (see Note 9). The remaining interest amounting to P44.3 million, P14.2 million and P5.6 million in 2024, 2023 and 2022, respectively, are charged to expense and is presented as part of Finance costs under Other Income (Charges) in the statements of comprehensive income (see Note 16.1).

The Company's unpaid interest as of December 31, 2024 and 2023 is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Note 12). The reconciliation of the Company's unpaid interest is as follows.

<i>(Amounts in PHP)</i>	2025	2024
Balance at beginning of year	27,242,664	17,072,636
Accretion of interest	86,155,595	175,918,254
Interest paid	(55,704,856)	(165,748,226)
Balance at end of year	30,450,739	27,242,664

13.1 Short-term Loans

In 2025, and 2024, the Company obtained various short-term loans from various local banks for the Company's working capital requirements with fixed interest rates ranging from 6.50% to 9.75% and with terms of 90 to 180 days. These loans are secured by cross suretyship of the Company's ultimate parent company (see Note 19.3). There are no loan covenants on the Company's short-term loans.

13.2 Long-term Loans

In 2024, the Company obtained a five-year loan from a local bank for capital expenditure with a fixed interest rate of 8.50%. The principal amount of loan is payable in quarterly

equal installments starting July 1, 2026. The Company also obtained another loan from local bank for working capital purposes with fixed interest rate of 6.51% payable upon maturity on January 19, 2026.

In 2023, the Company also obtained a four-year corporate loan, inclusive of one-year grace period, from a local bank for general purpose and to refinance the Company's existing short-term loans with a fixed interest rate of 8.50%. The principal amount of the loan is payable in quarterly equal installments which started on February 1, 2024.

In 2021 and 2020, the Company also obtained three to seven-year corporate loans, inclusive of two-year grace period, from various local banks for the Company's store construction and expansion with fixed interest rate ranging from 6.50% to 8.08%. The principal amount of the loans is payable in 13 quarterly amortizations which started from August 29, 2021. There was no similar transaction in 2022.

The loans are secured by cross suretyship of the Company's ultimate parent company (see Note 19.3). Certain loans of the Company with local banks are subject to covenants and all have been complied with as of December 31, 2024 and 2023 (see Note 25).

14. REVENUES

The disaggregation of revenue recognition whether point in time or over time is shown below.

<i>(Amounts in PHP)</i>	<u>Point in time</u>	<u>Over time</u>	<u>Total</u>
<u>2025</u>			
Sales	1,403,137,818	-	1,403,137,818
Delivery fees	-	4,146,431	4,146,431
Miscellaneous	-	-	-
	<u>1,403,137,818</u>	<u>4,146,431</u>	<u>1,407,284,250</u>
 <u>2024</u>			
Sales	2,467,910,463	-	2,467,910,463
Delivery fees	-	4,878,873	4,878,873
Miscellaneous	691,303	-	691,303
	<u>2,468,601,766</u>	<u>4,878,873</u>	<u>2,473,480,639</u>
 <u>2023</u>			
Sales	2,441,225,946	-	2,441,225,946
Delivery fees	-	4,870,858	4,870,858
Miscellaneous	334,309	-	334,309
	<u>9,761,548,450</u>	<u>18,196,443</u>	<u>2,446,431,113</u>

The Company also recognized variable rental income from its operating leases as lessor amounting to P8.6 million, P7.47 million and P9.52 million in 2025, 2024 and 2023, respectively (see Note 9).

Rentals, delivery fees and miscellaneous income are presented as Support, Fees, Rentals and Other Income in the statements of comprehensive income.

15. COSTS AND EXPENSES

15.1 Cost of Merchandise Sold

The details of cost of merchandise sold are shown on below.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Merchandise inventories at beginning of year	7	2,820,544,241	2,081,923,403	1,797,940,590
Purchases during the year		<u>1,092,989,747</u>	<u>1,981,073,070</u>	<u>1,928,584,013</u>
Cost of goods available for sale		3,913,533,988	4,062,996,473	3,726,524,603
Merchandise inventories at end of year	7	<u>(2,802,325,272)</u>	<u>(1,953,884,269)</u>	<u>(1,793,766,894)</u>
Cost of merchandise sold		<u><u>1,111,208,716</u></u>	<u><u>1,953,884,269</u></u>	<u><u>1,932,757,709</u></u>

15.2 Other Operating Expenses

The details of selling and general and administrative expenses by nature are shown below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Depreciation and amortization	9, 10.1, 11	131,734,288	129,000,326	109,402,946
Communication and utilities		47,781,251	72,649,377	70,817,256
Rentals	10.3, 19.2	33,819,473	69,475,226	71,219,598
Agency fee		18,106,946	59,559,629	60,647,539
Salaries, wages and other employee benefits	17.1	29,194,837	31,575,757	32,507,885
Taxes and licenses		7,101,808	11,894,349	14,769,923
Merchant fee		3,580,816	9,438,514	9,042,173
Insurance		2,236,069	4,987,728	3,007,458
Operating supplies		1,004,251	5,138,089	7,852,804
Repairs and maintenance		912,761	5,897,110	6,561,421
Travel and transportation		716,144	3,375,359	4,444,318
Advertising and promotions		1,256,963	3,040,017	4,872,032
Dues and subscriptions		970,206	2,126,954	3,254,736
Professional fees		653,194	1,380,218	1,050,271
Delivery fees		436,890	316,254	497,153
Others		<u>61,437</u>	<u>214,802</u>	<u>122,729</u>
		<u><u>279,567,332</u></u>	<u><u>410,069,707</u></u>	<u><u>400,070,242</u></u>

These expenses are classified as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Selling expenses	135,657,297	311,966,663	254,478,535
General and administrative	<u>143,910,035</u>	<u>98,103,043</u>	<u>145,591,708</u>
	<u><u>279,567,332</u></u>	<u><u>410,069,707</u></u>	<u><u>400,070,243</u></u>

16. OTHER INCOME (CHARGES) - Net

16.1 Finance Income (Costs)

Finance income (costs) include the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>March 31, 2025</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
<i>Finance costs:</i>				
Interest expense from:				
Loans payable	13	3,118,850	4,641,551	5,112,400
Lease liabilities	10.2	4,640,909	4,904,655	-
Retirement benefit obligation	17.2	<u>-</u>	<u>-</u>	<u>-</u>
		<u>7,759,759</u>	<u>9,546,206</u>	<u>5,112,400</u>
<i>Finance income –</i>				
Interest income from banks	5, 8	<u>105,785</u>	<u>68,498</u>	<u>80,813</u>

16.2 Losses from Fire Damage

On January 8, 2022, the Company's distribution warehouse, selling area and head office, located in Alabang, Muntinlupa City, was severely damaged by a fire. As a result, the Company wrote-off certain inventories and property and equipment with the net carrying value amounting to P58.0 million and P112.5 million, respectively (see Notes 7 and 9). The Company received total insurance claims amounting to P98.6 million, which was offset against the losses incurred from the fire incident. The related net loss which amounted to P71.8 million is presented as Loss from fire damage under Other Income (Charges) in the 2022 statement of comprehensive income. There was no similar event in 2024 and 2023.

17. EMPLOYEE BENEFITS

17.1 Salaries, Wages and Employee Benefits

Details of salaries and employee benefits, which is presented as part of Other Operating Expenses in the statements of comprehensive income are presented below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Salaries and wages		24,636,167	27,396,862	24,427,024
Post-employment benefits	17.2	-	-	-
Other employee benefits		<u>4,558,669</u>	<u>4,178,895</u>	<u>8,080,862</u>
	15.2	<u>29,194,837</u>	<u>31,575,757</u>	<u>32,507,885</u>

17.2 Post-employment Benefits

(a) Characteristics of the Defined Benefit Plan

The Company maintains an unfunded, non-contributory, post-employment defined benefit plan covering all qualified employees.

The normal retirement age of the Company's employees is at 60 with a minimum of five years of credited service. The compulsory retirement age is at 65 with a minimum of five years of credited service. The normal retirement benefit is equal to 100% of the monthly salary multiplied by every year of credited service.

(b) *Explanation of Amounts Presented in the Financial Statements*

The actuarial valuation was made in 2024 and 2023 by a professionally qualified actuary. The retirement benefit obligation amounted to P53.9 million and P30.1 million as of December 31, 2024 and 2023, respectively, and is presented as Retirement Benefit Obligation in the statements of financial position.

The movements in the present value of the retirement benefit obligation recognized in the statements of financial position are as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	30,105,495	22,008,221
Current service cost	8,104,850	5,888,007
Interest cost	1,849,225	1,620,018
Actuarial losses (gains) due to:		
Experience adjustments	13,458,617	(4,929,398)
Changes in financial assumptions	418,993	5,014,079
Net acquired obligation due to employee transfers	-	504,568
Balance at end of year	<u>53,937,180</u>	<u>30,105,495</u>

In 2023, the Company recognized a receivable for the transferred retirement benefit obligation related to the transfer of employees to the Company from a related party under common ownership amounting to P0.5 million. The outstanding receivable is presented as Others under Receivables in the 2023 statement of financial position (see Notes 6 and 19). There was no similar transaction in 2024.

The component of amounts recognized in profit or loss and in other comprehensive income or loss in respect of the retirement benefit obligation are as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Reported in profit or loss:</i>			
Current service cost	8,104,850	5,888,007	7,468,356
Interest cost	1,849,225	1,620,018	1,084,303
	<u>9,954,075</u>	<u>7,508,025</u>	<u>8,552,659</u>
<i>Reported in other comprehensive loss (income):</i>			
Actuarial losses (gains) arising from:			
Experience adjustments	13,458,617	(4,929,398)	794,292
Changes in financial assumptions	418,993	5,014,079	(9,301,398)
	<u>13,877,610</u>	<u>84,681</u>	<u>(8,507,106)</u>

The current service cost is presented as part of Salaries, wages and other employee benefits under Selling Expenses in the statements of comprehensive income (see Note 15.2). Meanwhile, interest cost is included as part of Finance costs under Other Income (Charges) in the statements of comprehensive income (see Note 16.1).

Amounts recognized in other comprehensive income or loss were included within items that will not be reclassified subsequently to profit or loss.

In determining the amount of the retirement benefit obligation, the following significant actuarial assumptions were used:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Discount rate	6.09%	6.15%	7.37%
Expected rate of salary increases	7.75%	7.75%	7.75%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 11 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

(i) *Interest Rate Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, and the timing and uncertainty of future cash flows related to the retirement plan for the years ended December 31, 2024 and 2023, are discussed in the succeeding page.

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2024 and 2023:

(Amounts in PHP)	Impact on Post-Employment Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
<u>December 31, 2024</u>			
Discount rate	+/- 1.0%	(7,005,737)	8,388,895
Salary growth rate	+/- 1.0%	8,432,306	(7,172,830)
<u>December 31, 2023</u>			
Discount rate	+/- 1.0%	(4,185,272)	5,082,832
Salary growth rate	+/- 1.0%	5,078,696	(4,260,765)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

(ii) *Funding Arrangements and Expected Contributions*

The plan is currently unfunded by P53.9 million based on the latest actuarial valuation. While there are no minimum funding requirements in the country, the size of the underfunding may pose a cash flow risk in about 20 years' time when a significant number of employees is expected to retire.

The Company has yet to determine when to establish a retirement fund and how much to contribute.

The maturity profile of the undiscounted expected benefit payments as of December 31 from the plan follows:

(Amounts in PHP)	2024	2023
Within five years	4,333,735	9,319,995
More than five years to 10 years	21,529,127	15,889,299
More than 10 years to 15 years	77,269,967	42,878,106
More than 15 years to 20 years	123,673,386	103,278,114
More than 20 years	352,282,155	354,196,075
	<u>579,088,370</u>	<u>525,561,589</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 18.29 years.

18. TAXES

The components of tax expense as reported in profit or loss follow:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Reported in profit or loss:</i>			
Current tax expense (income):			
Excess of minimum corporate income tax (MCIT) at 2% in 2024 over regular corporate income tax (RCIT)	30,770,669	31,996,760	-
RCIT at 25%	(24,677,093)	7,561,636	33,245,590
Application of excess MCIT	<u>-</u>	<u>-</u>	<u>-</u>
	6,093,576	39,558,396	22,503,661
Deferred tax expense arising from – Origination and reversal of temporary differences	<u>-24,677,093</u>	<u>61,098,513</u>	<u>89,572,184</u>
	<u><u>-18,583,517</u></u>	<u><u>100,656,909</u></u>	<u><u>122,817,774</u></u>
<i>Reported in other comprehensive income (loss) –</i>			
Deferred tax income (expense) arising from – Origination and reversal of temporary differences	<u>-</u>	<u>3,469,403</u>	<u>21,170</u>

A reconciliation of tax on pre-tax profit computed at the applicable statutory rates to tax expense reported in profit or loss is presented as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax on pretax profit at 25%	4,364,371	92,154,924	123,010,182
Adjustment for income subjected to lower tax rate	(26,446)	(59,570)	(66,266)
Tax effects of:			
Expiration of excess of MCIT over RCIT from prior years	-	8,549,643	-
Non-deductible expenses	-	-	-
Non-taxable income	-	-	-
Others	<u>-22,921,442</u>	<u>-</u>	<u>(126,142)</u>
Tax expense	<u><u>-18,583,517</u></u>	<u><u>100,656,909</u></u>	<u><u>100,145,668</u></u>

The net deferred tax liabilities pertain to the following as of December 31:

(Amounts in PHP)	Statements of Financial Position	
	2024	2023
Deferred tax assets:		
Lease liabilities	49,495,994	52,241,572
Excess of MCIT over RCIT	31,996,760	8,549,643
Retirement benefit obligation	13,484,296	7,526,374
Rewards liability	351,887	325,371
	95,328,937	68,642,960
Deferred tax liabilities:		
Tax depreciation and amortization	(266,437,098)	(200,424,233)
Borrowing costs	(209,539,055)	(187,388,155)
Right-of-use assets	(29,185,800)	(33,034,478)
	(505,161,953)	(420,846,866)
Deferred tax liabilities – net	(409,833,016)	(352,203,906)

(Amounts in PHP)	Statements of Comprehensive Income					
	Profit or Loss			Other Comprehensive Income (Loss)		
	2024	2023	2022	2024	2023	2022
Deferred tax assets:						
Excess of MCIT over RCIT	(23,447,117)	-	10,820,610	-	-	-
Lease liabilities	2,745,578	2,157,565	1,638,531	-	-	-
Retirement benefit obligation	(2,488,519)	(2,003,148)	(3,423,807)	(3,469,403)	(21,170)	2,126,777
Rewards liability	(26,516)	(190,762)	960,774	-	-	-
Net operating loss carry-over (NOLCO)	-	-	678,984	-	-	-
	(23,216,574)	(36,345)	10,675,092	(3,469,403)	(21,170)	2,126,777
Deferred tax liabilities:						
Tax depreciation and amortization	66,012,865	75,399,714	54,221,623	-	-	-
Borrowing costs	22,150,900	18,057,493	16,593,970	-	-	-
Right-of-use assets	(3,848,678)	(3,848,678)	(3,848,678)	-	-	-
	84,315,087	89,608,529	66,966,915	-	-	-
Net deferred tax expense (income)	61,098,513	89,572,184	77,642,007	(3,469,403)	(21,170)	2,126,777

The Company is subject to MCIT which is computed at 2% in 2024 and 1.5% in 2023, and 1% in 2022 of gross income, as defined under tax regulations, or to RCIT, which is computed at 25% of taxable income, net of allowable deductions, whichever is higher. In 2024, the Company recognized MCIT due to lower RCIT. The excess of MCIT over RCIT recognized in 2024 can be availed as a deduction from taxable income until 2027. No MCIT was recognized in 2023 and 2022 as the RCIT was higher than MCIT in those years.

In 2024, 2023 and 2022, the Company claimed itemized deductions in computing for its income tax due.

19. RELATED PARTY TRANSACTIONS

The Company's related parties include its ultimate parent company, parent company, related parties under common ownership, key management personnel and others.

Based on the requirements of SEC Memorandum Circular 2019-10, *Rules on Material Related Party Transactions for Publicly-Listed Entities*, transactions amounting to 10% or more of the total assets based on the latest audited financial statements that were entered into with the related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-third of the outstanding capital stock. For aggregate related party transactions within a 12- month period that breaches the materiality threshold of 10% of the Company's total assets based on the latest audited financial statements, the same BOD approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

Directors with personal interest in the transaction should abstain from participating in the discussion and voting on the same. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

The summary of the Company's transactions with its related parties are discussed below.

(Amounts in PHP)	Notes	Amount of Transactions			Outstanding Balance	
		2024	2023	2022	2024	2023
Parent Company –						
Dividends	20	48,989,715	39,804,144	48,989,715	-	-
Related Parties Under						
Common Ownership:						
Sale of merchandise	6, 19.1	85,229,811	50,368,722	61,461,748	77,415,662	24,328,984
Rentals	19.2	249,126,613	293,464,492	281,009,936	-	-
Transferred retirement benefit obligation	6, 17.2	-	504,568	1,093,335	-	504,568
Key Management Personnel –						
Compensation	19.4	20,858,516	18,130,781	13,755,619	-	-

As of December 31, 2024, 2023 and 2022, the Company's outstanding receivables with related parties were subjected to impairment using ECL assessment. Based on management assessment, no impairment needs to be recognized. The outstanding balances of related party transactions are noninterest-bearing, unsecured and payable in cash on demand and upon due date.

The details of the Company's related party transactions and balances are as follows:

19.1 Sale of Merchandise

The Company sells various merchandise items to its related parties with similar transaction price and terms under exact business circumstance with third parties. These transactions are presented as part of Sale of Goods in the statements of comprehensive income (see Note 14). The outstanding receivables from these transactions as of December 31, 2024 and 2023 are presented as part of Trade under Receivables in the statements of financial position (see Note 6).

19.2 *Lease Agreements*

The Company entered into lease agreements with related parties under common ownership that contain variable payments linked to sales generated from certain stores. The expenses relating to these leases amounting are presented as Rentals under Selling Expenses in the statements of comprehensive income (see Notes 10.3 and 15.2).

19.3 *Guarantees of Loans*

The Company obtained short-term and long-term loans with interests ranging from 6.50% to 9.75% in 2024, 6.50% to 11.00% in 2023 and 5.00% to 8.08% in 2022, for additional working capital requirements and store construction and expansion. Both the Company's short-term and long-term loans are secured by cross suretyship of its ultimate parent company (see Notes 13.1 and 13.2).

19.4 *Key Management Personnel Compensation*

The total compensation of key management personnel, which include all managers and executives, is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term benefits	19,079,562	16,938,863	13,755,619
Post-employment benefits	<u>1,778,954</u>	<u>1,191,918</u>	<u>-</u>
	<u><u>20,858,516</u></u>	<u><u>18,130,781</u></u>	<u><u>13,755,619</u></u>

20. **EQUITY**

20.1 *Capital Stock*

The Company's authorized capital stock consists of 30,000,000,000 common shares with a par value of P0.10 per share. As of December 31, 2024, 2023 and 2022, there are 22,857,145,000 shares issued and outstanding amounting to P2,285,714,500.

As of December 31, 2024 and 2023, the Company's number of shares registered totaled 22,857,145,000 with par value of P0.10 per share and closed at a price of P0.13 and P0.16 in 2024 and 2023, respectively. The total number of stockholders is 25 and 23 as of December 31, 2024 and 2023, respectively, with the shares held in the name of PCD Nominee Corporation belonging to 118 participant and 123 participants in 2024 and 2023, respectively. The public float lodged with PCD Nominee Corporation is counted only as one stockholder.

20.2 *Additional Paid-In Capital*

Additional paid-in capital consists of P3,316.7 million from the initial public offering in 2021, net of P111.9 million stock issuance costs incurred such as underwriting fees and commissions, taxes and filing fees.

20.3 *Dividends Declaration*

On August 15, 2022, the Company's BOD approved the declaration of cash dividends amounting to P73.1 million (equivalent to P0.0032 per share) and payable to stockholders of record on September 12, 2022. The dividend was fully paid in 2022.

On August 14, 2023, the Company's BOD approved the declaration of cash dividends amounting to P59.4 million (equivalent to P0.0026 per share) and payable to stockholders of record on September 12, 2023. The dividend was fully paid in 2023.

On November 27, 2024, the Company's BOD approved declaration of cash dividends amounting to P73.1 million (equivalent to P0.0032 per share) and payable to stockholders of record on December 12, 2024. The dividend was fully paid in 2024.

20.4 *Revaluation Reserves*

The Company's revaluation reserves as of December 31, 2024 and 2023 pertains to accumulated actuarial gains or losses arising from the valuation of its retirement benefit obligation (see Note 17.2).

21. EARNINGS PER SHARE (EPS)

EPS were computed as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net profit	36,040,999	267,962,786	369,222,953
Divided by weighted average number of outstanding common shares	<u>22,857,145,000</u>	<u>22,857,145,000</u>	<u>22,857,145,000</u>
Basic and diluted EPS	<u><u>0.00</u></u>	<u><u>0.01</u></u>	<u><u>0.01</u></u>

The Company has no potential dilutive common shares as of March 31, 2025 and 2024.

22. PROVISIONS, COMMITMENTS AND CONTINGENCIES

22.1 *Unused Line of Credit*

The Company has existing lines of credit with local banks totalling to P3,600.3 million and P2,002.3 million as of December 31, 2024 and 2023, respectively. The Company availed of bank loans amounting to P2,514.6 million and P1,552.3 million from the lines of credit as of December 31, 2024 and 2023 (see Note 13).

Unused lines of credit as of December 31, 2024 and 2023 amounted to P1,085.7 million and P450.0 million, respectively.

22.2 *Others*

There are other commitments, guarantees and contingent liabilities that may arise in the normal course of operations of the Company which are not reflected in the financial statements. As of December 31, 2024 and 2023, management is of the opinion that losses, if any, from these items will not have any material effect on the Company's financial statements, taken as a whole.

23. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks in relation to financial instruments. The main types of risks are interest rate risk, credit risk and liquidity risk.

The Company's risk management is coordinated with its parent company, in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. The Company does not engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Company is exposed to are described below and in the succeeding pages.

23.1 *Interest Rate Risk*

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. In 2024, 2023, and 2022, the Company is exposed to changes in market interest rates through its cash in banks, which are subject to interest based on daily bank deposits rates.

On the other hand, the Company's short-term and long-term bank loans are subject to fixed rates ranging from 6.50% to 9.75% per annum, 6.50% to 11.00% per annum and 5.00% to 8.08% per annum for 2024, 2023 and 2022, respectively (see Note 13). Accordingly, management assessed that the Company is not significantly exposed to changes in market interest rates for its bank borrowings in 2024, 2023 and 2022.

The sensitivity of the net result for 2024 and 2023 is analyzed based on reasonably possible change in interest rates of +/- 1.31% and +/- 1.45%, respectively. The calculations are based on a change in the average market interest rate for each period, using standard deviation, in the previous 12 months estimated at 99% confidence level. These changes are considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's financial instruments held at the end of each reporting period, with effect estimated from the beginning of the period. With other variables held constant, if the interest rate increased, profit before tax would have decreased by P57.4 million and P39.9 million in 2024 and 2023, respectively. Conversely, if the interest rate decreased by the same percentage, profit before tax would have been higher by the same amount.

23.2 *Credit Risk*

Credit risk is the risk that counterparty will fail to discharge an obligation to the Company. The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to financial statements), as summarized below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>March 31, 2025</u>	<u>2024</u>
Cash	5	1,254,648,679	1,126,247,978
Receivables	6	370,922,972	162,675,404
Short-term investments	8	3,000,000	3,000,000
Security deposits	8, 10	<u>76,497,752</u>	<u>74,482,186</u>
		<u>1,705,069,403</u>	<u>1,366,405,569</u>

None of the financial assets are secured by collateral or other credit enhancements, except for cash and short-term investments as described below. Additional information on the financial assets follows:

(a) *Cash and Short-term Investments*

The credit risk for cash and short-term investments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. This includes demand deposits and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution. The maximum coverage increased to P1.0 million effective March 15, 2025.

(b) *Receivables*

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Company also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of three years before December 31, 2024 and 2023, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified that the Philippine inflation was the most relevant factor in 2024 and 2023, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Company identifies a default when the receivables become credit-impaired or when the customer is not able to settle the receivables within the normal credit terms of 2 to 90 days, depending on the terms with customers; hence, these receivables were already considered as past due on its contractual payment. In addition, the Company considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty.

As of December 31, 2024 and 2023, all of the Company's trade receivables are considered current and not yet due. On that basis, no expected credit loss allowance was determined.

No loss allowance was also provided as at December 31, 2024 and 2023, on the Company's non-trade receivables as the Company does not have any non-trade receivables which have been outstanding for more than three months. The Company's management continues to monitor counterparties default rates and macroeconomic factors affecting counterparties' ability to settle receivables. Management considers the credit quality of non-trade receivables that are not past due or impaired to be good.

(c) *Security Deposits*

The Company is not exposed to any significant credit risk exposure, since the counterparties are reputable lessors with sound liquid position.

23.3 *Liquidity Risk*

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

The Company maintains cash to meet its liquidity requirements for up to 30-day periods. Excess cash are invested in short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at December 31, 2024 and 2023, the Company's financial liabilities, excluding lease liabilities (see Note 10.2), have contractual maturities which are summarized below.

		Current		Non-current	
		Upon Demand/ Within Six Months	Six to 12 Months	One to Three Years	Later than Three Years
(Amounts in PHP)	Notes				
December 31, 2024					
Trade and other payables	12	380,711,386	-	-	-
Loans payable	13	1,259,159,489	970,354,185	680,579,073	244,050,052
		<u>1,639,870,875</u>	<u>970,354,185</u>	<u>680,579,073</u>	<u>244,050,052</u>
December 31, 2023					
Trade and other payables	12	349,003,779	-	-	-
Loans payable	13	1,269,344,508	195,381,795	382,036,318	-
		1,618,348,287	195,381,795	382,036,318	-

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of the reporting periods.

24. CATEGORIES, FAIR VALUE AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

24.1 *Carrying Amounts and Fair Values by Category*

The Company has no financial instruments carried at fair values.

For the Company's financial assets and liabilities carried at amortized cost as at December 31, 2024 and 2023, management considers that the carrying values of these financial instruments approximate their fair values either because these instruments are short-term in nature or the effect of discounting for those maturities of more than one year is not material, hence, no further comparison between the carrying amounts and fair values is presented.

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 23.

24.2 *Fair Value Hierarchy*

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets, which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For financial assets with fair value included in Level 1, management considers that the carrying amount of this short-term financial instrument approximates its fair value.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on instrument where the significant inputs required to determine the fair values of such instruments are not based on observable market data.

There have been no significant transfers among Levels 1 and 3 in the reporting periods.

With the exception of Cash and Short-term investments (which is presented under Prepayments and Other Assets), which are classified under Level 1 of the fair value hierarchy, all of the Company's financial assets and liabilities presented in the statements of financial position are classified under Level 3 of the fair value hierarchy as of December 31, 2024 and 2023.

24.3 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2024 and 2023 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. There is no potential offsetting as of December 31, 2024 and 2023.

24.4 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed (see Note 24.1).

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
<u>December 31, 2024</u>				
<i>Financial assets:</i>				
Cash	1,493,385,855	-	-	1,493,385,855
Receivables	-	-	353,111,116	353,111,116
Short-term investments	3,000,000	-	-	3,000,000
Security deposit	-	-	38,146,242	38,146,242
	<u>1,496,385,855</u>	<u>-</u>	<u>391,257,358</u>	<u>1,887,643,213</u>
<i>Financial liabilities:</i>				
Trade payables	-	-	380,711,386	380,711,386
Loans payable	-	-	2,737,959,582	2,737,959,582
Lease liabilities	-	-	197,983,975	197,983,975
	<u>-</u>	<u>-</u>	<u>3,316,654,943</u>	<u>3,316,654,943</u>
<u>December 31, 2023</u>				
<i>Financial assets:</i>				
Cash	1,003,630,272	-	-	1,003,630,272
Receivables	-	-	190,740,438	190,740,438
Short-term investments	3,000,000	-	-	3,000,000
Security deposit	-	-	34,860,373	34,860,373
	<u>1,006,630,272</u>	<u>-</u>	<u>225,600,811</u>	<u>1,232,231,083</u>
<i>Financial liabilities:</i>				
Trade payables	-	-	349,003,779	349,003,779
Loans payable	-	-	2,187,104,131	2,187,104,131
Lease liabilities	-	-	208,966,287	208,966,287
	<u>-</u>	<u>-</u>	<u>2,745,074,197</u>	<u>2,745,074,197</u>

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the Company's ability to continue as a going concern entity. Essentially, the Company, in coordination with its parent company, monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position.

The Company manages the capital structure and makes adjustments to consider changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the reporting periods is summarized as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Interest-bearing loans	2,889,589,705	1,736,874,718	1,432,407,585
Total equity	<u>7,098,200,149</u>	<u>6,913,788,434</u>	<u>6,604,057,569</u>
Debt-to-equity ratio	<u>0.41 : 1:00</u>	<u>0.25 : 1:00</u>	<u>0.22 : 1:00</u>

The Company monitors capital on the debt-to-equity ratio on its covenants with certain financial institutions. The Company has to maintain a minimum current ratio of at least 1.00, maximum debt-to-equity ratio of 2.50:1.00, and a minimum debt-service coverage ratio of at least 1.00. The Company has properly complied with its loans' covenants as of December 31, 2024 and 2023 (see Note 13.2).

26. SUPPLEMENTAL INFORMATION ON NON-CASH ACTIVITIES

The following discusses the supplemental information on non-cash activities as presented in the statements of cash flows for the years ended December 31, 2024, 2023 and 2022:

- In 2024, 2023 and 2022, the Company capitalized borrowing costs amounting to P131.6 million, P109.8 million and P92.7 million as part of property and equipment (see Notes 9 and 13).
- The Company has accrued interest expense amounting to P27.2 million, P17.0 million and P8.2 million as of December 31, 2024, 2023 and 2022, respectively (see Note 13).
- In 2024, 2023 and 2022, certain Advances to contractors under Non-current Assets amounting to P18.7 million, P68.5 million and P5.7 million, respectively, were reclassified to Construction-in-progress under Property and Equipment - Net in the statements of financial position (see Note 9).

27. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented in the succeeding pages is the supplementary information on taxes, duties and license fees paid or accrued during the taxable year which is required by the BIR under its existing Revenue Regulation No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

(a) *Output VAT*

The Company is registered with the BIR as a VAT taxpayer. This is in relation to its sales of merchandise. The Company declared output VAT as follows:

<i>(Amounts in PHP)</i>	<u>Tax Base</u>	<u>Output VAT</u>
Sale of merchandise:		
VATable sales	1,345,552,941	161,466,353
Zero-rated sales	1,665,966	-
Exempt sales	<u>64,668,599</u>	<u>-</u>
	<u>1,411,887,506</u>	<u>161,466,353</u>

The Company's VAT zero-rated sales were determined pursuant to Section 108B, *Transactions Subject to Zero Percent* of the 1997 National Internal Revenue Code.

The Company's exempt sales were determined pursuant to Section 109(W), *Sale or Lease of Goods and Services to Senior Citizens and Persons with Disability, as Provided under Republic Act No. 9994 (Expanded Senior Citizens Act of 2020)* and *R.A. No. 10754 (An Act Expanding the Benefits and Privileges of Persons with Disability, of the 1997 National Internal Revenue Code.*

The tax bases are included as part of Sales and Support, Fees, Rentals and Other Income in the 2024 statement of comprehensive income.

(b) *Input VAT*

The outstanding input VAT as of March 31, 2025 is presented as Input VAT under Prepayments and Other Current Assets in the 2025 statement of financial position.

(c) *Taxes on Importation*

The Company did not have any customs duties and tariff fees paid in March 31, 2025 since it did not engage in any importation activities during the year.

(d) *Excise Tax*

The Company did not have any transactions in March 31, 2025 which are subject to excise tax.

(e) *Documentary Stamp Tax (DST)*

In March 31, 2025, the Company paid DST amounting to P.724 million arising from interest- bearing loans availed and new lease contracts entered during the year.

(f) *Taxes and Licenses*

The details of taxes and licenses in March 31, 2025 is broken down as follows
(Amounts in PHP):

Business permits and licenses	6,373,167
DST	728,641
Total	<u>7,101,808</u>

The Taxes and licenses is presented under General and Administrative Expenses in the 2025 statement of comprehensive income (see Note 15.2).

(g) *Withholding Taxes*

Details of total withholding taxes for the year ended March 31, 2025 are shown below (Amounts in PHP).

Expanded	54,972,754
Compensation and employee benefits	1,963,465
Final	<u>413,646</u>
	<u><u>9,994,855</u></u>

The outstanding balance of expanded withholding tax, withholding tax on compensation and final withholding tax amounting to P5.2 million is recorded as part of Withholding taxes and other government payables under Trade and Other Payables in the 2024 statement of financial position (see Note 12).

(h) *Deficiency Tax Assessment and Tax Cases*

As of December 31, 2024, the Company does not have any final deficiency tax assessment from the BIR nor it does have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

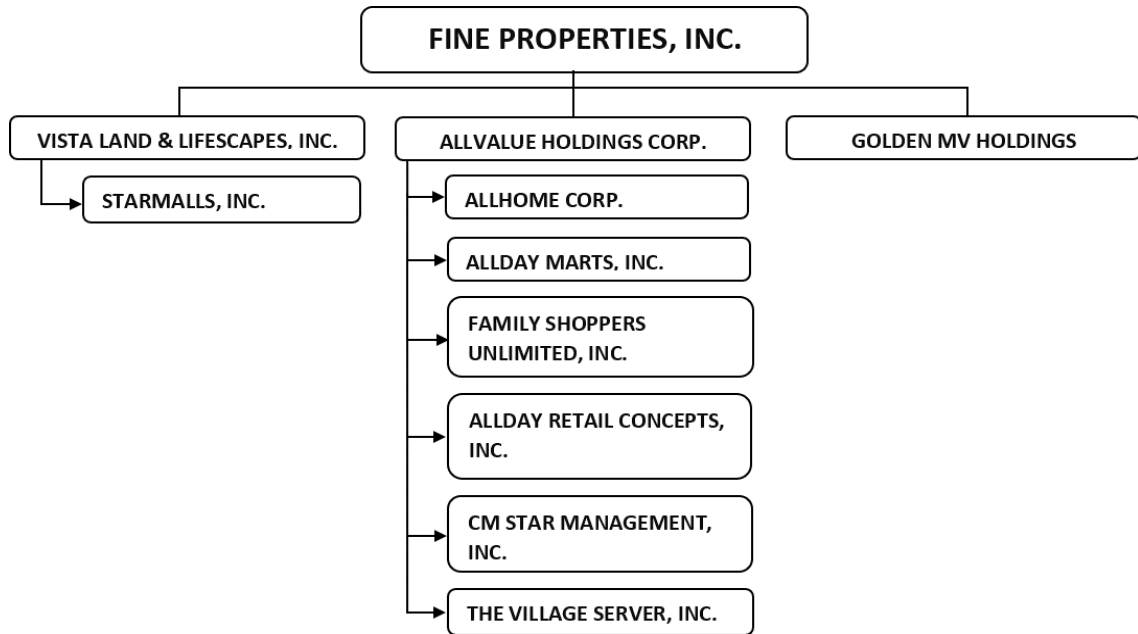
ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
Schedule D - Long-Term Debt
December 31, 2024
(Amounts in Philippine Pesos)

<i>Title of issue and type of obligation</i>	<i>Amount shown under caption "Current portion of long-term debt" in related balance sheet</i>	<i>Amount shown under caption "Long-Term Debt" in related balance sheet</i>
Term Loans	P <u>166,666,667</u>	P <u>793,333,333</u>

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Related Parties	Directors, Officers and Employees	Others
Common Shares at P0.10 par value	<u>30,000,000,000</u>	<u>22,857,145,000</u>	<u>-</u>	<u>15,309,286,000</u>	<u>5,002,000</u>	<u>7,542,857,000</u>

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
SHOWING THE RELATIONSHIPS BETWEEN AND AMONG COMPANIES IN THE GROUP
ULTIMATE PARENT COMPANY AND PARENT COMPANY



**SCHEDULE FOR LISTED COMPANIES WITH RECENT OFFERING
OF SECURITIES TO THE PUBLIC**

ALLDAY MARTS, INC.

For the Period Ended December 31, 2024

1. Gross and net proceeds as discussed in the final prospectus

Estimated gross proceeds	P	4,114,300,000
Estimated net proceeds		3,956,600,000

2. Actual gross and net proceeds

Actual gross proceeds	P	4,114,285,800
Actual net proceeds		3,956,593,762

3. Each expenditure item where the proceeds were used

Debt repayments	P	3,149,203,324
Initial working capital		317,825,122
Capital expenditures for store network expansion		387,793,927

4. Balance of the proceeds as of end of reporting period

As of March 31, 2025	P	101,771,389
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March 31, 2025 and 2024

* Interest expense includes capitalized borrowing costs

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REVIEW OF FIRST QUARTER END 2025 VS FIRST QUARTER END 2024

RESULTS OF OPERATIONS

Quarter Ended March 31, 2025 compared to quarter ended March 31, 2024

	For the quarter ended March 31		Horizontal analysis	Vertical analysis	
	2025	2024		2025	2024
	(in millions of ₱)		% Change	% of Total Sales	
Sales.....	₱1,403.1	₱2,468.0	-43.1%	100.0%	100.0%
Cost of merchandise sold.....	1,111.2	1,954.8	-43.1%	79.2%	79.2%
Other income	12.7	13.0	-2.2%	1.0%	0.6%
Other operating expenses	279.6	410.1	-32.0%	20.0%	16.4%
Finance income (costs)					
Finance costs.....	(7.5)	(9.5)	19.0%	0.5%	-0.2%
Finance income	0.1	0.1	54.4%	0.0%	0.0%
Tax expense	4.4	10.5	-58.5%	0.3%	1.2%
Net profit (loss).....	13.1	97.0	-86.5%	1.0%	3.6%

Sales

The company recorded sales of ₱1,403.1 million for the quarter ended 31 March 2025, a decrease of 43.1% from ₱2,467.9 million for the quarter ended 31 March 2024. This was brought about by low performing stores with intense market competition.

Cost of Merchandise Sold

For the quarter ended 31 March 2025, cost of merchandise sold was at ₱1,111.2 million, a decrease of 43.1% compared to ₱1,954.8 million for the same period in 2024, largely driven by the decrease in sales in existing stores.

Support, Fees, Rentals and Other Income

Support, fees, rentals and other income decreased by 2.2% from ₱13.0 million for the quarter ended 31 March 2024 to ₱12.7 million for the quarter ended 31 March 2025 primarily due to the decrease in sales which are generally the basis for vendor incentives and support.

Other Operating Expenses

Selling Expenses

Selling expenses decreased by 22.4% to ₱136.1 million for the quarter ended 31 March 2025 from ₱257.1 million for the same period in 2024 primarily due to the following:

- Increase in delivery fees from ₱0.3 million for the quarter ended 31 March 2024 to ₱0.4 million for the quarter ended 31 March 2025 on account of adjustment in the delivery rates for the period.
- Decrease in advertising and promotions from ₱3.0 million for the quarter ended 31 March 2024 to ₱1.3 million for the quarter ended 31 March 2025 due to lesser out of home billboards and print outs as the company focuses on social medial campaigns which is more affordable with wide reach.

- Decrease in operating supplies from ₱5.1 million for the quarter ended 31 March 2024 to ₱1.0 million for the quarter ended 31 March 2025 due to cost-cutting measures implemented
- Decrease in salaries, wages, and other employee benefits from ₱31.5 million for the quarter ended 31 March 2024 to ₱29.2 million for the quarter ended 31 March 2025 due to manpower rationalization.
- Decrease in agency fee from ₱60.0 million for the quarter ended 31 March 2024 to ₱18.1 million for the quarter ended 31 March 2025 attributable to the reduction of manpower from agencies.
- Decrease in communication and utilities from ₱72.6 million for the quarter ended 31 March 2024 to ₱48.0 million for the quarter ended 31 March 2025 due primarily to cost-saving initiatives.
- Decrease in rentals from ₱69.5 million for the quarter ended 31 March 2024 to ₱34.0 million for the quarter ended 31 March 2025 due to lower sales recorded during the period. Rent is charged as a percentage of sales.
- Decrease in repairs and maintenance from ₱6.0 million for the quarter ended 31 March 2024 to ₱1.0 million for the quarter ended 31 March 2025 due to cost-cutting measures implemented.
- Decrease in merchant fee from ₱9.4 million for the quarter ended 31 March 2024 to ₱3.6 million for the quarter ended 31 March 2025 attributable to decline in sales for the period

General and administrative expenses

General and administrative expenses decreased by 6.2% from ₱153.0 million for the quarter ended 31 March 2024 to ₱143.5 million for the quarter ended 31 March 2025 primarily due to the following:

- Decrease in professional fees from ₱1.4 million for the quarter ended 31 March 2024 to ₱0.6 million for the quarter ended 31 March 2025 due to timing difference in the payment of audit fees, board of directors' fees, and consultancy fees for sustainability reporting.
- Decrease in taxes and licenses from ₱12.0 million for the quarter ended 31 March 2024 to ₱7.1 million for the quarter ended 31 March 2025 due to decrease in revenues.
- Increase in depreciation and amortization from ₱129.0 million for the quarter ended 31 March 2024 to ₱132.0 million for the quarter ended 31 March 2025 due to amortization of capitalized interest and capitalized refurbishments.
- Decrease in miscellaneous expense from ₱0.2 million for the quarter ended 31 March 2024 to ₱0.1 million for the quarter ended 31 March 2025 due to cost-cutting measures implemented.
- Decrease in insurance from ₱5.0 million for the quarter ended 31 March 2024 to ₱2.2 million for the quarter ended 31 March 2025 due to adjustment in insurance coverages.
- Decrease in dues and subscription from ₱2.1 million for the quarter ended 31 March 2024 to ₱1.0 million for the quarter ended 31 March 2025 due to cost-saving measures implemented.
- Decrease in travel and transportation from ₱3.4 million for the quarter ended 31 March 2024 to ₱1.0 million for the quarter ended 31 March 2025 due to cost-saving measures implemented.

Finance Cost

Finance cost decreased by 19.0% from ₱9.5 million for the quarter ended 31 March 2024 to ₱7.7 million for the quarter ended 31 March 2025 due to capitalizing of borrowing cost.

Finance Income

Finance income increased by 54.4% from ₱0.07 million for the quarter ended 31 March 2024 to ₱0.1 million for the quarter ended 31 March 2025. The increase was primarily attributable to the higher average cash balance during the quarter ended 31 March 2025 compared to the quarter ended 31 March 2024.

Provision for Income Tax

Provision for income tax decreased by 58.5% from ₱10.5 million for the quarter ended 31 March 2024 to ₱4.3 million for the quarter ended 31 March 2025 due to lower taxable income for the period.

Net Profit

As a result of the foregoing, our net income decreased by 86.5% to ₱13.1 million for the quarter ended 31 March 2025 from ₱97.0 million net income for the quarter ended 31 March 2024.

FINANCIAL CONDITION

As of 31 March 2025 vs. December 2024

	<u>For the period ended,</u>		<u>Horizontal analysis</u>	<u>Vertical Analysis</u>	
	<u>March 31,</u>	<u>December 31,</u>		<u>March 31,</u>	<u>December 31,</u>
	<u>2025</u>	<u>2024</u>		<u>2025</u>	<u>2024</u>
	<u>(in millions of ₱)</u>		<u>% Change</u>	<u>% of Total Assets</u>	
Total Current Assets	₱5,953.6	₱6,047.0	-1.5%	54.4%	54.7%
Total Noncurrent Assets	4,989.0	5,000.1	-0.2%	45.6%	45.3%
Total Assets.....	<u>10,942.6</u>	<u>11,047.0</u>	<u>-1.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Total Current Liabilities.....	2,592.0	2,507.4	3.3%	23.7%	22.7%
Total Noncurrent Liabilities.....	<u>1,246.6</u>	<u>1,441.4</u>	<u>-13.5%</u>	<u>11.4%</u>	<u>13.1%</u>
Total Liabilities	3,838.6	3,948.8	3.0%	35.1%	35.8%
Equity	<u>7,104.0</u>	<u>7,098.2</u>	<u>0.1%</u>	<u>65.0%</u>	<u>64.3%</u>
Total Liabilities and Equity	<u>10,942.6</u>	<u>11,047.1</u>	<u>-1.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Total assets amounting to ₱10,942.6 million as of 31 March 2025 recorded a slight decrease of 1.0% from the reported amount of ₱11,047.1 million in 31 December 2024 due to the following:

- Cash decreased by 15.4% from ₱1,496.4 million as of 31 December 2024 to ₱1,265.7 million as of 31 March 2025 due primarily to higher sales for the period.

- Receivables increased by 5.0% from ₱353.1 million as of 31 December 2024 to ₱371.0 million as of 31 March 2025 due to timing of collections.
- Merchandise inventories slightly decreased by 0.6% from ₱2,820.5 million as of 31 December 2024 to ₱2,802.3 million as of 31 March 2025 due primarily to inventory optimization.
- Prepayments and other current assets increased by 33.0% from ₱1,738.0 million as of 31 December 2024 to ₱1,910.0 million as of 31 March 2025 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.
- Property and equipment increased by 13.0% from ₱4,074.0 million as of 31 December 2024 to ₱4,594.0 million as of 31 March 2025 due primarily to capitalized refurbishments for the period.
- Right-of-use assets decreased by 3.3% from ₱116.7 million as of 31 December 2024 to ₱112.9 million as of 31 March 2025 due primarily to amortization for the period.
- Other non-current assets slightly decreased by 0.1% from ₱395.7 million as of 31 December 2024 to ₱395.2 million as of 31 March 2025 due primarily to security deposit.

Total liabilities amounting to ₱3,838.6 million as of 31 March 2025 recorded a decrease of 2.8% from the reported amount of ₱3,949.0 million in 31 December 2024. This was due to the following:

- Trade and other payables decreased by 10.0% from ₱380.8 million as of 31 December 2024 to ₱343.6 million as of 31 March 2025 due to payments made for the period.
- Loans payable including non-current portion decreased by 2.5% from ₱2,815.2 million as of 31 December 2024 to ₱1,736.7 million as of 31 March 2025 due to settlement of matured loans.
- Lease liability including non-current portion decreased slightly by 1.0% from ₱198.0 million as of 31 December 2024 to ₱196.5 million as of 31 March 2025 due to lease payments made.
- Deferred tax liabilities increased by 3.7% from ₱410.0 million to ₱425.0 for the quarter ended 31 March 2025 attributable to additional temporary tax differences recognized for the period.
- Retirement benefit obligation remained unchanged at ₱54.0 million.

Total equity slightly increased by 0.2% from ₱7,090.5 as of 31 December 2024 to ₱7,104.9 million as of 31 March 2025 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	3/31/2025	3/31/2024
Sales (₱ millions)	₱ 1,403.1	₱ 2,467.9
Sales Growth (%)	-76.0%	1.1%
Gross Profit Margin (%) ⁽¹⁾	20.8%	20.8%
Net Profit or Loss (₱ millions)	13.1	97.0
Net Profit Margin (%) ⁽²⁾	1.0%	3.9%

Notes:

(a) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Sales

(b) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Sales

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Sales decreased for the quarter ended 31 March 2025 compared to the quarter ended 31 March 2024 due to a low same store sales growth of existing stores

Gross Profit Margin remained unchanged for the quarter ended 31 March 2025.

Net Profit or Loss and Net Profit Margin decreased for the quarter ended 31 March 2025 compared to the quarter ended 31 March 2024 attributable to the low sales for the period.

Material Changes to the Company's Balance Sheet as of 31 March 2025 compared to 31 December 2024 (increase/decrease of 5% or more)

Cash decreased by 15.4% from ₱1,496.4 million as of 31 December 2024 to ₱1,265.7 million as of 31 March 2025 due primarily to higher sales for the period.

Receivables increased by 5.0% from ₱353.1 million as of 31 December 2024 to ₱371.0 million as of 31 March 2025 due to timing of collections.

Prepayments and other current assets increased by 33.0% from ₱1,738.0 million as of 31 December 2024 to ₱1,910.0 million as of 31 March 2025 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

Property and equipment increased by 13.0% from ₱4,074.0 million as of 31 December 2024 to ₱4,594.0 million as of 31 March 2025 due primarily to capitalized refurbishments for the period.

Trade and other payables decreased by 10.0% from ₱380.8 million as of 31 December 2024 to ₱343.6 million as of 31 March 2025 due to payments made for the period.

Material Changes to the Company's Statement of income for the 3-month of 2025 compared to the 3-month of 2024 (increase/decrease of 5% or more)

The company recorded sales of ₱1,403.1 million for the quarter ended 31 March 2025, a decrease of 43.1% from ₱2,467.9 million for the quarter ended 31 March 2024. This was brought about by low performing stores with intense market competition.

For the quarter ended 31 March 2025, cost of merchandise sold was at ₱1,111.2 million, a decrease of 43.1% compared to ₱1,954.8 million for the same period in 2024, largely driven by the decrease in sales in existing stores.

Selling expenses decreased by 22.4% to ₱136.1 million for the quarter ended 31 March 2025 from ₱257.1 million for the same period in 2024.

General and administrative expenses decreased by 6.2% from ₱153.0 million for the quarter ended 31 March 2024 to ₱143.5 million for the quarter ended 31 March 2025.

Finance cost decreased by 19.0% from ₱9.5 million for the quarter ended 31 March 2024 to ₱7.7 million for the quarter ended 31 March 2025 due to capitalizing of borrowing cost.

Finance income increased by 54.4% from ₱0.07 million for the quarter ended 31 March 2024 to ₱0.1 million for the quarter ended 31 March 2025. The increase was primarily attributable to the higher average cash balance during the quarter ended 31 March 2025 compared to the quarter ended 31 March 2024.

Provision for income tax decreased by 58.5% from ₱10.5 million for the quarter ended 31 March 2024 to ₱4.3 million for the quarter ended 31 March 2025 due to lower taxable income for the period.

As a result of the foregoing, our net income decreased by 86.5% to ₱13.1 million for the quarter ended 31 March 2025 from ₱97.0 million net income for the quarter ended 31 March 2024.

There is no other material change in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion.

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 March 2025 and as of 31 March 2024.

PART II - OTHER INFORMATION

Item 3. 3-month of 2025 Developments

- A. New Projects or Investments in another line of business or corporation.

None

- B. Composition of Board of Directors

Manuel B. Villar, Jr.	Chairman of the Board
Camille A. Villar	Vice Chairman of the Board
Frances Rosalie T. Coloma	Director
Manuel Paolo A. Villar	Director
Magdalena G. De Guzman	Director, Acting President, and COO
Jessie D. Cabaluna	Independent Director
Raul Juan N. Esteban	Independent Director

- C. Performance of the corporation or result/progress of operations.

Please see unaudited Financial Statements and Management's Discussion and Analysis.

- D. Declaration of Dividends

P0.0032 per share Regular Cash Dividend

Declaration date: November 13, 2024

Record date: November 27, 2024

Payment date: December 12, 2024

P0.0026 per share Regular Cash Dividend

Declaration date: August 14, 2023

Record date: September 12, 2023

Payment date: October 04, 2023

P0.0032 per share Regular Cash Dividend

Declaration date: August 15, 2022

Record date: September 12, 2022

Payment date: October 4, 2022

- E. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.

None.

- F. Offering of rights, granting of Stock Options and corresponding plans thereof.

None.

- G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

Not Applicable.

- H. Other information, material events or happenings that may have affected or may affect market price of security.

None.

- I. Transferring of assets, except in normal course of business.

None.

Item 4. Other Notes as of 3-month of 2025 Operations and Financials.

- J. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size, or incidents.

None.

- K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.

There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.

- L. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.

See Notes to Financial Statements and Management Discussion and Analysis.

- M. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

See Notes to Financial Statements and Management Discussion and Analysis.

- N. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

None.

- O. Changes in contingent liabilities or contingent assets since the last annual statement of financial position date.

None.

- P. Existence of material contingencies and other material events or transactions during the interim period

None.

- Q. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

None.

- R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

None.

- S. Material commitments for capital expenditures, general purpose and expected sources of funds.

Material commitments for capital expenditures contracted were attributed to the store fixtures and equipment being put up for the upcoming new stores.

- T. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.

As of March 31, 2025 no known trends, events or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 3-month of 2024 financial statements.

- U. Significant elements of income or loss that did not arise from continuing operations.

None.

- V. Causes for any material change/s from period to period in one or more line items of the financial statements.

None.

- W. Seasonal aspects that had material effect on the financial condition or results of operations.

None.

- X. Disclosures not made under SEC Form 17-C.

None.

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized.

AllDay Marts, Inc.
Issuer

By:

A handwritten signature in black ink, appearing to read 'MCB' or similar, written in a cursive style.

MARIA CRISTINA O. BARAO
Treasurer, CFO and Compliance Officer

Date: 15 May 2025

COVER SHEET

C	S	2	0	1	6	2	9	6	7	3
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(Company's Full Name)

L	G	F		E	V	I	A		L	I	F	E	S	T	Y	L	E		C	E	N	T	E	R	,				
D	A	A	N	G		H	A	R	I	,		B	R	G	Y	.		A	L	M	A	N	Z	A		D	O	S	,
L	A	S		P	I	Ñ	A	S		C	I	T	Y																

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

Maria Cristina O. Barao

Contact Person

(632) 8830-1900

Company Telephone Number

1	2
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Month
Calendar Year

3	1
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Day

17-A

FORM TYPE

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Month
Annual Meeting

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Day

Secondary License Type, If
Applicable

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Dept. Requiring this
Doc.

Amended Articles
Number/Section

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Total No. of
Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2024
2. SEC Identification Number CS-201629673
3. BIR Tax Identification No. 009-491-731
4. Exact name of issuer as specified in its charter ALLDAY MARTS, INC.
5. Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. Lower Ground Floor, EVIA Lifestyle Center, Daanghari 1750
Almanza Dos, Las Piñas City
Address of principal office Postal Code
8. (632) 8880-1900
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common stock</u>	<u>22,857,145,000 shares</u>
11. Are any or all of these securities listed on a Stock Exchange.

Yes [/] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange Common stocks
12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/] No []
(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/] No []
13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The

aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

₱1.0 Billion as of December 31, 2024

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS
PROCEEDINGS DURING THE PRECEDING FIVE
YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes []

No [/]

NOT APPLICABLE

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

**Financial Statements as of and for the year ended December 31,
2024 (incorporated as reference for Items 7 and 12 of SEC Form
17-A)**

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PART I – BUSINESS

Item 1. Business

Overview

AllDay Marts, Inc. (the “Company”) is the fastest growing supermarket operator in the Philippines and a leading player in the mid-premium supermarket segment. Since its incorporation in December 2016, the Company has grown to 40 physical stores as of December 31, 2024, with an aggregate net selling space of approximately 60,000 sqm across 29 cities and municipalities in the Philippines. Twenty-seven of the stores are located in Mega Manila, six stores are in Luzon (outside Mega Manila) and three stores are in the Visayas region. The Company opened its first store in the Visayas region, AllDay Iloilo, in 2018 and first store in North Luzon, AllDay Santiago in 2020.

The Company believes that it offers Filipino consumers an elevated, modern grocery shopping experience with its innovative solutions and dual-format business model. The Company operates an in-store and online integrated modern grocery business offering approximately 4,200 local and international product brands that fall under three key categories, namely fresh items, food items and non-food items.

Through a combination of store aesthetics, comfort, accessibility and convenience, the Company believes that it offers an elevated in-store customer experience, thereby attracting a discerning clientele who has a relatively higher buying power and puts a premium on their overall shopping experience. To complement this in-store experience, the Company also operate its own e-commerce platform through www.allday.com.ph which provides a responsive, secure, and fast online shopping experience for its customers. In addition, customers may also do their shopping through the Company’s Personal Shopper Service. These on-demand platforms are available throughout its store network, utilizing its physical locations as last-mile fulfillment centers.

Store Formats

The Company’s brick and mortar stores are its primary sales channel and point of contact with consumers, while its online shopping platforms provide another avenue for expansion. A typical AllDay supermarket has a net selling area of approximately 1,600 sqm to 1,800 sqm.

Products

The Company offers an assortment of imported and locally manufactured products from approximately 4,200 brands consisting of approximately 25,000 SKUs that fall under three key categories, namely fresh items, food items and non-food items. It sources its products from over 1,000 suppliers (including concessionaires), both from the Philippines and abroad. Additionally, the Company pays special attention to the curation of its international and unique local brands as a point of differentiation from its competition.

Distribution Methods of Products

Inventories are forwarded to stores via direct-to-store delivery and cross-docking (via Distribution Center). Inventories are stored in one distribution center and in-store warehouses located at the back of each store. Suppliers are responsible for packing and delivering the products to the Company’s distribution center located in Las Piñas or directly to the warehouses located at the back of each store in Mega Manila. Using both methods, the Company believes that it makes inventory immediately available to its locations. This method is also particularly important to product freshness.

The Company’s Greater Manila Area stores use both trucking and co-loading forwarding models. For North Luzon stores, the Company utilize a line-hauling system to forward inventory. For its Visayas stores, the Company utilizes intermodal methods—air freight, sea freight and inter-island ferrying (RoRo).

Competition

In terms of location, product offering and pricing, the Company has identified the industry’s major players such as SM Retail Inc., Robinsons Retail Holdings Inc. and Puregold Price Club Inc. as its direct competition. The Company believes that it is well positioned to compete given its competitive advantages including, among others,

an elevated customer experience, diverse products and services mix, and a synergistic relationship with the Villar Group.

Suppliers

The Company has steadily expanded its network of suppliers and concessionaires since commencing operations. As of December 31, 2024, it maintained a sourcing network comprising an aggregate of over 1,000 suppliers, including concessionaires. Products manufactured outside the Philippines are purchased from distributors located in the Philippines or through other third parties who import these products into the Philippines. The Company selects its suppliers based on a number of criteria including their reputation in the industry, quality and standards, reliability of delivery, exclusivity and price. It does not rely on any single supplier or a limited number of suppliers as it maintains a wide network of suppliers.

The Company generally does not enter into long term agreements with its suppliers. Purchase price of a product is agreed between the supplier and the Company by reference to the supplier's wholesale price and purchase quantity. In general, most of its suppliers grant approximately seven to 30 days' average payment terms after date of delivery pursuant to the purchase orders. Under the Company's trade terms agreements, suppliers can provide volume-based incentives, marketing support and store opening support.

Services

To complement its stores' product offerings, the Company provides the following value-added services in its stores:

Paluto. Paluto service, located near a stores' fresh section, allows customers to have the fresh items and food items they purchase on site to be prepared and cooked to their liking by the on-site team of chefs. Every Paluto section is accompanied by seating provisions to allow customers to enjoy their freshly-cooked meals inside the store.

Gastroville. Gastroville is an in-store food hub, curated to reflect international cuisines and is akin to hawker centres found in developed countries. A typical Gastroville section is composed of three clusters of six to eight different food concepts. These food concepts also make use of the dining area shared with Paluto.

Customer Service Counter. Each store also provides customers with a bills payment facility at the customer service area, adding efficiency and convenience to customer experience by allowing them to do the groceries and pay the bills in one trip.

Personal Shopper Service. The Company rolled out the Personal Shopper Service program across its store network in April 2020 which allowed customers to simply send their orders through the Company's dedicated hotlines for fulfillment by Personal Shoppers in stores and delivery direct to their homes.

Customers

As a retail grocery business, the Company caters to a wide consumer base. The Company's branding, communications and product offering is tailored towards the upper middle income to upper income segment. The Company is not dependent on any single customer or a few customers and the loss of any of its customers would not have a material adverse effect on its operations.

Customer Loyalty Program- AllRewards Card

As a member of the network of AllValue Stores, customers earn points for purchases at AllDay under AllValue's AllRewards membership program. Once the minimum balance of points is reached, the points can be used as payment for purchases at any AllValue Store.

AllDay also regularly enters into partnerships with its top suppliers and credit card companies to rollout incentive promos that include but are not limited to rebate and Gift with purchase (GWP) promotions

Transactions with Related Parties

Please refer to Item 12 of this report (“Certain Relationships and Related Transaction”).

Intellectual Property

The Company’s registered trademark with the Philippine Intellectual Property Office covers the following:



This trademark is important because name recognition and exclusivity of use are contributing factors to the Company’s success. Failure to protect its intellectual property against infringement or misappropriation could have a material adverse effect on the Company’s business, results of operations, financial condition and prospects.

As of December 31, 2024, the Company has no other trademarks registered or pending registration with the Intellectual Property Office.

Government Approval and Regulations

The Company has all the applicable and material permits and licenses necessary to operate business as currently conducted, and such permits and licenses are valid, subsisting, or pending renewal.

Effect of Existing or Probable Governmental Regulations

As of December 31, 2024, the Company is not aware of any existing or probable governmental regulations that will have an effect on the Company’s business operations.

Employees

As of December 31, 2024, the Company has 241 employees broken down by function as follows:

Function	No. of Employees
Executive	6
Managerial	50
Supervisory	129
General Staff	56
TOTAL	241

In addition to regular employees, the Company engages third-party manpower service providers (security and manpower agencies) to support the personnel requirements of the business and new store openings.

The Company has no collective bargaining agreement with any employee and none of the employees belongs to a union. The Company believes that it has a good relationship with the employees and no key employee has left the Company during the past three years.

The Company provides employees with training and other development programs to enable them to effectively carry out their jobs and prepare them for career advancement in the Company. In particular, the Company has operational procedures and training covering customer service, monitoring inventory, returns, security and cash handling and its supervisors oversee compliance with these procedures. The Company takes measures to control its labor costs with improved worker productivity through cross-training of personnel to enable them to handle multiple areas of operation.

In addition to statutory benefits required under Philippine labor law, the Company provides the following incentives to its employees: Health Maintenance Organization coverage; car plan; mobile phone plan; store purchase discount; allowances; and vacation leaves and sick leaves.

Risks

Risks related to the Company's Business

The Company may not be successful in implementing its growth strategy, including plans to expand its store network and product offerings, and it may not be able to manage future growth efficiently.

The Company intends to increase its revenues through, among others, expanding its store network, introducing new products and broadening its product offering. Its expansion activities may be financed by a combination of equity and additional borrowings. A significant part of its growth strategy entails the opening of new stores in suitable locations in various areas of the Philippines, including in areas where the Company does not currently have a presence.

Its plans and strategy are subject to various factors affecting its ability to implement its growth strategy, including, among others:

- market conditions, the general state of the Philippine economy, global economic conditions and regulatory environment;
- its ability to identify suitable sites for store locations;
- its ability to lease appropriate real estate for store locations;
- its ability to obtain required permits and licenses and meet regulatory requirements to establish, fit-out and open new stores;
- its ability to bear the increase in logistics costs when regional expansion occurs;
- its ability to open new stores in a timely manner;
- its ability to continue to attract customers to its stores;
- its ability to obtain financing and other support for expansion;
- its ability to maintain the scale and stability of its information technology systems to support its current operations and continuous business growth;
- the hiring, training and retention of skilled store personnel;
- the identification and relocation of experienced store management personnel;
- the effective management of inventory to meet the needs of its stores on a timely basis;
- its operating performance and the availability of sufficient levels of cash flow or necessary financing to support its expansion; and
- its ability to successfully address competitive merchandising, distribution and other challenges encountered in connection with expansion into new geographic areas and markets.

The Company may experience delays in opening new stores within the time frames it initially targets. Any of the above factors or other similar challenges could delay or prevent the Company from completing store openings and its store network expansion plan. If the Company fails to successfully implement its growth strategy and open new stores in a timely manner due to the absence of, or its inability to carry out or sufficiently address, any of the above-mentioned factors, or otherwise, its business, financial condition and results of operations may be materially and adversely affected.

Expansion into new geographical areas will expose the Company to additional operational, logistical and other risks and there is no assurance that its new stores will be successful or profitable. Any difficulties the Company experiences with respect to developing its business operations in new geographical areas may materially and adversely affect its business, financial condition and results of operations.

In addition, if the Company is unable to successfully manage the potential difficulties associated with store growth, it may not be able to capture the scale efficiencies that it expects from expansion. If the Company is unable to continue to capture scale efficiencies, it may not be able to achieve its goals with respect to operating margins. An inability to manage future growth efficiently could have a material adverse effect on its business, financial condition, cash flows, results of operations and prospects.

Demand for its products and services may be adversely impacted by changes in the economy.

Its business and results of operations are highly dependent on demand from its customers for its products and services, and such demand may be adversely impacted by changes in the economy. As with other retail businesses, demand for its products and services depends in part on prevailing economic conditions. Negative developments in the local or national economy, credit conditions and availability, disposable income, employment conditions or other factors may decrease consumer spending generally or demand for its products and services, thus resulting in decreased demand for some or all of its products and services. In particular, its business is subject to changes in the retail and real estate market environment in the Philippines.

Any changes in these markets, including adverse regulatory developments or adverse developments in consumer disposable income could have an adverse effect on its business. The outlook for the Philippine economy remains uncertain and may be affected by future government policies, developments in the global economy or international relations and other factors.

The Company may not timely identify or effectively respond to consumer needs, expectations or trends and source and sell the appropriate mix of products to suit changing customer preferences.

Consumer demand for its products is significantly affected by consumer preferences. Its success depends in part on its ability to identify social, style and other trends that affect customer preferences, and to source and sell products that both meet its standards for quality and respond to changing customers' preferences. The rapid availability of new products and changes in consumer preferences have made it more difficult to reliably predict sales demand. The Company relies on experience, data and established processes to accurately forecast and manage fluctuations in demand. These processes include conducting internal and customer surveys, reviewing industry reports, attending trade shows and industry benchmarking to assess changes in consumer preferences. Failure to source and effectively market products, or to accurately forecast changes in customer preferences, could negatively affect its customer satisfaction levels, its relationship with its customers and demand for its products and services. In addition, it may be affected negatively by changes in the consumer preferences relating to the method of shopping. In the event that the Company is unable to identify and adapt to such changes in consumer preferences quickly or the products which it currently carries are superseded by merchandise carried by its competitors (including online competitors), consumer demand for its products may decline and its business, financial condition, results of operations and prospects may be materially and adversely affected.

Strong competition could negatively affect prices and demand for its products and services and could decrease its market share.

The retail industry in the Philippines is very competitive. The Company competes with various retail outlets selling merchandise falling under the same product categories that it offers based on factors such as price, store location, product assortment, availability and quality, customer service, customer shopping experience, attractiveness of its stores and presentation of merchandise and brand recognition, or a combination of these factors. Moreover, the Company anticipates competition from new market entrants and joint partnerships between national and international operators in certain product categories. Intense competitive pressures, including those arising from its expansion strategy or its inability to adapt effectively and quickly to a changing competitive landscape could affect its prices, its margins or demand for its products and services.

In addition, some of its competitors are also aggressively expanding their number of stores or their product offerings. Some of these competitors may have been in business longer or may have greater financial, distribution or marketing resources than the Company and may be able to devote greater resources to sourcing, promoting and selling their products. There can be no assurance that it will be able to compete successfully against current competitors or new entrants. The Company believes that the retail market in areas outside the Mega Manila region is dominated by independent local operations. Expansion into these areas exposes the Company to operational, logistical and other risks of doing business in new territories. It may also find difficulties in obtaining regulatory or local government approvals for new stores in these areas due to differences in local requirements and processes. Moreover, it may experience difficulty in building the "AllDay" brand name in these new areas as some of these competitors may have been in the area for a long time. Operationally, it may experience supply, distribution, transportation and/or inventory management issues due to the limited presence of large retailers and underdevelopment of distribution networks. Any difficulty the Company experiences with respect to developing its business presence in emerging urban areas outside Mega Manila and increasing competition in certain areas wherein competitors open stores within close proximity to its stores, could negatively impact its results of operations through a loss of sales, reductions in margins from competitive price changes

or greater operating costs, and could materially affect its growth strategy and financial condition.

The Company relies on distributors, third-party service providers and the distribution networks of its suppliers for transportation, warehousing and delivery of products to its warehouses and stores.

The Company relies on third-party distributors and suppliers, including concessionaires for its inventory intake and store displays, and other third-party service providers such as logistics services for the delivery of its products to its stores, distribution center and in-store warehouses. Consequently, it has only limited control over the timing of deliveries and the security of its products while they are being transported. A disruption within its logistics or supply chain network could adversely affect its ability to distribute and maintain inventory, which could impair its ability to meet customer demand for products and result in lost sales, increased supply chain costs, or damage to its reputation. The Company has an automated inventory system that regularly monitors its inventory levels and considers order lead time in the replenishment of its inventories to mitigate the risk of product unavailability. However, any deterioration in the relationships between suppliers, distributors and third-party service providers or other changes relating to these parties, including changes in supply and distribution chains, could have an adverse effect on its business, financial condition and results of operations.

In addition, there can be no assurance that it will be able to effectively coordinate its logistics strategy to the degree necessary for the realization of its growth plans. As the Company continues to expand, the Company will need to ensure that it is able to secure efficient distributors and service providers for its stores to be opened in new locations. An inability to efficiently operate and expand its warehouses and logistics capabilities could have a material adverse effect on its business, financial condition, cash flows, results of operations and prospects.

The Company relies on third-party suppliers for the provision of merchandise.

The Company relies on third-party suppliers (including concessionaires) for the provision of merchandise in its stores. The Company may experience material disruptions in the supply of products due to prolonged interruptions in the operations of these suppliers, which may in turn be caused by a number of factors, including equipment failures or property damage experienced by these suppliers, changes in laws and regulations that affect their manufacturing processes, or financial difficulties, and labor disputes faced by these suppliers. Other factors may also disrupt the Company's ability to obtain products from these suppliers including weather-related events; natural disasters; trade policy changes or restrictions; tariffs or import-related taxes; third-party strikes, lock-outs, work stoppages or slowdowns; shipping capacity constraints; port congestion; third-party contract disputes; supply or shipping interruptions or costs; military conflicts; acts of terrorism; or other factors beyond its control. Any such disruption could negatively impact its financial performance or financial condition.

Further, there can be no assurance that its suppliers will have sufficient resources to continue to meet its demands. In the event that these suppliers cannot fulfill their obligations to supply sufficient quantities and in such quality as required, the Company may not be able to find suitable alternative suppliers on a timely basis to supply the same or similar types and quantities of merchandise, which may materially and adversely affect its business, financial condition and results of operations.

The Company is subject to inventory risks and face challenges in effectively managing its inventory.

Outright sales accounted for approximately 80% of its sales for the year ended December 31, 2024, while concession sales accounted for the remainder of its sales. Outright sales expose the Company to increased inventory risk, which includes inventory losses due to obsolescence, theft, pilferage, spoilage, and other damage. For products sourced for outright sales, the Company bears all risks and costs of inventory management, including shrinkage losses due to a discrepancy between its inventory based on a physical count and the amounts generated by its inventory system. If it fails to properly manage its inventory in relation to outright sales, the Company may suffer lower inventory turnover, which could have an adverse effect on its business, financial condition and results of operations.

The Company must also manage its merchandise in stock and inventory levels to track customer demand. It faces challenges in managing its inventory levels, including significant ordering lead time for certain types of products and seasonality of demand for some products. As a result of these and other factors, the Company is vulnerable to demand and pricing shifts and to misjudgments in the selection and timing of merchandise purchases, which could have an adverse effect on its business, financial condition and results of operations.

The success of its business depends in part on its ability to develop and maintain good relationships with its current and future outright sales suppliers and concessionaires.

The Company derives its revenues from outright sales and sales of concession products, and its success depends on its ability to retain existing suppliers and concessionaires, and attract new suppliers and concessionaires on terms and conditions favorable to the Company. The sourcing of its products is dependent, in part, on its relationships with its suppliers. The Company has longstanding working relationships with a broad range of national and multinational suppliers across all of its product categories. The Company does not enter into long-term supply contracts and its supplier and concessionaire contracts generally have a one year term renewable year-on-year. If the Company is unable to maintain these relationships, or if it loses suppliers for any reason, it may not be able to continue to source products at competitive prices that both meet its standards and appeal to customers. Its five largest suppliers (outright sales and concession sales) accounted for approximately 22% and approximately 20% of its sales in 2023 and 2024, respectively. The loss of any one of these major suppliers could have an adverse effect on its sales.

The Company obtains discounts and rebates from suppliers, tied to meeting sales targets, which allows it to keep its pricing competitive. Should changes occur in market conditions or its competitive position, it may not be able to meet these targets or maintain or negotiate adequate support, which could have an adverse effect on its business, financial condition and results of operations.

If the Company is unable to maintain good relationships with its existing suppliers and concessionaires (which provide support teams for the sale of the consigned products), or if it is unable to develop and maintain new supplier and concessionaire relationships, it will be unable to carry merchandise and products that are in demand and can generate profit for the Company. Furthermore, if any of its outright sales suppliers or concessionaires changes its distribution methods, it may experience a disruption in its product supply. As a result, its market positioning, image and reputation may be adversely affected, and its revenue and profitability may be impaired.

Dissatisfaction with its customer service could prevent the Company from retaining its customers.

The satisfaction of its customers depends in particular on the effectiveness of its customer service, in particular its ability to address requests and inquiries, and deal with complaints, in a timely and satisfying manner. The Company has physical customer service desks, store hotlines and email and social media accounts to address customer needs and concerns. Any unsatisfactory response or lack of responsiveness by its customer service team could adversely affect customer satisfaction and loyalty.

Dissatisfaction with its customer service could have a material adverse effect on its business, financial condition, cash flows, results of operations and prospects.

Any damage to its brand name “AllDay” could harm its business.

The Company’s brand image and reputation is a key factor in the success of its business. The Company believes that maintaining and enhancing its brand is integral to its business and to the implementation of its growth strategy. Maintaining its brand requires the Company to continue to make investments in areas such as marketing and advertising, as well as the day-to-day investments required for store operations, employee training and website operations. Its brand image may be damaged if new stores, products, services or other businesses fail to maintain or enhance its brand image, or if it fails to maintain high standards for merchandise and service quality. Its brand image may also be damaged by activities of related companies carrying the AllDay name such as AllDay Convenience Stores and AllDay RX. The strength of its brand could also be affected due to noncompliance with laws and regulations, misconduct by its employees or sales personnel or merchandisers assigned to its stores by its suppliers, product defects, customer claims, product recalls or liability, employee dissatisfaction with its employment practices or other negative publicity involving the Company or its products and other entities carrying the AllDay name.

Intellectual property claims by third parties or its failure or inability to protect its intellectual property rights could diminish the value of its brand and weaken its competitive position.

The Company believes that its trademarks and other proprietary rights, including its brands, have significant value and are important to identifying and differentiating its brand from those of its competitors. There can be no assurance that third parties will not assert rights in, or ownership of, its name, trademarks and other intellectual property rights.

Successful infringement claims against the Company could result in significant monetary liability and prevent it from using the “AllDay” brand. In addition, resolution of claims may require the Company to license rights from third parties or cease using those rights altogether. The costs of defending and enforcing its intellectual property rights may cause it to incur significant time and legal expense, and it may not be entirely successful in protecting its assets and enforcing its rights. If it is unable to protect and maintain its intellectual property rights, the value of its brand could be diminished and its competitive position could suffer.

The Company may incur liability for goods sold in its stores that violate the intellectual property rights of third parties.

The Company and its suppliers source merchandise worldwide. The measures it implements to minimize potential infringement of intellectual property rights of third parties may not always be successful. In the event that goods sold in its stores violate the intellectual property rights of third parties, the Company, in its capacity as retailer, may be found liable for intellectual property violation and may be compelled to pay damages. Moreover, it cannot assure that it can successfully obtain indemnity payments from its suppliers or that such indemnity payments will fully cover all of its loss associated with its liability. If any claims alleging infringement of intellectual property rights are brought against the Company or its suppliers, its reputation may also be damaged.

The Company relies on information technology in its operations, and any failure of such systems could harm its ability to effectively operate its business.

Its business operations are heavily dependent on the integrity of the information technology systems supporting them, many of which have only recently been implemented. The Company manages its inventory and logistical operations through the use of various information technologies, including intranet, networked personal computers, servers and automated inventory management systems. Its systems and operations may be vulnerable to damage or interruption from human error, data inconsistency, natural disasters, power loss, computer viruses, intentional acts of vandalism, breach of security and similar events. While there are contingency plans in place to deal with such events, there is no assurance that these will prevent its systems from suffering failures or delays that might cause significant losses to its business. Equipment breakdowns may result in productivity losses and potential inoperability of store trading software for significant periods of time. Significant systems failures, delays in the implementation of upgrades, equipment breakdowns and delays in the integration of information technology systems in new stores may also cause unanticipated disruptions in service, loss of inventory, decreased customer service and customer satisfaction and harm to its reputation, which could have a material adverse effect on its business, financial condition and results of operations.

The Company leases all of its store premises and it may not be able to continue to renew these leases or to enter into new leases in favorable locations on acceptable terms and conditions.

As of December 31, 2024, the company leased all of its net selling space and its distribution center. Almost all of its sites are leased from related parties. Its practice is to enter into contracts with these affiliated companies on commercial terms which are at least as favorable as the terms available to or from non-affiliated parties. While its leases contain a provision that these are renewable upon agreement of the parties, there is no assurance that it will be able to renew its leases on acceptable terms and conditions or at all upon their expiry. Leases of store premises in large shopping centers may not be available for extension because lessors may decide to change tenants for better commercial arrangements. If the Company is unable to renew leases with related parties, it may have to enter into new agreements with third parties. There is no assurance that it will be able to enter into such new agreements with third parties on terms and conditions that are acceptable to it or at all, and its failure to do so may materially and adversely affect its business, financial condition and results of operations.

Moreover, if rent prices increase significantly throughout the Philippines, or in a particular region, it may cease to be economical to lease stores and it may have to discontinue operations at some of its stores. Any inability to renew leases as they expire or acquire new leases in other favorable locations and sites on acceptable terms and conditions, termination of the existing leases, or revision of the terms and conditions of leases to its detriment may have an adverse effect on its business, financial condition and results of operations. Further, a number of its lease contracts grant the lessor the right to terminate the relevant lease for cause prior to their expiration. In the event that any of its leases are terminated for any

reason prior to their expiration, it will need to either close its operations at such locations or relocate to alternative premises. Relocation of any of its operations may cause disruptions to its business and may require significant expenditure, and it cannot assure that it will be able to find suitable premises on acceptable terms and conditions or at all in a timely manner.

The Company may not be able to hire, retain and train sufficient qualified personnel to support its operations and it may be subject to increased labor costs.

The Company employs a large number of employees in its stores. The success of its stores depends on its ability to hire, retain and educate an effective workforce with the requisite skills and knowledge to serve its customers. Additionally, recent trends in employment regulation, such as restrictions on employers' discretion to hire employees on a temporary basis or to offer employment conditions that differ between full-time and part-time employees for the sole reason that the period of employment is stipulated in the employment contract, have led to increased fixed labor costs for employers seeking to hire part-time and temporary workers. Stricter regulation of labor and employment may affect its ability to hire sufficient employees in a cost efficient manner at its stores. If the Company experiences difficulties in maintaining a qualified workforce or experience increased labor costs associated with its workforce, its ability to compete effectively in its target markets, provide high-quality customer service, open new stores and execute its business strategy could be adversely impacted, and its results of operations could in turn be negatively affected.

Its business is subject to seasonal influences.

The Company experiences seasonal fluctuations in its operations. Historically, its sales tend to peak in the fourth quarter of each year, primarily attributable to the Christmas and New Year holidays.

In preparation for its peak selling periods, the Company procures additional inventory, which would require additional cost. If sales during its peak selling periods are significantly lower than it expects for any reason, or if there is any prolonged disruption in its operations during its peak selling periods, it may be unable to make purchases in a timely manner and may be left with a substantial amount of unsold inventory, especially seasonal merchandise that is difficult to liquidate after the applicable season. This may materially and adversely affect its business, financial condition and results of operations.

The Company is exposed to certain risks in connection with the substantial use of cash in its operations.

Due to the nature of its retail business and the demographics of the majority of its customers, the Company processes a large volume of cash transactions in the course of its operations. The Company uses a Point of Sale ("POS") system to track sales and cash flow. Its customers usually pay for their purchases in cash. Therefore, the Company is exposed to the risk of cash shortages, petty theft and robbery, which, if substantial in the aggregate, could have an adverse effect on its business, financial condition and results of operations.

Its operations have significant liquidity and capital requirements. It requires significant cash to purchase sufficient inventory for its stores in advance of anticipated demand, and it has invested significant capital in opening new stores and expects to continue to make similar investments in the future. The Company expects to continue to incur significant capital expenditures going forward, as it continues to expand its store network.

The Company sources its funding from a combination of cash flow from operations, working capital lines and long-term debt. It may not be able to fund capital expenditures and working capital requirements solely from cash from its operating activities or existing cash or proceeds from the IPO, and it may not be able to obtain additional debt or equity financing. It may also require additional financing to fund day-to-day operational needs and debt service payments. Additional financing may not be available as and when required. If the Company incurs additional debt, it will result in increased debt service obligations and could result in additional operating and financing covenants, or liens on its assets, that would restrict its operations. Without required financing, it may not be able to continue its operations, hire, train and retain employees or respond to competitive pressures. Its ability to obtain additional funding will be subject to various factors, including general market conditions, its operating performance, the market's perception of its growth potential, lender sentiment and its ability to incur additional debt in compliance with other contractual restrictions, revenue and cash flow from operations and its ability to manage costs and working capital successfully. Any inability to access favorable debt financing may adversely impact the Company if it experiences cash flow shortfalls in the future or wish to raise funds to take advantage of unanticipated opportunities or respond to changing business conditions or

unanticipated competitive pressures. In addition, it cannot assure that its future financing requirements would not involve equity issuances that would be dilutive to holders of its capital stock. There can be no assurance that necessary financing will be available in amounts or on terms acceptable to the Company, or at all.

If the Company fails to raise sufficient additional funds, it may be required to delay or abandon some of its planned future expenditures or aspects of its current operations, and its financial condition and results of operations may be materially and adversely affected.

Its margins may be affected by increases in its operating and other expenses.

Its operations may be subject to increases in operating and other expenses due to a number of factors including, but not limited to, any of the following:

- increases in rent;
- increases in repair and maintenance costs for the distribution center and existing stores, and construction costs relating to fit-out of new stores;
- a change in laws, regulations or government policies which increases the cost of compliance with such laws, regulations or policies;
- increases in service costs;
- increases in labor costs;
- increases in the rate of inflation;
- adverse changes in the cost of existing and future debt financing;
- increases in insurance premiums;
- increases in the cost of utilities; and
- increases in property taxes and other statutory charges.

Any increase in operating and other expenses will have an impact on its cash flow. Due to the nature of its business, its margins may be affected by increases in operating and other expenses. The resulting buffer available to account for changes to costs is consequently small. If its stores do not generate revenue sufficient to meet its operating expenses and debt service and capital expenditure requirements, its business, results of operations and financial condition could be materially and adversely affected.

Its business is sensitive to changes in purchase and selling prices.

Its margins are sensitive to price increases in the products sold in its stores. Wherever practicable, it seeks to put in place supply contracts which ensure the supply of products for the period that they are anticipated to be offered by the Company and in such quantities as its forecasts require. There can be no assurance that it will be able to successfully contain the growth of its purchase prices. If these prices do rise, it may need to pass all or a portion of these additional costs on to its customers to maintain its gross profit margins. However, it may not be possible for the Company to significantly increase its retail prices to offset price increases by suppliers, particularly if its main competitors choose not to implement such price increases.

As competition in the Philippine retail market intensifies, any unilateral price increases may lead to declines in sales, loss of customer traffic, loss of market share and other adverse consequences. Consequently, the Company may be significantly constrained in its pricing policy. In the event that it is unable to pass increases in prices charged by its suppliers on to its customers, its financial condition and results of operations may be materially and adversely affected.

Any future changes in PFRS may affect the financial reporting of its business.

PFRS continues to evolve as standards and interpretations are promulgated and come into effect. New standards may result to changes in the financial reporting of its business.

The Company is subject to the risk of fluctuations in foreign currency exchange rates.

While its sales are all denominated in Philippine Peso, its operations involve the purchase of products from distributors

and suppliers who purchase products that may be denominated in currencies other than Philippine Pesos, such as the U.S. dollar. Fluctuations between the value of the Philippine Peso and other currencies may affect the price of products when converted into Philippine Pesos and may have an adverse effect on its financial performance.

The Company is subject to the risk of litigation and other legal proceedings in the ordinary course of business.

Although the Company is not party to any material ongoing litigation, it may be adversely affected by complaints and litigation from customers or regulatory authorities resulting from product quality, illness, injury or other safety concerns or other issues stemming from one or more products, their packaging or advertising. The Company requires its product suppliers to satisfy certain standards regarding the quality and specification of their products. It currently does not have any product liability insurance. In the event of a product liability claim or product recall being required in circumstances where the financial consequences are not satisfied by a supplier, it may have a material adverse effect on its financial performance. Any such litigation, claims or complaints and any adverse publicity surrounding such allegations and/or actions could materially adversely affect its business, reputation, financial condition and/or operating results. The Company may also experience reduced demand for its products as a result of negative publicity surrounding the retail sector in general or in relation to products sold by other retailers.

The Company is subject to various risks for which it may not be adequately insured.

The Company maintains comprehensive property and liability insurance that it considers to be insurance coverage customary in the industry. Nonetheless, such insurance does not cover all risks associated with the business. Accidents and other events could potentially lead to interruptions of its operations or cause the Company to incur significant costs, all of which may not be fully covered by its insurance policies. In addition, its insurance coverage is subject to various limitations and exclusions, retention amounts and limits and it does not maintain business interruption insurance or product liability insurance. Furthermore, if any of its insurance providers becomes insolvent, it may not be able to successfully claim payment from them. Moreover, its insurance policies and terms of coverage will be subject to renewals and negotiations on a periodic basis and there is no assurance that adequate insurance coverage will be available on commercially reasonable terms in the future. Any material increase in insurance rates, decrease in available coverage or any failure to maintain adequate insurance in the future could adversely affect its business, financial condition and results of operations.

The Company is subject to various laws and regulations, and any violations of applicable laws or regulations or changes to such laws and regulations could adversely affect its business and its results of operations.

Its business and operations are subject to a wide range of laws and regulations, including those relating to employment, working conditions, consumer protection, the environment, competition, trade and intellectual property.

New laws, rules or regulations, or revisions to existing laws, rules or regulations, could impose additional restrictions and requirements on its business and operations and could result in additional compliance costs, capital expenditures or other costs. As a result, the Company could experience disruptions to its operations and be unable to execute its business strategy, and its results of operations could be adversely affected. In addition, its ability to comply with applicable laws and regulations can be affected by a variety of factors, including the effectiveness of its compliance and risk management policies, the ability of its management to adequately monitor its operations and intentional or unintentional misconduct or errors of its officers, employees, affiliates or other parties with whom the Company does business. If it fails to comply with applicable laws and regulations, the Company may be subject to investigations, fines, penalties, sanctions and private litigation, and it could lose regulatory permissions or licenses necessary for its business or experience harm to its reputation.

The Company may fail to fulfill the terms and conditions of licenses, permits and other authorizations, or fail to renew them on expiration.

The Company is required to maintain licenses, permits and other authorizations, including those relating to certain construction activities for new and existing stores, and is also required to obtain and renew various permits. Its licenses, permits and other authorizations contain various requirements that must be complied with to keep such licenses, permits and other authorizations valid. If it fails to meet the terms and conditions of any of its licenses, permits or other authorizations necessary for its operations, these may be suspended or terminated, leading to temporary or potentially

permanent closing of stores, suspension of construction activities or other adverse consequences. In addition, it cannot be certain that any given license, permit or authorization will be deemed sufficient by the relevant governmental authorities to fully cover activities conducted in reliance on such license, permit or authorization.

The Company regularly monitors its permits and approvals to ensure that all are properly renewed and maintained. However, there can be no assurance that it will continue to be able to renew the necessary licenses, permits and other authorizations for its stores as necessary or that such licenses, permits and other authorizations will not be revoked. If it is unable to obtain or renew them or are only able to do so on unfavorable terms, this could have an adverse effect on its business, financial condition and results of operations.

Continued compliance with, and any changes in, environmental laws and regulations may adversely affect its results of operations and financial condition.

The Company is subject to various laws relating to environmental matters. Such laws provide that it could be liable for the costs of removal of certain hazardous substances and clean-up of certain hazardous locations. The failure to remove or clean-up such substances or locations, if any, could adversely affect its operations on such sites and could potentially also result in claims against the owner by the claimants.

In addition, it cannot predict what environmental legislation or regulations will be enacted or amended in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to its business could have an adverse effect on its business, financial condition and results of operations.

The Company is party to a number of related party transactions.

Certain companies controlled by the Villar Group enter into significant commercial transactions with the Company. It enters into a number of transactions with related parties, which primarily consist of lease agreements. Its practice is to enter into contracts with these affiliated companies on commercial terms which are at least as favorable as the terms available to or from non-affiliated parties. Such interdependence may mean that any material adverse changes in the operations or financial condition of the companies which are controlled by the Villar Family could adversely affect its results of operations.

While the Company believes that it enters into transactions with related parties on an arm's length basis and documented pursuant to the Transfer Pricing Regulations, there can be no assurance that the BIR will confirm these transactions as arm's length on the basis of the Transfer Pricing Regulations and there can be no assurance that any transfer pricing adjustments by the BIR will not have a material adverse effect on its business, financial condition or results of operations.

The Company is controlled by the Villar Group and its interests may differ significantly from the interests of other shareholders.

The Company is controlled by the Villar Group and members of the Villar Family serve as directors and officers of the Villar Group and AllDay. The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the Villar Group. These transactions may involve potential conflicts of interest which could be detrimental to the Company or its shareholders. There is nothing to prevent other companies that are controlled by the Villar Group from engaging in activities that compete directly with the Company's retail businesses or activities, which could have a negative impact on its business. The interests of the Villar Group as its controlling shareholders may differ significantly from or compete with its interests or the interests of its other shareholders, and there can be no assurance that the Villar Group will exercise influence over the Company in a manner that is in the best interests of its other shareholders.

Villar Family's political involvement.

Members of the Villar Family have been and are currently involved in Philippine politics. Given the Villar family's

involvement in politics, allegations of conflicts of interest, improper influence or corruption on the part of members of the Villar Family may have an adverse effect on the Company's business and goodwill.

Its business and operations are dependent upon key executives.

The Company's key executives and members of management have greatly contributed to its success with their knowledge, business relationships and expertise. If it is unable to fill any vacant key executive or management positions with qualified candidates, its business, operating efficiency and financial performance may be adversely affected.

The Company plans to mitigate the aforementioned risks through its competitive strengths and strategies.

Strengths

Modern grocery concept that is adaptive to changing customer behavior

The Company believes it has the most modern grocery concept which combines e-commerce-integrated last-mile fulfillment capabilities with the traditional supermarket, a hybrid model that is adaptive to changing customer behavior. The dual function of our physical stores as last-mile fulfillment centers of the www.allday.com.ph online shopping platform allows the Company to seamlessly download at the onset our technological capability to each location, thereby avoiding the tech adoption pitfalls commonly being encountered by legacy supermarkets. Its online shopping platform is also integrated with industry leading technology services for secure online payment processing and for the last mile delivery of ordered products. To distinguish its e-commerce platform from the influx of other online shopping platforms, the Company launched the first on-demand 24-hour Delivery Service.

The integration of digital customer touchpoints also provides a source of valuable customer insights which, coupled with its active analysis of sales data across all its product categories, enables the Company to identify sales trends across its store network and capitalize on market opportunities and optimize its inventory management. With this, the Company can quickly and consistently recognize market behavior, identify shifts in customers' preferences, and introduce new concepts to respond to the needs of its target market and enhance and elevate the customer experience in its stores.

Elevated customer experience rooted in premium aesthetics and innovative in-store concepts

The Company believes it has a distinct supermarket concept that caters to the tastes and preferences of the Filipino consumer through a combination of store aesthetics, comfort, accessibility and convenience which allows it to provide an elevated customer experience. The Company believes that its stores, as a result, attract a discerning clientele who has a relatively higher buying power and puts a premium on their overall shopping experience.

At the core of the AllDay shopping experience is its extensive offering of fresh, food, and non-food products with approximately 4,200 local and international brands, with each store carrying approximately 25,000 SKUs. In addition, about 23% of its stores' SKUs are curated international brands of sought-after or difficult-to find products as well as locally preferred regional brands that appeal to its target market.

Its modern and functional store design puts emphasis on enhancing the shopping experience of its customers by providing wider aisles, calibrated lighting, and unique store decorations. In addition, the Company has a pool of trained staff and established policies and procedures that enable it to provide consistent and excellent customer service to its shoppers. Finally, its value-added services, such as Paluto, Gastroville, and Personal Shopper Service, and its self-checkout kiosks and smart carts round out the AllDay shopping experience by providing reliable, fast, and convenient options to its customers.

These pioneering initiatives shift the Company's competitive differentiation towards experience and away from pricing, allowing it to implement a pricing strategy that is relatively more resilient against inflation risk. It believes that this also positions the Company to capture the growth in the particular market segment in which it plays.

Best-in-class, superior e-commerce platform driving growth in user base

The Company believes its online shopping platform www.allday.com.ph is among the leading, user-friendly e-commerce platforms and will be able to drive significant growth because of the accessibility, convenience, and safety that it offers. In anticipation of higher customer engagements via online channels as internet adoption continue to rise in the Philippines, it believes that having a superior e-commerce platform would place the Company at the top-of-mind of customers who are adopting online shopping. Its e-commerce platform www.allday.com.ph currently serves a number of NCR cities. In addition, the Company is present in online third party platforms and marketplaces such as MetroMart, Pick A Roo, Lazada, Shopee, GrabMart, and PandaMart.

Gearing towards the continuation of the growth of its online user base, the Company migrated its current platform to a PWA format which allows for improved functionality and usability for customers who do their shopping either on desktop computers, mobile phones, or tablets.

Strategic and sustainable physical store network expansion arising from its synergistic relationship with the country's leading homebuilder and its retail ecosystem

The Company strategically locates its stores in established residential communities and commercial projects of the Villar Group. This ensures that the expansion of its store network is sustainable by ensuring that new stores are in areas with an immediate consumer base and a catchment area that can sustain its store presence.

The Company believes that the residential and commercial projects of the Villar Group, typically located in mature and well-established communities, provide a large customer base for its stores. As part of the Villar Group, the Company has access to these communities that are suited to its operations as well as gain insight on a significant share of the Philippine home market, giving it an in-depth understanding of customer preferences and the demographics of its store locations. Its stores are typically located in what it believes are high retail traffic locations, primarily in shopping malls and residential communities of the Villar Group. The Company believes it is well positioned to benefit from the Villar Group's land bank, extensive project pipeline, in-depth knowledge and resources to pursue a strategic, systematic and sustainable store expansion plan.

Further, AllDay also benefits from the AllValue retail ecosystem in the expansion areas as the other AllValue stores also attract the clustering of the same target customers as AllDay which are those within the upper-middle income to upper income segment who value experience-based shopping. The presence of other AllValue retailers also increases the likelihood that the existing customer base in the expansion areas would already be members of the AllRewards program. This benefits the Company at the onset as AllRewards cardholders typically spend 50% more than the average AllDay customer.

Established operational expertise, highly scalable store and micro-fulfillment hub hybrid business model that allows for expansion

The Company believes that as it expanded its store network, its management team has developed and/or gained significant experience and knowledge relevant to the establishment and operation of a chain of supermarkets. It has also established strong relationships with the country's leading supermarket suppliers and other key partners in the supermarket business which it is able to leverage to control the procurement and operating costs of its stores and thereby improve its profit margin, to readily replicate and fine tune its extensive and diverse product offerings and to ensure continuing support for the operational requirements and targets of each of its stores.

In the course of operating its e-commerce platform, www.allday.com.ph, it has also developed operational principles, methods and procedures that enable the Company to scale and replicate its hybrid business model of using its physical stores as micro-fulfillment hubs for its e-commerce operations in a seamless manner. Through the establishment and fine tuning of these e-commerce operations, its stores have become fully capable of fulfilling the dual roles of physical store and microfulfillment hub, which allows its e-commerce capabilities to expand in parallel to its physical store network.

Demonstrated record of significant growth and profitability

The Company believes it has delivered strong sales and net profit growth since inception. It has consistently grown its physical presence since the start of its operations in December 2016, increasing the number of its stores over five times from 7 to 40 in just seven years

Experienced and founder-led management team with track record of successful expansion

The vision and entrepreneurial spirit of its management team have played a critical role in establishing the AllDay brand and developing its business. Since the launch of the AllValue brand in 2014, the Company believes its founder-led management team has proficiently guided the expansion of the AllValue retail ecosystem to include AllHome one-stop home centers, Coffee Project cafes, Dear Joe Coffee & Juice cafes, and Bake My Day artisan bakeries, among other retail concepts and have grown the brand equity of AllValue through the years.

Strategies

- ***Further expand the store network across the Philippines***
- ***Increase investment in smart technology, information systems and logistics systems***
- ***Continue to enhance shopping experience to grow and retain customer base through innovative concepts***
- ***Pursue initiatives that improve margin efficiency via improved product sourcing***

There is no guarantee, however that these strategies and measures would ultimately eliminate the risks of delays in the Company's expansion plans.

Item 2. Properties

The Company does not own any land and have no ongoing process for the acquisition of any property. The Company leases spaces for all of its retail stores primarily from its related parties.

The lease rates and terms for these properties follow standard market rates and practices for similar businesses. The lease rates for its existing store operations are generally based on a percentage ranging from 2.5% to 3.0% of gross sales. In addition, the rates are generally inclusive of common use service area fees, as may be agreed upon between parties.

Item 3. Legal Proceedings

The Company is not currently involved in any material litigation, arbitration or similar proceedings, and it is not aware of any such proceedings pending or threatened against it or any of its properties, which have material effect on the financial statements.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the Annual Stockholders Meeting, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer’s Common Equity and Related Stockholders Matters

Market Information

The Company’s common shares are being traded at the Philippine Stock Exchange. The high and low sales prices for each quarter within the last three fiscal years as traded on the Philippine Stock Exchange are as follows:

Quarter	2024			2023			2022		
	High	Low	Close	High	Low	Close	High	Low	Close
1 st	0.163	0.152	0.152	0.315	0.225	0.240	0.630	0.425	0.480
2 nd	0.150	0.130	0.130	0.201	0.197	0.198	0.480	0.300	0.325
3 rd	0.130	0.122	0.122	0.195	0.188	0.188	0.370	0.260	0.260
4 th	0.133	0.121	0.133	0.157	0.156	0.156	0.275	0.219	0.225

The market capitalization of ALLDY as of December 31, 2024, based on the closing price of ₱0.133 per share, was approximately ₱3.04 billion.

Stockholders

There are approximately 29 holders of common equity security of the Company as of December 31, 2024 (based on the number of accounts registered with the Stock Transfer Agent).

The following are the top 20 holders of the common securities of the Company:

	Stockholder's Name	Common Shares	Percentage
1	AllValue Holdings Corp.	15,309,286,000	66.98%
2	PCD Nominee Corporation – Filipino	6,232,477,149	27.26%
3	PCD Nominee Corporation – Non Filipino	1,304,290,851	5.73%
4	Eduardo M. Nitro or Elinda C. Nitro	4,330,000	0.02%
5	Manuel Bamba Villar Jr.	1,000,000	0.00%
6	Camille Aguilar Villar	1,000,000	0.00%
7	Manuel Paolo Aguilar Villar	1,000,000	0.00%
8	Frances Rosalie Toribio Coloma	1,000,000	0.00%
9	Benjamarie Therese Serrano	1,000,000	0.00%
10	Rudy A. Verano	300,000	0.00%
11	Emmanuel Del Prado	283,000	0.00%
12	Mark Louie Apao	210,000	0.00%
13	Myra P. Villanueva	150,000	0.00%
14	Myrna P. Villanueva	150,000	0.00%
15	Milagros P. Villanueva	150,000	0.00%
16	Rogelio Pescos Montanez	125,000	0.00%
17	Lilibeth S. Apao or Socrates Apao	105,000	0.00%
18	Agnes Victoria D. Casal	90,000	0.00%
19	Juan Trinidad Lim	65,000	0.00%

20	Marietta V. Cabreza	30,000	0.00%
	Total issued and outstanding common shares as of December 31, 2024	22,857,145,000	100.00%

Dividends

On November 13, 2024, the Company's Board of Directors approved the declaration of cash dividends amounting to ₱73.14 million and payable to stockholders of record as of November 27, 2024. The cash dividends were paid on December 12, 2024.

Recent Sale of Unregistered Securities

Prior to the Company's Initial Public Offering, on June 25, 2021, with the approval by the SEC of the increase in its authorized capital stock from ₱2,000,000,000.00 divided into 20,000,000 common shares with a par value of ₱100.00 per common share to ₱3,000,000,000.00 divided into 30,000,000,000 common shares with a par value of ₱0.10 per share, the Company issued 2,615,000,000 common shares to AllValue Holdings, Corp. at par value equivalent to ₱261,500,000.00. Payment for such shares was made in cash.

There have been no other sales of unregistered securities in the past three years.

Stock Options

None.

Item 6. Management's Discussion and Analysis

REVIEW OF YEAR END 2024 VS YEAR END 2023

RESULTS OF OPERATIONS

Year ended December 31, 2024 compared to Year ended December 31, 2023

	For the period ended December 31		Horizontal analysis	Vertical analysis	
	2024	2023		2024	2023
	(in millions of ₱)		% Change	% of Total Sales	
Sales	₱ 9,252.8	₱ 10,193.9	-9.2%	100%	100.0%
Cost of merchandise sold	7,327.5	8,139.1	-10.0%	79.2%	79.8%
Other income	52.5	125.5	-58.2%	0.57%	1.2%
Other operating expenses	1,544.1	1,652.6	-6.6%	16.7%	16.2%
Finance income (costs)					
Finance costs	(65.4)	(36.0)	81.4%	0.7%	-0.4%
Finance income.....	0.2	0.3	-10.1%	0.0%	0.0%
Tax expense	268.0	369.2	18.0%	1.1%	1.2%
Net profit (loss).....	₱ 268.0	₱ 369.2	-27.4%	3.0%	3.6%

Sales

The company recorded sales of ₱9,253.0 million for the year ended 31 December 2024, a decrease of 9.2% from ₱10,194.0 million for the year ended 31 December 2023. This was brought about by low performing stores where there is intense market competition.

Cost of Merchandise Sold

For the year ended 31 December 2024, cost of merchandise sold was at ₱7,327.5 million, a decrease of 10.0% compared to ₱8,138.0 million for the same period in 2023, largely driven by the decrease in sales.

Support, Fees, Rentals and Other Income

Support, fees, rentals and other income decreased by 58.2% from ₱125.5 million for the year ended 31 December 2023 to ₱52.5 million for the year ended 31 December 2024 primarily due to the decrease in sales which are generally the basis for vendor incentives and support.

Other Operating Expenses

Selling Expenses

Selling expenses decreased by 13.4% to ₱928.0 million for the year ended 31 December 2024 from ₱1,072.0 million for the same period in 2023 primarily due to the following:

- Decrease in rentals from ₱293.4 million for the year ended 31 December 2023 to ₱249.1 million for the year ended 31 December 2024 due to lower sales recorded during the period.
- Decrease in communication and utilities from ₱293.0 million for the year ended 31 December 2023 to ₱271.4 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.
- Decrease in agency fee from ₱244.8 million for the year ended 31 December 2023 to ₱203.3 million for the year ended 31 December 2024 due primarily to deployment rationalization of store personnel.
- Increase in salaries, wages, and other employee benefits from ₱120.1 million for the year ended 31 December 2023 to ₱128.1 million for the year ended 31 December 2024 due to rate adjustments and provision for post-employment benefits
- Decrease in merchant fee from ₱42.1 million for the year ended 31 December 2023 to ₱36.2 million for the year ended 31 December 2024 attributable to decline in sales for the period.
- Decrease in repairs and maintenance from ₱26.7 million for the year ended 31 December 2023 to ₱13.0 million for the year ended 31 December 2024 due to cost-cutting measures implemented.
- Decrease in operating supplies from ₱27.6 million for the year ended 31 December 2023 to ₱14.5 million for the year ended 31 December 2024 due to cost-cutting measures implemented.
- Decrease in advertising and promotions from ₱21.5 million for the year ended 31 December 2023 to ₱10.4 million for the year ended 31 December 2024 due to social media boosting and printing of promotional materials.
- Decrease in delivery fees from ₱2.7 million for the year ended 31 December 2023 to ₱1.5 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.

General and administrative expenses

General and administrative expenses increased by 12.4% from ₱516.6 million for the year ended 31 December 2023 to ₱581.0 million for the year ended 31 December 2024 primarily due to the following:

- Increase in depreciation and amortization from ₱467.0 million for the year ended 31 December 2023 to ₱532.3 million for the year ended 31 December 2024 due to the increase in the number of stores and amortization of capitalized interest.

- Decrease in taxes and licenses from ₱53.5 million for the year ended 31 December 2023 to ₱45.5 million for the year ended 31 December 2024 due to lower sales tax base.
- Increase in professional fees from ₱4.3 million for the year ended 31 December 2023 to ₱4.4 million for the year ended 31 December 2024 due to audit fees, board of directors' fees, and consultancy fees for sustainability reporting.
- Decrease in travel and transportation from ₱19.2 million for the year ended 31 December 2023 to ₱11.1 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.
- Decrease in insurance from ₱18.0 million for the year ended 31 December 2023 to ₱16.2 million for the year ended 31 December 2024 due to adjustment in rates and coverages.
- Decrease in dues and subscription from ₱15.4 million for the year ended 31 December 2023 to ₱6.1 million for the year ended 31 December 2024 due to cost-saving measures implemented.
- Decrease in miscellaneous expense from ₱3.4 million for the year ended 31 December 2023 to ₱1.0 million for the year ended 31 December 2024 due to cost-cutting measures implemented.

Finance Cost

Finance cost increased by 81.4% from ₱36.0 million for the year ended 31 December 2023 to ₱65.3 million for the year ended 31 December 2024 primarily due to the increase in interest expense from lease liability.

Finance Income

Finance income decreased by 10.0% from ₱0.27 million for the year ended 31 December 2023 to ₱0.24 million for the year ended 31 December 2024. The decrease was primarily attributable to the lower average cash balance during the year ended 31 December 2024 compared to the year ended 31 December 2023.

Provision for Income Tax

Provision for income tax increased by 22.6% from ₱100.1 million for the year ended 31 December 2023 to ₱122.8 million for the year ended 31 December 2024 due to lower taxable income for the period.

Net Profit

As a result of the foregoing, our net income decreased by 27.4% to ₱268.0 million for the year ended 31 December 2024 from ₱369.2 million for the year ended 31 December 2023.

FINANCIAL CONDITION

As of 31 December 2024 vs. 31 December 2023

	For the period ended,		Horizontal	Vertical analysis	
	December 31,	December 31,	analysis	December 31,	December 31,
	2024	2023		2024	2023
	(in millions of ₱)		% Change	% of Total Assets	
Total Current Assets	₱6,047.0	₱4,288.6	41.0%	57.7%	44.7%
Total Noncurrent Assets	5,000.1	5,316.1	-6.0%	45.2%	55.3%

	For the period ended,		Horizontal	Vertical analysis	
	December 31,	December 31,	analysis	December 31,	December 31,
	2024	2023		2024	2023
	(in millions of ₱)		% Change	% of Total Assets	

Total Assets	11,047.1	9,604.7	15.0%	100.0%	100.0%
Total Current Liabilities	2,507.4	1,763.4	42.2%	22.7%	25.5%
Total Noncurrent Liabilities	1,441.4	927.5	55.4%	13.05%	9.7%
Total Liabilities	3,948.8	2,690.9	46.7%	35.7%	28.0%
Equity.....	7,098.2	6,913.8	2.6%	64.2%	72.0%
Total Liabilities and Equity	11,047.0	9,604.7	2.6%	100.0%	100.0%

Total assets amounting to ₱11,047.1 million as of 31 December 2024 recorded an increase of 15.0% from the reported amount of ₱9,604.7 million in 31 December 2023 due to the following:

- Cash increased by 49.0% from ₱1,003.6 million as of 31 December 2023 to ₱1,493.4 million as of 31 December 2023 proceeds of loan refinancing and payment timing of purchases.
- Receivables increased by 85.1% from ₱191.0 million as of 31 December 2023 to ₱353.1 million as of 31 December 2024 collection timing from corporate accounts.
- Merchandise inventories increased by 35.5% from ₱2,081.9 million as of 31 December 2023 to ₱2,820.5 million as of 31 December 2024 due primarily to increase in inventory purchases during the period
- Prepayments and other current assets increased by 36.3% from ₱1,012.3 million as of 31 December 2023 to ₱1,380.3 million as of 31 December 2024 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.
- Property and equipment decreased by 4.0% from ₱4,236.1 million as of 31 December 2023 to ₱4,074.0 million as of 31 December 2024 due primarily to depreciation for the period.
- Intangible assets decreased by 19.1% from ₱557.2 million as of 31 December 2023 to ₱450.5 million as of 31 December 2024 due to amortization for the period.
- Right-of-use assets decreased by 11.6% from ₱132.1 million as of 31 December 2023 to ₱116.7 million as of 31 December 2024 due primarily to amortization for the period.
- Other non-current assets decreased by 0.5% from ₱411.1 million as of 31 December 2023 to ₱390.6 million as of 31 December 2024 due primarily to amortization for the period.

Total liabilities amounting to ₱3,948.8 million as of 31 December 2023 recorded an increase of 46.7% from the reported amount of ₱2,690.5 million in 31 December 2022. This was due to the following:

- Trade and other payables increased by 7.1% from ₱362.8 million as of 31 December 2023 to ₱389.0 million as of 31 December 2024 due to timing of payments made for the period.
- Loans payable including non-current portion increased by 128.4% from ₱1,736.8 million as of 31 December 2023 to ₱2,889.6 million as of 31 December 2024 primarily due to loan refinancing for the period.
- Lease liability including non-current portion decreased by 5.3% from ₱209.0 million as of 31 December 2023 to ₱198.0 million as of 31 December 2024 due to lease payments made.
- Deferred tax liabilities increased by 16.4% from ₱352.2 million as of 31 December 2022 to ₱409.8

million as of 31 December 2024 attributable to additional temporary tax differences recognized for the period.

- Retirement benefit obligation increased by 79.2% from ₱30.1 million as of 31 December 2023 to ₱54.0 million as of 31 December 2024.

Total equity increased by 2.7% from ₱6,913.8 million as of 31 December 2023 to ₱7,098.0 million as of 31 December 2024 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2023	12/31/2022
Sales (₱ millions)	₱ 9,252.8	₱ 10,193.9
Sales Growth (%)	-9.2%	4.4%
Gross Profit Margin (%) ⁽¹⁾	20.8%	20.2%
Net Profit or Loss (₱ millions)	268.0	369.2
Net Profit Margin (%) ⁽²⁾	3.0%	3.6%

Notes:

1) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Sales

2) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Sales

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

The company recorded sales of ₱9,253.0 million for the year ended 31 December 2024, a decrease of 9.2% from ₱10,194.0 million for the year ended 31 December 2023. This was brought about by low performing stores where there is intense market competition.

Gross Profit Margin slightly increased for the year ended 31 December 2024 compared to the year ended 31 December 2023 driven by inflation.

Net Profit and Net Profit Margin decreased for the year ended 31 December 2024 compared to the year ended 31 December 2023 attributable to the lower sales for the period.

Material Changes to the Company's Balance Sheet as of 31 December 2024 compared to 31 December 2023 (increase/decrease of 5% or more)

Cash increased by 49.0% from ₱1,003.6 million as of 31 December 2023 to ₱1,493.4 million as of 31 December 2023 proceeds of loan refinancing and payment timing of purchases.

Receivables increased by 85.1% from ₱191.0 million as of 31 December 2023 to ₱353.1 million as of 31 December 2024 collection timing from corporate accounts.

Merchandise inventories increased by 35.5% from ₱2,081.9 million as of 31 December 2023 to ₱2,820.5 million as of 31 December 2024 due primarily to increase in inventory purchases during the period

Prepayments and other current assets increased by 36.3% from ₱1,012.3 million as of 31 December 2023 to ₱1,380.3 million as of 31 December 2024 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

Intangible assets decreased by 19.1% from ₱557.2 million as of 31 December 2023 to ₱450.5 million as of 31 December 2024 due to amortization for the period.

Right-of-use assets decreased by 11.6% from ₱132.1 million as of 31 December 2023 to ₱116.7 million as of 31 December 2024 due primarily to amortization for the period.

Material Changes to the Company's Income Statement as of 31 December 2024 compared to 31 December 2023 (increase/decrease of 5% or more)

The company recorded sales of ₱9,253.0 million for the year ended 31 December 2024, a decrease of 9.2% from ₱10,194.0 million for the year ended 31 December 2023. This was brought about by low performing stores where there is intense market competition.

For the year ended 31 December 2024, cost of merchandise sold was at ₱7,327.5 million, a decrease of 10.0% compared to ₱8,138.0 million for the same period in 2023, largely driven by the decrease in sales.

Support, fees, rentals and other income decreased by 58.2% from ₱125.5 million for the year ended 31 December 2023 to ₱52.5 million for the year ended 31 December 2024 primarily due to the decrease in sales which are generally the basis for vendor incentives and support.

Selling expenses decreased by 13.4% to ₱928.0 million for the year ended 31 December 2024 from ₱1,072.0 million for the same period in 2023.

General and administrative expenses increased by 12.4% from ₱516.6 million for the year ended 31 December 2023 to ₱581.0 million for the year ended 31 December 2024

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 December 2024 and as of 31 December 2023.

REVIEW OF YEAR END 2023 VS YEAR END 2022

RESULTS OF OPERATIONS

Year ended December 31, 2023 compared to Year ended December 31, 2022

	For the nine-month period ended December 31		Horizontal analysis	Vertical analysis	
	2023	2022		2023	2022
	(in millions of ₱)		% Change	% of Total Sales	
Sales	₱ 10,193.9	₱ 9,759.7	4.4%	100.0%	100.0%
Cost of merchandise sold	8,139.1	7,756.9	4.9%	79.8%	79.5%
Other income	125.5	51.4	144.3%	1.2%	0.5%
Other operating expenses	1,652.6	1,625.1	6.4%	16.2%	15.9%
Finance income (costs)					
Finance costs	(36.0)	(27.5)	31.0%	-0.4%	-0.3%
Finance income.....	0.3	0.3	-18.0%	0.0%	0.0%
Losses from Fire Damage	-	(71.8)	-100.0%	0.0%	-0.7%
Tax expense	122.8	100.1	22.6%	1.2%	1.0%
Net profit (loss).....	369.2	301.8	22.4%	3.6%	3.1%

Sales

The company recorded sales of ₱10,193.9 million for the year ended 31 December 2023, an increase of 4.4% from ₱9,759.7 million for the year ended 31 December 2022. The increase was attributable to sales growth from existing stores and revenue contribution of new stores.

Cost of Merchandise Sold

For the year ended 31 December 2023, cost of merchandise sold was at ₱8,139.1 million, an increase of 4.9% compared to ₱7,756.9 million for the same period in 2022, largely driven by the increase in sales in existing stores and incremental sales from the four new stores added during the period.

Support, Fees, Rentals and Other Income

Support, fees, rentals and other income increased by 144.3% from ₱51.4 million for the year ended 31 December 2022 to ₱125.5 million for the year ended 31 December 2023 due to increase in vendor support fees and opening of new stores.

Other Operating Expenses

Selling Expenses

Selling expenses increased by 3.4% to ₱1,071.9 million for the year ended 31 December 2023 from ₱1,036.6 million for the same period in 2022 primarily due to the following:

- Increase in rentals from ₱281.0 million for the year ended 31 December 2022 to ₱293.5 million for the year ended 31 December 2023 due to higher sales recorded during the period. Rent is charged as a percentage of sales.
- Increase in communication and utilities from ₱273.3 million for the year ended 31 December 2022 to ₱292.8 million for the year ended 31 December 2023 primarily as a result of higher electricity rate and increasing number of stores.
- Increase in agency fee from ₱235.5 million for the year ended 31 December 2022 to ₱244.8 million for the year ended 31 December 2023 attributable to the additional manpower from agencies.
- Increase in salaries, wages, and other employee benefits from ₱103.3 million for the year ended 31 December 2022 to ₱120.1 million for the year ended 31 December 2023 due to the additional manpower in the central office and for new stores.
- Decrease in merchant fee from ₱43.9 million for the year ended 31 December 2022 to ₱42.1 million for the year ended 31 December 2023 primarily due to lower debit and credit card sales for the period.
- Decrease in repairs and maintenance from ₱41.6 million for the year ended 31 December 2022 to ₱26.7 million for the year ended 31 December 2023 due to efficient store asset management initiatives.
- Decrease in operating supplies from ₱37.1 million for the year ended 31 December 2022 to ₱27.6 million for the year ended 31 December 2023 due to company's initiative to transition to paperless processes.
- Increase in advertising and promotions from ₱18.1 million for the year ended 31 December 2022 to ₱21.6 million for the year ended 31 December 2023 due to social media boosting and printing of promotional materials.
- Despite a rise in revenues for the year ended 31 December 2023, delivery fees remained fixed at ₱2.8 million as more customers prefer shop in-stores than online

General and administrative expenses

General and administrative expenses increased by 12.4% from ₱516.6 million for the year ended 31 December 2022

to ₱581.0 million for the year ended 31 December 2023 primarily due to the following:

- Increase in depreciation and amortization from ₱400.8 million for the year ended 31 December 2022 to ₱467.0 million for the year ended 31 December 2023 due to the increase in the number of stores and amortization of capitalized interest.
- Increase in taxes and licenses from ₱49.5 million for the year ended 31 December 2022 to ₱3.5 million for the year ended 31 December 2023 due to increase in number of stores as well as increase in revenues.
- Increase in professional fees from ₱3.8 million for the year ended 31 December 2022 to ₱4.3 million for the year ended 31 December 2023 due to audit fees, board of directors' fees, and consultancy fees for sustainability reporting.
- Increase in travel and transportation from ₱19.1 million for the year ended 31 December 2022 to ₱19.2 million for the year ended 31 December 2023 due to increasing fuel prices and increased logistics activities.
- Increase in insurance from ₱13.2 million for the year ended 31 December 2022 to ₱17.9 million for the year ended 31 December 2023 due primarily to the increase in the number of stores and adjustment in insurance coverages.
- Decrease in dues and subscription from ₱25.5 million for the year ended 31 December 2022 to ₱15.4 million for the year ended 31 December 2023 due to cost-saving measures implemented.
- Decrease in miscellaneous expense from ₱4.9 million for the year ended 31 December 2022 to ₱ 3.4 million for the year ended 31 December 2023 due to cost-cutting measures implemented.

Finance Cost

Finance cost increased by 31% from ₱27.5 million for the year ended 31 December 2022 to ₱36.0 million for the year ended 31 December 2023 primarily due to the increase in interest expense from lease liability.

Finance Income

Finance income decreased by 18.0% from ₱0.32 million for the year ended 31 December 2022 to ₱0.27 million for the year ended 31 December 2023. The decrease was primarily attributable to the lower average cash balance during the year ended 31 December 2023 compared to the year ended 31 December 2022.

Provision for Income Tax

Provision for income tax increased by 22.6% from ₱100.1 million for the year ended 31 December 2022 to ₱122.8 million for the year ended 31 December 2023 due to higher taxable income for the period.

Net Profit

As a result of the foregoing, our net income increased by 22.4% to ₱369.2 million for the year ended 31 December 2023 from ₱301.8 million for the year ended 31 December 2022.

FINANCIAL CONDITION

As of 31 December 2023 vs. 31 December 2022

	For the period ended,		Horizontal analysis	Vertical analysis	
	December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022
	(in millions of ₱)		% Change	% of Total Assets	
Total Current Assets	₱4,288.6	₱3,775.4	13.6%	44.7%	41.3%
Total Noncurrent Assets	5,316.1	5,356.1	-0.7%	55.3%	58.7%

	For the period ended,		Horizontal	Vertical analysis	
	December 31,	December 31,	analysis	December 31,	December 31,
	2023	2022		2023	2022
	(in millions of ₱)		% Change	% of Total	Assets
Total Assets	9,604.7	9,131.5	5.2%	100.0%	100.0%
Total Current Liabilities	1,763.4	1,849.2	-4.6%	25.5%	28.0%
Total Noncurrent Liabilities	927.5	678.2	36.8%	9.7%	7.4%
Total Liabilities	2,690.9	2,527.5	6.5%	28.0%	27.7%
Equity.....	6,913.8	6,604.1	4.7%	72.0%	72.3%
Total Liabilities and Equity	9,604.7	9,131.5	5.2%	100.0%	100.0%

Total assets amounting to ₱9,604.7 million as of 31 December 2023 recorded an increase of 5.2% from the reported amount of ₱9,131.5 million in 31 December 2022 due to the following:

- Cash increased by 1.2% from ₱992.2 million as of 31 December 2022 to ₱1,003.6 million as of 31 December 2023 due primarily to higher sales for the period.
- Receivables increased by 44.4% from ₱132.0 million as of 31 December 2022 to ₱190.7 million as of 31 December 2023 due to collections made.
- Merchandise inventories increased slightly by 15.8% from ₱1,797.9 million as of 31 December 2022 to ₱2,081.9 million as of 31 December 2023 due primarily to increase in inventory purchases during the period on account of higher sales and buying of stocks for the incoming holidays.
- Prepayments and other current assets increased by 18.6% from ₱853.2 million as of 31 December 2022 to ₱1,012.3 million as of 31 December 2023 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.
- Property and equipment decreased by 0.2% from ₱4,243.1 million as of 31 December 2022 to ₱4,236.1 million as of 31 December 2023 due primarily to depreciation for the period.
- Intangible assets decreased by 0.5% from ₱554.4 million as of 31 December 2022 to ₱557.2 million as of 31 December 2023 due to amortization for the period.
- Right-of-use assets decreased by 10.4% from ₱147.5 million as of 31 December 2022 to ₱132.1 million as of 31 December 2023 due primarily to amortization for the period.
- Other non-current assets decreased by 0.5% from ₱411.1 million as of 31 December 2022 to ₱390.6 million as of 31 December 2023 due primarily to security deposit paid.

Total liabilities amounting to ₱2,690.9 million as of 31 December 2023 recorded an increase of 6.5% from the reported amount of ₱,527.5 million in 31 December 2022. This was due to the following:

- Trade and other payables decreased by 38.8% from ₱592.8 million as of 31 December 2022 to ₱362.8 million as of 31 December 2023 due to payments made for the period.
- Loans payable including non-current portion increased by 21.3% from ₱1,432.4 million as of 31 December 2022 to ₱1,736.8 million as of 31 December 2023 primarily due to loan payments for the period.
- Lease liability including non-current portion decreased by 4.0% from ₱217.6 million as of 31 December 2022 to ₱209.0 million as of 31 December 2023 due to lease payments made.
- Deferred tax liabilities increased by 34.1% from ₱262.7 million as of 31 December 2022 to ₱352.2 million as of 31 December 2023 due to tax credits.

million as of 31 December 2023 attributable to additional temporary tax differences recognized for the period.

- Retirement benefit obligation increased by 36.8% from ₱22.0 million as of 31 December 2022 to ₱30.1 million as of 31 December 2023.

Total equity increased by 4.7% from ₱6,604.1 million as of 31 December 2022 to ₱6,913.8 million as of 31 December 2023 due to net income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2023	12/31/2022
Sales (₱ millions)	₱ 10,193.9	₱ 9,759.7
Sales Growth (%)	4.4%	3.0%
Gross Profit Margin (%) ⁽¹⁾	20.2%	20.5%
Net Profit or Loss (₱ millions)	369.2	301.8
Net Profit Margin (%) ⁽²⁾	3.6%	3.1%

Notes:

1) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Sales

2) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Sales

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Sales increased for the year ended 31 December 2023 compared to the year ended 31 December 2022 due to the same store sales growth of existing stores and the additional revenues generated from the new stores.

Gross Profit Margin slightly decreased for the year ended 31 December 2023 compared to the year ended 31 December 2022 due to the higher cost of merchandise driven by inflation.

Net Profit and Net Profit Margin increased for the year ended 31 December 2023 compared to the year ended 31 December 2022 attributable to the reduction of cost production without sacrificing quality.

Material Changes to the Company's Balance Sheet as of 31 December 2023 compared to 31 December 2022 (increase/decrease of 5% or more)

Receivables increased by 44.4% from ₱132.0 million as of 31 December 2022 to ₱190.7 million as of 31 December 2023 due to collections made.

Prepayments and other current assets increased by 18.6% from ₱853.2 million as of 31 December 2022 to ₱1,012.3 million as of 31 December 2023 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

Right-of-use assets decreased by 10.4% from ₱147.5 million as of 31 December 2022 to ₱132.1 million as of 31 December 2023 due primarily to amortization for the period.

Trade and other payables decreased by 38.8% from ₱592.8 million as of 31 December 2022 to ₱362.8 million as of 31 December 2023 due to payments made for the period.

Deferred tax liabilities increased by 34.1% from ₱262.7 million as of 31 December 2022 to ₱352.2 million as of 31 December 2023 attributable to additional temporary tax differences recognized for the period.

Material Changes to the Company's Balance Sheet as of 31 December 2022 compared to 31 December 2021 (increase/decrease of 5% or more)

Cash increased by 6.9% from ₱927.8 million as of 31 December 2021 to ₱992.2 million as of 31 December 2022 as cash used for investing and financing was partially offset by cash generated from operating activities.

Prepayments and other current assets decreased by 9.2% from ₱939.6 million as of 31 December 2021 to ₱853.2 million as of 31 December 2022 due primarily to the decrease in carried over input VAT.

Property and equipment increased by 6.3% from ₱3,989.8 million as of 31 December 2021 to ₱4,243.1 million as of 31 December 2022 due primarily to acquisitions of equipment and furniture and fixtures as well as increase in leasehold improvements for new stores.

Right-of-use assets decreased by 9.4% from ₱162.9 million as of 31 December 2021 to ₱147.5 million as of 31 December 2022 due to amortization for the period.

Intangible assets increased by 27.6% from ₱434.6 million as of 31 December 2021 to ₱554.4 million as of 31 December 2022 due to acquisition of additional license software.

Other non-current assets increased by 12.6% from ₱365.2 million as of 31 December 2021 to ₱411.1 million as of 31 December 2022 due primarily to advances to contractors and lease security deposits of new stores.

Trade and other payables increased by 8.7% from ₱545.6 million as of 31 December 2021 to ₱592.8 million as of 31 December 2022 due primarily to inventory build up for holiday season and initial inventory of two new stores for the last quarter of 2022.

Retirement benefit obligation increased by 5.5% from ₱20.9 as of 31 December 2021 to ₱22.0 million as of 31 December 2022 due to adjustment of provision for the retirement benefit.

Deferred tax liabilities increased by 43.6% from ₱182.9 million as of December 31, 2021 to ₱262.7 million as of 31 December 2022 attributable to additional temporary tax differences recognized for the period

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 December 2023 and as of 31 December 2022.

REVIEW OF YEAR END 2022 VS YEAR END 2021

RESULTS OF OPERATIONS

Year Ended December 31, 2023 compared to year ended December 31, 2021

	For the year ended December 31,		Horizontal analysis	Vertical analysis	
	2022	2021		2022	2021
	(in millions of ₱)		% Change	% of Total Sales	
Sales	₱9,759.7	₱9,456.4	3.2%	100.0%	100.0%
Cost of merchandise sold.....	7,756.9	7,600.5	2.1%	79.5%	80.4%
Other income.....	51.4	80.3	-36.0%	0.5%	0.8%
Other operating expenses	1,553.3	1,421.2	9.3%	15.9%	15.0%
Finance income (costs)					
Finance costs.....	(27.5)	(70.8)	-61.2%	-0.3%	-0.7%
Finance income	0.3	0.4	-20.5%	0.0%	0.0%
Losses from Fire Damage.....	(71.8)	-	-	-0.7%	0.0%
Tax expense	100.1	58.1	72.4%	1.0%	0.6%
Net profit.....	301.8	386.5	-21.9%	3.1%	4.1%

Sales

The company recorded sales of ₱9,759.7 million for the year ended 31 December 2022, an increase of 3.2% from ₱9,456.4 million for the year ended 31 December 2021. The increase was attributable to sales growth from existing stores and revenue contribution of new stores.

Cost of Merchandise Sold

For the year ended 31 December 2022, cost of merchandise sold was at ₱7,756.9 million, an increase of 2.1% compared to ₱7,600.5 million for the year ended 31 December 2021, largely driven by the increase in sales in existing stores and incremental sales from the new stores added during the period.

Support, Fees, Rentals and Other Income

Support, fees, rentals and other income decreased by 36.0% from ₱80.3 million for the year ended 31 December 2021 to ₱51.4 million for the year ended 31 December 2022, primarily due to the decrease of support fees from suppliers with lesser stores opened during the period.

Other Operating Expenses

Selling Expenses

Selling expenses increased by 5.4% from ₱984.0 million for the year ended 31 December 2021 to ₱1,036.6 million for the year ended 31 December 2022 primarily due to the following:

- Decrease in delivery fees from ₱5.4 million for the year ended 31 December 2021 to ₱2.8 million for the year ended 31 December 2022 on account of decrease in the volume of deliveries for the year.
- Decrease in salaries, wages, and other employee benefits from ₱118.2 million for the year ended 31 December 2021 to ₱103.3 million for the year ended 31 December 2022 due to overtime pay and transportation allowance provided to employees in 2021 in light of the pandemic.
- Increase in operating supplies from ₱29.6 million for the year ended 31 December 2021 to ₱37.1 million for the year ended 31 December 2022 due primarily to purchases of supplies in the head office and due to increase in the number of stores.
- Increase in communication and utilities from ₱243.2 million for the year ended 31 December 2021 to ₱273.3 million for the year ended 31 December 2022 due to the increase in utilities cost and higher store network for the year.
- Increase in repairs and maintenance from ₱37.1 million for the year ended 31 December 2021 to ₱41.6 million for the year ended 31 December 2022 due to the additional disinfection and sanitation protocols implemented as well as to maintenance services done in the stores
- Decrease in merchant fee from ₱48.9 million for the year ended 31 December 2021 to ₱43.9 million for the year ended 31 December 2022 primarily due to lower debit and credit card sales for the period.
- Increase in agency fee from ₱218.5 million for the year ended 31 December 2021 to ₱235.5 million for the year ended 31 December 2022 attributable to the additional manpower of new stores added during the period.
- Increase in rentals from ₱264.6 million for the year ended 31 December 2021 to ₱281.0 million for the year ended 31 December 2022 due to higher sales recorded during the period. Rent is charged as a percentage of sales.
- Decrease in advertising and promotions from ₱18.4 million for the year ended 31 December 2021 to ₱18.1 million for the year ended 31 December 2022 on account of cost-cutting measures implemented and usage of online digital and social media platforms for marketing purposes.

General and administrative expenses

General and administrative expenses increased by 18.2% from ₱437.2 million for the year ended 31 December 2021

to ₱516.6 million for year ended 31 December 2022 primarily due to the following:

- Increase in dues and subscriptions from ₱3.1 million for the year ended 31 December 2021 to ₱25.5 million for the year ended 31 December 2022 attributable to the acquisition of new IT systems during the year and increase in the number of stores.
- Decrease in professional fees from ₱33.4 million for the year ended 31 December 2021 to ₱3.8 million for the year ended 31 December 2022 primarily due to the audit, market research, and other fees incurred in 2021 in relation to the company's initial public offering.
- Decrease in other general and administrative expenses from ₱19.5 million for the year ended 31 December 2021 to ₱4.9 million for the year ended 31 December 2021 attributable to the one-time fees incurred in 2021 in relation to the company's initial public offering.
- Increase in depreciation and amortization from ₱296.9 million for the year ended 31 December 2021 to ₱400.8 million for the year ended 31 December 2022 due to the increase in the number of stores.
- Increase in insurance from ₱10.5 million for the year ended 31 December 2021 to ₱13.2 million for the year ended 31 December 2022 due primarily to the increase in the number of stores and adjustment in insurance coverages.
- Decrease in taxes and licenses from ₱54.6 million for the year ended 31 December 2021 to ₱49.5 million for the year ended 31 December 2022 on account of lower documentary stamp tax paid during the year.
- Decrease in travel and transportation from ₱19.3 million for the year ended December 31, 2021 to ₱19.1 million for the year ended December 31, 2022 due to cost-saving measures being implemented.

Finance Cost

Finance Cost decreased from ₱70.8 million for the year ended 31 December 2021 to ₱27.5 million for the year ended 31 December 2022. The decrease was primarily attributable to the loan settlements made from proceeds of the initial public offering.

Finance Income

Finance income decreased by 20.5% from ₱406.5 thousand for the year ended 31 December 2021 to ₱323.3 thousand for the year ended 31 December 2022 due primarily to the decrease in the interest income on deposits.

Loss from Fire Damage

On January 8, 2022, the Company's distribution warehouse, selling area, and head office, located in Alabang, Muntinlupa City, was severely damaged by a fire. As a result, the Company wrote-off certain inventories and property and equipment with the net carrying value amounting to ₱58.0 million and ₱112.2 million, respectively. The Company received total insurance claims amounting to ₱98.3 million, which was offset against the losses incurred from the fire incident. Thus, the related net losses from the fire amounted to ₱71.8 million.

Tax Expense

Tax expense increased by 72.4% from ₱58.1 million for the year ended 31 December 2021 to ₱100.1 million for the year ended 31 December 2022. The lower tax expense in 2021 was primarily attributable to the reversal of deferred tax liabilities due to the change in tax rate as an effect of CREATE to align with the 25% corporate income tax rate and the tax effect of the Initial Public Offering expenses charged against equity.

Net Profit

As a result of the foregoing, our net income decreased by 21.9% from ₱386.5 million for the year ended 31 December 2021 to ₱301.8 million for the year ended 31 December 2022.

FINANCIAL CONDITION

As of 31 December 2022 vs. 31 December 2021

	For the period ended,		Horizontal analysis	Vertical analysis	
	December 31, 2022	December 31, 2021		December 31, 2022	December 31, 2021
	(in millions of ₱)		% Change	% of Total Assets	
Total Current Assets	₱3,775.4	₱3,823.9	-2.1%	41.3%	43.6%
Total Noncurrent Assets	5,356.1	4,952.5	8.8%	58.7%	56.4%
Total Assets	9,131.5	8,776.4	4.0%	100.0%	100.0%
Total Current Liabilities	1,849.2	1,516.7	21.9%	20.3%	17.3%
Total Noncurrent Liabilities	678.2	890.6	-23.8%	7.4%	10.1%
Total Liabilities.....	2,527.5	2,407.3	5.0%	27.7%	27.4%
Equity.....	6,604.1	6,369.1	3.7%	72.3%	72.6%
Total Liabilities and Equity	9,131.5	8,776.4	4.0%	100.0%	100.0%

As of 31 December 2022 vs. 31 December 2021

Total assets as of 31 December 2022 were ₱9,131.5 million compared to ₱8,776.4 million as of 31 December 2021, or about 4.0% increase due to the following:

- Cash increased by 6.9% from ₱927.8 million as of 31 December 2021 to ₱992.2 million as of 31 December 2022 as cash used for investing and financing was partially offset by cash generated from operating activities.
- Receivables increased by 1.2% from ₱130.4 million as of 31 December 2021 to ₱132.0 million as of 31 December 2022 due primarily to the increase in third party receivables pertaining to online sales for the period.
- Merchandise inventories decreased by 1.5% from ₱1,826.1 million as of 31 December 2021 to ₱1,797.9 million as of 31 December 2022 due primarily to inventory optimization.
- Prepayments and other current assets decreased by 9.2% from ₱939.6 million as of 31 December 2021 to ₱853.2 million as of 31 December 2022 due primarily to the decrease in carried over input VAT.
- Property and equipment increased by 6.3% from ₱3,989.8 million as of 31 December 2021 to ₱4,243.1 million as of 31 December 2022 due primarily to acquisitions of equipment and furniture and fixtures as well as increase in leasehold improvements for new stores.
- Right-of-use assets decreased by 9.4% from ₱162.9 million as of 31 December 2021 to ₱147.5 million as of 31 December 2022 due to amortization for the period.
- Intangible assets increased by 27.6% from ₱434.6 million as of 31 December 2021 to ₱554.4 million as of 31 December 2022 due to acquisition of additional license software.
- Other non-current assets increased by 12.6% from ₱365.2 million as of 31 December 2021 to ₱411.1 million as of 31 December 2022 due primarily to advances to contractors and lease security deposits of new stores.

Total liabilities as of 31 December 2021 were ₱2,407.3 million compared to ₱2,527.5 million as of 31 December 2022, or a 5.0% increase. This was due to the following:

- Trade and other payables increased by 8.7% from ₱545.6 million as of 31 December 2021 to ₱592.8 million as of 31 December 2022 due primarily to inventory build up for holiday season and initial inventory of two new stores for the last quarter of 2022.
- Loans payable including non-current portion decreased by 0.1% from ₱1,433.8 million as of 31 December 2021 to ₱1,432.4 million as of 31 December 2022 primarily due to loan payments for the period.

- Lease liabilities including non-current portion decreased by 2.9% from ₱224.2 million as of 31 December 2021 to ₱217.6 million as of 31 December 2022 due to lease payments made.
- Retirement benefit obligation increased by 5.5% from ₱20.9 as of 31 December 2021 to ₱22.0 million as of 31 December 2022 due to adjustment of provision for the retirement benefit.
- Deferred tax liabilities increased by 43.6% from ₱182.9 million as of December 31, 2021 to ₱262.7 million as of 31 December 2022 attributable to additional temporary tax differences recognized for the period

Total equity increased by 3.7% from ₱6,369.1 as of 31 December 2021 to ₱6,604.1 million as of 31 December 2022 due to net income recorded for the period and recognition of revaluation reserves for the remeasurement of post-employment defined benefit plan.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2022	12/31/2021
Sales (₱ millions)	₱9,759.7	₱9,456.4
Sales Growth (%)	3.2%	19.2%
Gross Profit Margin (%) ⁽¹⁾	20.5%	19.6%
Net Profit (₱ millions)	301.8	386.5
Net Profit Margin (%) ⁽²⁾	3.1%	4.1%

Notes:

3) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Sales

4) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Sales

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Sales increased for the year ended 31 December 2022 compared to year ended 31 December 2021 due to the same store sales growth of existing stores and the additional revenues generated from the new stores.

Gross Profit Margin increased for the year ended 31 December 2022 compared to year ended 31 December 2021 due to economies of scale achieved as a result of higher purchases made during the period and increased revenue contribution of imported products and private label items.

Net Profit and Net Profit Margin decreased for the year ended 31 December 2022 compared to year ended 31 December 2021 primarily due to higher tax expense and incurrence of loss on damaged assets due to fire loss.

Material Changes to the Company's Balance Sheet as of 31 December 2022 compared to 31 December 2021 (increase/decrease of 5% or more)

Cash increased by 6.9% from ₱927.8 million as of 31 December 2021 to ₱992.2 million as of 31 December 2022 as cash used for investing and financing was partially offset by cash generated from operating activities.

Prepayments and other current assets decreased by 9.2% from ₱939.6 million as of 31 December 2021 to ₱853.2 million as of 31 December 2022 due primarily to the decrease in carried over input VAT.

Property and equipment increased by 6.3% from ₱3,989.8 million as of 31 December 2021 to ₱4,243.1 million as of 31 December 2022 due primarily to acquisitions of equipment and furniture and fixtures as well as increase in leasehold improvements for new stores.

Right-of-use assets decreased by 9.4% from ₱162.9 million as of 31 December 2021 to ₱147.5 million as of 31 December 2022 due to amortization for the period.

Intangible assets increased by 27.6% from ₱434.6 million as of 31 December 2021 to ₱554.4 million as of 31 December 2022 due to acquisition of additional license software.

Other non-current assets increased by 12.6% from ₱365.2 million as of 31 December 2021 to ₱411.1 million as of 31 December 2022 due primarily to advances to contractors and lease security deposits of new stores.

Trade and other payables increased by 8.7% from ₱545.6 million as of 31 December 2021 to ₱592.8 million as of 31 December 2022 due primarily to inventory build up for holiday season and initial inventory of two new stores for the last quarter of 2022.

Retirement benefit obligation increased by 5.5% from ₱20.9 as of 31 December 2021 to ₱22.0 million as of 31 December 2022 due to adjustment of provision for the retirement benefit.

Deferred tax liabilities increased by 43.6% from ₱182.9 million as of December 31, 2021 to ₱262.7 million as of 31 December 2022 attributable to additional temporary tax differences recognized for the period

Material Changes to the Company's Statement of income for the 12-month of 2021 compared to the 12-month of 2020 (increase/decrease of 5% or more)

Support, fees, rentals and other income decreased by 36.0% from ₱80.3 million for the year ended 31 December 2021 to ₱51.4 million for the year ended 31 December 2022, primarily due to the decrease of support fees from suppliers with lesser stores opened during the period.

Selling, general and administrative expenses increased by 9.3% from ₱1,421.2 million for the year ended 31 December 2021 to ₱1,553.3 million for the year ended 31 December 2022 due to the above-mentioned reasons.

Finance Cost decreased by 61.2% from ₱70.8 million for the year ended 31 December 2021 to ₱27.5 million for the year ended 31 December 2022. The decrease was primarily attributable to the loan settlements made from proceeds of the initial public offering.

Finance income decreased by 20.5% from ₱406.5 thousand for the year ended 31 December 2021 to ₱323.3 thousand for the year ended 31 December 2022 due primarily to the decrease in the interest income on deposits.

On January 8, 2022, the Company's distribution warehouse, selling area, and head office, located in Alabang, Muntinlupa City, was severely damaged by a fire. As a result, the Company wrote-off certain inventories and property and equipment with the net carrying value amounting to ₱58.0 million and ₱112.2 million, respectively. The Company received total insurance claims amounting to ₱98.3 million, which was offset against the losses incurred from the fire incident. Thus, the related net losses from the fire amounted to ₱71.8 million.

Tax expense increased by 72.4% from ₱58.1 million for the year ended 31 December 2021 to ₱100.1 million for the year ended 31 December 2022. The lower tax expense in 2021 was primarily attributable to the reversal of deferred tax liabilities due to the change in tax rate as an effect of CREATE to align with the 25% corporate income tax rate and the tax effect of the Initial Public Offering expenses charged against equity.

Net income decreased by 21.9% from ₱386.5 million for the year ended 31 December 2021 to ₱301.8 million for the year ended 31 December 2022 due to the foregoing movements in the income statement items.

There is no other material change in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion.

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 31 December 2022 and as of 31 December 2021.

Item 7. Financial Statements

The Financial Statements of the Company as of and for the year ended December 31, 2024 are incorporated herein in the accompanying Index to Financial Statements and/Supplementary Schedules.

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountant

Punongbayan & Araullo (Grant Thornton) independent certified public accountants, audited the Company's consolidated

financial statements without qualification as of and for the years ended December 31, 2020, 2021, 2022, 2023 and 2024, included in this report. Mary Grace A. Punay is the current audit partner for the Company.

External Audit Fees and Services

External Audit Fees

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by Punongbayan & Araullo

	<u>2024</u>	<u>2023</u>
	<i>(in ₱ thousands with VAT)</i>	
Audit and Audit-Related Fees.....	1,760.0	2,698.6

Punongbayan & Araullo do not have any direct or indirect interest in the Company.

Tax Fees

Tax accounting, compliance, advice, planning and other form of tax services are not rendered by the appointed

external auditor of the Company, but are secured from other entities.

All Other Fees

The appointed External Auditor of the Company does not render and/or provide product or service to the Company other than those provided under the caption "External Audit Fees".

Audit Committee's Approval Policies and Procedure for the Services of the External Auditor

The scope, extent and nature of the services to be referred to, and/or to be rendered by, the appointed External Auditor of the Company has to be unanimously approved by the Audit Committee in a meeting duly called for the purpose, including the fees to be paid for the services thus rendered and/or referred.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors and Executive Officers

The table below sets forth the members of the Company's Board and Executive Officers as of December 31, 2023.

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>	<u>CITIZENSHIP</u>
Manuel B. Villar Jr.	75	Chairman	Filipino
Camille A. Villar	40	Vice Chairman	Filipino
Frances Rosalie T. Coloma	62	Director	Filipino
Manuel Paolo A. Villar	48	Director	Filipino
Magdalena G. De Guzman	57	Director, Acting President, Chief Operating Officer	Filipino
Jessie D. Cabaluna	67	Independent Director	Filipino
Raul Juan N. Esteban	62	Independent Director	Filipino
Maria Cristina O. Barao	44	Treasurer, Chief Financial Officer and Compliance Officer	Filipino
Arbin Omar P. Cariño	43	Corporate Secretary	Filipino
Mark B. Nacario	38	Investor Relations Officer	Filipino

** Business Experience of the named directors and officers covers the past five (5) years.*

Manuel B. Villar, Jr. *Chairman of the Board.* Mr. Villar, 74, was Senator of the Philippines from 2001 to June 2013. He served as Senate President from 2006 to 2008. He also served as a Congressman from 1992 to 2001 and as Speaker of the House of Representatives from 1998 to 2000. A Certified Public Accountant, Mr. Villar graduated from the University of the Philippines in 1970 with the degree of Bachelor of Science in Business Administration and in 1973 with the degree of Masters in Business Administration. He founded Camella Homes in the early 1970s and successfully managed said company over the years, to become the largest homebuilder in the Philippines now known as the Vista Land Group. Mr. Villar is also Chairman of the Board of Vistamalls, Inc. (formerly Starmalls, Inc.), AllHome Corp., AllValue Holdings Corp. and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). He is a member of the following organizations: Makati Business Club, Manila Golf Club, Management Association of the Philippines, Financial Executive Institute of the Philippines (FINEX), Philippine Institute of Certified Public Accountants, and the Villar Social Institute for Poverty Alleviation and Governance (SIPAG).

Camille A. Villar. *Vice Chairman.* Ms. Villar, 39, graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management in 2006. She took Management in Business Administration, Global Executive MBA Program in Instituto de Estudios Superiores de la Epresa (IESE) Business School, Barcelona, Spain in 2014. She joined the Corporate Communications Group of Brittany from 2010 to 2013 and was Managing Director of Vista Land Commercial from 2008 to 2010. She is a Director of Vistamalls, Inc. (formerly Starmalls, Inc.) and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). She is also the Concurrent President of All Value Holdings Corp., and the Vice Chairman of AllHome Corp. Ms. Villar is currently a Congresswoman, representing Las Pinas City.

Frances Rosalie T. Coloma. *Director, President and Chief Executive Officer.* Ms. Coloma, 61, graduated cum laude from the University of the Philippines with the degree of Bachelor of Science in Business Administration and Accountancy in 1984. She is a Certified Public Accountant. She was previously the Finance Manager of Alcatel Philippines, Inc. (2002 to 2003) and Intel Philippines, Inc. (2003 to 2005), Country Controller of Ericsson

Telecommunications Philippines, Inc. (2005 to 2009), Deal Finance Manager of Accenture Delivery Center, Philippines (2009 to 2010), and Assistant General Manager of Maersk Global Services, Philippines (2010). Ms. Coloma was also the Chief Financial Officer and Chief Information Officer of Golden Bria Holdings, Inc. (now Golden MV Holdings, Inc.) from 2016 to 2019. She was also the Chief Financial Officer of Vistamalls, Inc. (formerly Starmalls, Inc.) from 2012 to 2016 and of AllHome Corp. from 2019 to 2021. She is currently the Treasurer and a Director of AllHome Corp. and Director of Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.).

Manuel Paolo A. Villar. *Director.* Mr. Villar, 47, graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with a Bachelor of Science in Economics and Bachelor of Applied Science in 1999. He was an Analyst for McKinsey & Co. in the United States from 1999 to 2001. He joined the Vista Land Group in 2001 as Head of Corporate Planning then became the Chief Financial Officer of the Company in 2008. He was elected President and Chief Executive Officer of the Company in July 2011 and President of Vistamalls, Inc. (formerly Starmalls, Inc.) in June 2019. In addition, he is the CEO and Chairman of St. Augustine Gold and Copper Limited and Chairman of TVI Resources Development Philippines, Inc., Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation, Vista Residences, Inc., VistaREIT, Inc., and Powersource Phils Development Corp. Mr. Villar is also the majority shareholder of Prime Asset Ventures, Inc., and director of Fine Properties, Inc, AllHome Corp., and Premiere Island Power REIT Corporation.

Magdalena G. De Guzman, *Acting President and Chief Operating Officer.* Ms. Magdalena, 57, graduated from the University of Sto. Tomas, with a degree in AB Behavioral Science in 1988. She began her career in the real estate industry, serving as Administrative Head and eventually as Operating Head from 2001 to 2008. She handled the post of Purchasing Head before transitioning to the retail sector, where she held the role of merchandising head of ALLHome from 2015 to 2017. In 2018, she returned back to housing industry as Administrative Group Head. She joined PAVI Group in 2022 where she currently leads the Purchasing Group and the Regulatory and Compliance Departments.

Jessie D. Cabaluna. *Independent Director.* Ms. Cabaluna, 67, graduated with a degree in Bachelor of Science in Commerce, major in Accounting from University of St. La Salle in 1977. She also completed the Management Development Program from the Asian Institute of Management in 1988, and Advance Management Program from the Harvard Business School in 2012. Ms. Cabaluna also completed Finance for Corporate Directors Program in 2017. She was previously a Partner at SGV & Co. from 1997 to 2017. She is presently an independent director of AllHome. Corp.

Raul Juan N. Esteban. *Independent Director.* Mr. Esteban, 62, graduated from the Ateneo de Manila University with a degree of Bachelor of Science in Management Engineering. He became a brand manager of Unilever Philippine from 1983 to 1986. He was the Country Representative of PPF (A Subsidiary of Unilever) from 1986 to 1988. He was Founding Partner of AGB-Nielsen Philippines and was Chairman until 2012. He held various positions in the Advertising Board of the Philippines, Advertising Congress, MORES (Marketing & Opinion Research Society of the Philippines) and ESOMAR (World Association of Marketing, Social, and Opinion Research) from 2000 to present. Currently, he is the Managing Director of Philippine Survey and Research Center Inc. Mr. Esteban is currently an independent director of Vistamalls, Inc. (formerly Starmalls, Inc.)

Maria Cristina O. Barao. *Treasurer, Chief Financial Officer and Compliance Officer.* Ms. Barao, 43, graduated from the Pamantasan ng Lungsod ng Maynila in 2001 with a Bachelor of Science in Accountancy. She was previously the Senior Accountant and Chief Accountant of Camella Homes, Crown Asia Properties Inc., and Brittany Corporation from 2009 to 2018.

Arbin Omar P. Cariño. *Corporate Secretary.* Mr. Cariño, 42, graduated from the De La Salle University. He took up Bachelor of Science in Chemistry and Bachelor of Secondary Education major in Physics and Math. Mr. Cariño earned his law degree from the San Beda College of Law. He is the Corporate Secretary of All Bank, Inc. And AllHome Corp.

Mark B. Nacario, *Investor Relations Officer.* Mr. Nacario, 37, graduated from the University of Nueva Caceres in 2008 with the degree of Bachelor of Science in Accountancy. He is a Certified Public Accountant. He joined the Villar group in 2009 and has been with the company for 15 years. He worked as an accounting lead from 2009 to 2012 and became supervisor from 2012 to 2015 in Camella Homes. He then served as Group Senior Cost Accountant of Vistaland from 2015 to 2018. He handled a position as Finance and Accounting Manager of MGS Corporation's subsidiaries, the Villar's construction arm from 2018 to 2021. He became the Accounting Manager of AllDay Retail from 2021 to 2022. He served as Accounting Manager of Villar's food group arm, Cmstar Management Inc. from 2022 to 2024. And presently as Finance Manager of the AllValue Group.

Resignation of Directors

No director has resigned or declined to stand for re-election for the Board of Directors due to any disagreement with the Corporation relative to the Corporation's policies, practices and operations.

Family relationships

Manuel B. Villar, Jr., is the father of Manuel Paolo A. Villar and Camille A. Villar. There are no other family relationships among the directors and executive officers.

Involvement in Certain Legal Proceedings of Directors and Executive Officers

None of the Directors and Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

- (a) None of them has been involved in any bankruptcy petition.
- (b) None of them has been convicted by final judgment in a criminal proceeding or being subject to any pending criminal proceeding, both domestic and foreign.
- (c) None of them has been subject to any order, judgment or decree of any court of competent jurisdiction (both domestic and foreign) permanently or temporarily enjoining, barring, suspending or likewise limiting their involvement in any type of business, securities, commodities or banking activities.
- (d) None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), by the Commission or comparable body, or by a domestic or foreign exchange or organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Item 10. Executive Compensation

Names	Position	Year	Salary and Bonus
Aggregate executive compensation for the following key management officers: Magdalena G. De Guzman Maria Cristina O. Barao Arbin Omar P. Carino Mark B. Nacario	Acting President and COO	Actual 2021	₱ 21.6 M
	Treasurer, CFO and Compliance Officer	Actual 2022	₱ 23.8 M
	Corporate Secretary	Actual 2023	₱ 25.9 M
	Investor Relations Officer		
Aggregate executive compensation for all other officers and directors, unnamed		Actual 2021	₱ 21.9 M
		Actual 2022	₱ 24.1 M
		Actual 2023	₱ 26.0 M

The total annual compensation paid to the above-named officers and directors was paid in cash. The annual compensation includes the basic salary, the mid-year and 13th month bonus.

Standard arrangements

Other than payment of reasonable per diem of P50,000.00 per non-executive director for every meeting, there are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or

indirectly, for any services provided as a director during 2022 and 2023.

Other arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly by the Company, during 2023 and 2024 for any service provided as a director.

Employment Contracts Between the Company and Senior Management Officers

There are no special employment contracts between the Company and Senior Management.

Warrants and options held by the executive officers and directors

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group.

Significant employee

While the Company values the contribution of each of its executive and non-executive employees, the Company believes that there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Record and Beneficial Owners

Security ownership of certain record and beneficial owners of more than 5.0% of the voting securities as of December 31, 2023:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership¹
Common Shares	AllValue Holdings Corp. LGF Bldg B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City Shareholder	Record Owner is also beneficial Owner	Filipino	15,309,286,000	66.98%
Common Shares	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6776 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial Owner	Filipino	6,232,477,149	27.26%
Common Shares	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6776 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial Owner	Non-Filipino	6,232,477,149	27.26%

¹Based on the total issued and outstanding common shares of 22,857,145,000 as of December 31, 2024

Security Ownership of Management

Security ownership of certain management as of December 31, 2023:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares	Manuel B. Villar Jr. C. Masibay Street, BF Resort Village, Las Piñas City	15,309,286,000 – Indirect	Filipino	66.98%
Common Shares	Manuel B. Villar Jr. C. Masibay Street, BF Resort Village, Las Piñas City	1,000,000 – Direct	Filipino	0.00%
Common Shares	Camille A. Villar C. Masibay Street, BF Resort Village, Las Piñas City	1,000,000 – Direct	Filipino	0.00%
Common Shares	Frances Rosalie T. Coloma 1-10 Granwood Villas, BF HomesQuezon City	1,000,000 – Direct	Filipino	0.00%
Common Shares	Manuel Paolo A. Villar C. Masibay Street, BF Resort Village, Las Piñas City	1,000,000 – Direct	Filipino	0.00%
Common Shares	Benjamarie Therese N. Serrano 103 Parklane St., La Marea Subdivision, San Pedro Laguna	1,000,000 – Direct	Filipino	0.00%
Common Shares	Jessie D. Cabaluna 87 Molave Ave., Molave ParkMerville, Paranaque City	1,000 – Direct	Filipino	0.00%
Common Shares	Raul Juan N. Esteban 2238 Alexandra Condominium, Meralco Ave., Pasig City 2238	1,000 – Direct	Filipino	0.00%
TOTAL		15,314,288,000		67.00%

Voting Trust Holders of 5.0% or More

As of December 31, 2024, there is no party holding any voting trust for 5% or more of total shares outstanding.

Changes In Control

As of December 31, 2024, there was no arrangement which may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions

No transaction, without proper disclosure, was undertaken by the Company in which any Director or Executive Officer, nominee for election as Director, or any member of its immediate family was involved or had a direct or indirect material interest.

No single Director or Executive Officer, nominee for election as Director, or any member of their immediate family owns or holds more than 10% of the Company's voting shares.

Please refer to Notes on Related Party Transactions of the Notes to Financial Statements of the 2024 Audited Financial Statements, which is incorporated herein in the accompanying Index to Exhibits.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

To be disclosed separately under Integrated Annual Corporate Governance Report (I-ACGR).

In compliance with SEC Memorandum Circular No. 15, Series of 2017, the Company will submit its I-ACGR for the year ended December 31, 2023 on or before May 30, 2024.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17 A

Exhibits

See accompanying Index to Financial Statements and Supplementary Schedules.

The following exhibit is incorporated by reference in this report:

Financial Statements of the Company as of and for the year ended December 31, 2024.

The other exhibits, as indicated in the Index to Financial Statements and Supplementary Schedules are either not applicable to the Company or require no answer.

Reports on SEC Form 17-C

The following current reports have been reported by AllDay Marts, Inc. during the year 2024 through official disclosure letters dated:

The following current reports have been reported by AllDay Marts, Inc. during the year 2023 through official disclosure letters dated:

April 25, 2024

Material Information/Transactions 04/25/2024

April 30, 2024

Press Release 04/30/2024

May 16, 2024

Material Information/Transactions 05/16/2024

May 16, 2024

Notice of Annual or Special Stockholders' Meeting 05/16/2024

May 20, 2024

[Amend-1] Notice of Annual or Special Stockholders' Meeting 05/20/2024

June 05, 2024

[Amend-2] Notice of Annual or Special Stockholders' Meeting 06/05/2024

July 01, 2024

Results of Annual or Special Stockholders' Meeting 07/01/2024

July 01, 2024

Results of Organizational Meeting of Board of Directors 07/01/2024

August 14, 2023

Material Information/Transactions 08/14/2024

August 14, 2023

Press Release 08/14/2024

September 06, 2024

Change in Directors and/or Officers 09/06/2024

September 06, 2024

Change in Directors and/or Officers 09/06/2024

September 09, 2024

[Amend-1] Change in Directors and/or Officers 09/09/2024

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in MANDALUYONG CITY on APR 30 2025.

By:


MAGDALENA G. DE GUZMAN
Acting President / Chief Operating Officer


ARBIN OMAR P. CARIÑO
Corporate Secretary

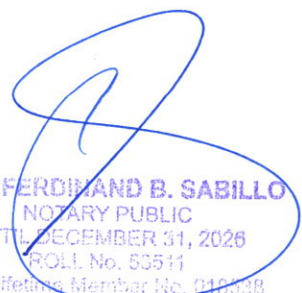

MARIA CRISTINA O. BARAO
Treasurer / Chief Financial Officer /
Compliance Officer

SUBSCRIBED AND SWORN, to before me, this APR 30 2025 at MANDALUYONG CITY, affiants exhibiting to me their respective valid identification documents, to wit:

Name	Valid ID	Date and Place of Issue
Magdalena G. De Guzman	Dr Lic No. D16-95-127430	07.25.2023 – LTO
Maria Cristina O. Barao	Passport No. P6941287B	06.07.2021 – DFA NCR East
Arbin Omar P. Cariño	Dr Lic No. C07-98-165603	03.28.2019 – LTO

who has satisfactorily proven to me their identities through their valid identification cards, and that they are the same persons who personally signed before me the foregoing and acknowledges that they executed the same.

Doc. No. 251;
Page No. 52;
Book No. V;
Series of 2025.


ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ROLL No. 53511

IBP Lifetime Member No. 010508
PTR No. 5700577 / 03 Jan. 2025 / Mandaluyong City
MCLE Compliance No. Vn-2018751 issued dated 25 May 2022
Notarial Commission No. 5314-25
Vista Corporate Center, 5th Floor,
Waldwin Corporate Center, Shaw Blvd., Mandaluyong City

ALLDAY MARTS, INC.

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Form 17-A, Item 7

Financial Statements

Statement of Management's Responsibility for Financial Statements
Report of Independent Public Accountant
Statement of Financial Position as of December 31, 2024 and 2023
Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022
Statements of Changes in Equity for the years ended December 31, 2024, 2023 and 2022
Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022
Notes to Financial Statements

Supplementary Schedules

Report of Independent Auditors on Supplementary Schedules

I. Supplementary Schedules required by Annex 68-E



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of AllDay Marts, Inc. is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024, and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

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

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

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



MANUEL B. VILLAR, JR.
Chairman of the Board



MAGDALENA G. DE GUZMAN
Director/Acting President/COO



MARIA CRISTINA O. BARAO
Treasurer/CFO/CRO/Compliance Officer

APR 28 2025

SUBSCRIBED AND SWORN, to before me this

at _____, affiants exhibiting to me their respective Passports and TIN ID, to
wit: **MANDALUYONG CITY**

Name	Passport No.	Date and Place of Issue
Manuel B Villar, Jr.	P2529752B	12 JUL 2019 / DFA MANILA
Magdalena G. De Guzman	TIN No.119-619-749	
Maria Cristina O. Barao	TIN No.244-148-822	

who has satisfactory proven to me their identities through their valid identification cards, and that they are the same persons who personally signed before me the foregoing and acknowledges that they executed the same.

Doc No.
Page No.
Book No.
Series of 2025

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4
V

ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ROLL No. 53511

IBP Lifetime Member No. 016538
PTR No. 5700677 / 03 Jan. 2025 / Mandaluyong City
MCLE Compliance No. VII-01-18701 issued dated 25 May 2022
Notarial Commission Appointment No. 0314-25
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City



FOR SEC FILING

Financial Statements and
Independent Auditors' Report

AllDay Marts, Inc.

December 31, 2024, 2023 and 2022

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
AllDay Marts, Inc.
(A Subsidiary of AllValue Holdings Corp.)
LGF Evia Lifestyle Center
Daang Hari, Brgy. Almanza Dos
Las Piñas City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AllDay Marts, Inc. (the Company), which comprise the statements of financial position as of December 31, 2024 and 2023, and statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue Recognition*Description of the Matter*

Revenue is one of the key performance measures used to assess the Company's business performance. Revenue is recognized when the control over the goods has been transferred at a point in time to the customer, i.e., generally when the customer has acknowledged delivery of goods. Revenue from sale of merchandise is generated through direct sales to customers. For the year ended December 31, 2024, the total revenues amounted to P9,252.8 million.

In our view, revenue recognition is significant to our audit because of the inherent risk of material misstatement involved and the materiality of the amount of recorded revenues which impact the Company's profitability.

The Company's disclosures about its revenue recognition policy and disaggregation of revenues are disclosed in Notes 2 and 14, respectively.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, included:

- updating our understanding of the Company's revenue transactions by reviewing revenue arrangements and revenue transaction processes;
- evaluating appropriateness of the Company's revenue recognition policy and application in accordance with PFRS 15, *Revenue from Contracts with Customers*;
- testing the design and operating effectiveness of the Company's Information Technology (IT) general controls and application controls over the automated system from origination to recording of sales;
- testing the design and operating effectiveness of internal controls related to the Company's sale and receipts processes, which include inquiry and observation, and inspection of supporting documents, on a sampling basis, of revenue transactions during the year;
- testing daily sales reports, sales invoices and other related supporting documents, on a sample basis, of revenue transactions throughout the current period to determine whether transactions occurred and determine whether the revenue recognition is properly recognized at the time the Company satisfies its performance obligations; and,
- performing detailed analysis of revenue segments and related key ratios such as, but not limited to, current year's components of revenues (e.g., by location) as a percentage of total revenues and analysis of current and prior year's quarterly revenue trend to assist in assessing the conclusions reached and evaluation of the reasonableness of revenues.

(b) Existence, Accuracy and Valuation of Merchandise Inventories

Description of the Matter

The Company's total merchandise inventories amounting to P2,820.5 million as of December 31, 2024 represent 26% of total assets of the Company. Merchandise inventories are valued at the lower of cost and net realizable value. Cost is determined using the moving average method. Management uses estimates in assessing whether merchandise inventories are valued at the lower of cost and net realizable value and appropriate allowance for obsolescence on perishable merchandise inventories has been adequately assessed. Moreover, the Company's merchandise inventories are considered voluminous and majority of these are kept in the Company's stores and warehouses. Relative to these, we determined that existence, accuracy and valuation of merchandise inventories are key audit matters.

The Company's disclosures about merchandise inventories and the related inventory valuation policies are included in Notes 2, 3 and 7.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to inventory existence, accuracy and valuation, which was considered to be a significant risk included, among others, the following:

On inventory existence:

- testing the design and operating effectiveness of the IT general controls and application controls over the automated system related to inventory receipts, shipments and adjustments;
- testing the design and operating effectiveness of internal controls related to the Company's inventory count processes;
- conducting physical inventory count observation in selected stores and warehouses, including, among others, touring the facility before and after the inventory count observation to gain an understanding of the location and condition of inventories prior to the count and after the count is concluded; determining that all sample inventory items were counted and no items were counted twice; obtaining relevant cut-off information and copy of count control documents; examining sample inventory items to test count against inventory records; clearing exceptions, if any, with appropriate personnel; and, projecting errors to the population; and,
- performing detailed analysis of inventory-related ratios such as, but not limited to, inventory turnover and current year's components of inventories as a percentage of total inventories.

On inventory accuracy and valuation:

- evaluating appropriateness and consistent application of policy on inventory costing and valuation of merchandise inventories at lower of cost and net realizable value;
- testing the design and operating effectiveness of the IT general controls and application controls over the automated system related to updating and changing of prices;
- performing test of design and operating effectiveness of controls on inventory costing process;

- performing test to ascertain appropriateness of inventory costing of selected inventory items by recomputing unit cost and comparing to unit cost per books, examining supplier invoices and other documents supporting the movements affecting the moving average unit cost; and,
- determining whether inventory is stated at the lower of cost and net realizable value by verifying latest selling price, reviewing estimated cost to sell of sample inventory items and comparing the net realizable value per unit to the unit cost per books.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

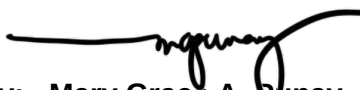
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 27 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Mary Grace A. Punay.

PUNONGBAYAN & ARAULLO



By: **Mary Grace A. Punay**
Partner

CPA Reg. No. 0116576
TIN 244-931-755
PTR No. 10471857, January 7, 2025, Makati City
BIR AN 08-002511-043-2024 (until October 3, 2027)
BOA/PRC Cert. of Reg. No. 0002/P-016 (until August 12, 2027)

April 28, 2025

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2024	2023
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	5	P 1,493,385,855	P 1,003,630,272
Receivables	6	353,111,116	190,740,438
Merchandise inventories	7	2,820,544,241	2,081,923,403
Prepayments and other current assets	8	1,379,922,958	1,012,326,168
Total Current Assets		6,046,964,170	4,288,620,281
NON-CURRENT ASSETS			
Property and equipment - net	9	4,073,840,909	4,236,113,723
Intangible assets - net	11	450,540,371	557,256,473
Right-of-use asset - net	10	116,743,204	132,137,913
Other non-current assets	8	358,979,753	390,588,634
Total Non-current Assets		5,000,104,237	5,316,096,743
TOTAL ASSETS		P 11,047,068,407	P 9,604,717,024
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	12	P 388,742,762	P 362,778,184
Loans payable	13	2,096,256,372	1,389,652,496
Lease liability	10	13,641,024	10,982,311
Income tax payable		8,781,620	-
Total Current Liabilities		2,507,421,778	1,763,412,991
NON-CURRENT LIABILITIES			
Loans payable	13	793,333,333	347,222,222
Lease liability	10	184,342,951	197,983,976
Deferred tax liabilities - net	18	409,833,016	352,203,906
Retirement benefit obligation	17	53,937,180	30,105,495
Total Non-current Liabilities		1,441,446,480	927,515,599
Total Liabilities		3,948,868,258	2,690,928,590
EQUITY			
Capital stock	20	2,285,714,500	2,285,714,500
Additional paid-in capital		3,316,671,118	3,316,671,118
Revaluation reserves		(4,091,389)	6,316,818
Retained earnings		1,499,905,920	1,305,085,998
Total Equity		7,098,200,149	6,913,788,434
TOTAL LIABILITIES AND EQUITY		P 11,047,068,407	P 9,604,717,024

See Notes to Financial Statements.

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
SALE OF GOODS	14	P 9,252,820,049	P 10,193,891,934	P 9,759,707,468
COST OF MERCHANDISE SOLD	15	7,327,515,459	8,139,056,225	7,756,900,602
GROSS PROFIT		1,925,304,590	2,054,835,709	2,002,806,866
SUPPORT, FEES, RENTALS AND OTHER INCOME	14	52,509,126	125,520,287	51,387,483
GROSS PROFIT INCLUDING OTHER INCOME		1,977,813,716	2,180,355,996	2,054,194,349
OTHER OPERATING EXPENSES	15			
Selling expenses		927,752,959	1,071,913,870	1,036,641,834
General and administrative expenses		616,307,171	580,636,955	516,641,586
		1,544,060,130	1,652,550,825	1,553,283,420
OPERATING PROFIT		433,753,586	527,805,171	500,910,929
OTHER INCOME (CHARGES)				
Finance costs	16	(65,372,168)	(36,029,511)	(27,506,130)
Finance income	5, 8	238,277	265,067	323,252
Loss from fire damage - net	16	-	-	(71,818,442)
		(65,133,891)	(35,764,444)	(99,001,320)
PROFIT BEFORE TAX		368,619,695	492,040,727	401,909,609
TAX EXPENSE	18			
Current		39,558,396	33,245,590	22,503,661
Deferred		61,098,513	89,572,184	77,642,007
		100,656,909	122,817,774	100,145,668
NET PROFIT		267,962,786	369,222,953	301,763,941
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of retirement benefit plan	17	(13,877,610)	(84,681)	8,507,106
Tax income (expense)	18	3,469,403	21,170	(2,126,777)
		(10,408,207)	(63,511)	6,380,329
TOTAL COMPREHENSIVE INCOME		P 257,554,579	P 369,159,442	P 308,144,270
Basic and Diluted Earnings per Share	21	P 0.01	P 0.02	P 0.01

See Notes to Financial Statements.

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	<u>Capital Stock</u> (see Note 20)	<u>Additional Paid-in Capital</u> (see Note 20)	<u>Revaluation Reserves</u> (see Notes 17 and 20)	<u>Retained Earnings</u> (see Note 20)	<u>Total Equity</u>
Balance at January 1, 2024	P 2,285,714,500	P 3,316,671,118	P 6,316,818	P 1,305,085,998	P 6,913,788,434
Dividends declared	-	-	-	(73,142,864)	(73,142,864)
Total comprehensive income (loss) for the year	<u>-</u>	<u>-</u>	(<u>10,408,207</u>)	<u>267,962,786</u>	<u>257,554,579</u>
Balance at December 31, 2024	<u>P 2,285,714,500</u>	<u>P 3,316,671,118</u>	<u>(P 4,091,389)</u>	<u>P 1,499,905,920</u>	<u>P 7,098,200,149</u>
Balance at January 1, 2023	P 2,285,714,500	P 3,316,671,118	P 6,380,329	P 995,291,622	P 6,604,057,569
Dividends declared	-	-	-	(59,428,577)	(59,428,577)
Total comprehensive income (loss) for the year	<u>-</u>	<u>-</u>	(<u>63,511</u>)	<u>369,222,953</u>	<u>369,159,442</u>
Balance at December 31, 2023	<u>P 2,285,714,500</u>	<u>P 3,316,671,118</u>	<u>P 6,316,818</u>	<u>P 1,305,085,998</u>	<u>P 6,913,788,434</u>
Balance at January 1, 2022	P 2,285,714,500	P 3,316,671,118	P -	P 766,670,545	P 6,369,056,163
Dividends declared	-	-	-	(73,142,864)	(73,142,864)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>6,380,329</u>	<u>301,763,941</u>	<u>308,144,270</u>
Balance at December 31, 2022	<u>P 2,285,714,500</u>	<u>P 3,316,671,118</u>	<u>P 6,380,329</u>	<u>P 995,291,622</u>	<u>P 6,604,057,569</u>

See Notes to Financial Statements.

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 368,619,695	P 492,040,727	P 401,909,609
Adjustments for:				
Depreciation and amortization	15	532,294,763	466,905,637	400,830,615
Finance costs	16	65,372,168	36,029,511	27,506,130
Finance income	16	(238,277)	(265,067)	(323,252)
Loss from fire damage - net	16	-	-	71,818,442
Operating profit before working capital changes		966,048,349	994,710,808	901,741,544
Increase in receivables		(162,370,678)	(58,187,064)	(2,721,910)
Increase in merchandise inventories		(738,620,838)	(283,982,813)	(29,864,946)
Decrease (increase) in prepayments and other current assets		(376,221,470)	(163,734,939)	74,283,471
Decrease (increase) in other non-current assets		33,902,073	(1,477,437)	28,182,435
Increase (decrease) in trade and other payables		15,794,550	(238,944,102)	47,241,730
Increase in retirement benefit obligation		8,104,850	5,888,007	9,655,026
Cash generated from (used in) operations		(253,363,164)	254,272,460	1,028,517,350
Cash paid for income taxes		(22,152,096)	(28,630,234)	(10,347,556)
Interest received		238,277	265,067	323,252
Net Cash From (Used in) Operating Activities		(275,276,983)	225,907,293	1,018,493,046
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to intangible assets	11	(88,506,132)	(151,555,360)	(229,251,336)
Advances paid to contractors	8	(21,014,691)	(46,613,741)	(74,070,324)
Additions to property and equipment	9	(9,041,050)	(117,429,752)	(549,148,965)
Proceeds from insurance claim on loss from fire damage	16	-	-	98,629,601
Net Cash Used in Investing Activities		(118,561,873)	(315,598,853)	(753,841,024)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of loans	13	3,351,814,749	2,101,069,927	1,380,176,816
Repayment of loans	13	(2,199,099,762)	(1,796,602,794)	(1,381,615,385)
Interest paid for loans payable	13	(165,748,226)	(115,127,904)	(98,226,413)
Dividends paid	20	(73,142,864)	(59,428,577)	(73,142,864)
Repayment of lease liabilities	10	(30,229,458)	(28,789,960)	(27,419,010)
Net Cash From (Used in) Financing Activities		883,594,439	101,120,692	(200,226,856)
NET INCREASE IN CASH		489,755,583	11,429,132	64,425,166
CASH AT BEGINNING OF YEAR		1,003,630,272	992,201,140	927,775,974
CASH AT END OF YEAR		P 1,493,385,855	P 1,003,630,272	P 992,201,140

Supplemental Information on Non-cash Activities - See Note 26

See Notes to Financial Statements.

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

AllDay Marts, Inc. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on December 22, 2016. The Company is primarily engaged in retailing, merchandising, buying, selling, marketing, importing, exporting, franchising, acquiring, holding, distributing, warehousing, trading, exchanging, or otherwise dealing in all kinds of products and services.

The Company's shares were listed in the Philippine Stock Exchange on November 3, 2021.

The Company is a subsidiary of AllValue Holdings Corp. (AllValue or the parent company), which is a subsidiary of Fine Properties Inc. (FPI or the ultimate parent company). AllValue and FPI are incorporated and domiciled in the Philippines. Both companies are presently engaged in the business of a holding company; to buy and hold shares of other companies either by subscribing unissued shares of the capital stock in public or private offerings.

The registered office address and principal place of business of the Company is located at LGF Evia Lifestyle Center, Daang Hari, Brgy. Almanza Dos, Las Piñas City. The registered offices and principal places of business of AllValue and FPI are located at 3rd Level Starmall Las Piñas, CV Starr Avenue, Philamlife Village, Pamplona, Las Piñas City.

1.2 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2024 (including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Company's Board of Directors (BOD) on April 28, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expense in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Prior period error

During the year, the Company identified errors on certain amounts in the statement of cash flows for the year ended December 31, 2023. The correction of these errors has resulted in the following changes to the previously reported amounts in the statement of cash flows for the year ended December 31, 2023.

<i>(Amounts in PHP)</i>	As previously reported	Effect of restatement	As restated
<i>Cash flows from operating activities:</i>			
Increase in receivables	(59,784,967)	1,597,903	(58,187,064)
Decrease (increase) in other non-current assets	(94,704,919)	93,227,482	(1,477,437)
Increase (decrease) in trade and other payables	(230,042,376)	(8,901,726)	(238,944,102)
Increase in retirement benefit obligation	7,485,910	<u>(1,597,903)</u>	5,888,007
		84,325,756	
<i>Cash flows from investing activities –</i>			
Advances paid to contractors	46,613,741	(93,227,482)	(46,613,741)
<i>Cash flows from financing activities –</i>			
Interest paid for loans payable	(124,029,630)	<u>8,901,726</u>	(115,127,904)
Net effect in cash		<u>-</u>	

The restatements presented on the preceding page did not affect the balances in the 2023 statement of financial position, 2023 statement of comprehensive income and 2023 statement of changes in equity. There is also no impact on the basic and diluted earnings per share as previously presented for the year ended December 31, 2023.

(d) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) *Effective in 2024 that are Relevant to the Company*

The Company adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	: Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	: Leases – Lease Liability in a Sale and Leaseback

Discussed below and in the succeeding page are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.

- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The required disclosures under these amendments are disclosed in Note 13.
 - (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Company's financial statements.
 - (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Company's financial statements.
- (b) *Effective Subsequent to 2024 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FRSB. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, none of these are expected to have significant impact on the Company's financial statements:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Company commits to purchase or sell the asset).

(i) Classification and Measurement of Financial Assets

Currently, the only classification that applies to the Company is financial assets at amortized cost.

The Company's financial assets at amortized cost are presented under Current Assets as Cash, Receivables, Short-term investments under Prepayments and Other Current Assets and Security deposits under Other Non-current Assets in the statement of financial position.

(ii) Impairment of Financial Assets

At the end of the reporting period, the Company assesses its expected credit losses (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost. The Company considers a broader range of information in assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The ECL on trade and other receivables are estimated by applying the simplified approach using a provision matrix developed based on the Company's historical credit loss experience and credit information that are specific to the debtors, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

Policies on recognizing ECL on cash, short-term investments and security deposits are presented in Note 23.2(a) and (c).

(b) Financial Liabilities

Financial liabilities include trade and other payables (except provisions and tax-related liability), loans payable and dividends payable. Refund liabilities are measured using the probability-weighted average amount approach similar to the expected value method under PFRS 15, *Revenue from Contracts with Customers*.

2.4 Merchandise Inventories

The cost of merchandise inventories is determined using the moving average method. Merchandise inventories are measured at lower of cost and net realizable value.

2.5 Property and Equipment

Following initial recognition at cost, items of property and equipment are measured at cost less accumulated depreciation and amortization and any accumulated impairment losses.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Equipment	3 to 15 years
Furniture and fixtures	9 years

Leasehold improvements are amortized over their estimated useful lives of 20 years or the lease term, whichever is shorter.

2.6 Intangible Assets

Intangible assets include acquired computer software which is accounted for under the cost model. Capitalized cost is amortized on a straight-line basis over the estimated useful life of five to eight years as the life of this intangible asset is considered finite.

2.7 Revenue and Expense Recognition

Revenue arises mainly from the sale of merchandise inventories.

The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(d).

The following specific recognition criteria must be met before revenue is recognized:

- a) Sale of merchandise* – Revenue is recognized when the control transfers at a point in time with the customer, i.e., generally when the customer purchased the merchandise. For individual customers, payment of the transaction price is due immediately at the point the customer purchases the merchandise. On the other hand, invoices for merchandise purchased by corporate customers are due based on agreed terms and are provided upon receipt of merchandise by the customer. For e-commerce sales, revenue is recognized when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.
- b) Delivery fees* – Delivery fees are charged for the transportation of merchandise from the Company's stores to a certain destination as agreed with the customer. Delivery fees are recognized over time as the services are provided. Payment of delivery fees is due immediately, i.e., upon the customer's purchase of merchandise.
- c) Miscellaneous* – Miscellaneous income comprise of support received from supplier for store opening and clearance sales. Miscellaneous is recognized at a point in time when support is received from supplier.

The policy on the recognition of income from rentals is presented in Note 2.8(b).

There were no contracts containing significant right of return arrangements which remain outstanding during the reporting periods since the Company's policy with customers for most of its sale of merchandise pertain to outright return which are recognized immediately. Relative to this outright return arrangement, the amount of revenues is also immediately adjusted as of the end of the reporting periods.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them for award credits on future purchases. The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The stand-alone selling price is estimated based on the equivalent value given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Company's historical experience. A liability is recognized for revenue relating to the loyalty points at the time of the initial sales transactions. Revenues from loyalty points are recognized when the points are redeemed by the customer.

Revenue from loyalty points that are not expected to be redeemed by the customer is recognized in proportion of the pattern of rights exercised by customers. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(d).

Costs and expenses are recognized in profit or loss upon utilization of the goods or services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs, which are included as part of the cost of any related qualifying assets.

2.8 Leases

(a) Company as a Lessee

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company's lease contracts for certain stores contain variable lease payment terms. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss when incurred.

(b) Company as a Lessor

The Company applies judgment in determining whether a lease contract is a finance or operating lease. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

2.9 Employee Benefits

The Company provides post-employment benefits to employees through a defined benefit plan, a defined contribution plan and other employee benefits.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

2.10 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized.

2.11 Impairment of Non-financial Assets

The Company's property, and equipment, right-of-use assets, intangible assets and other non-financial assets are subject to impairment testing.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's 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 related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgment in Applying Accounting Policies

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

(a) Determination of Lease Term of Contracts with Renewal Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Company did not include the renewal period as part of the lease term for leases of some of its stores and warehouse due to the provision in its contracts that requires mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

The lease term is reassessed if an option is actually exercised or not exercised or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

(b) Determination of Timing of Satisfaction of Performance Obligations

In determining the appropriate method to use in recognizing the Company's revenues from sale of merchandise, management determines that revenue is recognized at a point in time when the control of the goods have passed to the customer, i.e., generally when the customer acknowledges delivery of the goods.

Miscellaneous income comprised of support received from supplier for store opening and clearance sales. Miscellaneous income is recognized at a point in time when supports are received from supplier.

On the other hand, revenues from delivery fees are recognized over time when the Company transfers control of the services over time as the performance of contractually agreed tasks are rendered. The management considers the output method under PFRS 15 as the Company recognizes revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the services promised under the contract.

(c) *Determination Whether the Loyalty Points Provide Material Rights to Customers*

The Company has a loyalty points programme which allows customers to accumulate points that can be redeemed for future purchases at any of the Company's store outlets, subject to a minimum number of points obtained. The loyalty points give rise to a separate performance obligation as they provided a material right to the customer. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience.

As of December 31, 2024 and 2023, liability arising from customer loyalty programme amounted to P1.4 million and P1.3 million, respectively (see Note 12).

(d) *Determination of Transaction Price and Amounts Allocated to Performance Obligations*

The transaction price for a contract is allocated amongst the material right and other performance obligations identified in the contract based on their stand-alone selling prices, which are all observable. The transaction price for a contract excludes any amounts collected on behalf of third parties [e.g., value added tax (VAT)].

The transaction price is considered receivable to the extent of products sold with a right to avail customer loyalty points, right of return, discounts and rebates. The transaction price of customer loyalty points is allocated amongst the material right and other performance obligations identified in the contract based on the stand-alone selling prices, which are all observable. The Company measures its revenue net of consideration allocated to the fair value of the point credits.

Management has assessed that the amount involved for the right of return is not material and, in most cases, customers could exchange the returned items with another merchandise in the store within the prescribed period (i.e., within seven days from date of purchase). Discounts and rebates are identifiable to specific goods and are recognized as reduction against the revenue recognized from sale of merchandise.

(e) *Determination of ECL on Receivables*

The Company uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments to the extent applicable that have similar loss patterns (i.e., by geography, product type, or customer type and rating). The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's receivables are disclosed in Note 23.2(b).

(f) *Distinction Between Operating and Finance Leases as a Lessor*

The Company has entered into various lease agreements as a lessor. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Management has assessed that the Company's lease arrangements are all operating leases.

(g) *Capitalization of Borrowing Costs*

The Company determines whether the amount of borrowing costs qualify for capitalization as part of the cost of the qualifying asset or should be expensed outright. The accounting treatment for the finance costs is determined by assessing whether the asset is a qualifying asset taking into consideration the period of time needed to bring the asset for its intended use. Failure to make the right judgment will result in the misstatement of assets and net profit.

(h) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 22.

3.2 Key Sources of Estimation Uncertainty

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

(a) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 23.2.

(c) *Determination of Net Realizable Value of Merchandise Inventories*

In determining the net realizable value of merchandise inventories, management takes into account the most reliable evidence available at the time the estimates are made. The Company's products are subject to inventory obsolescence. Moreover, future realization of the carrying amounts of merchandise inventories as presented in Note 7 is affected by price changes of the products and the costs incurred necessary to make a sale. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's merchandise inventories within the next financial reporting period.

(d) *Estimation of Useful Lives of Property and Equipment, Right-of-Use Assets, and Intangible Assets*

The Company estimates the useful lives of property and equipment, right-of-use assets and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of these properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

There was no change in the estimated useful lives of these assets in 2024, 2023 and 2022. The carrying amounts of property and equipment, right-of-use assets and intangible assets are analyzed in Notes 9, 10 and 11, respectively.

(e) *Evaluation of Impairment of Non-financial Assets*

The Company's property and equipment, right-of-use assets, intangible assets and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Though management believes that the assumptions used in the estimation of recoverable values are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, no impairment losses are required to be recognized on the Company's non-financial assets as of December 31, 2024 and 2023.

(f) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2024 and 2023 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 18.

(g) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and expected salary increase rates. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses, and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense, and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 17.2.

4. **SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's BOD – its chief operating decision-maker. The Company's BOD is responsible for assessing performance of the operating segments.

The Company has only one reportable segment which is the trading business.

Further, the Company has only one geographical segment as all of its operations are based in the Philippines.

The revenue of the Company consists mainly of sales to external customers through its retail and e-commerce channels.

The Company has no significant customer which contributed to 10% or more to the revenue of the Company.

5. **CASH**

Cash include the following components as of December 31:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Cash on hand	7,154,000	9,639,000
Cash in banks	<u>1,486,231,855</u>	<u>993,991,272</u>
	<u>1,493,385,855</u>	<u>1,003,630,272</u>

Cash in banks generally earn interest based on daily bank deposit rates and interest income is recognized as the interest accrues taking into account the effective yield. Interest income earned on bank deposits is presented as part of Finance Income under Other Income (Charges) in the statements of comprehensive income (see Note 16.1).

6. RECEIVABLES

This account is composed of the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023
Trade receivables:			
Third parties		263,311,668	143,564,624
Related parties	19.1	77,415,662	24,328,984
Non-trade receivables		12,383,786	22,342,262
Others	17.2	-	504,568
		353,111,116	190,740,438

Trade receivables are due from various customers, including credit card companies, and have credit terms ranging from 2 days to 30 days.

Non-trade receivables comprise of the Company's receivables arising from delivery fees, rental income and miscellaneous income.

Others pertain to the receivable for the transferred retirement benefit obligation from a related party under common ownership.

All of the Company's receivables have been assessed for impairment using the ECL model. Management believes that no allowance for ECL is required since there has no significant change in the credit quality of the accounts as of December 31, 2024 and 2023 [see Note 23.2(b)].

7. MERCHANDISE INVENTORIES

Merchandise inventories pertain to goods owned by the Company, which include food and non-food items, pharmaceutical products and dry goods, among others, that are traded under the normal course of business and amounted to P2,820.5 million and P2,081.9 million as of December 31, 2024 and 2023, respectively (see Note 15.1).

The Company did not provide any allowance for inventory obsolescence as the merchandise inventories are deemed realizable above cost. Hence, merchandise inventories were all stated at cost, which is lower than net realizable value, as of December 31, 2024 and 2023.

Cost of merchandise inventories charged to operations are presented as Cost of Merchandise Sold in the statements of comprehensive income (see Note 15.1).

In relation to the fire incident in the Alabang store on January 8, 2022, the Company wrote-off certain merchandise inventories amounting to P58.0 million (see Note 16.2). There was no similar event in 2024 and 2023.

8. PREPAYMENTS AND OTHER ASSETS

The composition of this account is shown below.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Current:			
Advances for purchases		995,788,842	700,302,122
Input VAT		303,567,971	192,973,331
Deferred input VAT		36,061,723	67,844,641
Prepayments		23,505,114	23,809,591
Store supplies		17,999,308	21,416,361
Short term investments		3,000,000	3,000,000
Creditable withholding tax		-	2,980,122
		<u>1,379,922,958</u>	<u>1,012,326,168</u>
Non-current:			
Advances to contractors		282,639,160	280,345,969
Security deposits	10	76,340,593	74,180,942
Deferred input VAT		-	36,061,723
		<u>358,979,753</u>	<u>390,588,634</u>
		<u>1,738,902,711</u>	<u>1,402,914,802</u>

Advances for purchases pertains to advances that will be applied for future purchase of merchandise inventories and services.

Deferred input VAT pertains to the input VAT on purchases of services and the unamortized portion of the VAT on capital goods exceeding P1.0 million from purchases prior to 2022.

Prepayments include prepaid expenses for rentals, advertising, communication, insurance, dues and subscription, utilities, marketing and others.

Store supplies pertain to expendable items consumed during Company's operations.

Short term investments refer to the Company's time deposits with original maturities of more than three months to one year and are subject to insignificant risk of changes in value. These investments earn effective interest of 0.55% both in 2024 and 2023. Interest income from time deposits in 2024 and 2023 is presented as part of Finance income under Other Income (Charges) in the statements of comprehensive income (see Note 16.1).

Advances to contractors pertain to advances made to various contractors for the construction of several items under property and equipment.

9. PROPERTY AND EQUIPMENT - Net

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	Leasehold Improvements	Furniture and Fixtures	Equipment	Construction in Progress	Total
December 31, 2024					
Cost	3,815,716,217	356,302,320	1,169,270,832	483,001,934	5,824,291,303
Accumulated depreciation and amortization	<u>(840,188,030)</u>	<u>(217,030,642)</u>	<u>(693,231,722)</u>	<u>-</u>	<u>(1,750,450,394)</u>
Net carrying amount	<u>2,975,528,187</u>	<u>139,271,678</u>	<u>476,039,110</u>	<u>483,001,934</u>	<u>4,073,840,909</u>
December 31, 2023					
Cost	3,629,382,592	345,224,540	1,151,527,849	538,751,316	5,664,886,297
Accumulated depreciation and amortization	<u>(657,547,514)</u>	<u>(178,388,188)</u>	<u>(592,836,872)</u>	<u>-</u>	<u>(1,428,772,574)</u>
Net carrying amount	<u>2,971,835,078</u>	<u>166,836,352</u>	<u>558,690,977</u>	<u>538,751,316</u>	<u>4,236,113,723</u>
January 1, 2023					
Cost	3,381,333,982	336,552,451	1,129,554,556	521,640,950	5,369,081,939
Accumulated depreciation and amortization	<u>(489,297,375)</u>	<u>(140,972,450)</u>	<u>(495,740,606)</u>	<u>-</u>	<u>(1,126,010,431)</u>
Net carrying amount	<u>2,892,036,607</u>	<u>195,580,001</u>	<u>633,813,950</u>	<u>521,640,950</u>	<u>4,243,071,508</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2024, 2023 and 2022 is shown below and in the succeeding page.

<i>(Amounts in PHP)</i>	Leasehold Improvements	Furniture and Fixtures	Equipment	Construction in Progress	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	2,971,835,078	166,836,352	558,690,977	538,751,316	4,236,113,723
Additions	19,428,468	581,304	7,752,774	131,642,460	159,405,006
Transfer from CIP	166,905,157	10,496,476	9,990,209	(187,391,842)	-
Depreciation and amortization charges for the year	<u>(182,640,516)</u>	<u>(38,642,454)</u>	<u>(100,394,850)</u>	<u>-</u>	<u>(321,677,820)</u>
Balance at December 31, 2024, net of accumulated depreciation and amortization	<u>2,975,528,187</u>	<u>139,271,678</u>	<u>476,039,110</u>	<u>483,001,934</u>	<u>4,073,840,909</u>
Balance at January 1, 2023, net of accumulated depreciation and amortization	2,892,036,607	195,580,001	633,813,950	521,640,950	4,243,071,508
Additions	105,915,903	8,672,089	21,973,293	159,243,073	295,804,358
Transfer from CIP	142,132,707	-	-	(142,132,707)	-
Depreciation and amortization charges for the year	<u>(168,250,139)</u>	<u>(37,415,738)</u>	<u>(97,096,266)</u>	<u>-</u>	<u>(302,762,143)</u>
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>2,971,835,078</u>	<u>166,836,352</u>	<u>558,690,977</u>	<u>538,751,316</u>	<u>4,236,113,723</u>

<i>(Amounts in PHP)</i>	Leasehold Improvements	Furniture and Fixtures	Equipment	Construction in Progress	Total
Balance at January 1, 2022, net of accumulated depreciation and amortization	2,456,546,561	198,532,182	712,787,216	621,916,270	3,989,782,229
Additions	277,206,092	7,242,465	22,455,533	334,914,349	641,818,439
Transfer from CIP	385,841,524	30,232,609	19,115,536	(435,189,669)	-
Write-off relating to fire loss	(81,182,512)	(4,756,829)	(26,524,639)	-	(112,463,980)
Depreciation and amortization charges for the year	<u>(146,375,058)</u>	<u>(35,670,426)</u>	<u>(94,019,696)</u>	<u>-</u>	<u>(276,065,180)</u>
Balance at December 31, 2022, net of accumulated depreciation and amortization	<u>2,892,036,607</u>	<u>195,580,001</u>	<u>633,813,950</u>	<u>521,640,950</u>	<u>4,243,071,508</u>

The gross carrying amounts and accumulated depreciation of furniture and fixtures subject to operating lease at the beginning and end of 2024, 2023 and 2022 are shown below.

<i>(Amounts in PHP)</i>	December 31, 2024	December 31, 2023	January 1, 2023
Cost	286,926,637	279,231,199	274,777,339
Accumulated depreciation and amortization	<u>(121,366,112)</u>	<u>(100,761,007)</u>	<u>(80,493,730)</u>
Net carrying amount	<u>165,560,525</u>	<u>178,470,192</u>	<u>194,283,609</u>

A reconciliation of the carrying amounts of furniture and fixtures subject to operating lease at the beginning and end of 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	2024	2023	2022
Beginning, net of accumulated depreciation and amortization	178,470,192	194,283,609	198,019,005
Additions	7,695,438	4,453,860	22,742,104
Disposal	-	-	(7,087,933)
Depreciation and amortization charges for the year	<u>(20,605,105)</u>	<u>(20,267,277)</u>	<u>(19,389,567)</u>
Ending, net of accumulated depreciation and amortization	<u>165,560,525</u>	<u>178,470,192</u>	<u>194,283,609</u>

The amount of depreciation and amortization is presented as part of Depreciation and amortization under General and Administrative Expenses in the statements of comprehensive income (see Note 15.2).

In 2024, 2023 and 2022, borrowing costs amounting to P131.6 million, P109.8 million, and P92.7 million, respectively, based on capitalization rate ranging from 6.50% to 9.75% for specific borrowings in those periods, were capitalized (see Note 13).

There were no items of property and equipment that were used as collateral for any of the Company's short-term and long-term loans.

The Company also recognized rental income from its operating leases as a lessor, which consists of variable lease arrangements, amounting to P32.5 million, P100.8 million and P31.4 million in 2024, 2023 and 2022, respectively, and is presented as part of Support, Fees, Rentals and Other Income in the statements of comprehensive income (see Note 14).

10. LEASES

The Company is a lessee under non-cancellable operating leases covering its store outlets and warehouse with lease terms ranging from 2 years to 20 years. With the exception of leases with variable consideration, only one lease contract is reflected on the statements of financial position as a right-of-use asset and a lease liability. This lease contract covers a store outlet with a remaining lease term of eight years and nine years as of December 31, 2024 and 2023, respectively.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. The leases contain an option to renew the lease which requires mutual agreement of both parties. The Company is prohibited from selling or pledging the underlying leased assets as security. The Company must keep the leased properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts. There are no leases with options to purchase or terminate. The Company has no short-term leases and leases of low-value assets.

The security deposits paid in connection with the leases amounted to P76.3 million and P74.2 million as of December 31, 2024 and 2023, respectively, and is presented as Security deposits under Other Non-current Assets in the statements of financial position (see Note 8). Management believes that no allowance for ECL is required for security deposits since there has been no significant change in the credit quality of the this account [see Note 23.2(c)].

10.1 Right-of-use Asset

The carrying amounts of the Company's right-of-use asset from store outlet and the movements at beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	2024	2023
Cost	209,111,455	209,111,455
Accumulated amortization:		
Balance at beginning of year	76,973,542	61,578,833
Amortization for the year	15,394,709	15,394,709
Balance at end of year	92,368,251	76,973,542
Carrying amount	116,743,204	132,137,913

The amount of depreciation is presented as part of Depreciation and amortization under General and Administrative Expenses in the statements of comprehensive income (see Note 15.2).

10.2 Lease Liability

Lease liability presented in the statements of financial position are as follows:

<i>(Amounts in PHP)</i>	2024	2023
Current	13,641,024	10,982,311
Non-current	184,342,951	197,983,976
	197,983,975	208,966,287

The reconciliation of the carrying amounts of the lease liability are as follows:

<i>(Amounts in PHP)</i>	Note	2024	2023
Balance at beginning of year		208,966,287	217,596,543
Repayment	10.4	(30,229,458)	(28,789,960)
Accretion of interest	10.4	19,247,146	20,159,704
Balance at end of year		197,983,975	208,966,287

As of December 31, 2024 and 2023, the Company has no commitments for leases entered into but which had not commenced nor termination options to its lease contracts.

The lease liability is secured by the related underlying assets. The maturity analysis of lease liability as at December 31 are as follows:

<i>(Amounts in PHP)</i>	Within one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 to 9 years	Total
December 31, 2024								
Lease payments	31,740,930	33,327,977	34,994,376	36,744,095	38,581,299	40,510,364	68,057,412	283,956,453
Finance charges	(18,099,906)	(16,687,638)	(14,976,650)	(12,929,549)	(10,504,867)	(7,656,630)	(5,117,238)	(85,972,478)
Net present values	13,641,024	16,640,339	20,017,726	23,814,546	28,076,432	32,853,734	62,940,174	197,983,975
December 31, 2023								
Lease payments	30,229,457	31,740,930	33,327,977	34,994,376	36,744,095	38,581,299	108,567,777	314,185,911
Finance charges	(19,247,146)	(18,099,906)	(16,687,638)	(14,976,650)	(12,929,549)	(10,504,867)	(12,773,868)	(105,219,624)
Net present values	10,982,311	13,641,024	16,640,339	20,017,726	23,814,546	28,076,432	95,793,909	208,966,287

10.3 Lease Payments Not Recognized as Liabilities

The Company also entered into lease agreements that contain variable payments linked to sales generated from certain stores (see Note 19.2). The expenses relating to these leases amounting to P249.1 million, P293.5 million and P281.0 million in 2024, 2023 and 2022 are presented as Rentals under Selling Expenses in the statements of comprehensive income (see Note 15.2).

If the sales of the Company had changed by an average of +/-1.0%, the variable rent expense would have changed by +/- P2.5 million, +/- P2.7 million and +/- P2.6 million in 2024, 2023 and 2022, respectively.

10.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P30.2 million, P28.8 million and P27.4 million in 2024, 2023 and 2022, respectively. Interest expense in relation to lease liabilities amounted to P19.2 million, P20.2 million and P20.9 million in 2024, 2023 and 2022, respectively, and is presented as part of Finance costs under Other Income (Charges) - Net in the statements of comprehensive income (see Note 16.1).

11. INTANGIBLE ASSETS

The gross carrying amounts and accumulated amortization of intangible assets at the beginning and end of 2024, 2023 and 2022 are shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cost	972,878,293	884,372,161	732,816,801
Accumulated amortization	(522,337,922)	(327,115,688)	(178,366,903)
	<u>450,540,371</u>	<u>557,256,473</u>	<u>554,449,898</u>

A reconciliation of the carrying amounts of intangible assets at the beginning and end of 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year, net of accumulated amortization	557,256,473	554,449,898	434,569,288
Additions	88,506,132	151,555,360	229,251,336
Amortization charges for the year	(195,222,234)	(148,748,785)	(109,370,726)
Balance at end of year, net of accumulated amortization	<u>450,540,371</u>	<u>557,256,473</u>	<u>554,449,898</u>

The amortization charges during the year is presented as part of Depreciation and amortization under General and Administrative Expenses in the statements of comprehensive income (see Note 15.2).

Intangible assets are subject to impairment whenever there is an indication of impairment. No impairment losses were recognized in 2024, 2023 and 2022 as the recoverable amounts of the intangible assets determined by management are higher than their carrying values.

There were no contractual commitments entered into in 2024, 2023 and 2022.

12. TRADE AND OTHER PAYABLES

The composition of this account is shown below.

<i>(Amounts in PHP)</i>	Note	2024	2023
Trade payables		333,701,189	326,934,225
Accrued expenses	13	47,010,197	22,069,554
Withholding taxes and other government payables		6,623,828	12,472,921
Customer loyalty rewards liability		1,407,548	1,301,484
		388,742,762	362,778,184

Trade payables arise from the Company's purchases of merchandise inventories and other direct costs. These are noninterest-bearing and have credit terms ranging from seven to 30 days.

Accrued expenses are liabilities arising from unpaid interest, agency service fee, utilities, professional fees and other expenses.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them to award credits for future purchases. The Company recognized a deferred revenue for the unredeemed points.

13. LOANS PAYABLE

The account consists of:

<i>(Amounts in PHP)</i>	Note	2024	2023
Current:			
Short-term loans	13.1	1,929,589,705	1,052,259,334
Current portion of long-term loans	13.2	166,666,667	337,393,162
		2,096,256,372	1,389,652,496
Non-current – Long-term loans	13.2	793,333,333	347,222,222
		2,889,589,705	1,736,874,718

Presented below and in the succeeding page is the reconciliation of the Company's loans payable.

<i>(Amounts in PHP)</i>	Short-term Loans	Long-term Loans	Total
Balance as of January 1, 2024	1,052,259,334	684,615,384	1,736,874,718
Additional borrowings	2,766,814,749	585,000,000	3,351,814,749
Repayments of borrowings	(1,889,484,378)	(309,615,384)	(2,199,099,762)
Balance at December 31, 2024	1,929,589,705	960,000,000	2,889,589,705

<i>(Amounts in PHP)</i>	Short-term Loans	Long-term Loans	Total
Balance as of January 1, 2023	1,063,176,816	369,230,769	1,432,407,585
Additional borrowings	1,601,069,927	500,000,000	2,101,069,927
Repayments of borrowings	(1,611,987,409)	(184,615,385)	(1,796,602,794)
Balance at December 31, 2023	<u>1,052,259,334</u>	<u>684,615,384</u>	<u>1,736,874,718</u>
Balance as of January 1, 2022	780,000,000	653,846,154	1,433,846,154
Repayments of borrowings	(1,197,000,000)	(184,615,385)	(1,381,615,385)
Additional borrowings	1,380,176,816	-	1,380,176,816
Reclassification	100,000,000	(100,000,000)	-
Balance at December 31, 2022	<u>1,063,176,816</u>	<u>369,230,769</u>	<u>1,432,407,585</u>

The total interest expense incurred on these loans amounted to P175.9 million, P124.0 million and P98.3 million in 2024, 2023 and 2022, respectively. The related borrowing costs amounting to P131.6 million, P109.8 million and P92.7 million in 2024, 2023 and 2022, respectively, were capitalized as part of property and equipment, based on capitalization rate ranging from 6.50% to 9.75% for specific borrowing in those years (see Note 9). The remaining interest amounting to P44.3 million, P14.2 million and P5.6 million in 2024, 2023 and 2022, respectively, are charged to expense and is presented as part of Finance costs under Other Income (Charges) in the statements of comprehensive income (see Note 16.1).

The Company's unpaid interest as of December 31, 2024 and 2023 is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Note 12). The reconciliation of the Company's unpaid interest is as follows.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	17,072,636	8,170,910
Accretion of interest	175,918,254	124,029,630
Interest paid	<u>(165,748,226)</u>	<u>(115,127,904)</u>
Balance at end of year	<u>27,242,664</u>	<u>17,072,636</u>

13.1 Short-term Loans

In 2024, 2023 and 2022, the Company obtained various short-term loans from various local banks for the Company's working capital requirements with fixed interest rates ranging from 6.50% to 9.75% and with terms of 90 to 180 days. These loans are secured by cross suretyship of the Company's ultimate parent company (see Note 19.3). There are no loan covenants on the Company's short-term loans.

13.2 Long-term Loans

In 2024, the Company obtained a five-year loan from a local bank for capital expenditure with a fixed interest rate of 8.50%. The principal amount of loan is payable in quarterly equal installments starting July 1, 2026. The Company also obtained another loan from local bank for working capital purposes with fixed interest rate of 6.51% payable upon maturity on January 19, 2026.

In 2023, the Company also obtained a four-year corporate loan, inclusive of one-year grace period, from a local bank for general purpose and to refinance the Company's existing short-term loans with a fixed interest rate of 8.50%. The principal amount of the loan is payable in quarterly equal installments which started on February 1, 2024.

In 2021 and 2020, the Company also obtained three to seven-year corporate loans, inclusive of two-year grace period, from various local banks for the Company's store construction and expansion with fixed interest rate ranging from 6.50% to 8.08%. The principal amount of the loans is payable in 13 quarterly amortizations which started from August 29, 2021. There was no similar transaction in 2022.

The loans are secured by cross suretyship of the Company's ultimate parent company (see Note 19.3). Certain loans of the Company with local banks are subject to covenants and all have been complied with as of December 31, 2024 and 2023 (see Note 25).

14. REVENUES

The disaggregation of revenue recognition whether point in time or over time is shown below.

<i>(Amounts in PHP)</i>	Point in time	Over time	Total
<u>2024</u>			
Sales	9,252,820,049	-	9,252,820,049
Delivery fees	-	18,727,355	18,727,355
Miscellaneous	1,285,965	-	1,285,965
	<u>9,254,106,014</u>	<u>18,727,355</u>	<u>9,272,833,369</u>
<u>2023</u>			
Sales	10,193,891,934	-	10,193,891,934
Delivery fees	-	22,291,828	22,291,828
Miscellaneous	2,417,597	-	2,417,597
	<u>10,196,309,531</u>	<u>22,291,828</u>	<u>10,218,601,359</u>
<u>2022</u>			
Sales	9,759,707,468	-	9,759,707,468
Delivery fees	-	18,196,443	18,196,443
Miscellaneous	1,840,982	-	1,840,982
	<u>9,761,548,450</u>	<u>18,196,443</u>	<u>9,779,744,893</u>

The Company also recognized variable rental income from its operating leases as lessor amounting to P32.5 million, P100.8 million and P31.4 million in 2024, 2023 and 2022, respectively (see Note 9).

Rentals, delivery fees and miscellaneous income are presented as Support, Fees, Rentals and Other Income in the statements of comprehensive income.

15. COSTS AND EXPENSES

15.1 Cost of Merchandise Sold

The details of cost of merchandise sold are shown on below.

<i>(Amounts in PHP)</i>	Note	2024	2023	2022
Merchandise inventories at beginning of year	7	2,081,923,403	1,797,940,590	1,826,059,707
Purchases during the year		8,066,136,297	8,423,039,038	7,728,781,485
Cost of goods available for sale		10,148,059,700	10,220,979,628	9,554,841,192
Merchandise inventories at end of year	7	(2,820,544,241)	(2,081,923,403)	(1,797,940,590)
Cost of merchandise sold		7,327,515,459	8,139,056,225	7,756,900,602

15.2 Other Operating Expenses

The details of selling and general and administrative expenses by nature are shown below.

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Depreciation and amortization	9, 10.1, 11	532,294,763	466,905,637	400,830,615
Communication and utilities		271,418,887	292,767,376	273,315,491
Rentals	10.3, 19.2	249,126,613	293,464,492	281,009,936
Agency fee		203,398,364	244,772,025	235,515,977
Salaries, wages and other other employee benefits	17.1	128,112,109	120,069,686	103,342,971
Taxes and licenses		45,522,049	53,529,115	49,466,086
Merchant fee		36,224,701	42,117,971	43,863,989
Insurance		16,216,167	17,938,118	13,172,778
Operating supplies		14,522,615	27,633,429	37,093,513
Repairs and maintenance		12,697,528	26,708,111	41,597,351
Travel and transportation		11,063,673	19,198,784	19,055,098
Advertising and promotions		10,425,569	21,583,918	18,087,797
Dues and subscriptions		6,135,809	15,381,137	25,452,247
Professional fees		4,412,114	4,282,873	3,756,216
Delivery fees		1,471,206	2,796,861	2,814,809
Others		1,017,963	3,401,292	4,908,546
		1,544,060,130	1,652,550,825	1,553,283,420

These expenses are classified as follows:

<i>(Amounts in PHP)</i>	2024	2023	2022
Selling expenses	927,752,959	1,071,913,870	1,036,641,834
General and administrative	616,307,171	580,636,955	516,641,586
	1,544,060,130	1,652,550,825	1,553,283,420

16. OTHER INCOME (CHARGES) - Net

16.1 Finance Income (Costs)

Finance income (costs) include the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
<i>Finance costs:</i>				
Interest expense from:				
Loans payable	13	44,275,797	14,249,789	5,556,940
Lease liabilities	10.2	19,247,146	20,159,704	20,864,887
Retirement benefit obligation	17.2	1,849,225	1,620,018	1,084,303
		65,372,168	36,029,511	27,506,130
<i>Finance income –</i>				
Interest income from banks	5, 8	238,277	265,067	323,252

16.2 Losses from Fire Damage

On January 8, 2022, the Company's distribution warehouse, selling area and head office, located in Alabang, Muntinlupa City, was severely damaged by a fire. As a result, the Company wrote-off certain inventories and property and equipment with the net carrying value amounting to P58.0 million and P112.5 million, respectively (see Notes 7 and 9). The Company received total insurance claims amounting to P98.6 million, which was offset against the losses incurred from the fire incident. The related net loss which amounted to P71.8 million is presented as Loss from fire damage under Other Income (Charges) in the 2022 statement of comprehensive income. There was no similar event in 2024 and 2023.

17. EMPLOYEE BENEFITS

17.1 Salaries, Wages and Employee Benefits

Details of salaries and employee benefits, which is presented as part of Other Operating Expenses in the statements of comprehensive income are presented below.

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Salaries and wages		88,512,250	76,449,843	68,260,044
Post-employment benefits	17.2	8,104,850	5,888,007	7,468,356
Other employee benefits		31,495,009	37,731,836	27,614,571
	15.2	128,112,109	120,069,686	103,342,971

17.2 Post-employment Benefits

(a) Characteristics of the Defined Benefit Plan

The Company maintains an unfunded, non-contributory, post-employment defined benefit plan covering all qualified employees.

The normal retirement age of the Company's employees is at 60 with a minimum of five years of credited service. The compulsory retirement age is at 65 with a minimum of five years of credited service. The normal retirement benefit is equal to 100% of the monthly salary multiplied by every year of credited service.

(b) *Explanation of Amounts Presented in the Financial Statements*

The actuarial valuation was made in 2024 and 2023 by a professionally qualified actuary. The retirement benefit obligation amounted to P53.9 million and P30.1 million as of December 31, 2024 and 2023, respectively, and is presented as Retirement Benefit Obligation in the statements of financial position.

The movements in the present value of the retirement benefit obligation recognized in the statements of financial position are as follows:

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	30,105,495	22,008,221
Current service cost	8,104,850	5,888,007
Interest cost	1,849,225	1,620,018
Actuarial losses (gains) due to:		
Experience adjustments	13,458,617	(4,929,398)
Changes in financial assumptions	418,993	5,014,079
Net acquired obligation due to employee transfers	-	504,568
Balance at end of year	53,937,180	30,105,495

In 2023, the Company recognized a receivable for the transferred retirement benefit obligation related to the transfer of employees to the Company from a related party under common ownership amounting to P0.5 million. The outstanding receivable is presented as Others under Receivables in the 2023 statement of financial position (see Notes 6 and 19). There was no similar transaction in 2024.

The component of amounts recognized in profit or loss and in other comprehensive income or loss in respect of the retirement benefit obligation are as follows:

<i>(Amounts in PHP)</i>	2024	2023	2022
<i>Reported in profit or loss:</i>			
Current service cost	8,104,850	5,888,007	7,468,356
Interest cost	1,849,225	1,620,018	1,084,303
	9,954,075	7,508,025	8,552,659
<i>Reported in other comprehensive loss (income):</i>			
Actuarial losses (gains) arising from:			
Experience adjustments	13,458,617	(4,929,398)	794,292
Changes in financial assumptions	418,993	5,014,079	(9,301,398)
	13,877,610	84,681	(8,507,106)

The current service cost is presented as part of Salaries, wages and other employee benefits under Selling Expenses in the statements of comprehensive income (see Note 15.2). Meanwhile, interest cost is included as part of Finance costs under Other Income (Charges) in the statements of comprehensive income (see Note 16.1).

Amounts recognized in other comprehensive income or loss were included within items that will not be reclassified subsequently to profit or loss.

In determining the amount of the retirement benefit obligation, the following significant actuarial assumptions were used:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Discount rate	6.09%	6.15%	7.37%
Expected rate of salary increases	7.75%	7.75%	7.75%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 11 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

(i) *Interest Rate Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, and the timing and uncertainty of future cash flows related to the retirement plan for the years ended December 31, 2024 and 2023, are discussed in the succeeding page.

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2024 and 2023:

<i>(Amounts in PHP)</i>	Impact on Post-Employment Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
<u>December 31, 2024</u>			
Discount rate	+/- 1.0%	(7,005,737)	8,388,895
Salary growth rate	+/- 1.0%	8,432,306	(7,172,830)
<u>December 31, 2023</u>			
Discount rate	+/- 1.0%	(4,185,272)	5,082,832
Salary growth rate	+/- 1.0%	5,078,696	(4,260,765)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

(ii) *Funding Arrangements and Expected Contributions*

The plan is currently unfunded by P53.9 million based on the latest actuarial valuation. While there are no minimum funding requirements in the country, the size of the underfunding may pose a cash flow risk in about 20 years' time when a significant number of employees is expected to retire.

The Company has yet to determine when to establish a retirement fund and how much to contribute.

The maturity profile of the undiscounted expected benefit payments as of December 31 from the plan follows:

<i>(Amounts in PHP)</i>	2024	2023
Within five years	4,333,735	9,319,995
More than five years to 10 years	21,529,127	15,889,299
More than 10 years to 15 years	77,269,967	42,878,106
More than 15 years to 20 years	123,673,386	103,278,114
More than 20 years	352,282,155	354,196,075
	579,088,370	525,561,589

The weighted average duration of the defined benefit obligation at the end of the reporting period is 18.29 years.

18. TAXES

The components of tax expense as reported in profit or loss follow:

<i>(Amounts in PHP)</i>	2024	2023	2022
<i>Reported in profit or loss:</i>			
Current tax expense (income):			
Excess of minimum corporate income tax (MCIT) at 2% in 2024 over regular corporate income tax (RCIT)	31,996,760	-	-
RCIT at 25%	7,561,636	33,245,590	33,324,271
Application of excess MCIT	-	-	(10,820,610)
	39,558,396	33,245,590	22,503,661
Deferred tax expense arising from – Origination and reversal of temporary differences	61,098,513	89,572,184	77,642,007
	100,656,909	122,817,774	100,145,668
<i>Reported in other comprehensive income (loss) –</i>			
Deferred tax income (expense) arising from – Origination and reversal of temporary differences	3,469,403	21,170	(2,126,777)

A reconciliation of tax on pre-tax profit computed at the applicable statutory rates to tax expense reported in profit or loss is presented as follows:

<i>(Amounts in PHP)</i>	2024	2023	2022
Tax on pretax profit at 25%	92,154,924	123,010,182	100,477,402
Adjustment for income subjected to lower tax rate	(59,570)	(66,266)	(80,813)
Tax effects of:			
Expiration of excess of MCIT over RCIT from prior years	8,549,643	-	-
Non-deductible expenses	11,912	-	22,413
Non-taxable income	-	-	(273,334)
Others	-	(126,142)	-
Tax expense	100,656,909	122,817,774	100,145,668

The net deferred tax liabilities pertain to the following as of December 31:

<i>(Amounts in PHP)</i>	Statements of Financial Position	
	2024	2023
Deferred tax assets:		
Lease liabilities	49,495,994	52,241,572
Excess of MCIT over RCIT	31,996,760	8,549,643
Retirement benefit obligation	13,484,296	7,526,374
Rewards liability	351,887	325,371
	95,328,937	68,642,960
Deferred tax liabilities:		
Tax depreciation and amortization	(266,437,098)	(200,424,233)
Borrowing costs	(209,539,055)	(187,388,155)
Right-of-use assets	(29,185,800)	(33,034,478)
	(505,161,953)	(420,846,866)
Deferred tax liabilities – net	(409,833,016)	(352,203,906)

<i>(Amounts in PHP)</i>	Statements of Comprehensive Income					
	Profit or Loss			Other Comprehensive Income (Loss)		
	2024	2023	2022	2024	2023	2022
Deferred tax assets:						
Excess of MCIT over RCIT	(23,447,117)	-	10,820,610	-	-	-
Lease liabilities	2,745,578	2,157,565	1,638,531	-	-	-
Retirement benefit obligation	(2,488,519)	(2,003,148)	(3,423,807)	(3,469,403)	(21,170)	2,126,777
Rewards liability	(26,516)	(190,762)	960,774	-	-	-
Net operating loss carry-over (NOLCO)	-	-	678,984	-	-	-
	(23,216,574)	(36,345)	10,675,092	(3,469,403)	(21,170)	2,126,777
Deferred tax liabilities:						
Tax depreciation and amortization	66,012,865	75,399,714	54,221,623	-	-	-
Borrowing costs	22,150,900	18,057,493	16,593,970	-	-	-
Right-of-use assets	(3,848,678)	(3,848,678)	(3,848,678)	-	-	-
	84,315,087	89,608,529	66,966,915	-	-	-
Net deferred tax expense (income)	61,098,513	89,572,184	77,642,007	(3,469,403)	(21,170)	2,126,777

The Company is subject to MCIT which is computed at 2% in 2024 and 1.5% in 2023, and 1% in 2022 of gross income, as defined under tax regulations, or to RCIT, which is computed at 25% of taxable income, net of allowable deductions, whichever is higher. In 2024, the Company recognized MCIT due to lower RCIT. The excess of MCIT over RCIT recognized in 2024 can be availed as a deduction from taxable income until 2027. No MCIT was recognized in 2023 and 2022 as the RCIT was higher than MCIT in those years.

In 2024, 2023 and 2022, the Company claimed itemized deductions in computing for its income tax due.

19. RELATED PARTY TRANSACTIONS

The Company's related parties include its ultimate parent company, parent company, related parties under common ownership, key management personnel and others.

Based on the requirements of SEC Memorandum Circular 2019-10, *Rules on Material Related Party Transactions for Publicly-Listed Entities*, transactions amounting to 10% or more of the total assets based on the latest audited financial statements that were entered into with the related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-third of the outstanding capital stock. For aggregate related party transactions within a 12- month period that breaches the materiality threshold of 10% of the Company's total assets based on the latest audited financial statements, the same BOD approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

Directors with personal interest in the transaction should abstain from participating in the discussion and voting on the same. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

The summary of the Company's transactions with its related parties are discussed below.

(Amounts in PHP)	Notes	Amount of Transactions			Outstanding Balance	
		2024	2023	2022	2024	2023
Parent Company –						
Dividends	20	48,989,715	39,804,144	48,989,715	-	-
Related Parties Under Common Ownership:						
Sale of merchandise	6, 19.1	85,229,811	50,368,722	61,461,748	77,415,662	24,328,984
Rentals	19.2	249,126,613	293,464,492	281,009,936	-	-
Transferred retirement benefit obligation	6, 17.2	-	504,568	1,093,335	-	504,568
Key Management Personnel –						
Compensation	19.4	20,858,516	18,130,781	13,755,619	-	-

As of December 31, 2024, 2023 and 2022, the Company's outstanding receivables with related parties were subjected to impairment using ECL assessment. Based on management assessment, no impairment needs to be recognized. The outstanding balances of related party transactions are noninterest-bearing, unsecured and payable in cash on demand and upon due date.

The details of the Company's related party transactions and balances are as follows:

19.1 Sale of Merchandise

The Company sells various merchandise items to its related parties with similar transaction price and terms under exact business circumstance with third parties. These transactions are presented as part of Sale of Goods in the statements of comprehensive income (see Note 14). The outstanding receivables from these transactions as of December 31, 2024 and 2023 are presented as part of Trade under Receivables in the statements of financial position (see Note 6).

19.2 Lease Agreements

The Company entered into lease agreements with related parties under common ownership that contain variable payments linked to sales generated from certain stores. The expenses relating to these leases amounting are presented as Rentals under Selling Expenses in the statements of comprehensive income (see Notes 10.3 and 15.2).

19.3 Guarantees of Loans

The Company obtained short-term and long-term loans with interests ranging from 6.50% to 9.75% in 2024, 6.50% to 11.00% in 2023 and 5.00% to 8.08% in 2022, for additional working capital requirements and store construction and expansion. Both the Company's short-term and long-term loans are secured by cross suretyship of its ultimate parent company (see Notes 13.1 and 13.2).

19.4 Key Management Personnel Compensation

The total compensation of key management personnel, which include all managers and executives, is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term benefits	19,079,562	16,938,863	13,755,619
Post-employment benefits	1,778,954	1,191,918	-
	<u>20,858,516</u>	<u>18,130,781</u>	<u>13,755,619</u>

20. EQUITY

20.1 Capital Stock

The Company's authorized capital stock consists of 30,000,000,000 common shares with a par value of P0.10 per share. As of December 31, 2024, 2023 and 2022, there are 22,857,145,000 shares issued and outstanding amounting to P2,285,714,500.

As of December 31, 2024 and 2023, the Company's number of shares registered totaled 22,857,145,000 with par value of P0.10 per share and closed at a price of P0.13 and P0.16 in 2024 and 2023, respectively. The total number of stockholders is 25 and 23 as of December 31, 2024 and 2023, respectively, with the shares held in the name of PCD Nominee Corporation belonging to 118 participant and 123 participants in 2024 and 2023, respectively. The public float lodged with PCD Nominee Corporation is counted only as one stockholder.

20.2 Additional Paid-In Capital

Additional paid-in capital consists of P3,316.7 million from the initial public offering in 2021, net of P111.9 million stock issuance costs incurred such as underwriting fees and commissions, taxes and filing fees.

20.3 Dividends Declaration

On August 15, 2022, the Company's BOD approved the declaration of cash dividends amounting to P73.1 million (equivalent to P0.0032 per share) and payable to stockholders of record on September 12, 2022. The dividend was fully paid in 2022.

On August 14, 2023, the Company's BOD approved the declaration of cash dividends amounting to P59.4 million (equivalent to P0.0026 per share) and payable to stockholders of record on September 12, 2023. The dividend was fully paid in 2023.

On November 27, 2024, the Company's BOD approved declaration of cash dividends amounting to P73.1 million (equivalent to P0.0032 per share) and payable to stockholders of record on December 12, 2024. The dividend was fully paid in 2024.

20.4 Revaluation Reserves

The Company's revaluation reserves as of December 31, 2024 and 2023 pertains to accumulated actuarial gains or losses arising from the valuation of its retirement benefit obligation (see Note 17.2).

21. EARNINGS PER SHARE (EPS)

EPS were computed as follows:

<i>(Amounts in PHP)</i>	2024	2023	2022
Net profit	267,962,786	369,222,953	301,763,941
Divided by weighted average number of outstanding common shares	22,857,145,000	22,857,145,000	22,857,145,000
Basic and diluted EPS	0.01	0.02	0.01

The Company has no potential dilutive common shares as of December 31, 2024, 2023 and 2022.

22. PROVISIONS, COMMITMENTS AND CONTINGENCIES

22.1 Unused Line of Credit

The Company has existing lines of credit with local banks totalling to P3,600.3 million and P2,002.3 million as of December 31, 2024 and 2023, respectively. The Company availed of bank loans amounting to P2,514.6 million and P1,552.3 million from the lines of credit as of December 31, 2024 and 2023 (see Note 13).

Unused lines of credit as of December 31, 2024 and 2023 amounted to P1,085.7 million and P450.0 million, respectively.

22.2 Others

There are other commitments, guarantees and contingent liabilities that may arise in the normal course of operations of the Company which are not reflected in the financial statements. As of December 31, 2024 and 2023, management is of the opinion that losses, if any, from these items will not have any material effect on the Company's financial statements, taken as a whole.

23. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks in relation to financial instruments. The main types of risks are interest rate risk, credit risk and liquidity risk.

The Company's risk management is coordinated with its parent company, in close cooperation with the BOD, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. The Company does not engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Company is exposed to are described below and in the succeeding pages.

23.1 Interest Rate Risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. In 2024, 2023, and 2022, the Company is exposed to changes in market interest rates through its cash in banks, which are subject to interest based on daily bank deposits rates.

On the other hand, the Company's short-term and long-term bank loans are subject to fixed rates ranging from 6.50% to 9.75% per annum, 6.50% to 11.00% per annum and 5.00% to 8.08% per annum for 2024, 2023 and 2022, respectively (see Note 13). Accordingly, management assessed that the Company is not significantly exposed to changes in market interest rates for its bank borrowings in 2024, 2023 and 2022.

The sensitivity of the net result for 2024 and 2023 is analyzed based on reasonably possible change in interest rates of +/- 1.31% and +/- 1.45%, respectively. The calculations are based on a change in the average market interest rate for each period, using standard deviation, in the previous 12 months estimated at 99% confidence level. These changes are considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's financial instruments held at the end of each reporting period, with effect estimated from the beginning of the period. With other variables held constant, if the interest rate increased, profit before tax would have decreased by P57.4 million and P39.9 million in 2024 and 2023, respectively. Conversely, if the interest rate decreased by the same percentage, profit before tax would have been higher by the same amount.

23.2 Credit Risk

Credit risk is the risk that counterparty will fail to discharge an obligation to the Company. The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to financial statements), as summarized below.

<i>(Amounts in PHP)</i>	Notes	2024	2023
Cash	5	1,486,231,855	993,991,272
Receivables	6	353,111,116	190,740,438
Short-term investments	8	3,000,000	3,000,000
Security deposits	8, 10	76,340,593	74,180,942
		<u>1,918,683,564</u>	<u>1,261,912,652</u>

None of the financial assets are secured by collateral or other credit enhancements, except for cash and short-term investments as described below. Additional information on the financial assets follows:

(a) Cash and Short-term Investments

The credit risk for cash and short-term investments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. This includes demand deposits and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution. The maximum coverage increased to P1.0 million effective March 15, 2025.

(b) Receivables

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Company also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of three years before December 31, 2024 and 2023, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified that the Philippine inflation was the most relevant factor in 2024 and 2023, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Company identifies a default when the receivables become credit-impaired or when the customer is not able to settle the receivables within the normal credit terms of 2 to 90 days, depending on the terms with customers; hence, these receivables were already considered as past due on its contractual payment. In addition, the Company considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty.

As of December 31, 2024 and 2023, all of the Company's trade receivables are considered current and not yet due. On that basis, no expected credit loss allowance was determined.

No loss allowance was also provided as at December 31, 2024 and 2023, on the Company's non-trade receivables as the Company does not have any non-trade receivables which have been outstanding for more than three months. The Company's management continues to monitor counterparties default rates and macroeconomic factors affecting counterparties' ability to settle receivables. Management considers the credit quality of non-trade receivables that are not past due or impaired to be good.

(c) *Security Deposits*

The Company is not exposed to any significant credit risk exposure, since the counterparties are reputable lessors with sound liquid position.

23.3 Liquidity Risk

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

The Company maintains cash to meet its liquidity requirements for up to 30-day periods. Excess cash are invested in short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at December 31, 2024 and 2023, the Company's financial liabilities, excluding lease liabilities (see Note 10.2), have contractual maturities which are summarized below.

(Amounts in PHP)	Notes	Current		Non-current	
		Upon Demand/ Within Six Months	Six to 12 Months	One to Three Years	Later than Three Years
December 31, 2024					
Trade and other payables	12	380,711,386	-	-	-
Loans payable	13	1,259,159,489	970,354,185	680,579,073	244,050,052
		1,639,870,875	970,354,185	680,579,073	244,050,052
December 31, 2023					
Trade and other payables	12	349,003,779	-	-	-
Loans payable	13	1,269,344,508	195,381,795	382,036,318	-
		1,618,348,287	195,381,795	382,036,318	-

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of the reporting periods.

24. CATEGORIES, FAIR VALUE AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

24.1 Carrying Amounts and Fair Values by Category

The Company has no financial instruments carried at fair values.

For the Company's financial assets and liabilities carried at amortized cost as at December 31, 2024 and 2023, management considers that the carrying values of these financial instruments approximate their fair values either because these instruments are short-term in nature or the effect of discounting for those maturities of more than one year is not material, hence, no further comparison between the carrying amounts and fair values is presented.

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 23.

24.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets, which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For financial assets with fair value included in Level 1, management considers that the carrying amount of this short-term financial instrument approximates its fair value.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on instrument where the significant inputs required to determine the fair values of such instruments are not based on observable market data.

There have been no significant transfers among Levels 1 and 3 in the reporting periods.

With the exception of Cash and Short-term investments (which is presented under Prepayments and Other Assets), which are classified under Level 1 of the fair value hierarchy, all of the Company's financial assets and liabilities presented in the statements of financial position are classified under Level 3 of the fair value hierarchy as of December 31, 2024 and 2023.

24.3 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2024 and 2023 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. There is no potential offsetting as of December 31, 2024 and 2023.

24.4 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed (see Note 24.1).

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2024</u>				
<i>Financial assets:</i>				
Cash	1,493,385,855	-	-	1,493,385,855
Receivables	-	-	353,111,116	353,111,116
Short-term investments	3,000,000	-	-	3,000,000
Security deposit	-	-	38,146,242	38,146,242
	<u>1,496,385,855</u>	<u>-</u>	<u>391,257,358</u>	<u>1,887,643,213</u>
<i>Financial liabilities:</i>				
Trade payables	-	-	380,711,386	380,711,386
Loans payable	-	-	2,737,959,582	2,737,959,582
Lease liabilities	-	-	197,983,975	197,983,975
	<u>-</u>	<u>-</u>	<u>3,316,654,943</u>	<u>3,316,654,943</u>
<u>December 31, 2023</u>				
<i>Financial assets:</i>				
Cash	1,003,630,272	-	-	1,003,630,272
Receivables	-	-	190,740,438	190,740,438
Short-term investments	3,000,000	-	-	3,000,000
Security deposit	-	-	34,860,373	34,860,373
	<u>1,006,630,272</u>	<u>-</u>	<u>225,600,811</u>	<u>1,232,231,083</u>
<i>Financial liabilities:</i>				
Trade payables	-	-	349,003,779	349,003,779
Loans payable	-	-	2,187,104,131	2,187,104,131
Lease liabilities	-	-	208,966,287	208,966,287
	<u>-</u>	<u>-</u>	<u>2,745,074,197</u>	<u>2,745,074,197</u>

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the Company's ability to continue as a going concern entity. Essentially, the Company, in coordination with its parent company, monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position.

The Company manages the capital structure and makes adjustments to consider changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the reporting periods is summarized as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Interest-bearing loans	2,889,589,705	1,736,874,718	1,432,407,585
Total equity	7,098,200,149	6,913,788,434	6,604,057,569
Debt-to-equity ratio	0.41 : 1:00	0.25 : 1:00	0.22 : 1:00

The Company monitors capital on the debt-to-equity ratio on its covenants with certain financial institutions. The Company has to maintain a minimum current ratio of at least 1.00, maximum debt-to-equity ratio of 2.50:1.00, and a minimum debt-service coverage ratio of at least 1.00. The Company has properly complied with its loans' covenants as of December 31, 2024 and 2023 (see Note 13.2).

26. SUPPLEMENTAL INFORMATION ON NON-CASH ACTIVITIES

The following discusses the supplemental information on non-cash activities as presented in the statements of cash flows for the years ended December 31, 2024, 2023 and 2022:

- In 2024, 2023 and 2022, the Company capitalized borrowing costs amounting to P131.6 million, P109.8 million and P92.7 million as part of property and equipment (see Notes 9 and 13).
- The Company has accrued interest expense amounting to P27.2 million, P17.0 million and P8.2 million as of December 31, 2024, 2023 and 2022, respectively (see Note 13).
- In 2024, 2023 and 2022, certain Advances to contractors under Non-current Assets amounting to P18.7 million, P68.5 million and P5.7 million, respectively, were reclassified to Construction-in-progress under Property and Equipment - Net in the statements of financial position (see Note 9).

27. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented in the succeeding pages is the supplementary information on taxes, duties and license fees paid or accrued during the taxable year which is required by the BIR under its existing Revenue Regulation No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

(a) *Output VAT*

The Company is registered with the BIR as a VAT taxpayer. This is in relation to its sales of merchandise. The Company declared output VAT as follows:

<i>(Amounts in PHP)</i>	Tax Base	Output VAT
Sale of merchandise:		
VATable sales	7,602,387,406	912,286,489
Zero-rated sales	1,410,562,175	-
Exempt sales	672,246,831	-
	9,685,196,412	912,286,489

The Company's VAT zero-rated sales were determined pursuant to Section 108B, *Transactions Subject to Zero Percent* of the 1997 National Internal Revenue Code.

The Company's exempt sales were determined pursuant to Section 109(W), *Sale or Lease of Goods and Services to Senior Citizens and Persons with Disability, as Provided under Republic Act No. 9994 (Expanded Senior Citizens Act of 2020)* and R.A. No. 10754 (*An Act Expanding the Benefits and Privileges of Persons with Disability*), of the 1997 National Internal Revenue Code.

The tax bases are included as part of Sales and Support, Fees, Rentals and Other Income in the 2024 statement of comprehensive income.

(b) *Input VAT*

The movements in input VAT in 2024 are shown below *(Amounts in PHP)*.

Balance at beginning of year	192,973,331
Domestic purchases of goods	885,406,792
Domestic purchases of services	77,214,837
Purchases of capital goods	6,522,328
Amortization of capital goods subject to amortization	36,061,723
Applied against output VAT	<u>(894,611,040)</u>
Balance at end of year	<u>303,567,971</u>

The outstanding input VAT as of December 31, 2024 is presented as Input VAT under Prepayments and Other Current Assets in the 2024 statement of financial position.

(c) *Taxes on Importation*

The Company did not have any customs duties and tariff fees paid in 2024 since it did not engage in any importation activities during the year.

(d) *Excise Tax*

The Company did not have any transactions in 2024 which are subject to excise tax.

(e) *Documentary Stamp Tax (DST)*

In 2024, the Company paid DST amounting to P10.1 million arising from interest-bearing loans availed and new lease contracts entered during the year.

(f) *Taxes and Licenses*

The details of taxes and licenses in 2024 is broken down as follows
(Amounts in PHP):

Business permits and licenses	32,714,750
DST	10,104,030
Real property tax	1,892,957
Other fees	810,312
	45,522,049

The Taxes and licenses is presented under General and Administrative Expenses in the 2024 statement of comprehensive income (see Note 15.2).

(g) *Withholding Taxes*

Details of total withholding taxes for the year ended December 31, 2024 are shown below (Amounts in PHP).

Expanded	54,972,754
Compensation and employee benefits	8,326,159
Final	2,055,683
	65,354,596

The outstanding balance of expanded withholding tax, withholding tax on compensation and final withholding tax amounting to P5.2 million is recorded as part of Withholding taxes and other government payables under Trade and Other Payables in the 2024 statement of financial position (see Note 12).

(h) *Deficiency Tax Assessment and Tax Cases*

As of December 31, 2024, the Company does not have any final deficiency tax assessment from the BIR nor it does have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

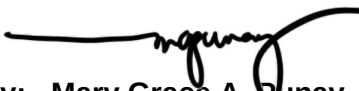
Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
AllDay Marts, Inc.
(A Wholly Owned Subsidiary of AllValue Holdings Corp.)
LGF Evia Lifestyle Center
Daang Hari, Brgy. Almanza Dos
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of AllDay Marts, Inc. (the Company) for the year ended December 31, 2024 on which we have rendered our report dated April 28, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Company's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: Mary Grace A. Punay
Partner

CPA Reg. No. 0116576
TIN 244-931-755
PTR No. 10471857, January 7, 2025, Makati City
BIR AN 08-002511-043-2024 (until October 3, 2027)
BOA/PRC Cert. of Reg. No. 0002/P-016 (until August 12, 2027)

April 28, 2025

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
List of Supplementary Information
December 31, 2024

<u>Schedule</u>	<u>Content</u>	<u>Page No.</u>
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	N/A
D	Long-term Debt	2
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	3
Others Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration	4
	Map Showing the Relationship Between the Company and its Related Entities	6
	Schedule for Listed Companies with Recent Offering of Securities to the Public	7
	Supplemental Schedule of Financial Soundness Indicators	8

ALLDAY MARTS INC.
(A Subsidiary of AllValue Holdings Corp.)
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2024
(Amounts in Philippine Pesos)

Name and Designation of Debtor	Balance at Beginning of the Period	Additions		Deductions				Ending Balance		Balance at End of the Period		
		Amounts Granted		Amounts Collected	Amounts Written-off	Amounts Assigned	Current	Not Current				
Fine Properties, Inc.	P	552,462	P	21,675,508	P	552,462	P	-	P	-	P	21,675,509
Vista Land & Lifescapes, Inc.		646,712		362,606		646,712		-		-		362,606
AllValue Holdings Corp.		2,523,100	-			2,523,100		-		-	-	
Golden MV Holdings	-			760,378	-			-		-	-	760,378
AllHome Corp.	-		-		-			-		-	-	
Family Shoppers Unlimited Inc.		4,428,632		16,408,313		4,428,632		-		-	-	16,408,313
AllDay Retail Concepts, Inc.		4,055,924		3,505,649		4,055,923		-		-	-	3,505,650
CM Star Management, Inc.		4,098,266		13,624,764		4,098,266		-		-	-	13,624,764
The Village Server, Inc.	-			20,305,776		7,814,149		-		-	-	12,491,627
Masterpiece Asia Properties Inc.	-			810,918	-			-		-	-	810,918
Vista Residences Inc.		125,496		801,238		125,496		-		-	-	801,238
Brittany Corporation		129,834		474,256		129,834		-		-	-	474,256
VISTAREIT, INC.		200,919		564,535		200,920		-		-	-	564,534
ALLGREEN RETAIL, INC.		6,336,435		4,185,389		6,336,435		-		-	-	4,185,389
Household Development		1,223,504		1,431,315		1,223,504		-		-	-	1,431,314
Crown Asia Properties Inc.		7,700		319,166		7,700		-		-	-	319,166
	P	24,328,984	P	85,229,811	P	32,143,133	P	-	P	-	P	77,415,662

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
Schedule D - Long-Term Debt
December 31, 2024
(Amounts in Philippine Pesos)

<i>Title of issue and type of obligation</i>	<i>Amount shown under caption "Current portion of long-term debt" in related balance sheet</i>	<i>Amount shown under caption "Long-Term Debt" in related balance sheet</i>
Term Loans	P <u>166,666,667</u>	P <u>793,333,333</u>

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Related Parties	Directors, Officers and Employees	Others
Common Shares at P0.10 par value	<u>30,000,000,000</u>	<u>22,857,145,000</u>	<u>-</u>	<u>15,309,286,000</u>	<u>5,002,000</u>	<u>7,542,857,000</u>

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
LGF Evia Lifestyle Center, Daang Hari, Brgy. Almanza Dos, Las Piñas City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2024
(Amounts in Philippine Pesos)

Unappropriated Retained Earnings at Beginning of Year		P 1,266,179,451
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(73,142,864)	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	(73,142,864)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		1,193,036,587
Add: Net Income for the Current Year		267,962,786
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS Accounting Standards	-	
Sub-total	-	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
Sub-total	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards, previously recorded	-	
Sub-total	-	-
<i>Balance carried forward</i>		
Adjusted Net Income/Loss		P 1,460,999,373

Balance brought forward

Adjusted Net Income/Loss **P 1,460,999,373**

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	P -	
Sub-total		-

Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP

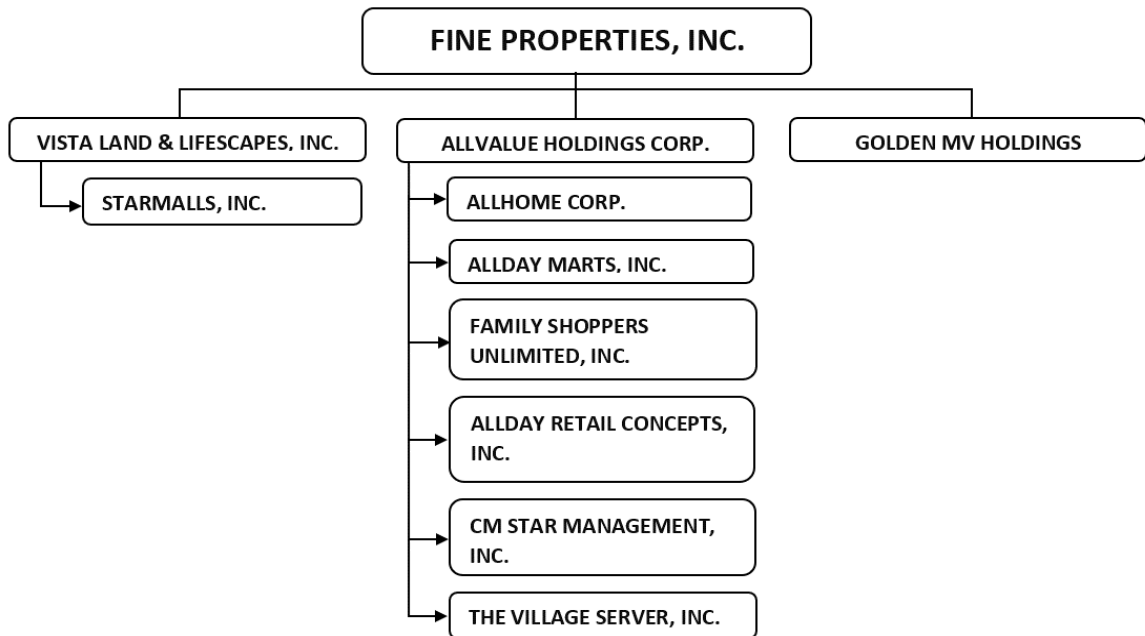
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-

Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(25,962,152)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(1,103,100)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		(27,065,252)

Unappropriated Retained Earnings Available for Dividend Distribution at End of Year **P 1,433,934,121**

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
SHOWING THE RELATIONSHIPS BETWEEN AND AMONG COMPANIES IN THE GROUP
ULTIMATE PARENT COMPANY AND PARENT COMPANY



**SCHEDULE FOR LISTED COMPANIES WITH RECENT OFFERING
OF SECURITIES TO THE PUBLIC**

ALLDAY MARTS, INC.

For the Period Ended December 31, 2024

1. Gross and net proceeds as discussed in the final prospectus

Estimated gross proceeds	P	4,114,300,000
Estimated net proceeds		3,956,600,000

2. Actual gross and net proceeds

Actual gross proceeds	P	4,114,285,800
Actual net proceeds		3,956,593,762

3. Each expenditure item where the proceeds were used

Debt repayments	P	3,149,203,324
Initial working capital		282,811,537
Capital expenditures for store network expansion		279,613,271

4. Balance of the proceeds as of end of reporting period

As of December 31, 2024	P	244,965,630
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ALLDAY MARTS, INC.
Supplemental Schedule of Financial Soundness Indicators
December 31, 2024 and 2023

Ratio	Formula	2024	Formula	2023
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets P 6,046,964,170 Divide by: Total Current Liabilities 2,507,421,778 Current ratio 2.41	2.41	Total Current Assets divided by Total Current Liabilities Total Current Assets P 4,288,620,281 Divide by: Total Current Liabilities 1,763,412,991 Current ratio 2.43	2.43
Acid test ratio	Quick assets (Total Current Assets less Merchandise Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets P 6,046,964,170 Less: Merchandise Inventories (2,820,544,241) Other Current Assets (1,379,922,958) Quick Assets 1,846,496,971 Divide by: Total Current Liabilities 2,507,421,778 Acid test ratio 0.74	0.74	Quick assets (Total Current Assets less Merchandise Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets P 4,288,620,281 Less: Merchandise Inventories (2,081,923,403) Other Current Assets (1,012,326,168) Quick Assets 1,194,370,710 Divide by: Total Current Liabilities 1,763,412,991 Acid test ratio 0.68	0.68
Solvency ratio	Total Assets divided by Total Liabilities Total Assets P 11,047,068,407 Divide by: Total Liabilities 3,948,868,258 Solvency ratio 2.80	2.80	Total Assets divided by Total Liabilities Total Assets P 9,604,717,024 Divide by: Total Liabilities 2,690,928,590 Solvency ratio 3.57	3.57
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities P 3,948,868,258 Divide by: Total Equity 7,098,200,149 Debt-to-equity ratio 0.56	0.56	Total Liabilities divided by Total Equity Total Liabilities P 2,690,928,590 Divide by: Total Equity 6,913,788,434 Debt-to-equity ratio 0.39	0.39
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets P 11,047,068,407 Divide by: Total Equity 7,098,200,149 Assets-to-equity ratio 1.56	1.56	Total Assets divided by Total Equity Total Assets P 9,604,717,024 Divide by: Total Equity 6,913,788,434 Assets-to-equity ratio 1.39	1.39
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 433,991,863 Divide by: Interest expense* 197,014,625 Interest rate coverage ratio 2.20	2.20	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 528,070,238 Divide by: Interest expense* 145,809,353 Interest rate coverage ratio 3.62	3.62
Return on equity	Net Profit divided by Total Equity Net Profit P 267,962,786 Divide by: Total Equity 7,098,200,149 Return on equity 0.04	0.04	Net Profit divided by Total Equity Net Profit P 369,222,953 Divide by: Total Equity 6,913,788,434 Return on equity 0.05	0.05
Return on assets	Net Profit divided by Total Assets Net Profit P 267,962,786 Divide by: Total Assets 11,047,068,407 Return on assets 0.02	0.02	Net Profit divided by Total Assets Net Profit P 369,222,953 Divide by: Total Assets 9,604,717,024 Return on assets 0.04	0.04
Net profit margin	Net Profit divided by Total Revenue Net Profit P 267,962,786 Divide by: Total Revenue 9,252,820,049 Net profit margin 0.03	0.03	Net Profit divided by Total Revenue Net Profit P 369,222,953 Divide by: Total Revenue 10,193,891,934 Net profit margin 0.04	0.04

* Interest expense includes capitalized borrowing costs

ALLDAY MARTS, INC.
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023
(Amounts in Philippine Pesos)

	<u>2024</u>	<u>2023</u>
Total Audit Fees	<u>P 1,760,000</u>	<u>P 1,600,000</u>
Non-audit service fees:		
Other assurance service	640,000	640,000
Tax service	-	-
All other service	<u>155,000</u>	<u>-</u>
Total Non-Audit Fees	<u>795,000</u>	<u>640,000</u>
 Total Audit and Non-audit Fees	 <u><u>P 2,555,000</u></u>	 <u><u>P 2,240,000</u></u>
 Audit and Non-audit fees of other related entities		
Audit fees	P -	P -
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	<u>-</u>	<u>-</u>
 Total Audit and Non-audit Fees of other related entities	 <u><u>P -</u></u>	 <u><u>P -</u></u>

ALLDAY MARTS, INC.

Annex A: Sustainability Report

CONTEXTUAL INFORMATION

Company Details	
Name of Organization	AllDay Marts, Inc. (AllDay) PSE: ALLDAY
Location of Headquarters	LGF Building B Evia Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City
Location of Operations	AllDay is present in Mega Manila, Luzon, and Cebu.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	This report discloses the economic, environmental, and social performance of all AllDay stores nationwide.
Business Model, including Primary Activities, Brands, Products, and Services	AllDay Marts, Inc. (the “Company”) is the Philippines’ fastest-growing supermarket operator and a leading player in the mid-premium supermarket segment. AllDay operates a dual-format business model that offers an elevated, modern, and digitally innovative grocery shopping experience through in-store and e-commerce platforms. Its supermarket stores curate a comprehensive selection of approximately 4,200 local and international product brands of fresh items like meat, fruits and vegetables, food items, and non-food items to appeal to increasingly discerning Filipino consumers.
Reporting Period	January 1, 2024 to December 31, 2024
Highest Ranking Person responsible for this report	Mark Nacario Investor Relations Officer

MATERIALITY PROCESS

AllDay conducts its materiality assessment yearly to ensure that all stakeholder expectations are heard and aligned accordingly with the Company's overall sustainability strategy. The methodology for the Company's materiality process is aligned with the GRI and SASB Standards, following a systematic approach with the steps outlined below:

1. **Pre-identification of Topics** – A comprehensive review of relevant issues and topics is conducted, utilizing sector-specific publications from the GRI and SASB standards for Multiline and Specialty Retailers & Distributors, as well as benchmarking insights from industry peers. This phase ensures that a broad spectrum of potential topics is considered.
2. **Identification of Material Topics** – An online form is distributed to key stakeholders within the organization, allowing them to assess and select which topics are deemed material. Each topic is evaluated based on its relevance and potential impact on the business.
3. **Materiality Assessment** – Topics identified as material are further examined through an online survey, where their significance is rated using a five-point scale. The scale ranges from 1 (low or no impact) to 5 (highest impact), providing a clear measure of each topic's potential effect on AllDay's operations and strategy. This enables the company to prioritize its efforts on the most critical sustainability issues.

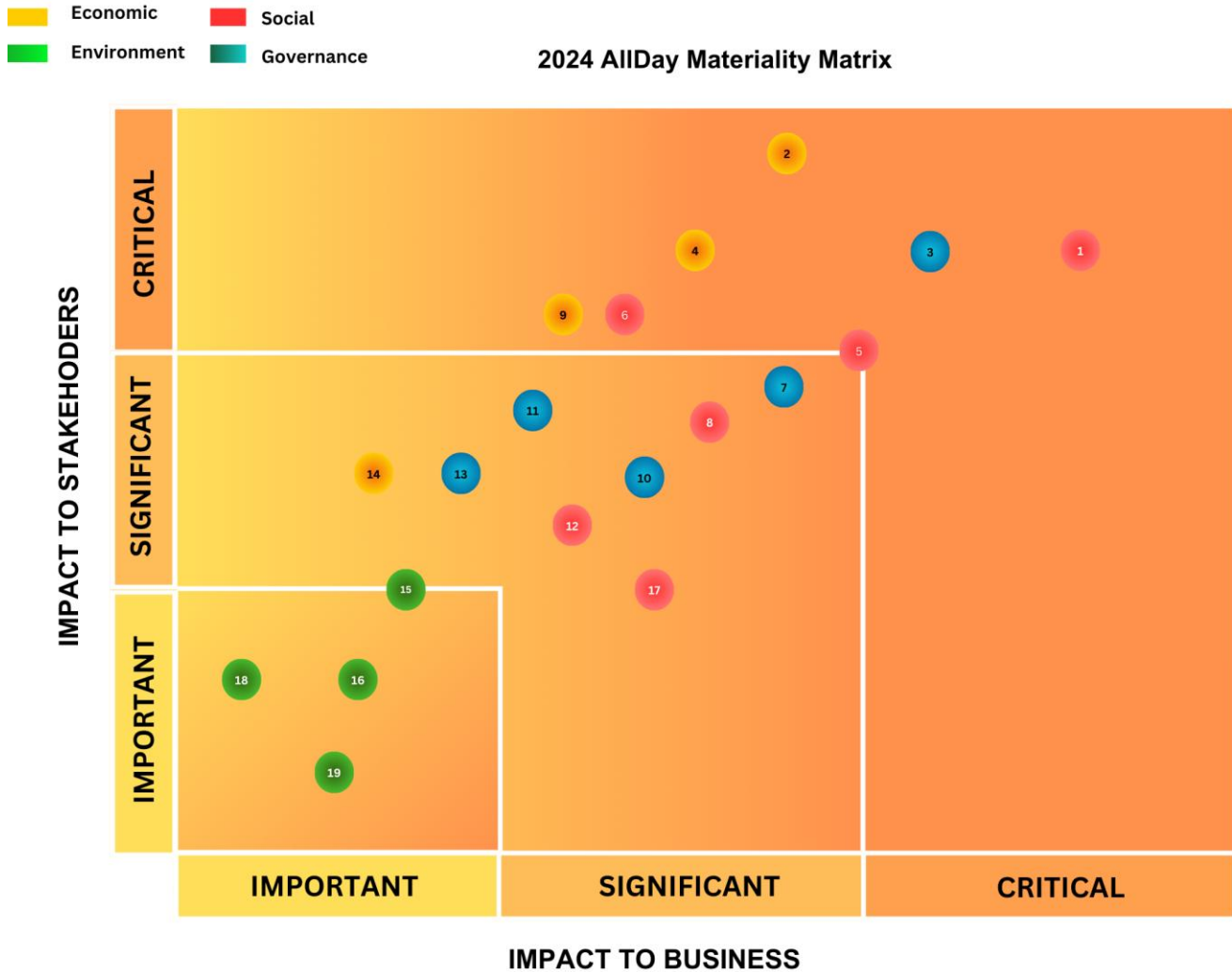
In line with AllDay's continuous efforts in maintaining its customer base, Customer Relationship and Quality Management was identified as the most critical topic affecting the business operations and their stakeholders. AllDay believes that technology aids in elevating the retail shopping experience. Technology-based initiatives to foster good customer relationship and management started in 2021 with the introduction of MoEngage while further improvements in its communication channels and its e-commerce websites were done in 2022. From then on, AllDay's customer management strategy is more targeted and more accessible for communication. In 2024, AllDay received a customer satisfaction rating of 4.2.

Furthermore, the assessment identified the areas of Economic Performance, Cybersecurity & Data Privacy, Procurement Practices, and Accident & Safety Management as topics of high-critical significance. Safeguarding safety and minimizing risks especially in these areas prove to be AllDay's priority as seen in the continuous implementation of its occupational safety protocols, its extensive risk assessment and analyses for possible data vulnerabilities, and its commitment to preserving good supplier relationships.

Though Climate Change Mitigation and Adaptation as well as Noise and Vibration Management rank low in the assessment, AllDay commits to their sustainability goals through waste reduction promoting the reuse of cartons and eco-bags in stores.

Despite the challenges in 2024, AllDay maintains to provide the premium shopping experience by following ethical standards and practices in doing business. The Company sees corporate governance as necessary for strategic business management to retain long-standing partnership and foster good relationships with all its stakeholders.

Figure 1. AllDay 2024 Materiality Matrix



- 1 Customer Relationship & Quality Management
- 2 Economic Performance
- 3 Cybersecurity & Data Privacy
- 4 Procurement Practices
- 5 Accident and Safety Management
- 6 Talent Management
- 7 Sustainability Governance & Ethical Practices
- 8 Employee Health and Safety
- 9 Responsible Supply Chain

- 10 Board Competence, Diversity, & Independence
- 11 Regulatory Compliance
- 12 Community Engagement
- 13 Long-term Monitoring and Maintenance
- 14 Tax
- 15 Waste Management
- 16 Ecosystem and Biodiversity Protection
- 17 Diversity, Inclusion & Human Rights
- 18 Climate Change Mitigation and Adaptation
- 19 Noise and Vibration Management

ECONOMIC & GOVERNANCE DISCLOSURES

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (In millions PhP)		
	2024	2023	2022
Direct economic value generated (revenue)	9,252.8	10,193.89	9,811.09
Direct economic value distributed:			
a. Operating costs	1,544.06	1,652.55	1,553.28
b. Employee wages and benefits	128.11	120.07	103.34
c. Payments to suppliers, other operating costs	8,066.14	9,344.63	8,242.81
d. Dividends given to stockholders and interest payments to loan providers	238.89	183.46	73.14
e. Taxes given to government	150.44	160.4	140.4
f. Investments to community (e.g., donations, CSR)	2.10	1.83	2.85

AllDay's Impact and Management Approach

In 2024, AllDay observed a 9% decrease in core net income, from Php 10 million in 2023 to Php 9 million. The high inflation rates posed a significant challenge leading to a cut in operating costs. Despite this, AllDay strives to execute its differentiated supermarket model, which combines elevated customer experiences with strategic operational efficiency. The company is also supported by its extensive network of over 1,000 business partners, ensuring a robust supply chain that underpins its operations.

The Company is committed to managing its economic impacts in a way that drives sustainable growth and creates long-term value for all

Stakeholders Affected

Employees, Investors, Business Partners, and Customer

stakeholders. The company's approach is focused on improving operational efficiency, enhancing customer experiences, and building strong, reliable relationships with its business partners. To effectively manage its economic performance, AllDay regularly tracks key indicators like sales growth, profitability, and market expansion. This helps the company stay on course, make informed decisions, and optimize resources to improve operations and achieve financial success.

A critical part of AllDay's strategy is its resilient supply chain, supported by a network of over 1,000 business partners. This network helps the company remain adaptable to market changes, supply disruptions, and shifting consumer demands, minimizing risks and ensuring steady product availability. Moreover, the Organization also embraces innovation and digital solutions to strengthen both its in-store and online shopping experiences to ensure stable economic growth.

Developments in 2024

Building on the successful launch of its smart carts, Addie the Service Robot, and self-checkout counters in previous years, the Company continues to explore new technologies and solutions to stay ahead of emerging market trends and customer needs. This year, AllDay has expanded its digital offerings, integrating more seamless online channels and applications to enhance the shopping experience. These innovations reflect the company's ongoing efforts to create a more convenient, efficient, and personalized shopping environment, whether online or in-store. The Personal Shopper Service, introduced in earlier years, continues to be a popular feature, with enhancements designed to further streamline customer interactions.

The Company's ability to quickly adapt to changing circumstances remains a cornerstone of its success. As it navigates the post-pandemic landscape, AllDay continues to leverage its technological advancements to respond to evolving customer demands and external challenges, ensuring that it remains at the forefront of the supermarket sector.

Risks and Management Approach	Stakeholders Affected
The Company has identified five key risk areas that could impact its financial performance: 1) Market Risk, 2) Interest Rate Risk, 3) Credit Risk, 4) Liquidity Risk, and 5) Foreign Exchange Risk. Managing these risks remains a priority to ensure financial stability and long-term growth.	Employees, Investors, Business Partners, and Customers
In 2024, persistently high inflation presents a significant challenge, leading to increased operating costs, including expenses for repairs, maintenance, services, and labor. Rising costs put pressure on cash flow and profit margins, requiring the Company to implement cost-efficiency measures and strategic pricing adjustments to mitigate financial strain.	
Market risk remains a concern due to fluctuations in consumer purchasing power and shifts in shopping behavior. Changes in interest rates also impact financing costs, influencing the Company's ability to invest in expansion and innovation. Additionally, credit and liquidity risks require close monitoring to ensure smooth business operations and financial flexibility.	
To navigate these challenges, the Company continues to optimize resource allocation, strengthen supplier partnerships, and enhance	

operational efficiencies.

Effective risk management ensures financial stability and long-term growth, with a strong focus on operational efficiency and cost control. Margin improvements are achieved through strategic product sourcing, disciplined expenditure management, and operational refinements to counter economic pressures.

Several measures are in place to mitigate financial risks:

- **Strategic Store Expansion** – Site selection prioritizes prime locations that maximize customer accessibility and revenue potential.
- **Leveraging Business Synergies** – Vista Land’s extensive property network provides access to high-traffic locations, while procurement consolidation and third-party contractor partnerships within the Villar Group enhance cost efficiency.
- **Cash Flow and Liquidity Management** – Stringent monitoring of receivables and payables ensures a steady cash position and financial flexibility.
- **Operational Cost Discipline** – A structured approach to cost management minimizes inflationary impacts and optimizes resource allocation.
- **Merchandise Procurement Strategy** – Volume-based purchasing, market-driven inventory planning, and efficient logistics management secure better pricing and stock availability.
- **Debt and Capital Optimization** – Prudent financial planning ensures sustainable borrowing practices and an optimal capital structure.

Opportunities	Stakeholders Affected
Economic uncertainties and financial risks create challenges, but they also open opportunities for growth, innovation, and market expansion. Shifting consumer behavior, particularly the increasing demand for convenience and digital engagement, presents an avenue for strengthening e-commerce platforms and integrating emerging retail technologies. Investments in automation and supply chain efficiencies can lead to long-term cost savings and improved operational resilience. Strengthening supplier relationships allows for better pricing, exclusive product offerings, and enhanced	Customers, Employees, Investors

logistics, giving the Company a competitive edge.

The growing preference for healthier, organic, and sustainably sourced products offers an opportunity to diversify product offerings and appeal to a more discerning customer base. Additionally, economic fluctuations may create favorable conditions for securing prime real estate locations at competitive rates, supporting strategic store expansion. Sound financial management and disciplined cost control provide flexibility to explore new revenue streams and invest in high-impact innovations.

Climate-related risks and opportunities¹

Governance Disclose the organization's governance around climate-related risks and opportunities	
Describe the board's oversight of climate-related risks and opportunities	The Board of Directors is responsible for overseeing climate-related risks and opportunities, integrating them into the Company's overall risk management framework. The Board ensures that climate risks are identified, monitored, and assessed, with a focus on their potential impact on operational and financial performance. Through regular oversight, the Board works with senior management to align the Company's strategy and Enterprise Risk Management (ERM) framework with climate-related goals, ensuring preparedness for regulatory changes and emerging environmental challenges. Additionally, the Board identifies opportunities, such as investments in renewable energy and sustainable practices, to drive growth and enhance resilience.
Describe management's role in assessing and managing climate-related risks and	The Management, led by the Chief Operating Officer (COO), plays a key role in assessing and

¹ It is adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

opportunities	managing climate-related risks and opportunities. The COO ensures that climate risks are accurately evaluated and communicated through detailed reports, which are shared with stakeholders, including shareholders. These reports highlight potential climate impacts on operations and outline strategies to mitigate risks and capitalize on emerging opportunities. Management is also responsible for integrating climate considerations into day-to-day operations and ensuring the Company's resilience to climate-related challenges.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	AllDay identifies and addresses climate-related risks and opportunities in line with its Enterprise Risk Management (ERM) framework, with a focus on the short, medium, and long-term impacts. In the short term, the Company has identified risks such as power outages and extreme weather events, like intense storms, which may increase reliance on backup generators, driving up operational costs. Over the medium term, AllDay faces the potential for disruptions caused by more frequent high-intensity typhoons, floods, and other extreme weather events. These events could impact the supply chain, delay product deliveries, and affect store operations, potentially leading to inventory shortages and increased operational costs. In the long term, the Company anticipates the need to adapt to a changing climate that could result in more severe and unpredictable weather patterns. This includes flooding, stronger

	typhoons, and other environmental changes that may strain infrastructure, disrupt operations, and pose risks to store and supply chain resilience. AllDay's strategy focuses on mitigating these risks by enhancing disaster preparedness, investing in resilient infrastructure, and exploring innovative solutions to improve energy efficiency and reduce environmental impact.
Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning	The Company's Enterprise Risk Management (ERM) framework integrates climate-related risks, particularly those related to natural catastrophes such as high-intensity typhoons and flooding. These events can significantly disrupt operations by delaying supply deliveries, hindering restocking efforts, and creating supply shortages. Additionally, the physical damage to facilities and products can lead to operational downtime, with some stores potentially having to close early or open late, reducing customer traffic and sales. The impact of these climate-related risks extends to the Company's financial planning, as these disruptions may result in higher operational costs, such as increased repair expenses, and lost revenue due to store closures or delays in inventory replenishment. Over time, these risks could materially and adversely affect the Company's financial condition, profitability, and long-term growth. On the flip side, the Company views these climate-related risks as opportunities to invest in resilience, such as improving infrastructure, diversifying supply chain sources, and adopting energy-efficient technologies.
Describe the resilience of the organization's strategy, taking into consideration different	The Company's strategy is designed to be resilient in the face of various climate-related scenarios,

climate- related scenarios including a 2°C or lower scenario	including those aligned with a 2°C or lower global warming pathway. To mitigate climate-related risks, the Company has established comprehensive work instructions and emergency response protocols, ensuring that operations can continue smoothly during and after extreme weather events. In addition to these protocols, the Company is enhancing its resilience by incorporating additional mitigation measures, such as diversifying risk management options beyond traditional insurance plans to compensate for potential losses. These measures will include strengthening supply chain flexibility, increasing infrastructure robustness, and incorporating renewable energy sources to reduce reliance on non-renewable energy. The Company's strategy also emphasizes continuous adaptation, with ongoing assessments of emerging climate risks and the integration of more comprehensive sustainability practices across its operations.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
Describe the organization's processes for identifying and assessing climate- related risks	The Company's process for identifying and assessing climate-related risks is comprehensive, involving consultations with employees, stakeholders, and external experts. This collaborative approach ensures a well-rounded understanding of potential climate-related risks, taking into account the Company's governance and management structure, physical operations, supply chain dependencies, products, and the broader environmental context in which it operates. The Board, in conjunction with senior

	management and relevant technical experts, plays an active role in identifying climate-related risks through regular risk assessment sessions. These discussions focus on evaluating the potential impacts of climate-related events, such as extreme weather events or long-term climate shifts, and how these risks could affect the Company's operations, strategy, and financial performance. The insights garnered from these consultations are used to develop and implement targeted risk-mitigation strategies. This ensures that climate-related risks are effectively managed, and that the Company remains on track to meet its long-term strategic business goals, while minimizing exposure to potential disruptions.
Describe the organization's processes for managing climate-related risks	Climate-related risks are incorporated into the broader Enterprise Risk Management (ERM) framework, which includes clear protocols for identifying, assessing, and responding to risks that may arise from climate change or extreme weather events. To manage these risks, the Organization follows a structured approach that begins with the identification of climate-related hazards, such as extreme weather, flooding, and natural catastrophes, through consultations with stakeholders, employees, and external experts. This collaborative effort ensures that all relevant risks are captured and analyzed. Once identified, the risks are assessed for their potential impact on the Organization's operations, supply chain, and financial performance. The company utilizes advanced risk assessment tools and frameworks to prioritize these risks based on severity and likelihood.

	In response, the Organization implements a range of mitigation strategies. These strategies include enhancing infrastructure resilience, establishing contingency plans, securing insurance coverage for climate-related damages, and incorporating sustainable practices into operations. Furthermore, AllDay continues to monitor climate-related risks through regular reviews, ensuring that any emerging risks are promptly addressed.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Climate-related risks are fully integrated into the Company's overall risk management framework through the Enterprise Risk Management (ERM) system. These risks are considered alongside all other identified risks, ensuring that they are addressed as part of the broader risk management strategy. Specifically, climate-related risks are categorized under the "Risks related to natural catastrophes" clause, which includes various environmental and climate factors such as extreme weather events, flooding, and other natural disasters that could impact the Company's operations. The processes for identifying, assessing, and managing climate-related risks are embedded in the Company's risk management practices, ensuring that these risks are systematically evaluated and mitigated. This integration allows for the continuous monitoring and management of climate-related risks, ensuring that they are given due consideration in all relevant planning, decision-making, and operational processes.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
Disclose the metrics used by the organization to	

assess climate- related risks and opportunities in line with its strategy and risk management process	AllDay acknowledges the potential impact of climate-related risks, such as severe weather events and natural disasters, on its operations and financial performance. While there are currently no specific climate-related metrics or targets in place, the Organization integrates climate risk considerations into its broader risk management framework.
Describe the targets used by the organization to manage climate- related risks and opportunities and performance against targets	To address climate-related challenges, AllDay is focused on establishing relevant metrics to assess the impact of climate risks on its operations, particularly in terms of supply chain disruptions, infrastructure resilience, and business continuity. The Organization is committed to exploring ways to define and track measurable targets related to climate risk reduction, such as improving energy efficiency, reducing carbon emissions, and enhancing resilience against extreme weather events. In the future, AllDay plans to set clear targets aligned with its sustainability goals and climate risk mitigation efforts. These will be informed by evolving industry standards and best practices to ensure effective management of climate-related risks and capitalize on associated opportunities.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity			Unit
	2024	2023	2022	
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	98	98	98	%

AllDay's Impact and Management Approach	Stakeholders Affected
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In maintaining a resilient and dynamic supply chain, the Company has cultivated an extensive network of over 1,000 suppliers and concessionaires. This diversified supplier base minimizes reliance on any single source, enabling AllDay to offer a balanced selection of premium imported products and locally sourced delicacies. By doing so, it not only meets consumer demand but also enriches the overall in-store experience, ensuring a distinct market position in the retail sector.

Inventory management is streamlined through an advanced auto-replenishment system, which uses data-driven sales projections to optimize stock levels. These projections are informed by historical sales trends and anticipated market shifts, enabling timely and accurate order placements. In concessionaire agreements, the Company ensures that inventory risks are appropriately managed, with responsibility for unsold goods resting with the concessionaires until the products are sold.

To safeguard against disruptions in the supply chain, such as vendor shortages, port congestion, or raw material delays, the Organization maintains a safety stock of 30 to 90 days for critical products. This buffer stock helps mitigate risks by ensuring there's enough supply on hand to cover any delays in replenishment. Additionally, for

AllDay

provincial stores where transportation delays may occur, extra measures are taken to ensure product availability during peak seasons or high-demand periods, maintaining seamless operations across the entire network.

Risks to AllDay and Management Approach to Risks	Stakeholders Affected
The biggest risk the Company faces is the potential for suppliers to fail to meet order requirements due to manufacturing or logistics issues, leading to product shortages or out-of-stock situations. To reduce this risk, the Company provides suppliers with accurate forecasts so they can maintain enough inventory for timely replenishment. Another risk is the difficulty of transporting goods to provincial outlets. Local supply chain constraints and higher production costs from local suppliers compared to foreign ones can affect the efficiency and cost-effectiveness of sustainable practices, thereby posing a challenge in ensuring that provincial stores are consistently stocked with products. To manage these risks, the Company works closely with suppliers to provide reliable sales forecasts, helping them prepare inventory in advance and minimize the chance of stockouts. The Company also selects suppliers based on factors such as location, delivery capacity, and compliance with its standards to ensure a steady supply chain. For transportation challenges to provincial stores, the Company continuously seeks ways to improve efficiency and reduce costs while maintaining the quality and sustainability of its practices.	Suppliers of fresh items, food items and non-food items
Opportunities	Stakeholders Affected

The Company will continue expanding its network of over 1,000 suppliers and concessionaires, further solidifying its ability to offer a diverse array of products that meet evolving customer preferences. Strengthening these partnerships will allow the Company to respond swiftly to market changes, ensuring a steady supply of high-quality products while minimizing reliance on a limited number of vendors.

Suppliers of fresh, food and non-food items

As the Company embraces digital transformation, advanced technologies will drive supply chain efficiency. Through leveraging data-driven tools for inventory management, demand forecasting, and automated replenishment, the Company will reduce stockouts, optimize inventory turnover, and enhance operational agility. These innovations will enable the Company to better meet customer demand while advancing sustainability goals by minimizing waste and maximizing resource utilization.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity			Units
	2024	2023	2022	

Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to	N/A	100	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	100	100	%
Percentage of directors and management that have received anti-corruption training	N/A	100	100	%
Percentage of employees that have received anti-corruption training	N/A	100	100	%

Incidents of Corruption

Disclosure	Quantity			Units
	2024	2023	2022	
Number of incidents in which directors were removed or disciplined for corruption	0	0	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0	#

AllDay's Impact and Management Approach

AllDay's zero incidents of noncompliance in 2024 signifies a Company revolving in a culture of transparency and accountability. To safeguard this corporate culture, all employees (particularly new hires), directors, and officers are required to attend the Corporate Policy and Code of Conduct Training. Directors also undergo seminars on corporate governance which are conducted by a duly recognized private or government institute annually. First-time directors are required to attend an orientation program which covers topics mandated by the Securities and Exchange Commission (SEC) and an introduction to the Company's business, Articles of Incorporation,

Stakeholders Affected

Business Partners, Investors

and Code of Conduct.

Business partners, on the other hand, are conversed with monthly regarding their business performances, during which they are assessed on their compliance with the requirements and policies of the Company. All suppliers have been informed also that corruption in any form is disallowed in the conduct of business with AllDay.

Management Approach to Impacts

To uphold integrity and transparency as foundational principles of responsible business conduct, the Company is committed to preventing all forms of corruption and unethical behavior in its operations and across its value chain. The Company is committed to preventing and addressing corruption in all its forms, including bribery, fraud, embezzlement, and any behavior that undermines transparency and fairness. As part of its corporate governance principles, AllDay enforces strict policies and internal controls that promote integrity and responsible decision-making across all levels of the organization.

Corruption weakens institutions, distorts competition, and hinders inclusive economic development. As a fast-growing retail business that engages with multiple stakeholders, from suppliers and service providers to local government units, AllDay understands the importance of maintaining clean, transparent, and honest dealings at all times. The Company ensures that employees, especially those in roles involving procurement, logistics, finance, and external affairs, are fully aware of their responsibilities and are held to the highest ethical standards.

Whistleblowing and Reporting Channels

AllDay has put in place a formal Whistleblowing Policy to provide a safe, confidential, and accessible mechanism for reporting unethical or illegal acts. Any director, officer, or employee may raise concerns about suspected misconduct, including fraud, abuse of authority, or violations of company policy. These reports can be made anonymously and are directed to the Human Resources Department Head or the President.

To reinforce openness, AllDay maintains an “open-door policy,” which encourages employees to speak freely with their supervisors or any member of the management team. The Company does not tolerate any form of retaliation against whistleblowers. All complaints are handled

discreetly, and appropriate investigations are conducted to ensure fair and just outcomes.

Ethical Business Conduct

The Code of Conduct and Business Ethics outlines AllDay's expectations regarding employee behavior and professional integrity. Employees are expected to act honestly and avoid conflicts of interest in all business activities. Whether on-site, offsite, or attending company-related events, employees represent the values of AllDay and are expected to maintain high ethical standards.

The Company strictly prohibits offering or receiving bribes, kickbacks, or facilitation payments in any form whether to government officials, customers, vendors, or business partners. All forms of improper financial incentives are considered a serious breach of company policy and may result in disciplinary action, including termination of employment and potential legal consequences.

AllDay also ensures that new employees are oriented on the company's anti-corruption policies during onboarding and that periodic refreshers are conducted through internal communication channels and compliance training programs.

Gifts, Entertainment, and Hospitality

Moreover, the Company promotes a clear and cautious approach to gifts and hospitality. To avoid any real or perceived conflict of interest, employees are prohibited from accepting gifts, favors, or entertainment from third parties if these are intended to influence business decisions or create a sense of obligation.

If a gift or token of appreciation is received especially during holidays or special occasions, employees must report it to their line managers and surrender it to the Company for appropriate evaluation and disposition. Employees are also expected to disclose any repeated or inappropriate gestures from external parties that may compromise impartiality or decision-making.

Risks to AllDay and Management Approach	Stakeholders Affected
As a retail company engaged in the procurement and sale of fresh, food, and non-food products at both wholesale and retail levels, AllDay operates within a complex supply chain that involves frequent interactions with vendors, distributors,	Employees, Business Partners including suppliers and concessionaires

logistics providers, and government regulators. These interactions, particularly in procurement, inventory sourcing, and sales negotiations, can pose inherent risks related to fairness, undue influence, and transparency.

Key corruption-related risks include:

- Procurement irregularities, such as preferential treatment, non-competitive sourcing, or supplier favoritism;
- Unethical incentives, such as kickbacks or facilitation payments to expedite processes or secure favorable terms;
- Conflicts of interest, especially where employees or decision-makers have undisclosed relationships with vendors or service providers;
- Inadequate oversight, which may lead to mismanagement or misuse of resources.

AllDay acknowledges that without strong internal controls, these risks may expose the Company to reputational damage, financial loss, or regulatory scrutiny. As a safeguard, the Company enforces strict procurement protocols, supplier accreditation standards, and an approval hierarchy that ensures no single individual has end-to-end decision-making power in transactions.

Regular audits, both internal and external, help identify potential red flags in financial and operational records. Additionally, AllDay's Code of Conduct and Whistleblowing Policy serve as front-line defenses by setting clear behavioral expectations and providing secure channels to report irregularities.

Management Approach to Risks

An effective governance and risk management are essential to ensuring the integrity of the Company's operations, particularly in areas that are most vulnerable to corruption, such as procurement, related party transactions (RPTs), and conflict of interest scenarios. The Company adopts a proactive, policy-driven approach to identifying, managing, and mitigating these risks across the organization.

Oversight and Governance

The Board of Directors holds ultimate responsibility for setting the tone at the top and establishing a strong internal control environment. This includes the formulation and enforcement of a group-wide policy governing Related Party Transactions (RPTs) and other unusual or material transactions that may present potential conflicts of interest or expose the organization to reputational and financial risk.

The RPT policy applies to all entities within the group, regardless of size, risk profile, or operational complexity, and mandates an objective review and approval process for material or significant transactions. Thresholds for materiality are defined clearly, and transactions that meet or exceed these thresholds are subject to enhanced due diligence, independent review, and full disclosure. This ensures that all dealings are carried out fairly, at arm's length, and in the best interests of the Company and its stakeholders.

Managing Related Party Risks

The Board ensures that all related party transactions are conducted transparently and with integrity. These include transactions between the Company and its parent firm, subsidiaries, affiliates, joint ventures, major shareholders, officers, and directors, as well as their immediate family members. The Company actively monitors interlocking director relationships and requires board members to disclose any financial, personal, or professional ties that could compromise their objectivity.

When a material conflict of interest arises, the concerned director is required to fully disclose the situation and recuse themselves from any related discussions or decisions. Directors with ongoing material conflicts are strongly advised to evaluate their continued ability to serve effectively and independently.

Conflict of Interest and Employee Accountability

AllDay has a standing Conflict of Interest Policy that applies not only to the Board but also to all employees. This policy emphasizes the duty of every employee to act in the best interest of the Company and to avoid any activities—whether financial, professional, or personal—that may interfere with their judgment or responsibilities.

Employees are required to disclose any actual, potential, or perceived conflicts of interest, including outside employment, investments, or personal relationships that may affect their objectivity. They are also expected to avoid any business dealings with related parties unless fully disclosed and approved. Undisclosed relationships or willful withholding of information may result in disciplinary action, including termination.

To further protect the organization from corruption-related risks, AllDay:

- Maintains a robust approval matrix for high-value procurement and financial transactions;
- Requires periodic conflict of interest declarations from directors and key management;
- Conducts internal audits and risk reviews to identify gaps and recommend controls;
- Provides guidance to employees and executives on ethical conduct through onboarding, refreshers, and internal communications.

Opportunities	Stakeholders Affected
While corruption-related risks pose challenges to operational integrity, AllDay views its strong governance, transparency, and accountability mechanisms as strategic opportunities to reinforce stakeholder trust, enhance operational efficiency, and future-proof its business. By embedding anti-corruption controls into its everyday operations, AllDay creates an internal environment where ethical conduct is the norm, not the exception. This positions the Company as a trusted retail partner among suppliers, customers, and investors who increasingly demand integrity-driven business relationships.	Employees, Suppliers, Business Partners, Investors, Customers, Management

The following are key opportunity areas that stem from AllDay's anti-corruption and ethical governance practices:

1. Reputation as an Ethical Retailer

With increasing consumer and investor scrutiny on corporate behavior, AllDay's strong ethical stance enables it to differentiate itself in the retail industry.

Clear and enforced policies on fair dealing, anti-bribery, and conflict of interest enhance the Company's brand as a responsible and transparent organization qualities that influence consumer loyalty and investor confidence.

2. Stronger Supplier and Partner Relationships

AllDay's fair and competitive procurement practices promote long-term partnerships with vendors and service providers. A transparent sourcing system not only reduces the risk of favoritism and fraud but also fosters mutual accountability and shared growth among business partners.

3. Operational Resilience through Controls and Oversight

The Company's governance frameworks, particularly those that address related party transactions and asset management, reduce exposure to financial mismanagement. This increases the resilience of AllDay's operations, allowing it to respond more effectively to market volatility and regulatory shifts.

4. Employee Empowerment and Ethical Culture

Through promoting a workplace culture that encourages openness, ethical conduct, and whistleblower protection, AllDay empowers its employees to take an active role in protecting the integrity of the Company. This leads to stronger internal cohesion, improved morale, and a deeper sense of shared accountability.

5. Compliance-Driven Growth

Sound governance and anti-corruption systems allow AllDay to scale responsibly. By staying ahead of regulatory requirements and aligning

with global ESG standards, the Company strengthens its eligibility for capital access, potential partnerships, and ESG-focused investment.

AllDay continues to improve its internal control systems and raise awareness across all levels of the organization. As it grows, the Company remains committed to turning compliance into competitive advantage proving that doing business with integrity is not just a legal obligation, but a long-term value driver.

Management Approach to Opportunities

AllDay takes a strategic and forward-looking approach to unlocking the opportunities that arise from robust anti-corruption practices. Beyond strict compliance with its Code of Conduct & Ethics, the Company is focused on institutionalizing a culture of integrity that supports sustainable growth and resilient operations. Recognizing that transparency and ethical conduct are key differentiators in today's business landscape, AllDay is expanding efforts to integrate anti-corruption principles into all aspects of its operations. Currently, the Company is also developing enhanced systems and data-driven tools to detect early warning signs of irregularities and to assess ethical risks across its value chain.

Moving forward, AllDay aims to evolve its governance framework in line with global best practices and stakeholder expectations, ensuring that trust, accountability, and ethical business conduct remain central to its growth strategy.

ENVIRONMENTAL DISCLOSURES

Resource Management

Energy consumption within the organization

Disclosure	Quantity			Units
	2024	2023	2022	
Energy consumption (diesel)	N/A	468	487	L
Energy consumption (electricity)	29,622,527	33,762.28	29,813,938.11	kWh

Reduction of energy consumption

AllDay's Impact	Stakeholders Affected
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In 2024, AllDay consumed 29,622,527 kWh of electricity across its store and office operations.

Employees, Customers

As a retail business operating primarily in leased commercial spaces, AllDay's energy usage is heavily influenced by the energy infrastructure provided by its lessors. Electricity remains the primary energy source, with the bulk of consumption attributed to refrigeration systems such as chillers, cold rooms, and freezers that are critical for preserving food quality and safety. In addition, direct expansion (DX) air conditioning units, which maintain optimal in-store temperatures for customers and perishable goods, also contribute significantly to overall electricity use.

While AllDay does not currently control the source of its electricity given its tenant status, it recognizes the importance of energy efficiency in lowering operational costs and reducing environmental impact. The Company continues to

monitor its energy use closely and explore energy-saving opportunities, such as transitioning to more energy-efficient appliances and lighting systems, optimizing store layout for thermal efficiency, and engaging with lessors on potential green building initiatives.

Management Approach to Impacts

AllDay is committed to optimizing its energy usage across operations through proactive management practices, ensuring that energy resources are used efficiently and responsibly. The Company implements a detailed scheduling and maintenance program for key equipment such as freezers, chillers, and cold rooms, which are critical to its daily operations. These measures help reduce energy consumption by ensuring that refrigeration units are not overstocked, thus preventing the motor compressors from running at full load capacity, minimizing energy wastage and extending equipment lifespan.

Additionally, AllDay continues to monitor its energy usage across its operations, adjusting as necessary to achieve improved energy performance. Looking ahead, AllDay plans to incorporate more energy-efficient technologies, optimize energy consumption patterns, and explore opportunities for collaboration with lessors to transition toward greener, renewable energy sources.

AllDay's Risks	Stakeholders Affected
One of the key risks associated with AllDay's energy consumption is the potential disruption of operations due to prolonged power outages caused by natural catastrophes, such as intense typhoons and extreme flooding. These events not only threaten the continuity of operations but can also severely impact the supply chain, particularly in areas where critical refrigeration and air conditioning systems are essential for maintaining the quality and safety of goods. Such disruptions can lead to significant losses in inventory, operational downtime, and increased reliance on backup power sources, which may result in higher fuel consumption and costs.	Employees, Customers

To mitigate these risks, AllDay closely monitors weather forecasts and natural disaster trends,

ensuring that its contingency plans for power outages are up-to-date and robust. The Company continues to invest in backup power systems, such as generators, to maintain operations during emergencies, while also exploring more resilient infrastructure solutions that can better withstand extreme weather events. Furthermore, AllDay engages with its lessors to understand their disaster preparedness plans and works collaboratively to reduce vulnerabilities in energy supply during these risk events.

Management Approach to Risks

Taking cognizance that such events can cause significant operational setbacks, the Company has implemented a comprehensive risk management framework to mitigate the impact of power interruptions. This includes the regular assessment of weather patterns and potential disaster risks, allowing AllDay to anticipate and prepare for extreme weather events well in advance.

In addition to maintaining a reliable backup power system, including generators that can support critical operations during power outages, AllDay is investing in energy resilience strategies to reduce reliance on external power sources. Furthermore, AllDay collaborates closely with its lessors to ensure their disaster recovery plans align with the Company's operational needs, securing more resilient energy infrastructure for the future.

Through these measures, AllDay not only safeguards against energy-related risks but also strengthens its overall sustainability strategy by improving energy resilience and reducing the environmental impact of power disruptions.

Water consumption within the organization

Disclosure	Quantity			Units
	2024	2023	2022	
Water withdrawal	Not monitored	Not monitored	Not monitored	Cubic meters
Water consumption	70,650	62, 279	64,061	Cubic meters
Water recycled and reused	N/A	N/A	N/A	Cubic meters

AllDay's Impact, Risks, and Opportunities	Stakeholders Affected
Water consumption within AllDay's operations is primarily driven by the use of ice makers, which are essential for maintaining the freshness of food products. Additionally, water is required for sanitation and cleaning purposes, particularly in areas dedicated to the preparation of fresh items and for the overall cleanliness and disinfection of stores. In 2024, AllDay consumed 70,650 cubic meters of water in its operations. While the Company does not currently monitor water withdrawal or recycling/reuse at a granular level, it recognizes the importance of water as a critical resource and is committed to improving its water management practices. Any interruption in water supply could potentially disrupt these essential functions, affecting both product quality and store hygiene. To mitigate this risk, AllDay is focused on implementing water conservation practices, including optimizing the use of ice makers to minimize water wastage and ensuring that faucets are turned off when not in use. Preventive maintenance schedules for ice makers are also in place to ensure they are operating efficiently, reducing water consumption while maintaining a steady supply of ice. As a tenant of Vistamalls, AllDay sources its water from water tanks that ensure a continuous and reliable supply for its stores. In addition, the Company is connected to the mall's sewage treatment plants, supporting the effective management of water use and waste. Moving forward, AllDay is committed to enhancing its water conservation efforts. This includes monitoring and tracking water consumption at each store to detect any irregularities or fluctuations that may indicate inefficiencies. The Company encourages store personnel to adhere to water-saving practices and will continue to explore opportunities for greater water reuse and	Employees, Customers

recycling.

Materials used by the organization

Disclosure	Quantity		
	2024	2023	2022
Materials used by weight or volume	Cartons	Cartons	Cartons
a. Renewable	244,677 kilos	338,753 kilos	333,635 kilos
b. Non-renewable	No data	No data	No data
Percentage of recycled input materials used to manufacture the organization's primary products and services	Approximately 50% used as packaging for customer purchase, 50% for selling	Approximately 50% used as packaging for customer purchase	approximately 50% sold

AllDay's Impact, Risks, and Opportunities	Stakeholders Affected
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Reducing waste and promoting sustainability by repurposing cartons for packaging customer purchases helps minimize the need for new packaging materials. In addition, used cartons and paper products are sold to recyclers, generating additional revenue while supporting the Company's sustainability goals.

While these efforts significantly contribute to waste reduction, there are some limitations to using repurposed materials. Cartons that have previously contained chemicals, for instance, cannot be reused due to safety concerns. Furthermore, repurposed materials may not always meet the same quality standards as new materials, which could impact their reliability.

In 2024, AllDay primarily used cartons, consuming

Customers, Recyclers

approximately 244,677 kilograms. Around 50% of these cartons were repurposed for packaging customer purchases, contributing to the Company's waste reduction efforts.

Despite the challenges associated with reusing materials, AllDay remains focused on improving its material reuse and recycling practices to ensure sustainability while maintaining operational quality and safety.

Management Approach to Impacts, Risks, and Opportunities

AllDay adopts resource-efficient practices to minimize the use of new materials particularly plastics by prioritizing the reuse of available resources. Cartons in good condition are set aside and repurposed as packaging for customer purchases, reducing the need for single-use bags and boxes. Those that can no longer be reused, such as broken or damaged cartons, are collected and sold to haulers or junk merchants. The Company also utilizes paper bags and actively encourages customers to bring their own eco-bags to further reduce packaging waste.

Beyond operational practices, AllDay promotes a culture of environmental responsibility by regularly educating store personnel on proper waste and materials management. Employees are informed not only about efficient material use but also about the broader impact of these efforts on communities and the environment.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

At present, ecosystems and biodiversity, whether in upland, watershed, coastal, or marine areas, are considered non-material to AllDay's core business operations and to the interests of its primary stakeholders. As a retail company operating primarily in urban commercial spaces, the Company's direct impact on natural ecosystems is minimal.

Nevertheless, AllDay remains committed to environmental stewardship. The Company continues to monitor developments in biodiversity-related regulations and best practices, and remains open to integrating relevant measures should future operations or supply chain activities present potential risks or opportunities related to biodiversity conservation.

Environmental Impact Management

Air Emissions

GHG²

Disclosure	Quantity			Units
	2024	2023	2022	
Direct (Scope 1) GHG Emissions	N/A	1.0	1.31	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	20,543.22	23,374.65	21,233.49	Tonnes CO ₂ e
Emission of ozone-depleting substances (ODS)	Not tracked	Not tracked	Not tracked	Tonnes CO ₂ e

Air Pollutants

As of 2024, AllDay does not yet have access to specific monitoring systems for air pollutant emissions such as nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM). However, the Company continues to manage its environmental footprint by closely monitoring its energy consumption and promoting efficiency in store operations.

AllDay recognizes the value of tracking air emissions as part of a broader approach to environmental responsibility. As its operations evolve, the Company remains open to adopting improved monitoring practices, especially as more accurate and cost-effective tools become available.

AllDay's Impact, Risks, and Opportunities	Stakeholders Affected
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AllDay's operations primarily rely on electricity and fuel, particularly gasoline and diesel, to power its stores, generator sets, and delivery vehicles. These energy sources are necessary to maintain uninterrupted store operations and ensure the timely movement of goods. Consequently, the Company's direct emissions (Scope 1) are mainly generated by the use of fuel in its company-owned vehicles and backup generator sets, while indirect emissions (Scope 2) arise from purchased electricity used across its branches.

Employees, Customers

As the Company continues to expand, the frequency and distance of deliveries between

² The emission factors used are based on the National Grid Emission Factor (NGEF) released by the Philippine Department of Energy. Other unit conversion factors were from the GHG Protocol Emission Factor Cross-sector Calculation Tool (March 2017).

stores and distribution centers increase, making logistics one of the primary contributors to AllDay's carbon footprint. Recognizing this, AllDay implements route optimization and inventory planning strategies to maximize vehicle capacity and reduce unnecessary trips measures that not only improve fuel efficiency but also help mitigate emissions.

In 2024, AllDay generated approximately 20,543 tCO₂ Scope 2 emissions. While comprehensive emissions monitoring is still evolving, AllDay remains committed to improving its data tracking systems, with a view toward setting realistic reduction targets in the near future.

Management Approach to Impacts, Risks, and Opportunities

In line with regulatory requirements and the Company's commitment to environmental responsibility, AllDay strives to adopt better approaches to managing emissions across its operations. Accordingly, emissions from generator sets are monitored through routine load testing, which forms part of the Company's compliance process for renewing its Permit to Operate (PTO). Additionally, all company-owned vehicles undergo regular emissions testing including monthly inspections and annual compliance checks in accordance with the Department of Environment and Natural Resources (DENR) standards.

For locations situated in leased properties, such as those within Vistamalls, emissions monitoring is coordinated with the lessor. Vistamalls' administrative teams conduct regular in-house assessments, ensuring that ventilation and equipment operations adhere to prescribed environmental performance levels.

Beyond compliance, AllDay proactively engages in energy conservation measures aimed at reducing emissions at source. These include the use of energy-efficient lighting and appliances, scheduled preventive maintenance, and store-level practices such as switching off idle equipment during non-peak hours.

In 2024, the Company recorded a 12% decrease in emissions. As operations continue to scale, AllDay is also working to strengthen its emissions data management systems to better inform future mitigation strategies and support its long-term sustainability goals.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity			Units
	2024	2023	2022	
Total solid waste generated	244,677	328,539	327,961	kg
Reusable	244,677	N/A	N/A	kg
Recyclable	Data not available	Data not available	Data not available	kg
Composted	N/A	N/A	N/A	kg
Incinerated	N/A	N/A	N/A	kg
Residuals/Landfilled	416 pcs ³	329,833	327,961	kg

Hazardous Waste

Disclosure	Quantity			Units
	2024	2023	2022	
Total hazardous waste generated	1,442	1,341	1,046	pcs.
Total hazardous waste transported	N/A	N/A	N/A	kg

AllDay's Impact, Risks, and Opportunities

As a retailer engaged in the buying, selling, and distribution of fresh food and non-food products, AllDay generates waste primarily from packaging materials, particularly cartons used in the transport and delivery of merchandise. These cartons comprise the bulk of the Company's non-hazardous solid waste. Where possible, reusable cartons are repurposed for in-store packaging or sold to third-party recyclers, contributing to both waste reduction and circular material use. In 2024, the decrease in generated waste is attributed to the minimal delivery per store.

Stakeholders Affected

Employees, Customers, Third- party Hauler

³ Of bulbs and/or plastics

Other forms of operational waste include damaged merchandise packaging, busted fluorescent bulbs, and minor e-waste. Hazardous waste such as used bulbs is collected and properly disposed of by DENR-accredited third-party haulers, ensuring safe handling in accordance with regulatory standards. For stores located in leased spaces within Vistamalls, the management of hazardous waste is overseen by the mall administration, following relevant environmental regulations.

AllDay is aware of the environmental risks posed by non-biodegradable materials, particularly single-use plastics. In response, the Company is actively working to reduce plastic usage across its operations. This includes the promotion of paper bags and eco-bags at checkout counters and encouraging customers to bring their own reusable bags.

Management Approach to Impacts, Risks, and Opportunities

Effective waste management is essential to maintaining clean and efficient operations across AllDay's stores and contributes directly to providing a premium in-store experience for customers. In 2024, the Company generated 416 kg of residual waste sent to landfill. Data on recyclable, composted, or incinerated waste is currently not available, though improvements in waste tracking are underway.

AllDay implements a waste classification system in compliance with national laws and local ordinances, distinguishing hazardous, biodegradable, and non-biodegradable waste. Store personnel and security staff oversee daily waste segregation and disposal practices, guided by visual signage and regular staff reminders to reinforce proper waste handling behavior. Waste quantities are logged and recorded prior to collection by third-party haulers, who are required to be accredited by the Environmental Management Bureau (EMB) to ensure compliance with environmental regulations.

To minimize reliance on single-use materials, AllDay promotes the use of recyclable containers and durable boxes over traditional cartons, supporting the Company's long-term goal of contributing to a circular economy. Recyclable eco-bags are also encouraged at the point of sale, in alignment with local government initiatives aimed at reducing plastic and paper waste.

Furthermore, the Company continues to reduce its hazardous waste output by gradually

replacing fluorescent lighting with LED alternatives. This transition not only supports energy efficiency goals but also lessens the environmental burden associated with disposing of spent lighting materials.

For pest-related waste concerns, AllDay regularly evaluates the effectiveness of its pest control programs and enhances mitigation efforts as necessary to uphold sanitation standards and minimize waste contamination risks. Moving ahead, AllDay plans to enhance waste reporting systems and explore opportunities to increase recycling and diversion rates, contributing to its broader sustainability objectives.

Effluents

As a lessee of Vistamalls and Starmalls, AllDay's wastewater discharge is managed and measured by the respective building operators. AllDay stores are connected to the mall's centralized wastewater and sewage treatment systems, which ensures that effluents are treated in accordance with applicable environmental regulations. While AllDay does not have direct operational control over effluent monitoring, the Company coordinates with mall administrators to ensure compliance with national standards on wastewater quality. Moving forward, AllDay is exploring avenues to strengthen engagement with lessors on wastewater performance and reporting, in line with the Company's commitment to environmental responsibility.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity			Units
	2024	2023	2022	
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	N/A	N/A	N/A	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	N/A	N/A	N/A	#
No. of cases resolved through dispute resolution mechanism	N/A	N/A	N/A	#

Adhering to environmental laws, regulations, and local government initiatives, particularly those focused on reducing single-use plastics is one of the Company's initiatives to ensure environmental compliance. The Company actively supports national sustainability efforts by ensuring that its operations are aligned with eco-friendly standards, helping to minimize environmental impact across all areas of its business.

LGU, Employees, Customers

To promote environmental responsibility, AllDay has implemented comprehensive waste management policies in its stores. These include proper waste segregation procedures, which are reinforced through regular employee training and clear guidelines. Additionally, AllDay's third-party partners share in this commitment, engaging in green initiatives to support a broader environmental stewardship strategy.

AllDay also ensures strict compliance with required government permits and environmental standards. This includes meeting all the guidelines set by the Department of Environment and Natural Resources (DENR), ensuring that all equipment and operations are safe and environmentally responsible. The Company is vigilant in monitoring regulatory changes and ensures that all permits and approvals are renewed in a timely manner to avoid any operational disruptions.

Recognizing the significant environmental challenges posed by single-use plastics, AllDay views this as an opportunity to enhance its sustainability efforts. The Company is continuously working towards reducing waste and aims to achieve a zero-waste business model. By implementing sustainable practices and promoting waste reduction, AllDay contributes to mitigating the growing problem of plastic pollution in urban areas, while also fostering a cleaner, more sustainable environment for its customers and communities.

Management Approach to Impacts, Risks, and Opportunities

AllDay's operations are governed by a comprehensive framework of laws, rules, and regulations designed to safeguard the environment. These include key environmental laws such as:

- Presidential Decree No. 1586 (Philippine Environmental Impact Statement System)
- Republic Act No. 9275 (The Clean Water Act of 2004)
- Presidential Decree No. 1067 (The Water Code of the Philippines)
- Republic Act No. 8749 (Clean Air Act of 1999)
- Republic Act No. 6969 (Toxic Substances and Hazardous and Nuclear Waste Control Act)
- Republic Act No. 9003 (Ecological Solid Waste Management Act)
- Presidential Decree No. 856 (Code of Sanitation of the Philippines)
- Republic Act No. 4850 (Establishment of the National Water Resources Council)

As part of its commitment to environmental responsibility, AllDay actively integrates these legal frameworks into its operational practices. The Company recognizes the importance of compliance not only for regulatory adherence but also for its role in contributing to the protection and preservation of natural resources, thereby maintaining the Company's zero cases of noncompliance since 2021.

One of the key thrusts of AllDay's sustainability strategy is to cultivate responsible consumption among its customers. As part of this initiative, AllDay promotes the use of reusable shopping totes, offering incentives such as promotions, discounts, and freebies to encourage shoppers to reduce plastic waste. By providing these alternatives, the Company aims to reduce the environmental footprint associated with single-use plastic bags.

SOCIAL DISCLOSURES

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure	Quantity			Units
	2024	2023	2022	
Total number of employees ⁴	241	275	259	#
Number of female employees	146	170	103	#
Number of male employees	95	105	156	#
Attrition rate ⁵	49%	7%	2%	rate
Ratio of lowest paid employee against minimum wage	Confidential	Confidential	Confidential	ratio

Employee Benefits

List of Benefits	Y/ N	% of female employees who availed			% of male employees who availed		
		2024	2023	2022	2024	2023	2022
SSS	Y	10	20	29	3	14	16
PhilHealth	Y	1	7	7	0	7	3
Pag-IBIG	Y	7	13	10	3	9	10
Parental leaves	Y	6	8	6	1	7	3
Vacation leaves	Y	89	78	79	37	73	72
Sick leaves	Y	89	62	68	37	71	54

⁴ Employees include those who are listed under AllDay Marts payroll.

⁵ Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year

Medical Benefits (aside from PhilHealth)	Y	1	44	49	0	38	23
Housing assistance (aside from Pag-IBIG)	Y	4	3	0	2	2	0
Retirement fund ⁶ (aside from SSS)	N	N/A	N/A	Confidential	N/A	N/A	Confidential
Further education support	N	N/A	N/A	N/A	N/A	N/A	N/A
Company stock options	N	N/A	N/A	N/A	N/A	N/A	N/A
Telecommuting	Y	N/A	14	N/A	N/A	21	N/A
Flexible working hours	N	N/A	N/A	N/A	N/A	N/A	N/A

Diversity and Equal Opportunity

Disclosure	Quantity			Units
	2024	2023	2022	
% of females in the workforce	61	61	60	%
% of males in the workforce	39	39	40	%
Number of employees from indigenous communities and/or vulnerable sector	0	0	0 ⁷	#

Impact

The evolving job market and increased candidate expectations have intensified competition for talent, making retention a key challenge. This year, AllDay focused on restructuring the

⁶ This is being provided as a benefit, but the figure is confidential

⁷ The 2 employees from indigenous communities and/or vulnerable sectors in 2021 left the Company in 2022: 1 was transferred to another business unit within Villar group, and 1 resigned.

organization as well as optimizing the workforce resulting in the increase of attrition rate. To strengthen overall workforce stability, initiatives to support long-term career growth are in place and are continuously implemented. Efforts include expanding internal career opportunities, offering targeted upskilling and reskilling programs, and improving workplace policies to create a more inclusive and equitable environment.

Apart from expanding internal career pathways, AllDay also implemented unbiased hiring and promotion practices, thereby creating an environment where employees feel valued, respected, and empowered to succeed. In line with these efforts, the Company has strengthened its workplace culture by building an inclusive workforce not only for employee well-being but also for driving innovation and strengthening overall business performance.

To support this commitment, AllDay continuously enhances its policies and programs that promote equal opportunities and remove barriers to career growth. This includes structured upskilling and reskilling initiatives, unbiased hiring and promotion practices, and ongoing Diversity, Equality, and Inclusion (DEI) initiatives across all levels of the organization.

Management Approach to Impacts

Recognizing that a diverse and inclusive workforce contributes to a stronger, more dynamic organization, recruitment, and hiring processes adhere to the non-discrimination regulations set by the Department of Labor and Employment (DOLE), ensuring that candidates are assessed based on qualifications and competencies rather than gender, age, disability, educational attainment, race, or religion. The Company's Anti-Discrimination Policy is reinforced through employee orientation to cultivate an inclusive workplace culture. While the Company has not set formal diversity targets, strategic measures are in place to promote equitable opportunities across all levels.

Gender diversity remains a key consideration, with women holding significant leadership roles within the organization. Currently, four female members serve on the Board of Directors, while two female executives are part of the management team. These leadership roles reflect AllDay's commitment to recognizing and harnessing the capabilities of women in driving business success.

Beyond equitable hiring practices, AllDay provides competitive employee benefits and salary to attract and retain top talent. Regular employees are given sick leaves and vacation leaves, medical benefits, and bonuses in addition to the 13th-month pay. The Company also offers mobile allowances and travel incentives as part of its performance-driven rewards system. These benefits, combined with career development initiatives, contribute to higher employee engagement and long-term retention.

Risks

Despite AllDay's ongoing efforts to build a strong, dynamic, and diverse workforce, several risks remain in employee management that could potentially impact the Company's long-term success. Firstly, the challenge of retaining top talent continues to persist, particularly in a competitive labor market. Even when the Company offers comprehensive benefits and career development, turnover rates consequently result in significant recruitment and training costs, as well as disruptions to team continuity and service management.

Additionally, equity and fairness in the distribution of benefits and opportunities remain a concern. Possible perception of inequity may affect employee morale, engagement, and retention, especially if certain groups feel excluded or underrepresented in certain roles.

Finally, while AllDay has made strides toward diversity, equity, and inclusion, the risk of superficial or ineffective DEI initiatives remains. Failure to genuinely integrate the Company's DEI efforts into its culture or taken as tokenistic lead to employee disengagement, decreased productivity, and legal challenges.

Management Approach to Risks

To mitigate these aforementioned risks, AllDay continuously refines its employee management practices, ensures compliance with legal requirements, and maintains a culture of inclusivity, transparency, and fairness. Hence, the Company evaluates and updates its policies regularly to address evolving challenges and ensure that its workforce remains engaged and motivated.

To manage employee benefits effectively, the Company provides a competitive salary and additional support that include mobile allowance to facilitate effective communication and essential government-mandated benefits such as SSS, Pag-Ibig, and PhilHealth. Employees also benefit from housing assistance programs which offer direct home loans and other related services. Moreover, regular employees also benefit from various leave options such as sick leaves, vacation leaves, and service incentive leaves (SIL). Unused SIL can be converted into cash at the end of the year, providing flexibility for employees. For expectant mothers, parental leave is available, while all regular employees enjoy health assistance through AllDay's partnership with a health maintenance organization (HMO). This partnership extends to up to four eligible dependents per employee, covering medical expenses, check-ups, and diagnostic procedures as needed.

Insofar as the risks related to recruitment is concerned, AllDay continues to implement its digitized recruitment process, which includes asynchronous job interviews to ensure efficiency while avoiding potential biases at the same time. This digital approach enables a more objective evaluation of candidates, saving time for both parties while maintaining fairness and consistency in the recruitment process.

Furthermore, the company continues to embrace a hybrid work model to better support employee well-being and work-life balance. Clear communication remains key in defining expected work outputs, return-to-office guidelines, and health protocols to ensure the continued safety of employees and clients. These adjustments have allowed the company to maintain business continuity while adapting to evolving workforce needs and expectations.

Opportunities

Regardless of the identified risks, the Company is an employer of choice by strengthening its employee value proposition (EVP) and highlighting the Company's mission, culture, career growth opportunities, and commitment to its DEI. The Company also invests in engagement programs such as mentorship and leadership development initiatives to foster employee engagement, a sense of belonging, recognition, and purpose among employees. These initiatives can also make way for career growth and advancement opportunities, which shows how the Company is dedicated to employee development.

AllDay also invests in a comprehensive onboarding orientation to welcome new hires, understand the Company's culture, and improve overall employee productivity. The Company also focuses on retaining top talents by implementing strategies such as providing a more competitive salary, benefits, and career development opportunities to increase employer loyalty and minimize turnover rates. Moreover, the Company's continuous expansion has provided ways for employees to provide incentives, benefits, and rewards.

Additionally, the Company acknowledges the value of each employee and makes sure that all employees are motivated and performing effectively through various career longevity programs and policies for employee retention.

To build a more fair and inclusive workplace, the Company reviews and updates its policies to ensure these are fair and equitable and address possible biases in specific areas aside from providing competitive salaries, employee benefits, and access to development opportunities.

Establishing diversity and inclusion training programs to managers and employees on unconscious bias, cultural sensitivity, and inclusive leadership also helps foster a positive work environment and promote diversity and equality in the Company. These also make employees aware of diverse cultural backgrounds, career progression, and a sense of belongingness.

Management Approach to Opportunities

AllDay regularly gathers feedback from its employees to understand their needs and to plan initiatives in order to address its employees' concerns.

Creating a DEI Council helps provide strategic guidance and oversight for DEI programs for the Company. Another way the Company ensures fairness and resolves possible biases is by examining its compensation structure and promotion processes and implementing unconscious bias, cultural sensitivity, and inclusive leadership practices for all employees and managers.

AllDay creates a yearly strategic plan that summarizes specific, measurable, achievable, relevant, and time-bound (SMART) goals for its DEI initiatives and integration of DEI principles into all aspects of the business. It also keeps its key performer indicators (KPIs) to measure progress for these DEI goals to be adjusted and improved.

The Company continuously reviews and aligns its DEI strategies based on feedback, data, and emerging best practices to show that AllDay commits to a progressive mindset. The Company also gets employees involved in developing and implementing DEI programs to encourage a sense of ownership and accountability.

Employee Training and Development

Disclosure	Quantity			Units
	2024	2023	2022	hours
Total Training Hours	2,820	3,172	3,042	hours
a. Female employees	1,889	1,754.5	2,170	hours
b. Male employees	931	1407	872	hours
Average Training Hours	3.21	4.7	4.81	hours/employee
a. Female employees	3.10	6	4.66	hours/employee
b. Male employees	3.45	9	5.25	hours/employee

Impact

Over the years, the Company has significantly enhanced employee engagement by offering various training courses aimed at improving skills, increasing productivity, and creating pathways for career advancement.

One key aspect of AllDay's employee development approach is its annual performance evaluation process. This initiative helps employees assess and enhance their job performance, based on clear standards and metrics that align with both skill development and the Company's core values. Through this, AllDay ensures that employees remain aligned with organizational goals while fostering continuous personal and professional growth.

In addition, AllDay places a strong emphasis on preparing employees for future roles and responsibilities. The Company implements succession planning and replacement strategies to identify

high-potential personnel, assigning multiple team members to various functions to facilitate skill diversification and leadership development.

In 2024, AllDay facilitated a diverse range of internal and external training courses, providing employees with opportunities to expand their skill sets across various domains. Some of the key training programs offered include:

- **B.E.S.T. Leaders**

Designed for newly promoted Team Leads and Managers, this program aims to build authentic leadership by covering performance management, effective communication, and basic coaching to drive team success.

- **HR Programs (Behavior Based Interview, Conducting Due Process, Performance Management)**

A series of HR modules given to Team Leads and Managers for talent management and employee relations. This program covers Behavior Based Interviewing to hire the right talent, Conducting Due Process to ensure fair and compliant employee actions, and Performance Management to set goals, track progress, and drive employee growth.

- **Effective Time Management**

Aligned with the rightsizing initiative, this helps develop skills in prioritizing tasks, managing workloads, and maximizing productivity for Team Leads and Managers with added responsibilities to lead teams efficiently and achieve business goals.

- **Project Management Workshop**

Designed for employees with additional responsibilities in handling key projects, provides the skills needed for effective project planning, execution, and monitoring. It prepares participants to successfully manage projects outside their primary roles and deliver results on time and within scope.

- **MS Excel Advanced Course**

Aimed at improving data management skills, this hands-on course focused on advanced functions, formulas, and data visualization techniques to enhance participants' proficiency in spreadsheet analysis and reporting.

- **eLearning Pilot Module**

The eLearning pilot features modules on Basic Company Information, VMV (Vision, Mission, Values), Code of Discipline, and other essential topics. This initiative is designed to save on training costs and logistics by transitioning regular weekly sessions to an eLearning format,

making training more efficient and accessible for all employees.

- **The Art of Supervisory**

Aimed at developing leadership skills, this training empowered participants with essential supervisory skills, including communication, conflict resolution, and team motivation, to effectively lead and support team members.

- **Basic Telephone Courtesy**

Equips AllDay Supermarket employees with essential telephone etiquette to enhance customer service and professional communication. Participants learn proper greeting protocols, active listening skills, tone management, and effective call handling to ensure a courteous and seamless customer experience.

- **Effective Presentation Skills**

Provides employees with the skills to deliver clear, confident, and engaging presentations. Participants learn techniques for structuring content, enhancing delivery, managing nerves, and using visual aids effectively to communicate ideas with impact.

- **Problem Solving Decision Making**

Enhances employees' ability to analyze challenges, evaluate alternatives, and make sound decisions. Through structured techniques and real-world applications, participants develop critical thinking skills to resolve issues effectively and contribute to operational efficiency at AllDay Supermarket.

- **Basic Inventory Management**

Provides team members with fundamental inventory management skills to ensure accurate stock control, minimize losses, and maintain product availability. Participants learn best practices in tracking, organizing, and replenishing inventory to support efficient store operations.

- **Cheese and Deli Product Proficiency**

This workshop equips employees with in-depth knowledge of cheese and deli products, including proper handling, storage, and pairing techniques. Participants also learn the art of creating visually appealing and well-balanced charcuterie boards, enhancing customer experience and product presentation.

- **Wine 101**

Provides employees with foundational knowledge of wine, including types, origins, proper storage, and serving techniques. Participants also learn basic food and wine pairing principles

to enhance customer recommendations and elevate the shopping experience.

- **Creating Christmas Basket**

Teaches employees the art of assembling festive and well-curated Christmas baskets. They learn product selection, arrangement techniques, and packaging best practices to create attractive and value-packed gift baskets that enhance the holiday shopping experience.

Through these diverse programs, AllDay aims to not only improve the capabilities of its employees but also foster a culture of continuous learning and growth. The Company's commitment to employee development is integral to its long-term success, ensuring that AllDay remains well-positioned to meet both current and future business challenges.

Management Approach to Impacts

By investing in the development of its workforce, AllDay not only aims to boost sales but also fosters greater employee engagement. This commitment to continuous learning is especially crucial as the Company expands, ensuring that it is well-prepared to meet future workforce demands.

The Training Academy at AllDay is responsible for determining the training hours and designing the appropriate modules and programs for employees. To ensure consistent skill development across the organization, every employee is required to complete a minimum of four hours of training annually and participate in at least one program organized by the academy.

In 2024, AllDay successfully continued its approach to employee development by offering a blend of onsite and virtual training opportunities. As a result, each employee received an average of 3.21 hours of training and participated in 47 different programs. These programs were strategically designed to enhance both technical and soft skills, contributing to the ongoing personal and professional growth of AllDay's workforce.

Risks and Management Approach

AllDay faced several challenges in employee training and development such as scheduling constraints, high employee turnover, and the need to standardize training across multiple locations.

Given the fast-paced retail environment, scheduling constraints was a significant hurdle as it might affect store operations. The high employee turnover on the other hand, made it essential to provide continuous onboarding and skill development to maintain the quality of service.

As a response to the challenges in employee training we leveraged blended learning methods, combining in-person sessions with e-learning modules provided more accessibility and

convenience for employees. Moreover, a standardized training program for customer service, inventory management, and product knowledge, ensured consistency across all branches.

In 2024, we successfully launched two e-learning modules, exceeding our target by 100% and making training more accessible. To manage budget constraints, we focused on internal training programs, reducing external training by 60% and internal training by 15%, while still ensuring quality learning opportunities.

Despite an 11% decrease in total training hours, we achieved a 98% increase in employee participation, reaching more team members than ever before. Key programs like the Store Officer Development Program (SODP), customer service, inventory management, and leadership training continue to strengthen our workforce and drive operational excellence.

Opportunities and Management Approach

Going beyond employee training, the Company is likewise fostering a culture of continuous growth and development for its employees through a comprehensive approach that combines hybrid learning, career development, and performance evaluation. The Company ensures employees have access to a wide range of learning resources, including formal training programs and social learning platforms such as online forums and communities. These platforms provide employees with the opportunity to share knowledge, collaborate, and engage with one another, promoting a culture of continuous learning and support.

To enhance training effectiveness and inform future development strategies, AllDay collects and analyzes data on employee engagement, knowledge retention, and overall training outcomes. This data-driven approach allows the Company to identify areas for improvement, ensuring that training programs are continually refined and aligned with the evolving needs of both employees and the business. Through offering tools and resources that help employees build the skills necessary for success, AllDay is laying the groundwork for a more capable and engaged workforce.

In addition to training, AllDay places a strong emphasis on career development. The Company conducts regular performance evaluations to support the ongoing growth of employees. These evaluations not only assess job performance but also measure skill development and adherence to corporate values, providing valuable insights into each employee's career progression.

As of 2024, 100% of employees have participated in career development reviews, which have helped align individual growth goals with organizational objectives. These reviews, based on feedback from peers and managers, help ensure that employees are recognized for their contributions and have clear pathways for advancement within the Company.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity			Units
	2024	2023	2022	
Safe Man-Hours	51,200	62,400	99,840	Man Hours
No. of work-related injuries	3	6 ⁸	6 ⁹	#
No. of work-related fatalities	0	0	0	#
No. of work-related ill-health	0	0	0	#
No. of safety drills ¹⁰	30	30	30	#

Impact and Management Approach

At AllDay, the health and safety of our employees are paramount. The Company is fully committed to maintaining a safe and healthy work environment, actively working to prevent work-related injuries and fatalities. As part of this commitment, we continuously review and enhance our Occupational Health and Safety (OHS) Management System to ensure compliance with the latest regulations and industry standards.

The Company's health and safety policies are guided by the provisions of Republic Act No. 11058 and the Department of Labor and Employment (DOLE) Order No. 198-18, which strengthen the Company's commitment to complying with Occupational Health and Safety

⁸ Recorded injuries were muscle strains (1), cuts/lacerations (4), and slips/trips/falls (1) that were incurred by the workers.

⁹ Recorded injuries were cuts/lacerations (3), muscle strains (1), and slips/trips/falls (1) that were incurred by the workers.

¹⁰ This is the total number of drills participated by employees across all stores.

Standards. These policies form the foundation for promoting workplace safety and protecting employees from work-related health risks.

To ensure adherence to these regulations, AllDay has designated area safety personnel who are trained and certified in accordance with DOLE's requirements. These personnel complete mandatory safety officer training programs on the fundamentals of occupational safety and health. In addition, a Safety Officer is appointed at each operational area to oversee the implementation of safety policies, address health and safety concerns, and monitor compliance with relevant regulations.

AllDay prioritizes employee involvement in safety initiatives, fostering a culture of proactive participation through various communication channels such as email, clear workplace signage, and regular safety checks. We also offer annual health and safety programs to equip employees with the necessary knowledge to ensure their well-being at work. Key programs, such as Basic Occupational Safety and Health (BOSH) training and Basic First Aid training, are provided free of charge to selected employees across all departments. These programs are tailored to address the specific risks associated with different roles and departments. Participants are provided with meals, transportation, and certificates upon successful completion of the training sessions.

The safety training program is designed to align with the inherent risks of each job role, ensuring that employees are equipped to manage safety concerns and respond effectively to emergencies. This approach guarantees that every department has at least one trained member who can act as a safety resource and respond appropriately in emergency situations. Furthermore, AllDay also enforces effective work arrangements and educational campaigns to promote employee health and safety. We prioritize the provision of adequate ventilation, sanitation, and the regular monitoring of workplace conditions to prevent the transmission of diseases. Regular maintenance checks are conducted to ensure that all facilities are in optimal condition, safeguarding the health of employees and maintaining a safe and comfortable working environment.

Risks and Management Approach

The Company regularly identifies areas that require close monitoring through site inspections, audits, and assessments. This continuous evaluation allows us to promptly address any potential work-related hazards, ensuring the safety and well-being of all employees.

Employees and authorized personnel, such as safety officers and security staff, are encouraged to report any identified hazards to the Facilities Management Department. This open line of communication ensures that issues are addressed in a timely and effective manner, reinforcing the Company's commitment to a safe work environment. In alignment with Department of Labor and Employment (DOLE) guidelines, AllDay implements preventive measures to manage and mitigate health risks, including but not limited to tuberculosis, Hepatitis B, and HIV/AIDS. The Company has established a referral system to support affected

employees, providing them with the necessary assistance, management, and treatment. This system enhances the Company's ability to respond to health-related risks, ensuring that employees are cared for and health risks are minimized.

In addition to everyday health and safety concerns, AllDay places significant emphasis on preparing for and managing potential risks associated with natural disasters. The primary goal during such events is to safeguard employees and clients by relocating them to designated safe areas within the premises. The Company adheres strictly to safety protocols enforced by local government units (LGUs), the National Disaster Risk Reduction and Management Council (NDRRMC), and other relevant agencies.

To ensure preparedness, AllDay actively participates in disaster response drills in collaboration with mall and building administrations. These drills equip employees and building personnel with the necessary skills and knowledge to effectively respond to disasters, minimizing the risk of injuries and ensuring a rapid and organized response in case of emergencies.

Opportunities and Management Approach

Through implementing robust safety protocols, conducting regular inspections, and raising employee awareness, the Company creates a safer work environment. These measures not only reduce accidents, injuries, and illnesses but also enhance disaster preparedness, ensuring that employees and customers are protected, and assets are preserved during operational disruptions. This focus on safety boosts employee morale, as workers feel more secure and valued when their well-being is prioritized by the Company.

Additionally, prioritizing health and safety presents significant cost-saving opportunities. By reducing medical expenses, minimizing productivity losses, and mitigating potential legal liabilities, AllDay strengthens its financial position. This approach also enhances the Company's reputation as a responsible and reliable employer, which helps attract new talent while retaining existing employees.

Furthermore, AllDay ensures that safety training remains an ongoing requirement, allowing the organization to continuously identify and address potential work-related hazards, ensuring a proactive and preventive approach to workplace safety.

Labor Laws and Human Rights

Disclosure	Quantity			Units
	2024	2023	2022	
No. of legal actions or employee grievances involving forced or child labor	0	0	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g., harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the Company policy
Forced labor	N	N/A
Child labor	N	N/A
Human Rights	Y	AllDay works toward the protection of its employees and stakeholders from any form of discrimination or harassment. True to its mission and core values, the Company seeks to protect human rights and respects all individuals that are set in the Company's Code of Discipline and communicated through its core orientation.

Impact and Management Approach

Protecting the human rights of its employees by implementing anti-discrimination policies and ensuring these policies are communicated clearly during new employee orientations. In line with its commitment to fairness, AllDay has established effective grievance procedures and complaint mechanisms. These systems are designed to address allegations of discrimination and human rights violations promptly, ensuring that all concerns are handled with the utmost confidentiality and respect. A well-defined framework ensures that grievances are resolved efficiently, following due process and upholding the principles of fairness and transparency.

The Company conducts thorough due diligence in its operations to identify, assess, and mitigate human rights risks affecting its employees and service providers. AllDay takes proactive steps to engage employees in an open dialogue about human rights, ensuring that

their rights are upheld across all levels of the organization. This approach not only improves operational visibility but also strengthens employee retention, enhances recruitment processes, and supports comprehensive training programs.

Moreover, AllDay's commitment to human rights extends beyond compliance, fostering a culture of integrity and fairness that positively impacts the Company's reputation. This dedication to upholding human rights is integral to building a strong, sustainable, and respected brand.

Risks and Management Approach

The HR Department enforces the Code of Discipline and relevant labor laws, ensuring that all corrective measures are fair, consistent, and aligned with legal requirements. The Company explicitly prohibits the use of corporal punishment or any form of physical or mental threats as disciplinary measures, upholding the dignity and rights of its employees.

The Company's disciplinary process is grounded in procedural fairness. For serious offenses, such as employment termination, AllDay follows the Twin Notice Rule, which mandates that affected employees receive written notice outlining the grounds for dismissal and are given an opportunity to respond. This process ensures that employees have a chance to present their side, fostering transparency and accountability in the decision-making process.

In instances of workplace harassment or discrimination, AllDay maintains a clear and accessible reporting structure. Employees who witness or experience such incidents are encouraged to report them to the Committee on Decorum and Investigation or Employee Relations (HR). The Committee investigates these complaints thoroughly and ensures all parties are informed of the outcomes in a timely and transparent manner.

To ensure fairness extends to its suppliers, AllDay provides them with avenues to report complaints or concerns, including email and phone communications. Suppliers are also encouraged to raise any issues during the performance review process, allowing for open dialogue and continuous improvement.

The Company believes that two-way communication is crucial in fostering a healthy, fair, and productive workplace. AllDay ensures that employees feel comfortable raising concerns, with the assurance that these matters will be handled confidentially and fairly. This open communication culture helps build trust, loyalty, and employee engagement, leading to higher levels of productivity.

To strengthen communication within the organization, AllDay employs both top-down and bottom-up communication strategies. Senior management sets the tone for effective communication, which is then cascaded through the organization. Furthermore, key leaders are regularly trained and coached on the importance of communication, ensuring that messages are delivered clearly and that all employees understand their rights, responsibilities,

and avenues for addressing concerns.

Opportunities and Management Approach

Fostering a deep understanding of the statutory and regulatory requirements that govern its operations is deemed important by the Company. Hence, AllDay's commitment to upholding human rights extends to every level of its operations, with employees and management equally responsible for ensuring that the Company operates within legal boundaries. In line with this, all employees are required to communicate any charges or convictions related to violations of Philippine laws, thus promoting transparency and accountability within the organization.

Furthermore, AllDay's emphasis on preventing criminal and illegal activities, such as financial misreporting, money laundering, fraud, bribery, and corruption, reflects its dedication to maintaining a secure and ethical workplace. Employees share the responsibility to safeguard the integrity of the Company's facilities, ensuring that these are not misused for any illicit purposes. This collective responsibility helps protect the Company's operations, employees, and stakeholders from legal and reputational risks.

Through continuous training, clear communication, and strong enforcement of policies, AllDay fosters a culture of legal and ethical compliance. These efforts not only reduce operational risks but also enhance employee morale and loyalty, as they feel more secure working in an organization that prioritizes legal and ethical integrity.

Labor-Management Relations

Disclosure	Quantity			Units
	2024	2023	2022	
% of employees covered with Collective Bargaining Agreements	0	0	0	%
Number of consultations conducted with employees concerning employee-related policies	N/A	N/A	N/A	#

Impact and Management Approach

AllDay encourages employee participation by implementing various suggestion schemes that recognize and value employee input. The Company upholds an open-door policy, inviting employees to share concerns, provide feedback, or discuss issues related to their working relationships and team dynamics. This open communication framework ensures that employees feel heard and respected at all levels.

To facilitate direct and transparent communication, management conducts regular meetings, commentaries, and onsite store visits, which provide opportunities to address concerns promptly. In addition, the Company has established structured feedback mechanisms, including employee surveys and leadership team interactions, designed to engage employees across all levels. These initiatives aim to ensure that all employees feel valued and empowered to contribute to the overall improvement of the workplace environment.

AllDay maintains a clear and fair process for addressing workplace complaints through an internal grievance procedure. This procedure ensures that complaints are resolved in an efficient, equitable, and timely manner, aligned with the Company's policies and commitment to maintaining a respectful and supportive work environment. While no Collective Bargaining Agreement (CBA) with any of its employees, as none of its employees were represented by a union, the Company remains committed to fostering a positive and collaborative labor-management relationship through active engagement and open communication.

Risks and Management Approach

The importance of maintaining a clear, secure, and effective grievance mechanism to preserve a collaborative and respectful work environment is a workplace culture aspect that AllDay upholds. However, aligning and gathering input from various departments to ensure that ideas and opinions are in harmony with the Company's mission and objectives has posed a challenge since the Company's inception. This challenge underscores the importance of having a

transparent grievance process that promotes open communication and fosters a positive workplace culture.

While AllDay is committed to ensuring fair treatment, equal employment opportunities, and protection from harm or discrimination, the Company faces potential risks related to the effectiveness of its grievance mechanisms. Any gaps or delays in addressing employee complaints could lead to dissatisfaction or disengagement, which might negatively affect workplace morale and productivity. Additionally, failure to consistently enforce due process in grievance resolution could lead to perceptions of unfairness or bias, potentially undermining trust between management and employees.

The Company also understands the risk of retaliation claims if employees feel threatened or discouraged from raising concerns. AllDay strictly prohibits any form of retaliation against employees who file complaints or voice work-related concerns. Nonetheless, ensuring full protection against retaliation requires continuous vigilance to avoid unintended retaliation that could affect employee confidence in the grievance system.

Opportunities and Management Approach

Employee engagement is seen as a key driver of productivity, and AllDay recognizes the value of encouraging active participation to enhance both employee satisfaction and organizational success. Motivating employees to contribute their ideas, feedback, and recommendations not only drives innovation but also directly impacts the continuous improvement of the Company's products, services, and operational effectiveness.

The management team is proactive in incorporating employee concerns, ideas, and recommendations into its decision-making processes. This inclusive approach ensures that all voices are heard, fostering a sense of ownership and involvement among employees. Regular engagement opportunities, such as the Company's annual value sessions, allow employees to openly share their perspectives, enabling management to address issues promptly and strengthen the alignment between the workforce and the Company's broader goals.

In addition to these engagement initiatives, AllDay actively tracks key employment-related metrics, such as employee turnover and attrition rates, to monitor trends and address potential issues before they escalate. Monthly and annual reports on these metrics, combined with data from exit interviews and regular store audits, provide valuable insights that inform strategic decisions and help the Company maintain a healthy and productive workforce. These processes allow AllDay to refine its approach to talent retention, recruitment, and development, ensuring it remains competitive and responsive to the evolving needs of its employees. Through continuous feedback loops and data-driven insights, AllDay can optimize its labor-management relations, creating an environment where employees feel valued and motivated to contribute to the Company's success.

Supply Chain Management

AllDay follows AllValue Holdings' supplier accreditation that considers the following topics:

Topic	Reference in the Company Policy
Environmental performance	AllDay requires its suppliers to give information on the environmental performance such as operational safety in its facilities and offices. This information is then verified through site inspections. This is specified under the Conduct of Business and Fair Dealings Policy.
Forced Labor	
Child Labor	
Human Rights	
Bribery and Corruption	

Impact and Management Approach

Maintaining a sustainable and efficient supply chain that ensures a consistent and reliable inventory while optimizing costs and enhancing operational efficiency is one of the Company's key focuses in 2024. This includes streamlining its procurement, handling, and storage processes to not only meet business demands but also minimize waste and reduce operational expenses, thus supporting long-term sustainability goals.

In the spirit of transparency, AllDay fosters open communication and collaboration with its vendors, category buyers, and managers. Business performance reviews are conducted regularly, both monthly and annually, to assess supplier performance, address concerns, and identify improvement opportunities. These comprehensive reviews enable AllDay to build strong, mutually beneficial relationships with its suppliers and ensure that expectations are aligned across the supply chain.

Beyond transparency, AllDay places a strong emphasis on ethical procurement practices. The Company upholds high ethical standards in all procurement activities and expects its suppliers to share this commitment to integrity and responsible business practices.

Risks and Management Approach

Maintaining strong, collaborative relationships with both national and multinational suppliers is integral to AllDay's operations and customer satisfaction. Any disruption in these relationships can significantly impact the Company's ability to deliver a premium shopping experience and offer high-quality products to its customers. Supply chain disruptions pose risks that may affect the timely delivery of goods, lead to increased costs, and hinder AllDay's capacity to meet customer demands. In turn, these disruptions could negatively impact sales performance, customer loyalty, and overall profitability.

To mitigate these risks, AllDay prioritizes clear communication and regular engagement with its suppliers through avenues such as monthly business reviews. These reviews serve as a platform to assess supplier performance, address emerging concerns, and resolve issues promptly. A formal documentation process is in place to ensure transparency and accountability. In the event of any incidents, suppliers are encouraged to submit an Incident Report (IR) that details the nature of the issue, the individuals involved, and the proposed resolution. This structured approach enables the Company to conduct thorough investigations and recommend the most suitable actions to resolve the situation.

AllDay is committed to preserving long-term, mutually beneficial partnerships with its suppliers. While the Company values fair and transparent assessments when addressing reported issues, it also upholds the principle of due diligence in evaluating the severity of incidents before making any decisions regarding contract termination.

Opportunities and Management Approach

As part of its commitment to sustainability, AllDay is actively enhancing its procurement process to integrate metrics for sustainable practices and responsible sourcing. These measures will ensure that vendor selection not only focuses on operational effectiveness but also evaluates alignment with the Company's core values, ethical standards, and commitment to sustainability. This approach is aimed at fostering long-term partnerships with suppliers who share the same vision for responsible business practices.

To further strengthen supplier relationships, AllDay is working to increase transparency and streamline the procurement process. Through improving communication and fostering collaboration, the Company is positioning itself to achieve stable, sustainable global sourcing initiatives that will remain robust in the long run. The ongoing development of these relationships ensures that AllDay is better equipped to adapt to market changes and meet consumer demand with greater efficiency and reliability.

AllDay's supplier selection process is continually refined to assess vendors based on their ability to meet the Company's stringent operational requirements. This includes evaluating each supplier's compliance with AllDay's quality standards, delivery capabilities, and sustainability goals. In placing a strong emphasis on performance and ethical standards, the Company ensures that it partners with suppliers who are not only capable but also committed to driving mutual success.

In addition, AllDay continues to enhance its inventory management and procurement

operations by incorporating advanced automation technologies. The introduction of a Business-to-Business (B2B) e-commerce platform since 2023 has allowed suppliers to gain real-time access to crucial information, including Purchase Orders (PO), Return to Vendor Requests (RTV), and payment details. This digital transformation not only improves operational efficiency but also strengthens transparency and communication between AllDay and its suppliers, thereby enabling better decision-making and faster response times.

Relationship with Community

Significant Impacts on Local Communities

AllDay recognizes the importance of a harmonious relationship with different communities in its business growth. Therefore, the Company motivates its employees to go beyond themselves and give back to the community. As part of the Villar Group, AllDay takes part in volunteer community programs held by the Villar SIPAG Foundation. In addition, the Company leads the following initiatives to benefit its customers, communities, and the environment:

- **AllRewards +5 points!** – This initiative encourages its customers to use eco-friendly bags instead of plastic bags while also serving as an additional perk to AllRewards members. AllRewards members using AllDay eco-bags will get 5 AllRewards points and 2 AllRewards points if using other eco-bags.
- **Philippine Food Bank Foundation Partnership** – AllDay, in collaboration with the Philippine Food Bank Foundation, donated some of its products to local churches and communities to help combat malnutrition. The Company donated Php 101,405.87 worth of items and helped provide meals and essential school supplies to various orphanages, schools, churches, communities, etc.

Marketing and Labeling

Disclosure	Quantity			Units
	2024	2023	2022	
No. of substantiated complaints on marketing and labeling	0	0	0	#
No. of complaints addressed	0	0	N/A	#

Impacts and Risks

AllDay's vendors and suppliers must ensure transparency regarding product information and labeling, which covers sourcing, environmental and social impacts, safe use, and its disposal, in adherence with Philippine regulations. Any issue on the vendor's or supplier's side negatively impacts the Company's supply chain and business. For more information on supply chain risks, kindly refer to the Supply Chain Management section.

Management Approach to Impacts and Risks

AllDay employs a two-pronged approach consisting of:

- Thematic campaigns speaking of the AllDay customer experience that builds the brand;

and

- Tactical campaigns capitalizing on supermarket seasons such as summer campaigns, back-to-school campaigns, and Christmas campaigns.

The Company also promotes campaigns to support categories such as health and beauty, fresh produce, and international food selections.

Each approach uses different campaigns such as various online platforms, print ad saturation including flyers and mailers, out-of-home (OOH) materials including billboards, and outdoor materials such as lamp post banners along major highways. The Company also holds creative promotions and merchandise bundles to generate a greater value for its customers to feel valued while shopping at different AllDay branches nationwide.

Opportunities

AllDay believes that investing in technology allows for more informed marketing strategies to drive new customers while retaining its existing ones. Introducing international trends to the local customer base has been AllDay's brand commitment since its incorporation in 2016. Beginning with a vision of an elevated retail experience for Filipino shoppers, AllDay constantly seeks different avenues to curate a premium shopping experience.

Management Approach to Opportunities

The AllDay experience aims to provide comfort, accessibility, and convenience without compromising aesthetics. AllDay ensures the availability of farm-fresh produce as well as local and global brands while providing other food services with the Paluto and Gastroville sections. Digital integration into the shopping experience such as Addie, the Supermarket Service Robot, self-checkout services, and smart carts provide a premium in-store experience for AllDay customers. These innovative customer initiatives have established AllDay as a leading player in the mid-premium supermarket segment.

Customer Management

Customer Satisfaction

Disclosure	Score			Did a third party conduct the customer satisfaction study? (Y/N)
	2024	2023	2022	No
Customer Satisfaction	4.2	4.16	4.39/5 ¹¹	Yes

Impacts

In 2024, AllDay received 4.2 in customer satisfaction rating. Similar to 2022, this year's rating used a 5-point scale with 5 being Excellent and 1 being Very Poor. Customer insights are obtained through internal and consumer surveys such as Google Reviews on a quarterly basis. These can be accessed through Google reviews, and these are conducted quarterly.

The majority of the customer concerns in 2024 are about product selection, competitive pricing, facilities, and customer service. These concerns were resolved through quick and appropriate means.

Management Approach to Impacts

To keep its customer base, AllDay continuously elevates in-store and online experiences through its aesthetics, vast product selection, convenient store locations, and built-in services such as its e-commerce website, Personal Shopper service, and Self-Checkout counters.

AllDay's online platforms were improved to become more engaging and more convenient for its customers in 2022. Customer experience channels such as email, contact form via the AllDay website, and its Facebook page were made accessible to customers at any time. The Company's focus on these improvements fast-tracked its e-commerce website through the Progressive Web Application (PWA).

Aside from this, its e-commerce platform integrates a marketing automation service, MoEngage, to push relevant promotions for first time users and those with unpurchased carts. With

¹¹ Stores are rated through a 5-point scale with 5 being excellent and 1 as very poor. In 2022, the survey can be accessed through Online Google Reviews and is conducted quarterly.

MoEngage, the Company's approach became more targeted in its communication, providing audience insights and best-performing promotions.

Risks

An efficient customer service is the main driver in measuring the effectiveness of the Company's operations. Any unsatisfactory response or lack of responsiveness by the customer service team may negatively impact customer satisfaction and loyalty. In addition, failure to source and market products effectively or to forecast changes in customer preferences accurately may negatively affect customer satisfaction levels, relationships with customers, and the demand for quality products and services.

Management Approach to Risks

AllDay depends on experience, data, and established processes to forecast and manage the changes in consumer demand accurately. These processes include conducting internal and customer surveys, examining industry reports, participating in trade shows, and upholding industry standards to assess changes in consumer preferences.

The Company's main focus is an innovation-first customer experience. AllDay continuously enhances its inventory management system and develops efficient ways to resolve customer concerns through its customer experience platforms. In-store personnel also receive regular training as part of AllDay's effective store management and operations.

Opportunities and Management Approach

GlobalData, a data analytics company, anticipated that internet user penetration will reach 75% of the total Philippine population by 2025. Therefore, AllDay uses this opportunity to pursue innovation and lead the local supermarket landscape. The Company eventually developed itself after leading supermarkets enforced self-checkout services, a push towards safety, and customer independence and efficiency.

In September 2021, the Company launched a progressive website application (PWA) website interface. This initiative led to an improvement in the website's user interface which functions similarly to a mobile application without installing it on a device. It ensures a smoother and more uniform shopping experience across AllDay's digital platforms by streamlining the experience for both mobile and desktop devices.

This platform is accessible to any mobile operating system for Android and Apple users, and customers may also choose to download AllDay Supermarket on the App Store and Google Play.

Launched in 2022, Addie the Supermarket Service Robot is the first fully automated supermarket assistant and product advertiser. Shoppers can interact with Addie through

product advertisements, audio prompts, and interactive touchscreen interfaces. Addie is the Company’s first campaign to modern interactive product marketing to push awareness for new items, ongoing promotions, and other AllDay’s offerings.

In the same year, Smart Carts were launched in Evia which allows customers to view each item’s information and their current running total. Upon checking out, the smart cart automatically creates a QR code for the total purchase that can be scanned at self-checkout counters or handed over to the cashiers for payment.

AllDay also continues to form partnerships with the country’s top e-commerce platforms and on-demand service providers such as GrabMart, PandaMart, Lazada, and Shopee.

AllDay believes that customer insights from any platform has set improvements in its business processes. The Company aims to extend its customer experience platform through an in-store customer satisfaction feedback mechanism.

Health and Safety

Disclosure	Quantity			Units
	2024	2023	2022	
No. of substantiated complaints on product or service health and safety ¹²	0	0	0	#
No. of complaints addressed	N/A	N/A	N/A	#

Impacts and Risks

The Company maintains its adherence to health, food, and cosmetics regulations through the help of its digital platforms and services. As a result, there were 0 reported complaints in 2024.

Management Approach to Impacts and Risks

¹² Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies. This definition also applies to the disclosures under Marketing and Labeling and Customer Privacy.

The Company adheres to the following regulations regarding health, food, and cosmetic products:

- FDA Rules and Regulations
- The Food Safety Act
- The Livestock and Poultry Feeds Act
- The Meat Inspection Code
- The Philippine Food Fortification Act
- The Food, Drug, and Cosmetics Act

Some AllDay stores were recognized and accredited with the government's official Safety Seal for their proactive and continuous best practices on health and safety.

The Company's digital services and platforms also played a crucial role in protecting the customers' health and safety. AllDay's self-service counters are established as a direct response to the market's demand for an efficient and safe measure that offers no-contact interactions to customers while still achieving the full benefit of an in-store experience.

Possible risks associated with chemicals are not considered a major hazard in AllDay's day-to-day operations. However, concerns regarding product expiry are quickly and properly addressed by the store heads who automatically seek out dialogue with concerned customers and replace the items as needed.

Customer Privacy

Disclosure	Quantity			Units
	2024	2023	2022	
No. of substantiated complaints on customer privacy	0	0	0	#
No. of complaints addressed	0	0	N/A	#
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0	#

Data Security

Disclosure	Quantity			Units
	2024	2023	2022	

No. of data breaches, including leaks, thefts, and losses of data	0	0	0	#
Percentage of data breaches in which personally identified information (PII) was subject to data breach	0	0	0	%
No. of customers affected by data breaches	0	0	0	#

Impact and Management Approach

AllDay utilizes Hana Enterprise Cloud's (HEC) integrated system with its Customer Activity Repository (CAR) for back-end financial and inventory processes such as keeping track of inventory levels. These systems allow the collection of a sales analysis per stock-keeping unit (SKU) that informs and enables the merchandise group to adjust product offerings as quickly and efficiently as possible.

For its point-of-sale (POS) systems, AllDay uses LS retail integrated with SAP using the CAR module. This integrated system shows its capability in monitoring and analyzing real-time sales and margin, store and category performance, SKU performance, inventory levels and flow, stock duration, and supplier performance.

On the other hand, the Company's e-commerce platform, www.allday.com.ph, is hosted by Amazon Website Service and utilizes the Magento Enterprise E-Commerce platform that allows higher customization and wider integration of merchant processes such as inventory management, order management, and payment gateway integration. This platform is connected to a PWA interface that allows a better customer-facing experience for desktop and mobile users. A mobile application for AllDay's website was developed, and is available on Google Play and the App Store.

These systems are protected and maintained according to the set guidelines by the Department of Trade and Industry (DTI), the Data Privacy Act of 2012, and the Company's Code of Business Conduct and Ethics.

Moreover, AllDay has an existing policy that strictly prohibits the following:

- Deliberate disclosures of data;
- Submission of fraudulent documents, misinterpretation, and falsification of any kind; and
- Disclosing, leaking out, or revealing any confidential or classified information, technique, method, and Company secret to unauthorized persons or employees

Risks and Management Approach

AllDay identified that its e-commerce platforms and AllRewards Loyalty Program are at risk for data security concerns due to its external-facing nature and the sensitivity of personal data collected by these platforms. For this reason, the Company presents a Data Privacy Consent before the customers can share personal information.

The Company uses an extensive approach in identifying risks including regular risk assessments and in-depth analyses of possible vulnerabilities. One of which is the multi-layer of security technologies from anti-virus to IPS/IDS (Intrusion Prevention System/Intrusion Detection System) in its data centers. Third-party risk assessments are conducted semi-annually to identify potential security improvements and to observe if multi-layer security technologies are in place.

In addition, AllDay uses SSL/TLS (Secured Socket Layer/Transport Layer Security) based security for external-facing applications. For employees who work from home, the Company provides an IPSec VPN Client and Zero Trust Network Access (ZTNA) for corporate resource accessibility.

Moreover, ZTNA implemented an accurate, flexible, and context-aware policy in providing secure and seamless Zero Trust access to private applications hosted throughout clouds and corporate data centers from any remote location and device. That context can be a combination of user identity, user or service location, time of the day, type of service, and the device's security posture.

When it comes to assessing user identity, device identity, and other contextual factors, ZTNA allows the "least privileged" access to specific applications and not the entire foundational network to any user with valid login credentials, lessening the surface attack and preventing any lateral movement of threats from compromised accounts or devices.

ZTNA builds on the Zero Trust concept, advocating organizations not to trust any entity, whether inside or outside of the security perimeters, and instead must verify every user or device before granting access to sensitive resources to ensure data safety and integrity.

In 2024, these initiatives continuously improved to further ensure the confidentiality, integrity, and availability of data.

Opportunities and Management Approach

AllDay continues to invest in a data storage system to strengthen the understanding of customer behavior in terms of buying patterns, payment methods, and available promotions throughout various platforms.

Additionally, the Company plans to continuously enhance its security controls through a waterfall model of a seven-point objective consisting of:

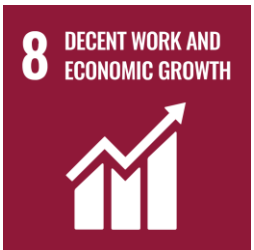
1. Audit existing system: Perform a complete audit of existing technology. Utilize penetration testing, vulnerability scanning, configuration management, and

other security auditing tools to find possible flaws in the system and focus on its fixes. Enforce system hardening assessments against resources using industry standards from the National Institute of Standards and Technology (NIST), Microsoft, Center for Internet Security (CIS), Defense Information Systems Administration (DISA), etc.

2. Create a strategy for systems hardening: Come up with a plan and strategy based on identified risks within the technology ecosystem and utilize a phased approach to rectify the biggest anomalies.
3. Repair vulnerabilities immediately: Make sure to have an automated and complete vulnerability identification and repair system ready.
4. Network hardening: Make sure the firewall is properly configured and that all rules are audited regularly. Secure remote access points and users. Prevent any unused or excess open network ports. Disable and remove unnecessary protocols and services. Enforce access lists and encrypt network traffic.
5. Server hardening: Place all servers in a secure data center. Never test hardening on product servers. Always harden servers before connecting to the internet or other external networks. Avoid installing unnecessary software on a server. Separate servers whenever applicable.
6. Operating system hardening: Apply operating system (OS) updates, service packs, and patches automatically. Delete unnecessary drivers, shared files, libraries, software, services, and functionality.
7. Eliminate unnecessary accounts and privileges: Implement least privilege by removing unnecessary accounts (such as unowned accounts and unused accounts) and privileges throughout IT infrastructures.

CONTRIBUTION TO THE UN SDGS

AllDay's products and programs contribute to the following global goals:

Key Products and their Contribution	Potential Negative Impact of Contribution and Management Approach
 2 ZERO HUNGER Approximately 4,200 local and international product brands for fresh items, food items, and non- food items. AllDay offers its fresh, food, and non-food items to communities where it is present in. This contributes to the supply of accessible food in different parts of the country. Moreover, the Company also distributes food items to malnourished and undernourished people in orphanages, schools, churches, and communities in partnership with the PH Food Bank Foundation.	AllDay envisions being a leading premium supermarket chain. This is fulfilled through the various product offerings in which all food and non-food needs of the people are satisfied.
 5 GENDER EQUALITY 61% of AllDay employees are female AllDay ensures that both male and female employees are provided just and humane treatment, equal employment opportunity and protection from any harm and discrimination. Its practices are set to be aligned for compliance with the requirements of due process aside from making sure that sound and clear Company policies, rules and regulations are implemented.	There is no identified potential negative impact as the Company promotes gender equality in the workplace.
 8 DECENT WORK AND ECONOMIC GROWTH Store expansions provide employment and business opportunities to the nearby communities Retail trade fosters economic growth Retail	No potential negative impacts identified.

trade fosters economic growth through the extensive supply of items from different local suppliers and the establishment of a wide retail network across the country, resulting in job creation and employment opportunities for people living nearby.	
 11 SUSTAINABLE CITIES AND COMMUNITIES Location of stores are inside, adjacent, or near communities AllDay contributes to the creation of sustainable cities and communities by promoting human resource development and capacity-building for human settlements development by employing personnel residing near stores	No potential negative impacts identified.
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Promotions to encourage use of eco bags AllDay encourages customers to use eco-friendly bags instead of plastics. This effort aims to reduce the volume of wastes generated by the stores that, therefore, promotes the responsible use and protection of the natural environment.	No potential negative impacts identified.