COVER SHEET

C	S	2	0	1	6	2	9	6	7	3

S.E.C. Registration Number

ALLDAY MARTS, INC.

(Company's Full Name)

LGF EVIA LIFESTYLE CENTER, DAANG HARI, BRGY. ALMANZA DOS, LAS PIÑAS CITY

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

Maria Cristina O. Barao
Contact Person

8830-1900
Company Telephone Number

1	2		3	1

Month *Day*
Calendar Year

17-Q
FORM TYPE

Month *Day*
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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: June 30, 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 06/30/2025 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 [ ]

TABLE OF CONTENTS

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	Unaudited June 30, 2025	Audited Dec 31, 2024
ASSETS			
CURRENT ASSETS			
Cash	5	P 1,200,999,283	P 1,493,385,855
Receivables	6	365,319,646	353,111,116
Merchandise inventories	7	2,915,804,301	2,820,544,241
Due from related parties	18		-
Prepayments and other current assets	8	1,726,047,786	1,379,922,958
Total Current Assets		6,208,171,016	6,046,964,170
NON-CURRENT ASSETS			
Property and equipment - net	9	4,656,502,474	4,073,840,909
Intangible assets - net	11	342,906,541	450,540,371
Right-of-use asset - net	10	109,045,851	116,743,204
Other non-current assets	8	395,284,465	358,979,753
Total Non-current Assets		5,503,739,331	5,000,104,237
TOTAL ASSETS		P 11,711,910,347	P 11,047,068,407
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	12	P 314,952,567	P 388,742,762
Loans payable	13	1,833,800,004	2,096,256,372
Lease liability	10	13,641,024	13,641,024
Due to parent company	18		-
Dividends payable	19		-
Income tax payable		6,002,213	8,781,620
Total Current Liabilities		2,168,395,808	2,507,421,778
NON-CURRENT LIABILITIES			
Loans payable	13	1,764,010,663	793,333,333
Lease liability	10	178,578,712	184,342,951
Deferred tax liabilities - net	18	425,034,592	409,833,016
Retirement benefit obligation	17	53,937,180	53,937,180
Deposits for future stock subscription	18		-
Total Non-current Liabilities		2,421,561,148	1,441,446,480
Total Liabilities		4,589,956,956	3,948,868,258
EQUITY	20		
Capital stock		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		1,530,597,970	1,499,905,920
Total Equity		7,121,953,391	7,098,200,149
TOTAL LIABILITIES AND EQUITY		P 11,711,910,347	P 11,047,068,407

(A Subsidiary of AllValue Holdings Corp.)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Amounts in Philippine Pesos)

	Notes	Unaudited Apr - Jun Q2-2025	Unaudited Jun 30, 2025	Unaudited Apr - Jun Q2-2024	Unaudited June 30, 2024
SALE OF GOODS	14	**P 1,473,187,347**	**P 2,876,325,166**	P 2,468,618,849	P 4,936,529,312
COST OF MERCHANDISE SOLD	15	**1,166,684,127**	**2,277,892,844**	1,955,320,850	3,909,205,119
GROSS PROFIT		**306,503,220**	**598,432,322**	513,297,999	1,027,324,192
SUPPORT, FEES, RENTALS AND OTHER INCOME	14	**12,856,724**	**25,606,411**	12,937,853	25,976,246
GROSS PROFIT INCLUDING OTHER INCOME		**319,359,944**	**624,038,733**	526,235,852	1,053,300,438
OTHER OPERATING EXPENSES	15				
Selling expenses		**131,886,880**	**267,544,178**	246,231,952	503,005,669
General and administrative expenses		**150,039,711**	**293,949,746**	153,086,392	306,382,381
		281,926,591	**561,493,923**	399,318,344	809,388,050
OPERATING PROFIT		**37,433,353**	**62,544,810**	126,917,508	243,912,388
OTHER INCOME (CHARGES)					
Finance costs	16	**(13,541,228)**	**(21,300,988)**	(9,486,867)	(19,033,073)
Finance income	5, 8	**116,726**	**222,510**	73,477	141,974
Loss from fire damage – net	16	**-**	**-**	-	-
		(13,424,502)	**(21,078,477)**	(9,413,390)	(18,891,099)
PROFIT BEFORE TAX		**24,008,851**	**41,466,333**	117,504,118	225,021,289
TAX EXPENSE	18				
Current		**6,002,213**	**10,366,583**	21,066,009	31,607,301
Deferred		**-**	**-**	8,310,020	8,284,949
		6,002,213	**10,366,583**	29,376,029	39,892,250
NET PROFIT		**18,006,638**	**31,099,750**	88,128,088	185,129,038
TOTAL COMPREHENSIVE INCOME		**P 18,006,638**	**P 31,099,750**	P 88,128,088	P 185,129,038
Basic and Diluted Earnings per Share	21	**P 0.00**	**P 0.00**	P 0.00	P 2.93

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Amounts in Philippine Pesos)

	Capital Stock (see Note 20)	**Additional Paid-in Capital** (see Note 20)	**Revaluation Reserves** (see Notes 17 and 20)	**Retained Earnings** (see Note 20)	**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	-	-	-	31,099,750	31,099,750
Balance at June 30, 2025	**P 2,285,714,500**	**P 3,316,671,118**	**(P 4,091,389)**	**P 1,531,005,670**	**P 7,129,299,899**
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	**P 2,285,714,500**	**P 3,316,671,118**	**(P 4,091,389)**	**P 1,499,905,920**	**P 7,098,200,149**
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	P 2,285,714,500	P 3,316,671,118	P 6,316,818	P 1,305,085,998	P 6,913,788,434
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		-	6,380,329	301,763,941	308,144,270
Balance at December 31, 2022	P 2,285,714,500	P 3,316,671,118	P 6,380,329	P 995,291,622	P 6,604,057,569

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025, AND 2024
(Amounts in Philippine Pesos)

	Notes	Unaudited Apr - Jun Q2-2025	Unaudited JUNE 30, 2025	Unaudited Apr - Jun Q2-2024	Unaudited June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		P 24,008,851	P 41,466,333	P 117,504,118	P 225,021,289
Adjustments for:					
Depreciation and amortization	15	138,284,365	270,018,653	127,555,967	260,404,969
Finance costs	16	13,541,228	21,300,988	9,486,867	19,033,073
Finance income	16	(116,726)	(222,510)	(73,477)	(141,974)
Loss from fire damage - net	16	-	-	-	-
Operating profit before working capital changes		175,717,718	332,563,463	254,473,475	504,317,357
Increase in receivables		5,603,326	(12,208,530)	(4,535,027)	23,530,006
Increase in merchandise inventories		(113,479,029)	(95,260,060)	(52,650,773)	(79,839,574)
Decrease (increase) in prepayments and other current assets		(208,417,919)	(343,124,828)	23,850,596	(66,028,033)
Decrease (increase) in other non-current assets		(85,831)	(36,304,712)	(89,555)	(415,869)
Increase (decrease) in trade and other payables		(28,612,780)	(73,790,195)	(70,787,530)	9,473,015
Increase in retirement benefit obligation		-	-	-	-
Cash generated from (used in) operations		(169,274,515)	(228,124,862)	150,261,186	391,036,902
Cash paid for income taxes		(13,145,991)	(13,145,991)	-	-
Interest received		116,726	222,510	73,477	141,974
Net Cash From (Used in) Operating Activities		(182,303,780)	(241,048,342)	150,334,662	391,178,877
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to intangible assets	11	-		-	-
Advances paid to contractors	8	-		-	-
Additions to property and equipment	9	(70,210,836)	(615,091,853)	(37,617,196)	(104,034,786)
Proceeds from insurance claim on loss from fire damage	16	-	-	-	-
Net Cash Used in Investing Activities		(70,210,836)	(615,091,853)	(37,617,196)	(104,034,786)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from availment of loans	13	873,573,398	1,559,718,621	335,473,736	733,703,693
Repayment of loans	13	(604,741,288)	(851,497,660)	(335,050,470)	(733,463,649)
Interest paid for loans payable	13	(66,241,930)	(126,495,675)	(35,831,111)	(73,522,603)
Dividends paid	20	-	-	-	
Repayment of lease liabilities	10	(8,855,628)	(14,971,663)	(4,845,316)	(9,080,520)
Net Cash From (Used in) Financing Activities		193,734,553	566,753,623	(40,253,161)	(82,363,080)
NET INCREASE IN CASH		(58,780,063)	(289,386,572)	72,464,306	204,781,011
CASH AT BEGINNING OF YEAR		1,262,779,346	1,493,385,855	1,138,946,978	1,006,630,272
CASH AT END OF YEAR		P 1,203,999,283	P 1,203,999,283	P 1,211,411,283	P 1,211,411,283

ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 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 June 30, 2025 (including the comparative financial statements as of December 31, 2024) were authorized for issue by the Company's Board of Directors (BOD) on August 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.

(Amounts in PHP)	As previously reported	Effect of restatement	As restated
Cash flows from operating activities:			
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	(1,597,903)	5,888,007
		84,325,756	
Cash flows from investing activities – Advances paid to contractors	46,613,741	(93,227,482)	(46,613,741)
Cash flows from financing activities – Interest paid for loans payable	(124,029,630)	8,901,726	(115,127,904)
Net effect in cash		-	

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 June 30, 2025 and December 31, 2024:

(Amounts in PHP)	**2025**	2024
Cash on hand	**8,130,666**	7,154,000
Cash in banks	**1,192,769,037**	1,486,231,855
	1,200,999,283	1,493,385,855

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:

(Amounts in PHP)	Notes	**2025**	2024
Trade receivables:			
Third parties		**353,006,271**	263,311,668
Related parties	19.1	**-**	77,415,662
Non-trade receivables		**12,313,375**	12,383,786
Others	17.2	**-**	-
		365,319,646	353,111,116

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 June 30, 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 P2,915.8 million and P2,802.3 million as of June 30, 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.

(Amounts in PHP)	Note	2025	2024
Current:			
Advances for purchases		**1,380,863,262**	995,788,842
Input VAT		**303,565,267**	303,567,971
Deferred input VAT		**36,061,723**	36,061,723
Prepayments		**21,699,506**	23,505,114
Store supplies		**16,919,750**	17,999,308
Short term investments		**3,000,000**	3,000,000
Creditable withholding tax		**-**	-
		1,762,109,508	1,379,922,958
Non-current:			
Advances to contractors		**282,639,160**	282,639,160
Security deposits	10	**76,583,582**	76,340,593
Deferred input VAT		**-**	-
		359,222,742	358,979,753
		2,121,332,251	1,738,902,711

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.

(Amounts in PHP)	**Leasehold Improvements**	**Furniture and Fixtures**	**Equipment**	**Construction in Progress**	**Total**
June 30, 2025					
Cost	4,109,577,978	386,302,319	1,512,016,178	557,943,861	6,477,162,449
Accumulated depreciation and amortization	(926,764,328)	(236,676,084)	(745,897,449)	-	(1,909,337,862)
Net carrying amount	**3,182,813,650**	**149,626,235**	**766,118,729**	**557,943,861**	**4,656,502,474**
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	(840,188,030)	(217,030,642)	(693,231,722)	-	(1,750,450,394)
Net carrying amount	**2,975,528,187**	**139,271,678**	**476,039,110**	**483,001,934**	**4,073,840,909**
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	(657,547,514)	(178,388,188)	(592,836,872)	-	(1,428,772,574)
Net carrying amount	2,971,835,078	166,836,352	558,690,977	538,751,316	4,236,113,723
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	(489,297,375)	(140,972,450)	(495,740,606)	-	(1,126,010,431)
Net carrying amount	2,892,036,607	195,580,001	633,813,950	521,640,950	4,243,071,508

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.

(Amounts in PHP)	**Leasehold Improvements**	**Furniture and Fixtures**	**Equipment**	**Construction in Progress**	**Total**
Balance at January 1, 2025, net of accumulated depreciation and amortization	2,975,528,187	139,271,678	475,497,887	483,001,934	4,073,299,686
Additions	293,861,760	30,000,0000	342,745,346	74,941,927	651,842,646
Transfer from CIP	-	-	-	-	-
Depreciation and Amortization charges for the year	(86,576,298)	(19,731,151)	(52,580,019)	-	(158,887,468)
Balance at June 30, 2025, net of accumulated depreciation and amortization	**3,182,813,650**	**149,626,235**	**766,574,244**	**557,943,861**	**4,656,957,989**
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	(182,640,516)	(38,642,454)	(100,394,850)	-	(321,677,820)
Balance at December 31, 2024, net of accumulated depreciation and amortization	**2,975,528,187**	**139,271,678**	**476,039,110**	**483,001,934**	**4,073,840,909**

(Amounts in PHP)	Leasehold Improvements	Furniture and Fixtures	Equipment	Construction in Progress	Total
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	(168,250,139)	(37,415,738)	(97,096,266)	-	(302,762,143)
Balance at December 31, 2023, net of accumulated depreciation and amortization	2,971,835,078	166,836,352	558,690,977	538,751,316	4,236,113,723

The gross carrying amounts and accumulated depreciation of furniture and fixtures subject to operating lease at the beginning and end of June 30,2025 and 2024 are shown below.

(Amounts in PHP)	**June 30, 2025**	December 31, 2024	January 1, 2024
Cost	**386,302,319**	286,926,637	279,231,199
Accumulated depreciation and amortization	**(228,012,110)**	(121,366,112)	(100,761,007)
Net carrying amount	**158,290,209**	165,560,525	178,470,192

A reconciliation of the carrying amounts of furniture and fixtures subject to operating lease at the beginning and end of June 30,2025 and 2024 is shown below.

(Amounts in PHP)	**June 30,2025**	2024	2023
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	**(7,270,316)**	(20,605,105)	(20,267,277)
Ending, net of accumulated depreciation and amortization	**158,290,209**	165,560,525	178,470,192

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.

(Amounts in PHP)	**2025**	2024
Cost	**209,111,455**	209,111,455
Accumulated amortization:		
Balance at beginning of year	**92,368,251**	76,973,542
Amortization for the year	**7,697,354**	15,394,709
Balance at end of year	**100,065,604**	92,368,251
Carrying amount	**109,045,851**	116,743,204

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:

(Amounts in PHP)	**2025**	2024
Current	**13,641,024**	13,641,024
Non-current	**178,578,712**	184,342,951
	192,219,737	197,983,975

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

(Amounts in PHP)	Note	**2025**	2024
Balance at beginning of year		**197,983,975**	208,966,287
Repayment	10.4	**(14,971,663)**	(30,229,458)
Accretion of interest	10.4	**9,207,424**	19,247,146
Balance at end of year		**192,219,737**	197,983,975

As of June 30, 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**
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 2025, 2024 and 2023 are shown below.

(Amounts in PHP)	**2025**	2024	2023
Cost	**972,878,293**	972,878,293	884,372,161
Accumulated amortization	**(629,971,751)**	(522,337,922)	(327,115,688)
	342,906,542	450,540,371	557,256,473

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

(Amounts in PHP)	**2025**	2024	2023
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	**(107,633,831)**	(195,222,234)	(148,748,785)
Balance at end of year, net of accumulated amortization	**342,906,542**	450,540,371	557,256,473

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.

(Amounts in PHP)	Note	2025	2024
Trade payables		**272,103,237**	333,701,189
Accrued expenses	13	**38,020,051**	47,010,197
Withholding taxes and other government payables		**3,421,731**	6,623,828
Customer loyalty rewards liability		**1,407,548**	1,407,548
		314,952,567	388,742,762

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 programmer 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:

(Amounts in PHP)	Note	2025	2024
Current:			
Short-term loans	13.1	**2,414,044,000**	1,929,589,705
Current portion of long-term loans	13.2	**266,666,667**	166,666,667
		2,680,710,667	2,096,256,372
Non-current – Long-term loans	13.2	**917,100,000**	793,333,333
		3,597,810,667	2,889,589,705

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

(Amounts in PHP)	**Short-term Loans**	**Long-term Loans**	**Total**
Balance as of January 1, 2025	1,929,589,705	960,000,000	2,889,589,705
Additional borrowings	1,252,818,621	306,900,000	1,559,718,621
Repayments of borrowings	(768,364,326)	(83,133,333)	(851,297,000)
Balance at June 30, 2025	**2,414,044,000**	**1,183,766,667**	**3,597,810,667**

(Amounts in PHP)	**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**

(Amounts in PHP)	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.

(Amounts in PHP)	**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.

(Amounts in PHP)	**Point in time**	**Over time**	**Total**
2025			
Sales	2,876,325,166	-	2,876,325,166
Delivery fees	-	8,604,624	8,604,624
Miscellaneous	-	-	-
	2,876,325,166	**8,604,624**	**2,884,929,790**
2024			
Sales	4,936,529,312	-	4,936,529,312
Delivery fees	-	9,422,868	9,422,868
Miscellaneous	1,285,965	-	1,285,965
	4,937,815,277	9,422,868	4,947,238,145

The Company also recognized variable rental income from its operating leases as lessor amounting to **P17 million** and P15.2 million in 2025 and 2024, 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.

(Amounts in PHP)	Note	**2025**	2024
Merchandise inventories at beginning of year	7	**2,820,544,241**	2,081,923,403
Purchases during the year		**2,373,152,903**	3,989,044,693
Cost of goods available for sale		**5,193,697,145**	6,070,968,096
Merchandise inventories at end of year	7	**(2,915,804,301)**	(2,161,762,977)
Cost of merchandise sold		**2,277,892,844**	3,909,205,119

15.2 Other Operating Expenses

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

(Amounts in PHP)	Notes	**2025**	2024
Depreciation and amortization	9, 10.1, 11	**270,018,653**	260,404,969
Communication and utilities		**97,670,650**	144,719,659
Rentals	10.3, 19.2	**69,828,130**	139,030,208
Agency fee		**33,591,003**	116,645,286
Salaries, wages and other other employee benefits	17.1	**52,519,528**	61,528,305
Taxes and licenses		**14,525,905**	22,737,113
Merchant fee		**7,756,841**	18,809,771
Insurance		**4,481,812**	9,867,636
Operating supplies		**1,966,324**	9,220,912
Repairs and maintenance		**1,912,547**	7,942,690
Travel and transportation		**1,413,381**	6,153,102
Advertising and Promotions		**2,299,155**	5,108,838
Dues and subscriptions		**1,345,338**	3,528,583
Professional fees		**1,368,051**	2,520,172
Delivery fees		**735,170**	668,688
Others		**61,437**	502,119
		561,493,923	809,388,050

These expenses are classified as follows:

(Amounts in PHP)	**2025**	2024
Selling expenses	**267,544,178**	503,005,669
General and administrative	**293,949,746**	306,382,381
	561,493,923	809,388,050

16. OTHER INCOME (CHARGES) - Net

16.1 Finance Income (Costs)

Finance income (costs) include the following:

(Amounts in PHP)	Notes	**June 30, 2025**	June 30, 2024
Finance costs:			
Interest expense from:			
Loans payable	13	**12,093,563**	9,283,103
Lease liabilities	10.2	**9,207,424**	9,749,970
Retirement benefit obligation	17.2	**-**	-
		21,300,988	19,033,073
Finance income – Interest income from banks	5, 8	**222,510**	141,974

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.

(Amounts in PHP)	Notes	**2025**	2024
Salaries and wages		**39,868,492**	46,538,535
Post-employment benefits	17.2	**-**	-
Other employee benefits		**12,561,036**	14,989,770
	15.2	**52,519,528**	61,528,305

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:

(Amounts in PHP)	**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:

(Amounts in PHP)	**2024**	2023	2022
Reported in profit or loss:			
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
Reported in other comprehensive loss (income):			
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:

	2024	2023	2022
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)	**Change in Assumption**	**Impact on Post-Employment Benefit Obligation** **Increase in Assumption**	**Decrease in Assumption**
December 31, 2024			
Discount rate	**+/- 1.0%**	**(7,005,737)**	**8,388,895**
Salary growth rate	**+/- 1.0%**	**8,432,306**	**(7,172,830)**
December 31, 2023			
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
	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:

(Amounts in PHP)	**2025**	2024	2023
Reported in profit or loss:			
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	**-**	-	-
	6,093,576	39,558,396	22,503,661
Deferred tax expense arising from – Origination and reversal of temporary differences	**-24,677,093**	61,098,513	89,572,184
	-18,583,517	100,656,909	122,817,774
Reported in other comprehensive income (loss) – Deferred tax income (expense) arising from – Origination and reversal of temporary differences	**-**	3,469,403	21,170

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:

(Amounts in PHP)	**2025**	2024	2023
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	**-22,921,442**	-	(126,142)
Tax expense	**-18,583,517**	100,656,909	100,145,668

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)

	Statements of Comprehensive Income					
	Profit or Loss			Other Comprehensive Income (Loss)		
(Amounts in PHP)	**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.

		Amount of Transactions			Outstanding Balance	
(Amounts in PHP)	Notes	**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.

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

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:

(Amounts in PHP)	**2025**	**2024**	2023
Net profit	**36,040,999**	**267,962,786**	369,222,953
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	**0.00**	**0.01**	0.01

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.

(Amounts in PHP)	Notes	**June 30,2025**	2024
Cash	5	**1,180,897,681**	1,126,247,978
Receivables	6	**365,319,646**	162,675,404
Short-term investments	8	**3,000,000**	3,000,000
Security deposits	8, 10	**76,583,582**	74,482,186
		1,625,800,909	1,366,405,569

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 June 30, 2025 and December 31, 202, the Company's financial liabilities, excluding lease liabilities (see Note 10.2), have contractual maturities which are summarized below.

		Current		**Non-current**	
(Amounts in PHP)	Notes	**Upon Demand/ Within Six Months**	**Six to 12 Months**	**One to Three Years**	**Later than Three Years**
June 30, 2025					
Trade and other payables	12	314,952,567	-	-	-
Loans payable	13	1,259,159,489	970,354,185	1,124,246,941	244,050,052
		1,639,870,875	**970,354,185**	**1,124,246,941**	**244,050,052**
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**

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).

(Amounts in PHP)	Level 1	Level 2	Level 3	Total
June 30, 2025				
Financial assets:				
Cash	1,200,999,283	-	-	1,200,999,283
Receivables	-	-	365,319,646	365,319,646
Short-term investments	3,000,000	-	-	3,000,000
Security deposit	-	-	76,583,582	76,583,582
	1,203,999,283	**-**	**391,257,358**	**1,645,902,511**
Financial liabilities:				
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
	-	**-**	**3,316,654,943**	**3,316,654,943**
December 31, 2024				
Financial assets:				
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
	1,496,385,855	**-**	**391,257,358**	**1,887,643,213**
Financial liabilities:				
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
-	**-**	**3,316,654,943**	**3,316,654,943**	

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:

(Amounts in PHP)	**2024**	2023	2022
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:

(Amounts in PHP)	**Tax Base**	**Output VAT**
Sale of merchandise:		
VATable sales	2,788,409,667	334,609,160
Zero-rated sales	2,144,764	-
Exempt sales	107,493,872	-
	2,898,048,303	**161,466,353**

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 June 30, 2025 since it did not engage in any importation activities during the year.

(d) *Excise Tax*

The Company did not have any transactions in June 30, 2025 which are subject to excise tax.

(e) Documentary Stamp Tax (DST)

In June 30, 2025, the Company paid DST amounting to P4.065 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 June 30, 2025 is broken down as follows *(Amounts in PHP)*:

Business permits and licenses	10,460,176
DST	4,065,729
Total	14,525,905

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 June 30, 2025 are shown below *(Amounts in PHP)*.

Expanded	13,592,020
Compensation and employee benefits	3,550,025
Final	827,291
	17,969,338

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.

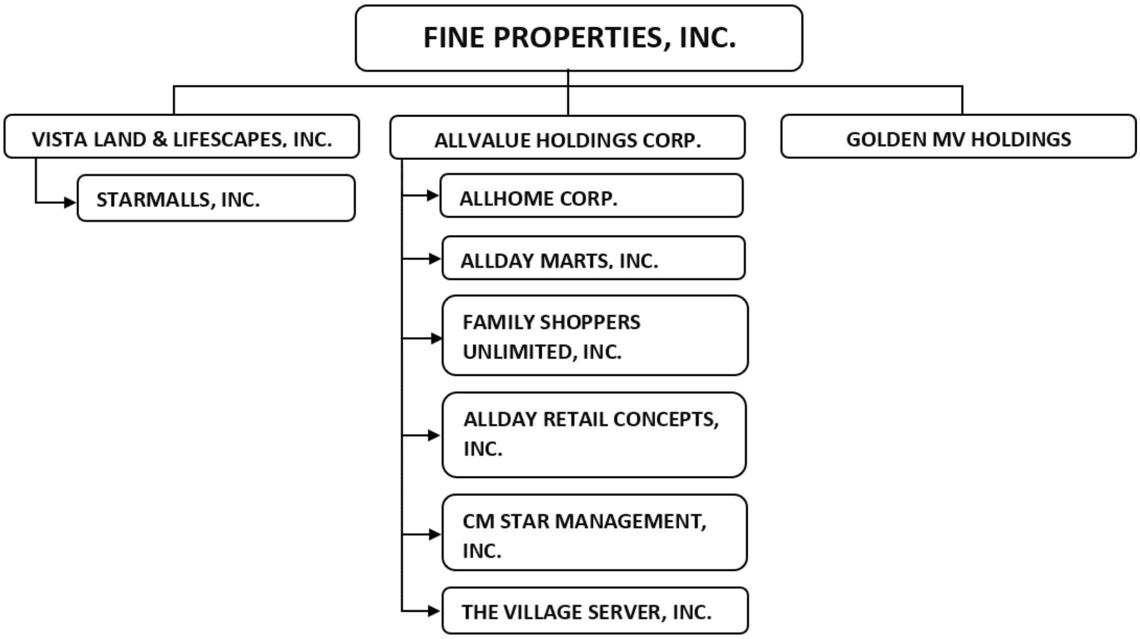
ALLDAY MARTS, INC.
(A Subsidiary of AllValue Holdings Corp.)
Schedule D - Long-Term Debt
June 30, 2025
(Amounts in Philippine Pesos)

Title of issue and type of obligation	*Amount shown under caption"Current portion of long-term debt" in related balance sheet*	*Amount shown under caption"Long-Term Debt" in related balance sheet*
Term Loans	P 266,666,667	P 917,100,000

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	30,000,000,000	22,857,145,000	-	15,309,286,000	5,002,000	7,542,857,000

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 June 30, 2025

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		325,400,000
Capital expenditures for store network expansion		387,793,927
4. Balance of the proceeds as of end of repoting period		
As of June 30, 2025	P	94,196,511

ALLDAY MARTS, INC.
Supplemental Schedule of Financial Soundness Indicators
June 30, 2025 and 2024

Ratio	Formula			2025	Formula			2024
Current ratio	Total Current Assets divided by Total Current Liabilities			**2.86**	Total Current Assets divided by Total Current Liabilities			2.41
	Total Current Assets	**P**	**6,208,171,016**		Total Current Assets	P	6,046,964,170	
	Divide by: Total Current Liabilities		**2,168,395,808**		Divide by: Total Current Liabilities		2,507,421,778	
	Current ratio		**2.86**		Current ratio		2.41	
Acid test ratio	Quick assets (Total Current Assets less Merchandise Inventories and Other Current Assets) divided by Total Current Liabilities			**0.72**	Quick assets (Total Current Assets less Merchandise Inventories and Other Current Assets) divided by Total Current Liabilities			0.74
	Total Current Assets	**P**	**6,208,171,016**		Total Current Assets	P	6,046,964,170	
	Less Merchandise Inventories	**(**	**2,915,804,301)**		Less Merchandise Inventories	(	2,820,544,241)	
	Other Current Assets	**(**	**1,723,047,786)**		Other Current Assets	(	1,379,922,958)	
	Quick Assets		**1,569,318,929**		Quick Assets		1,846,496,971	
	Divide by: Total Current Liabilities		**2,168,395,808**		Divide by: Total Current Liabilities		2,507,421,778	
	Acid test ratio		**0.72**		Acid test ratio		0.74	
Solvency ratio	Total Assets divided by Total Liabilities			**2.55**	Total Assets divided by Total Liabilities			2.80
	Total Assets	**P**	**11,711,910,347**		Total Assets	P	11,047,068,407	
	Divide by: Total Liabilities		**4,589,956,956**		Divide by: Total Liabilities		3,948,868,258	
	Solvency ratio		**2.55**		Solvency ratio		2.80	
Debt-to-equity ratio	Total Liabilities divided by Total Equity			**0.64**	Total Liabilities divided by Total Equity			0.56
	Total Liabilities	**P**	**4,589,956,956**		Total Liabilities	P	3,948,868,258	
	Divide by: Total Equity		**7,121,953,391**		Divide by: Total Equity		7,098,200,149	
	Debt-to-equity ratio		**0.64**		Debt-to-equity ratio		0.56	
Assets-to-equity ratio	Total Assets divided by Total Equity			**1.64**	Total Assets divided by Total Equity			1.56
	Total Assets	**P**	**11,711,910,347**		Total Assets	P	11,047,068,407	
	Divide by: Total Equity		**7,121,953,391**		Divide by: Total Equity		7,098,200,149	
	Assets-to-equity ratio		**1.64**		Assets-to-equity ratio		1.56	
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense			**0.82**	Earnings before interest and taxes (EBIT) divided by Interest expense			2.20
	EBIT	**P**	**62,767,320**		EBIT	P	433,991,863	
	Divide by: Interest expense*		**76,623,643**		Divide by: Interest expense*		197,014,625	
	Interest rate coverage ratio		**0.82**		Interest rate coverage ratio		2.20	
Return on equity	Net Profit divided by Total Equity			**0.00**	Net Profit divided by Total Equity			0.04
	Net Profit	**P**	**31,099,750**		Net Profit	P	267,962,786	
	Divide by: Total Equity		**7,121,953,391**		Divide by: Total Equity		7,098,200,149	
	Return on equity		**0.00**		Return on equity		0.04	
Return on assets	Net Profit divided by Total Assets			**0.00**	Net Profit divided by Total Assets			0.02
	Net Profit	**P**	**31,099,750**		Net Profit	P	267,962,786	
	Divide by: Total Assets		**11,711,910,347**		Divide by: Total Assets		11,047,068,407	
	Return on assets		**0.00**		Return on assets		0.02	
Net profit margin	Net Profit divided by Total Revenue			**0.02**	Net Profit divided by Total Revenue			0.03
	Net Profit	**P**	**31,099,750**		Net Profit	P	267,962,786	
	Divide by: Total Revenue		**1,473,187,347**		Divide by: Total Revenue		9,252,820,049	
	Net profit margin		**0.02**		Net profit margin		0.03	

** Interest expense includes capitalized borrowing costs*

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REVIEW OF FIRST HALF END 2025 VS FIRST HALF END 2024

RESULTS OF OPERATIONS

Six Months ended June 30, 2025 compared to Six Months ended June 30, 2024

	For the six-month period ended June 30		Horizontal analysis	Vertical analysis	
	2025	**2024**		**2025**	**2024**
	(in millions of ₱)		% Change	% of Total Sales	
Sales	₱ 2,876.3	₱ 4,936.5	-42.0%	100.0%	100.0%
Cost of merchandise sold	2,278.0	3,909.2	-42.0%	79.2%	79.5%
Other income	25.7	26.0	-1.0%	1.0%	1.0%
Other operating expenses	561.5	809.4	-30.6%	19.5%	16.6%
Finance income (costs)					
Finance costs	(21.3)	(19.0)	12.0%	0.7%	-0.4%
Finance income	0.1	0.1	-25.5%	0.0%	0.0%
Tax expense	10.4	40.0	-74.0%	0.4%	1.1%
Net profit (loss)	31.1	185.1	-83.2%	1.1%	3.3%

Sales

The company recorded sales of ₱2,976.3 million for the six months ended 30 June 2025, a decrease of 42.0% from ₱4,936.5 million for the six months ended 30 June 2024. Sales decline due to heightened competition, shifting consumer preferences, and the continued rise in e-commerce, resulting in reduced in-store traffic.

Cost of Merchandise Sold

For the six months ended 30 June 2025, cost of merchandise sold was at ₱2,278.0 million, a decrease of 42.0% compared to ₱3,909.2 million for the same period in 2024, attributable to the decline in sales.

Support, Fees, Rentals and Other Income

Support, fees, rentals and other income slightly decreased by 1.0% from ₱26.0 million for the six months ended 30 June 2024 to ₱25.7 million for the six months ended 30 June 2025 primarily driven by weaker sales which is the basis in determining the level of vendor's support.

Other Operating Expenses

Selling Expenses

Selling expenses decreased by 47.0% to ₱268.3 million for the six months ended 30 June 2025 from ₱503.7 million for the same period in 2024 primarily due to the following:

- Decrease in rentals from ₱139. 0 million for the six months ended 30 June 2024 to ₱70.0 million for the six months ended 30 June 2025 due to lower sales which is the basis for the rental computation.

- Decrease in communication and utilities from ₱145.0 million for the six months ended 30 June 2024 to ₱98.0 million for the six months ended 30 June 2025 due to the implementation of cost-saving measures.

- Decrease in agency fee from ₱116.6 million for the six months ended 30 June 2024 to ₱33.6 million for the six months ended 30 June 2025 due to strategic rationalization of store workforce deployment.

- Decrease in salaries, wages, and other employee benefits from ₱61.5 million for the six months ended 30 June 2024 to ₱52.5 million for the six months ended 30 June 2025 due to strategic rationalization of store workforce deployment.

- Decrease in merchant fee from ₱18.8 million for the six months ended 30 June 2024 to ₱7.7 million for the six months ended 30 June 2025 due to decrease in debit/credit card and installment sales for the period.

- Decrease in repairs and maintenance from ₱8.0 million for the six months ended 30 June 2024 to ₱2.0 million for the six months ended 30 June 2025 due to cost-cutting measures implemented.

- Decrease in operating supplies from ₱9.2 million for the six months ended 30 June 2024 to ₱2.0 million for the six months ended 30 June 2025 due to cost-cutting measures implemented.

- Decrease in advertising and promotions from ₱5.1 million for the six months ended 30 June 2024 to ₱2.3 million for the six months ended 30 June 2025 due to 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.

- Increase in delivery fees from ₱0.6 million for the six months ended 30 June 2024 to ₱0.7 million for the six months ended 30 June 2025 on account of slight marginal difference in delivery volumes during the period.

General and administrative expenses

General and administrative expenses decreased by 4.1% from ₱306.0 million for the six months ended 30 June 2024 to ₱293.2 million for the six months ended 30 June 2025 primarily due to the following:

- Increase in depreciation and amortization from ₱260.4 million for the six months ended 30 June 2024 to ₱270.0 million for the six months ended 30 June 2025 is attributed to the amortization of various capitalized refurbishment costs incurred in prior periods.

- Decrease in taxes and licenses from ₱23.0 million for the six months ended 30 June 2024 to ₱14.5 million for the six months ended 30 June 2025 due to decrease in revenues.

- Decrease in professional fees from ₱2.5 million for the six months ended 30 June 2024 to ₱1.3 million for the six months ended 30 June 2025 due to timing of engagement for audit fees, BOD fees, and consultancy fees.

- Decrease in travel and transportation from ₱6.1 million for the six months ended 30 June 2024 to ₱1.4 million for the six months ended 30 June 2025 due to cost-saving measures implemented.

- Decrease in insurance from ₱10.0 million for the six months ended 30 June 2024 to ₱4.5 million for the six months ended 30 June 2025 due primarily to adjustment in insurance coverages.

- Decrease in dues and subscription from ₱3.5 million for the six months ended 30 June 2024 to ₱1.3 million for the six months ended 30 June 2025 due to cost-saving measures implemented.

- Decrease in miscellaneous expense from ₱502.1 thousand for the six months ended 30 June 2024 to ₱61.4 thousand for the six months ended 30 June 2025 due to cost-saving measures implemented.

Finance Cost

Finance cost increased by 12.0% from ₱19.0 million for the six months ended 30 June 2024 to ₱21.3 million for the six months ended 30 June 2025 largely driven by the timing of loan maturities and their reavailment.

Finance Income

Finance income decreased by 25.5% from ₱0.14 million for the six months ended 30 June 2024 to ₱0.10 million for the six months ended 30 June 2025. The decrease was primarily attributable to the lower average cash balance during the six months ended 30 June 2025 compared to the six months ended 30 June 2024.

Provision for Income Tax

Provision for income tax decreased by 81.5% from ₱56.2 million for the six months ended 30 June 2024 to ₱10.3 million for the six months ended 30 June 2025 due to lower taxable income for the period.

Net Profit

As a result of the foregoing, our net income decreased by 81.5% to ₱31.0 million for the six months ended 30 June 2025 from ₱168.7 million for the six months ended 30 June 2024.

FINANCIAL CONDITION

As of 30 June 2025 vs 31 December 2024

	For the period ended,		Horizontal analysis	Vertical analysis	
	June 30, 2025	December 31, 2024		June 31, 2025	December 31, 2024
	(in millions of ₱)		% Change	% of Total Assets	
Total Current Assets	₱6,208.2	₱6,046.9	3.0%	53.0%	54.7%
Total Noncurrent Assets	5,504.0	5,000.1	10.1%	47.0%	45.2%
Total Assets	11,712.0	11,047.0	6.0%	100.0%	100.0%
Total Current Liabilities	2,170.5	2,507.4	-13.4%	18.5%	22.7%
Total Noncurrent Liabilities	2,419.4	1,441.4	68.0%	21.0%	13.0%
Total Liabilities	4,590.0	3,948.8	16.2%	39.2%	35.7%
Equity	7,122.0	7,098.2	0.3%	61.0%	64.2%
Total Liabilities and Equity	11,712.0	11,047.0	6.0%	100.0%	100.0%

Total assets amounting to ₱11,712.0 million as of 30 June 2025 recorded an increase of 6.8% from the reported amount of ₱11,074.0 million in 31 December 2024 due to the following:

- Cash decreased by 19.4% from ₱1,493.3 million as of 31 December 2024 to ₱1,204.0 million as of 30 June 2025 due primarily to lower sales for the period.

- Receivables increased by 3.4% from ₱353.1 million as of 31 December 2024 to ₱365.3 million as of 30 June 2025 due to timing difference in collection.

- Merchandise inventories increased by 3.3% from ₱2,820.5 million as of 31 December 2024 to ₱2,915.8 million as of 30 June 2025 due to continuous replenishment and refresh of inventory.

- Prepayments and other current assets increased by 25.0% from ₱1,380.0 million as of 31 December 2024 to ₱1,723.0 million as of 30 June 2025 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

- Property and equipment increased by 14.0% from ₱4,074.0 million as of 31 December 2024 to ₱4,656.5 million as of 30 June 2025 due to capitalization of store enhancement and refurbishments.

- Intangible assets decreased by 24.0% from ₱450.5 million as of 31 December 2024 to ₱343.0 million as of 30 June 2025 due to amortization for the period.

- Right-of-use assets decreased by 7.0% from ₱117.0 million as of 31 December 2024 to ₱109.0 million as of 30 June 2025 due to rental payment for the period.

- Other non-current assets slightly increased by 10.1% from ₱359.0 million as of 31 December 2024 to ₱395.2 million as of 30 June 2025 due primarily to security deposit paid.

Total liabilities amounting to ₱4,590.0 million as of 30 June 2025 recorded an increase of 16.0% from the reported amount of ₱3,948.8 million in 31 December 2024. This was due to the following:

- Trade and other payables decreased by 19.0% from ₱389.0 million as of 31 December 2024 to ₱315.0 million as of 30 June 2025 due to payments made for the period.

- Loans payable including non-current portion increased by 24.5% from ₱2,889.5 million as of 31 December 2024 to ₱3,598.0 million as of 30 June 2025 due to the timing of loan maturities and subsequent reavailments.

- Lease liability including non-current portion decreased by 3.0% from ₱198.0 million as of 31 December 2024 to ₱192.2 million as of 30 June 2025 due to lease payments made.

- Deferred tax liabilities increased by 3.2% from ₱410.0 million as of 31 December 2024 to ₱423.0 for the quarter ended 30 June 2025 due to the adjustment to temporary tax differences for the period.

- Retirement benefit obligation remained flat with ₱54.0 milliom.

Total equity increased slightly by 0.3% from ₱7,090.2 as of 31 December 2024 to ₱7,122.0 million as of 30 June 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	6/30/2025	6/30/2024
Sales (₱ millions)	₱ 2,876.3	₱ 4,936.5
Sales Growth (%)	-41.7%	0.8%
Gross Profit Margin (%) (1)	20.8%	20.8%
Net Profit or Loss (₱ millions)	31.0	185.1
Net Profit Margin (%) (2)	1.1%	3.4%

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.

The company recorded sales of ₱2,976.3 million for the six months ended 30 June 2025, a decrease of 42.0% from ₱4,936.5 million for the six months ended 30 June 2024. Sales decline due to heightened competition, shifting consumer preferences, and the continued rise in e-commerce, resulting in reduced in-store traffic.

Gross Profit Margin remained flat for the six months ended 30 June 2025 compared to the six months ended 30 June 2024 due to economies of scale and improved merchandise sourcing, gross profit margins were maintained.

Net Profit and Net Profit Margin decreased for the six months ended 30 June 2025 compared to the six months ended 30 June 2024 due to lower sales alongside fixed costs resulted in decreased net profit and net profit margin.

Material Changes to the Company's Balance Sheet as of 30 June 2025 compared to 31 December 2024 (increase/decrease of 5% or more)

Cash decreased by 19.4% from ₱1,493.3 million as of 31 December 2024 to ₱1,204.0 million as of 30 June 2025 due primarily to lower sales for the period.

Prepayments and other current assets increased by 25.0% from ₱1,380.0 million as of 31 December 2024 to ₱1,723.0 million as of 30 June 2025 due primarily to advances to suppliers and input VAT from merchandise inventories and capital expenditures.

Property and equipment increased by 14.0% from ₱4,074.0 million as of 31 December 2024 to ₱4,656.5 million as of 30 June 2025 due to capitalization of store enhancement and refurbishments.

Intangible assets decreased by 24.0% from ₱450.5 million as of 31 December 2024 to ₱343.0 million as of 30 June 2025 due to amortization for the period.

Right-of-use assets decreased by 7.0% from ₱117.0 million as of 31 December 2024 to ₱109.0 million as of 30 June 2025 due to rental payment for the period.

Other non-current assets slightly increased by 10.1% from ₱359.0 million as of 31 December 2024 to ₱395.2 million as of 30 June 2025 due primarily to security deposit paid.

Trade and other payables decreased by 19.0% from ₱389.0 million as of 31 December 2024 to ₱315.0 million as of 30 June 2025 due to payments made for the period.

Loans payable including non-current portion increased by 24.5% from ₱2,889.5 million as of 31 December 2024 to ₱3,598.0 million as of 30 June 2025 due to the timing of loan maturities and subsequent reavailments

Material Changes to the Company's Statement of income for the 6-month of 2025 compared to the 6- month of 2024 (increase/decrease of 5% or more)

The company recorded sales of ₱2,976.3 million for the six months ended 30 June 2025, a decrease of 42.0% from ₱4,936.5 million for the six months ended 30 June 2024. Sales decline due to heightened competition, shifting consumer preferences, and the continued rise in e-commerce, resulting in reduced in-store traffic.

For the six months ended 30 June 2025, cost of merchandise sold was at ₱2,278.0 million, a decrease of 42.0% compared to ₱3,909.2 million for the same period in 2024, attributable to the decline in sales.

Selling expenses decreased by 47.0% to ₱268.3 million for the six months ended 30 June 2025 from ₱503.7 million for the same period in 2024.

General and administrative expenses decreased by 4.1% from ₱306.0 million for the six months ended 30 June 2024 to ₱293.2 million for the six months ended 30 June 2025.

Finance cost increased by 12.0% from ₱19.0 million for the six months ended 30 June 2024 to ₱21.3 million for the six months ended 30 June 2025 largely driven by the timing of loan maturities and their reavailment.

Finance income decreased by 25.5% from ₱0.14 million for the six months ended 30 June 2024 to ₱0.10 million for the six months ended 30 June 2025. The decrease was primarily attributable to the lower average cash balance during the six months ended 30 June 2025 compared to the six months ended 30 June 2024.

Provision for income tax decreased by 81.5% from ₱40.0 million for the six months ended 30 June 2024 to ₱10.3 million for the six months ended 30 June 2025 due to lower taxable income for the period.

As a result of the foregoing, our net income decreased by 81.5% to ₱31.0 million for the six months ended 30 June 2025 from ₱185.1 million for the six months ended 30 June 2024.

COMMITMENTS AND CONTINGENCIES

There is no material commitment and contingency as of 30 June 2025 and as of 30 June 2024.

PART II - OTHER INFORMATION

Item 3. 6-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
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: August 15, 2024
Record date: September 12, 2024
Payment date: October 04, 2024

P0.4672 per share Regular Cash Dividend
Declaration date: December 04, 2020
Record date: December 22, 2020
Payment date: January 15, 2021

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 6-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 June 30, 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 2025 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:

MARIA CRISTINA O. BARAO
Treasurer, CFO and Compliance Officer

Date: 14 August 2025