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(Company's Full name)

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(Principal Office)

Atty. Sheila Pasicolan - Camerino

Contact Person

(02) 8634-8387

Tel. No.

DEFINITIVE INFORMATION STATEMENT

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FORM TYPE

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Secondary License, (if applicable type)

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Dept. requiring this doc

N/A

Amended Articles number

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Total stockholders

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Domestic

Foreign

To be accomplished by SEC personnel concerned

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Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
☐ Preliminary Information Statement
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter:
WILCON DEPOT, INC. Doing business under the name and style of Wilcon Depot, Wilcon Home Essentials, Do It Wilcon and Bargain Center By: Wilcon Depot (Formerly: WILCON DEPOT, INC. doing business under the name and style of Wilcon Depot and Wilcon Home Essentials)
3. Province, country or other jurisdiction of incorporation or organization
QUEZON CITY, PHILIPPINES
4. SEC Identification Number
CS201524712
5. BIR Tax Identification Code
009-192-878
6. Address of principal office: 90 E. RODRIGUEZ JR. AVENUE, UGONG NORTE,
QUEZON CITY
Postal Code: 1110
7. Registrant's telephone number, including area code: (02) 8634 8387
8. Date, time and place of the meeting of security holders
16 June 2025, 9:00 AM, principal office via Remote Communication
9. Approximate date on which the Information Statement is first to be sent or given to security holders:
26 May 2024
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
COMMON SHARES	4,099,724,116
12. Are any or all of registrant's securities listed in a Stock Exchange?
Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange: PHILIPPINE STOCK EXCHANGE

The class of securities listed therein: COMMON SHARES

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

16 June 2025

Notice is hereby given that the Annual Meeting of the Stockholders of WILCON DEPOT, INC. (the "Company") will be held on 16 June 2025 at 9:00 am via remote communication.

The agenda of the meeting are as follows:

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on 17 June 2024
4. Presentation and Approval of Annual Report and Financial Statements as of 31 December 2024
5. Ratification of all Acts and Resolutions of the Board of Directors and Management during the Preceding Year
6. Election of Board of Directors
7. Appointment of External Auditor
8. Consideration of such other matters as may properly come before the meeting.
9. Adjournment

A brief explanation of each agenda item which requires stockholder's approval is provided herein. Please refer to Appendix 1.

On 20 March 2025 the Board of Directors of the Company approved the 2025 Annual Stockholders' Meeting of the Company to be conducted via online and voting to be in absentia.

Only stockholders of record as at the close of business on 22 May 2025 are entitled to notice, participate and vote at the meeting. The Stock and Transfer Books of the Company will be closed from 23 May 2025 to 16 June 2025.

Stockholders who wish to participate in the meeting must register from 8 am of 2 June 2025 until 5 pm of 12 June 2025 through the ASM registration tab that can be found at <https://investor.wilcon.com.ph/asm/>. During the registration, stockholders will be required to provide personal data for verification and validation purposes. The personal data collected, processed and retained by the Company shall be used for purposes of stockholders' participation in the Annual Stockholders' Meeting. The Privacy Notice of the Company is available on <https://investor.wilcon.com.ph/asm/>.

Stockholders who have successfully registered will receive an email confirmation. Validation of the information submitted shall be made within three (3) business days from registration. Once validated, stockholders will receive an email directing them to the voting in absentia platform. Stockholders must cast their votes until 5 pm of 13 June 2025. Instructions on how to join the online meeting shall also be sent to the registered email of the stockholders. Detailed instructions and procedures for registration, voting and participation as well as the Information Statement of the Company are uploaded on <https://investor.wilcon.com.ph/asm/>.

Stockholders may also opt to submit their proxies. A sample of proxy form can be downloaded at <https://investor.wilcon.com.ph/asm/>. For a corporation, its proxy form must be accompanied by a corporate secretary's sworn certification setting the corporate officer's authority to represent the corporation in the meeting. Proxy forms need not be notarized. Deadline for the submission of proxies is until 5 pm of 13 June 2025 and should be emailed to wilcon_asm@wilcon.com.ph or submitted to the Office of the Asst. Corporate Secretary at 90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City. Proxy forms will be validated on 13 June 2025 at 6 pm.

For any questions or concerns please email wilcon_asm@wilcon.com.ph. The proceedings of the meeting will be recorded.

By Authority of the Chairman


Atty. Arthur R. Ponsaran
Corporate Secretary

We are not soliciting your proxy. However, if you would be unable to attend the online meeting, you may accomplish the enclosed proxy form and email the same to wilcon_asm@wilcon.com.ph or submit to the Office of the Asst. Corporate Secretary at 90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City, Metro Manila, Philippines on or before 13 June 2025 at 5 pm. Thank you.

BRIEF DISCUSSION OF THE AGENDA FOR STOCKHOLDERS' APPROVAL

Approval of the Minutes of the Annual Meeting of the Stockholders held on 17 June 2024.

The minutes of the annual stockholders' meeting held on 17 June 2024 is available on <https://investor.wilcon.com.ph/asm/>.

Remarks: A resolution on this agenda item must be approved with the majority of the votes of the stockholders present and eligible to vote.

Presentation and Approval of 2024 Annual Report and Audited Financial Statements

The audited financial statements as of 31 December 2024 (AFS) will be presented for approval by the stockholders. Prior thereto, the President-CEO, Ms. Lorraine Belo-Cincochan, will deliver a report to the stockholders on the performance of the company in 2024 and the outlook for 2025.

The AFS will be embodied in the Information Statement and will be made available on <https://investor.wilcon.com.ph/asm/>.

Remarks: A resolution on this agenda item must be approved with the majority of the votes of the stockholders present and eligible to vote.

Ratification of All Acts of the Board and Management during the Preceding Year

Ratification by the stockholders will be sought for all the acts and the resolutions of the Board of Directors and Management taken or adopted since the Annual Stockholders' Meeting on 17 June 2024 to date. The acts and resolutions of the Board and the Management include the approval of contracts, agreements, and transaction entered during the same period, projects and investments, treasury matters and acts and resolutions covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange and are uploaded on <https://investor.wilcon.com.ph/asm/>.

Remarks: A resolution on this agenda item must be approved with the majority of the votes of the stockholders present and eligible to vote.

Election of Board of Directors

In accordance with the amended by-laws, the Revised Corporate Governance Manual, and pertinent SEC rules, any stockholder, including minority stockholders, may submit to the Nomination Committee nominations to the Board by 6 June 2025. The Nomination Committee will determine whether the nominees for directors, including the nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board will be provided in the Information Statement and in the company website for examination by the stockholders.

Remarks: Directors shall be elected by plurality of vote at the Annual Meeting of the Stockholders for the year at which quorum is present. At each election for directors, every stock holder shall have the right to vote, in absentia or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number is shares shall equal, or by distributing such votes as the same principle among any number of candidates.

Appointment of External Auditor

The appointment of the external auditor, Reyes Tacandong & Co, for the ensuing year will be endorsed to the stockholders. The profile of the external auditor will be provided in the Information Statement and in the company website for examination by the stockholders.

Remarks: A resolution on this agenda item must be approved with the majority of the votes of the stockholders present and eligible to vote.

Other Matters

The Chairman will inquire whether there are other relevant matters and concerns to be discussed.

Adjournment

Upon determination that there are no relevant matters to be discussed, the meeting will be adjourned on motion duly made and seconded.

PROXY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, stockholder of **WILCON DEPOT, INC.** do hereby constitute and appoint _____ as my attorney-in-fact and proxy, to attend and represent me at the Annual Stockholders' Meeting of **WILCON DEPOT, INC.** on **16 June 2025**, and thereat to vote upon all shares of stock owned by me on the following agenda items as I have indicated below and any and all business that may come before said meeting. If I fail to indicate my vote on the items specified below, my proxy shall vote in accordance with the recommendation of the Management. Management recommends a "FOR ALL" vote for proposal 4, and a "FOR" vote for proposals 1 to 3 as well as for proposal 5.

ITEM NO.	SUBJECT MATTER	ACTION		
		For	Against	Abstain
1	<ul style="list-style-type: none"> Approval of Minutes of Previous Meeting 			
2	<ul style="list-style-type: none"> Approval of 2024 Annual Report and AFS 			
3	<ul style="list-style-type: none"> Ratification of all Acts and Resolutions of the Board of Directors and Management during the Preceding Year 			
4	<ul style="list-style-type: none"> Election of Directors 	FOR ALL*	WITHHOLD FOR ALL*	EXCEPTION
	<p>*All nominees listed below</p> <ol style="list-style-type: none"> Ricardo S. Pascua (Independent) Rolando S. Narciso (Independent) Delfin L. Warren (Independent) Evelyn R. Singson (Independent) Lorraine Belo-Cincochan Mark Andrew Y. Belo Caren Y. Belo <p>Note:</p> <p>To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list the name(s) under.</p>			
		For	Against	Abstain
5	<ul style="list-style-type: none"> Appointment of Reyes Tacandong & Co. as external auditor 			

In the absence of my proxy, this authority is hereby conferred upon the Chairman of the meeting, provided that this proxy shall stand suspended where I am personally present thereat.

This proxy revokes and supersedes all previous proxies executed by me, and the power and authority herein granted shall be valid for said Stockholders' Meeting and Adjournments thereof, unless earlier withdrawn by me with written notice filed with the Corporate Secretary of Wilcon Depot, Inc.

IN WITNESS WHEREOF, the undersigned has executed this PROXY this _____ of _____ 2025 in _____

Name and Signature of Stockholder/Authorized Signatory

Witnessed by: _____

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

The Annual Stockholders' Meeting of Wilcon Depot, Inc. for the year 2025, has the following details:

Date: 16 June 2025

Time: 9:00 am

Place: 90 E. Rodriguez Jr. Avenue
Ugong Norte, Quezon City

via Remote Communication

The Presiding Officer and Chairman, Mr. Bertram B. Lim shall call and preside the 2025 Annual Stockholders' Meeting on June 16, 2025.

The approximate date on which this Information Statement and accompanying Proxy Forms shall be first sent or given to the stockholders is on 26 May 2025 in accordance with the By-Laws of the Company and the Securities and Regulation Code.

The complete mailing address of the principal office of the Company is at:

90 E. Rodriguez Jr. Avenue
Ugong Norte, Quezon City

Item 2. Dissenters' Right of Appraisal

Any stockholder of the Corporation may exercise his appraisal right against the proposed actions which qualify as instances giving rise to the exercise of this right pursuant to and subject to the compliance with the requirements and procedure set forth under Title X of the Revised Corporation Code of the Philippines

There is no matter to be voted upon during the Annual Stockholders' Meeting that will trigger the exercise by a stockholder of his/her appraisal rights provided under the Revised Corporation Code of the Philippines

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

There is no matter to be acted upon in which any of the current and executive officers and those who will be nominated as directors during the meeting is involved or had a direct, indirect or substantial interest, other than election to office. Likewise, no director has informed the Company in writing of his/her opposition to any matter to be acted upon.

Item 4. Voting Securities and Principal Holders Thereof

(a) The Corporation has 4,099,724,116 outstanding shares as of 30 April 2025.

(b) All stockholders of record as of 22 May 2025 are entitled to notice and to vote at Corporation's Annual Stockholders' Meeting on 16 June 2025.

(c) Section 2.8, Article II of the Amended By-Laws of the Corporation states that, for the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof, or to receive payment of any dividend, or of making a determination of stockholders for any other purpose, the Board of Directors may provide that the stock and transfer books be closed for a stated period, but not to exceed, in any case, twenty-five (25) days. If the stock and transfer books be closed for the purpose of determining

stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least ten (10) working days immediately preceding such meeting. In lieu of closing and transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders. Such date shall in no case be more than twenty-five days prior to the date on which the particular action requiring such determination of stockholders is to be taken, except in instances where applicable rules and regulations provide otherwise.

Election of Directors

Section 2.7, Article II of the Amended By-Laws of the Corporation states that at all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholders or his duly authorized attorney-in-fact through remote communication or in absentia in accordance with the procedures prescribed by the Corporation and relevant laws and regulations. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary.

Directors shall be elected by plurality of vote at the Annual Meeting of the Stockholders for the year at which quorum is present. At each election for directors, every stock holder shall have the right to vote in absentia or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of shares shall equal, or by distributing such votes as the same principle among any number of candidates.

All proxies must be in the hands of the secretary not later than five (5) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary at least one (1) day prior to a scheduled meeting or by their presence at the meeting. The decision of the secretary on the validity of proxies shall be final and binding until set aside by a court of competent jurisdiction.

Moreover, Section 3.2, Article III of the Amended By-Laws of the Corporation states that the Board of Directors shall be elected during the regular meeting of stockholders and shall hold office for one (1) year and until their successor are elected and qualified.

Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Corporation's voting securities as of 30 April 2025 as follows:

Title of Class	Name and addresses of record owners and relationship with the Corporation	Name of beneficial owner and relationship with record owner	Citizenship	Number of shares held	% to Total Outstanding
Common	<p>Wilcon Corporation 90 E. Rodriguez Jr. Ave., Ugong Norte, Quezon City Stockholder of Record</p> <p>The President & CEO, Mark Andrew Y. Belo will vote for and in behalf of Wilcon Corporation.</p>	<p>William T. Belo Chairman Mark Andrew Y. Belo President-CEO Lorraine Belo-Cincochan Treasurer-CFO Careen Y. Belo Stockholder Rosy C. Belo Stockholder Alfredo P. Javellana II Stockholder Roberto T. Borromeo</p>	Filipino	2,718,117,916	66.30%

		Stockholder Octacube, Inc. Stockholder Lentus Lenis, Inc. Stockholder Multus Lucrum, Inc. Stockholder Liam Ros Holdings, Inc. Stockholder Loquor Locutus, Inc., Stockholder			
Common	PCD Nominee Corporation Stockholder of Record	PDTC Participants and their clients Standard Chartered Bank The Hong Kong and Shanghai Banking Corp. Ltd. – Clients Acct	Non - Filipino	631,699,118 296,881,060 226,420,349	15.41% 7.24% 5.52%
Common	PCD Nominee Corporation Stockholder of Record	PDTC Participants and their clients	Filipino	719,398,234	17.55%

There are single stockholders in the PCD Nominee (Filipino and Non – Filipino) who own at least 5% beneficial ownership of the Company.

Security ownership of directors, nominee for independent director and executive officers as of 30 April 2025 is as follows:

Directors

Title of Class	Beneficial Owner	Position	Citizenship	Amount & of nature beneficial ownership	Direct (D) or Indirect (I)	% to Total Outstanding
Common	Lorraine Belo-Cincochan	Director	Filipino	5,100,000	D	0.12%
Common	Mark Andrew Y. Belo	Director	Filipino	5,100,000	D	0.12%
Common	Careen Y. Belo	Director	Filipino	5,100,000	D	0.12%
Common	Ricardo S. Pascua	Independent Director	Filipino	1	D	0.00%
Common	Rolando S. Narciso	Independent Director	Filipino	1	D	0.00%
Common	Delfin L. Warren	Independent Director	Filipino	1	D	0.00%
Common	Evelyn R. Singson	Independent Director	Filipino	33,000	I	0.00%

Executive Officers

Title of Class	Beneficial Owner	Position	Citizenship	Amount & of nature beneficial ownership	Direct (D) or Indirect (I)	% to Total Outstanding
Common	William T. Belo	Chairman Emeritus	Filipino	5,099,995	D	0.12%

Common	Arthur R. Ponsaran	Corporate Secretary	Filipino	10,000	I	0.00%
Common	Sheila P. Pasicolan - Camerino	Asst. Corporate Secretary	Filipino	19,900	D	0.00%
Common	Rosemarie B. Ong	SEVP-COO	Filipino	1,369,401	D	0.03%
Common	Eden M. Godino	SVP-Product Development	Filipino	267,500	D	0.00%
Common	Grace A. Tiong	SVP-Human Resources	Filipino	148,700	D	0.00%
Common	Michael D. Tiong	VP-Global Sourcing	Filipino	148,700	D	0.00%
N/A	Mary Jean G. Alger	VP – Investor Relations	Filipino	0	N/A	0
N/A	Lauro D.G Francisco	Chief Audit Executive	Filipino	0	N/A	0
Common	Keith S. Chan	VP – IT	Filipino	3,000	D	0.00%
Common	Jose Ruel J. Godino	VP – Merchandising	Filipino	69,400	D	0.00%
N/A	Jea S. Reyes	VP – Finance	Filipino	0	N/A	0
N/A	Alen E. Alban	VP – Project Sales	Filipino	0	N/A	0

Voting trust holders of 5% or more

There is no person or group of persons holding more than 5% of the common shares by virtue of a voting trust or similar agreement.

Changes in control

There have been no arrangements that have been resulted in a change of control of the Company during the period covered by this information statement.

Foreign ownership as of 30 April 2025

Total number of foreign ownership as of 30 April 2025 is 632,466,528 common shares or 15.4271%.

Item 5. Directors and Executive Officers

The following are the incumbent directors of the Company:

Name	Age (as of April 2025)	Nationality	Position	Date of First Election	No. of Years as Director
Lorraine Belo-Cincochan	46	Filipino	Director, President and Chief Executive Officer	30 March 2016	9
Mark Andrew Y. Belo	43	Filipino	Director and Treasurer	30 March 2016	9
Careen Y. Belo	40	Filipino	Director, Chief Product Officer, CIO and CRO	30 March 2016	9
Rolando S. Narciso	79	Filipino	Independent Director	13 September 2016	9
Ricardo S. Pascua	75	Filipino	Independent Director	13 September 2016	9
Delfin L. Warren	75	Filipino	Independent Director	22 May 2017	8

The Board of Directors shall hold office for one (1) year and until their successors are elected and qualified.

As of this date, the following have been endorsed for election as directors at the Annual Stockholders' Meeting:

- ❖ Lorraine Belo-Cincochan
- ❖ Mark Andrew Y. Belo
- ❖ Careen Y. Belo

Below are the profiles of the nominees for election as Directors of the Company at the Annual Stockholders' Meeting as of the date of this report.

Lorraine Belo-Cincochan is a Director, President and the Chief Executive Officer of Wilcon Depot, Inc. She has held various positions in the family business starting out as a trainee under her father who was then president of Wilcon. In 2000, she headed the company's IT department that resulted in the beginnings of the company's digital transformation journey of Wilcon's key processes. From 2003 to 2005, she was assigned to manage the daily operations of the first ever large format Wilcon Depot branch as a Manager-trainee where she gained real world experience in retail operations. She was then appointed as Executive Vice President for Operations in 2005 and in 2006 became the Company's Executive Financial Officer, holding the position until March, 2016. In 2018, she was recognized as one of the 2018 Forbes Asia Emergent Women Honorees.

Mark Andrew Y. Belo is a Director and EVP - Treasurer of the Company and the President and Chief Executive Officer of WC from March 2016 to the present. He served as the Chief Financial Officer of the Company from 2016 to March 2019. Under WC, he was Assistant Vice-President for Business Development from 2015 to March 2016 and Executive Project Management Head from January 2013 to March 2015. He was also assigned in various positions under Wilcon Builders Supply, Inc. from July 2004 to August 2007. He is currently the President of Coral-Agri Venture Farm Inc. He graduated from the University of Asia & the Pacific in 2004 with a Bachelor's Degree in Industrial Economics.

Careen Y. Belo is a Director and EVP - Chief Product Officer of the Company. She is concurrently a Director of WC, the Executive Vice President for Product Development of Coral-Agri Venture Farm Inc., Executive Officer of Crocodylus Porosus Phil Inc. and President of The Meatplace Inc. She held various positions in the business having been a Business Development Manager from 2004 to 2007 of WC, Marketing and Sales Assistant from 2007 to 2014 and Executive Financial Audit Manager from 2014 to March, 2016. Ms. Belo obtained her Bachelor of Science in Management from the University of Asia & the Pacific in 2005.

Nomination and Election of Independent Directors:

As of this date, the following list of candidates for Independent Directors are as follows:

- ❖ Ricardo S. Pascua
- ❖ Rolando S. Narciso
- ❖ Delfin L. Warren
- ❖ Evelyn R. Singson

Independent Directors

Ricardo S. Pascua is an Independent Director of the Company since September 2016. Mr. Pascua is to be elected as Chairman of the Company to replace Mr. Bertram B. Lim who will be retiring on June 16, 2025. Mr. Pascua was the Vice Chairman of the Board and President and CEO of Metro Pacific Corporation from January 2000 until his retirement in December 2001, a position he held also from January 1993 to July 1995. In between, he was Vice Chairman and CEO of Fort Bonifacio Development Corporation. He was concurrently an Executive Director of First Pacific Company Ltd. from 1982 to 2001 and as such served in the boards of companies such as Smart Communications, Inc., United Commercial Bank in San Francisco, California, First Pacific Bank in Hong Kong and 1st eBank in Manila. Mr. Pascua started his career in Bancom Development Corporation as Asst. Vice President in 1972 and was assigned in Bancom International Ltd. in Hong Kong as Senior Manager in 1975. Currently, Mr. Pascua serves as an independent director in various corporations and foundations. He is likewise involved in several businesses as Chairman of the Board of Caelum Developers Inc., Facilities & Property Management Technologies, Inc., Ascension Phildevelopers, Inc.; Chairman of the Executive Committee of Phoenix Land Inc. and a Director in Boulevard Holdings, Inc., Central Luzon Doctor's Hospital, Costa de Madera Corp. and Quicksilver Satcom Ventures, Inc.; and the President of Bancom II Consultants, Inc. Mr. Pascua has a Master of Business Management from Asian Institute of Management obtained in 1971 and he finished his bachelor's degree majoring in Economics (Cum Laude) from the Ateneo de Manila University in 1969.

The Company deems it appropriate to accept the nomination of Mr. Pascua and still deem him qualified to serve as Independent Director with a term of until June 15, 2026 considering that his ninth year will fall on September 13, 2025, or after the election of directors during the annual shareholders meeting on June 16, 2025. Further, the extension of nine (9) months takes into consideration the first year of the COVID lockdown in 2020 which disrupted normal operations of the Company, especially the initial months thereof, and resulted to the conduct of the 2020 shareholders meeting on a later date or on September 21, 2020.

Rolando S. Narciso is an Independent Director of the Company since September 2016. He is currently the Vice President for Industry Affairs of Philippine Galvanizers and Coaters Association which is affiliated with the Philippine Iron and Steel Institute. He was a former Director and Chairman of St. Joseph Group from 2015 to 2019 and a former Director and Officer of New Kanlaon Construction, Inc. from 2004 to 2014. He was President and Chief Operating Officer of Steel Corporation of the Philippines from 1998 to 2004. Before the National Steel Corporation was privatized, Mr. Narciso was its President and Chief Operating Officer from 1989 to 1995 and, concurrently from 1989, was a Director of Refractories Corp. of the Phils. and Semirara Coal Corp. up to 1994 and Integrated Air Corp. up to 1993. From 1974 to 1988, he held various positions in National Steel and other subsidiaries of the National Development Company. He also held various positions in the Esso (now Exxon) Group of Companies in the Philippines and abroad from 1967 to 1974. Mr. Narciso is a member of professional organizations such as the Financial Executives Institute and the Management Association of the Philippines. He obtained his Master in Business Management and Bachelor of Science in Business Administration degrees from the Ateneo de Manila University in 1967 and 1965, respectively.

The Company deems it appropriate to accept the nomination of Mr. Narciso and still deem him qualified to serve as Independent Director with a term of until June 15, 2026 considering that his ninth year will fall on September 13, 2025, or after the election of directors during the annual shareholders meeting on June 16, 2025. Further, the extension of nine (9) months takes into consideration the first year of the COVID lockdown in 2020 which disrupted normal operations of the Company, especially the initial months thereof, and resulted to the conduct of the 2020 shareholders meeting on a later date or on September 21, 2020.

Delfin “Jing” L. Warren, is an Independent Director of the Company since May 2017. He is the founder, main principal, and current Chairman of the 1ISA Group, a leading loyalty management company in the country. He was the former CEO of PT Darya-Varia Laboratoria, a major publicly listed pharmaceutical company in Indonesia under the First Pacific Group. He also held senior positions in various international companies such as First Pacific Commodities Holdings, Ltd., The Hibernia Bank of San Francisco, PT Indo Ayala Leasing (Indonesia), and Bancom Philippine Holdings, Inc. Jing obtained his Bachelor of Science in Chemical Engineering degree at De La Salle College, Manila in 1971. He was a former member of the Board of Trustees of De La Salle University and a former president of the De La Salle Alumni Association.

Evelyn T. Singson is one of the candidates for independent director of the Company. She is currently the Vice Chairman and President of Dusit Thani Philippines, Inc.; the Director and President of Gilt-Edged Properties Inc. and La Bella Lifestyle Properties, Inc. and Director and Treasurer of Four Treasures Development Corp. She is also involved in various socio – civic professional organizations such as Parish Pastoral Council for Responsible Voting (PPCRV), of which she is the National Chairperson; she is also the Trustee and Treasurer of Institute of Solidarity in Asia (ISA), TOWNS (The Outstanding Women in the (Nation's Service) Foundation, National Music Competitions for Young Artists Foundation Inc. (NAMCYA); Trustee and President of Philippine Center for Population and Development Inc. (PCPD) and Center for Healthy Solutions and Innovations Philippines, Inc. (CHSI); Trustee and Member of the Executive Committee of Shareholders' Association of the Philippines (SharePHIL) and Vice Chair of MAP Arts and Culture Committee of the Management Association of the Philippines (MAP). Ms. Singson is a certified public accountant and obtained her Bachelor of Science in Commerce, Magna Cum Laude from Assumption Convent and her Masters in Business Administration, Dean's List, from the Kellogg School of Business Northwestern University.

As of April 30, 2025, the following are the executive officers of the Company:

Name	Age	Nationality	Position
William T. Belo	79	Filipino	Chairman Emeritus
Arthur R. Ponsaran	82	Filipino	Corporate Secretary
Sheila Pasicolan- Camerino	38	Filipino	Asst. Corporate Secretary/AVP-Corporate Lawyer/Compliance Officer
Rosemarie B. Ong	66	Filipino	SEVP-COO
Eden M. Godino	48	Filipino	Senior Vice President - Product Development
Grace A. Tiong	51	Filipino	Senior Vice President - Human Resources
Michael D. Tiong	51	Filipino	Vice President – Global Sourcing
Mary Jean G. Alger	54	Filipino	Vice President – Investor Relations
Lauro D.G Francisco	60	Filipino	Chief Audit Executive
Keith S. Chan	64	Filipino	Vice President - IT
Jea S. Reyes	55	Filipino	Vice President – Finance
Jose Ruel J. Godino	50	Filipino	Vice President – Merchandising
Alen E. Alban	47	Filipino	Vice President – Project Sales

William T. Belo is the Chairman Emeritus of the Company. He is the founder of the Wilcon business and brand. He was Chairman and/or President of all Wilcon companies established and/or acquired from 1977 to 2016 including the parent, WC. Currently, he is involved in other business undertakings and serves as Director of Markeenlo Realty Inc., Lomarkeen Realty Inc.; the Chairman of Coral-Agri Venture Farm Inc., Coral Farms, WAJ Realty Development Inc.; and Treasurer of Crocodylus Porosus Philippines Inc. He also serves as the Chairman of Wilcon Builders Foundation Inc. He won the 2013 MVP Bossing Award, a distinction given to outstanding entrepreneurs of the country. In 2018, he was recognized as an Outstanding Thomasian Engineer, awarded as one of the People of the Year by People Asia and Patriarch of Home Building Retail by the Philippine Retailers Association. In 2019, he was given the UST Engineering Alumni Association Inc. Presidential Award and was recognized as The Manila Times Man of

the Year of the Asia Leaders. Mr. Belo graduated from the University of Sto. Tomas in 1968 with a Bachelor of Science degree in Electronics and Communications Engineering.

Arthur R. Ponsaran, is the Corporate Secretary of the Company and of WC. He is a CPA-Lawyer with over 25 years' experience in corporate law, taxation, finance and related fields. He is the Managing Partner of Corporate Counsels, Philippines - Law Office and Director/Corporate Secretary of various corporate clients. He obtained his LLB from the University of the Philippines, BSBA from the University of the East and completed the MDP Program at the AIM. He is a member of the Philippine Institute of Certified Public Accountants, Integrated Bar of the Philippines, Philippine Bar Association and the New York (USA) Bar.

Sheila P. Pasicolan-Camerino is the Assistant Vice President - Corporate Lawyer of the Company and the Assistant Corporate Secretary of the Company and WC. In 2020, she was appointed Compliance Officer of the Company. She joined the Company in January 2016 after serving as a Senior Associate in Sycip Gorres Velayo and Co. from November 2014 to December 2015. Prior to her admission to the Philippine Bar in 2015, she served as a legal intern at the Office of the Solicitor General in 2013 and a technical assistant in the Office of the Presidential Assistant for Education of the Office of the President of the Philippines from 2009 to 2010. She completed her Bachelor of Arts in History from the University of the Philippines – Diliman (Cum Laude) and took up a Master's Degree in Philippine Studies in the same university. Atty. Pasicolan-Camerino is a certified compliance officer and she completed her Bachelor of Laws at San Beda University – Mendiola in 2014.

Rosemarie Bosch-Ong is the Senior Executive Vice President and Chief Operating Officer of the Company. She held this position since 2007 initially under WC, immediately prior, she was Executive Vice President for Sales and Marketing, which she held from 1988 to 2007. She started out in the business as a Purchasing Manager under WBSI from 1983 to 1988. She is also the President of the Wilcon Builders Foundation Inc., which she has headed since 2008. She is a former Director of the Philippine Contractors Association, President of Philippine Retailers Association, a former Treasurer of the Philippine Association of National Advertisers (PANA) Foundation and one of the founding Directors of Proptech Consortium of the Philippines. She is a member of the Board of Trustees of Women Business Council of the Philippines, currently the Chairman of the Committee on Trade of the Philippine Chamber of Commerce and Industry, a regular columnist of The Philippine Star and she was one of the judges of The Final Pitch at CNN Philippines seasons 7 and 8. Ms. Bosch-Ong has recently completed the Programme of Strategy in the Age of Digital Disruption from INSEAD The Business School for the World. She also has a Master's degree in Business Administration from De La Salle University obtained in 2010 and she graduated from the University of the East in 1986 with a Bachelor's Degree in Economics.

Eden M. Godino is the Senior Vice President for Product Development. She joined the department in 2007, initially as the Asst. Vice President and was appointed Vice President of Product Development in 2011. Ms. Godino joined Wilcon in 1997 and was assigned in Accounting, Purchasing and later went on to become a Depot Manager in 2004, a position she held for three years prior to her promotion to AVP in Product Development in 2007. She graduated with a Bachelor of Science degree in Accountancy from the University of the Assumption in 1997 and obtained a post bacallaureate diploma (short course diploma program) from the De La Salle College of St. Benilde on Supply Chain Management major in Purchasing and Logistics Operations with merit award in 2015. She also has a Master's degree in Business Administration from Manuel L. Quezon University obtained in 2021. She recently completed her Executive Development Program on Supply Chain Management from the Ateneo De Manila University Graduate School of Business and a Director's Awardee for Academic Excellence. In 2021, she passed the Philippine Institute for Supply Management certification and now a Certified Professional on Purchasing.

Grace A. Tiong is the Senior Vice President for Human Resources. She was the VP for Human Resources from May 2008 – May 2022. She joined Wilcon in October 1994 and was assigned in Accounting. She was promoted to various positions within the branch and eventually became a Branch Manager in 2001. She joined the Human Resources department as an Asst. HR Manager after her stint in Operations in 2003. Ms. Tiong graduated from New Era University in 1994 with a bachelor's degree in Accountancy and obtained diploma courses in Human Capital Management and Organizational Development from the School of Professional and Continuing Education of the De La Salle College of St. Benilde from 2014 to 2016.

Michael D. Tiong is the Vice President for Global Sourcing. Prior to his appointment as Vice President in July 2016, he handled Sales and Operations as an Asst. Vice President since October 2009. Mr. Tiong joined Wilcon as a Salesman in 2000 and became Asst. Depot Manager in 2003 until 2009, when he was promoted to Asst. Vice President for Operations. Mr. Tiong took up Bachelor of Science in Architecture at the Far Eastern University in 1992.

Mary Jean G. Alger is the Vice President for Investor Relations. Prior to officially joining Wilcon, she was part of the advisory team for the public listing of the Company. She started her career with Petron Corporation in 1991 as a Credit Analyst. Concurrent to her various positions in different companies and on a consultancy basis, she was involved in project structuring, financial packaging, advisory and issue management for public offerings and corporate rehabilitations, among others. She served various positions in publicly listed mining and energy development companies. She was the Asst. Vice President on Corporate Planning and Budget/Deputy to the CFO on Corporate Finance from January 2013 to August 2016 in Benguet Corporation and Asst. Vice President for Corporate Planning in Basic Energy Corporation from July 2007 to January 2013. After her stint with Benguet, she was appointed Vice President for Project Development and Planning in Marcventures Mining Development Corporation. Ms. Alger graduated from the University of the Philippines – Diliman with a Bachelor Degree in Business Economics and a Master in Business Administration Candidate (academic requirements completed in 2007) at De La Salle University – Taft.

Lauro D. Francisco, is the Chief Audit Executive. He has an extensive experience as an internal audit executive. He built his internal audit professional career with the Manila Electric Company (MERALCO), previously managing the audit of the company's subsidiaries and affiliates and simultaneously delegated as the Internal Audit Head/ Assistant Vice-President for Internal Audit of subsidiary Meralco Industrial Engineering Services Corporation (MIESCOR). He also had an internal audit management tenure with GT Capital Holdings Incorporated. He is a Certified Public Accountant, Certified Internal Auditor, and with Certification in Risk Management Assurance. Mr. Francisco graduated from the University of the East with a degree in Business Administration major in Accounting (Cum Laude). He obtained his Master in Business Administration degree from the Ateneo Graduate School of Business (Gold Medal Honors). He is actively affiliated with the Institute of Internal Auditors - Philippines and previously held various officership positions in the organization, foremost of which as Vice-Chairman of its Board of Trustees.

Keith S. Chan, is the Vice President for IT. He is the incoming President of the Business Continuity Association of the Philippines (BCMAP) for 2023 and a certified Associate Business Continuity Professional (ABCP) from the Disaster Recovery Institute, International (DRII). He was First Vice President for Information Technology, IT Head and Vice Chairman of the IT Steering Committee at the Philippine Business Bank from January 2003 until his retirement in July 2015. He was also involved in an advisory capacity for the Zesto Group of Companies in the airline, hotel and convenience store IT operations. In May 2000 he managed a US internet service provider franchise start up, Quik Internet, in the Philippines as the Chief Operating Officer of Q Communications Corporation. From 1991 to 1996, he was the Assistant Vice President for Management Information System of Guoco Holdings Phils., Inc., a member of the Hong Leong Group of Malaysia. In 1986, he joined a computer service start-up company, Dataworld Computer Corporation, as Vice President for Application Development and became Executive Vice President. As a business management degree holder, he started his career as a banker in Equitable Banking Corporation in 1982 and held finance positions in Seaoil Petroleum Corporation in 1997. Mr. Chan is a recipient of the 2022 CIO100 Asia, Hongkong and Wider Region Award from CIO.com, a part of the Boston-based International Data Group's (IDG) enterprise publications business. He graduated with a Masters of Business Management from the Asian Institute of Management in 1986 and had further studies in a Master's program in Computer Science from the Ateneo de Manila University. He finished his bachelor's degree in Business Management from the Ateneo de Manila University in 1982.

Jea S. Reyes is the Vice-President for Finance at Wilcon Depot, Inc. She is a highly experienced and results-oriented Certified Public Accountant (CPA) with about 3 decades of diverse expertise in finance, financial planning, budgeting, corporate finance, business development, accounting, and auditing. She holds a degree in Bachelor of Science in Business Administration major in Accounting from Silliman University and has completed her academic courses for the De La Salle University Graduate School of Business Master in Business Administration program. Her notable professional experiences include serving as the Chief Finance Officer for Global Officium Limited Inc. and Honeycomb Builders, Inc., the roles encompassing leadership in accounting, treasury, fundraising, financial analysis, controls, taxation, and accounting systems implementation. She was also an investment management executive of the Joy-

Nostalg group and served as Assistant Vice-President at SM Development Corporation and The Philippine American Life and General Insurance Company from 2011 to 2017. Her earlier experiences (1990 to 2011) included sixteen (16) years in various roles with Ayala Land Inc., three (3) years as Finance Manager of the Amicassa Process Solutions Inc., the residential shared services arm of the Ayala Land Group of Companies, and a brief stint at the auditing firm of Sycip, Gorres, Velayo, CPAs (SGV).

Jose Ruel J. Godino is the Vice - President for Merchandising. He was the AVP for Merchandising from 2020 - 2022. He joined Wilcon in 2001 as Sales Consultant and eventually became the AVP – Logistics in 2009 and AVP – Sales Operations in 2014. Mr. Godino graduated from the University of the Visayas with a bachelor degree in Mechanical Engineering in 1997.

Alen E. Alban is the Vice President for Project Sales at Wilcon Depot, Inc. Alen has close to 20 year experience in the construction supply industry, holding positions from Head of Marketing (American Standard Philippines, Ltd., Co.), Projects Director (Grohe Philippines, Inc.) to eventually Country Manager (Lixil Philippines, Inc.). The foundation of his career was spent doing Marketing and customer centric work, as his first 9-year experience was in brand management for Splash Corporation and account management for an advertising company. He is a graduate of De La Salle University Manila with a degree in Marketing Management. He also completed the BMP with Ateneo Graduate School of Business, Center for Continuing Education.

Significant Employees

The Company does not believe that its business is dependent on the services of any particular employee.

Family Relationship

The Company's President - CEO, Lorraine Belo-Cincochan, Directors Mark Andrew Y. Belo and Careen Y. Belo are the children of William T. Belo, Chairman Emeritus of the Company.

Mr. Michael D. Tiong is the husband of Ms. Grace A. Tiong. Mr. Jose Ruel J. Godino is the husband of Ms. Eden M. Godino.

Involvement in Legal Proceedings

As of date, to the best of Company's knowledge, there are no legal proceedings against the directors and executive officers of the Company within the categories described in SRC Rule 12, Part IV paragraph (A) (4). And no material pending legal proceedings against the Company's subsidiaries and affiliates.

Certain Relationship and Related Party Transactions

The Company, in the ordinary course of business, engages in various transactions with related parties, particularly with its parent company, entities under common control and stockholders. These transactions are mainly leasing, purchase and sale of goods and reimbursement of certain expenses. The leased assets are land, buildings and software that are used in the normal course of business.

Transaction prices were mutually agreed upon and made at prevailing market rates. The Company has an approval process and governed by its Policy on Material Related Party Transactions when entering a material related party transaction to ensure that the transactions are arm's length.

The Company has unexpired rental agreements and continuous purchase and sale of goods as part of its normal course of business.

For a detailed discussion of the material related party transactions of the Company, please see note 19 - Related Party Transactions and Balances of the attached Audited Financial Statements of the Company.

Resignation of Directors

No director has resigned from his office, or declined to stand for re-election to the Board since the last meeting of the stockholders due to any dispute or disagreement in relation to the operations, procedures and policies of the Company. However, Mr. Bertram B. Lim, the Chairman and Independent Director of the Company, will be retiring on June 16, 2025.

Item 6. Compensation of Directors and Executive Officers

Executive Compensation

Below is the total annual compensation of the top 5 officers and other officers of the company for the year 2023, 2024 and projected for 2025.

2023

Key Management Officers	Year	Compensation	Bonuses
Top 5 Officers William T. Belo Lorraine C. Belo-Cincochan Mark Andrew Y. Belo Careen Y. Belo Rosemarie Bosch-Ong	2023	P51M	P54M
Other officers as a group	2023	P101M	P6M

2024

Key Management Officers	Year	Compensation	Bonuses
Top 5 Officers William T. Belo Lorraine C. Belo-Cincochan Mark Andrew Y. Belo Careen Y. Belo Rosemarie Bosch-Ong	2024	P53.9M	P53.8M
Other officers as a group	2024	P107M	P7.8M

Projected for 2025

Key Management Officers	Year	Compensation	Bonuses
Top 5 Officers William T. Belo Lorraine C. Belo-Cincochan Mark Andrew Y. Belo Careen Y. Belo Rosemarie Bosch-Ong	2025	P56.8M	P54.1M
Other officers as a group	2025	P123.7M	P8.5M

Compensation of Director

Standard Arrangements

All directors attending physically in a board meeting receive a per diem of Forty Thousand Pesos (P40,000.00) per meeting.

Below is the total amount received by each Independent Director:

Independent Directors	Year	Per Diem	Bonuses
Bertram B. Lim	2024	P240,000.00	P230,000.00
Ricardo S. Pascua	2024	P240,000.00	P230,000.00
Ronaldo S. Narciso	2024	P240,000.00	P230,000.00
Delfin L. Warren	2024	P240,000.00	P230,000.00

Other arrangements

There are no other arrangements pursuant to which the directors are compensated directly or indirectly, for any service provided as a director.

Employment Contracts and Termination of Employment and Change in Control Arrangements

The Executive Officers of the Company have employment contracts with the Company and are subject to policies of the Company and Labor Laws. They are also entitled to receive retirement benefits in accordance with the retirement plan of the Company.

There is no arrangement with any executive officers to receive any compensation or benefit in case of change-in-control of the Company.

Warrants and Options

There are no outstanding warrants or options held by the President – CEO, executive officers, directors and all officers and directors as a group.

Item 7. Independent Public Accountants

The External Auditor of the Company is Reyes Tacandong & Co (RTCo). There have been no disagreements on any accounting and financial disclosures. The Company is compliant with SRC Rule 68, (3), (b), (iv), requiring the rotation of external auditors or engagement partners for a period of five (5) consecutive years.

The same accounting firm will be nominated for reappointment for current fiscal year at the Annual Stockholders' Meeting. Representatives of RTCo. will be present at the Annual Stockholders' Meeting and they will have the opportunity to make statements if they desire to do so and are expected to be available to respond to appropriate questions.

Audit Fees

Name of auditor	Audit Fees
Reyes Tacandong & Co.	P2,150,000.00 (2022)
Reyes Tacandong & Co	P2,300,000.00 (2023)
Reyes Tacandong & Co	P2,550,000.00 (2024)

The Company did not engage Reyes Tacandong & Co. in any non-audit services. Further, based on the Audit Committee Charter of the Company, the quarterly reports and financial statements are reviewed and

endorsed by the Audit Committee and approved by the Board prior to its release and submission to the SEC and PSE.

Item 8. Compensation Plans

There is no other type of compensation plan as of this date and for the Annual Stockholders' Meeting on 16 June 2025 there will be no compensation plan that will be taken up.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up with respect to authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up with respect to the modification or exchange of securities.

Item 11. Financial and Other Information

The Company incorporated by reference the following:

1. 17-A (Annual Report), attached as Annex "A"
2. 2024 Audited Financial Statements, attached as Annex "B"
3. Certification of Independent Directors and Corporate Secretary, attached as Annex "C"
4. 2024 Sustainability Report, attached as Annex "D"
5. Q1 2025 Financial Statements, attached as Annex "E"

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up with respect to merger, consolidations, acquisitions and similar matters.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up with respect to the acquisition or disposition of property.

Item 14. Restatement of Accounts

There are no matters or actions to be taken up with respect to the restatement of accounts.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following matters will be submitted to the stockholders for their approval:

1. Approval of the Minutes of the Annual Meeting of the Stockholders held on 17 June 2024
2. Presentation and Approval of Annual Report and Financial Statements as of 31 December 2024.
3. Ratification of all Acts and Resolutions of the Board of Directors and Management during the Preceding Year.
4. Election of Board of Directors
5. Appointment of External Auditor

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter, which is not required to be submitted to a vote of security holders.

Item 17. Other Proposed Action

Other than those matters mentioned above, there are no other proposed actions to be taken up during the Annual Stockholders' Meeting.

Item 18. Voting Procedures

A stockholder may cast his own vote or by proxy executed in writing by the stockholder or his/her duly authorized attorney-in-fact through remote communication or in absentia in accordance with the procedures prescribed by the Corporation and relevant laws and regulations. All matters subject to vote in accordance with the law shall be decided by the majority vote of the stockholders present or by proxy and are entitled to vote thereat and provided a quorum is present.

Directors shall be elected by plurality of vote at the Annual Meeting of the Stockholders for the year at which quorum is present. At each election for directors, every stock holder shall have the right to vote, in through remote communication or in absentia, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number is shares shall equal, or by distributing such votes as the same principle among any number of candidates.

PART II.

INFORMATION REQUIRED IN A PROXY FORM

(This form shall be prepared in accordance with paragraph (5) of SRC Rule 20)

Item 1. Instructions

Proxy forms must be properly signed, dated and returned by the stockholder on or before 5 pm of 13 June 2025. It is not required to be notarized. Proxy forms shall be emailed to wilcon_asm@wilcon.com.ph or delivered to the Office of the Asst. Corporate Secretary at 90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City and must be accompanied by a corresponding secretary's certificate confirming the authority of the person executing the proxy and for proxies of beneficial owners or of those shares lodged with the Philippine Depository & Trust Corp, a certification from their respective brokers must be submitted. Proxy forms shall be validated on 13 June 2025 at 6 pm. Validated proxies will be voted at the meeting in accordance with the instructions of the stockholders.

Item 2. Revocability of Proxy

Proxies filed may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary at least one (1) day prior to the Annual Stockholders' Meeting or by their presence at the meeting.

PART III.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Quezon City on 21 MAY 2025

WILCON DEPOT, INC.

By:


ATTY. ARTHUR R. PONSARAN
Corporate Secretary

QUEZON CITY

MAY 21 2025

SUBSCRIBED AND SWORN TO before me in _____ this ____ day of _____ at _____, Affiant exhibited to me his Passport No. P7038917A issued by DFA NCR South on 04 May 2018 valid until 03 May 2028.

Doc. No. 202
Page No. 42
Book No. XXX
Series of 2025.


ATTY. RIZAL JOSE ALMORALES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM. MATR. NO. 003
PTR NO. 7016197 / 01-02-2023 / Q.C
IBP NO. 472550 / 10-03-2024 / Q.C
ROLL NO. 25435
MCLE NO. VH-0008500 / 05-07-2024
Add. #473 Boni Street, 4th Floor, Barangay
San Roque, Murphy Quezon City

Compliance with Section 49 of the Revised Corporation Code

Required Disclosures	References
<p>a) The minutes of the most recent regular meeting which shall include, among others:</p> <ul style="list-style-type: none"> (1) A description of the voting and vote tabulation procedures used in the previous meeting; (2) A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given; (3) The matters discussed and resolutions reached; (4) A record of the voting results for each agenda item; (5) A list of the directors or trustees, officers and stockholders or members who attended the meeting; and (6) Such other items that the Commission may require in the interest of good corporate governance and the protection of minority stockholders <p>b) A members' list for nonstock corporations and, for stock corporations, material information on the current stockholders, and their voting rights;</p> <p>c) A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance, which shall include information on any material change in the corporation's business, strategy, and other affairs;</p> <p>d) A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees;</p> <p>e) An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof;</p> <p>f) Director or trustee profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations;</p> <p>g) A director or trustee attendance report, indicating the attendance of each director or trustee at each of the meetings of the board and its committees and in regular or special stockholder meetings;</p>	<p>https://investor.wilcon.com.ph/wp-content/uploads/2024/06/Draft-WDI-2024-ASM-Minutes.pdf</p> <p>Page 7 – 9 of the Information Statement</p> <p>Refer to the Management Report of the Information Statement</p> <p>https://investor.wilcon.com.ph/wp-content/uploads/2025/04/WLCON-2024-17A-Annual-Report-with-Exhibits-_SEC.pdf</p> <p>Page 28 – 29 of the Information Statement</p> <p>Page 11 – 13 of the Information Statement and Annex C Certifications</p> <p>https://investor.wilcon.com.ph/wp-content/uploads/2025/01/2024-Directors-Attendance-in-Board-Meetings.pdf</p>

<p>h) Appraisals and performance reports for the board and the criteria and procedure for assessment;</p> <p>i) A director or trustee compensation report prepared in accordance with this Code and the rules the Commission may prescribe;</p> <p>j) Director disclosures on self-dealings and related party transactions; and/or</p> <p>k) The profiles of directors nominated or seeking election or reelection.</p>	<p>https://investor.wilcon.com.ph/wp-content/uploads/2025/04/WLCON-2024-17A-Annual-Report-with-Exhibits-_SEC.pdf</p> <p>Page 18 of the Information Statement</p> <p>Page 16 of the Information Statement</p> <p>Page 11 – 13 of the Information Statement</p>
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MANAGEMENT REPORT

Business and General Information

Background

Wilcon Depot, Inc., doing business under the name and style of Wilcon Depot and Wilcon Home Essentials (the Company/WDI/Wilcon Depot) was incorporated on December 17, 2015 as a subsidiary of Wilcon Corporation, doing business under the name and style of Wilcon City Center (WC), formerly known as Wilcon Builder's Depot Inc. (WBDI), to operate its home improvement retail businesses. It officially started operations on April 1, 2016 when the retail operations including all of the retail assets and liabilities were transferred from WC, thereby increasing WC's ownership in the Company to 99.06%.

The Company's retailing business, which it acquired and inherited from WC, has been in existence for 44 years. The business, founded by Mr. William T. Belo, opened its first store in 1977, carrying a variety of local brands of tiles and flooring, plumbing and sanitary wares, electrical and lighting products, and hardware and tools. Mr. Belo gradually expanded the pioneer Wilcon branch as business picked up. He opened three more branches with an average area of 2,400 sqm from 1989 to 1995. In 2002, the first store outside of Metro Manila was established in Davao City.

The first depot format store was opened in 2003, in Las Piñas. At 10,000 sqm, the Depot format was larger than their previous 5 stores, which had an average size of 4,223 sqm. Its product selection was more comprehensive and included more international brands and new product lines and categories such as furniture, furnishings and houseware, paints, and building materials, among others. Over the next 13 years, operations rapidly expanded with the opening of 27 more Depot format stores around the country.

The smaller format mall-based or community-based stores were formally organized in 2009 and operated under the brand name "Wilcon Home Essentials". This concept was adopted by a few of the old stores and subsequently applied to 3 more new stores from 2009 to 2013.

In 2023, the Company amended its name to include Do-It-Wilcon, mainly to expand market share by targeting customers who require easy access to a basic range of tools and materials for simple housing repairs and maintenance. The Company plans to put up Do-It-Wilcon in community centers or malls and will eventually change all Home Essentials stores to Do-It-Wilcon stores. It also introduced BARGAIN CENTER as additional distribution channel for pruned items.

Corporate Restructuring

The following transactions occurred on April 1, 2016 in relation to the spin-off of the retail operations of WC into the Company:

- The net assets comprising the retail business were transferred to the Company. The land, intellectual property, and investment properties remained with WC, the Parent.
- The Company entered into lease agreements with its Parent for the lease of land assets used by its stores.

The spin off resulted in a 99.06% ownership of WC in the Company.

On March 31, 2017, the Company went public through an initial public offering with the Philippine Stock Exchange. The Company floated thirty four percent (34.00%) or 1,393,906,200 of its capital stock, increasing its issued and outstanding capital stock to 4,099,724,116 and diluting WC's equity interest in the Company to 65.38%.

Bankruptcy, Receivership or Similar Proceedings

The Company and its parent, WC, have not been subject to: (i) any bankruptcy, receivership or similar proceedings or (ii) any material reclassification, merger (other than as a surviving entity) consolidation of purchase or sale of significant amount of assets.

Products / Business Lines

The Company caters to the fast-growing segment of middle to high-income homeowners whose needs range from new home construction, renovation, repair and maintenance to home improvement, furnishing and design. The Company's complete spectrum of product offerings includes local and international brands of tiles and flooring, plumbing and sanitary wares, electrical and lighting products, hardware and tools, furniture, furnishings and houseware, paints, appliances and building materials, among others.

Product Categories

The Company offers a broad range of products grouped into major product categories namely plumbing and sanitary hardware and tools, tiles and flooring, electrical and lighting, furniture, furnishing and houseware, paints, appliances, and building materials. As a matter of competitiveness, the Company continues to develop new products and services for its customers as seen in the launching of several in-house and exclusive products in the past.

The table below enumerates the list of major product categories and its products.

Product Category	Description
Plumbing and Sanitary wares	Over 1,100 products that include bath and shower mixers, bath fillers, faucets, shower, water systems, bath tubs, bidet, bowl, lavatory, pedestal, shower enclosure, urinal, water closet and other accessories.
Hardware and Tools Products	Products such as door essentials, hand tools and hardware accessories, pipes, sundries, power tools and hand tools are found in this category.
Tiles / Flooring	Consists of locally made tiles and tiles from different countries such as China, Indonesia, Italy and Spain. Tiles are available in different sizes and different types such as ceramic, glass block, porcelain, and vinyl.
Electrical and Lighting	Includes electrical accessories and supplies, lamps, wiring devices, LED and lights.
Furniture, Furnishings and Houseware	Furniture products include those found in the bedroom, dining, kitchen, living room, office, and outdoor. Products include decorative items, organizers, wall hang decors, curtains, and blinds.
Paints	Provides a wide range of paints for different surface types.
Appliances	Products include air cooler, air conditioner, electric fan, entertainment appliances such as television, CD/DVD player, amplifier, kitchen appliances, washing machine, and vacuum cleaner.
Building Materials	Products include building decors and supplies, ceiling and wall, floor and roofing.

Among the major product categories, tiles and flooring products and plumbing and sanitary wares historically have the highest contribution to sales.

The Company carries over 1,100 brands across the different product categories translating to 90,000 stock keeping units (SKUs) as at December 31, 2024. The Company further classifies these brands as: (i) in-house brands owned by the Company and exclusive international brands that are solely distributed by the Company, and (ii) other locally procured local and international brands that are not exclusively distributed by the Company.

Store Formats

The Company operates 100 stores nationwide, as of December 31, 2024, and offers its products via two retail formats, namely the Depot store format and Do It Wilcon store format.

- **Depots.** The Company conducts its operations primarily through a format under the name “Wilcon Depot”. As of December 31, 2024, the depot format accounted for 96.07% or ₱32,829.1 Million of the Company's net sales. Each Depot format store carries 40,000 to 60,000 SKUs and offers a broad variety of large-scale home and construction supply products. The net selling space of the Company's depot stores ranges from 2,800 sqm to 16,100 sqm, with an average gross floor area of 9,210 sqm. As of December 31, 2024, the Company has 89 depots located in all the major cities across the Philippines. Project sales or sales to major property developers, on the other hand, accounted for 1.02% or ₱347 Million of total net sales of the Company.
- **Do It Wilcon.** In 2024, the Company introduced a new store format to replace Wilcon Home Essentials. It is a community store-type outlet that targets customers who require easy access to a basic range of tools and materials for simple housing repairs and maintenance. Do It Wilcon stores range in size from 176 sqm to 3,500 sqm with an average gross floor area of 1,837 sqm. As of December 31, 2024, the Company has 7 Do It Wilcon stores in Metro Manila and 2 in Luzon and 2 in Mindanao for a total of 11 Do It Wilcon stores. Net sales generated by Do It Wilcon stores accounted for 2.91% or ₱995.9 Million of total net sales.

The Company has designed its stores to provide a comfortable atmosphere that will enhance the customers' shopping experience. The Company's stores offer facilities such as free parking, ample ventilation and air-conditioning, well-lit shopping areas, and a similar easy-to-navigate store layout in all its stores. For its depot-format stores the Company offers more shopping convenience like a coffee shop or a snack bar, lounges for customers and their contractors or architects and engineers, design hubs and a play area for kids. The Company continues to ensure the completeness of these features in all of its depots to keep customers satisfied.

Owing to the significantly higher store count and total selling area of depots versus home essentials, majority of the Company's revenues or 96.07% comprised of net sales generated from the depot-format stores, 1.02% for the project sales while the remaining 2.91% was contributed by the Do It Wilcon format store.

Distribution Methods of Products

The Company as mentioned in the preceding paragraphs, operate two store formats, the Depot and the Do It Wilcon.

Below is the breakdown of the number of the Company's stores per location and format:

Store format	Region	Number of stores
Depot	Metro Manila	12
	Luzon	55
	Visayas	11
	Mindanao	11
Total Depot		89
Do It Wilcon	Metro Manila	7
	Luzon	2
	Mindanao	2
Total Do It Wilcon		11
TOTAL		100

The Company outsources various logistics and distribution functions to third parties, which the Company believes allows it to expand its store network rapidly while lowering its operating costs.

Replenishment of the Company's inventory is provided through direct store deliveries from suppliers for urgent requirements or deliveries to the Company's warehouses for regular restocking.

Legal Proceedings

The Company and its management are not involved in any governmental, legal or arbitration proceedings that may have a material effect on the Company's business, financial position or profitability.

None of the members of the Board of Directors and executive officers of the Company is involved in any material criminal, bankruptcy or insolvency investigations or proceedings.

Operational and Financial Information

Wilcon Depot, Inc.'s common shares have been trading in the Philippine Stock Exchange (PSE) starting March 31, 2017. The high and low market prices of the Company's shares for each quarter of 2022, 2023, 2024 and 1st Quarter of 2025 as reported by the PSE are shown below:

2022	High	Low
4 th quarter	33.40	26.35
3 rd quarter	31.95	21.05
2 nd quarter	29.35	22.60
1 st Quarter	31.00	24.90

2023	High	Low
4 th quarter	23.05	19.8
3 rd quarter	25.85	20.55
2 nd quarter	30.40	23.85
1 st Quarter	34.45	26.40

2024	High	Low
4 th quarter	18.40	12.80
3 rd quarter	18.80	16.20
2 nd quarter	20.15	15.30
1 st Quarter	24.80	17.66

2025	High	Low
1 st Quarter	14.38	6.98

The market capitalization of the Company's common shares at the end of April 2025 of for the 1st Quarter of 2025 based on the closing market price of ₱7.01 per share totaled to ₱28.7 Billion.

And the latest practicable share price of the Company dated May 21, 2025 is ₱6.00 per share.

Stockholders

The total number of issued and outstanding common shares of the Company as of 30 April 2025 is 4,099,724,116.

List of Top 20 Stockholders as of 30 April 2025 from Stock Transfer Agent

	STOCKHOLDER'S NAME	HOLDINGS	PERCENTAGE
1	WILCON CORPORATION	2,718,117,916	66.30
2	PCD NOMINEE CORPORATION (FILIPINO)	719,398,234	17.55
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	631,699,118	15.41
4	CAREEN Y. BELO	5,100,000	0.12
5	MARK ANDREW Y. BELO	5,100,000	0.12
6	ROSY CHUA BELO	5,100,000	0.12
7	LORRAINE BELO CINCOCHAN	5,100,000	0.12
8	WILLIAM T. BELO	5,100,000	0.12
9	BERCK Y. CHENG OR ALVIN Y. CHENG OR DIANA Y. CHENG OR CHERYL Y. CHENG	1,980,000	0.048
10	ROSEMARIE B. ONG	1,369,401	0.033
11	TIMOTHY JAMES VORBACH	650,000	0.016
12	EDEN M. GODINO	267,500	0.007
13	ELLIS C. MAGUAN &/OR MINGMING C. MAGUAN	150,000	0.004
14	GRACE A. TIONG	148,700	0.004
15	MICHAEL D.C TIONG	148,700	0.004
16	BIN NI	117,400	0.003
17	JOSE R. GODINO	69,400	0.002
18	MING MING C. MAGUAN OR ELLIS C. MAGUAN	20,000	0.000
19	SHEILA P. PASICOLAN - CAMERINO	19,900	0.000
20	JOEL M. BANACO	15,000	0.000

Dividends

The Company has the following dividend history:

Date Approved	Record Date	Payment Date	Amount
March 6, 2019	March 22, 2019	April 16, 2019	PhP0.11 regular PhP0.05 special PhP0.16 total
February 24, 2020	March 20, 2020	April 16, 2020	PhP0.12 regular PhP0.06 special PhP0.18 total
February 24, 2021	March 19, 2021	April 16, 2021	PhP0.10 regular PhP0.02 special PhP0.12 total
February 24, 2022	March 18, 2022	April 12, 2022	PhP0.15 regular PhP0.06 special PhP0.21 total
February 22, 2023	March 22, 2023	April 18, 2023	PhP0.23 regular PhP0.14 special PhP0.37 total
March 20, 2024	April 18, 2024	May 8, 2024	PhP 0.11/ regular PhP0.15 / special PhP 0.26 total
March 20, 2025	April 11, 2025	May 8, 2025	PhP 0.15/ regular PhP0.21 / special PhP 0.36 total

The Company has approved a dividend policy of maintaining an annual cash and/or share dividend pay-out of up to 25% of its net profit after tax from the preceding year, subject to the requirements of applicable laws and regulations, the terms and conditions of its outstanding bonds and loan facilities, and the absence of circumstances that may restrict the payment of such dividends, such as where the Company undertakes major projects and developments. Dividends must be approved by the Board (and shareholders in case of a share dividend declaration) and may be declared only from the unrestricted retained earnings of the Company. The Company's Board of Directors may, at any time, modify the Company's dividend policy, depending upon the Company's capital expenditure plans and/or any terms of financing facilities entered into to fund its current and future operations and projects. The Company can give no assurance that it will pay any dividends in the future.

Securities Sold

There were no recent sales of unregistered or exempt securities, including issuance of securities constituting an exempt transaction.

Discussion on Compliance with Leading Practice on Corporate Governance

On 22 May 2017, the Board of Directors approved the adoption of the Revised Manual on Corporate Governance in accordance with the SEC Memorandum Circular No. 19 Series of 2016.

The Company understands that it is paramount to set the kind of corporate governance needed in the attainment of the Company's corporate goals.

The Revised Manual on Corporate Governance was designed to define the framework of rules, systems and processes that governs the performance of the Board of Directors (the Board) and Management. It establishes the structure by which the Company executes and carries out its Corporate Governance. This serves as reference by all the members of the Board as well as its Management in the conduct of their duties and responsibilities.

The Board of Directors and Management, employees and shareholders, believe that good governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness thereof within the organization.

With the aid of its committees, the Board of Directors shall be primarily responsible for the governance of the Corporation and shall, hence, ensure compliance with the principles of good corporate governance.

To strictly observe and implement the provisions of this Manual, corresponding penalties shall be imposed, after notice and hearing, on the Corporation's directors, officers, staff, subsidiaries, and affiliates and their respective directors, officers, and staff in case of violation of any of the provisions of the Manual.

On 7 August 2019, in compliance with SEC Memorandum Circular No. 10 Series of 2019, Rules on Material Related Party Transactions for Publicly Listed Companies, the Board approved its Material Related Party Transactions Policy and accordingly revised its Related Party Transactions Committee Charter.

On May 6, 2020, the Board of Directors of the Corporation approved the amendments to its Corporate Governance Manual in compliance with the Revised Corporation Code and related issuances. The Board also approved the amendments to the By-laws of the Corporation in compliance with the Revised Corporation Code. The amendments to the By-laws were then ratified by the stockholders during the annual stockholders' meeting held on September 21, 2020. The Securities and Exchange Commission approved the said amendments on March 2, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations for the Three-month Period Ended March 31, 2025 and 2024

The Company recorded net income of ₱536 million for the first three-month period of 2025, lower by ₱204 million or 27.5% from the ₱740 million reported during the same period in 2024. Net margins for the respective periods were 6.4% and 8.9%. The decline was primarily attributable to higher operating expenses and a reduction in gross profit.

Net Sales

Net sales for the three-month period ended March 31, 2025, amounted to ₱ 8,408 million, a ₱98 million or 1.2% growth from the same period last year. The increase was primarily driven by new store sales, despite the partial drag from lower comparable sales of 3.6%.

During the first quarter of 2025, the Company opened a new depot in North Luzon and a smaller-format Do-It-Wilcon (DIW) store in Metro Manila, bringing the total number of branches to 102.

On a per format basis, sales from the depot-format stores, which comprised 96.5% of total net sales, went up by ₱142 million or 1.8% to ₱8,116 million from the ₱7,973 million net sales for the three-month period of 2024. Sales from new depots contributed 4.8% to the total net sales growth, however, comparable sales declined by 3.1%.

The smaller format, DIW, which includes the original Home Essentials stores, recorded net sales of ₱258 million, a ₱26 million or 11.1% increase year-on-year. Comparable sales for the format grew by 7.4%, with new stores making up for the rest of the growth.

The remaining 0.4% of total net sales was accounted for by project sales or sales to major institutional accounts, which amounted to ₱34 million, with a ₱70 million or 67.2% year-on-year decrease.

Gross Profit

Gross profit was lower by ₱56 million or 1.7% from the 2024 first quarter level of ₱3,320 million to close at ₱3,264 million for the period, for a gross profit margin rate of 38.8%. The decrease was primarily attributed to a contraction in the gross profit margin rate, which declined by 110 basis points year-on-year. This decline was driven by margin compression in both the non-exclusives and the exclusives and in-house brands categories, largely due to the continued popularity of our best deals offerings. The contribution of in-house and exclusive brands also slipped slightly to 52.2% from 52.6%, mainly as a result of lower project sales.

Operating Expenses

Operating expenses increased to ₱2,408 million for the period, up by ₱106 million or 4.6% from the prior year's ₱2,302 million. The increase is attributable mainly to expansion-related operating expenses such as manpower expenses, depreciation and amortization, supplies, and utilities.

Interest Expense

Interest expense increased by ₱85 million, or 50.4%, to a total of ₱255 million for the period from the prior year's three-month period of ₱169 million, attributable mainly to additional leases. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the Company's adoption of PFRS 16 on leases.

Other Income (Charges)

Other income (charges) for the three-month period ended March 31, 2025, amounted to ₱110 million, lower by ₱26 million or 19.4% from the ₱137 million generated for the same period in 2024, mainly due to the collection timing of supplier support, and other fees and rental income. Meanwhile, non-operating interest income declined by ₱6 million.

Earnings Before Interest and Tax (EBIT) / Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Adjusting the 2025 and 2024 depreciation and amortization to exclude right-of-use (ROU) depreciation and interest expense on lease liability and consider these as rent expense, EBITDA and EBIT were as follows:

- 1) EBITDA for the three-month period March 31, 2025 reached ₱1,063 million, or 12.6% of net sales, was lower by 17.9% from the ₱1,295 million, or 15.6% of net sales, recorded for the same period ended March 31, 2024.
- 2) EBIT for the first three (3) months of 2025 is ₱697 million or 8.3% of net sales, registered a 28.7% decline from the previous year's ₱977 million EBIT or 11.8% of the 2024 net sales for the same period.

The decrease in both EBITDA and EBIT was driven by higher operating expenses and a reduction in gross profit margin, partly offset by a rise in net sales.

Income Tax Expense

Consequently, the Company's income tax expense reduced by ₱71 million or 28.9% to end at ₱174 million in the first quarter of 2025 from the ₱245 million incurred during the same period last year. The decrease was due mainly to lower taxable income.

Financial Condition as at March 31, 2025

Liquidity

Net cash provided by operating activities decreased by ₱94 million or 8.0% in 2025 compared to 2024, primarily driven by higher inventory purchases during the quarter. Net cash used in investing activities was lower by ₱206 million or 24.2% in 2025 compared to 2024, as a result of decreased capital expenditures. Cash used in financing activities reflected ₱508 million lease payments. Current ratio slightly increased from 2.05:1.00 to 2.13:1.00.

Cash and cash equivalents and short-term investments totaled ₱2,107 million, a ₱73 million or 3.4% decrease from the balance as at December 31, 2024. The decline was mainly due to continued working capital spending.

Capital Expenditure

For the quarter, the Company's capital expenditure totaled ₱652 million, the bulk of which was spent on the renovation and construction of new stores.

Capital Resources

The Company continues to have easy access to the debt markets for both its working capital and long-term funding requirements having remained bank debt-free and with preferential lines with the Philippines' top banks.

The company's liabilities consist mostly of trade payables and lease liabilities recognized pursuant to the adoption of PFRS 16 – Leases. The company has no existing lease or other contracts with material contingent liability that will adversely affect the company's operations or the implementation of its strategic initiatives.

Key Financial Performance Indicators

Key Performance Indicators	YTD March 31, 2025	YTD March 31, 2024
Sales	8,408,291,423	8,310,527,312
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense ¹	697,079,391	977,304,988
EBITDA – Adjusted / Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ²	1,063,049,863	1,294,898,317
EBIT Margin - Treating Interest on Lease Liability as Rent Expense ³	8.29%	11.76%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ⁴	12.64%	15.58%
	As at March 31, 2025	As at March 31, 2024
Return on Equity Ratio ⁵	2.34%	3.34%
Current Ratio ⁶	2.13	2.05
Debt to Equity Ratio ⁷	0.80	0.79

1. *Income before tax add net interest expense less lease interest expense*
2. *Income before tax add net interest expense and depreciation and amortization less lease interest expense and depreciation on ROU assets*
3. *EBIT / Net Sales*
4. *EBITDA / Net Sales*
5. *Net Income / Total Equity*
6. *Current Assets / Current Liabilities*
7. *Total Liabilities / Total Equity*

MATERIAL CHANGES (+/-5%) IN THE FINANCIAL STATEMENTS

Statement of Financial Position as at March 31, 2025 and December 31, 2024

1. Aggregate cash decreased by ₱73 million or 3.4% from ₱2,180 million at the close of 2024 to ₱2,107 million as at March 31, 2025, due primarily to acquisition of property and equipment as well as higher lease payments, and lower net cash flows from operating activities.
2. Trade and other receivables totaled ₱332 million as at March 31, 2025, ₱196 million or 37.1% lower than the ₱528 million balance as at December 31, 2024. The decrease was mainly due to the lower project sales.
3. Advanced payments to suppliers for merchandise orders and operating expenses decreased by ₱39 million or 12.1% from ₱319 million at the close of 2024 to ₱281 million as at March 31, 2025, mainly due to the receipt of merchandise inventories from suppliers.
4. Merchandise Inventories increased by ₱1,391 million or 9.8% from ₱14,249 million at the close of 2024 to ₱15,640 million as at March 31, 2025. The growth was primarily driven by the arrival of inventory orders during the quarter.
5. Other current assets rose by ₱70 million or 8.4% from ₱835 million at the close of 2024 to ₱906 million as at March 31, 2025, due mainly to an increase in prepayments and partially offset by a decrease in input tax.
6. Right of Use Assets increased by ₱673 million or 8.6% from ₱7,864 million at the close of 2024 to ₱8,536 million as at March 31, 2025. This growth was primarily due to the contract renewals and additions of new stores.
7. Net deferred tax assets increased by ₱32 million or 5.0% from ₱644 million at the close of 2024 to ₱676 million as at March 31, 2025, due to the impact of PFRS16 accounting and recognition of actuarial loss on retirement.
8. Trade and other payables increased by ₱603 million or 11.3% from ₱5,333 million at the close of 2024 to ₱5,937 million as at March 31, 2025 due mainly to higher purchases and expenses on credit.
9. The current portion of lease liability increased by ₱387 million or 41.4% from ₱934 million at the close of 2024 to ₱1,321 million as at March 31, 2025, due mainly to a higher number of leases approaching their contract end.
10. Income tax payable increased by ₱203 million or 172.0% from ₱118 million at the close of 2024 to ₱321 million as at March 31, 2025, mainly due to year-to-date income taxes.

Income Statement Items

1. Operating expenses increased to ₱2,408 million for the period, up by ₱106 million or 4.6% from the prior year's ₱2,302 million. The increase was attributable mainly to expansion-related operating expenses such as manpower expenses, depreciation and amortization, supplies, and utilities.
2. Interest expense increased by ₱85 million, or 50.4%, to a total of ₱255 million for the period from the prior year's three-month period of ₱169 million, attributable mainly to additional leases. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the Company's adoption of PFRS 16 on leases.
3. Other income (charges) for the three-month period ended March 31, 2025, amounted to ₱110 million, lower by ₱26 million or 19.4% from the ₱137 million generated for the same period in 2024, mainly due to the collection timing of supplier support, and other fees and rental income.

4. The Company's income tax expense decreased by ₱71 million or 28.9% to end at ₱174 million in the three-month period of 2025 from the ₱245 million incurred during the same period last year. The decrease is due mainly to lower taxable income.

Results of Operations for the Three-month Period Ended March 31, 2024 and 2023

The Company recorded net income of ₱740 million for the first three-month period of 2024, down by ₱222 million or 23.1% from the ₱962 million reported during the same period in 2023 with net margins of 8.9% and 11.3%, respectively. The decline was mainly driven by higher operating expenses despite the higher gross profit margin.

Net Sales

Net sales for the three-month period ended March 31, 2024, amounted to ₱8,311 million, a ₱217 million or 2.5% slide from the same period last year, driven by the 7.3% decline in comparable sales despite the 4.9% increase due to the new store sales.

During the first quarter of 2024, the Company opened three new depots in Morong, Rizal, Valencia, Bukidnon and Koronadal City bringing to 93 the total number of branches.

On a per format basis, sales from the depot-format stores, which comprised 95.9% of total net sales, went down by ₱334 million or 4.0% to ₱7,973 million from the ₱8,307 million net sales for the three-month period of 2023. Sales from new depots contributed 4.1%, however, comparable sales declined by 7.9%.

The Home Essentials and Do-It-Wilcon format, recorded net sales of ₱232 million, a ₱63 million or 37.2% increase year-on-year, contributed mainly by new Do-It-Wilcon stores. Same store sales for this smaller store format declined by 10.9%.

The remaining 1.3% of total net sales was accounted for by project sales or sales to major institutional accounts, which amounted to ₱105 million, with a ₱55 million or 108.1% year-on-year increase.

Gross Profit

Gross profit was lower by ₱43 million or 1.3% from the 2023 first quarter level of ₱3,363 million to close at ₱3,320 million for the period for a gross profit margin rate of 39.9%. The decrease was traced mainly to lower sales for the period, despite the increase in gross profit margin rate which grew by 50 basis points year-on-year. The improvement in gross profit margin rate was traced mainly to the improved sales mix or increased contribution of the higher margin exclusive and in-house brands to total net sales to 52.6% from 50.4% in the same period in 2023.

Operating Expenses

Operating expenses increased to ₱2,302 million for the period, up by ₱143 million or 6.6% from the prior year's ₱2,160 million. The increase is attributable mainly to expansion-related operating expenses such as trucking, depreciation and amortization and utilities.

Interest Expense

Interest expense increased by ₱16 million or 10.4%, to total ₱169 million for the period from the prior year's three-month period of ₱154 million, attributable to added leases for new stores. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the adoption by the Company of PFRS 16 on leases.

Other Income (Charges)

Other income (charges) for the three-month period ended March 31, 2024 amounted to ₱137 million down by ₱92 million or 40.4% from the ₱229 million due to lower rebates received from supplier. Meanwhile, non-operating interest income declined by ₱3 million.

Earnings Before Interest and Tax (EBIT) / Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Adjusting the 2024 and 2023 depreciation and amortization to exclude right-of-use (ROU) depreciation and interest expense on lease liability and consider these as rent expense, EBITDA and EBIT were as follows:

1. EBITDA for the three-month period March 31, 2024 reached ₱1,295 million, or 15.6% of net sales, was lower by 17.9% from the ₱1,577 million, or 18.5% of net sales, recorded for the same period ended March 31, 2023.
2. EBIT for the first three (3) months of 2024 is ₱977 million or 11.8% of net sales, registered a 22.9% decline from previous year's ₱1,268 million EBIT or 14.9% of the 2023 net sales for the same period.

The decrease in both EBITDA and EBIT was driven by the increase in operating expenses partly offset by expansion of gross profit margin.

Income Tax Expense

Consequently, the Company's income tax expense reduced by ₱72 million or 22.7% to end at ₱245 million in the first quarter of 2024 from the ₱317 million incurred during the same period last year. The decrease was due mainly to lower taxable income.

Financial Condition as at March 31, 2024

Liquidity

Net cash provided by operating activities increased by ₱466 million or 65.6% in 2024 compared to 2023, primarily driven by lower inventory purchases during the quarter. Net cash used in investing activities went up by ₱268 million or 45.8% in 2024 compared to 2023, as a result of increased capital expenditures spending. Cash used in financing activities reflected ₱473 million lease payments. Current ratio slightly declined from 2.17:1.00 to 2.05 :1.00.

Cash and cash equivalents and short-term investments totaled ₱1,714 million, a ₱151 million or 8.1% decrease from the balance as at December 31, 2023. The decline was mainly due to continued investments in new stores from internally generated funds.

Capital Expenditure

For the quarter, the Company's capital expenditure totaled ₱845 million, the bulk of which was spent on the renovation and construction of new stores and warehouses.

Capital Resources

The Company continues to have easy access to the debt markets for both its working capital and long-term funding requirements having remained bank debt-free and with preferential lines with the Philippines' top banks.

The company's liabilities consist mostly of trade payables and lease liabilities recognized pursuant to the adoption of PFRS 16 – Leases. The company has no existing lease or other contracts with material contingent liability that will adversely affect the company's operations or the implementation of its strategic initiatives.

Key Financial Performance Indicators

Key Performance Indicators	YTD March 31, 2024	YTD March 31, 2023
Sales	8,310,527,312	8,527,291,991
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense ¹	977,304,988	1,268,136,627
EBITDA – Adjusted / Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ²	1,294,898,317	1,577,172,089
EBIT Margin - Treating Interest on Lease Liability as Rent Expense ³	11.76%	14.87%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ⁴	15.58%	18.50%
	As at March 31, 2024	As at March 31, 2023
Return on Equity Ratio ⁵	3.34%	4.81%
Current Ratio ⁶	2.05	1.96
Debt to Equity Ratio ⁷	0.79	0.84

1. *Income before tax add net interest expense less lease interest expense*
2. *Income before tax add net interest expense and depreciation and amortization less lease interest expense and depreciation on ROU assets*
3. *EBIT / Net Sales*
4. *EBITDA / Net Sales*
5. *Net Income / Total Equity*
6. *Current Assets / Current Liabilities*
7. *Total Liabilities / Total Equity*

MATERIAL CHANGES (+/-5%) IN THE FINANCIAL STATEMENTS

Statement of Financial Position as at March 31, 2024 and December 31, 2023

1. Aggregate cash decreased by ₱151 million or 8.1% from ₱1,865 million at the close of 2023 to ₱1,714 million as at March 31, 2024, due primarily to acquisition of property and equipment as well as higher lease payments, and lower net cash flows from operating activities.
2. Trade and other receivables totaled ₱392 million as at March 31, 2024, ₱22 million or 5.3% lower than the ₱414 million balance as at December 31, 2023. The decrease was mainly due to the decline in trade receivables as a result of higher collection from project sales.
3. Advance payments to suppliers for merchandise orders and operating expenses, decreased by ₱147 million or 42.3% from ₱346 million at the close of 2023 to ₱200 million as at March 31, 2024 due to timely delivery of merchandise inventories from suppliers.
4. Other current assets decreased by ₱176 million or 13.1% from ₱1,346 million at the close of 2023 to ₱1,170 million as at March 31, 2024 due mainly to decrease in materials and supplies, and input tax from purchases.
5. Trade and other payables decreased by ₱851 million or 12.0% from ₱7,088 million at the close of 2023 to ₱6,237 million as at March 31, 2024 due mainly to lower purchases and expenses on credit.
6. Income tax payable increased by ₱264 million or 110.1% from ₱240 million at the close of 2023 to ₱504 million as at March 31, 2024, mainly due to year-to-date income taxes.
7. Net retirement liability decreased by ₱4 million or 7.9% from ₱57 million at the close of 2023 to ₱53 million as at March 31, 2024 due mainly to contributions made to the retirement fund.

Income Statement Items

1. Operating expenses increased to ₱2,302 million for the period, up by ₱143 million or 6.6% from the prior year's ₱2,160 million. The increase was attributable mainly to expansion-related operating expenses such as trucking, depreciation and amortization and utilities.
2. Interest expense increased by ₱16 million or 10.4%, to total ₱169 million for the period from the prior year's ₱154 million, attributable to the increase in lease liabilities pertaining to new stores. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the adoption by the Company of PFRS 16 on leases.
3. Other income (charges) for the three-month period ended March 31, 2024 amounted to ₱137 million down by ₱92 million or 40.4% from the ₱229 million generated for the same period in 2023 mainly due to lower rebates received from supplier, delivery charges and other fees received from customers and interest income from money market placements.
4. The Company's income tax expense decreased by ₱72 million or 22.7% to end at ₱245 million in the three-month period of 2024 from the ₱317 million incurred during the same period last year. The decrease is due mainly to lower taxable income.

Results of Operations for year Ended December 31, 2023 compared with the year ended December 31, 2022

The Company recorded net income of ₱3,483 million for the year 2023, lower by ₱365 million or 9.5% from the ₱3,848 million reported in 2022 with net margins of 10.1% and 11.5%, respectively. Despite higher net sales and other income and improvement in the gross profit, net income was adversely affected by the increase in operating expenses.

Net Sales

Net sales for the year 2023, amounted to ₱34,604 million, an increase of ₱1,033 million or 3.1% from last year, driven by new store sales as comparable sales declined by 3.4%.

The Company ended the year with 90 stores, opening nine (9) new stores during the year. Seven (7) new depots were opened, six (6) of which were located in Luzon and one (1) in Mindanao. Two (2) new Home Essentials were opened during the year, one (1) each in Luzon and Mindanao with one closure and another being replaced with the larger-format depot store.

On a per format basis, the depots, contributing 96.3% of total net sales, grew by ₱708 million or 2.2% to ₱33,323 million from the ₱32,615 million net sales in 2022. The increase was accounted for by sales from new depots as same store sales declined by 4.1%.

The Home Essentials format, recorded net sales of ₱741 million, a ₱100 million or 15.7% increase year-on-year, contributed mainly by new Home Essentials stores. Same store sales for this smaller store format declined by 4.8%.

The remaining 1.6% of total net sales was accounted for by project sales or sales to major institutional accounts, amounting to ₱540 million, increasing by ₱224 million or 71.0% year-on-year.

Gross Profit

Gross profit grew by ₱568 million or 4.3% from the 2022 level of ₱13,126 million to close at ₱13,694 million for the year for a gross profit margin of 39.6%. The increase was traced mainly to higher sales for the period and the expansion in gross profit margin which grew by 50 basis points year-on-year. The improvement in gross profit margin is traced mainly to higher gross profit margin rates of exclusive and in-house brands classification, which resulted in a higher overall margin for the class with a slight increase in their contribution to total net sales at 51.2% from 51.1% in 2022.

Operating Expenses

Operating expenses increased to ₱8,940 million for the year, up ₱1,061 million or 13.5% from the prior year's ₱7,879 million. The increase is attributable mainly to expansion-related expenses, particularly in depreciation and amortization, outsourced services, trucking and salaries.

Rent expense increased by ₱62 million or 55.9% to ₱172 million mainly due to re-classification of renewed leases with lease term changes.

Interest Expense

Interest expense increased by ₱96 million or 17.7%, to total ₱641 million for the year from the prior year's ₱544 million, attributable to the increase in lease liabilities for new stores. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the adoption by the Company of PFRS 16 on leases.

Other Income (Charges)

Other income (charges) for the year ended December 31, 2023 amounted to ₱526 million, increased by ₱103 million or 24.3% from prior year's ₱423 million traced mainly to a one-off rebate from supplier and higher collection of rent income due to additional stores opened. Meanwhile, non-operating interest income declined by ₱3 million.

Earnings Before Interest and Tax (EBIT) / Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Adjusting the 2023 and 2022 depreciation and amortization to exclude depreciation for the right-of-use (ROU) assets and interest expense on lease liability and consider these as rent expense, EBITDA and EBIT are as follows:

- | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) | EBI
TDA as of December 31, 2023 reached ₱5,908 million, or 17.1% of net sales, declining by 5.6% from the ₱6,256 million, or 18.6% of net sales, recorded as of December 31, 2022. |
| 2) | EBI
T for the year 2023 is ₱4,625 million or 13.4% of net sales, decreasing by 9.5% from ₱5,108 million, or 15.2% of net sales, year-on-year. |

The decline in both EBITDA and EBIT was driven by the increase in operating expenses partly offset by improved sales performance and expansion of gross profit and other income.

Income Tax Expense

The Company's income tax expense decreased by ₱121 million or 9.5% to end at ₱1,156 million for the year 2023 from the ₱1,277 million incurred during the same period last year. The decline is due mainly to lower taxable income.

Financial Condition as at December 31, 2023

Liquidity

Net cash provided by operating activities decreased by ₱285 million or 5.4% in 2023 compared to 2022, primarily driven by the decline in net income. Cash used in investing activities went down by ₱973 million or 37.4% in 2023 compared to 2022, primarily resulting from reduced capital expenditures spending. Cash used in financing activities reflected ₱1,765 million lease payments and ₱1,517 million dividend payments. Current ratio slightly declined from 2.27:1.00 to 2.17 :1.00.

Cash and cash equivalents and short-term investments totaled P1,865 million, a ₱667 million or 26.3% decrease from the balance as at December 31, 2022. The decline is mainly due to continued investment in new stores from internally generated funds and payment of dividends.

Capital Expenditure

The Company's capital expenditure totaled ₱2,358 million during the year 2023, the bulk of which was spent on the construction of new stores and warehouses.

Capital Resources

The Company continues to have easy access to the debt markets for both its working capital and long-term funding requirements having remained bank debt-free and with preferential lines with the Philippines' top banks.

The company's liabilities consist mostly of trade payables and lease liabilities recognized pursuant to the adoption of PFRS 16 – Leases. The company has no existing lease or other contracts with material contingent liability that will adversely affect the company's operations or the implementation of its strategic initiatives.

Key Financial Performance Indicators

Key Performance Indicators	As at December 31, 2023	As at December 31, 2022
Sales	34,603,965,512	33,570,825,431
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense ¹	4,625,082,255	5,108,334,422
EBITDA – Adjusted / Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ²	5,907,960,277	6,256,482,756
EBIT Margin - Treating Interest on Lease Liability as Rent Expense ³	13.37%	15.22%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ⁴	17.07%	18.64%
	As at December 31, 2023	As at December 31, 2022
Return on Equity Ratio ⁵	15.47%	18.73%
Current Ratio ⁶	2.17	2.27
Debt to Equity Ratio ⁷	0.77	0.74

1 Income before tax add net interest expense less lease interest expense

2 Income before tax add net interest expense and depreciation and amortization less lease interest expense and depreciation on ROU assets

3 EBIT / Net Sales

4 EBITDA / Net Sales

5 Net Income / Total Equity

6 Current Assets / Current Liabilities

7 Total Liabilities / Total Equity

MATERIAL CHANGES (+/-5%) IN THE FINANCIAL STATEMENTS

Statement of Financial Position as at December 31, 2023 and December 31, 2022

1. Aggregate cash and short-term investments decreased by ₱667 million or 26.3% from ₱2,532 million at the close of 2022 to ₱1,865 million as at December 31, 2023, traceable primarily to net cash flow used for acquisition of property and equipment, lease payments as well as payment of dividends.
2. Trade and other receivables totaled ₱414 million as at December 31, 2023, ₱126 million or 43.7% higher than the ₱288 million balance as at December 31, 2022. The increase was mainly due to the increase in trade receivables as a result of higher project sales.
3. Advance payments to suppliers, comprising of advance payments to trade and non-trade suppliers, decreased by ₱98 million or 22.0% from ₱444 million balance as at December 31, 2023 due to timely delivery of merchandise inventories from suppliers.
4. Merchandise Inventories increased by ₱2,534 million or 19.1% from ₱13,243 million at the close of 2022 to ₱15,777 million as at December 31, 2023 due mainly to store network expansion.
5. Other current assets increased by ₱469 million or 53.4% from ₱878 million at the close of 2022 to ₱1,346 million as at December 31, 2023 due mainly to increase in materials and supplies, and input tax from purchases.
6. Right of use Asset increased by ₱573 million or 7.3% from ₱7,905 million at the close of 2022 to ₱8,478 million as at December 31, 2023 due mainly to contract renewals and new stores.

7. Property and equipment increased by ₱1,072 million or 11.4% from ₱9,412 million at the close of 2022 to ₱10,484 million as at December 31, 2023 due mainly to capital expenditures related to store network expansion.
8. Net deferred tax assets increased by ₱86 million or 17.4% from ₱497 million at the close of 2022 to ₱583 million as at December 31, 2023 due to the impact of PFRS16 accounting and increase in unearned revenue from loyalty program.
9. Other Noncurrent Assets increased by ₱42 million or 9.4% from ₱444 million at the close of 2022 to ₱486 million as at December 31, 2023 due mainly to increase in advances related to construction and security deposits to lessors.
10. Trade and Other Payables increased by ₱1,325 million or 23.0% from ₱5,763 million at the close of 2022 to ₱7,088 million as at December 31, 2023 due mainly to higher purchases and expenses on credit.
11. Income tax payable decreased by ₱42 million or 14.8% from ₱282 million at the close of 2022 to ₱240 million as at December 31, 2023 mainly due to lower taxable income.
12. The current portion of lease liability increased by ₱155 million or 9.6% from ₱1,614 million at the close of 2022 to ₱1,769 million as at December 31, 2023 due mainly to contract renewals and new stores.
13. The non-current portion of lease liability increased by ₱758 million or 10.3% from ₱7,359 million at the close of 2022 to ₱8,117 million as at December 31, 2023 due mainly to contract renewals and new stores.
14. Net retirement liability decreased by ₱25 million or 30.3% from ₱82 million at the close of 2022 to ₱57 million as at December 31, 2023 due mainly to higher interest income and lower retirement expense recognized.

Income Statement Items

1. Operating expenses increased to ₱8,940 million for the year, up ₱1,061 million or 13.5% from the prior year's ₱7,879 million. The increase is attributable mainly to expansion-related expenses, particularly in depreciation and amortization, outsourced services, trucking and salaries.
2. Interest expense increased by ₱96 million or 17.7%, to total ₱641 million for the year from the prior year's ₱544 million, attributable to the increase in lease liabilities pertaining to new stores. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the adoption by the Company of PFRS 16 on leases.
3. Other income (charges) for the year ended December 31, 2023 amounted to ₱526 million, increased by ₱103 million or 24.3% from prior year's ₱423 million traced mainly to a one-off rebate from supplier and higher collection of rent income due to additional stores opened. Meanwhile, non-operating interest income declined by ₱3 million due to lower investible funds.
4. The Company's income tax expense decreased by ₱121 million or 9.5% to end at ₱1,156 million for the year 2023 from the ₱1,277 million incurred during the same period last year. The decline is due mainly to lower taxable income.

Results of Operations for the quarter ended December 31, 2023 compared with quarter ended December 31, 2022

The Company recorded net income of ₱757 million for the fourth quarter of 2023, lower by ₱131 million or 14.7% from the ₱888 million reported in 2022 with net margins of 8.7% and 10.0%, respectively. The decrease was mainly driven by the increase in operating expenses and decline in the gross profit margin.

Net Sales

The Company recorded net sales of ₱8,661 million for the three-month period ended December 31, 2023, ₱187 million or 2.1% lower than the ₱8,848 million for the same period in 2022. Total net sales slid even as new stores generated a 5.1% increase as comparable sales dropped 7.1%.

Sales from the depot-format stores contributed the majority of total net sales comprising ₱8,298 million or 95.8% for the fourth quarter of 2023, lower by ₱265 million or 3.1% from the ₱8,563 million net sales for the fourth quarter of 2022. The format's comparable sales declined by 7.9% offsetting the 4.9% increase in net sales generated by new depots.

The smaller format "Home Essentials", recording net sales of ₱192 million accounting for 2.2% of net sales, reported an increase of ₱12 million or 6.7% during the fourth quarter of 2023 from prior year's same period level of ₱180 million, mainly due to the contribution of new Home Essential branches.

The remaining 2.0% was accounted for by project sales or sales to major developers, amounting to ₱171 million, increasing by ₱65 million or 62.1% from prior year's same period level of 2022 of ₱106 million.

The Company opened two (2) new depots and one (1) new Home Essentials located in Luzon during the quarter.

Gross Profit

Gross profit decreased by ₱63 million or 1.8% year-on-year to total ₱3,446 million at the close of the quarter, traced mainly to the decline in net sales. The higher margin exclusive and in-house brands increased its contribution from 51.3% to 52.1% year-on-year resulting in an increase in gross profit margin rate to 39.8%.

Operating Expenses

Operating expenses increased to ₱2,378 million during the fourth quarter of 2023, up ₱87 million or 3.8% from the ₱2,291 million during the same period in 2022. The increase is attributable mainly to the higher volume of business and expansion-related expenses, particularly in outsourced services, trucking, depreciation and amortization.

Interest Expense

Interest expense during the fourth quarter of 2023 and 2022 amounted to ₱167 million and ₱150 million, respectively. The ₱17 million increase is attributable to added leases for new stores. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the adoption by the Company of PFRS 16 on leases.

Other income (Charges)

Other income (charges) during the fourth quarter of 2023 amounted to ₱108 million, lower by ₱6 million or 4.9% from the ₱114 million generated in 2022 mainly due to lower collection of rent income.

Earnings Before Interest and Tax (EBIT) / Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Adjusting the 2023 and 2022 depreciation and amortization to exclude right-of-use (ROU) depreciation and interest expense to exclude interest on lease liability and consider these as rent expense, EBITDA and EBIT are as follows:

- 1) EBITDA for the quarter ended December 31, 2023 totaled ₱1,329 million, or 15.3% of net sales, lower by ₱167 million or 11.2% from the 2022 balance of ₱1,496 million, or 16.9% of net sales.
- 2) EBIT for the fourth quarter of 2023 is ₱1,008 million or 11.6% of net sales, lower by ₱167 million or 14.3% from the prior year's same period level of ₱1,175 million, or 13.3% of net sales.

Income Tax Expense (Benefit)

The Company's income tax expense decreased by ₱42 million or 14.3% to end at ₱252 million in 2023, versus ₱294 million incurred during 2022.

MATERIAL CHANGES (+/-5%) IN THE FINANCIAL STATEMENTS

Income Statement for the quarter ended December 31, 2023 compared with quarter ended December 31, 2022

1. Interest expense during the fourth quarter of 2023 and 2022 amounted to ₱167 million and ₱150 million, respectively. The ₱17 million or 11.7% increase is attributable to added leases for new stores. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the adoption by the Company of PFRS 16 on leases.
2. Income Tax for the quarter decreased by ₱42 million or 14.3% from the same period in 2022 to total ₱252 million attributed mainly to lower taxable income.

Any known trends, events, or uncertainties (material impact on liquidity)

There are no known trends or events that will trigger any direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are also no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entries or other persons that was created during the reporting period.

Description of any material commitments for capital expenditures, general purpose of such commitments for capital expenditure, expected sources for such expenditures.

There are no known regulatory or material contractual commitments of the Company for 2023.

The Company, pursuant to its expansion plans has allocated funds for additional stores/branches, warehouses, acquisition of vehicles and equipment, and renovations of select stores.

Any known trends, events, or uncertainties that will have material impact on sales and continuing operations

The continuing economic growth, not only of highly developed and urbanized regions of the Philippines but of emerging cities and provinces outside the national capital and its immediate surrounding regions has presented a vast potential for growth for the Company. Thus, the Company's growth plan is to expand in these locations, in which most Wilcon Depot has scarce to no presence yet.

In these emerging cities and provinces, the home improvement space more particularly the construction finishing materials niche is still dominated by traditional trade. As the economy of these areas develops and the purchasing power of the market strengthens, demand for more convenient and improved shopping experience, variety especially of higher quality products and overall better customer service are expected to continually grow. Entry and success of current and upcoming Wilcon stores in these growing areas coupled with the aforesaid continuous economic growth of these markets, it is expected that more modern trade channels for the home improvement space will gradually flourish, shifting the balance and the competitive landscape.

Seasonal Aspect that has material effect on the financial statements.

There is no seasonal aspect that has material effect on the financial statements.

Should a stockholder wish to receive a printed copy of the Company's annual report (SEC Form 17-A) and Information Statement (SEC 20-IS), *free of charge*, please contact:

**Atty. Sheila P. Pasicolan-Camerino
Asst. Corporate Secretary
90 E. Rodriguez Jr. Avenue, Ugong Norte
Quezon City
Tel. No. (02) 8634-8387
Email: compliance_wdi@wilcon.com.ph**

This Information Statement is also uploaded and can be viewed at <https://investor.wilcon.com.ph/>

ANNEX A



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: Ma. Theresa Mabuyo

Receipt Date and Time: March 28, 2025 04:06:53 PM

Company Information

SEC Registration No.: CS201524712

Company Name: WILCON DEPOT, INC. DOING BUSINESS UNDER THE NAME AND STYLE OF WILCON DEPOT AND WILCON HOMES ESSENTIALS

Industry Classification: G52344

Company Type: Stock Corporation

Document Information

Document ID: OST10328202583131999

Document Type: SEC_FORM_17-A

Document Code: SEC_Form_17-A

Period Covered: December 31, 2024

Submission Type: Original Filing

Remarks: WITH FS

Acceptance of this document is subject to review of forms and contents

COVER SHEET

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(Company's Full name)

(Principal Office)

Atty. Sheila Pasicolan - Camerino

Contact Person

(02) 8634-8387

Tel. No.

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Month

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Day

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FORM TYPE

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Month

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Date

(Annual Meeting)

For the year ended
31 December 2023

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Secondary License, (if applicable type)

MSRD

Dept. requiring this doc

N/A

Amended Articles number

159

Total stockholders

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Domestic

Foreign

To be accomplished by SEC personnel concerned

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STAMPS

SEC Number: CS 201524712

WILCON DEPOT, INC.

**Doing business under the name and style of Wilcon Depot, Wilcon Home Essentials, Do It Wilcon and Bargain Center By: Wilcon Depot
(Formerly: WILCON DEPOT, INC. doing business under the name and style of Wilcon Depot and Wilcon Home Essentials)**

(Company's Full Name)

90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City

(Company's Address)

(02) 8634 - 8387

(Telephone Number)

2024 December 31

(Fiscal Year Ending, month and day)

SEC FORM 17-A Annual Report

(Form Type)

Amendment Delegation

December 31, 2024

Period Ended Date

(Secondary License Type and File)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED**

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

1. For the fiscal year ended December 31, 2023
2. SEC Identification Number CS201524712
3. BIR Tax Identification No. 009-192-878
4. Exact name of issuer as specified in its charter

WILCON DEPOT, INC.

**Doing business under the name and style of Wilcon Depot, Wilcon Home Essentials, Do It
Wilcon and Bargain Center By: Wilcon Depot
(Formerly: WILCON DEPOT, INC. doing business under the name and style of Wilcon Depot
and Wilcon Home Essentials)**

5. Quezon City, Philippines..... 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. 90 E. Rodriguez Jr. Ave., Ugong Norte, Quezon City..... 1110.....
Address of principal office Postal Code
8. (02) 8634-8387.....
Issuer's telephone number, including area code
9. Not Applicable
.....
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON SHARES	4,099,724,116

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

Yes [☒] No [☐]

If yes, state the name of such stock exchange and the classes of securities listed therein:

PHILIPPINE STOCK EXCHANGE – COMMON SHARES

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of

The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [☒]

No [☐]

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

Yes [☒]

No [☐]

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

The aggregate market value of the 1,368,069,600 voting stocks held by non-affiliates (public shares) as of December 31, 2024, computed based on the closing share price of ₱14.30 on the last trading day December 31, 2024 is ₱19,563,395,280.

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

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

NOT APPLICABLE

Yes [☐]

No [☐]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Audited Financial Statements as at and for the years ended December 31, 2024, 2023 and 2022 - Exhibit 1

(b) Statement of Management's Responsibility for Financial Statements as at and for the years ended December 31, 2024, 2023 and 2022, part of Exhibit 1.

(c) SEC Form 17-C – Exhibit 2

(d) 2024 Sustainability Report – Exhibit 3

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PART I. BUSINESS AND GENERAL INFORMATION

Item 1. Business

Background

Wilcon Depot, Inc., doing business under the name and style of Wilcon Depot and Wilcon Home Essentials (the Company/WDI/Wilcon Depot) was incorporated on December 17, 2015 as a subsidiary of Wilcon Corporation, doing business under the name and style of Wilcon City Center (WC), formerly known as Wilcon Builder's Depot Inc. (WBDI), to operate its home improvement retail businesses. It officially started operations on April 1, 2016 when the retail operations including all of the retail assets and liabilities were transferred from WC, thereby increasing WC's ownership in the Company to 99.06%.

The Company's retailing business, which it acquired and inherited from WC, has been in existence for 44 years. The business, founded by Mr. William T. Belo, opened its first store in 1977, carrying a variety of local brands of tiles and flooring, plumbing and sanitary wares, electrical and lighting products, and hardware and tools. Mr. Belo gradually expanded the pioneer Wilcon branch as business picked up. He opened three more branches with an average area of 2,400 sqm from 1989 to 1995. In 2002, the first store outside of Metro Manila was established in Davao City.

The first depot format store was opened in 2003, in Las Piñas. At 10,000 sqm, the Depot format was larger than their previous 5 stores, which had an average size of 4,223 sqm. Its product selection was more comprehensive and included more international brands and new product lines and categories such as furniture, furnishings and houseware, paints, and building materials, among others. Over the next 13 years, operations rapidly expanded with the opening of 27 more Depot format stores around the country.

The smaller format mall-based or community-based stores were formally organized in 2009 and operated under the brand name "Wilcon Home Essentials". This concept was adopted by a few of the old stores and subsequently applied to 3 more new stores from 2009 to 2013.

In 2023, the Company amended its name to include Do-It-Wilcon, mainly to expand market share by targeting customers who require easy access to a basic range of tools and materials for simple housing repairs and maintenance. The Company plans to put up Do-It-Wilcon in community centers or malls and will eventually change all Home Essentials stores to Do-It-Wilcon stores. It also introduced BARGAIN CENTER as additional distribution channel for pruned items.

Corporate Restructuring

The following transactions occurred on April 1, 2016 in relation to the spin-off of the retail operations of WC into the Company:

- The net assets comprising the retail business were transferred to the Company. The land, intellectual property, and investment properties remained with WC, the Parent.
- The Company entered into lease agreements with its Parent for the lease of land assets used by its stores.

The spin off resulted in a 99.06% ownership of WC in the Company.

On March 31, 2017, the Company went public through an initial public offering with the Philippine Stock Exchange. The Company floated thirty four percent (34.00%) or 1,393,906,200 of its capital stock, increasing its issued and outstanding capital stock to 4,099,724,116 and diluting WC's equity interest in the Company to 65.38%.

Bankruptcy, Receivership or Similar Proceedings

The Company and its parent, WC, have not been subject to: (i) any bankruptcy, receivership or similar proceedings or (ii) any material reclassification, merger (other than as a surviving entity) consolidation of purchase or sale of significant amount of assets.

Products / Business Lines

The Company caters to the fast-growing segment of middle to high-income homeowners whose needs range from new home construction, renovation, repair and maintenance to home improvement, furnishing and design. The Company's complete spectrum of product offerings includes local and international brands of tiles and flooring, plumbing and sanitary wares, electrical and lighting products, hardware and tools, furniture, furnishings and houseware, paints, appliances and building materials, among others.

Product Categories

The Company offers a broad range of products grouped into major product categories namely plumbing and sanitary hardware and tools, tiles and flooring, electrical and lighting, furniture, furnishing and houseware, paints, appliances, and building materials. As a matter of competitiveness, the Company continues to develop new products and services for its customers as seen in the launching of several in-house and exclusive products in the past.

The table below enumerates the list of major product categories and its products.

Product Category	Description
Plumbing and Sanitary wares	Over 1,100 products that include bath and shower mixers, bath fillers, faucets, shower, water systems, bath tubs, bidet, bowl, lavatory, pedestal, shower enclosure, urinal, water closet and other accessories.
Hardware and Tools Products	Products such as door essentials, hand tools and hardware accessories, pipes, sundries, power tools and hand tools are found in this category.
Tiles / Flooring	Consists of locally made tiles and tiles from different countries such as China, Indonesia, Italy and Spain. Tiles are available in different sizes and different types such as ceramic, glass block, porcelain, and vinyl.
Electrical and Lighting	Includes electrical accessories and supplies, lamps, wiring devices, LED and lights.
Furniture, Furnishings and Houseware	Furniture products include those found in the bedroom, dining, kitchen, living room, office, and outdoor. Products include decorative items, organizers, wall hang decors, curtains, and blinds.
Paints	Provides a wide range of paints for different surface types.
Appliances	Products include air cooler, air conditioner, electric fan, entertainment appliances such as television, CD/DVD player, amplifier, kitchen appliances, washing machine, and vacuum cleaner.
Building Materials	Products include building decors and supplies, ceiling and wall, floor and roofing.

Among the major product categories, tiles and flooring products and plumbing and sanitary wares historically have the highest contribution to sales.

The Company carries over 1,100 brands across the different product categories translating to 90,000 stock keeping units (SKUs) as at December 31, 2024. The Company further classifies these brands as: (i) in-house brands owned by the Company and exclusive international brands that are solely distributed by the Company, and (ii) other locally procured local and international brands that are not exclusively distributed by the Company.

Store Formats

The Company operates 100 stores nationwide, as of December 31, 2024, and offers its products via two retail formats, namely the Depot store format and Do-It-Wilcon store format.

- **Depots.** The Company conducts its operations primarily through a format under the name “Wilcon Depot”. As of December 31, 2024, the depot format accounted for 96.07% or ₱32,829.1 Million of the Company’s net sales. Each Depot format store carries 40,000 to 60,000 SKUs and offers a broad variety of large-scale home and construction supply products. The net selling space of the Company’s depot stores ranges from 2,800 sqm to 16,100 sqm, with an average gross floor area of 9,210 sqm. As of December 31, 2024, the Company has 89 depots located in all the major cities across the Philippines. Project sales or sales to major property developers, on the other hand, accounted for 1.02% or ₱347 Million of total net sales of the Company.
- **Do-It-Wilcon.** In 2024, the Company introduced a new store format to replace Wilcon Home Essentials. It is a community store-type outlet that targets customers who require easy access to a basic range of tools and materials for simple housing repairs and maintenance. Do-It-Wilcon stores range in size from 176 sqm to 3,500 sqm with an average gross floor area of 1,837 sqm. As of December 31, 2024, the Company has 7 Do-It-Wilcon stores in Metro Manila and 2 in Luzon and 2 in Mindanao for a total of 11 Do-It-Wilcon stores. Net sales generated by Do-It-Wilcon stores accounted for 2.91% or ₱995.9 Million of total net sales.

The Company has designed its stores to provide a comfortable atmosphere that will enhance the customers’ shopping experience. The Company’s stores offer facilities such as free parking, ample ventilation and air-conditioning, well-lit shopping areas, and a similar easy-to-navigate store layout in all its stores. For its depot-format stores the Company offers more shopping convenience like a coffee shop or a snack bar, lounges for customers and their contractors or architects and engineers, design hubs and a play area for kids. The Company continues to ensure the completeness of these features in all of its depots to keep customers satisfied.

Owing to the significantly higher store count and total selling area of depots versus home essentials, majority of the Company’s revenues or 96.07% comprised of net sales generated from the depot-format stores, 1.02% for the project sales while the remaining 2.91% was contributed by the Do-It-Wilcon format store.

Distribution Methods of Products

The Company as mentioned in the preceding paragraphs, operate two store formats, the Depot and the Do-It-Wilcon.

Below is the breakdown of the number of the Company’s stores per location and format:

Store format	Region	Number of stores
Depot	Metro Manila	12
	Luzon	55
	Visayas	11
	Mindanao	11
Total Depot		89
Do-It-Wilcon	Metro Manila	7
	Luzon	2
	Mindanao	2
Total Do-It - Wilcon		11
TOTAL		100

The Company outsources various logistics and distribution functions to third parties, which the Company believes allows it to expand its store network rapidly while lowering its operating costs.

Replenishment of the Company’s inventory is provided through direct store deliveries from suppliers for urgent requirements or deliveries to the Company’s warehouses for regular restocking.

Competition

The Company is operating in the construction and home improvement supply industry in the Philippines. The Company’s direct competitors are retailers, wholesalers and distributors of constructions and home

improvement supply. The Company competes with these entities primarily in terms of the range and quality of products and services offered, pricing, target market, and sales network coverage.

Suppliers

The Company has 660 local and multinational suppliers. Its major suppliers include Mariwasa Siam Ceramics, Inc., Hocheng Philippines Corp., Lixil Philippines Ltd. and Pacific Paint (Boysen) Philippines, Inc. all of which are local.

The Company purchases goods on a per order basis through purchase orders issued to suppliers. These purchase orders become the binding contracts between and among the Company and its suppliers. A purchase order provides the supplier details, terms of payment up to 60 days, discounts, entry date of order, delivery date and cancellation date, if any, SKU and description of products.

The Company is not dependent on any one or few suppliers given its extensive product offerings.

Consignors

Consignors operate within the selling area of Wilcon Depot and Do-It-Wilcon stores and as of December 31, 2024, consignment sales accounted for 26.78% of the total sales. The Company charges a pre-determined mark-up on a consignor's cost on its products as its margins.

Customers

Target Customers

Wilcon Depot's customers comprise of homeowners from middle to high-income households, whose buying patterns are driven by new home construction, renovation, repair, maintenance, and other types of home improvement needs. Wilcon Depot also caters to independent contractors and project developers who require construction and building materials.

Customer Segments

The Company divides its customers into two categories:

- *Retail consumers* – Consisting of homeowners and small and independent contractors. Majority of the Company's revenues are generated from its retail consumers.
- *Institutional accounts* – Consisting of big property developers. The Company generates a small portion of its revenue from institutional accounts.

There is no single customer that accounts for more than twenty percent (20%) of the Company's revenues.

Loyalty and Rewards Program – Wilcon Loyalty Card

Wilcon Depot launched its Wilcon Loyalty Card program in 2011. It is a loyalty and rewards program offered by Wilcon Depot to all its customers free of charge. Registered members can accumulate points based on the amount and quantity of their purchases from any Wilcon Depot branch. The accumulated points can be converted into its equivalent monetary value based on the program and can be used by to purchase items at any Wilcon Depot store. From a membership of 89,118 in end-2011 and has grown to 879,067 members as of December 31, 2024.

Transactions with and/or Dependence on Related Parties

The Company, being a spun-off operation of WC, relies on the parent company and other related parties for the acquisition of majority of the current and all of the identified future store sites. Of the 100 branches as of December 31, 2024, only ten (10) sites are leased from third parties.

For a detailed discussion of the material related party transactions of the Company, please see Note 18 - Related Party Transactions and Balances of the attached Audited Financial Statements of the Company.

Intellectual Property

The Company owns all trademarks being used in connection with its home improvement and retail business.

Selected in-house brands of the Company are as follows:

Brand	Product Category
	Plumbing and Sanitary Wares
	Plumbing and Sanitary Wares
	Plumbing and Sanitary Wares
	Tiles and Flooring
	Tiles and Flooring
	Tiles and Flooring

	<p>Tiles and Flooring</p>
	<p>Electrical and Lighting</p>
	<p>Furniture, Furnishing and Houseware</p>
	<p>Hardware and Tools</p>
	<p>Appliances</p>
	<p>Housewares</p>
	<p>Outdoor Products</p>

Government Approvals / Regulations

The Company is covered by various laws and regulations as a retail operation. As part of its normal course of doing business, it secures various government permits and licenses for leasing and operating store buildings.

Effect of Existing and Probable Government Regulations

The Company is not aware of any and foresees no impending change in government regulations that may have a material and adverse effect on the operations of the Company.

Research and Development

The Company has no expenditure on research and development for the year.

Costs and Effects of Compliance with Environmental Laws

The Company is compliant and incurs expenses for the purposes of complying with environmental laws such as the Environmental Clearance Certificate for total store areas of over 10,000 sqm. For stores with areas of 10,000 sqm and below, a Certificate of Non-Coverage may be obtained. Fees for procuring these clearances and permits are standard in the industry.

Employees

As of December 31, 2024, the Company has 3,671 direct hired employees. The following table sets out the breakdown of the Company's employees by rank and status.

Rank	Number of Employees
Key Management, Manager & Supervisor	1,243
Rank and File	2,428
Total	3,671

Employment Status	Number of Employees
Regular	3,433
Probationary	238
Total	3,671

The Company, through its Learning and Development Department (L&D), is committed to championing a proactive and adaptive approach to employee learning and development that conforms with the organizational values, culture, and an environment that promotes lifelong learning.

The 2024 L&D Program carried the theme "*Dapat Totoo*" as the Company is committed to providing authentic, high-impact, and functional learning experiences that stimulate genuine growth in the employees. The Company's 2024 L&D program further strengthens individual employees' real-world skills, insights, and confidence to manage complexities in the modern workplace while promoting a culture of integrity, accountability, and transparency. The Company aims to inspire a complete and genuinely relevant growth experience for each employee through tailored training, hands-on learning, and leadership development.

The 2024 L&D program components deep dives to empower employees with practical skills in digital literacy (Learning Management System), emotional intelligence (Soft Skills Modules), and agile leadership (Leadership Training), ensuring the employees could perform effectively in real-world scenarios and make informed decisions amidst exciting uncertainty. In the application of "*Dapat Totoo*", authenticity in leadership

is highlighted, spotlighting transparent communication, trust-building, and ethical decision-making that guarantee leaders can lead their teams with integrity.

Moreover, a robust mentorship scheme is introduced to employees, connecting them with real-world experts whose guidance and advice can readily help individuals identify their path of authentic career development. The philosophy of diverse learning formats—interchangeable workshops, e-learning modules, and collaborative group activities—behoooves hands-on, not just theoretical learning, and increases the appropriateness, access, and usefulness of the 2024 L&D Program to meet the true needs. To stay in line with the theme “*Dapat Totoo*,” the following highlights the specific initiatives that made the 2024 L&D Program impactful:

Skills and Competencies Enhancement Training (SCET) is provided for the employees to improve their technical and interpersonal skills. It emphasizes “applicability,” thus making it much easier to effect new challenges and opportunities available for them in the organization. This skill-based training would then enable an employee to upgrade employees’ skill set to improve performance at work and contribute more toward the overall success of the organization.

The Critical Thinking Training Course (CTTC) is a vital part of the 2024 L&D Program for managers and supervisors to be empowered to analyze, evaluate, and approach problems from multiple angles. By the end of the course, employees will use these skills in their daily work situations for resolving issues more effectively and improving decision-making within teams and in the organization.

Mastering Radical Candor Training for managers that covers how to be equipped with tools and the orientation required to give genuine, direct feedback while also demonstrating care and support for their team members. The Mastering Radical Candor program entails practical applications, role-playing scenarios, and real-life examples to assist managers in using these principles within their everyday lives. Ultimately, this training empowers managers to bring an empathetic clarity to workplace conditions that drive individual and team success.

Career Management Program (CMP) for Supervisors that caters to their promotional path of supervisors. Supervisors will be aided through such efforts in taking responsibility for their career progression through the superior tools, resources, and strategies attached to this path in their own leadership journey. The program focuses on developing both technical and leadership competencies in preparation for seamless, confident, and effective transitions into more significant management roles.

The Strategic Thinking and Decision-Making (STDM) training course for supervisors that focused on enhancing strategic planning and decision-making in employees concerned with organizational success. In this training, the participants will learn about key concepts of strategic thinking, including the analysis of complex situations, projection of possible outcomes, and consideration of short- and long-term consequences.

Moreover, the rank and file employees of the Company are subject of a collective bargaining agreement. Members are divided per cluster - the NCR, North Luzon, South and Eastern Visayas Cluster. The CBA of NCR is valid until 2029, South Cluster is valid until 2025, for North Cluster it is valid until 2028 and for Eastern Visayas, their CBA is valid until 2028. At present, no employees are on strike or have been on strike in the past year or are threatening to strike.

The Company anticipates that it will have approximately 3,858 employees within the next 12 months to include new hires for the planned store openings in 2025.

Risks

1. The Company's expected revenue and net income growth is highly dependent on the expansion of its store network and it may be adversely affected by the following factors:
 - identifying, hiring and training qualified employees for each site;

- punctual commencement and completion of construction activities;
- engaging qualified independent contractors;
- managing construction and development costs of new stores, particularly in competitive markets;
- securing required governmental approvals, permits and licenses (including construction and business permits) in a timely manner and responding effectively to any changes in applicable laws and regulations that adversely affect the Company's costs or ability to open new stores;
- unforeseen engineering or environmental problems with leased premises; and,
- avoiding the impact of inclement weather, natural disasters and other calamities.

The Company has properly planned its expansion program and has worked cooperatively with the parent company to put in place contingency and corrective measures where issues especially in the construction of new stores occurred that would delay said expansion. There is no guarantee, however, that these corrective measures would totally eliminate the risk of delays in the implementation of the expansion plans.

2. The Company may encounter significant competition in key provincial cities outside Metro Manila. A significant portion of the Company's medium-term expansion strategy is to open new stores in the various regions of the Philippines, particularly in areas outside of Metro Manila. The retail market in these areas is dominated by independent local operations. Expansion into these areas exposes the Company to operational, logistical and other risks of doing business in new territories. The Company has studied the demographics and the competitive environment in the areas it has planned to enter to overcome challenges of entering new markets. There is no guarantee that the strategies the Company will employ will result in the immediate and sustainable profitability of the branches to be opened in these new areas.
3. New stores will place additional burden on Company's existing resources, which may adversely affect its business. The Company's plans for expansion will place additional burden on its existing operational, managerial, financial and administrative resources. There is a risk that the Company's existing resources could fail to accommodate the increased number of stores, which in turn could compromise the operations of existing stores through deteriorating quality of its customer service, lack of product selection, poor management of inventory, among others. Although the Company has an effective recruitment and training program in place to always have a pool of available competent personnel that can be deployed anytime and has kept a healthy financial condition to have ready access to debt and equity financing, these are not guarantees that the accelerated expansion plan will not strain existing resources.
4. The success of the Company's business is reliant on the Company's continuing capability to source and sell the appropriate mix of products that meet customer preferences. The Company's success is dependent on its ability to source and sell products that meet quality standards and at the same time satisfy customers' preferences. The Company has a team of employees primarily responsible for sourcing the right portfolio of products, studying and anticipating trends in customer behavior, and appropriately responding to these trends. Its ability to source and market such products, or to accurately forecast or quickly adapt to changing customer preferences, will affect the level of customer transactions in the Company's stores, which could have an effect on the Company's business.
5. The Company may not be able to maintain and develop good relationships with its current and future suppliers, and failure to do so may adversely affect its business. The Company's success is reliant on its relationships with current and future suppliers. The Company has had long-standing relationships with multiple local and foreign suppliers. The ability of the Company to build relationships with new suppliers and to maintain or further strengthen existing relationships with suppliers is important in enabling the Company to source its desired portfolio of products at the preferred price.
6. The Company currently relies on distributors and service providers for its logistics requirements. The Company relies on distributors and third - party service providers for transportation and deliveries of products to its stores. Any deterioration in its relationships with these distributors or service providers or other changes relating to these parties, including changes in supply and distribution chains, could have a material adverse effect on the Company's business, financial condition and results of operations. The Company has been able to establish and continues to improve its solid long-standing relationships with its service providers throughout the years. There can be no assurance, however, that these efforts will be successful.

7. The Company is a party to a large number of related party transactions. Certain companies controlled by the Belo Family have significant commercial transactions with the Company. The Company's related party transactions include leases and purchases. The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the Belo Family. These transactions may involve potential conflicts of interest which could be detrimental to the Company and/or its shareholders. Conflicts of interest may also arise between the Belo Family and the Company in a number of other areas relating to its businesses, including:
- major business combinations involving the Company and its subsidiaries;
 - transfers of affiliated companies into the Company;
 - plans to develop the respective businesses of the Company; and,
 - business opportunities that may be attractive to both the Belo Family and the Company.

A continued high level of related party transactions may have a material adverse effect on the Company's business or results of operations.

The terms of these related party transactions however, are pursuant to rates determined by an independent third-party appraiser that was engaged by the Company to ensure the fairness of these transactions.

8. The Company may fail to fulfill the terms of licenses, permits and other authorizations, or fail to renew them on expiration. The Company is required to maintain licenses, permits and other authorizations, including licenses and certain construction activities. The Company is also required to obtain and renew various permits, including business permits and permits concerning, for example, health and safety, environmental standards and distribution standards. If the Company fails to meet the terms of any of its licenses, permits or other authorizations necessary for operations, these may be suspended or terminated, leading to temporary or potentially permanent closing of stores, suspension of construction activities or other adverse consequences.

In view of the foregoing, the Company in the conduct of its business has always closely monitored all its establishments to determine strict compliance with the local and national laws including amendments thereto as well as the terms and conditions of its permits and licenses. However, there can be no assurance that these efforts will be successful.

9. Changes in the retail and real estate market environment in the Philippines could affect the Company's business. The Company's home improvement business is dependent on the favorable growth and performance of the retail and real estate markets. The largest retail market of the Company is Metro Manila. The Company's stores in Metro Manila account for more than half of its total sales. Demand for the Company's products is driven by new and existing real estate projects in the market including, but not limited to, residential houses, condominiums, offices and commercial buildings.

Any changes in these markets, including further consolidation among the Company's competitors, change of consumer preferences, decline in the Company's brand recognition, adverse regulatory developments or adverse developments in consumer disposable income in Metro Manila, slow roll-out of housing and other real estate projects, in particular, could have an adverse effect on the Company's business. The Company however, as it has done throughout the years, monitors and analyzes these markets in order for it to successfully anticipate changes and sufficiently respond to any development and continue to provide more and various choices to its customers.

Item 2. Properties

The Company does not own lands. It entered into lease agreements with WC, related parties and other third parties, to lease the land and/or buildings where its stores and warehouses are situated. The Company plans to enter into new leases in the next 12 months. The Company intends to continue to lease appropriate real estate properties that meet the Company's standards and requirements.

Part of the Company's use of IPO proceeds is for store network expansion. As of December 31, 2021, the Company has used all the allotted IPO proceeds for construction of its own buildings.

Item 3. Legal Proceedings

The Company and its management are not involved in any governmental, legal or arbitration proceedings that may have a material effect on the Company's business, financial position or profitability.

None of the members of the Board of Directors and executive officers of the Company is involved in any material criminal, bankruptcy or insolvency investigations or proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

The following items were submitted to a vote of security holders for the year:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on 19 June 2023
2. Approval of Annual Report and Financial Statements as of 31 December 2023
3. Ratification of All Acts and Resolutions of the Board of Directors and Management during the preceding year
4. Amendment of Articles of Incorporation and By - Laws
5. Election of Directors
6. Appointment of External Auditors

PART II. OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Wilcon Depot, Inc.'s common shares have been trading in the Philippine Stock Exchange (PSE) starting March 31, 2017. The high and low market prices of the Company's shares for each quarter of 2024 as reported by the PSE are shown below:

2024	High	Low
4 th quarter	18.40	12.80
3 rd quarter	18.80	16.20
2 nd quarter	20.15	15.30
1 st Quarter	24.80	17.66

The market capitalization of the Company's common shares at the end of 2024 based on the closing market price of ₱14.30 per share totaled to ₱59 Billion.

Item 6. Management's Discussion and Analysis

Results of Operations for the year Ended December 31, 2024, compared with the year ended December 31, 2023

The Company reported a net income of ₱2,528 million for the year ended 2024, reflecting a decline of ₱955 million or 27.4%, compared to ₱3,483 million in 2023. Net margins for the respective periods were 7.4% and 10.1%. The decrease was primarily attributable to higher operating expenses and a reduction in gross profit.

Net Sales

Net sales for the year ended 2024 amounted to ₱34,172 million, representing a decrease of ₱432 million, or 1.2% compared to the same period last year. Sales from new stores accounted for 5.0%, while comparable (same-store) sales declined by 6.2%.

The Company closed the year with a total of 100 stores, having opened ten (10) new locations to date. This included eight (8) depots and two (2) Do-It-Wilcon (DIW) stores. Of the new stores, six (6) are located in Luzon, two (2) in the Visayas, and two (2) in Mindanao.

On a per-format basis, sales from depot-format stores, which is 96.1% of total net sales, decreased by ₱494 million, or 1.5% to ₱32,829 million, compared to ₱33,323 million in 2023. The decline was primarily due to a 5.8% decrease in comparable (same-store) sales, partially offset by a 4.4% contribution from new depots.

The smaller format, DIW, which includes the original Home Essentials stores, recorded net sales of ₱996 million, a ₱255 million or 34.4% year-on-year increase, mainly driven by the additional branches opened in January 2024. Comparable sales for the format declined by 3.5%. The format's contribution to total net sales grew to 2.9% for the year, compared to 2.1% for the same period in 2023.

The remaining 1.0% of total net sales was attributed to project sales or sales to major institutional accounts, amounting to ₱347 million, a decrease of ₱193 million or 35.7% year-on-year.

Gross Profit

Gross profit decreased by ₱345 million, or 2.5%, from ₱13,694 million in 2023, closing at ₱13,349 million for the year 2024, with a gross profit margin rate of 39.1%. The decrease is traced mainly to lower sales volume and contraction of gross profit margin rate from the prior year's rate of 39.6%.

Operating Expenses

Operating expenses increased to ₱9,798 million for the period, rising by ₱858 million, or 9.6% from the prior year's ₱8,940 million. The increase is mainly attributable to expansion-related operating expenses, including salaries, taxes and licenses, trucking, depreciation and amortization, and utilities.

Interest Expense

Interest expense increased by ₱26 million, or 4.1%, totaling ₱667 million for the period, compared to ₱641 million in the prior year. This increase is attributable to additional leases for new stores. All interest expense represents non-cash interest charged on lease liabilities recognized for the period, following the Company's adoption of PFRS 16 on leases.

Other Income (Charges)

Other income (charges) for the year ended 2024 amounted to ₱483 million, a decrease of ₱43 million, or 8.2%, compared to ₱526 million in the prior year. The decrease was primarily due to losses recognized from a fire incident. On the other hand, non-operating interest income increased by ₱22 million.

Earnings Before Interest and Tax (EBIT) / Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Adjusting the 2024 and 2023 depreciation and amortization to exclude right-of-use (ROU) depreciation and interest expense on lease liability and consider these as rent expense, EBITDA and EBIT are as follows:

- 1) EBITDA as at December 31, 2024, reached ₱4,647 million, or 13.6% of net sales, decreased by 21.3% from the ₱5,908 million, or 17.1% of net sales, recorded as at December 31, 2023.
- 2) EBIT for the year 2024 is ₱3,331 million or 9.7% of net sales, decreased by 28.0% from ₱4,625 million, or 13.4% of net sales, year-on-year.

The decline in both EBITDA and EBIT was primarily driven by higher operating expenses and a decrease in gross profit, partially offset by an increase in other income.

Income Tax Expense

The Company's income tax expense decreased by ₱317 million or 27.4% to end at ₱839 million for the year 2024 from the ₱1,156 million incurred during the same period last year. The decrease is due mainly to lower taxable income.

Fire Loss

On April 24, 2024, the Company's branch in Baliwag, Bulacan sustained substantial damage due to a fire incident. The Company recorded an impairment of ₱173 million, covering merchandise inventory, materials, supplies, and property and equipment. To date, the Company has reported income of ₱119 million from insurance claims.

Financial Condition as at December 31, 2024

Liquidity

In 2024, the Company reported a ₱1,127 million increase in net cash provided by operating activities, reflecting a 22.6% growth compared to 2023. This improvement was primarily driven by a reduction in inventory purchases, particularly between the second and third quarters. Conversely, net cash used in investing activities rose by ₱2,274 million or 139.8% due to strategic investments in money market placements. Cash used in financing activities totaled ₱3,004 million, primarily for lease obligations and dividend payments. As a result, the Company's current ratio strengthened from 2.17:1.00 to 2.82:1.00.

As at December 31, 2024, the cash and cash equivalents and short-term investments, totaled ₱2,180 million, marking an increase of ₱315 million or a 16.9% increase from the balance as at December 31, 2023. This growth was primarily driven by a reduction in inventory purchases, partly offset by the increase in capital expenditure.

Capital Expenditure

The Company's capital expenditures totaled ₱2,785 million in 2024, with the majority of the funds allocated to renovating and building new stores and warehouses.

Capital Resources

The Company continues to have easy access to the debt markets for both its working capital and long-term funding requirements having remained bank debt-free and with preferential lines with the Philippines' top banks.

The company's liabilities consist mostly of trade payables and lease liabilities recognized pursuant to the adoption of PFRS 16 – Leases. The company has no existing lease or other contracts with material contingent liability that will adversely affect the company's operations or the implementation of its strategic initiatives.

Key Financial Performance Indicators

Key Performance Indicators	As at December 31, 2024	As at December 31, 2023
Sales	34,172,031,761	34,603,965,512
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense ¹	3,331,303,888	4,625,082,255
EBITDA – Adjusted / Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ²	4,646,848,686	5,907,960,277
EBIT Margin - Treating Interest on Lease Liability as Rent Expense ³	9.75%	13.37%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ⁴	13.60%	17.07%
	As at December 31, 2024	As at December 31, 2023
Return on Equity Ratio ⁵	10.61	15.47%
Current Ratio ⁶	2.84	2.17
Debt to Equity Ratio ⁷	0.64	0.77

1 Income before tax add net interest expense less lease interest expense

2 Income before tax add net interest expense and depreciation and amortization less lease interest expense and depreciation on ROU assets

3 EBIT / Net Sales

4 EBITDA / Net Sales

5 Net Income / Total Equity

6 Current Assets / Current Liabilities

7 Total Liabilities / Total Equity

MATERIAL CHANGES (+/-5%) IN THE FINANCIAL STATEMENTS

Statement of Financial Position as at December 31, 2024, and December 31, 2023

1. Aggregate cash and short-term investments increased by ₱315 million or 16.9% from ₱1,865 million at the close of 2023 to ₱2,180 million as at December 31, 2024. This growth was primarily driven by enhanced cash flows throughout the year, largely attributed to strategic investments and a reduction in inventory purchases.
2. Trade and other receivables totaled ₱528 million as at December 31, 2024, ₱113 million or 27.3% higher than the ₱414 million balance as at December 31, 2023. The increase is attributable to the fire insurance claims related to the fire incident at the Company's Baliwag, Bulacan branch on April 24, 2024. Additionally, accounts receivables from credit card sales rose due to longer collection periods at the end of 2024 compared to the previous year.
3. Advance payments to suppliers for merchandise ordered decreased by ₱27 million or 7.9% from ₱346 million at the close of 2023 to ₱319 million as at December 31, 2024. This decrease was primarily due to lower inventory purchases throughout the year.
4. Merchandise Inventories decreased by ₱1,528 million or 9.7% from ₱15,777 million at the

close of 2023 to ₱14,249 million as at December 31, 2024. This decline was primarily driven by a reduction in inventory purchases during the year.

5. Other Current Assets decreased by ₱511 million, or 38.0% from ₱1,346 million at the close of 2023 to ₱835 million as at December 31, 2024. The decrease was mainly due to the non-recognition of input tax accruals following the implementation of the Ease of Paying Taxes (EOPT) Act.
6. Property and equipment increased by ₱1,462 million or 13.9% from ₱10,484 million at the close of 2023 to ₱11,946 million as at December 31, 2024. This growth was primarily driven by capital expenditures for store network expansion, partially offset by depreciation recognized year-to-date.
7. Right of Use Assets decreased by ₱614 million or 7.3% from ₱8,478 million at the close of 2023 to ₱7,864 million as at December 31, 2024. This decline was primarily due to the amortization recognized year-to-date, partially offset by the increase coming from contract renewals and addition of new stores.
8. Net deferred tax assets increased by ₱61 million or 10.4% from ₱583 million at the close of 2023 to ₱644 million as at December 31, 2024, due to the impact of PFRS16 accounting and recognition of actuarial loss on retirement.
9. Trade and Other Payables decreased by ₱1,755 million or 24.8% from ₱7,088 million at the close of 2023 to ₱5,333 million as at December 31, 2024. This decrease was primarily driven by lower purchases and reduced expenses on credit during the year.
10. Income tax payable decreased by ₱122 million or 50.8% from ₱240 million at the close of 2023 to ₱118 million as at December 31, 2024, mainly due to year-to-date income taxes.
11. The current portion of lease liability decreased by ₱835 million or 47.2% from ₱1,769 million at the close of 2023 to ₱934 million as at December 31, 2024, due mainly to a higher number of leases approaching their contract end.
12. The non-current portion of lease liability increased by ₱513 million or 6.3% from ₱8,117 million at the close of 2023 to ₱8,630 million as at December 31, 2024, due mainly to contract renewals and the addition of new stores.
13. Net retirement liability increased by ₱152 million or 265.0% from ₱57 million at the close of 2023 to ₱209 million as at December 31, 2024, due mainly to actuarial loss recognized during the year.

Income Statement Items

1. Operating expenses increased to ₱9,798 million for the period, rising by ₱858 million or 9.6% from the prior year's ₱8,940 million. The increase is mainly attributable to expansion-related operating expenses, including salaries, taxes and licenses, trucking, depreciation and amortization, and utilities.
2. Other income (charges) for the year ended 2024 amounted to ₱483 million, a decrease of ₱43 million, or 8.2%, compared to ₱526 million in the prior year. The decrease was primarily due to losses recognized from a fire incident. On the other hand, non-operating interest income increased by ₱22 million.
3. The Company's income tax expense decreased by ₱317 million or 27.4% to end at ₱839 million for the year 2024 from the ₱1,156 million incurred during the same period last year. The decrease is due mainly to lower taxable income.

Results of Operations for the quarter ended December 31, 2024, compared with the quarter ended December 31, 2023

The Company recorded a net income of ₱411 million for the fourth quarter of 2024, a decrease of ₱347 million, or 45.8% compared to the ₱757 million reported in the same period in 2023. Net margins for the quarter were 4.8% and 8.7%, respectively. The decline was primarily driven by higher operating expenses and a reduction in gross profit, partially offset by an increase in other income.

Net Sales

The Company recorded net sales of ₱8,491 million for the three months ended December 31, 2024, a decrease of ₱170 million, or 2.0% compared to ₱8,661 million for the same period in 2023. Despite a 5.2% increase in sales from new stores, total net sales declined due to a 7.0% drop in comparable sales.

Sales from the depot-format stores contributed the majority of total net sales comprising ₱8,180 million or 96.3% for the fourth quarter of 2024, lower by ₱118 million or 1.4% from the ₱8,298 million net sales for the fourth quarter of 2023. The format's comparable sales declined by 5.9% offsetting the 4.5% contributions in net sales generated by new depots.

The smaller format, DIW, recorded net sales of ₱258 million, accounting for 3.0% of total net sales. It reported an increase of ₱66 million, or 34.8%, during the fourth quarter of 2024 compared to the same period of ₱192 million in the previous year. This growth was primarily driven by the contribution of new Do-It-Wilcon branches.

The remaining 0.6% of net sales was attributed to project sales, or sales to major institutional accounts, amounting to ₱53 million. This represents a decrease of ₱118 million, or 68.8%, compared to the same period level in the prior year, when sales amounted to ₱171 million.

The Company opened two (2) new depots located in Luzon during the quarter.

Gross Profit

Gross profit decreased by ₱230 million or 6.7% year-on-year to total ₱3,217 million at the close of the quarter with a gross profit margin rate of 37.9%. The lower gross profit was traced mainly to lower sales and contraction of the gross profit margin rate by 191 basis points.

Operating Expenses

Operating expenses increased to ₱2,653 million during the fourth quarter of 2024, up by ₱275 million or 11.5% from the ₱2,378 million during the same period in 2023. The increase is attributable mainly to the higher volume of business and expansion-related expenses, particularly in salaries, taxes and licenses, utilities, supplies, and repairs and maintenance.

Interest Expense

Interest expense during the fourth quarter of 2024 and 2023 amounted to ₱167 million in both periods. The entire interest expense relates to non-cash interest charges on lease

liabilities recognized during the period, following the Company's adoption of PFRS 16 on leases.

Other income (Charges)

Other income (charges) during the fourth quarter of 2024 amounted to ₱147 million, higher by ₱39 million or 35.9% from the ₱108 million generated in 2023. This increase was primarily due to income recognized from fire insurance claims. Meanwhile, non-operating interest income also increased by ₱10 million.

Earnings Before Interest and Tax (EBIT) / Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Adjusting the 2024 and 2023 depreciation and amortization to exclude right-of-use (ROU) depreciation and interest expense to exclude interest on lease liability and consider these as rent expense, EBITDA and EBIT are as follows:

- 1) EBITDA for the quarter ended December 31, 2024, totaled ₱849 million, or 10.0% of net sales, lower by ₱480 million or 36.1% from the 2023 balance of ₱1,329 million, or 15.3% of net sales.
- 2) EBIT for the fourth quarter of 2024 is ₱532 million or 6.3% of net sales, lower by ₱475 million or 47.2% from the prior year's same period level of ₱1,008 million or 11.6% of net sales.

Income Tax Expense (Benefit)

The Company's income tax expense decreased by ₱119 million or 47.2% to end at ₱133 million in the last quarter of 2024, versus ₱252 million incurred during 2023.

MATERIAL CHANGES (+/-5%) IN THE FINANCIAL STATEMENTS

Income Statement for the quarter ended December 31, 2024, compared with the quarter ended December 31, 2023

1. Operating expenses increased to ₱2,653 million during the fourth quarter of 2024, up by ₱275 million or 11.5% from the ₱2,378 million during the same period in 2023. The increase is attributable mainly to the higher volume of business and expansion-related expenses, particularly in salaries, taxes and licenses, utilities, supplies, and repairs and maintenance.
2. Other income (charges) during the fourth quarter of 2024 amounted to ₱147 million, higher by ₱39 million or 35.9% from the ₱108 million generated in 2023. This increase was primarily due to income recognized from fire insurance claims.
3. The Company's income tax expense decreased by ₱119 million or 47.2% to end at ₱133 million for the fourth quarter of 2024 from the ₱252 million incurred during the same period last year. The reduction is due mainly to lower taxable income.

Any known trends, events, or uncertainties (material impact on liquidity)

There are no known trends or events that will trigger any direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are also no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entries or other persons that was created during the reporting period.

Description of any material commitments for capital expenditures, general purpose of such commitments for capital expenditure, expected sources for such expenditures.

There are no known regulatory or material contractual commitments of the Company for 2024.

The Company, pursuant to its expansion plans has allocated approximately ₱2.8B for additional stores/branches, warehouses, acquisition of vehicles and equipment, and renovations of select stores.

Any known trends, events, or uncertainties that will have material impact on sales and continuing operations

The continuing economic growth, not only of highly developed and urbanized regions of the Philippines but of emerging cities and provinces outside the national capital and its immediate surrounding regions has presented a vast potential for growth for the Company. Thus, the Company's growth plan is to expand in these locations, in which most Wilcon Depot has scarce to no presence yet.

In these emerging cities and provinces, the home improvement space more particularly the construction finishing materials niche is still dominated by traditional trade. As the economy of these areas develops and the purchasing power of the market strengthens, demand for more convenient and improved shopping experience, variety especially of higher quality products and overall better customer service are expected to continually grow. Entry and success of current and upcoming Wilcon stores in these growing areas coupled with the aforesaid continuous economic growth of these markets, it is expected that more modern trade channels for the home improvement space will gradually flourish, shifting the balance and the competitive landscape.

Seasonal Aspect that has material effect on the financial statements.

There is no seasonal aspect that has material effect on the financial statements.

Certification on Internal Controls

The reliability of the Company's financial statements as at and for the period ending December 31, 2024.

The Company made a representation through its filing of SEC Form 17A (Annual Report) which contains the audited financial statements, of its responsibility for the preparation and fair presentation of such financial statements in accordance with the Philippine Financial Reporting Standards. Management also assumes responsibility for internal control as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Company's external auditor, Reyes Tacandong & Co. provided an opinion that the Company's financial statements are presented fairly, in all material respect.

Company's compliance with financial and corporate governance regulatory requirements and reporting.

The Company, through its Compliance Officer made representation of the absence of significant breach of laws and regulations or involvement in any governmental, legal or arbitration proceedings that may have a material effect on the Company's business, financial position or profitability.

The Treasurer attested to the submission of all financial and reportorial requirements to pertinent institutions and agencies of government.

Sound internal control and compliance system are in place in the Company.

The Company had not noted or reported any significant control gaps or weaknesses that would imperil or materially affect the achievement of its goals and objectives.

The Company's Chief Audit Executive reported to the Audit Committee the results of its audits in 2024, including control and risk matters that are of financial, operational, and compliance in nature together with the corresponding actions implemented by the Company.

Dividend Policy

The Company is authorized under Philippine law to declare dividends, subject to certain requirements. The payment of dividends, either in the form of cash or shares, will depend upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings of the Company with its unimpaired capital, which are not appropriated for any other purpose. The Company may pay dividends in cash, by the distribution of property, or by the issue of shares. Dividends paid in cash or property are subject to the approval by the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and at least two-thirds of the outstanding share capital of the shareholders at a shareholders' meeting called for such purpose.

The Company has approved a dividend policy of maintaining an annual cash and/or share dividend pay-out of up to 25% of its net profit after tax from the preceding year, subject to the requirements of applicable laws and regulations, the terms and conditions of its outstanding bonds and loan facilities, and the absence of circumstances that may restrict the payment of such dividends, such as where the Company undertakes major projects and developments. Dividends must be approved by the Board (and shareholders in case of a share dividend declaration) and may be declared only from the unrestricted retained earnings of the Company. The Company's Board of Directors may, at any time, modify the Company's dividend policy, depending upon the Company's capital expenditure plans and/or any terms of financing facilities entered into to fund its current and future operations and projects. The Company can give no assurance that it will pay any dividends in the future.

The Company has the following dividend history:

Date Approved	Record Date	Payment Date	Amount
May 9, 2018	May 24, 2018	June 8, 2018	PhP0.08 regular PhP0.03 special PhP0.11 total
March 6, 2019	March 22, 2019	April 16, 2019	PhP0.11 regular PhP0.05 special PhP0.16 total
February 24, 2020	March 20, 2020	April 16, 2020	PhP0.12 regular PhP0.06 special PhP0.18 total
February 24, 2021	March 19, 2021	April 16, 2021	PhP0.10 regular PhP0.02 special PhP0.12 total
February 23, 2022	March 15, 2022	April 12, 2022	PhP0.15 regular PhP0.06 special PhP0.21 total
February 22, 2023	March 22, 2023	April 18, 2023	PhP0.23 regular PhP0.14 special PhP0.37 total
March 20, 2024	April 18, 2024	May 8, 2024	PhP0.11 regular PhP0.15 special PhP0.26 total

Discussion on Compliance with Leading Practice on Corporate Governance

On 22 May 2017, the Board of Directors approved the adoption of the Revised Manual on Corporate Governance in accordance with the SEC Memorandum Circular No. 19 Series of 2016.

The Company understands that it is paramount to set the kind of corporate governance needed in the attainment of the Company's corporate goals.

The Revised Manual on Corporate Governance was designed to define the framework of rules, systems and processes that governs the performance of the Board of Directors (the Board) and Management. It establishes the structure by which the Company executes and carries out its Corporate Governance. This serves as reference by all the members of the Board as well as its Management in the conduct of their duties and responsibilities.

The Board of Directors and Management, employees and shareholders, believe that good governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness thereof within the organization.

With the aid of its committees, the Board of Directors shall be primarily responsible for the governance of the Corporation and shall, hence, ensure compliance with the principles of good corporate governance.

To strictly observe and implement the provisions of this Manual, corresponding penalties shall be imposed, after notice and hearing, on the Corporation's directors, officers, staff, subsidiaries, and affiliates and their respective directors, officers, and staff in case of violation of any of the provisions of the Manual.

On 7 August 2019, in compliance with SEC Memorandum Circular No. 10 Series of 2019, Rules on Material Related Party Transactions for Publicly Listed Companies, the Board approved its Material Related Party Transactions Policy and accordingly revised its Related Party Transactions Committee Charter.

On May 6, 2020, the Board of Directors of the Corporation approved the amendments to its Corporate Governance Manual in compliance with the Revised Corporation Code and related issuances. The Board also approved the amendments to the By-laws of the Corporation in compliance with the Revised Corporation Code. The amendments to the By-laws were then ratified by the stockholders during the annual stockholders' meeting held on September 21, 2020. The Securities and Exchange Commission approved the said amendments on March 2, 2021.

Item 7. Financial Statements

The financial statements are incorporated in this report as Exhibit 1.

External Audit Fees

The aggregate fees billed by Reyes Tacandong & Co., ("RTCo.") for the audit of the financial statements of the Company and other services in connection with the statutory and regulatory filings for 2024 is ₱2,550,000.00.

Audit Committee's Approval Policies and Procedures

The nomination of the Company's external auditor was endorsed to the stockholders based on the recommendation of the Audit Committee as well as the approval of the Board of Directors. Further, the quarterly reports and financial statements are reviewed and endorsed by the Audit Committee and approved by the Board of Directors prior to its release and submission to the SEC and PSE.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of RTCo. as its external auditors since its incorporation. There had not been any material disagreements on accounting and financial disclosures with RTCo. for the years ended December 31, 2024 and 2023.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of Registrant

The following are the Directors and Officers of the Company for the year 2024:

Name	Age	Nationality	Position
William T. Belo	79	Filipino	Chairman Emeritus
Bertram B. Lim	87	Filipino	Chairman
Lorraine Belo-Cincochan	45	Filipino	Director, President and Chief Executive Officer
Mark Andrew Y. Belo	42	Filipino	Director and EVP - Treasurer
Careen Y. Belo	41	Filipino	Director, EVP - Chief Product Officer, CIO and CRO
Ricardo S. Pascua	76	Filipino	Independent Director
Rolando S. Narciso	78	Filipino	Independent Director
Delfin L. Warren	74	Filipino	Independent Director
Arthur R. Ponsaran	81	Filipino	Corporate Secretary
Sheila Pasicolan-Camerino	38	Filipino	Asst. Corporate Secretary and Compliance Officer
Rosemarie B. Ong	66	Filipino	Senior Executive Vice President – Chief Operating Officer
Eden M. Godino	48	Filipino	SVP - Product Development
Grace A. Tiong	51	Filipino	SVP - Human Resources
Michael D. Tiong	51	Filipino	Vice President – Global Sourcing
Mary Jean G. Alger	54	Filipino	Vice President – Investor Relations
Lauro D.G Francisco	59	Filipino	Chief Audit Executive
Keith S. Chan	63	Filipino	Vice President – Information Technology
Jea S. Reyes	55	Filipino	Vice President – Finance
Jose Ruel J. Godino	49	Filipino	Vice President - Merchandising
Alen E. Alban	47	Filipino	Vice President – Project Sales

William T. Belo is the Chairman Emeritus of the Company. He is the founder of the Wilcon business and brand. He was Chairman and/or President of all Wilcon companies established and/or acquired from 1977 to 2016 including the parent, WC. Currently, he is involved in other business undertakings and serves as Director of Markeenlo Realty Inc., Lomarkeen Realty Inc.; the Chairman of Coral-Agri Venture Farm Inc., Coral Farms, WAJ Realty Development Inc.; and Treasurer of Crocodylus Porosus Philippines Inc. He also serves as the Chairman of Wilcon Builders Foundation Inc. He won the 2013 MVP Bossing Award, a distinction given to outstanding entrepreneurs of the country. In 2018, he was recognized as an Outstanding Thomasian Engineer, awarded as one of the People of the Year by People Asia and Patriarch of Home Building Retail by the Philippine Retailers Association. In 2019, he was given the UST Engineering Alumni Association Inc. Presidential Award and was recognized as The Manila Times Man of the Year of the Asia Leaders. Mr. Belo graduated from the University of Sto. Tomas in 1968 with a Bachelor of Science degree in Electronics and Communications Engineering.

Bertram B. Lim is the Chairman of the Company. He is also the Chairman of the United Neon Advertising, Inc., the largest outdoor advertising company in the Philippines and the Chairman of the Center for

Community Transformation, a Christian non-government organization, ministering to the poor, with half a million beneficiaries. He was a former Board Treasurer of the Trinity University/St. Luke's Health Sciences Consortium and continues to be a Board member and a Bestselling Author.

Lorraine Belo-Cincochan is a Director, President and the Chief Executive Officer of Wilcon Depot, Inc. She has held various positions in the family business starting out as a trainee under her father who was then president of Wilcon. In 2000, she headed the company's IT department that resulted in the beginnings of the company's digital transformation journey of Wilcon's key processes. From 2003 to 2005, she was assigned to manage the daily operations of the first ever large format Wilcon Depot branch as a Manager-trainee where she gained real world experience in retail operations. She was then appointed as Executive Vice President for Operations in 2005 and in 2006 became the Company's Executive Financial Officer, holding the position until March, 2016. In 2018, she was recognized as one of the 2018 Forbes Asia Emergent Women Honorees.

Mark Andrew Y. Belo is a Director and EVP - Treasurer of the Company and the President and Chief Executive Officer of WC from March 2016 to the present. He served as the Chief Financial Officer of the Company from 2016 to March 2019. Under WC, he was Assistant Vice-President for Business Development from 2015 to March 2016 and Executive Project Management Head from January 2013 to March 2015. He was also assigned in various positions under Wilcon Builders Supply, Inc. from July 2004 to August 2007. He is currently the President of Coral-Agri Venture Farm Inc. He graduated from the University of Asia & the Pacific in 2004 with a Bachelor's Degree in Industrial Economics.

Careen Y. Belo is a Director and EVP - Chief Product Officer of the Company. She is concurrently a Director of WC, the Executive Vice President for Product Development of Coral-Agri Venture Farm Inc., Executive Officer of Crocodylus Porosus Phil Inc. and President of The Meatplace Inc. She held various positions in the business having been a Business Development Manager from 2004 to 2007 of WC, Marketing and Sales Assistant from 2007 to 2014 and Executive Financial Audit Manager from 2014 to March, 2016. Ms. Belo obtained her Bachelor of Science in Management from the University of Asia & the Pacific in 2005.

Ricardo S. Pascua is an Independent Director of the Company since September 2016. He was Vice Chairman of the Board and President and CEO of Metro Pacific Corporation from January 2000 until his retirement in December 2001, a position he held also from January 1993 to July 1995. In between, he was Vice Chairman and CEO of Fort Bonifacio Development Corporation. He was concurrently an Executive Director of First Pacific Company Ltd. from 1982 to 2001 and as such served in the boards of companies such as Smart Communications, Inc., United Commercial Bank in San Francisco, California, First Pacific Bank in Hong Kong and 1st eBank in Manila. Mr. Pascua started his career in Bancom Development Corporation as Asst. Vice President in 1972 and was assigned in Bancom International Ltd. in Hong Kong as Senior Manager in 1975. Currently, Mr. Pascua serves as an independent director in various corporations and foundations. He is likewise involved in several businesses as Chairman of the Board of Caelum Developers Inc., Facilities & Property Management Technologies, Inc., Ascension Phildevelopers, Inc.; Chairman of the Executive Committee of Phoenix Land Inc. and a Director in Boulevard Holdings, Inc., Central Luzon Doctor's Hospital, Costa de Madera Corp. and Quicksilver Satcom Ventures, Inc.; and the President of Bancom II Consultants, Inc. Mr. Pascua has a Master of Business Management from Asian Institute of Management obtained in 1971 and he finished his bachelor's degree majoring in Economics (Cum Laude) from the Ateneo de Manila University in 1969.

Rolando S. Narciso is an Independent Director of the Company since September 2016. He is currently the Vice President for Industry Affairs of Philippine Galvanizers and Coaters Association which is affiliated with the Philippine Iron and Steel Institute. He was a former Director and Chairman of St. Joseph Group from 2015 to 2019 and a former Director and Officer of New Kanlaon Construction, Inc. from 2004 to 2014. He was President and Chief Operating Officer of Steel Corporation of the Philippines from 1998 to 2004. Before the National Steel Corporation was privatized, Mr. Narciso was its President and Chief Operating Officer from 1989 to 1995 and, concurrently from 1989, was a Director of Refractories Corp. of the Phils. and Semirara Coal Corp. up to 1994 and Integrated Air Corp. up to 1993. From 1974 to 1988, he held various positions in National Steel and other subsidiaries of the National Development Company. He also held various positions in the Esso (now Exxon) Group of Companies in the Philippines and abroad from 1967 to 1974. Mr. Narciso is a member of professional organizations such as the Financial Executives Institute and the Management

Association of the Philippines. He obtained his Master in Business Management and Bachelor of Science in Business Administration degrees from the Ateneo de Manila University in 1967 and 1965, respectively.

Delfin “Jing” L. Warren, is an Independent Director of the Company since May 2017. He is the founder, main principal, and current Chairman of the 1ISA Group, a leading loyalty management company in the country. He was the former CEO of PT Darya-Varia Laboratoria, a major publicly listed pharmaceutical company in Indonesia under the First Pacific Group. He also held senior positions in various international companies such as First Pacific Commodities Holdings, Ltd., The Hibernia Bank of San Francisco, PT Indo Ayala Leasing (Indonesia), and Bancom Philippine Holdings, Inc. Jing obtained his Bachelor of Science in Chemical Engineering degree at De La Salle College, Manila in 1971. He was a former member of the Board of Trustees of De La Salle University and a former president of the De La Salle Alumni Association.

Arthur R. Ponsaran, is the Corporate Secretary of the Company and of WC. He is a CPA-Lawyer with over 25 years' experience in corporate law, taxation, finance and related fields. He is the Managing Partner of Corporate Counsels, Philippines - Law Office and Director/Corporate Secretary of various corporate clients. He obtained his LLB from the University of the Philippines, BSBA from the University of the East and completed the MDP Program at the AIM. He is a member of the Philippine Institute of Certified Public Accountants, Integrated Bar of the Philippines, Philippine Bar Association and the New York (USA) Bar.

Sheila P. Pasicolan-Camerino is the Assistant Vice President - Corporate Lawyer of the Company and the Assistant Corporate Secretary of the Company and WC. In 2020, she was appointed Compliance Officer of the Company. She joined the Company in January 2016 after serving as a Senior Associate in Sycip Gorres Velayo and Co. from November 2014 to December 2015. Prior to her admission to the Philippine Bar in 2015, she served as a legal intern at the Office of the Solicitor General in 2013 and a technical assistant in the Office of the Presidential Assistant for Education of the Office of the President of the Philippines from 2009 to 2010. She completed her Bachelor of Arts in History from the University of the Philippines – Diliman (Cum Laude) and took up a Master's Degree in Philippine Studies in the same university. Atty. Pasicolan-Camerino is a certified compliance officer and she completed her Bachelor of Laws at San Beda University – Mendiola in 2014.

Rosemarie B. Ong is the Senior Executive Vice President and Chief Operating Officer of the Company. She held this position since 2007 initially under WC, immediately prior, she was Executive Vice President for Sales and Marketing, which she held from 1988 to 2007. She started out in the business as a Purchasing Manager under WBSI from 1983 to 1988. She is also the President of the Wilcon Builders Foundation Inc., which she has headed since 2008. She is a former Director of the Philippine Contractors Association, President of Philippine Retailers Association, a former Treasurer of the Philippine Association of National Advertisers (PANA) Foundation and one of the founding Directors of Proptech Consortium of the Philippines. She is a member of the Board of Trustees of Women Business Council of the Philippines, currently the Chairman of the Committee on Trade of the Philippine Chamber of Commerce and Industry, a regular columnist of The Philippine Star and she was one of the judges of The Final Pitch at CNN Philippines seasons 7 and 8. Ms. Bosch-Ong has recently completed the Programme of Strategy in the Age of Digital Disruption from INSEAD The Business School for the World. She also has a Master's degree in Business Administration from De La Salle University obtained in 2010 and she graduated from the University of the East in 1986 with a Bachelor's Degree in Economics.

Eden M. Godino is the Senior Vice President for Product Development. She joined the department in 2007, initially as the Asst. Vice President and was appointed Vice President of Product Development in 2011. Ms. Godino joined Wilcon in 1997 and was assigned in Accounting, Purchasing and later went on to become a Depot Manager in 2004, a position she held for three years prior to her promotion to AVP in Product Development in 2007. She graduated with a Bachelor of Science degree in Accountancy from the University of the Assumption in 1997 and obtained a post bacallaureate diploma (short course diploma program) from the De La Salle College of St. Benilde on Supply Chain Management major in Purchasing and Logistics Operations with merit award in 2015. She also has a Master's degree in Business Administration from Manuel L. Quezon University obtained in 2021. She recently completed her Executive Development Program on Supply Chain Management from the Ateneo De Manila University Graduate School of Business and a

Director's Awardee for Academic Excellence. In 2021, she passed the Philippine Institute for Supply Management certification and now a Certified Professional on Purchasing.

Grace A. Tiong is the Senior Vice President for Human Resources. She was the VP for Human Resources from May 2008 – May 2022. She joined Wilcon in October 1994 and was assigned in Accounting. She was promoted to various positions within the branch and eventually became a Branch Manager in 2001. She joined the Human Resources department as an Asst. HR Manager after her stint in Operations in 2003. Ms. Tiong graduated from New Era University in 1994 with a bachelor's degree in Accountancy and obtained diploma courses in Human Capital Management and Organizational Development from the School of Professional and Continuing Education of the De La Salle College of St. Benilde from 2014 to 2016.

Michael D. Tiong is the Vice President for Global Sourcing. Prior to his appointment as Vice President in July 2016, he handled Sales and Operations as an Asst. Vice President since October 2009. Mr. Tiong joined Wilcon as a Salesman in 2000 and became Asst. Depot Manager in 2003 until 2009, when he was promoted to Asst. Vice President for Operations. Mr. Tiong took up Bachelor of Science in Architecture at the Far Eastern University in 1992.

Mary Jean G. Alger is the Vice President for Investor Relations. Prior to officially joining Wilcon, she was part of the advisory team for the public listing of the Company. She started her career with Petron Corporation in 1991 as a Credit Analyst. Concurrent to her various positions in different companies and on a consultancy basis, she was involved in project structuring, financial packaging, advisory and issue management for public offerings and corporate rehabilitations, among others. She served various positions in publicly listed mining and energy development companies. She was the Asst. Vice President on Corporate Planning and Budget/Deputy to the CFO on Corporate Finance from January 2013 to August 2016 in Benguet Corporation and Asst. Vice President for Corporate Planning in Basic Energy Corporation from July 2007 to January 2013. After her stint with Benguet, she was appointed Vice President for Project Development and Planning in Marcventures Mining Development Corporation. Ms. Alger graduated from the University of the Philippines – Diliman with a Bachelor Degree in Business Economics and a Master in Business Administration Candidate (academic requirements completed in 2007) at De La Salle University – Taft.

Lauro D.G. Francisco is the Chief Audit Executive. He has an extensive experience as an internal audit executive. He built his internal audit professional career with the Manila Electric Company (MERALCO), previously managing the audit of the company's subsidiaries and affiliates and simultaneously delegated as the Internal Audit Head/ Assistant Vice-President for Internal Audit of subsidiary Meralco Industrial Engineering Services Corporation (MIESCOR). He also had an internal audit management tenure with GT Capital Holdings Incorporated. He is a Certified Public Accountant, Certified Internal Auditor, and with Certification in Risk Management Assurance. Mr. Francisco graduated from the University of the East with a degree in Business Administration major in Accounting (Cum Laude). He obtained his Master in Business Administration degree from the Ateneo Graduate School of Business (Gold Medal Honors). He is actively affiliated with the Institute of Internal Auditors - Philippines and previously held various officership positions in the organization, foremost of which as Vice-Chairman of its Board of Trustees.

Keith S. Chan is the Vice President for IT. He is the incoming President of the Business Continuity Association of the Philippines (BCMAP) for 2023 and a certified Associate Business Continuity Professional (ABCP) from the Disaster Recovery Institute, International (DRII). He was First Vice President for Information Technology, IT Head and Vice Chairman of the IT Steering Committee at the Philippine Business Bank from January 2003 until his retirement in July 2015. He was also involved in an advisory capacity for the Zesto Group of Companies in the airline, hotel and convenience store IT operations. In May 2000 he managed a US internet service provider franchise start up, Quik Internet, in the Philippines as the Chief Operating Officer of Q Communications Corporation. From 1991 to 1996, he was the Assistant Vice President for Management Information System of Guoco Holdings Phils., Inc., a member of the Hong Leong Group of Malaysia. In 1986, he joined a computer service start-up company, Dataworld Computer Corporation, as Vice President for Application Development and became Executive Vice President. As a business management degree holder, he started his career as a banker in Equitable Banking Corporation in 1982 and held finance positions in Seaoil Petroleum Corporation in 1997. Mr. Chan is a recipient of the 2022 CIO100 Asia, Hongkong and Wider Region Award from CIO.com, a part of the Boston-based International Data

Group's (IDG) enterprise publications business. He graduated with a Masters of Business Management from the Asian Institute of Management in 1986 and had further studies in a Master's program in Computer Science from the Ateneo de Manila University. He finished his bachelor's degree in Business Management from the Ateneo de Manila University in 1982.

Jose Ruel J. Godino is the Vice - President for Merchandising. He was the AVP for Merchandising from 2020 - 2022. He joined Wilcon in 2001 as Sales Consultant and eventually became the AVP – Logistics in 2009 and AVP – Sales Operations in 2014. Mr. Godino graduated from the University of the Visayas with a bachelor degree in Mechanical Engineering in 1997.

Jea S. Reyes is the Vice-President for Finance at Wilcon Depot, Inc. She is a highly experienced and results-oriented Certified Public Accountant (CPA) with about 3 decades of diverse expertise in finance, financial planning, budgeting, corporate finance, business development, accounting, and auditing. She holds a degree in Bachelor of Science in Business Administration major in Accounting from Silliman University and has completed her academic courses for the De La Salle University Graduate School of Business Master in Business Administration program. Her notable professional experiences include serving as the Chief Finance Officer for Global Officium Limited Inc. and Honeycomb Builders, Inc., the roles encompassing leadership in accounting, treasury, fundraising, financial analysis, controls, taxation, and accounting systems implementation. She was also an investment management executive of the Joy-Nostalg group and served as Assistant Vice-President at SM Development Corporation and The Philippine American Life and General Insurance Company from 2011 to 2017. Her earlier experiences (1990 to 2011) included sixteen (16) years in various roles with Ayala Land Inc., three (3) years as Finance Manager of the Amicassa Process Solutions Inc., the residential shared services arm of the Ayala Land Group of Companies, and a brief stint at the auditing firm of Sycip, Gorres, Velayo, CPAs (SGV).

Alen E. Alban is the Vice President for Project Sales at Wilcon Depot, Inc. Alen has close to 20 year experience in the construction supply industry, holding positions from Head of Marketing (American Standard Philippines, Ltd., Co.), Projects Director (Grohe Philippines, Inc.) to eventually Country Manager (Lixil Philippines, Inc.). The foundation of his career was spent doing Marketing and customer centric work, as his first 9-year experience was in brand management for Splash Corporation and account management for an advertising company. He is a graduate of De La Salle University Manila with a degree in Marketing Management. He also completed the BMP with Ateneo Graduate School of Business, Center for Continuing Education.

Attendance of Directors in 2024 Board Meetings

Board	Name	Date of Election	No. of Meetings Held During the Year 2024	No. of Meetings Attended	%
Chairman	Bertram B. Lim	May 22, 2017	9	9	100%
Independent Director	Rolando S. Narciso	September 13, 2016	9	9	100%
Independent Director	Ricardo S. Pascua	September 13, 2016	9	9	100%
Independent Director	Delfin L. Warren	May 22, 2017	9	9	100%
Member	Lorraine Belo - Cincochan	March 30, 2016	9	9	100%
Member	Mark Andrew Y. Belo	March 30, 2016	9	9	100%
Member	Careen Y. Belo	March 30, 2016	9	8	89%

Directors' Compensation

All directors attending physically in a board meeting receive a per diem of Forty Thousand Pesos (P40,000.00) per meeting.

Total compensation received by the members of the Board in 2024 amounted to P3.2M.

Significant Employees

The Company does not believe that its business is dependent on the services of any particular employee.

Family Relationships

As of December 31, 2024, family relationships (by consanguinity or affinity within the fourth civil degree) between Directors and Officers of the Company are as follows:

Ms. Lorraine Belo-Cincochan, Mr. Mark Andrew Y. Belo and Ms. Careen Y. Belo are the children of Mr. William T. Belo and Ms. Rosy Chua Belo.

Mr. Michael D. Tiong is the husband of Ms. Grace A. Tiong.

Mr. Jose Ruel J. Godino is the husband of Ms. Eden M. Godino

Involvement in Certain Legal Proceedings of Directors and Executive Officers

None of the Company's directors, nominees for election as director, or executive officers have in the five-year period prior to the date of this report: (1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time, (2) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses, (3) have been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or (4) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Summary of Compensation Table

The following table sets out the summary of compensation of the top 5 officers including the Chairman Emeritus.

Name	Position
William T. Belo	Chairman Emeritus
Lorraine Belo-Cincochan	Director and Chief Executive Officer
Rosemarie Bosch-Ong	SEVP - Chief Operating Officer
Mark Andrew Y. Belo	Director and EVP - Treasurer
Careen Y. Belo	Director and EVP - Chief Product Officer

Below is the aggregate compensation of executive officers and directors of the Company for the year 2024 and projected for the year 2025:

Actual

Key Management Officers	Year	Compensation	Bonuses
Top 5 Officers	2024	₱53.9M	₱53.8M
Other officers as a group	2024	₱107M	₱7.8M

Projected for 2025

Key Management Officers	Year	Compensation	Bonuses
Top 5 Officers	2025	₱56.8M	₱54.1M
Other officers as a group	2025	₱123.7M	₱8.5M

Standard Arrangements

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments.

Other Arrangements

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

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The Company has no special employment contracts with the named executive officers.

Warrants and Options

There are no outstanding warrants or options held by the President - CEO, executive officers, directors and all officers and directors as a group.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

All shareholders of record are likewise the beneficial owners of the shares they hold.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner	Citizenship	Number of Shares Held	% of Total Outstanding Shares
Common	William T. Belo 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City Chairman Emeritus	William T. Belo	Filipino	5,099,995	0.12%
Common	Bertram B. Lim 60 Sen. Gil Puyat Ave., Makati City Chairman/ Independent Director	Bertram B. Lim	Filipino	1	0.00%
Common	Lorraine Belo-Cincochan 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City	Lorraine Belo-Cincochan	Filipino	5,100,000	0.12%

	Director				
Common	Mark Andrew Y. Belo 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City Director	Mark Andrew Y. Belo	Filipino	5,100,000	0.12%
Common	Careen Y. Belo 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City Director	Careen Y. Belo	Filipino	5,100,000	0.12%
Common	Rolando S. Narciso Lexington Garden Village, San Joaquin, Pasig City Independent Director	Rolando S. Narciso	Filipino	1	0.00%
Common	Ricardo S. Pascua 3 Pebblewood cor. Fairwood McKinley Hill Village, Taguig City Independent Director	Ricardo S. Pascua	Filipino	1	0.00%
Common	Delfin L. Warren 2 Sinaguelas St., Valle Verde 1, Pasig City Independent Director	Delfin L. Warren	Filipino	1	0.00%
Common	Arthur R. Ponsaran 5 Aurelio St., BFRV, Las Piñas City Corporate Secretary	Arthur R. Ponsaran	Filipino	10,000	0.00%
Common	Sheila P. Pasicolan- Camerino 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City Asst. Corporate Secretary/Compliance Officer	Sheila P. Pasicolan- Camerino	Filipino	19,900	0.00%
Common	Rosemarie B. Ong 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City SEVP-COO	Rosemarie B. Ong	Filipino	1,369,401	0.03%
Common	Eden M. Godino 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City SVP - Product Development	Eden M. Godino	Filipino	267,500	0.00%
Common	Grace A. Tiong 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City SVP - HR	Grace A. Tiong	Filipino	148,700	0.00%
Common	Michael D. Tiong 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City VP – Global Sourcing	Michael D. Tiong	Filipino	148,700	0.00%
Common	Keith S. Chan 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City	Keith S. Chan	Filipino	3,000	0.00%

	VP – IT				
Common	Jose Ruel J. Godino 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City VP – Merchandising	Jose Ruel J. Godino	Filipino	69,400	0.00%
Common	Wilcon Corporation	Wilcon Corporation	Filipino	2,704,117,916	65.96%

None of the shareholders of record hold any share for and on behalf of another, or beneficial owner. Neither is any shareholder acting on behalf of a beneficial owner who is non-Filipino. The table below sets forth the security ownership of certain record and beneficial owners of more than 5% of the Company's voting securities as of December 31, 2024:

Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	% of Total Outstanding Shares
Wilcon Corporation	Record Owner	Filipino	2,704,117,916	65.96%

SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table sets forth the ownership of Directors and Management of the Company's common shares as of December 31, 2024.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (₱)	Citizenship	% of Total Outstanding Shares
Common	William T. Belo	5,099,995.00(Direct)	Filipino	0.12%
Common	Bertram B. Lim	1.00 (Direct)	Filipino	0.00%
Common	Lorraine Belo-Cincochan	5,100,000.00 (Direct)	Filipino	0.12%
Common	Mark Andrew Y. Belo	5,100,000.00(Direct)	Filipino	0.12%
Common	Careen Y. Belo	5,100,000.00(Direct)	Filipino	0.12%
Common	Rosemarie B. Ong	1,369,401.00 (Direct)	Filipino	0.03%
Common	Rolando S. Narciso	1.00 (Direct)	Filipino	0.00%
Common	Ricardo S. Pascua	1.00 (Direct)	Filipino	0.00%
Common	Delfin L.Warren	1.00 (Direct)	Filipino	0.00%
Common	Arthur R. Ponsaran	10,000.00 (Indirect)	Filipino	0.00%
Common	Sheila P. Pasicolan-Camerino	19,900.00 (Direct)	Filipino	0.00%
Common	Grace A. Tiong	148,700.00 (Direct)	Filipino	0.00%
Common	Michael D. Tiong	148,700.00 (Direct)	Filipino	0.00%
Common	Eden M. Godino	267,500.00 (Direct)	Filipino	0.00%
Common	Keith S. Chan	3,000 (Direct)	Filipino	0.00%
Common	Jose Ruel J. Godino	69,400 (Direct)	Filipino	0.00%

The following table sets forth ownership of directors and executive officers as a group:

Title of Class	Beneficial Owner	Amount and Nature of Beneficial Ownership (₱)	Citizenship	% of Total Outstanding Shares
Common	Directors and Executive Officers	22,436,600.00 (Direct and Indirect)	Filipino	0.55%

Voting Trust Holders of 5% or more

There were no persons holding more than 5% of a class of shares of the Company under a voting trust or similar agreement as of December 31, 2024.

Change in Control

There are no arrangements which may result in a change in control of the Company as of December 31, 2024.

Item 12. Certain Relationships and Related Transactions

The Company in the ordinary course of business, engages in various transactions with related parties, particularly with its parent company, WC.

For a detailed discussion of the material related party transactions of the Company, please see Note 18 - Related Party Transactions and Balances of the attached Audited Financial Statements of the Company.

PART IV. CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company understands that it is paramount to set the kind of corporate governance needed in the attainment of the Company's corporate goals and ensures compliance with the leading practices in corporate governance. Consequently, the Company has revised its Corporate Governance Manual which was approved by the Board on May 22, 2017. The Manual was designed to define the framework of rules, systems and processes that governs the performance of the Board and Management. It establishes the structure by which the Company executes and carries out its Corporate Governance. This serves as reference by all the members of the Board as well as its Management in the conduct of their duties and responsibilities.

The Board and Management, employees and shareholders, believe that good governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness thereof within the organization.

On May 6, 2020, the Board of Directors of the Corporation approved the amendments to the Corporate Governance Manual in compliance with the Revised Corporation Code and related issuances.

Further, on June 17, 2024, the members of the Board as well as officers of the Company attended the corporate governance seminar via Zoom conducted by the Risks, Opportunities Assessment and Management (ROAM), Inc. This 4-hour annual CG training covered the following topics:

1. Review of Code of Corporate Governance for Publicly Listed Companies
2. 2024 Global and Regional Trends in Corporate Governance
3. Corporate Sustainability/Sustainability Reporting
4. RP Economic Statistics
5. Global and Local Economic, Political and Other Challenges; and
6. Impact of Artificial Intelligence on Business and Society

The Company will submit its Integrated Annual Corporate Governance Report (I-ACGR) for the year ended December 31, 2024 on or before May 30, 2024, in compliance with SEC Memorandum Circular No.15, Series of 2017.

PART V. EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

SEC FORM 17 – C

Date of Filing	Reports
March 20, 2024	Notice of Annual Meeting of the Stockholders of the Corporation to be held on 17 June 2024
June 17, 2024	Results of Annual Stockholders' Meeting held on 17 June 2024
June 17, 2024	Results of Organizational Meeting of the Board held on 17 June 2024

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of Quezon City on March 20, 2025.

By:



Lorraine Belo-Cincochan
President-CEO



Bertram B. Lim
Chairman



Mark Andrew Y. Belo
Treasurer



Atty. Arthur R. Ponsaran
Corporate Secretary



Atty. Sheila Pasicolan-Camerino
Compliance Officer

MAR 20 2025

SUBSCRIBED AND SWORN to before me this _____ in Quezon City
affiants exhibiting to me their Passport IDs, as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Wilcon Depot, Inc.	TIN 009-192-878		
Bertram B. Lim	P3561043A	04 Jul 2017	DFA Manila
Lorraine Belo-Cincochan	P6354419B	22 Feb 2021	DFA Manila
Mark Andrew Y. Belo	P7611238A	20 June 2018	DFA Manila
Arthur R. Ponsaran	P7038917A	04 May 2018	DFA NCR South
Sheila Pasicolan – Camerino	P6537537A	23 March 2018	DFA NCR East

Doc No. 386 ;
Page No. 79 ;
Book No. XXI ;
Series of 2025 .

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 7016197 / 01-02-2025/ Q.C
IBP NO. 472850 / 10-23-2024 / Q.C
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy Quezon City

ANNEX B

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 5 2 4 7 1 2

COMPANY NAME

W I L C O N D E P O T , I N C . D O I N G B U S I N E S S U N D E R
T H E N A M E A N D S T Y L E O F W I L C O N D E P O T ,
W I L C O N H O M E E S S E N T I A L S , D O I T W I L C O N
A N D B A R G A I N C E N T E R B Y : W I L C O N D E P O T

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

N O . 9 0 E . R O D R I G U E Z J R . A V E N U E , U G O N G
N O R T E , Q U E Z O N C I T Y

Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

wilcon2@wilcon.com.ph

Company's Telephone Number/s

(02) 8 634-8387

Mobile Number

09190771878

No. of Stockholders

159

Annual Meeting (Month / Day)

June 17

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Atty. Sheila Pasicolan - Camerino

Email Address

Compliance_wdi@wilcon.com.ph

Telephone Number/s

(02) 8 634 - 8387

Mobile Number

09190771878

CONTACT PERSON'S ADDRESS

90. E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.

**"STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN"**

The management of WILCON DEPOT, INC. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (the Company), a subsidiary of WILCON CORPORATION Doing Business under the Name and Style of WILCON CITY CENTER, is responsible for all information and representations contained in the Annual Income Tax Return as at and for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the management affirms that the attached audited financial statements as at and for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature: _____

Bertram B. Lim
Chairman

Signature: _____

Lorraine Belo-Cincochan
President-CEO

Signature: _____


Mark Andrew Y. Belo
Treasurer

Signed this 20th day of March 2025

SUBSCRIBED AND SWORN to before me this 20 day of MAR 2025 affiant(s)
exhibiting to me their Passport, as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Bertram B. Lim	P3561043A	04 Jul 2017	DFA Manila
Lorraine Belo-Cincochan	P6354419B	22 Feb 2021	DFA Manila
Mark Andrew Y. Belo	P7611238A	20 June 2018	DFA Manila

Doc. No. 63;
Page No. 8;
Book No. XV;
Series of 2025


Atty. Richard Leo M. Baldueza
Notary Public for Quezon City
(NP-230 / 2024-2025)
Until December 31, 2025
Roll No. 53953
PTR No. 5052411 / 01/02/2025 / Plaridel Bulacan
MCLE Compliance No. VII - 0007663 / 11/04/2021
IBP Lifetime No. 7203 (01-17-08)

Subject: Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph

Date: 03/28/2025, 11:25 AM

To:

CC:

Hi WILCON DEPOT, INC.,

Valid files

- EAFS009192878RPTTY122024.pdf
- EAFS009192878ITRTY122024.pdf
- EAFS009192878AFSTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-BDBDAJK50NWQRVW2SNVYMPWVW02TYWWTT**

Submission Date/Time: **Mar 28, 2025 11:25 AM**

Company TIN: **009-192-878**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

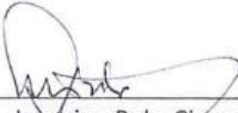
The management of WILCON DEPOT, INC. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (the Company), a subsidiary of WILCON CORPORATION Doing Business under the Name and Style of WILCON CITY CENTER, is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors or Trustees reviews and approves the financial statements and submit the same to the stockholders or members.

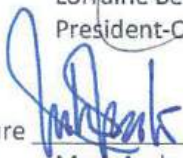
Reyes Tacandong & Co., the independent auditors, appointed by the stockholders has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signature 

Bertram B. Lim
Chairman

Signature 

Lorraine Belo-Cincochan
President-CEO

Signature 

Mark Andrew Y. Belo
Treasurer

Signed this 20th day of March 2025


WILCON

90 E. Rodriguez Jr. Ave., Ugong Norte Libis, Quezon City
Tel. No.: (+632) 8634-8381 to 87
Email: wilcon@wilcon.com.ph
Website: www.wilcon.com.ph

SUBSCRIBED AND SWORN to before me this ____ day of 20 MAR 2025, 20 Affiant(s)
exhibiting to me their Passport, as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Bertram B. Lim	P3561043A	04 Jul 2017	DFA Manila
Lorraine Belo-Cincochan	P6354419B	22 Feb 2021	DFA Manila
Mark Andrew Y. Belo	P7611238A	20 June 2018	DFA Manila

Doc. No. 44;
Page No. 9;
Book No. RV;
Series of WY


Atty. Richard Leo M. Baldueza
Notary Public for Quezon City
(NP-230 / 2024-2025)
Until December 31, 2025
Roll No. 53953
PTR No. 5052411 / 01/02/2025 / Plaridel Bulacan
MCLE Compliance No. VII - 0007663 / 11/04/2021
IBP Lifetime No. 7203 (01-17-08)

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of WILCON DEPOT, INC. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (the Company), a subsidiary of WILCON CORPORATION Doing Business under the Name and Style of WILCON CITY CENTER, is responsible for the preparation and fair presentation of the financial statements as at and for the years ended December 31, 2024, 2023 and 2022, including the schedules attached therein, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: _____

Bertram B. Lim
Chairman

Signature: _____

Lorraine Belo-Cincochan
President/Chief Executive Officer

Signature: _____

Mark Andrew Y. Belo
Treasurer

Signed this 20th day of March 2025

WILCON

90 E. Rodriguez Jr. Ave., Ugong Norte Libis, Quezon City
Tel. No.: (+632) 8634-8381 to 87
Email: wilcon@wilcon.com.ph
Website: www.wilcon.com.ph

SUBSCRIBED AND SWORN to before me this ____ day of 20 MAR 2025 affiant(s)
exhibiting to me their Passport, as follows:

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Doc. No. 65;
Page No. 8;
Book No. 7V;
Series of WMS


Atty. Richard Leo M. Baldueza

Notary Public for Quezon City
(NP-230 / 2024-2025)

Until December 31, 2025

Roll No. 53953

PTR No. 5052411 / 01/02/2025 / Plaridel Bulacan

MCLE Compliance No. VII - 0007663 / 11/04/2021

IBP Lifetime No. 7203 (01-17-08)



**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
BUREAU OF INTERNAL REVENUE**

The Stockholders and the Board of Directors
WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
No. 90 E. Rodriguez Jr. Avenue
Brgy. Ugong Norte, Quezon City

We have audited the accompanying financial statements of WILCON DEPOT, INC. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (the Company) (a subsidiary of WILCON CORPORATION Doing Business under the Name and Style of WILCON CITY CENTER) as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, on which we have rendered our report dated March 20, 2025.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

REYES TACANDONG & Co.


CAROLINA P. ANGELES
Partner

CPA Certificate No. 86981
Tax Identification No. 205-067-976-000
BOA Accreditation No. 4782/P-007; Valid until June 6, 2026
BIR Accreditation No. 08-005144-007-2022
Valid until October 16, 2025
PTR No. 10467120
Issued January 2, 2025, Makati City

March 20, 2025
Makati City, Metro Manila



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
No. 90 E. Rodriguez Jr. Avenue
Brgy. Ugong Norte, Quezon City

Opinion

We have audited the financial statements of WILCON DEPOT, INC. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (the Company) (a subsidiary of WILCON CORPORATION Doing Business under the Name and Style of WILCON CITY CENTER) which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2024, 2023 and 2022, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024, 2023 and 2022, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Revenue Recognition

Sale of goods, net of discounts and returns, amounted to ₱34,172.0 million in 2024. We considered revenue recognition from sale of goods as a key audit matter since it involves a significant volume of transactions and directly impacts the Company's profitability. The accuracy and completeness of the revenue recognized is dependent on the effectiveness of the Information Technology (IT) general and application controls and the manual controls over revenue recognition.

Our procedures included, among others, a thorough examination of both IT and key manual controls related to revenue to ensure their effectiveness and reliability in capturing the revenue transactions. We performed substantive analytical review procedures on gross sales, and sales discounts and returns, which involved analyzing trends and comparing them against expectations based on historical data. We performed cut-off testing to ensure that revenue transactions were recorded in the correct period. We also tested the journal entries posted to the sales accounts to identify any unusual or irregular items.

We also reviewed the related disclosures in Note 2, *Summary of Material Accounting Policy Information*.

Completeness, Existence and Proper Valuation of Merchandise Inventories

Merchandise inventories, net of allowance for inventory write-down and losses, amounted to ₱14,248.8 million as at December 31, 2024. We determined this to be a key audit matter because it represent 36% of the total assets. Additionally, the Company maintains thousands of stock keeping units (SKU), which requires maintenance of inventory management system to establish its completeness, existence and proper valuation.

Our procedures included, among others, the examination of the design and implementation of both IT and key manual controls related to inventory management system to review their accuracy in maintaining the inventory records. We observed the conduct of the inventory count, performed test of inventory summarization and reconciliation, reviewed the intervening transactions from date of inventory count to financial reporting date, reviewed and tested the inventory costing, and ascertained that merchandise inventories are measured at the lower of cost or net realizable value.

We also reviewed the related disclosures in Note 2, *Summary of Material Accounting Policy Information*, Note 3, *Significant Accounting Judgments, Estimates and Assumptions*, and Note 7, *Merchandise Inventories*.

Recognition and Measurement of Right-of-Use Assets and Lease Liabilities

Right-of-use (ROU) assets and lease liabilities amounted to ₱7,863.5 million and ₱9,564.4 million, respectively, as at December 31, 2024. The accounting for the recognition and measurement of ROU assets and lease liabilities is significant to our audit because ROU assets and lease liabilities represent 20% of total assets and 63% of total liabilities, respectively. There were also significant additions in 2024 amounting to ₱963.2 million and ₱952.3 million for ROU assets and lease liabilities, respectively, resulting from the Company's store network expansion. In addition, the recognition and measurement of ROU assets and lease liabilities involve the exercise of significant management judgment and estimate that include, among others, (a) assessing whether a contract contains a lease; (b) determining the lease term taking into consideration the renewal option; and (c) determining the appropriate discount rate.



Our procedures included, among others, the recalculation of ROU assets and lease liabilities to assess the reasonableness of the amortization of ROU assets and interest expense on lease liabilities. We reviewed existing, newly executed and amended lease agreements to assess whether the arrangement contains a lease that needs to be recognized as an addition or remeasurement of ROU assets and lease liabilities. We performed an assessment of the significant management judgment and estimates used in determining the ROU assets and lease liabilities through the review of the significant provisions of the lease agreements. We evaluated the reliability of data used in the computation of the ROU assets and lease liabilities through inspection of the source documents. We assessed whether the incremental borrowing rates used are reasonable and approximate the rates that the Company would have to pay to borrow funds for the purchase of similar assets with similar terms and security.

We also reviewed the related disclosures in Note 2, *Summary of Material Accounting Policy Information*, Note 3, *Significant Accounting Judgments, Estimates and Assumptions*, and Note 10, *Lease Commitments*.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified in the foregoing when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.



- 5 -

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore considered the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carolina P. Angeles.

REYES TACANDONG & Co.


CAROLINA P. ANGELES
Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782/P-007; Valid until June 6, 2026

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10467120

Issued January 2, 2025, Makati City

March 20, 2025

Makati City, Metro Manila

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4	P1,080,478,502	P1,865,160,075
Short-term investments	5	1,100,000,000	—
Trade and other receivables	6	527,645,451	414,373,764
Advance payments to suppliers	6	319,254,911	346,489,490
Merchandise inventories	7	14,248,773,904	15,776,748,743
Other current assets	8	835,223,988	1,346,213,721
Total Current Assets		18,111,376,756	19,748,985,793
Noncurrent Assets			
Property and equipment	9	11,946,172,877	10,484,232,829
Right-of-use (ROU) assets	10	7,863,541,026	8,478,487,577
Net deferred tax assets	17	644,029,113	583,196,473
Other noncurrent assets	11	500,897,077	486,190,658
Total Noncurrent Assets		20,954,640,093	20,032,107,537
		P39,066,016,849	P39,781,093,330
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	P5,333,465,189	P7,088,218,136
Income tax payable		118,083,373	239,858,443
Current portion of lease liabilities	10	934,165,779	1,768,920,622
Total Current Liabilities		6,385,714,341	9,096,997,201
Noncurrent Liabilities			
Lease liabilities - net of current portion	10	8,630,255,748	8,117,298,123
Net retirement liability	13	209,175,162	57,315,132
Total Noncurrent Liabilities		8,839,430,910	8,174,613,255
Total Liabilities		15,225,145,251	17,271,610,456
Equity			
Capital stock	14	4,099,724,116	4,099,724,116
Additional paid-in capital	14	5,373,738,427	5,373,738,427
Other comprehensive income		46,064,397	177,178,885
Retained earnings	14	14,321,344,658	12,858,841,446
Total Equity		23,840,871,598	22,509,482,874
		P39,066,016,849	P39,781,093,330

See accompanying Notes to Financial Statements.

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2024	2023	2022
NET SALES		₱34,172,031,761	₱34,603,965,512	₱33,570,825,431
COST OF SALES	7	(20,823,007,385)	(20,910,043,722)	(20,444,826,936)
GROSS INCOME		13,349,024,376	13,693,921,790	13,125,998,495
OPERATING EXPENSES	15	(9,797,521,465)	(8,940,010,592)	(7,879,337,131)
INTEREST EXPENSE	10	(666,958,822)	(640,615,340)	(544,466,762)
OTHER INCOME - Net	16	482,942,270	526,170,313	423,204,299
INCOME BEFORE INCOME TAX		3,367,486,359	4,639,466,171	5,125,398,901
INCOME TAX EXPENSE (BENEFIT)	17			
Current		856,182,687	1,242,608,754	1,425,076,387
Deferred		(17,127,810)	(86,338,182)	(147,992,787)
		839,054,877	1,156,270,572	1,277,083,600
NET INCOME		2,528,431,482	3,483,195,599	3,848,315,301
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item not to be reclassified to profit or loss -</i>				
Remeasurement gain (loss) on retirement liability, net of deferred income tax	13	(131,114,488)	—	77,407,915
TOTAL COMPREHENSIVE INCOME		₱2,397,316,994	₱3,483,195,599	₱3,925,723,216
BASIC AND DILUTIVE EARNINGS PER SHARE	19	₱0.62	₱0.85	₱0.94

See accompanying Notes to Financial Statements.

WILCON DEPOT, INC.
Doing Business under the Name and Style of
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Doing Business under the Name and Style of WILCON CITY CENTER)

STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2024	2023	2022
CAPITAL STOCK	14	₱4,099,724,116	₱4,099,724,116	₱4,099,724,116
ADDITIONAL PAID-IN CAPITAL	14	5,373,738,427	5,373,738,427	5,373,738,427
OTHER COMPREHENSIVE INCOME				
Cumulative Remeasurement Gain on Retirement Liability	13			
Balance at beginning of year		177,178,885	177,178,885	99,770,970
Remeasurement gain (loss), net of deferred income tax		(131,114,488)	—	77,407,915
Balance at end of year		46,064,397	177,178,885	177,178,885
RETAINED EARNINGS				
Unappropriated				
Balance at beginning of year		10,758,841,446	10,892,543,770	7,905,170,532
Net income		2,528,431,482	3,483,195,599	3,848,315,301
Appropriation	14	(6,000,000,000)	(2,100,000,000)	—
Reversal of appropriation	14	2,100,000,000	—	—
Cash dividends	14	(1,065,928,270)	(1,516,897,923)	(860,942,063)
Balance at end of year		8,321,344,658	10,758,841,446	10,892,543,770
Appropriated	14			
Balance at beginning of year		2,100,000,000	—	—
Appropriation		6,000,000,000	2,100,000,000	—
Reversal of appropriation		(2,100,000,000)	—	—
Balance at end of year		6,000,000,000	2,100,000,000	—
		14,321,344,658	12,858,841,446	10,892,543,770
		₱23,840,871,598	₱22,509,482,874	₱20,543,185,198

See accompanying Notes to Financial Statements.

WILCON DEPOT, INC.
Doing Business under the Name and Style of
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DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱3,367,486,358	₱4,639,466,171	₱5,125,398,901
Adjustments for:				
Depreciation and amortization	9	2,893,699,645	2,755,497,757	2,501,306,848
Interest expense	10	666,958,822	640,615,340	544,466,762
Insurance claim income	6	(118,809,899)	—	—
Losses due to fire	6	173,313,151	—	—
Provision for:				
Allowance for expected credit loss on receivables	6	63,399,925	16,442,898	22,529,515
Inventory write-down and losses	7	—	—	135,877,579
Reversal of:				
Allowance for expected credit loss on receivables	6	(53,288,643)	(21,799,342)	(14,954,499)
Inventory write-down and losses	7	(9,797,597)	(66,375,077)	—
Interest income	4	(36,182,471)	(14,383,915)	(17,064,479)
Retirement benefits	13	31,710,298	29,764,566	41,001,348
Gain on disposal of property and equipment	16	(1,410,714)	(832,862)	(163,081)
Operating income before working capital changes		6,977,078,875	7,978,395,536	8,338,398,894
Decrease (increase) in:				
Merchandise inventories		1,385,021,876	(2,467,516,391)	(1,502,772,236)
Other current assets		432,982,848	(532,071,635)	(19,671,244)
Advance payments to suppliers		27,234,579	97,697,193	1,446,903,328
Trade and other receivables		76,262	(125,401,370)	(123,277,718)
Increase (decrease) in trade and other payables		(1,754,752,947)	1,325,189,607	(1,497,087,779)
Net cash generated from operations		7,067,641,493	6,276,292,940	6,642,493,245
Income tax paid		(914,042,099)	(1,229,363,917)	(1,310,022,133)
Contributions to retirement plan	13	(54,669,586)	(54,669,587)	(54,669,586)
Retirement benefits paid	13	—	—	(854,264)
Interest received from cash equivalents		20,516,389	—	—
Interest received from cash in banks		783,972	879,528	959,717
Net cash provided by operating activities		6,120,230,169	4,993,138,964	5,277,906,979
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property and equipment	9	(2,757,338,074)	(2,317,576,471)	(2,597,219,026)
Computer software	11	(29,460,245)	(41,505,989)	(51,086,164)
Decrease (increase) in:				
Short-term investments	5	(1,100,000,000)	750,500,000	48,969,125
Advances to contractors	11	(794,957)	(25,263,968)	(7,768,738)
Other noncurrent assets	11	(25,160,581)	(12,862,674)	(6,196,950)
Interest received from investments		10,232,777	18,406,986	9,799,662
Net proceeds from disposal of property and equipment		1,410,714	1,157,137	3,809,580
Net cash used in investing activities		(3,901,110,366)	(1,627,144,979)	(2,599,692,511)

(Forward)

		Years Ended December 31		
	Note	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Lease liabilities	10	(P1,937,873,106)	(P1,765,274,468)	(P1,578,724,489)
Cash dividends	14	(1,065,928,270)	(1,516,897,923)	(860,942,063)
Cash used in financing activities		(3,003,801,376)	(3,282,172,391)	(2,439,666,552)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(784,681,573)	83,821,594	238,547,916
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,865,160,075	1,781,338,481	1,542,790,565
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P1,080,478,502	P1,865,160,075	P1,781,338,481

See accompanying Notes to Financial Statements.

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024 AND 2023 AND
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022

1. Corporate Information

WILCON DEPOT, INC. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on December 17, 2015. The Company is engaged in buying and selling of all kinds of goods, commodities, wares and merchandise at wholesale and retail.

The Company is a subsidiary of WILCON CORPORATION Doing Business under the Name and Style of WILCON CITY CENTER (the Parent Company), a holding company incorporated in the Philippines. The ultimate parent company is LIAM ROS HOLDINGS INC., a holding company incorporated in the Philippines.

On November 17, 2023, the Company amended its articles of incorporation and by-laws to reflect the change in its business name from “WILCON DEPOT, INC. Doing business under the name and style of WILCON DEPOT and WILCON HOME ESSENTIALS” to “WILCON DEPOT, INC. Doing business under the name and style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT.”

On March 31, 2017, the 1,393,906,200 common shares of the Company were listed in the Philippine Stock Exchange (PSE) at an offer price of ₱5.05 a share. Net proceeds from the Initial Public Offering (IPO) amounted to ₱6,749.3 million, net of offer expenses of ₱289.9 million (see Note 14).

The registered office address of the Company is at No. 90 E. Rodriguez Jr. Avenue, Brgy. Ugong Norte, Quezon City.

The financial statements of the Company as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized for issue by the Board of Directors (BOD) on March 20, 2025, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including the SEC pronouncements.

The material accounting policies used in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

Measurement Bases

The financial statements have been presented in Philippine Peso, which is the functional currency of the Company. All amounts are in absolute values, unless otherwise stated.

The financial statements of the Company have been prepared on the historical cost basis of accounting, except for the following:

- Net retirement liability which is carried at the present value of the defined benefit obligation less the fair value of plan assets; and
- Lease liabilities that are carried at the present value of future lease payments.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Further information about the assumptions made in measuring fair value is included in the following notes:

- Note 13, *Retirement Plan*
- Note 21, *Fair Value of Financial Instruments*

Adoption of Amended PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amended PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024. The amendments did not materially affect the financial statements of the Company.

New and Amended PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amended PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS Accounting Standards 9, *Financial Instruments*, and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
 - Amendments to PFRS Accounting Standards 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS Accounting Standards 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to 'transaction price as defined by PFRS Accounting Standards 15, *Revenue from Contracts with Customers*' to 'the amount determined by applying PFRS Accounting Standards 15' to remove potential confusion. Earlier application is permitted.
 - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- **PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements*** – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets at Amortized Cost

The Company's cash and cash equivalents, short-term investments, trade and other receivables (excluding advances to officers and employees), container deposits (presented as part of "Other current assets"), security and electricity deposits and refundable cash bonds (presented as part of "Other noncurrent assets") are classified as financial assets at amortized cost. These financial assets are measured at amortized cost less allowance for expected credit losses (ECL), if any. For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Meanwhile, impairment of other financial assets is assessed based on potential liquidity of counterparties based on available financial information. Financial assets are derecognized when the right to receive cash flows from the asset has expired or the Company has transferred its right to receive cash flows from the financial asset.

Financial Liabilities at Amortized Cost

The Company's trade and other payables (excluding statutory payables, advances from customers and unearned revenue) and lease liabilities are classified as financial liabilities at amortized cost. The Company recognized financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Merchandise Inventories

Merchandise inventories are valued at the lower of cost and net realizable value (NRV). Cost, which includes all costs directly attributable to acquisition such as purchase price and freight-in, is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete the sale.

When inventories are sold, the carrying amount of those inventories is recognized to profit or loss in the year when the related revenue is recognized.

When the NRV of inventories is lower than the cost, a write-down is charged to cost of sales at the year in which it occurred. Reversals of write-down of inventories arising from an increase in NRV is recognized as reduction in the amount of inventories recognized as expense in the year in which the reversal occurs.

Other Assets

Advance Payments to Suppliers. Advance payments to suppliers are amounts paid in advance for the purchase of inventories and supplies. These are carried at the amount of cash paid and are recognized to the proper asset account when the inventories and supplies are received.

Materials and Supplies. Materials and supplies are carried at cost and are recognized as expense upon when used.

Prepaid Expenses. Prepaid expenses are expenses paid in advance and recorded as asset before these are utilized. Prepaid expenses are apportioned over the period covered by the payment and charged to appropriate expense accounts in profit or loss when incurred. Prepaid expenses that are expected to be realized for no more than 12 months after the financial reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Value Added Tax (VAT). Revenue, expenses and assets are generally recognized net of the amount of VAT except in cases where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, or receivables and payables that are stated with the amount of VAT included.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods to be amortized over 60 months or the useful life of the capital goods, whichever is shorter, and input VAT on the unpaid portion of availed services. The input VAT on the purchases or imports of capital goods exceeding ₱1.0 million subsequent to December 31, 2021 may be claimed outright.

Computer Software. Computer software acquired is measured on initial recognition at cost. Subsequent to initial recognition, computer software is carried at cost less accumulated amortization and any impairment losses.

Computer software is amortized over the economic useful life of eight (8) years and assessed for impairment whenever there is an indication that the computer software may be impaired. The amortization period and method for computer software are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Advances to Contractors. Advances to contractors represent advance payments made in relation to purchase of materials and services for the construction of stores and are carried at cost less any impairment in value. These will be applied against future billings.

Property and Equipment

Property and equipment, excluding construction in progress, are stated at cost less accumulated depreciation, amortization and any impairment in value.

The initial cost of property and equipment comprises of its purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use.

Construction in progress represents stores under construction and is stated at cost. Cost includes costs of construction, labor and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are ready for use.

Depreciation and amortization are computed using the straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset Type</u>	<u>Number of Years</u>
Buildings and improvements	15 to 20 or term of lease, whichever is shorter
Furniture and equipment	5
Leasehold improvements	5 or term of lease, whichever is shorter
Transportation equipment	5

The estimated useful life of solar panels recognized as part of "Building and Leasehold improvements" installed in the leased and owned buildings is 15 years.

The estimated useful lives and depreciation and amortization are reviewed and adjusted, if appropriate, at each reporting date to ensure that such years and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.

Fully depreciated and amortized assets are retained in the accounts until these are no longer being used and no further depreciation and amortization are credited or charged to profit or loss.

Impairment of Nonfinancial Assets

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

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued. The excess of proceeds from the issuance of shares over the par value of shares is credited to additional paid-in capital.

Other Comprehensive Income. Other comprehensive income comprises items of income and expenses (including items previously presented under the statements of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. Other comprehensive income pertains to cumulative remeasurement gains on net retirement liability.

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss net of dividend distributions and other capital adjustments. Unappropriated retained earnings represent the portion which can be declared as dividends to stockholders. Appropriated retained earnings represent the portion which has been restricted and therefore is not available for any dividend declaration.

Dividend Distribution. Dividend distribution to the Company's stockholders is recognized as a liability and deducted from equity in the year in which the dividends are declared as approved by the Company's BOD. Dividends that are approved after the reporting year are dealt with as an event after the reporting year.

Revenue Recognition

The Company assessed that it acts as principal in all of its revenue sources.

Revenue within the scope of PFRS Accounting Standards 15, *Revenue from Contracts with Customers* is recognized as follows:

Net Sales. Revenue is recognized when the control of the goods is transferred to the buyer, which is normally upon delivery or pick up of goods, and measured at the fair value of the consideration received or receivable, net of returns, trade discounts and unearned revenue from loyalty program.

The award credits from the loyalty program are identifiable component of sale transactions in which these are granted. The fair value of the consideration received or receivable in respect to the sale is allocated between the award credits and the other components of the sale. The Company recognizes the consideration received allocated to award credits as sale when award credits are redeemed and it fulfills its obligations to supply the award credits.

Any unredeemed award credits as at reporting date are recognized as unearned revenue included under "Trade and other payables" account in the statements of financial position.

Other Income. Revenue is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Company through an increase in asset or reduction in liability and that can be measured reliably.

Revenue outside scope of PFRS Accounting Standards 15 is recognized as follows:

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield of the asset, net of final tax.

Rent Income. Revenue arising from rent of property is recognized on a straight-line basis over the lease term.

Cost and Expense Recognition

Cost of sales. Cost of sales are recognized in profit or loss when the related goods are sold, services are utilized or at the date the costs and expenses are incurred.

Operating Expenses. Operating expenses constitute cost of administering the business and cost incurred to sell and market the goods. These include advertising and freight and handling, among others. Operating expenses are expensed as incurred.

Interest Expense. Expense is recognized as the interest accrues, taking into account the effective yield of the asset.

Employee Benefits

Short-term Employee Benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. A liability is also recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. Retirement benefit costs are actuarially determined using the projected unit credit method, which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs, past service costs and net interest expense or income in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

Remeasurements comprising actuarial gains and losses and return on plan assets (excluding net interest on defined benefit obligation) are recognized immediately in other comprehensive income in the year in which these arise. Remeasurements are not reclassified to profit or loss in subsequent year.

The net retirement liability is the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as Lessee

At the commencement date, the Company recognizes right-of-use (ROU) asset and a lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. ROU asset is recognized under the same basis with property and equipment at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lease Liability. At commencement date, the Company measures lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate. A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

The Company as a Lessor

Leases where a significant portion of the risks and rewards of ownership over the asset are retained by the lessor, are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight-line basis of accounting over the period of the lease.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at end of the reporting year.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Earnings per Share

The Company presents basic and diluted earnings per share. Basic earnings per share are calculated by dividing the net income by the weighted average number of common shares outstanding during the year. Diluted earnings per share are calculated in the same manner, adjusted for the effects of all dilutive potential common shares.

The Company has no dilutive potential common shares.

Related Party Relationship and Transactions

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, by owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual; and (d) members of the key management personnel of the Company.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Segment Reporting

Operating segments are components of the Company: (a) that engage in business activities from which this may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the Company; (b) whose operating results are regularly reviewed by the Company's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Company reports separate information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and (c) the assets of the segment are 10% or more of the combined assets of all operating segments.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Contingencies

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

Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at the end of the reporting year (adjusting events) are reflected in the financial statements. Events after the reporting date that are non-adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires the Company to exercise judgment, make estimates and use assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments and estimates are based on management's evaluation of relevant facts and circumstances as of the date of the comparative financial statements. Actual results could differ from these estimates, and as such estimates will be adjusted accordingly when the effects become determinable.

Judgments

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

Determining the Operating Segments. Determination of operating segments is based on the information about components of the Company that management uses to make decisions about the operating matters. Operating segments use internal reports that are regularly reviewed by the Company's chief operating decision maker, which is defined to be the Company's BOD, in order to allocate resources to the segment and assess its performance.

The Company has only one (1) reportable operating segment which is the trading business and one (1) geographical segment as all of the assets are located in the Philippines. The Company operates and derives all its revenue from domestic operations. Accordingly, no further disclosures on operating and geographical segments are necessary.

Determining the Classification of Financial Assets. Classification of financial assets depends on the results of the business model test and sole payment of principal and interest (SPPI) test performed by the Company.

The Company exercises judgment in determining the business model to be used in managing its financial instruments to achieve its business objectives. Below are the key factors considered by the Company in its business model assessment:

- Specific business objectives in holding the financial assets,
- Policies in managing the risks of the financial assets,
- Expected frequency, value and timing of sales, and
- Key performance indicators of the financial assets.

The Company also determines whether the contractual terms of debt instruments classified and measured as financial assets at amortized cost give rise to specified dates to cash flows that are solely payments for principal and interest, with interest representing time value of money and credit risk associated with the outstanding principal amount. Any other contractual term that changes the timing or amount of cash flows does not meet the SPPI test.

Determining the Classification of Lease Arrangements and Appropriate Lease Term and Discount Rates. The Company, as a lessee, has various lease agreements with related parties and third parties for land, buildings, and retail and office units.

The Company has exercised significant judgment in determining the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or in any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

All the existing Company leases, except for short-term lease on transportation equipment and leases on land and buildings with less than 12 months term qualify as leases under PFRS Accounting Standards 16.

Lease liabilities and ROU assets were recognized for the remaining lease agreements. Payments of lease liabilities are allocated over the principal liability and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each year. The ROU assets are amortized over the lease term on a straight-line basis.

The leases on land, buildings, and retail and office units are renewable upon mutual agreement by both parties (as amended for certain lease agreements) to be covered by a separate and new lease agreement. Accordingly, the renewal option was not considered in the lease term for purposes of the recognition of ROU assets and lease liabilities.

Significant management judgment was likewise exercised by the Company in determining the discount rate, whether implicit rate, if readily available or incremental rate, to be used in calculating the present value of ROU assets and lease liabilities. The discount rate ranges from 4.74% to 8.56% which are the incremental borrowing rates as obtained from the banks.

Reassessments are made on a continuing basis whether changes should be reflected on the amount of lease liabilities due to circumstances affecting lease payments.

The details of the interest expense on lease liabilities, and amortization on ROU assets are disclosed in Note 10 to the financial statements.

Rent expense on short-term lease on transportation equipment and leases on land and buildings with less than 12 months' term is disclosed in Note 10 to the financial statements.

The carrying amount of ROU assets and lease liabilities are disclosed in Note 10 to the financial statements.

The Company, as a lessor, has existing lease agreements on facade billboards, cashier counter spaces, window displays, street banners and gondola lightings. The Company has determined that the significant risks and benefits of ownership over the leased properties remain with the Company. Accordingly, the Company accounts for the lease agreements as operating leases.

Rental income is disclosed in Note 10 to the financial statements.

Evaluating Contingencies. The Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Company's management and legal counsel believe that the eventual liabilities or claims under these lawsuits will not have a material effect on the financial statements.

Estimates and Assumptions

The key estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances of the financial statements. Actual results could differ from those estimates. Presented below are the relevant significant estimates performed by management in preparing the financial statements.

Assessing the Impairment of Trade and Other Receivables. The Company is using the simplified approach in measuring ECL based on lifetime and 12-month ECL on its trade and other receivables, respectively. The Company has established a provision matrix that uses historical credit loss experience adjusted for forward-looking factors, as appropriate.

Provision for (reversal of) allowance for ECL is disclosed in Note 6 to the financial statements.

Based on management assessment, the allowance for ECL of trade and other receivables as at December 31, 2024 and 2023 is adequate to cover for possible losses.

The carrying amount of trade and other receivables and allowance for ECL are disclosed in Note 6 to the financial statements.

Assessing the Impairment Losses on Other Financial Assets at Amortized Cost. In assessing ECL for other financial asset at amortized cost, the Company uses historical credit loss experience adjusted for forward-looking factors, as appropriate. The Company has no history of actual losses. No provision for impairment losses on other financial assets at amortized cost were recognized in 2024, 2023 and 2022.

The carrying amounts of other financial assets are disclosed in Notes 4, 5, 8 and 11 to the financial statements.

Determining the NRV of Merchandise Inventories. The Company recognizes inventory write down and losses whenever NRV becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of NRV are based on the most reliable evidence available at the time the estimates are made of the amount the inventories that are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date. The adequacy of allowance for inventory write-down and losses is reviewed periodically to reflect the accurate valuation in the financial statements.

The carrying amount of merchandise inventories and net provision for inventory write-down and losses are disclosed in Note 7 to the financial statements.

The details of the allowance for inventory write-down and losses are disclosed in Note 7 to the financial statements.

Estimating the Useful Lives of Property and Equipment and Computer Software. The Company estimates the useful lives of property and equipment and computer software based on the years over which the assets are expected to be available for use. The estimated useful lives of property and equipment and computer software 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. As at December 31, 2024 and 2023, there is no change in the estimated useful lives of property and equipment and computer software.

The carrying amounts of depreciable property and equipment and computer software are disclosed in Notes 9 and 11 to the financial statements.

Assessing the Impairment of Nonfinancial Assets. The Company assesses any impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of assets or group of assets may not be recoverable. Factors that the Company considered in deciding when to perform impairment review includes the following among others:

- significant under-performance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit to which the assets belong.

There were no indications that the carrying amount of nonfinancial assets may be impaired. Accordingly, no impairment loss was recognized in 2024, 2023 and 2022.

The carrying amount of nonfinancial assets assessed for possible impairment are disclosed in Notes 6, 8, 9, 10 and 11 to the financial statements.

Determining the Retirement Liability. The determination of the obligation and cost of retirement benefits is dependent on the assumptions determined by management and used by the actuary in calculating such amounts. These assumptions are described in Note 13 to the financial statements and include, among others, discount rate and salary increase rate. Actual results that differ from the Company's assumptions are accumulated and recognized in other comprehensive income, therefore, generally affect the recognized expense and recorded obligation in such future periods.

The details of the Company's retirement expense and net retirement liability are disclosed in Note 13 to the financial statements.

Assessing the Realizability of Deferred Tax Assets. The Company reviews the carrying amount of deferred tax assets at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

The Company's recognized deferred tax assets is disclosed in Note 17 to the financial statements.

4. Cash and Cash equivalents

Details of this account are as follows:

	2024	2023
Cash on hand	₱15,983,707	₱15,366,295
Cash in banks	914,494,795	1,099,793,780
Cash equivalents	150,000,000	750,000,000
	₱1,080,478,502	₱1,865,160,075

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents represent money market placements with interest rate ranging from 4.00% to 6.00% per annum.

Details of interest income are as follows (see Note 16):

	Note	2024	2023	2022
Cash in banks and cash equivalents		₱21,367,027	₱2,724,528	₱6,571,242
Short-term investments	5	14,815,444	11,659,387	10,493,237
		₱36,182,471	₱14,383,915	₱17,064,479

5. Short-term investments

Short-term investments amounting to ₱1,100.0 million and nil as at December 31, 2024 and 2023, respectively, represent money market placements with terms of more than three (3) months to less than one (1) year, which bears interest from 5.95% to 6.00%.

Interest income from these investments amounted to ₱14.8 million, ₱11.7 million and ₱10.5 million in 2024, 2023 and 2022, respectively (see Note 4).

6. Trade and Other Receivables and Advance Payments to Suppliers

Details of this trade and other receivables are as follows:

	Note	2024	2023
Trade:			
Third parties		₱408,899,943	₱400,219,798
Related parties	18	2,965,102	5,705,937
Insurance claim receivable		118,809,899	—
Advances to officers and employees		30,965,188	47,395,705
Rent receivables	10	15,901,886	7,481,125
Others		18,915,237	12,271,721
		596,457,255	473,074,286
Allowance for ECL		(68,811,804)	(58,700,522)
		₱527,645,451	₱414,373,764

Trade receivables are unsecured, noninterest-bearing and have credit terms of 30 to 60 days.

On April 24, 2024, the Company's Baliwag, Bulacan branch sustained substantial damage due to a fire incident. The Company incurred losses aggregating to ₱173.3 million, encompassing merchandise inventory, materials, supplies, property, and equipment. On December 27, 2024, the Company received an insurance offer letter with an approximate amount of ₱118.8 million that is expected to be settled on the first quarter of the subsequent year. Consequently, casualty loss from the fire net of insurance claim income amounted to ₱54.5 million (see Note 16).

Advances to officers and employees are noninterest-bearing advances and are normally settled through salary deduction. This account also includes cash advances to employees and officers for store operations which are for liquidation.

Rent receivables, which are collectible within one (1) year, include receivables from the lease of gondola lightings, facade billboards, window displays and street banners. Rent receivable from related parties amounted to ₱0.3 million and ₱0.2 million in 2024 and 2023, respectively (see Note 18).

Others mainly pertain to accrued interest, income from incidental services rendered, including income from related parties amounting to ₱0.3 million and ₱0.9 million in 2024 and 2023, respectively (see Note 18).

Movements of allowance for ECL on receivables are as follows:

	2024	2023	2022
Balance at beginning of year	₱58,700,522	₱64,056,966	₱56,481,950
Provision	63,399,925	16,442,898	22,529,515
Reversal	(53,288,643)	(21,799,342)	(14,954,499)
Balance at end of year	₱68,811,804	₱58,700,522	₱64,056,966

Based on management assessment, the allowance for ECL on receivables as at December 31, 2024 and 2023 is adequate to cover for possible losses.

Advance Payments to Suppliers

Advance payments to suppliers which pertain to advance payments on purchases of merchandise inventories and other goods and services amounted to ₱319.3 million and ₱346.5 million as at December 31, 2024 and 2023. Corresponding goods will be substantially delivered on the first quarter of the subsequent year.

7. Merchandise Inventories

Merchandise inventories are stated at cost and NRV. Details are as follows:

	2024	2023
At cost	₱14,199,980,103	₱15,703,084,573
At NRV	48,793,801	73,664,170
	₱14,248,773,904	₱15,776,748,743

Merchandise inventories pertain to goods being traded under the normal course of business, which include construction supplies, bathroom and kitchen supplies and equipment and furniture among others, sold on wholesale and retail basis.

The cost of merchandise inventories stated at NRV amounted to ₱234.8 million and ₱269.5 million as at December 31, 2024 and 2023, respectively.

Movements of allowance for inventory write-down and losses are as follows:

	2024	2023	2022
Beginning of year	₱195,804,776	₱262,179,853	₱126,302,274
Reversal	(9,797,597)	(66,375,077)	—
Provision	—	—	135,877,579
Balance at end of year	₱186,007,179	₱195,804,776	₱262,179,853

Based on management assessment, the allowance for inventory write-down and losses is adequate to cover for possible losses.

Inventories charged to cost of sales amounted to ₱20,823.0 million, ₱20,910.0 million and ₱20,444.8 million in 2024, 2023 and 2022, respectively, including any reversal of allowance and provision for inventory write-down and losses.

The Company has directly written-off ₱152.7 million worth of merchandise inventories as a result of the extensive damage caused by the fire incident on April 24, 2024 (see Note 6).

8. Other Current Assets

Details of this account are as follows:

	2024	2023
Materials and supplies	₱556,278,233	₱715,184,002
Prepaid expenses	203,536,249	100,729,473
Input VAT	61,662,060	144,096,648
Container deposits	8,102,181	12,053,253
Current deferred input VAT	5,645,265	374,150,345
	₱835,223,988	₱1,346,213,721

Materials and supplies pertain to consumable construction materials, office supplies and uniforms.

Prepaid expenses pertain to payment of insurance, advertising, membership dues, rent and taxes by the Company which are being amortized over a year. This includes advance rent for short-term leases with related parties amounting to ₱1.4 million as at December 31, 2024 and 2023 (see Note 18).

Container deposits pertain to monetary deposits for containers used for imported goods. Container deposits will be refunded upon return of the empty containers to the shipping companies.

Deferred input VAT pertains to unamortized portion of input VAT on property and equipment, and consigned goods already sold.

9. Property and Equipment

Details and movements of this account are as follows:

	2024				
	Buildings and Improvements	Furniture and Equipment	Leasehold Improvements	Transportation Equipment	Construction in Progress
Cost					Total
Balances at beginning of year	₱9,605,872,697	₱2,835,676,394	₱1,598,298,385	₱51,919,085	₱1,100,591,044
Additions	-	617,593,462	-	4,219,079	2,135,525,533
Reclassifications	2,464,703,247	-	131,594,931	-	(2,596,298,178)
Disposal/write-off	-	(29,492,529)	(93,755,289)	(5,140,978)	-
Balances at end of year	12,070,575,944	3,423,777,327	1,636,138,027	50,997,186	639,818,399
Accumulated Depreciation and Amortization					17,821,306,883
Balances at beginning of year	1,900,701,220	1,612,531,793	1,157,176,308	37,715,455	-
Depreciation and amortization	682,885,261	421,628,492	165,979,689	4,341,992	-
Disposal	-	(19,810,726)	(82,874,500)	(5,140,978)	-
Balances at end of year	2,583,586,481	2,014,349,559	1,240,281,497	36,916,469	-
Carrying Amounts	₱9,486,989,463	₱1,409,427,768	₱395,856,530	₱14,080,717	₱639,818,399
					₱11,946,172,877

	2023				
	Buildings and Improvements	Furniture and Equipment	Leasehold Improvements	Transportation Equipment	Construction in Progress
Cost					Total
Balances at beginning of year	₱8,458,185,265	₱2,321,107,967	₱1,455,827,094	₱45,946,376	₱598,307,200
Additions	-	514,568,427	-	10,565,477	1,792,442,567
Reclassifications	1,147,687,432	-	142,471,291	-	(1,290,158,723)
Disposal	-	-	-	(4,592,768)	-
Balances at end of year	9,605,872,697	2,835,676,394	1,598,298,385	51,919,085	1,100,591,044
Accumulated Depreciation and Amortization					15,192,357,605
Balances at beginning of year	1,301,861,152	1,217,274,369	911,109,287	36,775,976	-
Depreciation and amortization	598,840,068	395,257,424	246,067,021	5,023,680	-
Disposal	-	-	-	(4,084,201)	-
Balances at end of year	1,900,701,220	1,612,531,793	1,157,176,308	37,715,455	-
Carrying Amounts	₱7,705,171,477	₱1,223,144,601	₱441,122,077	₱14,203,630	₱1,100,591,044
					₱10,484,232,829

Construction in progress pertains to costs incurred for constructing new stores in various strategic locations within the Philippines and are expected to be completed in 2025.

As at December 31, 2024 and 2023, the amount of contractual commitment related to the construction in progress amounted to ₱395.7 million and ₱680.6 million, respectively.

Depreciation and amortization are summarized below (see Note 15):

	Note	2024	2023	2022
ROU assets	10	₱1,578,154,847	₱1,472,619,736	₱1,353,158,514
Property and equipment		1,274,835,434	1,245,188,193	1,123,525,304
Computer software	11	40,709,364	37,689,828	24,623,030
		₱2,893,699,645	₱2,755,497,757	₱2,501,306,848

The acquisition costs of fully depreciated and amortized assets still in use amounted to ₱2,159.6 million, ₱1,488.5 million and ₱988.8 million in 2024, 2023 and 2022, respectively.

The Company has written-off of ₱20.6 million worth of property and equipment as a result of the extensive damage caused by the fire incident on April 24, 2024 (see Note 6).

10. Lease Commitments

The Company as a Lessee

The Company has various lease agreements with related parties and third parties for the use of land, buildings, retail and office units, transportation equipment and computer software for a period of one (1) to 15 years. The leases are renewable upon mutual agreement by both parties to be covered by a separate and new lease agreement upon renewal. The annual rent of most contracts of lease is subject to escalation of 5.00%.

Security deposits amounted to ₱198.2 million and ₱183.4 million as at December 31, 2024 and 2023, respectively (see Note 11).

Amounts recognized in profit and loss:

	Note	2024	2023	2022
Amortization on ROU assets	9	₱1,578,154,847	₱1,472,619,736	₱1,353,158,514
Interest on lease liabilities		666,958,822	640,615,340	544,466,762
Rent expense	15	108,861,045	172,370,620	105,193,272
		₱2,353,974,714	₱2,285,605,696	₱2,002,818,548

Rent expense in 2024, 2023 and 2022 pertains to variable lease payments related to short-term leases.

Movements in the ROU assets are presented below:

2024					
Cost	Note	Land	Land and Buildings	Buildings	Retail and Office Units
Balances at beginning of year		₱8,358,523,609	₱5,046,934,778	₱625,000,564	₱281,342,625
Additions		868,241,702	63,029,330	31,937,264	–
Derecognition		(62,285,562)	(2,158,405,754)	(230,371,141)	(128,696,233)
Balances as at end of year		9,164,479,749	2,951,558,354	426,566,687	152,646,392
Accumulated Amortization					
Balances at beginning of year		1,940,955,230	3,260,889,070	451,344,627	180,125,072
Amortization	9	578,068,111	831,206,847	117,284,625	51,595,264
Derecognition		(62,285,562)	(2,158,405,754)	(230,371,141)	(128,696,233)
Balances as at end of year		2,456,737,779	1,933,690,163	338,258,111	103,024,103
Carrying Amounts		₱6,707,741,970	₱1,017,868,191	₱88,308,576	₱49,622,289
₱14,311,801,576					
₱14,311,801,576					
963,208,296					
(2,579,758,690)					
12,695,251,182					
5,833,313,999					
1,578,154,847					
(2,579,758,690)					
4,831,710,156					
₱7,863,541,026					
2023					
Cost	Note	Land	Land and Buildings	Buildings	Retail and Office Units
Balances at beginning of year		₱7,201,485,049	₱4,329,754,306	₱569,726,687	₱164,467,112
Additions		1,157,038,560	717,180,472	55,273,877	116,875,513
Balances as at end of year		8,358,523,609	5,046,934,778	625,000,564	281,342,625
Accumulated Amortization					
Balances at beginning of year		1,377,489,039	2,495,410,122	346,157,870	141,637,232
Amortization	9	563,466,191	765,478,948	105,186,757	38,487,840
Balances as at end of the year		1,940,955,230	3,260,889,070	451,344,627	180,125,072
Carrying Amounts		₱6,417,568,379	₱1,786,045,708	₱173,655,937	₱101,217,553
₱12,265,433,154					
₱12,265,433,154					
2,046,368,422					
14,311,801,576					
4,360,694,263					
1,472,619,736					
5,833,313,999					
₱8,478,487,577					

The noncash transactions related to ROU assets amounted to ₱963.2 million, ₱2,046.4 million and ₱2,830.0 million in 2024, 2023 and 2022, respectively.

Movements in the lease liabilities are presented below:

	2024	2023
Balance at beginning of year	₱9,886,218,745	₱8,973,022,982
Additions	952,326,517	1,986,732,246
Interest expense	666,958,822	640,615,340
Payments	(1,941,082,557)	(1,714,151,823)
Balance at end of year	9,564,421,527	9,886,218,745
Current portion	934,165,779	1,768,920,622
Noncurrent portion	₱8,630,255,748	₱8,117,298,123

As at December 31, 2024 and 2023, the future minimum lease payments are as follows:

	2024	2023
Less than one (1) year	₱1,452,180,659	₱1,920,545,588
Between one (1) and five (5) years	4,573,295,606	4,607,812,958
More than five (5) years	8,304,012,548	7,890,192,805
	₱14,329,488,813	₱14,418,551,351

Advance rentals applied amounted to ₱3.2 million in 2024 and advance rentals paid for new leases amounted to ₱51.1 million in 2023.

The Company as a Lessor

The Company has existing lease agreements on facade billboards, cashier counter spaces, window displays, street banners and gondola lightings with lease terms of less than a year. The leases are renewable upon mutual agreement by the parties.

Rent income amounted to ₱78.1 million, ₱74.9 million and ₱61.1 million in 2024, 2023 and 2022, respectively (see Note 16). Rent receivables amounted to ₱15.9 million and ₱7.5 million as at December 31, 2024 and 2023, respectively (see Note 6).

Cash Flows from Financing Activities

The reconciliation of movements of liabilities arising from financing activities is presented below:

	2023	Noncash	Cash Payments	2024
Lease liabilities	₱9,886,218,745	₱1,619,285,339	(₱1,941,082,557)	₱9,564,421,527
Advance rental for new leases	—	(3,209,451)	3,209,451	—
Cash dividends	—	1,065,928,270	(1,065,928,270)	—
	₱9,886,218,745	₱2,682,004,158	(₱3,003,801,376)	₱9,564,421,527

	2022	Noncash	Cash Payments	2023
Lease liabilities	₱8,973,022,982	₱2,627,347,586	(₱1,714,151,823)	₱9,886,218,745
Advance rental for new leases	—	51,122,645	(51,122,645)	—
Cash dividends	—	1,516,897,923	(1,516,897,923)	—
	₱8,973,022,982	₱4,195,368,154	(₱3,282,172,391)	₱9,886,218,745

11. Other Noncurrent Assets

Details of this account are as follows:

	Note	2024	2023
Security deposits	10	₱198,192,368	₱183,389,469
Computer software		165,089,844	176,338,963
Electricity deposits		81,827,813	78,720,920
Advances to contractors		40,908,668	40,113,711
Noncurrent deferred input VAT		14,356,475	7,627,595
Prepaid expenses - noncurrent portion		521,909	—
		₱500,897,077	₱486,190,658

Security deposits include deposits to related parties amounting to ₱143.8 million and ₱137.7 million in 2024 and 2023, respectively (see Note 18).

Movements of computer software are as follows:

	Note	2024	2023
Cost			
Balance at beginning of year		₱278,140,221	₱236,634,232
Additions		29,460,245	41,505,989
Balance at end of year		307,600,466	278,140,221
Accumulated Amortization			
Balance at beginning of year		101,801,258	64,111,430
Amortization	9	40,709,364	37,689,828
Balance at end of year		142,510,622	101,801,258
Carrying Amount		₱165,089,844	₱176,338,963

Electricity deposits pertain to noninterest-bearing refundable deposits to various electric companies. These are to be refunded upon termination of the contract.

Advances to contractors pertain to payments for purchase of materials and services for the constructions of assets to be classified as property and equipment. The advances will be applied against the future billings of the contractors.

The Company has refundable cash bonds amounting to ₱83.4 million. These refer to payments made to the Bureau of Customs (BOC) for the release of imported goods purchased by the Parent Company with no established and published values covering importations as required in Republic Act No. 8181, Transaction Value Act. The amount of cash bonds to be paid by the Parent Company is determined by the BOC. The amount is refundable once the correct dutiable value or values for the importation have been established. As at December 31, 2024 and 2023, the refund of cash bonds is still pending with the BOC. Accordingly, this has been fully provided with allowance since 2016.

12. Trade and Other Payables

Details of this account are as follows:

	Note	2024	2023
Trade:			
Third parties		₱3,824,297,321	₱5,042,448,068
Related parties	18	201,775	11,305
Nontrade:			
Third parties		619,548,716	635,175,911
Related parties	18	2,294,337	475,434,869
Advances from customers		420,251,149	377,915,631
Accrued expenses:			
Salaries and wages		138,575,771	141,005,253
Utilities		85,956,334	64,765,642
Construction costs		24,175,490	120,684,045
Outside services		18,343,133	21,987,930
Others		30,906,300	9,695,320
Statutory payables		97,313,723	104,050,728
Others		71,601,140	95,043,434
		₱5,333,465,189	₱7,088,218,136

Trade payables and accrued expenses are generally settled in varying periods depending on arrangement with suppliers, normally within 30 to 90 days.

Nontrade payables pertain to unpaid advertising and promotions, rent, utilities, construction and transportation and travel, which are payable in the succeeding month.

Advances from customers pertain to payments and deposits made by the customers, which are to be applied against future purchases. This includes advances from related parties amounting to ₱0.8 million and ₱0.5 million as at December 31, 2024 and 2023, respectively (see Note 18).

Accrued expenses are expected to be settled within the next 12 months. Other accrued expenses pertain to repairs and maintenance, rent, and other expenses.

Statutory payables pertain to withholding taxes and obligatory contributions as mandated by the government. These are paid within 12 months.

Others pertain to deferred credit loyalty points and unredeemed gift certificates.

13. Retirement Plan

The Company is a participant of the Wilcon Depot Multiemployer Retirement Plan together with the Parent Company. The plan is non-contributory and provides a retirement benefit equal to 100% of Plan Salary for every year of credited service.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees but is not exposed to significant concentrations of risk on the plan assets.

Actuarial valuations are made periodically to update the retirement benefit liabilities and the amount of contributions. The latest actuarial valuation report was dated as at December 31, 2024.

Details of retirement benefits recognized in profit or loss are as follows:

	2024	2023	2022
Current service cost	₱27,468,978	₱23,680,274	₱30,503,804
Interest expense	31,173,051	27,995,595	23,463,071
Interest income	(26,931,731)	(21,911,303)	(12,965,527)
	₱31,710,298	₱29,764,566	₱41,001,348

The cumulative remeasurement gains recognized in other comprehensive income follows:

	2024		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 17)	Net
Balance at beginning of year	₱236,238,514	₱59,059,629	₱177,178,885
Remeasurement loss	(174,819,318)	(43,704,830)	(131,114,488)
Balance at end of year	₱61,419,196	₱15,354,799	₱46,064,397

	2023		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 17)	Net
Balance at beginning and end of year	₱236,238,514	₱59,059,629	₱177,178,885

	2022		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 17)	Net
Balance at beginning of year	₱133,027,960	₱33,256,990	₱99,770,970
Remeasurement gain	103,210,554	25,802,639	77,407,915
Balance at end of year	₱236,238,514	₱59,059,629	₱177,178,885

The amounts of net retirement liability recognized in the statements of financial position are as follows:

	2024	2023
Present value of defined benefit obligation	₱644,343,301	₱421,257,446
Fair value of plan assets	(435,168,139)	(363,942,314)
	₱209,175,162	₱57,315,132

The present value of the retirement liability was determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. The discount rate assumption is based on market yields as of December 31, 2024.

The changes in the present value of the defined benefit obligation are as follows:

	2024	2023
Balance at beginning of year	₱421,257,446	₱378,318,846
Current service cost	27,468,978	23,680,274
Interest expense	31,173,051	27,995,595
Remeasurement loss:		
Changes in financial assumptions	153,218,905	—
Experience	22,422,116	—
Benefits paid from plan assets	(11,197,195)	(8,737,269)
Balance at end of year	₱644,343,301	₱421,257,446

The changes in the fair value of plan assets are presented below:

	2024	2023
Balance at beginning of year	₱363,942,314	₱296,098,693
Contributions to retirement plan	54,669,586	54,669,587
Interest income	26,931,731	21,911,303
Remeasurement gain	821,703	—
Benefits paid from plan assets	(11,197,195)	(8,737,269)
Balance at end of year	₱435,168,139	₱363,942,314

Details of plan assets are as follows:

	2024	2023
Cash and cash equivalents	0.68%	0.96%
Time deposits	6.29%	11.07%
Debt instruments	58.49%	62.01%
Equity instruments	23.05%	11.94%
Others	11.49%	14.02%
	100.00%	100.00%

The principal actuarial assumptions used to determine the retirement liability are as follows:

	2024	2023
Discount rate	6.10%	7.40%
Annual salary increase rate	5.00%	4.00%

Sensitivity analysis on retirement liabilities is as follows:

	Basis Points	Amount
Discount rate	+100	(₱74,914,868)
	-100	90,046,540
Salary rate	+100	85,928,266
	-100	(72,926,241)

As at December 31, 2024, the expected future benefits payments are as follows:

	2024
One (1) year to five (5) years	₱154,356,755
Six (6) years to ten (10) years	200,647,049
	<u>₱355,003,804</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years.

14. Equity

Details of capital stock as at December 31, 2024 and 2023 are as follows:

	Number of Shares	Amount
Authorized - at ₱1 a share	5,000,000,000	₱5,000,000,000
Issued and outstanding	4,099,724,116	<u>₱4,099,724,116</u>

On March 31, 2017, the 1,393,906,200 common shares of the Company were listed in the PSE at an offer price of ₱5.05 a share. Net proceeds from the IPO amounted to ₱6,749.3 million, net of offer expenses of ₱289.9 million (see Note 1). Net additional paid-in capital amounted to ₱5,373.7 million.

As at December 31, 2024 and 2023, the Company has 4,099,724,116 listed shares.

On December 13, 2023, the BOD approved the appropriation of retained earnings amounting to ₱2,100.0 million for the construction of new stores and warehouses until December 31, 2024.

On December 3, 2024, the BOD approved the reversal of ₱2,100.0 million appropriations from last year and a new appropriation amounting to ₱6,000.0 million from the Company's retained earnings as of December 31, 2024. This will be allotted for the investment in the construction of new stores, equipment, general upkeep and renovation until 2026.

Cash Dividends

The BOD of the Company approved the declaration and payment of the following cash dividends to stockholders as follows:

Date of Declaration	Date of Record	Date of Payment	Dividend per share	Total Cash Dividends
March 20, 2025	April 16, 2025	May 8, 2025	₱0.36	₱1,475,900,682
March 20, 2024	April 18, 2024	May 8, 2024	0.26	1,065,928,270
February 23, 2023	March 22, 2023	April 18, 2023	0.37	1,516,897,923
February 23, 2022	March 18, 2022	April 12, 2022	0.21	860,942,063

15. Operating Expenses

Details of this account are as follows:

	Note	2024	2023	2022
Depreciation and amortization	9	₱2,893,699,645	₱2,755,497,757	₱2,501,306,848
Salaries, wages and employee benefits		1,688,426,196	1,531,047,694	1,437,492,005
Outsourced services		1,401,533,994	1,357,735,672	1,143,809,409
Trucking services		1,070,496,812	921,522,563	722,365,203
Utilities		887,617,366	780,352,282	721,264,514
Taxes and licenses		602,947,207	417,906,619	355,499,765
Credit card charges		283,385,403	274,012,209	259,127,136
Supplies		252,725,114	155,829,865	134,895,150
Repairs and maintenance		197,231,927	202,450,173	136,818,118
Advertising and promotions		109,325,086	111,142,725	139,441,898
Rent	10	108,861,045	172,370,620	105,193,272
Fuel and oil		55,541,969	55,957,391	56,340,175
Sponsorships and events		47,186,072	44,087,506	33,529,213
Communications and postage		46,911,361	35,784,846	48,670,603
Transportation and travel		45,473,284	37,358,084	25,538,799
Insurance		29,808,112	30,871,738	18,946,762
Donations and contributions		21,428,616	12,733,837	6,204,661
Professional fees		14,528,296	17,601,857	13,539,422
Others		40,393,960	25,747,154	19,354,178
		₱9,797,521,465	₱8,940,010,592	₱7,879,337,131

Other expenses include director's fees, net provision for impairment losses and other operating costs.

16. Other Income - Net

Details of this account are as follows:

	Note	2024	2023	2022
Supplier support and other fees		₱314,727,815	₱329,165,532	₱241,959,706
Losses due to fire	6	(173,313,151)	-	-
Insurance claim income	6	118,809,899	-	-
Delivery fees and other customer charges		109,254,792	108,199,677	100,604,487
Rent income	10	78,054,475	74,949,605	61,127,864
Interest income	4	36,182,471	14,383,915	17,064,479
Net realized foreign exchange gain (loss)		(2,184,745)	(1,361,278)	2,284,682
Gain on disposal of property and equipment		1,410,714	832,862	163,081
		₱482,942,270	₱526,170,313	₱423,204,299

Supplier support and other fees pertains to incentives and other fees received from supplier.

Delivery fees and other customer charges pertains to fees received from customers for the delivery and other services rendered.

Rent income pertains to lease of gondola lightings, facade billboards, window displays and street banners.

17. Income Taxes

The current income tax expense represents regular corporate income tax (RCIT). The income tax rate used in 2024, 2023, and 2022 is 25%.

The reconciliation between income tax expense at statutory tax rate and as presented in the statements of comprehensive income is as follows:

	2024	2023	2022
Income tax expense at statutory rate	₱841,871,590	₱1,159,866,550	₱1,281,349,720
Income tax effects of:			
Interest income already subjected to final tax	(9,045,618)	(3,595,978)	(4,266,120)
Nondeductible expenses	6,228,905	–	–
	₱839,054,877	₱1,156,270,572	₱1,277,083,600

Net deferred tax assets relate to the tax effect of the temporary differences as follows:

	2024	2023
Deferred tax assets:		
Effects of PFRS Accounting Standards 16	₱473,857,120	₱449,719,762
Allowance for inventory write-down and losses	46,501,794	48,951,195
Retirement liability	70,345,455	28,155,621
Allowance for impairment of refundable cash bonds	20,852,482	20,852,482
Allowance for ECL on receivables	17,202,950	14,675,130
Deferred credit loyalty points	15,262,119	20,847,587
Unrealized foreign exchange loss	130,481	7,887
Deferred tax liability –		
Unrealized foreign exchange gain	(123,288)	(13,191)
	₱644,029,113	₱583,196,473

Deferred income expense (benefit) is recognized as follows:

	Note	2024	2023	2022
Through profit or loss		₱659,383,912	₱642,256,102	₱555,917,920
Through other comprehensive income	13	(15,354,799)	(59,059,629)	(59,059,629)
		₱644,029,113	₱583,196,473	₱496,858,291

18. Related Party Transactions and Balances

The Company has an approval policy on material related party transactions (RPT) wherein all individual material RPT shall be approved by at least two-thirds (2/3) vote of the BOD, with at least majority of the independent directors voting to approve the material RPT.

In case that a majority of the independent director's vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two thirds (2/3) of the outstanding capital stock.

The Company, in the normal course of business, has various transactions and balances with its related parties, as described below.

Related Party	Year	Revenue from Related Parties	Purchases of Inventories and Leases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties
Parent Company	2024	₱1,552,578	₱881,879,210	₱226,946,159	₱14,683
	2023	2,720,983	894,128,544	255,595,707	199,537,294
	2022	2,611,519	792,577,989	243,371,343	-
Entities under Common Control	2024	14,657,971	1,402,307,601	239,480,458	3,185,551
	2023	20,651,290	1,001,166,193	227,469,729	267,195,786
	2022	6,838,400	825,003,450	197,293,426	1,040,654
Stockholders and Officers	2024	3,854,551	37,732,348	10,415,641	51,785
	2023	1,585,765	36,447,837	11,341,775	9,233,120
	2022	2,450,398	33,850,149	11,538,123	-
	2024	₱20,065,100	₱2,321,919,159	₱476,842,258	₱3,252,019
	2023	24,958,038	1,931,742,574	494,407,211	475,966,200
	2022	11,900,317	1,651,431,588	452,202,892	1,040,654

Amounts owed by the related parties are as follows:

	Note	2024	2023
Trade and other receivables	6	₱3,558,816	₱6,652,325
Security deposit	11	143,786,309	137,696,266
Advance rent - short term leases	8	1,404,985	1,402,908
Advance rent - long term leases		328,092,148	348,655,712
		₱476,842,258	₱494,407,211

No impairment loss was recognized on trade and other receivables and security deposits in 2024, 2023 and 2022.

Amounts owed to related parties consist of trade and other payables aggregating ₱3.3 million and ₱476.0 million as at December 31, 2024 and 2023, respectively (see Note 12).

The following are the significant related party transactions of the Company:

- a. Lease agreements with the Parent Company and related parties for the use of land and buildings for a period of 1 to 15 years (see Note 10).

Interest expense on lease liabilities to related parties amounted to ₱630.4 million, ₱510.9 million and ₱412.0 million in 2024, 2023 and 2022, respectively, while amortization of ROU assets amounted to ₱1,470.7 million, ₱1,215.5 million and ₱1,104.4 million in 2024, 2023 and 2022, respectively.

Total payments on lease liabilities amounted to ₱1,793.7 million, ₱1,763.5 million and ₱1,464.0 million in 2024, 2023 and 2022, respectively.

Rent expense from related parties amounted to ₱76.3 million, ₱140.6 million and ₱78.8 million in 2024, 2023 and 2022, respectively.

- b. Purchases and sales of goods and services with Parent Company and entities under common control.

Purchases of goods and services from related parties aggregated ₱0.4 million, ₱42,882 and ₱43,038 in 2024, 2023 and 2022, respectively.

Sale of goods and services to related parties aggregated ₱20.1 million, ₱25.0 million and ₱11.9 million in 2024, 2023 and 2022, respectively.

- c. Reimbursement of certain expenses mainly pertain to taxes, power and electricity, water, communications and postage. Reimbursement of certain expenses from related parties amounted to ₱144.0 million, ₱64.7 million and ₱56.2 million in 2024, 2023 and 2022, respectively.

Balances are unsecured and are normally settled in cash. Lease payments are due within the first 10 days of the month. Reimbursement of expenses and purchases and sales of goods and services normally have a repayment term of 30 days.

No guarantees have been provided or received for these balances. Impairment review is undertaken each financial year. No impairment loss on amounts owed by related parties was recognized in 2024, 2023 and 2022.

Compensation of key management personnel by benefit type, are as follows:

	2024	2023	2022
Short-term employee benefits	₱221,419,968	₱211,446,801	₱186,703,472
Retirement benefits	5,105,414	5,312,480	8,922,137
	₱226,525,382	₱216,759,281	₱195,625,609

19. Earnings per Share

Basic and dilutive earnings per share were computed as follows:

	2024	2023	2022
Net income	₱2,528,431,482	₱3,483,195,599	₱3,848,315,301
Divided by the weighted average number of outstanding shares	4,099,724,116	4,099,724,116	4,099,724,116
	₱0.62	₱0.85	₱0.94

20. Financial Risk Management Objectives and Policies

The Company's financial instruments consist of cash and cash equivalents, short-term investments, trade and other receivables (excluding advances to officers and employees), security, electricity and container deposits, refundable cash bonds, trade and other payables (excluding statutory payables, advances from customers and unearned revenue) and lease liabilities. The main purpose of these financial instruments is to fund the Company's operations.

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with the BOD, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial market.

The main financial risks arising from the financial instruments are credit risk, liquidity risk and interest rate risk. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

Credit Risk. Credit risk is the risk that the Company will incur a loss when counterparties fail to discharge their contractual obligations. Receivables are monitored on an ongoing basis with the result that the Company's exposure to possible losses is not significant.

Maximum credit risk is equal to the gross amount of these instruments as follows:

	2024	2023
Cash in banks and cash equivalents	₱1,064,494,795	₱1,849,793,780
Short-term investments	1,100,000,000	—
Trade and other receivables*	565,492,067	425,678,581
Security deposits	198,192,368	183,389,469
Refundable cash bonds	83,409,934	83,409,934
Electricity deposits	81,827,813	78,720,920
Container deposits	8,102,181	12,053,253
	₱3,101,519,158	₱2,633,045,937

*Excluding advances to officers and employees amounting to ₱31.0 million and ₱47.4 million as at December 31, 2024 and 2023, respectively.

The Company does not have major concentration of credit risk.

The table below summarizes the Company's financial assets based on aging:

2024						
	Past Due but not Impaired				Allowance for ECL	Total
	Neither Past Due Nor Impaired	Less than One Year	One Year to Less Than Three Years	More Than Three Years		
Cash in banks and cash equivalents	P1,064,494,795	P-	P-	P-	P-	P1,064,494,795
Short-term investments	1,100,000,000	-	-	-	-	1,100,000,000
Trade and other receivables*	247,161,936	217,254,592	70,196,987	30,878,552	(68,811,804)	496,680,263
Security deposits	198,192,368	-	-	-	-	198,192,368
Refundable cash bonds	-	-	-	83,409,934	(83,409,934)	-
Electricity deposits	81,827,813	-	-	-	-	81,827,813
Container deposits	8,102,181	-	-	-	-	8,102,181
	P2,699,779,093	P217,254,591	P70,196,987	P114,288,486	(P152,221,738)	P2,949,297,419

*Excluding advances to officers and employees aggregating P31.0 million.

2023						
	Past Due but not Impaired				Allowance for ECL	Total
	Neither Past Due Nor Impaired	Less than One Year	One Year to Less Than Three Years	More Than Three Years		
Cash in banks and cash equivalents	P1,849,793,780	P-	P-	P-	P-	P1,849,793,780
Trade and other receivables*	104,494,252	242,379,957	39,807,912	38,996,460	(58,700,522)	366,978,059
Security deposits	183,389,469	-	-	-	-	183,389,469
Refundable cash bonds	-	-	-	83,409,934	(83,409,934)	-
Electricity deposits	78,720,920	-	-	-	-	78,720,920
Container deposits	12,053,253	-	-	-	-	12,053,253
	P2,228,451,674	P242,379,957	P39,807,912	P122,406,394	(P142,110,456)	P2,490,935,481

*Excluding advances to officers and employees aggregating P47.4 million.

"Past due but not impaired" are accounts with history of frequent defaults, nevertheless, the amounts are still collectible, while "More than three years" are items that are fully covered by allowance.

Liquidity Risk. Liquidity risk is the risk that the Company will not be able to settle its obligations when these all due. The Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

2024					
	On Demand	Within Three Months	More than Three Months to One Year	More than One Year but Less than Five Years	More than Five Years
Trade and other payables*	P-	P4,497,242,962	P109,062,695	P137,993,520	P-
Lease liabilities	-	510,874,633	941,306,026	4,573,295,606	8,304,012,548
	P-	P5,008,117,595	P1,050,368,721	P4,711,289,126	P8,304,012,548
					P19,073,787,990

*Excluding statutory payables, advances from customers and unearned revenue aggregating P589.2 million.

2023					
	On Demand	Within Three Months	More than Three Months to One Year	More than One Year but Less than Five Years	More than Five Years
Trade and other payables*	P-	P4,773,968,189	P1,395,517,346	P341,722,808	P-
Lease liabilities	-	471,044,563	1,449,501,025	4,607,812,958	7,890,192,805
	P-	P5,245,012,752	P2,845,018,371	P4,949,535,766	P7,890,192,805
					P20,929,759,694

*Excluding statutory payables, advances from customers and unearned revenue aggregating P577.0 million.

As at December 31, 2024 and 2023, the Company's cash and cash equivalents and net operating cash flows that will be generated are sufficient to cover payments due on its financial liabilities and the cost of all firm orders due in the next financial year.

Capital Management

The Company monitors its debt-to-equity ratio. The primary objective of the Company's management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The debt-to-equity ratio is as follows:

	2024	2023
Total debt	₱15,225,145,251	₱17,271,610,456
Total equity	23,840,871,598	22,509,482,874
Debt-to-equity ratio	0.64:1	0.77:1

Equity includes capital stock, additional paid-in capital, other comprehensive income and retained earnings.

The Company has no externally imposed capital requirements.

21. Fair Value of Financial Instruments

The table below presents a comparison by category of carrying amounts and fair values of the financial instruments:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	₱1,080,478,502	₱1,080,478,502	₱1,865,160,075	₱1,865,160,075
Short-term investments	1,100,000,000	1,100,000,000	—	—
Trade and other receivables*	496,680,263	496,680,263	366,978,059	366,978,059
Security deposits	198,192,368	120,962,348	183,389,469	115,651,139
Electricity deposits	81,827,813	81,827,813	78,720,920	78,720,920
Container deposits	8,102,181	8,102,181	12,053,253	12,053,253
	₱2,965,281,127	₱2,888,051,107	₱2,506,301,776	₱2,438,563,446
Financial Liabilities				
Trade and other payables**	₱4,744,299,177	₱4,744,299,177	₱6,511,208,343	₱6,511,208,343

*Excluding advances to officers and employees aggregating ₱31.0 million and ₱47.4 million as at December 31, 2024 and 2023, respectively.

**Excluding statutory payables, advances from customers and unearned revenue aggregating ₱589.2 million and ₱577.0 million as at December 31, 2024 and, 2023, respectively.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Short-term Investments, Trade and Other Receivables, Container Deposits, Refundable Cash Bonds, and Trade and Other Payables. The carrying amounts of cash and cash equivalents, short-term investments, trade and other receivables, container deposits, refundable cash bonds, and trade and other payables approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Container deposits are under Level 2 of the fair value measurements hierarchy for financial instruments.

Security Deposits. Fair values of security deposits are based on the present value of the expected future cash flows. These are categorized under Level 2 of the fair value measurements hierarchy for financial instruments.

Electricity Deposits. Management estimates that the carrying amount of the electricity deposits approximate their fair values. These are categorized under Level 2 of the fair value measurements hierarchy for financial instruments.

In 2024 and 2023, there were no transfers among Level 1, Level 2 and Level 3 fair value measurements.



REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULE

The Stockholders and the Board of Directors
WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
No. 90 E. Rodriguez Jr. Avenue
Brgy. Ugong Norte, Quezon City

We have audited in accordance with Philippine Standards in Auditing, the financial statements of WILCON DEPOT, INC. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (the Company) (a subsidiary of WILCON CORPORATION Doing Business under the Name and Style of WILCON CITY CENTER) as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and have issued our report thereon dated March 20, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplementary Schedules for submission to the Securities and Exchange Commission (SEC) are the responsibility of the Company's management.

These supplementary schedules include the following:

- Schedule of Retained Earnings Available for Dividend Declaration for the year ended December 31, 2024
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2024 and 2023
- Schedules Required under Annex 68-J of the Revised Securities Regulation Code (SRC) Rule 68 as at and for the year ended December 31, 2024
- Corporate Structure as at December 31, 2024

The financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards Accounting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 and no material exceptions were noted.



The supplementary schedules are presented for purposes of complying with the Revised SRC Rule 68 issued by the SEC, and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782/P-007; Valid until June 6, 2026

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10467120

Issued January 2, 2025, Makati City

March 20, 2025

Makati City, Metro Manila

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2024

WILCON DEPOT, INC.
No. 90 E. Rodriguez Jr. Avenue Brgy. Ugong Norte, Quezon City

	Amount
Unappropriated retained earnings, beginning of the year	P10,175,644,973
Add: <u>Category A:</u> Items that are directly credited to unappropriated retained earnings	
Reversal of retained earnings appropriation	2,100,000,000
Less: <u>Category B:</u> Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	(1,065,928,270)
Appropriations of retained earnings during the year	(6,000,000,000)
Unappropriated retained earnings, as adjusted	5,209,716,703
Add: Net income for the current year	2,528,431,482
Less: <u>Category F:</u> Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax assets not considered in the reconciling items under the previous categories	(76,187,439)
Total retained earnings, end of the reporting period available for dividend	P7,661,960,746

WILCON DEPOT, INC.
Doing Business under the Name and Style of
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DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

Supplementary Schedules of External Auditor Fee Related Information
DECEMBER 31, 2024 AND 2023

	2024	2023
Total Audit Fees	P2,550,000	P2,300,000
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	325,000	—
Total Non-Audit Fees	325,000	—
Total Audit and Non-audit Fees	P2,875,000	P2,300,000

Audit and Non-audit Fees of Other Related Entities

	2024	2023
Audit Fees	P—	P—
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Audit and Non-audit Fees of Other Related Entities	P—	P—

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

Schedules Required under Annex 68-J of Revised Securities Regulation Code Rule 68
As at and For the Year Ended December 31, 2024

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Schedule	Description	Page
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements	N/A
D	Long-term Debt	N/A
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	2

N/A - Not applicable

SCHEDULE B

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION)
Doing Business under the Name and Style of WILCON CITY CENTER)

AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES
AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2024

Amounts in Thousands

Name and Designation of Debtor Advances to officers and employees	Balance at Beginning of Year	Additions	Amounts		Amounts Written Off	Current	Non-current	Balance at End of Year
			Collected	(P140,371)				
	P47,396	P123,941		(P140,371)	P-	P30,966	P-	P30,966

SCHEDULE G

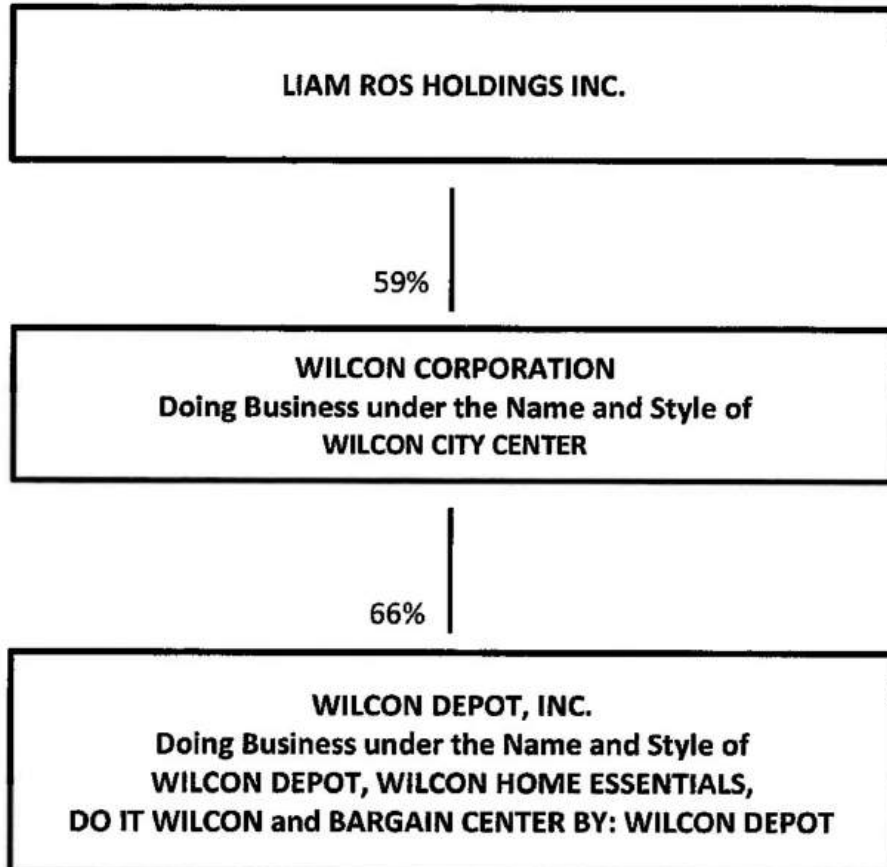
WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

CAPITAL STOCK
DECEMBER 31, 2024

Title of Issue	Number of Shares		Number of Shares		Number of Shares		Number of Shares held by Others
	Authorized	Outstanding as shown under related Statement of Financial Position	Reserved for Options, Warrants, Conversion, and other Rights	Number of Shares held by Related Parties	Number of Shares held by Directors and Officers		
Common shares - at ₱1 par value	5,000,000,000	4,099,724,116	-	2,696,217,916	22,436,600	1,381,069,600	

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

CORPORATE STRUCTURE
AS AT DECEMBER 31, 2024



WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

Formula			2024	2023
Liquidity ratio				
Current ratio	Total Current Assets	₱18,111,376,756	2.84 : 1	2.17 : 1
	Divided by: Total Current Liabilities	6,385,714,341		
	Current ratio	2.84		
Acid test ratio	Total Current Assets	₱18,111,376,756	0.47 : 1	0.29 : 1
	Less: Merchandise Inventories	14,248,773,904		
	Other Current Assets	835,223,988		
	Quick Assets	3,027,378,864		
	Divided by: Total Current Liabilities	6,385,714,341		
	Acid test ratio	0.47		
Solvency ratio				
Debt to equity ratio	Total Liabilities	₱15,225,145,251	0.64 : 1	0.77 : 1
	Divided by: Total Equity	23,840,871,598		
	Debt to equity ratio	0.64		
Asset to equity ratio	Total Assets	₱39,066,016,849	1.64 : 1	1.77 : 1
	Divided by: Total Equity	23,840,871,598		
	Asset to equity ratio	1.64		
Profitability ratio				
Return on assets	Net Income	₱2,528,431,482	6.47%	8.76%
	Divided by: Total Assets	39,066,016,849		
	Return on assets	6.47%		
Return on equity	Net Income	₱2,528,431,482	10.61%	15.47%
	Divided by: Total Equity	23,840,871,598		
	Return on equity	10.61%		
Book value per share	Total Equity	₱23,840,871,598	₱5.82	₱5.49
	Divided by: Number of outstanding Shares	4,099,724,116		
		₱5.82		

	Formula		2024	2023
Gross income	Gross income	₱13,349,024,376	39.06%	39.57%
	Divided by: Net Sales	34,172,031,761		
	Gross income	39.06%		
EBITDA margin	Income before Income Tax	₱3,367,486,359	20.17%	23.18%
	Add: Depreciation and Amortization	2,893,699,645		
	Net Interest Expense	630,776,351		
	Earnings Before Interest, Tax,			
	Depreciation, and Amortization	6,891,962,355		
	Divided by: Net Sales	34,172,031,761		
	EBITDA margin	20.17%		
Net income margin	Net Income	₱2,528,431,482	7.40%	10.07%
	Divided by: Net Sales	34,172,031,761		
	Net income margin	7.40%		

ANNEX C

CERTIFICATION OF INDEPENDENT DIRECTOR

I, RICARDO S. PASCUA, of legal age, Filipino and with postal address at 3 Pebblewood cor. Fairwood Mckinley Hill Village, Taguig City, after being duly sworn in accordance with law, depose and state that:

1. I am a nominee for Independent Director of Wilcon Depot, Inc., and has been its Independent Director since September 13, 2016.
2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Caelum Developers, Inc.	Chairman of the Board	2002-Present
Facilities & Property Mgmt Technologies, Inc.	Chairman of the Board	2002-Present
Bancom II Consultants, Inc.	President	2002-Present
Boulevard Holdings, Inc.	Director	2002-Present
Central Luzon Doctor's Hospital	Director	2002-Present
Quicksilver Satcom Ventures, Inc.	Director	2002-Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Wilcon Depot, Inc., as provided for in Section 38 of the Securities Regulation Code and its implementing rules and regulations and other issuance of the Securities and Exchange Commission (the "SEC").
4. I am related to the following director/officer/substantial shareholder of Wilcon Depot Inc., or any of its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable)

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject to any pending criminal or administrative investigation or proceeding.

Offense charged/investigated	Tribunal or agency involved	Status
N/A	N/A	N/A

6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities an independent director under the Securities Regulation Code and its implementing rules and regulations, the Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Wilcon Depot, Inc., of any changes in the above - mentioned information within five (5) days from its occurrence.

Done this MAY 07 2025 in QUEZON CITY


Ricardo S. Pascua

SUBSCRIBED AND SWORN to before me this MAY 07 2025 in QUEZON CITY affiant exhibiting to me his competent evidence of identity as follows:
Passport No. P0352687B issued on 22 January 2019 at DFA Manila valid until 21 January 2029.

Doc. No. 35 ;
Page No. 8 ;
Book No. xxx ;
Series of 2025 .

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM. MATTER NO. 003
PTR NO. 7016197 / 01-02-2025 / Q.C
IBP NO. 472850 / 10-23-2024 / Q.C
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy Quezon City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, ROLANDO S. NARCISO, of legal age, Filipino and with postal address at Lexington Garden, Village, San Joaquin, Pasig City after being duly sworn in accordance with law, depose and state that:

1. I am a nominee for Independent Director of Wilcon Depot, Inc., and have been its Independent Director since September 13, 2016.
2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Financial Executives Institute (FINEX)	Member	1987 – Present
Management Association of the Phil (MAP)	Member	1990 – Present
Valle Verde Country Club (VVCC)	Member	1995 – Present
Rekom Manila Corp.	Director	2010 – Present
Phil. Galvanizers and Coaters Association	Executive Advisor	2010 – Present
OmniVet Corp.	President – CEO	2022 – Present
OmniGuard Security Agency Inc.	President – CEO	2022 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Wilcon Depot, Inc., as provided for in Section 38 of the Securities Regulation Code and its implementing rules and regulations and other issuance of the Securities and Exchange Commission (the "SEC").
4. I am related to the following director/officer/substantial shareholder of Wilcon Depot Inc., or any of its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable)

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject to any pending criminal or administrative investigation or proceeding.

Offense charged/investigated	Tribunal or agency involved	Status
N/A	N/A	N/A

6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities an independent director under the Securities Regulation Code and its implementing rules and regulations, the Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Wilcon Depot, Inc., of any changes in the abovementioned information within five (5) days from its occurrence.

MAY 07 2025 QUEZON CITY
Done this _____ in _____.


Rolando S. Narciso

SUBSCRIBED AND SWORN to before me this MAY 07 2025 in
QUEZON CITY affiant exhibiting to me his competent evidence of identity as follows:
Passport No. P7518036A issued on 11 June 2018 at DFA NCR Central valid until 10 June 2028.

Doc. No. 36 ;
Page No. 9 ;
Book No. xxx ;
Series of 2025.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL ~~DECEMBER~~ 31, 2026
ADM. MATTER NO. 003
PTR NO. 7016197 / 01-02-2025 / Q.C
IBP NO. 472850 / 10-23-2024 / Q.C
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy Quezon City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, DELFIN L. WARREN, of legal age, Filipino and with postal address at No. 2 Sineguelas St., Valle Verde I, Pasig City, after being duly sworn in accordance with law, depose and state that:

1. I am a nominee for Independent Director of Wilcon Depot, Inc., and have been its Independent Director since May 22, 2017.
2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
One Incentive Systems Advocates (1ISA) Group	Founder, Principal, and current Chairman	1998 - Present
Warren and Nolasco Realty Corp.	Founder, Principal, and current Chairman	1991 - Present
Procuratio, Inc. (Bugsy's Bar and Bistro)	Major Principal and current Chairman	2014 – Present
Bancom II Consultants, Inc.	Director	2015 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Wilcon Depot, Inc., as provided for in Section 38 of the Securities Regulation Code and its implementing rules and regulations and other issuance of the Securities and Exchange Commission (the "SEC").
4. I am related to the following director/officer/substantial shareholder of Wilcon Depot Inc., or any of its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable).

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

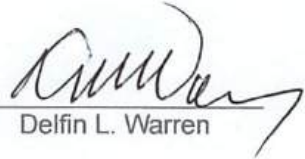
5. To the best of my knowledge, I am not the subject to any pending criminal or administrative investigation or proceeding.

Offense charged/investigated	Tribunal or agency involved	Status
N/A	N/A	N/A

6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities an independent director under the Securities Regulation Code and its implementing rules and regulations, the Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Wilcon Depot, Inc., of any changes in the abovementioned information within five (5) days from its occurrence.

MAY 07 2025

Done this _____ in QUEZON CITY


Delfin L. Warren

MAY 07 2025

SUBSCRIBED AND SWORN to before me this _____ in
QUEZON CITY affiant exhibiting to me his competent evidence of identity as follows:
Passport No. P914777OA issued on 16 October 2018 at DFA NCR Central valid until 15 October
2028.

Doc. No. 34 :
Page No. 8 :
Book No. XXX :
Series of 2025 :

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM. MATTER NO. 003
PTR NO. 7016197 / 01-02-2025 / Q.C
IBF NO. 472850 / 10-23-2024 / Q.C
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy Quezon City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EVELYN R. SINGSON**, of legal age, Filipino and with postal address at 17 Joya St., Corinthians Gardens, Brgy. Ugong Norte, 1110 Quezon City, Philippines after being duly sworn in accordance with law, depose and state that:

1. I am a nominee for Independent Director of Wilcon Depot, Inc.
2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Dusit Thani Philippines, Inc.	Vice Chairman and President	1998 – Present
Gilt-Edged Properties Inc.	Director and President	1987 - Present
Four Treasures Development Corp.	Director and Treasurer	1987 - Present
La Bella Lifestyle Properties, Inc.	Director and President	2013 - Present
Parish Pastoral Council for Responsible Voting (PPCRV)	National Chairperson	2022 - Present
Shareholders' Association of the Philippines (SharePHIL)	Trustee and Member of the Executive Committee	2010 - Present
Management Association of the Philippines (MAP)	Vice Chair of MAP Arts and Culture Committee	2023 - Present
Institute of Solidarity in Asia (ISA)	Trustee and Treasurer	2012 - Present
TOWNS (The Outstanding Women in the (Nation's Service) Foundation	Trustee and Treasurer	1983 - Present
Philippine Center for Population and Development Inc. (PCPD)	Trustee and President	2022 - Present
Center for Healthy Solutions and Innovations Philippines, Inc. (CHSI)	Trustee and President	2024 - Present
National Music Competitions for Young Artists Foundation Inc (NAMCYA)	Trustee and Treasurer	2000 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Wilcon Depot, Inc., as provided for in Section 38 of the Securities Regulation Code and its implementing rules and regulations and other issuance of the Securities and Exchange Commission (the "SEC").
4. I am related to the following director/officer/substantial shareholder of Wilcon Depot Inc., or any of its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable).

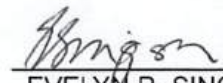
Name of Director / Officer / Substantial Shareholder	Company	Nature of Relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject to any pending criminal or administrative investigation or proceeding.

Offense charged/investigated	Tribunal or agency involved	Status
N/A	N/A	N/A

6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities an independent director under the Securities Regulation Code and its implementing rules and regulations, the Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Wilcon Depot, Inc., of any changes in the abovementioned information within five (5) days from its occurrence.

Done this MAY 07 2025 in QUEZON CITY


EVELYN R. SINGSON

MAY 07 2025

SUBSCRIBED AND SWORN to before me this _____ in
QUEZON CITY affiant exhibiting to me her competent evidence of identity as follows:
National ID 3569 – 8637 – 5149 – 5421.

Doc. No. 32 ;
Page No. 8 ;
Book No. xxx ;
Series of 2025.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM. MATTER NO. 003
PTR NO. 7016197 / 01-02-2025 / Q.C
IBP NO. 472850 / 10-23-2024 / Q.C
ROLL NO. 28435
MCLE NO. VIII-0098500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy Quezon City

CERTIFICATION

I, **ATTY. ARTHUR R. PONSARAN**, Filipino, of legal age and with office address at 3104 Antel Global Corporate Center, Julia Vargas Avenue, Pasig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am the duly elected Corporate Secretary of WILCON DEPOT, INC., ("Corporation") a corporation duly organized and existing under Philippine law with principal office address at 90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City for the year and until the election and qualification of my successor.
2. All incumbent directors and officers of the Corporation are not connected with any government agency or instrumentality.
3. I executed this Certification to comply with the requirements of the Securities and Exchange Commission.

Done this MAY 07 2025 day of _____ at QUEZON CITY.


ATTY. ARTHUR R. PONSARAN
Affiant

SUBSCRIBED AND SWORN TO before me, this MAY 07 2025 day of _____, _____ at QUEZON CITY, Affiant exhibited to me his Passport No. P7038917A, issued by DFA NCR South on 04 May 2018 valid until 03 May 2028.

Doc. No. 38 ;
Page No. 9 ;
Book No. XX ;
Series of 2025.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM. MATTER NO. 003
PTR NO. 7016197 / 01-02-2025 / Q.C
IBP NO. 472850 / 10-23-2024 / Q.C
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy Quezon City

ANNEX D

Wilcon Depot, Inc.

2024 Sustainability Report

Contextual Information

Company Details	
Name of Organization	WILCON DEPOT, INC.
Location of Headquarters	90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City
Location of Operations	Refer to pages 29 to 31 of the attached report
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Wilcon Depot, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	2 retail formats – the depot store format and the DIW store format, which are known under the trade names "Wilcon Depot" and "Do-It-Wilcon" respectively.
Reporting Period	31 December 2024
Highest Ranking Person responsible for this report	Lorraine Belo-Cincochan – President-CEO

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹

Please refer to pages 5 - 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on materiality process.

ECONOMIC

Economic Performance – see discussion on pages 16 - 19 of the attached Wilcon 2024 Sustainability Report

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	Refer to page 16	PhP
Direct economic value distributed:	Refer to Page 16	
a. Operating costs	Refer to Page 16	PhP
b. Employee wages and benefits	Refer to Page 16	PhP
c. Payments to suppliers, other operating costs	Refer to Page 16	PhP
d. Dividends given to stockholders and interest payments to loan providers	Refer to Page 16	PhP
e. Taxes given to government	Refer to Page 16	PhP
f. Investments to community (e.g. donations, CSR)	Refer to Page 16	PhP

Please refer to pages 5 - 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion of impact, stakeholders, risks and opportunities.

¹ See [GRI 102-46](#) (2016) for more guidance.

[Climate-related risks and opportunities² – see discussion on pages 5 - 10 of the attached Wilcon 2024 Sustainability Report.](#)

Procurement Practices –see discussion on pages 8 and 18 - 19 of the attached Wilcon 2024 Sustainability Report

[Proportion of spending on local suppliers](#)

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	61%	%

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Anti-corruption – see discussion on page 24 of Wilcon 2022 Sustainability Report

[Training on Anti-corruption Policies and Procedures](#)

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%	%
Percentage of directors and management that have received anti-corruption training	100%	%
Percentage of employees that have received anti-corruption training	100%	%

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

[Incidents of Corruption](#)

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Please refer to page 5 - 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

ENVIRONMENT

Resource Management - see discussion on pages 20 – 22 of the attached Wilcon 2024 Sustainability Report.

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	Refer to page 20	GJ
Energy consumption (gasoline)	6,143.44	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	9,243.83	GJ
Energy consumption (electricity)	Refer to page 20	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	Refer to page 20	kWh
Energy reduction (gasoline)	0	GJ

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Water consumption within the organization - see discussion on page 20 of the attached Wilcon 2024 Sustainability Report.

Disclosure	Quantity	Units
Water withdrawal	Refer to page 20	Cubic meters
Water consumption	Refer to page 20	Cubic meters
Water recycled and reused	Refer to page 20	Cubic meters

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	Not applicable	kg/liters
• non-renewable	Not applicable	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not applicable	%

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)
– not applicable

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	ha
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Refer to page 20	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	Refer to page 20	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	Refer to page 20	Tonnes

Air pollutants

Disclosure	Quantity	Units
NO _x	Not applicable	kg
SO _x	Not applicable	kg
Persistent organic pollutants (POPs)	Not applicable	kg
Volatile organic compounds (VOCs)	Not applicable	kg
Hazardous air pollutants (HAPs)	Not applicable	kg
Particulate matter (PM)	Not applicable	kg

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	Refer to page 20	kg
Reusable	Refer to page 20	kg
Recyclable	Refer to page 20	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

Please refer to pages 5 - 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Refer to page 20	kg
Total weight of hazardous waste transported	Refer to page 20	kg

Please refer to pages 5 - 11 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

³ International Union for Conservation of Nature

Effluents - no data collected

Disclosure	Quantity	Units
Total volume of water discharges	Refer to page 20	Cubic meters
Percent of wastewater recycled	0	%

Environmental compliance – see discussion on pages 20 – 22 of the attached Wilcon 2024 Sustainability Report.

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	Refer to page 20	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	Refer to page 20	#
No. of cases resolved through dispute resolution mechanism	Refer to page 20	#

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

SOCIAL

Employee Management – see discussion on pages 23 – 27 of the attached Wilcon 2024 Sustainability Report

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴	Refer to page 23	
a. Number of female employees	Refer to page 23	#
b. Number of male employees	Refer to page 23	#
Attrition rate ⁵	Refer to page 26	rate
Ratio of lowest paid employee against minimum wage	0	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS		Refer to page 23	Refer to page 23
PhilHealth		Refer to page 23	Refer to page 23
Pag-ibig		Refer to page 23	Refer to page 23
Parental leaves		Refer to page 23	Refer to page 23
Vacation leaves		Refer to page 23	Refer to page 23
Sick leaves		Refer to page 23	Refer to page 23
Medical benefits (aside from PhilHealth))		Refer to page 23	Refer to page 23
Housing assistance (aside from Pag-ibig)		Refer to page 23	Refer to page 23
Retirement fund (aside from SSS)		Refer to page 23	Refer to page 23
Further education support		Refer to page 23	Refer to page 23
Company stock options		Refer to page 23	Refer to page 23
Telecommuting		Refer to page 23	Refer to page 23
Flexible-working Hours		Refer to page 23	Refer to page 23
(Others)		Refer to page 23	Refer to page 23

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	Refer to page 23	
a. Female employees	Refer to page 23	hours
b. Male employees	Refer to page 23	hours
Average training hours provided to employees	Refer to page 23	
a. Female employees	Refer to page 23	hours/employee
b. Male employees	Refer to page 23	hours/employee

⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	Refer to page 23	%
Number of consultations conducted with employees concerning employee-related policies	Refer to page 23	#

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	Refer to page 23	%
% of male workers in the workforce	Refer to page 23	%
Number of employees from indigenous communities and/or vulnerable sector*	Refer to page 26	#

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	Refer to page 26	Man-hours
No. of work-related injuries	Refer to page 26	#
No. of work-related fatalities	Refer to page 26	#
No. of work related ill-health	Refer to page 26	#
No. of safety drills	Refer to page 26	#

Please refer to pages 5 – 11 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	Refer to page 26	#

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Refer to page 26	https://investor.wilcon.com.ph/company-policies/
Child labor	Refer to page 26	https://investor.wilcon.com.ph/company-policies/
Human Rights	Refer to page 26	https://investor.wilcon.com.ph/company-policies/

Please refer to pages 5 - 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Supply Chain Management

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Refer to page 26	https://investor.wilcon.com.ph/company-policies/
Forced labor	Refer to page 26	https://investor.wilcon.com.ph/company-policies/
Child labor	Refer to page 26	https://investor.wilcon.com.ph/company-policies/
Human rights	Refer to page 26	https://investor.wilcon.com.ph/company-policies/
Bribery and corruption	Refer to page 26	https://investor.wilcon.com.ph/company-policies/

Please refer to pages 5 - 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Relationship with Community – see discussion on pages 27 of the attached Wilcon 2024 Sustainability Report

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Please refer to page 28					

Certificates	Quantity	Units
FPIC process is still undergoing	Not applicable	#
CP secured	Not applicable	#

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	Refer to page 27	

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	Refer to page 27	#
No. of complaints addressed	Refer to page 27	#

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	Refer to page 27	#
No. of complaints addressed	Refer to page 27	#

Please refer to pages 5 – 11 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	Refer to page 27	#
No. of complaints addressed	Refer to page 27	#
No. of customers, users and account holders whose information is used for secondary purposes	Refer to page 27	#

Please refer to pages 5 – 11 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	Refer to page 27	#

Please refer to pages 5 – 10 of the attached **Wilcon 2024 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs – see discussion on pages 5 - 10 of the attached Wilcon 2024 Sustainability Report.

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact

WILCON

BUILDING BIG IDEAS

Better

2024 SUSTAINABILITY REPORT



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GOVERNANCE AND BUSINESS ETHICS

ISSUE NO. 6

2024 WILCON SUSTAINABILITY REPORT

MESSAGE FROM THE CEO

Wilcon has always been about helping our customers build big ideas better. We are also always about building better and stronger relationships with our partner-suppliers, providing better and more enriching opportunities for all our employees. We have been helping elevate communities we belong in including promoting and innovating practical solutions that contributes to the proper use and management of our natural resources.

These aspirations are boundless as the world around us evolve, so do preferences and standards. There will always be room for improvement and that is why Wilcon has continued to grow and thrive for 47 years as we have always pushed ourselves to improve and be continuously relevant to all our stakeholders.

Our ESG journey is aimed to define, organize, enhance and amplify all these manifestations of our care and mission.



LORRAINE BELO-CINCOCHAN
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Lorraine Belo-Cincochan', with a large loop at the end.

LORRAINE BELO-CINCOCHAN
DIRECTOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER

ABOUT OUR COMPANY

Wilcon Depot, Inc, is the Philippines' leading home improvement and finishing construction supplies retailer. We are a one-stop shop carrying the complete spectrum of home improvement products. We have the most extensive product selection of trusted local and international brands of tiles and flooring, plumbing and sanitary ware, building materials, paints, electrical and lighting, hardware and tools, furniture, houseware and appliances.

In business since 1977, we have built an extensive network of supplier-partners, and a wide customer base of homeowners, professionals and contractors, and property developers.

A pioneer in introducing modern trade in the construction supply industry in the Philippines, we revolutionized our sector by enhancing the customer's shopping experience, evolving our original traditional hardware chain into a network of depot format branches.

After our public listing in March, 2017, we embarked on an aggressive store network expansion program, more than doubling the number of our branches from 36 at the start of 2017 to 100 by the end of 2024.



COMPANY INFORMATION COMPANY DETAILS

NAME OF ORGANIZATION	Wilcon Depot (PSE: WLCON)
LOCATION OF HEADQUARTERS	No. 90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City
LOCATION OF OPERATIONS	Location of Operations See list of locations in Appendix A
REPORT BOUNDARY: LEGAL ENTITIES INCLUDED IN THIS REPORT	Wilcon Depot, Inc.
BUSINESS MODEL	2 retail formats – the depot store format and the DIW store format, which are known under the trade names "Wilcon Depot" and "Do-It-Wilcon" respectively.
SOURCE: HTTPS://EDGE.PSE.COM.PH/COMPANYINFORMATION/FORM.DO?CMPY_ID=665	
REPORTING PERIOD	31 December 2024
HIGHEST RANKING PERSON FOR THIS REPORT	Lorraine Belo-Cincochan, President - CEO

INTRODUCTION

Sustainability is built into the business of Wilcon. We have been in the industry for 47 years, growing from a humble 60-square-meter shop into the Philippines' leading home improvement and construction supplies retailer. We achieved this because we understand that a sustainable and comfortable life is the dream of every Filipino family, and we made it our mission to support this aspiration.

With growth and development, dreams and aspirations get bigger. We are committed to contributing the best expertise, knowledge, resources, and skills to promote stronger, safer, and more sustainable homes and buildings for everyone as their lives improve through the long-lasting quality products and solutions we provide. We understand that as Wilcon continues to expand, we must manage our resources responsibly while sharing this growth with our different stakeholders, internal and external, and make sure these partnerships create value for everyone. Over these four decades, we have promoted the growth of our business and in effect cultivated the development and success of our employees within the company.

In 2024, albeit a challenging year operationally, we moved forward in our 5-year sustainability strategy roadmap to inch closer to our goals and ambitions.

Our sustainability strategy was also developed in consideration of the United Nation's Global Goals (the SDGs). These goals were created to help solve the world's toughest challenges such as poverty, inequality and climate change by the year 2030. Internal stocktaking of our operations and activities have enabled us to create positive synergies and conditions that can address several developmental challenges, such as responsible consumption and production, providing decent work, taking action on climate change, sustainably using natural resources, and addressing gender equality. We believe our Strategy is well aligned with the global goals and we will continue to innovate our operations to demonstrate our support for tackling these compelling issues.



UNDERSTANDING OUR SUSTAINABILITY CONTEXT AND IMPACTS

Initially, the Securities and Exchange Commission's sustainability reporting requirement among publicly listed companies was an opportunity for Wilcon to take stock of everything that we have done to deliver on our commitment and find ways to build our big ideas better. In 2019, we undertook a rigorous two-month materiality process, which now allows us to focus our energies and resources on a sustainability agenda that is strategic to the business, promotes its growth, manages impacts and minimizes risks, and contributes to sustainable development.

Being an industry leader, we wanted to have a more comprehensive view of the sustainability pressures and drivers that shape our business. To ensure this, we conducted a four-step materiality process that covered:

A desktop review of key global drivers, trends and risks identified by international development organizations, multilateral agencies, global sustainability surveys, and sustainability ratings agencies, as well as sector-specific sustainability issues, including benchmarking against the performance of three sustainability leaders in retail and real estate; and

Nine sets of stakeholder interviews, covering internal (permanent employees from different departments of the business and members of senior leadership/C-suite) and external stakeholders (suppliers of varying business size and nature of operations) in terms of their relevant issues with, impacts of, and expectations from Wilcon.

UNDERSTANDING OUR SUSTAINABILITY CONTEXT AND IMPACTS

To identify those topics most relevant to Wilcon out of a universe sustainability issues identified in the research, we analyzed them vis-a-vis the results of stakeholder engagement on Wilcon's overall strategic priorities, existing programs and initiatives, and investor queries regarding Wilcon's environmental, social and governance (ESG) agenda.

Step 1:
Identify global issues, trends, risks affecting sustainability

Step 2:
Understand ESG issues at the sector level

Step 3:
Engage with stakeholders for relevance and prioritization

Step 4:
Identify Wilcon's material sustainability topics

Toward the end of 2021, management saw the need to take stock of the Company's ESG progress in the light of the disruptions brought about by the Covid-19 pandemic. ESG material topics were likewise assessed, prioritized and updated by the first quarter of 2022.

Up to fifteen internal and external stakeholders' interviews were conducted to update and expand the 2019 materiality process results and findings to include current business targets as well as aligning with future business plans.

We recognize that as we achieve our short-term goals, our longer-term targets may evolve and as such our work plans will be constantly updated. We are confident that this new strategy will consistently provide Wilcon with a roadmap for success and will bring us all closer to Building Big Ideas Better and living in a sustainable world.

OUR MATERIAL ESG TOPICS AND MANAGEMENT ACTIONS

Business Expansion and creating shared value	Impacts of climate change on business performance	Impacts on local communities (Job creation, CSR, Infrastructure Development)	Responsible Sourcing
Emissions from energy used and transport & delivery	Waste management		
People: Training, OHS & D&I	Customer satisfaction and protection (data privacy, H&S)	Technology strategy (big data, cyber security, and e-commerce)	Meaningful communications and market shaping
			Ethics and compliance (governance of ESG at Board level, anti corruption)



OUR MATERIAL ESG TOPICS AND MANAGEMENT ACTIONS

Wilcon's 2019 assessment process and 2021 materiality workshop resulted in the above list of sustainability topics that are material to the business and where we create the most impact. All these present Wilcon with opportunities for better and long-term value creation. Conversely, we understand that they may pose risks to the business if we do not monitor and manage our performance on these issues.

Thus, our materiality process provided us with the opportunity to identify the necessary management actions to begin to address the risks and take advantage of the opportunities they present. These are:

- Monitor and analyze markets and macro data to successfully anticipate changes and sufficiently respond to any development on these material topics, while continuing to provide more and varied choices to our customers;
- Provide company leaders and managers with more opportunities to be exposed to the external environment concerning material ESG impacts, and receive proper training to use the information and knowledge in their decision-making during planning and day-to-day operations;
- Provide adequate support to the human resources department to be able to continuously recruit, train, and deploy excellent personnel;
- Strengthen relationships with a strong core of suppliers that can be relied on to deliver up-to-date, relevant, and specifications-compliant products cost-effectively; and
- Provide sufficient lead time in our construction projects.

We look forward to improving our understanding and responses as we further embed sustainability into our strategy and operations. Thus we commit to the following next steps for a fuller picture of our sustainability journey ahead:

- Include other stakeholder groups using existing touch points (e.g., customer management system) and separate engagements for a 360-degree view of our impacts, risks, and opportunities in time for the next report in 2023;
- Establish a regular materiality review every 2 to 3 years under the governance of senior management; and
- Develop internal capacity to apply learnings from the materiality assessment in areas of our business and begin to measure our performance on these material topics.
- The 2022 ESG materiality re-assessment exercise resulted in the additional focus areas under People on labor rights, gender equality and community development.

OUR MATERIAL ESG AND KEY FINDINGS

MATERIAL ESG TOPICS



Wilcon must ensure the quality, safety, and sustainability of the products and solutions it offers to its customers. Addressing sustainability risks in products requires working with its suppliers in promoting a transparent, fair, and responsible supply chain.



Wilcon has demonstrate its resilience in the face of risks from climate change



Wilcon's expansion into key fast-growing cities in areas outside Metro Manila creates jobs and stimulates infrastructure development and economic activities in these areas.



Wilcon's economic growth relies on its ability to open new stores in strategic locations. This growth needs to create value not only for its shareholders but also for its employees, business partners, customers, and communities where we operate



- Non-availability of products that meet evolving customer preferences and Wilcon's quality standards
- Inaccurate forecasting of trends in customer behavior and preference and to respond to them in a timely manner.
- Unmanaged or unchecked increases in price of more sustainable products and make them unaffordable.

- Impacts on physical assets (e.g., flooding or construction delays from extreme weather), construction schedule, workforce productivity, and customer behavior and shopping seasonality, which affect our financial performance

- Cultural difference can hamper acceptance of the brand and working relationship between management and locally hired personnel
- Lack of acceptance for the communities in new store locations.

- Cost of construction and development
- Lack of qualified employees
- Lack of available contractors or construction personnel
- Securing government approvals, permits and licenses in a timely manner
- Significant competition from other more established business in new markets.



- Sustainability as a growing customer preference
- Offer products that are suitable and relevant to the market's taste
- Collaborations on innovations with suppliers to cast a wider sphere of positive impact.

- Ability to offer superior, more durable, more sustainable products that can withstand harsh weather conditions
- Position Wilcon as a partner in building and rebuilding
- Shape the market and educate them on the benefits of sustainable products

- Local employment spurring economic growth in emerging cities
- Be recognized as an inclusive brand by the community through appropriate and meaningful marketing.

- Increased profitability through new markets
- Growing preference for sustainable products
- Operational efficiencies and better use of resources like materials, energy, fuel, and water



STAKEHOLDER
VIEW



ESG
RISK



ESG
OPPORTUNITY

OUR MATERIAL ESG AND KEY FINDINGS

MATERIAL ESG TOPICS



Wilcon's growth translate to more impacts on the environment, specifically emissions resulting from greater energy use and consumption of fuel for transport and delivery of products, while relying on external providers.

- Non availability of feasible/ reasonably-priced/ financially sensible fossil-fuel substitutes
- Cost of technology, know-how and execution of efficiency and promoting logistical processes and programs.

- Use alternative power and fuel sources that are cost-effective in the long run
- Reduce carbon footprint.



Wilcon must be able to manage the waste it generates as it grows, specifically how it contributes to packaging waste, pollution and toxicity.

- Accelerated price increase of new technology that will improve waste management efficiency that will be prohibitive to use by the businesses.
- Human resources skills available of reasonable cost to implement.

- Faster product innovation using waste as a possible raw material.



Wilcon must ensure the development and empowerment of its employees by providing them opportunities for professional growth and economic well-being and protecting their rights in the workplace, including occupational health and safety.

- Availability of trainable and skilled human resource
- Cost of training
- Cost of new technology

- Become the preferred employer for the incoming generation of workforce.



Wilcon recognizes that in order to successfully execute its growth strategies, its employees need to be empowered to maximize their contribution to the company's growth goals. Equitable opportunities should also be accorded to each of its employees pursuant to the basic labor right of fair and just treatment in the workplace

- Availability of suitable human resource of specific genders for specific functions and responsibilities
- Cost of structure and process change to decentralize control and empower downlines
- Cost of training

- More comprehensive talent pool critical for accelerated growth



STAKEHOLDER VIEW



ESG RISK



ESG OPPORTUNITY

OUR MATERIAL ESG AND KEY FINDINGS

MATERIAL ESG TOPICS



As customer preferences and buying patterns evolve, Wilcon must be able to continue to deliver superior quality products and solutions while providing excellent and reliable service.



- Reputational damage from threats to customer wellness and safety.



- Leverage Wilcon's positioning for high quality customer shopping experience as a differentiator.



With big data shaping the growth of retail, Wilcon needs to ensure its ability to optimize its information technology systems to make operations more efficient and reach more customers while remaining proactive against potential system failures and breaches of security

- Reputational damage from data breaches and system failures
- Lags and operational delays from data breaches system failures

- Market expansion without need to put up brick & mortar stores, decreasing capital outlay.
- Requires less energy to operate and generate less waste
- Addresses possible shortfall in capable manpower.



As industry leader, Wilcon is in a position to shape the industry and the market towards the adoption of more sustainable products, services, and business practices.

- Resistance from consumers to see value for money in sustainable products and services.

- Address unmet needs through sustainable products and services
- Enter new customer segments.



Increasing ESG regulation and greater expectations for business to contribute to sustainable development while ensuring value creation and long term resilience require responsible leadership and adoption of sustainability at the Board level.

- Subject to fines for non compliance to future regulations on ESG Governance

- Establish a governance structure and management approach towards sustainability
- Ability to better respond to investor queries.



STRATEGIC AMBITION AND FRAMEWORK

We understand that as Wilcon continues to expand, we must manage our resources responsibly while sharing this growth with our different stakeholders, internal and external, and make sure these partnerships create value for everyone.

By integrating our long-standing mission of Building Big Ideas Better into our strategic sustainability ambition, we aim to lead our industry's evolution to genuine sustainability by helping our customers build, improve, and refine their homes for a more sustainable and comfortable life. As such, we are committed to contributing the best expertise, knowledge, resources, and skills that promote stronger, safer, and more sustainable spaces from the long-lasting, quality products and solutions we provide.

Our principles of integrity, true value, and doing the right thing all make this possible.



STRATEGIC AMBITION AND FRAMEWORK

VISION FOR 2029

To lead our industry and continually enhance the customer experience by innovating to offer more sustainable products, reducing our footprint, and taking care of our people and communities.

All of which is underpinned by strong sustainability governance standards embedded across our operations.

STRATEGY FRAMEWORK

WILCON BUILDING BIG IDEAS BETTER

INNOVATE FOR MORE SUSTAINABLE PRODUCTS

Product innovation, design
and life cycle management

Supply chain management
and engagement

Product quantity and safety

TAKE CARE OF OUR PEOPLE AND COMMUNITIES

Employee training and development

Workplace culture, engagement and well-being

Labor rights and employee welfare

Community development

Employee health and safety

REDUCE OUR FOOTPRINT

Energy use and emissions
management

Waste management

Water consumption and
management

Climate change adaptation

EMBED SUSTAINABILITY

Business Ethics

Corporate Governance

STRATEGY FRAMEWORK

Innovate for More Sustainable Products – By 2028 we will...

Focus Areas

- **Product quality and safety**
- Supply chain management and engagement
- Product innovation, design and life cycle management

Commitments

- Ensure the best customer experience
- Provide employees with the knowledge they need to implement supply chain innovation efforts
- Expand availability of locally made, sustainable products
- Empower customers via transparent product information



Innovate and expand our offering to include more sustainable, ethically made and safe products for customers by nurturing supplier relationships and considering the full product lifecycle.

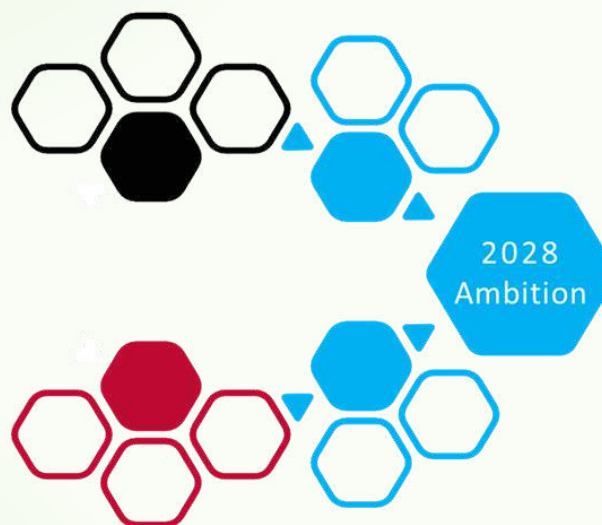
Take Care of our People and Communities – By 2028 we will...

Focus Areas

- **Employee health and safety**
- Employee training and development
- Workplace culture, engagement and wellbeing
- Labor rights and employee welfare
- Community development

Commitments

- Consistently instill a sense of psychological and physical safety and security for our team
- Continue to be the best by developing from within and nurturing the best talent
- Promote excellence in the workplace by sustaining a caring culture where safety comes first
- Meaningfully serve the local communities to which we belong



Enable our people to champion sustainability and community engagement with the confidence that comes from working in a safe, collaborative, and caring working environment.



STRATEGY FRAMEWORK

Reduce Our Footprint – By 2028 we will...

Focus Areas

- Climate change adaptation
- Energy use and emissions management
- Waste management
- Water consumption and management

Commitments

- Reduce the environmental impact of the products we sell
- Minimize our operational requirements for energy, water, and waste
- Reduce emissions across our operations and encourage the same across our value chain



Limit the ecological footprint of our operations by reducing our reliance on natural resources and decreasing waste and emissions.

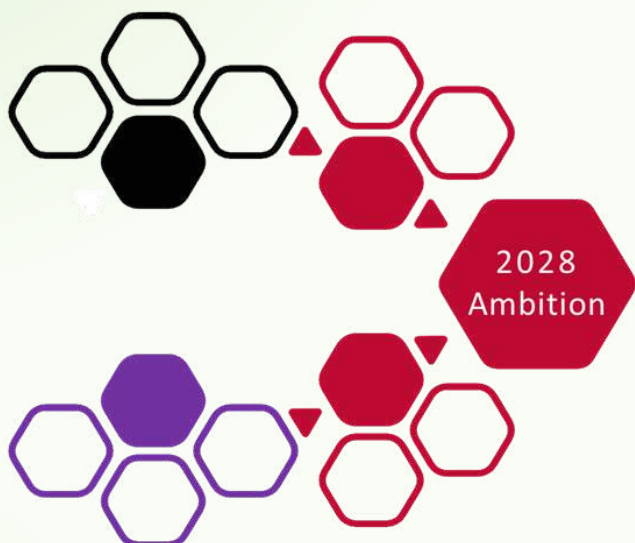
Embed Sustainability – By 2028 we will...

Focus Areas

- Corporate Governance
- Business Ethics

Commitments

- Ensure the highest levels of accountability across all staff and leadership levels
- Adhere to our principles of integrity, true value and doing the right thing



Create a corporate culture of ethics, integrity, and sustainability by following sound corporate governance practices.

2024 ESG HIGHLIGHTS

**PhP
1.07B**

Dividends given to
stockholders

**PhP
2.4B**

Taxes given to
Government

**PhP
21.4M**

Investments to
Community

40%

Reduction on Single-
use Plastic
Packaging in 2024

56

Branches with Solar
Power Systems

60,424

GHG Emission
(in Tonnes CO₂e)

100%

Covered by OHSAS

52,486.49

Energy consumption
renewable resources
(in GJ)

262,477

Recyclable Papers,
Plastic Packaging &
Scraps (in kg)

0

Complaint on
Customer Privacy

ECONOMIC DATA

100-Store Target Achieved

In 2024, the home improvement market continued to be soft but we kept our sights on our goal of having 100 stores by the end of 2024, a year earlier than originally targeted.

We have anchored our push for a broader geographic presence on the long-term, mutually beneficial relationships we have built with our partner suppliers, aligning our strategic goals to support the realization of our respective missions and visions.



Economic Performance

Direct economic value generated and distributed (in Php)

	2023	2024
Direct economic value generated (Revenue)	35,130,135,825	34,834,351,628
Direct economic value distributed		
A. Operating costs	8,940,010,592	10,041,908,260
B. Employee wages and benefits	1,531,047,694	1,753,435,394
C. Payments to suppliers, other operating costs	32,901,219,642	32,380,740,920
D. Dividends given to stockholders and interest payments to loan providers	1,516,897,923	1,065,928,270
E. Taxes given to government	2,351,641,815	2,381,714,645
F. Investments to community	24,218,886	21,428,616

#1

HOME IMPROVEMENT/
CONSTRUCTION RETAIL
SPACE

100

STORES
NATIONWIDE

56

BRANCHES WITH SOLAR
POWER SYSTEM

879,067

MEMBERS OF WILCON'S LOYALTY &
REWARDS PROGRAM



ECONOMIC DATA

COLLABORATING WITH PARTNER-SUPPLIERS

Pursuant to our five-year sustainability strategy, we continued to engage with our partner-suppliers in various focus areas of product quality and safety, supply chain management and product innovation, design and life cycle management.



We continued to provide dedicated store shelves for green products, engaged with a wider supplier-partner base to offer support and promote their development of sustainable products.



We conducted product training and demonstrations to our sales experts to help our customers select home improvement and construction supply solutions that deliver environment-friendly benefits, which has become a customer priority.



We have an automated and real-time synching of online and offline inventory with regular stock audits conducted to continuously monitor accuracy in order to implement improvements in the system and process.



We have launched an ESG survey among our suppliers with a modest but encouraging response rate.



We have finalized a Sustainable Procurement Policy and an ESG Criteria and Sustainable Choice Product Checklist, which will be for approval in 2024.



We have drafted an ESG end-of-life cycle questionnaire as part of our initiative to work with our partner suppliers to embed product lifecycle considerations into product design.

SUSTAINABLE PROCUREMENT

Recognizing the importance of the procurement process in the fulfillment of our strategic sustainability ambition being a retail company, we instituted a sustainable procurement policy. The purpose is to incorporate environmental, social and governance frameworks in the procurement process. This is to ensure that Wilcon sources goods and services that minimize the negative impacts on the environment, promote social good and support sustainability.

Pertinent aspects of the policy include accreditation process with ESG components to be complied by existing and prospective suppliers. These components include required code of business conduct and ethics that are aligned with Wilcon's; supply chain management policies and practices that are aligned with Wilcon's; clean track record in abiding by the various laws, rules and regulations by the different regulatory bodies including labor, health and safety standards; employee engagement; and corporate social responsibility. The policy emphasizes also the need for suppliers to comply with the applicable requirements set by the local and national government agencies.

Suppliers are encouraged and will be given preference if they have strategies to minimize their energy consumption, air and water pollution and proper waste disposal. A score card to evaluate compliance to our sustainable procurement policy shall be implemented.



THE PRODUCT END-OF-LIFE AUDIT TOOL

The audit tool consists of a questionnaire designed to obtain information on the life cycles of the various products to estimate their footprint in their respective full life cycles.

With the data, we will be able to offer responsible end-of-life product information to customers for an informed purchase, procure and offer products with responsible end-of-life including biodegradable or compostable products.

The scope of the questionnaire included:

GENERAL

overall approach of the manufacturing supplier concerning their product life cycle.

END-OF-LIFE PRODUCT

determines the efforts made by the manufacturing supplier for their products reaching end-of-life.

END-OF-LIFE PRODUCT DISPOSAL

explains the disposal process done by the manufacturing supplier for end-of-life products.

PRODUCT DESIGN

shows environmental considerations such as recyclability, and ease of disposal provided with information for proper disposal of the product.

PRODUCT TAKEBACK

provides the effective strategy of the supplier in mitigating product wastes from ending up in the landfill.

AUDIT/ASSESSMENT EFFORTS

this validates the environmental actions of the supplier and their compliance with international and/or local standards.

OTHERS

provides supplemental reports regarding supplier's corporate social responsibility, environmental policies, and other sustainability reports.



ENVIRONMENT DATA

Environment Performance

Energy Consumption

	2022	2023	2024
Energy consumption (renewable sources) (in GJ)	53,489.97	50,687.46	52,486.49
Energy consumption (electricity) (in Kwh)	70,725,240	74,279,561	83,296,359
Energy reduction of energy consumption (in Kwh)			
Energy reduction (renewable resources)	14,858,324	14,079,849	14,579,581
Energy reduction (electricity)	70,725,240	74,279,561	83,296,359

Air emission disclosures (in Tonnes CO₂e)

Scope 1 GHG Emissions	897	1,053	1,101
Scope 2 GHG Emissions	50,371	52,902	59,324
Total GHG Emissions	51,267	53,955	60,424

Water consumption within the organization (in CBM)

Water withdrawal	455,003	290,060	280,491
Water consumption	455,003	290,060	280,491
Water recycled and reused	0.00	0.00	0.00

Solid and hazardous waste generated (in kg)

Recyclable (papers & scraps)	339,478	378,156.50	262,477
Landfilled	Not collected in 2022	Not collected in 2023	18,237
Hazardous waste generated	11,292	11,528	32,787
Hazardous waste transported	Not collected in 2022**	Not collected in 2023**	Not collected in 2024**

Environmental Compliance

Monetary fines for non-compliance (Php)	300,000*	800,000*	257,159*
No. of non-monetary sanctions for non-compliance	0	0	0
No. of cases resolved through dispute resolution mechanism	0	0	0

* late submission of supporting documents

** stored in hazwaste area/facility of the stores

DID YOU KNOW?

Wilcon designed their buildings to maximize natural light, only turning on lights in the afternoon.

60,424

GHG Emission

HIGHLIGHT: PRODUCT INNOVATION, DESIGN AND LIFE CYCLE MANAGEMENT - A COLLABORATIVE EFFORT WITH PARTNER-SUPPLIERS

"The goal is to work closely with suppliers to embed product lifecycle considerations into product design."

To move forward in this focus area, close collaboration with partner-suppliers is a requisite. Our commitments to ensure the best customer experience and provide employees with the knowledge they need to implement supply chain innovation efforts should be aligned. To this end, we launched a product take-back campaign in collaboration with some suppliers.

This initiative encourages customers to return used or end-of-life products for proper disposal, recycling or repurposing. This is aimed to reduce the environmental impact of these products and promote a circular economy.

HIGHLIGHT: SUSTAINABILITY IN THE WORKPLACE – CALL FOR GREEN ACTION

Encouraged by management and enthusiastically embraced by employees, various employee-initiated campaigns were launched to contribute to the ESG efforts of the company. One such example is scratch or paper waste disposal.

WILCON DEPOT

CALL for GREEN ACTION

SUSTAINABILITY IN THE WORKPLACE

Let us participate in the proper disposal of our scratch papers by following the instructions below:

- SORT**
- DROP**
- SHRED**

ADVANTAGES OF PROPER PAPER DISPOSAL

- **DATA PROTECTION**- Reducing the risk of data breaches and identify theft.
- **WASTE REDUCTION**- Reducing waste volume and optimizing storage space in bins and dumpsters.
- **INCREASED EFFICIENCY**- Shredding outdated or unnecessary documents declutters the workspace, contributing to better organization and productivity.

ENVIRONMENT DATA

SINGLE-USE PLASTIC PACKAGING REDUCTION CAMPAIGN AND WASTE MANAGEMENT

In 2023, we launched an Extended Producer Responsibility (EPR) program in support of our climate change adaptation ambition and in compliance with Republic Act 11898 or the Extended Producer Responsibility Act of 2022.

We implemented a Return of Plastic Packaging campaign whereby we encouraged the return of the plastic packaging or blister packs of Wilcon products to the stores by providing booths or drop boxes in each store where they can drop their plastic packages or blister packs. We are developing additional incentive programs to be rolled out to increase the effectivity of the program.

Pursuant to this campaign, we now have established base data on the disposal of our waste with the aim of monitoring and increasing those that are reusable and recyclable



WASTE MANAGEMENT

In the implementation of our EPR program, further re-classification of waste collected resulted in the decrease of recyclable materials in 2024 from 2023 as the reusable category base line was established along with the composted, incinerated and residuals or landfilled.



SOCIAL DATA

Employee Data		
	Female	Male
Employees by gender	1,698	1,973
Employee benefits (% who availed)	Female	Male
SSS	36.58	36.49
PhilHealth	2.77	1.01
Parental leaves:		
Maternity/ Paternity Leave	6.42	9.79
Solo Parent	2.17	0.08
Magna Carta	0.18	0.00
Vacation leaves	80.73	81.78
Sick leaves	2.41	1.88
Medical benefits (aside from PhilHealth)	28.82	22.08
Housing assistance (aside from Pag-ibig)	0.00	0.00
Retirement Fund (aside from SSS)	0.00	0.00
Further education support	0.00	0.00
Company stocks option	0.00	0.00
Telecommunicating	18.14	16.68
flexible-working hours	23.38	19.41
Employee training and development	Female	Male
Total training hours provided	306	310
Ave. training hours provided	6.8	6.6
Labor Management Relations		
% of employees covered in CBA	20.23	
Number of consultations conducted with employees concerning employee-related policies	10	

EMPLOYEE ENGAGEMENT AND WORKPLACE CULTURE

From our on-boarding orientation and training, the company's mission, vision and values are immediately taught to all incoming employees. These are also highlighted or referenced in subsequent training programs and even company-sponsored employee events and socials.

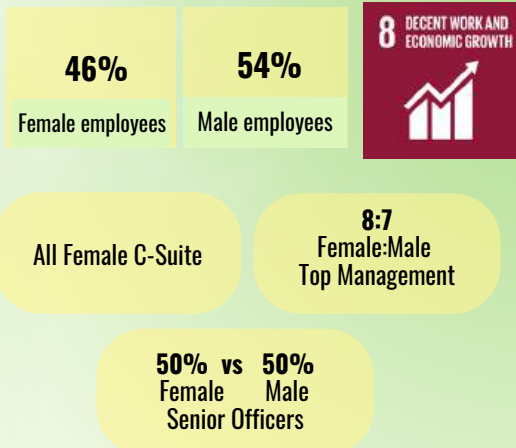
We also continue to improve resources provided to support various employee groups such as mothers, parents, single parents and LGBTQ+. We carefully maintain and enhance the lactation rooms and gender-neutral restrooms we provided, host events where employees can bring their family members among others.



SOCIAL DATA

PROMOTING DIVERSITY AND INCLUSION

Wilcon has always been unbiased in its hiring of and giving opportunities for improvement and promotion to its employees, which was formalized in the creation and implementation of an anti-discrimination policy. Overall, we have maintained our female to male ratio of our total regular and probationary employee-count of 46%. Our C-suite remains to be all female and our senior management team female-dominated with five out of six female. Our board of directors composition likewise remained at two out of seven or 28% female.



SOCIAL DATA

HIGHLIGHT: ALLOWING POTENTIAL TO BREAK THROUGH AND BLOSSOM

Wilcon has always been in the lookout for future leaders among its employees. Emphasis is given and resources are allocated in finding these potential leaders early in the organization and nurturing and training them to hold leadership positions in the future. The company continues to prefer growing and developing from within future store leadership, which at present are still 100% homegrown.

In this regard, we continue to sponsor advanced courses and studies of top employees, give updated career management, critical thinking, strategic thinking and decision-making, among others to potential leaders.

Aligned with our five-year sustainability strategy we aimed to:



Increase number of employees in the Continuing Education Program through the development and implementation of policy and guidelines for eligibility requirements and increased budget allocation for the program.

Accelerate manager development through leadership management trainee program

Increase the Learning Network per department/unit

Advance the careers of deserving employees

Improve training delivery and channels of engagement.

Toward these ends, we have:



Sponsored the advanced courses / studies of top employees

Continued to improve and implement modules in our Learning Management System and Career Management Program

Continued to train representatives across to become Subject Matter Experts and Learning Development partner to facilitate trainings

Conducted regular needs analysis for training across departments. Enhanced and implemented our performance management system with competencies identified and aligned for every function/position.

Increased employee access and use of digital platform for completion of training programs.

SOCIAL DATA

Workplace conditions, labor standards, and human rights	Female	Male
Safe Man-Hours	4,204	
No. of work-related injuries*	23	183
No. of work-related fatalities	0	0
No. of work-related ill-health	0	0
No. of safety drills	2,010	
Labor Laws and Human Rights		
No. of legal actions or employee grievances involving forced or child labor	0	
Forced labor (y/n)	Y	
Child labor (y/n)	Y	
Human rights (y/n)	Y	
Supply Chain Management	Does Wilcon consider the following when accrediting suppliers	
Environmental Performance	Y	
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

* Minor injuries requiring basic first aid treatment only. Zero hospitalized or confined incidences.

Workplace conditions, labor standards, and human rights	Attrition Rate
2019	5.83%
2020	8.63%
2021	6.84%
2022	14.94%
2023	16.5%
2024	15.66%

100%

Covered by OHSAS

0

Employees from IP

TAKING CARE OF OUR PEOPLE

Employee well-being and safety is a focus area of our ambition to take care of our people and our communities. Moreover, it is integral in the fulfilment of our mission to our employees to create an environment that respects their dignity as persons.

We have continuously rolled out communications and training to update and remind employees on health and safety. In town hall meetings and general assemblies, we include in the agenda various health and safety topics along with other employee-centric topics.

Regular drills for all employees are regularly conducted as well as special training for appointed safety officers. As part of our Business Continuity Plan, we conducted regular Emergency Response Training seminars and the corresponding drills.



COMMUNITY DATA

EXCELLENT CUSTOMER EXPERIENCE – A CORE VALUE

Continuous improvements in store policies, systems and processes and physical and online layouts and set-up are always with an end in view of enhancing customer experience. Even in challenging times and circumstances, Wilcon has always maintained its branding of providing reliable source of quality and innovative solutions for the homes and buildings of our customers.

It is this firm adherence to our core value of excellent customer experience that has pushed us to constantly find ways to improve the delivery of our service to be aligned with changing customer preferences and trends. This has also enabled us to maintain and sustain our industry leadership position.



Customer Management	
Customer Satisfaction	Score
Customer Survey	6/10
Health and Safety	Quantity
No. of substantiated complaints on products or services health and safety	0
No. of complaints addressed	0
Marketing and Labelling	Quantity
No. of substantiated complaints on marketing and labelling	0
No. of complaints addressed	0
Customer Privacy	Quantity
No. of substantiated complaints on customer privacy	0
No. of complaints addressed	0
No. of customers, users, and account holders whose information is used for secondary purposes.	0
Data Security	Quantity
No. of data breaches, including leaks, thefts and losses of data	0

COMMUNITY DATA

INVESTING IN OUR COMMUNITIES

As we marched on to open our 100th store and beyond, Wilcon has always been an enthusiastic partner of the various communities and associations we belong in.

We partner with local government units, charitable organizations, civic associations and even other responsible corporations in helping improve communities and preserve the environment.

Notable assistance we have provided during the year include, among others:

- Active participant in the "Rooting for a Greener Tomorrow: Planting Trees, Growing Hope", a tree-planting activity;
- Donation of part of the proceeds of Wilcon's annual golf tournament to an environment-focused foundation;
- Donation of bathroom fixtures to schools in cooperation with a charitable foundation;
- Supporting through donation of eco-friendly bathroom fixtures in a corporation's adoption of an Eco-park;
- Partnering with a local government unit for its "Adopt-A-Park" program to share in its commitment for a greener and more vibrant community and support its efforts to enhance and preserve the city's green spaces.



GOVERNANCE

ON A STRONGER FOOTHOLD – STRENGTHENING GOVERNANCE

We continue to uphold all corporate governance policies we have instituted in the previous years. We have made great strides in monitoring the compliance to our employee code of ethics through the effectiveness of our whistleblowing policies.

We continue to conduct orientation and training on governance policies and guidelines not only to orient and update employees of changes and additions but also to remind them of existing provisions. This is aligned with our strategic ambition to create a corporate culture of ethics, integrity, and sustainability.

Our board of directors and management team participated in the annual corporate governance seminar conducted by a Securities and Exchange Commission-accredited firm.



Lorraine Belo-Cincochan
Director, President and
Chief Executive Officer



APPENDIX A: List of Operations Location

	BRANCH NAME	LOCATION
1	ALABANG	8003 REAL ST., ALABANG ZAPOTE RD., ALMANZA UNO, LAS PIÑAS CITY
2	BALINTAWAK	1274 EDSA A. SAMSON, QUEZON CITY
3	LIBIS	90 E. RODRIGUEZ JR. AVE., BRGY. UGONG NORTE, DISTRICT 3, QUEZON CITY
4	MAKATI	2212 CHINO ROCES AVE., SAN LORENZO, MAKATI CITY
5	QUIRINO	L119 C-1 MINDANAO AVE., TALIPAPA, QUEZON CITY
6	FILINVEST	L1 B29 ALABANG ZAPOTE RD. COR. BRIDGEWAY AVE., FILINVEST CORPORATE CITY, ALABANG, MUNTINLUPA CITY
7	MEXICO	GAPAN-OLONGAPO ROAD, LAGUNDI, MEXICO, PAMPANGA
8	SUCAT	DR. A. SANTOS AVENUE, SAN DIONISIO, PARAÑAQUE CITY
9	FAIRVIEW	16 COMMONWEALTH AVE., BRGY. COMMONWEALTH, QUEZON CITY
10	TARLAC	MC ARTHUR HIGHWAY, SAN RAFAEL, TARLAC CITY
11	DAU	MC ARTHUR HI-WAY, DAU, MABALACAT, PAMPANGA
12	SAN FERNANDO	FREEWAY STRIP OLONGAPO-GAPAN ROAD, DOLORES CITY OF SAN FERNANDO, PAMPANGA
13	CALAMBA	NATIONAL ROAD, BRGY. HALANG, CALAMBA CITY, LAGUNA
14	BATANGAS	LOT 2687-A DIVERSION ROAD, ALANGILAN, BATANGAS CITY
15	TAYTAY	MANILA EAST ROAD, BRGY. SAN JUAN, TAYTAY, RIZAL
16	ANTIPOLO	MARCOS HIGHWAY, BRGY. MAYAMOT, ANTIPOLO CITY, RIZAL
17	BALIUAG	KM. 48 DRT HIGHWAY, BRGY. TARCAN, BALIWAG, BULACAN
18	DASMARIÑAS	GOVERNOR'S DRIVE, PALIPARAN 1, DASMARIÑAS CITY, CAVITE
19	LAOAG	AIRPORT ROAD, BRGY. 50, BUTTONG, LAOAG CITY
20	MANDAUE	U.N. AVENUE, UMAPAD, MANDAUE CITY, CEBU
21	TALISAY	LOT 2359, LAWA-AN II, TALISAY CITY, CEBU
22	KAWIT	CENTENNIAL ROAD, MAGDALO, PUTOL, KAWIT, CAVITE
23	VALENZUELA	292 MC ARTHUR HI-WAY, DALANDANAN, VALENZUELA CITY
24	SAN PABLO	DOÑA MARIA VILLAGE PHASE 2, BRGY. BAGONG BAYAN, SAN PABLO CITY, LAGUNA
25	VILLASIS	NATIONAL HIGHWAY, BRGY. BACAG, VILLASIS, PANGASINAN
26	QUEZON AVE.	24 QUEZON AVE., LOURDES, QUEZON CITY
27	DAVAO	MC ARTHUR HIGHWAY, MATINA, DAVAO CITY
28	IT HUB	PASONG TAMO EXTENSION, BRGY. BANGKAL, MAKATI CITY
29	MOLINO	BACOR BOULEVARD, BRGY. MAMBOG IV, CITY OF BACOR
30	STA ROSA	TAGAYTAY ROAD, BRGY. PULONG, STA. CRUZ, STA. ROSA, LAGUNA
31	CDO	ZONE 5 , BRGY. CUGMAN, CAGAYAN DE ORO CITY
32	BACOLOD	MATAB-ANG TALISAY CITY, NEGROS OCCIDENTAL
33	BUTUAN	BRGY. BAAN, KM. 3, BUTUAN CITY
34	CABANATUAN	LOT 2040-C-3-B & Lot 2040-C-4, SUMACAB ESTE, MAHARLIKA HIGHWAY, PUROK 6, SUMACAB ESTE, CABANATUAN CITY
35	ILOILO	NORTH DIVERSION ROAD, BRGY. DUNGON-B, JARO, ILOILO CITY
36	TACLOBAN	PUROK SANTOL, BRGY. 80 MARASBARAS, TACLOBAN CITY, LEYTE

APPENDIX A: List of Operations Location (cont.)

	BRANCH NAME	LOCATION
37	SILANG	PUROK 9, BRGY. LALAAN II, SILANG, CAVITE CITY
38	ZAMBOANGA	LOT 2235C I-A BOALAN, ZAMBOANGA CITY
39	NAGA	BRGY. DEL ROSARIO, NAGA CITY
40	LIPA	BRGY. BUGTONG NA PULO, LIPA BATANGAS
41	PANACAN, DAVAO	BRGY. PANACAN VALLE VERDE, BUNAWAN, DAVAO CITY
42	TAYABAS	BRGY. ISABANG, TAYABAS QUEZON
43	GEN. SANTOS	PALEN, BRGY. LABANGAL, GENERAL SANTOS CITY
44	PUERTO PRINCESA	BRGY. SICSICAN, PUERTO PRINCESA CITY, PALAWAN
45	GENERAL TRIAS	BRGY. SAN FRANCISCO, GENERAL TRIAS CITY, CAVITE
46	STA. BARBARA, ILOILO	LOT 506B BRGY. BOLONG OESTE, STA. BARBARA, ILOILO
47	OPOL, MISAMIS ORIENTAL	ZONE 2A BRGY. BARRA, OPOL, MISAMIS ORIENTAL
48	STO. TOMAS, BATANGAS	MAHARLIKA HIGHWAY, BRGY. STA. ANASTACIA, STO. TOMAS, BATANGAS
49	ANTIPOLO II	LOT 2-A BRGY. SAN ISIDRO CIRCUMFERENTIAL RD. ANTIPOLO CITY
50	CALUMPIT	BRGY. PIO CRUZCOSA, CALUMPIT, BULACAN
51	IGUIG, CAGAYAN	BRGY. BAYO, IGUIG, CAGAYAN VALLEY RD.
52	SAN JOSE, BULACAN	BRGY. TUNGKONG MANGGA, SAN JOSE DEL MONTE CITY, BULACAN
53	COMMONWEALTH II	MATANDANG BALARA CAPITOL, QUEZON CITY
54	ORMOC	BRGY. SAN ISIDRO, ORMOC CITY, LEYTE
55	MAYAMOT, ANTIPOLO III	MARCOS HI-WAY, BRGY. MAYAMOT, ANTIPOLO
56	ALBAY	BRGY. PEÑAFRANCIA, DARAGA, ALBAY
57	TAGUM, DAVAO	BRGY. CANOCOTAN, TAGUM, DAVAO DEL NORTE
58	CORDON, ISABELA	BRGY. MALAPAT, CORDON, ISABELA
59	PILA, LAGUNA	BRGY. STA. CLARA SUR, PILA, LAGUNA
60	AKLAN	BRGY. CALANGCANG, MAKATO, AKLAN
61	OLONGAPO	NATIONAL ROAD, BRGY. BARRETTO, OLONGAPO CITY, ZAMBALES
62	TAYTAY II	RIZAL AVE., ILOG PUGAD BRGY. SAN JUAN TAYTAY, RIZAL
63	CABUYAO, LAGUNA	BRGY. SALA, CABUYAO, LAGUNA
64	LA UNION	BRGY. PARINGAO, BAUANG, LA UNION
65	SORSOGON	BRGY. MACABOG, SORSOGON CITY, SORSOGON
66	GAPAN, NUEVA ECIIJA	STO. CRISTO NORTE, GAPAN NUEVA ECIIJA
67	MALAYBALAY, BUKIDNON	SAN JOSE, MALAYBALAY CITY, BUKIDNON
68	BOHOL	BRGY. BINGAG, DAUIS, BOHOL
69	CALAPAN, ORIENTAL MINDORO	PUTING TUBIG, CALAPAN CITY, ORIENTAL MINDORO
70	BANTAY, ILOCOS SUR	AGGAY, BANTAY, ILOCOS SUR
71	LEMERY, BATANGAS	BRGY. TUBIGAN, LEMERY, BATANGAS
72	ABUCAY, BATAAN	BRGY. CAPITANGAN, ABUCAY, BATAAN

APPENDIX A:

List of Operations Location

	BRANCH NAME	LOCATION
73	SAN JOSE, NUEVA ECIJA	BRGY. MANICLA, SAN JOSE CITY NUEVA ECIJA
74	PANIQUEI, TARLAC	BRGY. APULID, PANIQUEI, TARLAC
75	ALIMALL	LG003/LG004 LOWER GRD FLR. ALIMALL II, ARANETA CENTER, SOCORRO, D3, CUBAO, QUEZON CITY
76	WCC	ANCHOR 1, 121 VISAYAS AVE., BAHAY TORO, QUEZON CITY
77	STA. MESA	425 PIÑA AVE., BRGY. 585 ZONE 057, SAMPALOC, MANILA
78	MINDANAO AVE.	L-5 B-7 MINDANAO AVE., BAHAY TORO I, QUEZON CITY
79	MUÑOZ	1066 EDSA, BAHAY TORO, QUEZON CITY
80	PASAY	16 C JOSE ST. COR. EDSA, MALIBAY, PASAY CITY
81	ILOILO	GROUND FLOOR UNIT A25-A26, FESTIVE WALK MALL, ILOILO BUSINESS PARK, MANDURRIAO , ILOILO CITY
82	SAN FERNANDO	MC ARTHUR HIGHWAY, BRGY. SAN NICOLAS, SAN FERNANDO, PAMPANGA
83	GUIGUINTO, BULACAN	MCARTHUR HIGHWAY, TUKTUKAN, GUIGUINTO, BULACAN
84	ROSARIO, BATANGAS	PUROK 5, BRGY. BAYBAYIN, ROSARIO BATANGAS
85	UPTOWN, CDO	KM 6, UPPER BALULANG, CAGAYAN DE ORO CITY
86	STA. MARIA	CENTRO ST. GUYONG, SANTA MARIA, BULACAN
87	ILIGAN CITY	PUROK LA PURISIMA, TUBOD, ILIGAN CITY LANA O DEL NORTE
88	NAIC, CAVITE	GOVERNOR'S DRIVE, BRGY. SABANG NAIC, CAVITE
89	SOUTH PARK MALL	ANCHOR SPACE 1B, 1ST FLOOR SOUTH PARK CENTER, ALABANG, MUNTINLUPA CITY
90	TUY, BATANGAS	SITIO CENTRO, BRGY. SABANG, TUY, BATANGAS
91	MORONG, RIZAL	MANILA EAST ROAD, LAGUNDI, MORONG, RIZAL
92	VALENCIA, BUKIDNON	PUROK 17-A POBLACION, VALENCIA, BUKIDNON
93	KORONADAL	PUROK SPRING, KORONADAL CITY, 9506 SOUTH COTABATO
94	VILLAMONTE, BACOLOD	LOT 3-A, NGC, CIRCUMFERENTIAL RD, BRGY. VILLAMONTE, BACOLOD, 6100 NEGROS OCCIDENTAL
95	STA. BARBARA, PANGASINAN	ZONE 3, MC ARTHUR HIGHWAY, SANTA BARBARA, 2419 PANGASINAN
96	ROXAS, CAPIZ	SITIO TRES ARCANGELES, ROXAS CITY, 5800 CAPIZ
97	LA TRINIDAD, BENGUET	LA TRINIDAD, 2601 BENGUET
98	PALA-PALA	AGUINALDO HWY, BRGY. SAMPALOC 1, DASMARIÑAS, 4114 CAVITE
99	PAGBILAO, QUEZON	BRGY. BUKAL, PAGBILAO QUEZON, QUEZON, 4302 QUEZON PROVINCE
100	LUBAO, PAMPANGA	BRGY STO. TOMAS, LUBAO, 2005 PAMPANGA

100
STORES NATIONWIDE
 AS OF DECEMBER 31, 2024

WILCON

DEPOT



Tatak Wilcon

WILCON DEPOT INC.

No. 90 E. Rodriguez Jr. Avenue

Ugong Norte, Quezon City

TEL: +63 286348387

www.wilcon.com.ph

ANNEX E

COVER SHEET

C	S	2	0	1	5	2	4	7	1	2
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S.E.C Registration No.

W	I	L	C	O	N		D	E	P	O	T		I	N	C	.		D	O	I	N	G			
B	U	S	I	N	E	S	S		U	N	D	E	R		T	H	E		N	A	M	E			
A	N	D		S	T	Y	L	E		O	F		W	I	L	C	O	N		D	E	P	O	T	,
W	I	L	C	O	N		H	O	M	E		E	S	S	E	N	T	I	A	L	S	,	D	O	
I	T		W	I	L	C	O	N		A	N	D		B	A	R	G	A	I	N					
C	E	N	T	E	R		B	Y	:		W	I	L	C	O	N		D	E	P	O	T			
(	F	O	R	M	E	R	L	Y		W	I	L	C	O	N		D	E	P	O	T		I	N	C.
D	O	I	N	G		B	U	S	I	N	E	S	S		U	N	D	E	R		T	H	E		
N	A	M	E		A	N	D		S	T	Y	L	E		O	F		W	I	L	C	O	N		
D	E	P	O	T		A	N	D		W	I	L	C	O	N		H	O	M	E					
E	S	S	E	N	T	I	A	L	S)															

(Company's Full Name)

9	0		E.		R	O	D	R	I	G	U	E	Z		J	R.		A	V	E.					
U	G	O	N	G		N	O	R	T	E		Q	U	E	Z	O	N		C	I	T	Y			

(Principal Office)

Atty. Sheila Pasicolan - Camerino

Contact Person

(02) 8634-8387

Tel. No.

Month

Day

FORM TYPE

Month

Date

(Annual Meeting)

Secondary License, (if applicable type)

MSRD

Dept. requiring this doc

N/A

Amended Articles number

Total stockholders

Domestic

Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2025
2. Commission identification number CS201524712
3. BIR Tax Identification No 009-192-878
4. Exact name of issuer as specified in its charter

WILCON DEPOT, INC. doing business under the name and style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (Formerly, WILCON DEPOT, INC. doing business under the name and style of WILCON DEPOT and WILCON HOME ESSENTIALS)

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

QUEZON CITY, PHILIPPINES

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

90 E. RODRIGUEZ JR. AVENUE, UGONG NORTE, QUEZON CITY, 1110

8. Issuer's telephone number, including area code: (02) 8634 8387
9. Former name, former address and former fiscal year, if changed since last report: N/A
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 SHARES	4,099,724,116
----------------------	----------------------

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

Yes [☒] No [☐)

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

PHILIPPINES STOCK EXCHANGE COMMON SHARES

12. Indicate by check mark whether the registrant:

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

Yes [☒) No [☐)

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

Yes [☒) No [☐)

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited interim financial statements of Wilcon Depot, Inc. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT as at March 31, 2025 and December 31, 2024 and for the three-month period ended March 31, 2025 and 2024, are filed as part of this form 17-Q.

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

Results of Operations for the Three-month Period Ended March 31, 2025 and 2024

The Company recorded net income of ₱536 million for the first three-month period of 2025, lower by ₱204 million or 27.5% from the ₱740 million reported during the same period in 2024. Net margins for the respective periods were 6.4% and 8.9%. The decline was primarily attributable to higher operating expenses and a reduction in gross profit.

Net Sales

Net sales for the three-month period ended March 31, 2025, amounted to ₱ 8,408 million, a ₱98 million or 1.2% growth from the same period last year. The increase was primarily driven by new store sales, despite the partial drag from lower comparable sales of 3.6%.

During the first quarter of 2025, the Company opened a new depot in North Luzon and a smaller-format Do-It-Wilcon (DIW) store in Metro Manila, bringing the total number of branches to 102.

On a per format basis, sales from the depot-format stores, which comprised 96.5% of total net sales, went up by ₱142 million or 1.8% to ₱8,116 million from the ₱7,973 million net sales for the three-month period of 2024. Sales from new depots contributed 4.8% to the total net sales growth, however, comparable sales declined by 3.1%.

The smaller format, DIW, which includes the original Home Essentials stores, recorded net sales of ₱258 million, a ₱26 million or 11.1% increase year-on-year. Comparable sales for the format grew by 7.4%, with new stores making up for the rest of the growth.

The remaining 0.4% of total net sales was accounted for by project sales or sales to major institutional accounts, which amounted to ₱34 million, with a ₱70 million or 67.2% year-on-year decrease.

Gross Profit

Gross profit was lower by ₱56 million or 1.7% from the 2024 first quarter level of ₱3,320 million to close at ₱3,264 million for the period, for a gross profit margin rate of 38.8%. The decrease was primarily attributed to a contraction in the gross profit margin rate, which declined by 110 basis points year-on-year. This decline was driven by margin compression in both the non-exclusives and the exclusives and in-house brands categories, largely due to the continued popularity of our best deals offerings. The contribution of in-house and exclusive brands also slipped slightly to 52.2% from 52.6%, mainly as a result of lower project sales.

Operating Expenses

Operating expenses increased to ₱2,408 million for the period, up by ₱106 million or 4.6% from the prior year's ₱2,302 million. The increase is attributable mainly to expansion-related operating expenses such as manpower expenses, depreciation and amortization, supplies, and utilities.

Interest Expense

Interest expense increased by ₱85 million, or 50.4%, to a total of ₱255 million for the period from the prior year's three-month period of ₱169 million, attributable mainly to additional leases. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the Company's adoption of PFRS 16 on leases.

Other Income (Charges)

Other income (charges) for the three-month period ended March 31, 2025, amounted to ₱110 million, lower by ₱26 million or 19.4% from the ₱137 million generated for the same period in 2024, mainly due to the collection timing of supplier support, and other fees and rental income. Meanwhile, non-operating interest income declined by ₱6 million.

Earnings Before Interest and Tax (EBIT) / Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Adjusting the 2025 and 2024 depreciation and amortization to exclude right-of-use (ROU) depreciation and interest expense on lease liability and consider these as rent expense, EBITDA and EBIT were as follows:

- 1) EBITDA for the three-month period March 31, 2025 reached ₱1,063 million, or 12.6% of net sales, was lower by 17.9% from the ₱1,295 million, or 15.6% of net sales, recorded for the same period ended March 31, 2024.
- 2) EBIT for the first three (3) months of 2025 is ₱697 million or 8.3% of net sales, registered a 28.7% decline from the previous year's ₱977 million EBIT or 11.8% of the 2024 net sales for the same period.

The decrease in both EBITDA and EBIT was driven by higher operating expenses and a reduction in gross profit margin, partly offset by a rise in net sales.

Income Tax Expense

Consequently, the Company's income tax expense reduced by ₱71 million or 28.9% to end at ₱174 million in the first quarter of 2025 from the ₱245 million incurred during the same period last year. The decrease was due mainly to lower taxable income.

Financial Condition as at March 31, 2025

Liquidity

Net cash provided by operating activities decreased by ₱94 million or 8.0% in 2025 compared to 2024, primarily driven by higher inventory purchases during the quarter. Net cash used in investing activities was lower by ₱206 million or 24.2% in 2025 compared to 2024, as a result of decreased capital expenditures. Cash used in financing activities reflected ₱508 million lease payments. Current ratio slightly increased from 2.05:1.00 to 2.13:1.00.

Cash and cash equivalents and short-term investments totaled ₱2,107 million, a ₱73 million or 3.4% decrease from the balance as at December 31, 2024. The decline was mainly due to continued working capital spending.

Capital Expenditure

For the quarter, the Company's capital expenditure totaled ₱652 million, the bulk of which was spent on the renovation and construction of new stores.

Capital Resources

The Company continues to have easy access to the debt markets for both its working capital and long-term funding requirements having remained bank debt-free and with preferential lines with the Philippines' top banks.

The company's liabilities consist mostly of trade payables and lease liabilities recognized pursuant to the adoption of PFRS 16 – Leases. The company has no existing lease or other contracts with material contingent liability that will adversely affect the company's operations or the implementation of its strategic initiatives.

Key Financial Performance Indicators

Key Performance Indicators	YTD March 31, 2025	YTD March 31, 2024
Sales	8,408,291,423	8,310,527,312
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense ¹	697,079,391	977,304,988
EBITDA – Adjusted / Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ²	1,063,049,863	1,294,898,317
EBIT Margin - Treating Interest on Lease Liability as Rent Expense ³	8.29%	11.76%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense ⁴	12.64%	15.58%
	As at March 31, 2025	As at March 31, 2024
Return on Equity Ratio ⁵	2.34%	3.34%
Current Ratio ⁶	2.13	2.05
Debt to Equity Ratio ⁷	0.80	0.79

1 Income before tax add net interest expense less lease interest expense

2 Income before tax add net interest expense and depreciation and amortization less lease interest expense and depreciation on ROU assets

3 EBIT / Net Sales

4 EBITDA / Net Sales

5 Net Income / Total Equity

6 Current Assets / Current Liabilities

7 Total Liabilities / Total Equity

MATERIAL CHANGES (+/-5%) IN THE FINANCIAL STATEMENTS

Statement of Financial Position as at March 31, 2025 and December 31, 2024

1. Aggregate cash decreased by ₱73 million or 3.4% from ₱2,180 million at the close of 2024 to ₱2,107 million as at March 31, 2025, due primarily to acquisition of property and equipment as well as higher lease payments, and lower net cash flows from operating activities.
2. Trade and other receivables totaled ₱332 million as at March 31, 2025, ₱196 million or 37.1% lower than the ₱528 million balance as at December 31, 2024. The decrease was mainly due to the lower project sales.
3. Advanced payments to suppliers for merchandise orders and operating expenses decreased by ₱39 million or 12.1% from ₱319 million at the close of 2024 to ₱281 million as at March 31, 2025, mainly due to the receipt of merchandise inventories from suppliers.
4. Merchandise Inventories increased by ₱1,391 million or 9.8% from ₱14,249 million at the close of 2024 to ₱15,640 million as at March 31, 2025. The growth was primarily driven by the arrival of inventory orders during the quarter.
5. Other current assets rose by ₱70 million or 8.4% from ₱835 million at the close of 2024 to ₱906 million as at March 31, 2025, due mainly to an increase in prepayments and partially offset by a decrease in input tax.
6. Right of Use Assets increased by ₱673 million or 8.6% from ₱7,864 million at the close of 2024 to ₱8,536 million as at March 31, 2025. This growth was primarily due to the contract renewals and additions of new stores.
7. Net deferred tax assets increased by ₱32 million or 5.0% from ₱644 million at the close of 2024 to ₱676 million as at March 31, 2025, due to the impact of PFRS16 accounting and recognition of actuarial loss on retirement.
8. Trade and other payables increased by ₱603 million or 11.3% from ₱5,333 million at the close of 2024 to ₱5,937 million as at March 31, 2025 due mainly to higher purchases and expenses on credit.
9. The current portion of lease liability increased by ₱387 million or 41.4% from ₱934 million at the close of 2024 to ₱1,321 million as at March 31, 2025, due mainly to a higher number of leases approaching their contract end.
10. Income tax payable increased by ₱203 million or 172.0% from ₱118 million at the close of 2024 to ₱321 million as at March 31, 2025, mainly due to year-to-date income taxes.

Income Statement Items

1. Operating expenses increased to ₱2,408 million for the period, up by ₱106 million or 4.6% from the prior year's ₱2,302 million. The increase was attributable mainly to expansion-related operating expenses such as manpower expenses, depreciation and amortization, supplies, and utilities.
2. Interest expense increased by ₱85 million, or 50.4%, to a total of ₱255 million for the period from the prior year's three-month period of ₱169 million, attributable mainly to additional leases. All interest expense represents non-cash interest charged on lease liability recognized for the period in relation to the Company's adoption of PFRS 16 on leases.
3. Other income (charges) for the three-month period ended March 31, 2025, amounted to ₱110 million, lower by ₱26 million or 19.4% from the ₱137 million generated for the same period in 2024, mainly due to the collection timing of supplier support, and other fees and rental income.
4. The Company's income tax expense decreased by ₱71 million or 28.9% to end at ₱174 million in the three-month period of 2025 from the ₱245 million incurred during the same period last year. The decrease is due mainly to lower taxable income.

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.


SIGNATURES

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

April 30, 2025

WILCON DEPOT, INC.

By:



LORRAINE BELO-CINCOCHAN
President - CEO



MARK ANDREW BELO
Treasurer

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of
WILCON CITY CENTER)

Unaudited Interim Financial Statements
As at March 31, 2025 and December 31, 2024 and
For the Three-Month Period Ended March 31, 2025 and March 31, 2024

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2025 AND DECEMBER 31, 2024

	Note	2025 Unaudited	2024 Audited
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱1,007,340,876	₱1,080,478,502
Short-term investments	5	1,100,000,000	1,100,000,000
Trade and other receivables	6	331,683,362	527,645,451
Advance payments to suppliers	6	280,616,089	319,254,911
Merchandise inventories	7	15,640,186,439	14,248,773,904
Other current assets	8	905,609,970	835,223,988
Total Current Assets		19,265,436,736	18,111,376,756
Noncurrent Assets			
Property and equipment	9	12,239,527,631	11,946,172,877
Right-of-use (ROU) assets	10	8,536,452,295	7,863,541,026
Net deferred tax assets	17	676,120,712	644,029,113
Other noncurrent assets	11	490,061,676	500,897,077
Total Noncurrent Assets		21,942,162,314	20,954,640,093
		₱41,207,599,050	₱39,066,016,849
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	₱5,936,777,899	₱5,333,465,189
Dividends payable	14	1,475,900,682	—
Current portion of lease liabilities	10	1,320,986,658	934,165,779
Income tax payable		321,200,937	118,083,373
Total Current Liabilities		9,054,866,176	6,385,714,341
Noncurrent Liabilities			
Lease liabilities - net of current portion	10	9,047,701,946	8,630,255,748
Net retirement liability	13	203,727,528	209,175,162
Total Noncurrent Liabilities		9,251,429,474	8,839,430,910
Total Liabilities		18,306,295,650	15,225,145,251
Equity			
Capital stock	14	4,099,724,116	4,099,724,116
Additional paid-in capital	14	5,373,738,427	5,373,738,427
Other comprehensive income		46,064,397	46,064,397
Retained earnings		13,381,776,460	14,321,344,658
Total Equity		22,901,303,400	23,840,871,598
		₱41,207,599,050	₱39,066,016,849

See accompanying Notes to Financial Statements.

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025 AND 2024

		Unaudited	
	Note	2025	2024
NET SALES		₱8,408,291,423	₱8,310,527,312
COST OF SALES	7	(5,144,716,984)	(4,990,653,824)
GROSS INCOME		3,263,574,439	3,319,873,488
OPERATING EXPENSES	15	(2,408,206,348)	(2,302,122,203)
INTEREST EXPENSE	10	(254,922,849)	(169,456,100)
OTHER INCOME – Net	16	110,157,090	136,602,723
INCOME BEFORE INCOME TAX		710,602,332	984,897,908
INCOME TAX EXPENSE (BENEFIT)	17		
Current		206,361,448	268,968,251
Deferred		(32,091,600)	(23,933,739)
		174,269,848	245,034,512
NET INCOME		536,332,484	739,863,396
OTHER COMPREHENSIVE INCOME (LOSS)		–	–
TOTAL COMPREHENSIVE INCOME		536,332,484	739,863,396
BASIC AND DILUTIVE EARNINGS PER SHARE	19	₱0.13	₱0.18

See accompanying Notes to Financial Statements.

WILCON DEPOT, INC.
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UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025 AND 2024

		Unaudited	
	Note	2025	2024
CAPITAL STOCK	14	₱4,099,724,116	₱4,099,724,116
ADDITIONAL PAID-IN CAPITAL		5,373,738,427	5,373,738,427
OTHER COMPREHENSIVE INCOME			
Cumulative Remeasurement Gains on Retirement Liability		46,064,397	177,178,885
RETAINED EARNINGS			
Unappropriated			
Balance at beginning of period		8,321,344,658	10,758,841,446
Net income		536,332,484	739,863,396
Cash dividends	14	(1,475,900,682)	(1,065,928,270)
Balance at end of period		7,381,776,460	10,432,776,572
Appropriated			
Balance at beginning of period	14	6,000,000,000	2,100,000,000
Balance at end of period		6,000,000,000	2,100,000,000
		13,381,776,460	12,532,776,572
		₱22,901,303,400	₱22,183,418,000

See accompanying Notes to Financial Statements.

WILCON DEPOT, INC.
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Doing Business under the Name and Style of WILCON CITY CENTER)

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025 AND 2024

		Unaudited	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P 710,602,332	P984,897,908
Adjustments for:			
Depreciation and amortization	9	754,114,064	711,746,727
Interest expense	10	254,922,849	169,456,100
Insurance claim income	6	118,809,899	–
Provision for:			
Allowance for expected credit loss on receivables	6	22,971,764	8,342,207
Inventory write-down and losses	7	–	18,347,771
Reversal of:			
Allowance for expected credit loss on receivables	6	(29,247,384)	(19,765,396)
Inventory write-down and losses	7	(3,664,063)	–
Loss on (recovery of) written-off account receivable		–	(519,170)
Retirement benefits	13	14,143,681	9,136,814
Interest income	4	(13,522,941)	(7,592,920)
Gain on sale of property and equipment	16	–	(535,714)
Operating income before working capital changes		1,829,130,201	1,873,514,327
Decrease (increase) in:			
Advance payments to suppliers		38,638,822	146,688,898
Trade and other receivables		96,521,142	37,116,764
Merchandise inventories		(1,387,748,471)	(188,742,981)
Other current assets		(77,759,295)	168,817,408
Decrease in trade and other payables		603,312,712	(851,348,437)
Net cash generated from operations		1,102,095,111	1,186,045,979
Contributions to retirement plan	13	(19,591,315)	(13,667,396)
Interest received from cash equivalents		–	4,137,222
Interest received from cash in banks		149,608	212,920
Net cash provided by operating activities		1,082,653,404	1,176,728,725
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment	9	(648,503,431)	(831,091,686)
Computer software	11	(3,398,945)	(14,511,216)
Decrease (increase) in:			
Advances to contractors	11	3,868,361	(9,894,533)
Other noncurrent assets	11	(455,807)	280,827
Interest received from investments		280,000	–
Net proceeds from sale of property and equipment		–	535,714
Net cash used in investing activities		(648,209,822)	(854,680,894)

(Forward)

	Note	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of Lease liabilities	10	(P507,581,208)	(P472,819,417)
Cash used in financing activities		(507,581,208)	(472,819,417)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(73,137,626)	(150,771,586)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			
		1,080,478,502	1,865,160,075
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
	4	P1,007,340,876	P1,714,388,489

See accompanying Notes to Financial Statements.

WILCON DEPOT, INC.
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DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
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Doing Business under the Name and Style of WILCON CITY CENTER)

NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2025 AND DECEMBER 31, 2024 AND
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

1. Corporate Information

WILCON DEPOT, INC. Doing Business under the Name and Style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on December 17, 2015. The Company is engaged in buying and selling of all kinds of goods, commodities, wares and merchandise at wholesale and retail.

The Company is a subsidiary of WILCON CORPORATION Doing Business under the Name and Style of WILCON CITY CENTER (the Parent Company), a holding company incorporated in the Philippines. The ultimate parent company is LIAM ROS HOLDINGS INC., a holding company incorporated in the Philippines.

On November 17, 2023, the Company amended its articles of incorporation and by-laws to reflect the change in its business name from “WILCON DEPOT, INC. Doing business under the name and style of WILCON DEPOT and WILCON HOME ESSENTIALS” to “WILCON DEPOT, INC. Doing business under the name and style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT.”

On March 31, 2017, the 1,393,906,200 common shares of the Company were listed in the Philippine Stock Exchange (PSE) at an offer price of ₱5.05 a share. Net proceeds from the Initial Public Offering (IPO) amounted to ₱6,749.3 million, net of offer expenses of ₱289.9 million (see Note 14).

The registered office address of the Company is at No. 90 E. Rodriguez Jr. Avenue, Brgy. Ugong Norte, Quezon City.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including the SEC pronouncements.

The material accounting policies used in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

Measurement Bases

The financial statements have been presented in Philippine Peso, which is the functional currency of the Company. All amounts are in absolute values, unless otherwise stated.

The financial statements of the Company have been prepared on the historical cost basis of accounting, except for the following:

- Net retirement liability which is carried at the present value of the defined benefit obligation less the fair value of plan assets; and
- Lease liabilities that are carried at the present value of future lease payments.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Further information about the assumptions made in measuring fair value is included in the following notes:

- Note 13, *Retirement Plan*
- Note 21, *Fair Value of Financial Instruments*

Adoption of Amended PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amended PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024. The amendments did not materially affect the financial statements of the Company.

New and Amended PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amended PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS Accounting Standards 9, *Financial Instruments*, and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through

an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
 - Amendments to PFRS Accounting Standards 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS Accounting Standards 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘transaction price as defined by PFRS Accounting Standards 15, Revenue from Contracts with Customers’ to ‘the amount determined by applying PFRS Accounting Standards 15’ to remove potential confusion. Earlier application is permitted.
 - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term ‘cost method’ with ‘at cost’ following the deletion of the definition of ‘cost method’. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets at Amortized Cost

The Company’s cash and cash equivalents, short-term investments, trade and other receivables (excluding advances to officers and employees), container deposits (presented as part of “Other current assets”), security and electricity deposits and refundable cash bonds (presented as part of “Other noncurrent assets”) are classified as financial assets at amortized cost. These financial assets are measured at amortized cost less allowance for expected credit losses (ECL), if any. For trade

receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Meanwhile, impairment of other financial assets is assessed based on potential liquidity of counterparties based on available financial information. Financial assets are derecognized when the right to receive cash flows from the asset has expired or the Company has transferred its right to receive cash flows from the financial asset.

Financial Liabilities at Amortized Cost

The Company's trade and other payables (excluding statutory payables, advances from customers and unearned revenue) and lease liabilities are classified as financial liabilities at amortized cost. The Company recognized financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Merchandise Inventories

Merchandise inventories are valued at the lower of cost and net realizable value (NRV). Cost, which includes all costs directly attributable to acquisition such as purchase price and freight-in, is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete the sale.

When inventories are sold, the carrying amount of those inventories is recognized to profit or loss in the year when the related revenue is recognized.

When the NRV of inventories is lower than the cost, a write-down is charged to cost of sales at the year in which it occurred. Reversals of write-down of inventories arising from an increase in NRV is recognized as reduction in the amount of inventories recognized as expense in the year in which the reversal occurs.

Other Assets

Advance Payments to Suppliers. Advance payments to suppliers are amounts paid in advance for the purchase of inventories and supplies. These are carried at the amount of cash paid and are recognized to the proper asset account when the inventories and supplies are received.

Materials and Supplies. Materials and supplies are carried at cost and are recognized as expense upon when used.

Prepaid Expenses. Prepaid expenses are expenses paid in advance and recorded as asset before these are utilized. Prepaid expenses are apportioned over the period covered by the payment and charged to appropriate expense accounts in profit or loss when incurred. Prepaid expenses that are expected to be realized for no more than 12 months after the financial reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Value Added Tax (VAT). Revenue, expenses and assets are generally recognized net of the amount of VAT except in cases where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, or receivables and payables that are stated with the amount of VAT included.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods to be amortized over 60 months or the useful life of the capital goods, whichever is shorter, and input VAT on the unpaid portion of availed services. The input VAT on the purchases or imports of capital goods exceeding ₱1.0 million subsequent to December 31, 2021 may be claimed outright.

Computer Software. Computer software acquired is measured on initial recognition at cost. Subsequent to initial recognition, computer software is carried at cost less accumulated amortization and any impairment losses.

Computer software is amortized over the economic useful life of eight (8) years and assessed for impairment whenever there is an indication that the computer software may be impaired. The amortization period and method for computer software are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Advances to Contractors. Advances to contractors represent advance payments made in relation to purchase of materials and services for the construction of stores and are carried at cost less any impairment in value. These will be applied against future billings.

Property and Equipment

Property and equipment, excluding construction in progress, are stated at cost less accumulated depreciation, amortization and any impairment in value.

The initial cost of property and equipment comprises of its purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use.

Construction in progress represents stores under construction and is stated at cost. Cost includes costs of construction, labor and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are ready for use.

Depreciation and amortization are computed using the straight-line basis over the estimated useful lives of the assets as follows:

Asset Type	Number of Years
Buildings and improvements	15 to 20 or term of lease, whichever is shorter
Furniture and equipment	5
Leasehold improvements	5 or term of lease, whichever is shorter
Transportation equipment	5

The estimated useful life of solar panels recognized as part of "Building and Leasehold improvements" installed in the leased and owned buildings is 15 years.

The estimated useful lives and depreciation and amortization are reviewed and adjusted,

if appropriate, at each reporting date to ensure that such years and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.

Fully depreciated and amortized assets are retained in the accounts until these are no longer being used and no further depreciation and amortization are credited or charged to profit or loss.

Impairment of Nonfinancial Assets

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

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued. The excess of proceeds from the issuance of shares over the par value of shares is credited to additional paid-in capital.

Other Comprehensive Income. Other comprehensive income comprises items of income and expenses (including items previously presented under the statements of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. Other comprehensive income pertains to cumulative remeasurement gains on net retirement liability.

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss net of dividend distributions and other capital adjustments. Unappropriated retained earnings represent the portion which can be declared as dividends to stockholders. Appropriated retained earnings represent the portion which has been restricted and therefore is not available for any dividend declaration.

Dividend Distribution. Dividend distribution to the Company's stockholders is recognized as a liability and deducted from equity in the year in which the dividends are declared as approved by the Company's BOD. Dividends that are approved after the reporting year are dealt with as an event after the reporting year.

Revenue Recognition

The Company assessed that it acts as principal in all of its revenue sources.

Revenue within the scope of PFRS Accounting Standards 15, *Revenue from Contracts with Customers* is recognized as follows:

Net Sales. Revenue is recognized when the control of the goods is transferred to the buyer, which is normally upon delivery or pick up of goods, and measured at the fair value of the consideration received or receivable, net of returns, trade discounts and unearned revenue from loyalty program.

The award credits from the loyalty program are identifiable component of sale transactions in which these are granted. The fair value of the consideration received or receivable in respect to the sale is allocated between the award credits and the other components of the sale. The Company recognizes the consideration received allocated to award credits as sale when award credits are redeemed and it fulfills its obligations to supply the award credits.

Any unredeemed award credits as at reporting date are recognized as unearned revenue included under "Trade and other payables" account in the statements of financial position.

Other Income. Revenue is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Company through an increase in asset or reduction in liability and that can be measured reliably.

Revenue outside scope of PFRS Accounting Standards 15 is recognized as follows:

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield of the asset, net of final tax.

Rent Income. Revenue arising from rent of property is recognized on a straight-line basis over the lease term.

Cost and Expense Recognition

Cost of sales. Cost of sales are recognized in profit or loss when the related goods are sold, services are utilized or at the date the costs and expenses are incurred.

Operating Expenses. Operating expenses constitute cost of administering the business and cost incurred to sell and market the goods. These include advertising and freight and handling, among others. Operating expenses are expensed as incurred.

Interest Expense. Expense is recognized as the interest accrues, taking into account the effective yield of the asset.

Employee Benefits

Short-term Employee Benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. A liability is also recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. Retirement benefit costs are actuarially determined using the projected unit credit method, which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs, past service costs and net interest expense or income in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

Remeasurements comprising actuarial gains and losses and return on plan assets (excluding net interest on defined benefit obligation) are recognized immediately in other comprehensive income in the year in which these arise. Remeasurements are not reclassified to profit or loss in subsequent year.

The net retirement liability is the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as Lessee

At the commencement date, the Company recognizes right-of-use (ROU) asset and a lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. ROU asset is recognized under the same basis with property and equipment at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lease Liability. At commencement date, the Company measures lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate. A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

The Company as a Lessor

Leases where a significant portion of the risks and rewards of ownership over the asset are retained by the lessor, are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight-line basis of accounting over the period of the lease.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at end of the reporting year.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Earnings per Share

The Company presents basic and diluted earnings per share. Basic earnings per share are calculated by dividing the net income by the weighted average number of common shares outstanding during the year. Diluted earnings per share are calculated in the same manner, adjusted for the effects of all dilutive potential common shares.

The Company has no dilutive potential common shares.

Related Party Relationship and Transactions

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, by owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual; and (d) members of the key management personnel of the Company.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Segment Reporting

Operating segments are components of the Company: (a) that engage in business activities from which this may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the Company; (b) whose operating results are regularly reviewed by the Company's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Company reports separate information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and (c) the assets of the segment are 10% or more of the combined assets of all operating segments.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Contingencies

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

Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at the end of the reporting year (adjusting events) are reflected in the financial statements. Events after the reporting date that are non-adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires the Company to exercise judgment, make estimates and use assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments and estimates are based on management's evaluation of relevant facts and circumstances as of the date of the comparative financial statements. Actual results could differ from these estimates, and as such estimates will be adjusted accordingly when the effects become determinable.

Judgments

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

Determining the Operating Segments. Determination of operating segments is based on the information about components of the Company that management uses to make decisions about the operating matters. Operating segments use internal reports that are regularly reviewed by the Company's chief operating decision maker, which is defined to be the Company's BOD, in order to allocate resources to the segment and assess its performance.

The Company has only one (1) reportable operating segment which is the trading business and one (1) geographical segment as all of the assets are located in the Philippines. The Company operates and derives all its revenue from domestic operations. Accordingly, no further disclosures on operating and geographical segments are necessary.

Determining the Classification of Financial Assets. Classification of financial assets depends on the results of the business model test and sole payment of principal and interest (SPPI) test performed by the Company.

The Company exercises judgment in determining the business model to be used in managing its financial instruments to achieve its business objectives. Below are the key factors considered by the Company in its business model assessment:

- Specific business objectives in holding the financial assets,
- Policies in managing the risks of the financial assets,
- Expected frequency, value and timing of sales, and
- Key performance indicators of the financial assets.

The Company also determines whether the contractual terms of debt instruments classified and measured as financial assets at amortized cost give rise to specified dates to cash flows that are solely payments for principal and interest, with interest representing time value of money and credit risk associated with the outstanding principal amount. Any other contractual term that changes the timing or amount of cash flows does not meet the SPPI test.

Determining the Classification of Lease Arrangements and Appropriate Lease Term and Discount Rates. The Company, as a lessee, has various lease agreements with related parties and third parties for land, buildings, and retail and office units.

The Company has exercised significant judgment in determining the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or in any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

All the existing Company leases, except for short-term lease on transportation equipment and leases on land and buildings with less than 12 months term qualify as leases under PFRS Accounting Standards 16.

Lease liabilities and ROU assets were recognized for the remaining lease agreements. Payments of lease liabilities are allocated over the principal liability and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each year. The ROU assets are amortized over the lease term on a straight-line basis.

The leases on land, buildings, and retail and office units are renewable upon mutual agreement by both parties (as amended for certain lease agreements) to be covered by a separate and new lease agreement. Accordingly, the renewal option was not considered in the lease term for purposes of the recognition of ROU assets and lease liabilities.

Significant management judgment was likewise exercised by the Company in determining the discount rate, whether implicit rate, if readily available or incremental rate, to be used in calculating the present value of ROU assets and lease liabilities. The discount rate ranges from 4.74% to 8.56% which are the incremental borrowing rates as obtained from the banks.

Reassessments are made on a continuing basis whether changes should be reflected on the amount of lease liabilities due to circumstances affecting lease payments.

The details of the interest expense on lease liabilities, and amortization on ROU assets are disclosed in Note 10 to the financial statements.

Rent expense on short-term lease on transportation equipment and leases on land and buildings with less than 12 months' term is disclosed in Note 10 to the financial statements.

The carrying amount of ROU assets and lease liabilities are disclosed in Note 10 to the financial statements.

The Company, as a lessor, has existing lease agreements on facade billboards, cashier counter spaces, window displays, street banners and gondola lightings. The Company has determined that the significant risks and benefits of ownership over the leased properties remain with the Company. Accordingly, the Company accounts for the lease agreements as operating leases.

Rental income is disclosed in Note 10 to the financial statements.

Evaluating Contingencies. The Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Company's management and legal counsel believe that the eventual liabilities or claims under these lawsuits will not have a material effect on the financial statements.

Estimates and Assumptions

The key estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances of the financial statements. Actual results could differ from those estimates. Presented below are the relevant significant estimates performed by management in preparing the financial statements.

Assessing the Impairment of Trade and Other Receivables. The Company is using the simplified approach in measuring ECL based on lifetime and 12-month ECL on its trade and other receivables, respectively. The Company has established a provision matrix that uses historical credit loss experience adjusted for forward-looking factors, as appropriate.

Provision for (reversal of) allowance for ECL is disclosed in Note 6 to the financial statements.

Based on management assessment, the allowance for ECL of trade and other receivables as at March 31, 2025 and December 31, 2024 is adequate to cover for possible losses.

The carrying amount of trade and other receivables and allowance for ECL are disclosed in Note 6 to the financial statements.

Assessing the Impairment Losses on Other Financial Assets at Amortized Cost. In assessing ECL for other financial asset at amortized cost, the Company uses historical credit loss experience adjusted for forward-looking factors, as appropriate. The Company has no history of actual losses. No provision for impairment losses on other financial assets at amortized cost were recognized in March 31, 2025 and December 31, 2024.

The carrying amounts of other financial assets are disclosed in Notes 4, 5, 8 and 11 to the financial statements.

Determining the NRV of Merchandise Inventories. The Company recognizes inventory write down and losses whenever NRV becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of NRV are based on the most reliable evidence available at the time the estimates are made of the amount the inventories that are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to

the extent that such events confirm conditions existing at reporting date. The adequacy of allowance for inventory write-down and losses is reviewed periodically to reflect the accurate valuation in the financial statements.

The carrying amount of merchandise inventories and net provision for inventory write-down and losses are disclosed in Note 7 to the financial statements.

The details of the allowance for inventory write-down and losses are disclosed in Note 7 to the financial statements.

Estimating the Useful Lives of Property and Equipment and Computer Software. The Company estimates the useful lives of property and equipment and computer software based on the years over which the assets are expected to be available for use. The estimated useful lives of property and equipment and computer software 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. As at March 31, 2025 and December 31, 2024, there is no change in the estimated useful lives of property and equipment and computer software.

The carrying amounts of depreciable property and equipment and computer software are disclosed in Notes 9 and 11 to the financial statements.

Assessing the Impairment of Nonfinancial Assets. The Company assesses any impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of assets or group of assets may not be recoverable. Factors that the Company considered in deciding when to perform impairment review includes the following among others:

- significant under-performance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit to which the assets belong.

There were no indications that the carrying amount of nonfinancial assets may be impaired. Accordingly, no impairment loss was recognized in March 31, 2025 and December 31, 2024.

The carrying amount of nonfinancial assets assessed for possible impairment are disclosed in Notes 6, 8, 9, 10 and 11 to the financial statements.

Determining the Retirement Liability. The determination of the obligation and cost of retirement benefits is dependent on the assumptions determined by management and used by the actuary in calculating such amounts. These assumptions are described in Note 13 to the financial statements and include, among others, discount rate and salary increase rate. Actual results that differ from the Company's assumptions are accumulated and recognized in other comprehensive income, therefore, generally affect the recognized expense and recorded obligation in such future periods.

The details of the Company's retirement expense and net retirement liability are disclosed in Note 13 to the financial statements.

Assessing the Realizability of Deferred Tax Assets. The Company reviews the carrying amount of deferred tax assets at each reporting date and reduced to the extent that it is no longer probable that

sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

The Company's recognized deferred tax assets is disclosed in Note 17 to the financial statements.

4. Cash and Cash equivalents

Details of this account are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	₱10,456,842	₱15,983,707
Cash in banks	996,884,034	914,494,795
Cash equivalents	–	150,000,000
	₱1,007,340,876	₱1,080,478,502

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents represent money market placements with interest rate ranging from 4.0% to 6.00% per annum.

Details of interest income are as follows (see Note 16):

		For the Three-month period Ended March 31 (Unaudited)	
	Note	2025	2024
Cash in banks and cash equivalents		₱13,160,000	₱7,592,920
Short-term investments		362,941	–
	16	₱13,522,941	₱7,592,920

5. Short-term investments

Short-term investments amounting to ₱1,100.0 million as at March 31, 2025 and December 31, 2024, respectively, represent money market placements with terms of more than three (3) months to less than one (1) year, which bears interest from 5.95% to 6.00%.

Interest income from these investments amounted to ₱13.5 million and ₱7.6 million for the three-month period ended March 31, 2025 and 2024, respectively (see Note 4).

6. Trade and Other Receivables and Advance Payments to Suppliers

Details of this trade and other receivables are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade:			
Third parties		₱281,438,861	₱408,899,943
Related parties	18	1,361,256	2,965,102
Insurance claim receivable		–	118,809,899
Advances to officers and employees		30,357,522	30,965,188
Rent receivables	9	22,513,101	15,901,886
Others		58,548,806	18,915,237
		394,219,546	596,457,255
Allowance for ECL		(62,536,184)	(68,811,804)
		₱331,683,362	₱527,645,451

Trade receivables are unsecured, noninterest-bearing and have credit terms of 30 to 60 days.

On April 24, 2024, the Company's Baliwag, Bulacan branch sustained substantial damage due to a fire incident. The Company incurred losses aggregating to ₱173.3 million, encompassing merchandise inventory, materials, supplies, property, and equipment. On December 27, 2024, the Company received an insurance offer letter with an approximate amount of ₱118.8 million that is expected to be settled on the first quarter of the subsequent year. Consequently, casualty loss from the fire net of insurance claim income amounted to ₱54.5 million.

On the first quarter of 2025, the Company received the ₱118.8 million from insurance claims.

Advances to officers and employees are noninterest-bearing advances and are normally settled through salary deduction. This account also includes cash advances to employees and officers for store operations which are for liquidation.

Rent receivables, which are collectible within one (1) year, include receivables from the lease of gondola lightings, facade billboards, window displays and street banners. Rent receivable from related parties amounted to ₱0.5 million and ₱0.3 million in 2025 and 2024, respectively (see Note 18).

Others mainly pertain to accrued interest, income from incidental services rendered, including income from related parties amounting to ₱1.4 million and ₱0.3 million in 2025 and 2024, respectively (see Note 18).

Amounts in Millions	As at March 31, 2025 (Unaudited)				
	Total	Neither Past Due Nor Impaired	Less Than One Year	One Year to Less Than Three Years	More Than Three Years
Trade:					
Third parties	₱281.4	₱2.0	₱180.2	₱63.5	₱35.7
Related parties	1.4	0.3	1.1	–	–
	282.8	2.3	181.3	63.5	35.7
Advances to officers and employees	30.4	1.9	28.5	–	–
Rent receivables	22.5	0.6	21.7	0.2	–
Others	58.5	54.5	2.1	1.0	0.9
	394.2	59.3	233.6	64.7	36.6
Allowance for ECL	(62.5)	–	(12.6)	(18.6)	(31.3)
	₱331.7	₱59.3	₱221.0	₱46.1	₱5.3

<i>Amounts in Millions</i>	As at December 31, 2024 (Audited)				
	Total	Neither Past Due Nor Impaired	Less Than One Year	One Year to Less Than Three Years	More Than Three Years
Trade:					
Third parties	₱408.9	₱114.1	₱195.8	₱68.8	₱30.2
Related parties	3.0	0.4	2.6	—	—
	411.9	114.5	198.4	68.8	30.2
Insurance claim receivable	118.8	118.8	—	—	—
Advances to officers and employees	31.0	2.1	28.9	—	—
Rent receivables	15.9	0.3	15.5	0.1	—
Others	18.9	13.6	3.3	1.3	0.7
	596.5	249.3	246.1	70.2	30.9
Allowance for ECL	(68.8)	—	(14.4)	(25.6)	(28.8)
	₱527.7	₱249.3	₱231.7	₱44.6	₱2.1

Movements of allowance for ECL on receivables are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	₱68,811,804	₱58,700,522
Provision	22,971,764	63,399,925
Reversal	(29,247,384)	(53,288,643)
Balance at end of period	₱62,536,184	₱68,811,804

Based on management assessment, the allowance for ECL on receivables as at March 31, 2025 and December 31, 2024 is adequate to cover for possible losses.

Advance Payments to Suppliers

Advance payments to suppliers which pertain to advance payments on purchases of merchandise inventories and other goods and services amounted to ₱280.6 million and ₱319.3 million as at March 31, 2025 and December 31, 2024. Corresponding goods will be substantially delivered on the next quarter.

7. Merchandise Inventories

Merchandise inventories are stated at cost and NRV. Details are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
At cost	₱15,593,049,558	₱14,199,980,103
At NRV	47,136,881	48,793,801
	₱15,640,186,439	₱14,248,773,904

Merchandise inventories pertain to goods being traded under the normal course of business, which include construction supplies, bathroom and kitchen supplies and equipment and furniture among others, sold on wholesale and retail basis.

The cost of merchandise inventories stated at NRV amounted to ₱229.5 million and ₱234.8 million as at March 31, 2025 and December 31, 2024, respectively.

Movements of allowance for inventory write-down and losses are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning of period	₱186,007,179	₱195,804,776
Reversal	(3,664,063)	(9,797,597)
Balance at end of period	₱182,343,116	₱186,007,179

Based on management assessment, the allowance for inventory write-down and losses is adequate to cover for possible losses.

Inventories charged to cost of sales amounted to ₱5,144.7 million and ₱4,990.7 million for the three-month period ended March 31, 2025 and 2024, respectively, including any reversal of allowance and provision for inventory write-down and losses.

As at December 31, 2024, the Company has directly written-off ₱152.7 million worth of merchandise inventories as a result of extensive damage caused by the fire incident on April 24, 2024 (see Note 6).

8. Other Current Assets

Details of this account are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Materials and supplies	₱556,530,312	₱556,278,233
Prepaid expenses	295,306,504	203,536,249
Input VAT	40,876,219	61,662,060
Container deposits	8,132,181	8,102,181
Current deferred input VAT	4,764,754	5,645,265
	₱905,609,970	₱835,223,988

Materials and supplies pertain to consumable construction materials, office supplies and uniforms.

Prepaid expenses pertain to payment of insurance, advertising, membership dues, rent and taxes by the Company which are being amortized over a year. This includes advance rent for short-term leases with related parties amounting to ₱1.5 million and ₱1.4 million as at March 31, 2025 and December 31, 2024, respectively (see Note 18).

Container deposits pertain to monetary deposits for containers used for imported goods. Container deposits will be refunded upon return of the empty containers to the shipping companies.

Deferred input VAT pertains to unamortized portion of input VAT on property and equipment, and consigned goods already sold.

9. Property and Equipment

Details and movements of this account are as follows:

	March 31, 2025 (Unaudited)					
	Buildings and Improvements	Furniture and Equipment	Leasehold Improvements	Transportation Equipment	Construction in Progress	Total
Cost						
Balances at beginning of period	₱12,070,575,944	₱3,423,777,327	₱1,636,138,027	₱50,997,186	₱639,818,399	₱17,821,306,883
Additions	—	173,939,381	—	8,402	474,555,648	648,503,431
Reclassifications	296,531,057	—	81,708,740	—	(378,239,797)	—
Balances at end of period	12,367,107,001	3,597,716,708	1,717,846,767	51,005,588	736,134,250	18,469,810,314
Accumulated Depreciation and Amortization						
Balances at beginning of period	2,583,586,481	2,014,349,559	1,240,281,497	36,916,469	—	5,875,134,006
Depreciation and amortization	202,024,425	113,971,188	38,071,595	1,081,469	—	355,148,677
Balances at end of period	2,785,610,906	2,128,320,747	1,278,353,092	37,997,938	—	6,230,282,683
Carrying Amounts	₱9,581,496,095	₱1,469,395,961	₱439,493,675	₱13,007,650	₱736,134,250	₱12,239,527,631

	December 31, 2024 (Audited)					
	Buildings and Improvements	Furniture and Equipment	Leasehold Improvements	Transportation Equipment	Construction in Progress	Total
Cost						
Balances at beginning of year	₱9,605,872,697	₱2,835,676,394	₱1,598,298,385	₱51,919,085	₱1,100,591,044	₱15,192,357,605
Additions	—	617,593,462	—	4,219,079	2,135,525,533	2,757,338,074
Reclassifications	2,464,703,247	—	131,594,931	—	(2,596,298,178)	—
Disposal/write-off	—	(29,492,529)	(93,755,289)	(5,140,978)	—	(128,388,796)
Balances at end of year	12,070,575,944	3,423,777,327	1,636,138,027	50,997,186	639,818,399	17,821,306,883
Accumulated Depreciation and Amortization						
Balances at beginning of year	1,900,701,220	1,612,531,793	1,157,176,308	37,715,455	—	4,708,124,776
Depreciation and amortization	682,885,261	421,628,492	165,979,689	4,341,992	—	1,274,835,434
Disposal	—	(19,810,726)	(82,874,500)	(5,140,978)	—	(107,826,204)
Balances at end of year	2,583,586,481	2,014,349,559	1,240,281,497	36,916,469	—	5,875,134,006
Carrying Amounts	₱9,486,989,463	₱1,409,427,768	₱395,856,530	₱14,080,717	₱639,818,399	₱11,946,172,877

Construction in progress pertains to costs incurred for constructing new stores in various strategic locations within the Philippines and are expected to be completed in 2025.

As at March 31, 2025 and December 31, 2024, the amount of contractual commitment related to the construction in progress amounted to ₱604.6 million and ₱395.7 million, respectively.

Depreciation and amortization are summarized below (see Note 15):

		For the Three-month period Ended March 31 (Unaudited)	
	Note	2025	2024
ROU assets	10	₱388,143,592	₱394,153,400
Property and equipment		355,148,677	307,420,779
Computer software	11	10,821,795	10,172,548
	15	₱754,114,064	₱711,746,727

The acquisition costs of fully depreciated and amortized assets still in use amounted to ₱2,291.8 million and ₱2,159.6 million in March 31, 2025 and December 31, 2024, respectively.

As at December 31, 2024, the Company has written-off of ₱20.6 million worth of property and equipment as a result of extensive damage caused by the fire incident on April 24, 2024 (see Note 6).

10. Lease Commitments

The Company as a Lessee

The Company has various lease agreements with related parties and third parties for the use of land, buildings, retail and office units, transportation equipment and computer software for a period of one (1) to 15 years. The leases are renewable upon mutual agreement by both parties to be covered by a separate and new lease agreement upon renewal. The annual rent of most contracts of lease is subject to escalation of 5.00%.

Security deposits amounted to ₱200.4 million and ₱198.2 million as at March 31, 2025 and December 31, 2024, respectively (see Note 11).

Amounts recognized in profit and loss:

		For the Three-month period Ended March 31 (Unaudited)	
	Note	2025	2024
Amortization on ROU assets	9	₱388,143,592	₱394,153,400
Interest on lease liabilities		254,922,849	169,456,100
Rent expense	15	21,216,419	56,054,724
		₱664,282,860	₱619,664,224

Rent expense in 2025 and 2024 pertains to variable lease payments related to short-term leases.

Movements in the ROU assets are presented below:

March 31, 2025 (Unaudited)					
Note	Land	Land and Buildings	Buildings	Retail and Office Units	Total
Cost					
Balances at beginning of period	₱9,164,479,749	₱2,951,558,354	₱426,566,687	₱152,646,392	₱12,695,251,182
Additions	321,396,431	474,414,172	265,244,258	–	1,061,054,861
Balances as at end of period	9,485,876,180	3,425,972,526	691,810,945	152,646,392	13,756,306,043
Accumulated Amortization					
Balances at beginning of period	2,456,737,779	1,933,690,163	338,258,111	103,024,103	4,831,710,156
Amortization 9	151,454,806	194,193,035	29,596,935	12,898,816	388,143,592
Balances as at end of period	2,608,192,585	2,127,883,198	367,855,046	115,922,919	5,219,853,748
Carrying Amounts	₱6,877,683,595	₱1,298,089,328	₱323,955,899	₱36,723,473	₱8,536,452,295

December 31, 2024 (Audited)					
Note	Land	Land and Buildings	Buildings	Retail and Office Units	Total
Cost					
Balances at beginning of year	₱8,358,523,609	₱5,046,934,778	₱625,000,564	₱281,342,625	₱14,311,801,576
Additions	868,241,702	63,029,330	31,937,264	–	963,208,296
Derecognition	(62,285,562)	(2,158,405,754)	(230,371,141)	(128,696,233)	(2,579,758,690)
Balances as at end of year	9,164,479,749	2,951,558,354	426,566,687	152,646,392	12,695,251,182
Accumulated Amortization					
Balances at beginning of year	1,940,955,230	3,260,889,070	451,344,627	180,125,072	5,833,313,999
Amortization 9	578,068,111	831,206,847	117,284,625	51,595,264	1,578,154,847
Derecognition	(62,285,562)	(2,158,405,754)	(230,371,141)	(128,696,233)	(2,579,758,690)
Balances as at end of year	2,456,737,779	1,933,690,163	338,258,111	103,024,103	4,831,710,156
Carrying Amounts	₱6,707,741,970	₱1,017,868,191	₱88,308,576	₱49,622,289	₱7,863,541,026

The noncash transactions related to ROU assets amounted to ₱4.1 million and ₱64.5 million for the three-month period ended March 31, 2025 and 2024, respectively.

Movements in the lease liabilities are presented below:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	₱9,564,421,527	₱9,886,218,745
Additions	1,061,054,861	952,326,517
Interest expense	254,922,849	666,958,822
Payments	(511,710,633)	(1,941,082,557)
Balance at end of period	10,368,688,604	9,564,421,527
Current portion	1,320,986,658	934,165,779
Noncurrent portion	₱9,047,701,946	₱8,630,255,748

As at March 31, 2025 and December 31, 2024, the future minimum lease payments are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Less than one (1) year	₱1,834,644,034	₱1,452,180,659
Between one (1) and five (5) years	4,835,726,090	4,573,295,606
More than five (5) years	8,655,833,096	8,304,012,548
	₱15,326,203,220	₱14,329,488,813

The interest expense on lease liabilities amounted to ₱254.9 million and ₱169.5 million for the three-month period ended March 31, 2025 and 2024, respectively.

Advance rentals applied amounted to ₱4.1 million and ₱3.2 million as at March 31, 2025 and December 31, 2024, respectively.

The Company as a Lessor

The Company has existing lease agreements on facade billboards, cashier counter spaces, window displays, street banners and gondola lightings with lease terms of less than a year. The leases are renewable upon mutual agreement by the parties.

Rent income amounted to ₱19.9 million and ₱22.0 million for the three-month period ended March 31, 2025 and 2024, respectively, (see Note 16). Rent receivables amounted to ₱22.5 million and ₱15.9 million as at March 31, 2025 and December 31, 2024, respectively (see Note 6).

Cash Flows from Financing Activities

The reconciliation of movements of liabilities arising from financing activities is presented below:

	2024	Noncash	Cash Payments	2025
Lease liabilities	₱9,564,421,527	₱1,315,977,710	(₱511,710,633)	₱10,368,688,604
Advance rental for new leases	–	(4,129,425)	4,129,425	–
Cash dividends	–	1,475,900,682	–	1,475,900,682
	₱9,564,421,527	₱2,787,748,968	(₱507,581,208)	₱11,844,589,286

	2023	Noncash	Cash Payments	2024
Lease liabilities	₱9,886,218,745	₱1,619,285,339	(₱1,941,082,557)	₱9,564,421,527
Advance rental for new leases	–	(3,209,451)	3,209,451	–
Cash dividends	–	1,065,928,270	(1,065,928,270)	–
	₱9,886,218,745	₱2,682,004,158	(₱3,003,801,376)	₱9,564,421,527

11. Other Noncurrent Assets

Details of this account are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Security deposits	10	₱200,416,999	₱198,192,368
Computer software		157,666,994	165,089,844
Electricity deposits		82,732,089	81,827,813
Advances to contractors		37,040,307	40,908,668
Noncurrent deferred input VAT		11,863,275	14,356,475
Prepaid expenses – noncurrent portion	8	342,012	521,909
		₱490,061,676	₱500,897,077

Security deposits include deposits to related parties amounting to ₱145.6 million and ₱143.8 million in March 31, 2025 and December 31, 2024, respectively (see Note 18).

Movements of computer software are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost			
Balance at beginning of period		₱307,600,466	₱278,140,221
Additions		3,398,945	29,460,245
Balance at end of period		310,999,411	307,600,466
Accumulated Amortization			
Balance at beginning of period		142,510,622	101,801,258
Amortization	9	10,821,795	40,709,364
Balance at end of period		153,332,417	142,510,622
Carrying Amount		₱157,666,994	₱165,089,844

Electricity deposits pertain to noninterest-bearing refundable deposits to various electric companies. These are to be refunded upon termination of the contract.

Advances to contractors pertain to payments for purchase of materials and services for the constructions of assets to be classified as property and equipment. The advances will be applied against the future billings of the contractors.

The Company has refundable cash bonds amounting to ₱82.0 million. These refer to payments made to the Bureau of Customs (BOC) for the release of imported goods purchased by the Parent Company with no established and published values covering importations as required in Republic Act No. 8181, *Transaction Value Act*. The amount of cash bonds to be paid by the Parent Company is determined by the BOC. The amount is refundable once the correct dutiable value or values for the importation have been established. As at March 31, 2025 and December 31, 2024 the refund of cash bonds is still pending with the BOC. Accordingly, this has been fully provided with allowance since 2016.

12. Trade and Other Payables

Details of this account are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade:			
Third parties		₱4,499,182,203	₱3,824,297,321
Related parties	18	68,215	201,775
Nontrade:			
Third parties		411,994,067	619,548,716
Related parties	18	68,806,185	2,294,337
Advances from customers		493,942,805	420,251,149
Accrued expenses:			
Utilities		111,430,156	85,956,334
Construction costs		78,880,882	24,175,490
Salaries and wages		39,236,382	138,575,771
Outside services		18,343,133	18,343,133
Supplies		12,041,009	2,192,641
Repairs and Maintenance		9,752,432	8,145,548
Others		31,270,929	20,568,111
Statutory payables		87,376,472	97,313,723
Others		74,453,029	71,601,140
		₱5,936,777,899	₱5,333,465,189

Trade payables and accrued expenses are generally settled in varying periods depending on arrangement with suppliers, normally within 30 to 90 days.

Nontrade payables pertain to unpaid advertising and promotions, rent, utilities, construction and transportation and travel, which are payable in the succeeding month.

Advances from customers pertain to payments and deposits made by the customers, which are to be applied against future purchases. This includes advances from related parties amounting to ₱0.9 million and ₱0.8 million as at March 31, 2025 and December 31, 2024, respectively.

Accrued expenses are expected to be settled within the next 12 months. Other accrued expenses pertain to repairs and maintenance, rent and other expenses.

Statutory payables pertain to withholding taxes and obligatory contributions as mandated by the government. These are paid within 12 months.

Others pertain to deferred credit loyalty points and unredeemed gift certificates.

13. Retirement Plan

The Company is a participant of the Wilcon Depot Multiemployer Retirement Plan together with the Parent Company. The plan is non-contributory and provides a retirement benefit equal to 100% of Plan Salary for every year of credited service.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees but is not exposed to significant concentrations of risk on the plan assets.

Actuarial valuations are made periodically to update the retirement benefit liabilities and the amount of contributions. The latest actuarial valuation report was dated as at December 31, 2024.

Details of retirement benefits recognized in profit or loss are as follows:

	For the Three-month period Ended March 31 (Unaudited)	
	2025	2024
Current service cost	₱10,953,760	₱8,253,301
Interest expense	9,826,235	6,582,815
Interest income	(6,636,314)	(5,699,302)
	₱14,143,681	₱9,136,814

The amounts of net retirement liability recognized in the statements of financial position are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Present value of defined benefit obligation	₱662,515,626	₱644,343,301
Fair value of plan assets	(458,788,098)	(435,168,139)
	₱203,727,528	₱209,175,162

The present value of the retirement liability was determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. The discount rate assumption is based on market yields as of December 31, 2024.

The changes in the present value of the defined benefit obligation are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	₱644,343,301	₱421,257,446
Current service cost	10,953,760	27,468,978
Interest expense	9,826,235	31,173,051
Remeasurement loss:		
Changes in financial assumptions	–	153,218,905
Experience	–	22,422,116
Benefits paid from plan assets	(2,607,670)	(11,197,195)
Balance at end of period	₱662,515,626	₱644,343,301

The changes in the fair value of plan assets are presented below:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	₱435,168,139	₱363,942,314
Contributions to retirement plan	19,591,315	54,669,586
Interest income	6,636,314	26,931,731
Remeasurement gain	–	821,703
Benefits paid from plan assets	(2,607,670)	(11,197,195)
Balance at end of period	₱458,788,098	₱435,168,139

Details of plan assets are as follows:

	Rates
Cash and cash equivalents	0.43%
Time deposits	0.68%
Debt instruments	64.10%
Equity instruments	25.12%
Others	9.67%
	100%

The principal actuarial assumptions used to determine the retirement liability are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Discount rate	6.10%	6.10%
Annual salary increase rate	5.00%	5.00%

Sensitivity analysis on retirement liabilities is as follows:

	Basis Points	Amount
Discount rate	+100	(₱74,914,868)
	-100	90,046,540
Salary rate	+100	85,928,266
	-100	(72,926,241)

As at March 31, 2025, the expected future benefits payments are as follows:

	2025
One (1) year to five (5) years	₱154,356,755
Six (6) years to ten (10) years	200,647,049
	₱355,003,804

The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years.

14. Equity

Details of capital stock as at March 31, 2025 and December 31, 2024 are as follows:

	Number of Shares	Amount
Authorized - at ₱1 a share	5,000,000,000	₱5,000,000,000
Issued and outstanding	4,099,724,116	₱4,099,724,116

On March 31, 2017, the 1,393,906,200 common shares of the Company were listed in the PSE at an offer price of ₱5.05 a share. Net proceeds from the IPO amounted to ₱6,749.3 million, net of offer expenses of ₱289.9 million (see Note 1). Net additional paid-in capital amounted to ₱5,373.7 million.

As at March 31, 2025 and December 31, 2024, the Company has 4,099,724,116 listed shares.

On December 13, 2023, the BOD approved the appropriation of retained earnings amounting to ₱2,100.0 million for the construction of new stores and warehouses until December 31, 2024.

On December 3, 2024, the BOD approved the reversal of ₱2,100.0 million appropriations from last year and a new appropriation amounting to ₱6,000.0 million from the Company's retained earnings as of December 31, 2024. This will be allotted for the investment in the construction of new stores, equipment, general upkeep and renovation until 2026.

Cash Dividends

The BOD of the Company approved the declaration and payment of the following cash dividends to stockholders as follows:

Date of Declaration	Date of Record	Date of Payment	Dividend per share	Total Cash dividends
March 20, 2025	April 16, 2025	May 8, 2025	₱0.36	₱1,475,900,682
March 20, 2024	April 18, 2024	May 8, 2024	0.26	1,065,928,270
February 23, 2023	March 22, 2023	April 18, 2023	0.37	1,516,897,923
February 23, 2022	March 18, 2022	April 12, 2022	0.21	860,942,063

15. Operating Expenses

Details of this account are as follows:

		For the Three-Month Period Ended March 31 (Unaudited)	
	Note	2025	2024
Depreciation and amortization	9	₱754,114,064	₱711,746,727
Salaries, wages and employee benefits		428,591,907	344,713,023
Outsourced services		351,111,617	317,812,731
Trucking services		208,681,987	270,601,893
Utilities		197,017,861	196,540,865
Taxes and licenses		144,374,447	143,155,525
Credit card charges		73,596,746	67,799,741
Repairs and maintenance		72,947,923	65,410,133
Supplies		55,411,860	22,319,790
Rent	10	21,216,419	56,054,724
Advertising and promotions		32,622,667	30,841,458
Fuel and oil		12,893,095	16,429,179
Communications and postage		11,594,581	14,556,321
Transportation and travel		7,642,326	10,801,509
Donations and contributions		7,153,108	9,766,694
Professional fees		3,524,198	1,910,935
Insurance		2,971,191	7,270,971
Others		22,740,351	14,389,984
		₱2,408,206,348	₱2,302,122,203

Other expenses include director's fees, net provision for impairment losses and other operating costs.

16. Other Income - Net

Details of this account are as follows:

		For the Three-Month Period Ended March 31 (Unaudited)	
	Note	2025	2024
Supplier support and other fees		₱36,594,775	₱82,166,862
Delivery fees and other customer charges		40,038,602	24,779,630
Rent income	10	19,899,067	22,003,125
Interest income	4	13,522,941	7,592,920
Net realized foreign exchange gain		101,705	60,186
		₱110,157,090	₱136,602,723

Supplier support and other fees pertains to incentives and other fees received from supplier.

Delivery fees and other customer charges pertains to fees received from customers for the delivery and other services rendered.

Rent income pertains to lease of gondola lightings, facade billboards, window displays and street banners.

17. Income Tax

The current income tax expense represents the regular corporate income tax (RCIT). The income tax rate used for the three-month period ended March 31, 2025 and 2024 is 25%.

The reconciliation between income tax expense at statutory tax rate and as presented in the statements of comprehensive income is as follows:

	For the Three-Month Period Ended March 31 (Unaudited)	
	2025	2024
Income tax expense at statutory rate	₱177,650,583	₱246,224,477
Income tax effect of:		
Interest income already subjected to final tax	(3,380,735)	(1,189,965)
	₱174,269,848	₱245,034,512

Net deferred tax assets relate to the tax effect of the temporary differences as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred tax assets:		
Effects of PFRS Accounting Standards 16	₱507,665,601	₱473,857,120
Allowance for inventory write-down and losses	45,585,778	46,501,794
Retirement liability	70,187,459	70,345,455
Allowance for impairment of refundable cash bonds	20,852,482	20,852,482
Allowance for ECL on receivables	15,634,045	17,202,950
Deferred credit loyalty points	16,186,252	15,262,119
Unrealized foreign exchange loss	147,066	130,481
Deferred tax liability:		
Unrealized foreign exchange gain	(137,971)	(123,288)
	₱676,120,712	₱644,029,113

Deferred income expense (benefit) is recognized as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Through profit or loss	₱691,475,511	₱659,383,912
Through other comprehensive income	(15,354,799)	(15,354,799)
	₱676,120,712	₱644,029,113

18. Related Party Transactions and Balances

The Company has an approval policy on material related party transactions (RPT) wherein all individual material RPT shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the independent directors voting to approve the material RPT.

In case that a majority of the independent director's vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two thirds (2/3) of the outstanding capital stock.

The Company, in the normal course of business, has various transactions and balances with its related parties, as described below.

Related Party	Year	For the Three-Month Period Ended March 31 (Unaudited)		As at March 31, 2025 (Unaudited) And December 31, 2024 (Audited)	
		Revenue from Related Parties	Purchases of Inventories and Leases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties
Parent Company	2025	₱1,001,881	₱274,669,184	₱179,171,205	₱68,777,187
	2024	105,027	226,217,307	226,946,159	14,683
Entities under Common Control	2025	2,015,848	359,026,598	234,889,194	899,461
	2024	5,633,562	351,030,934	239,480,458	3,185,551
Directors and Officers	2025	610,417	11,743,093	8,561,937	101,489
	2024	1,628,921	9,708,677	10,415,641	51,785
	2025	₱3,628,146	₱645,438,875	₱422,622,336	₱69,778,137
	2024	7,367,510	586,956,918	476,842,258	3,252,019

Amounts owed by related parties are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade and other receivables	6	₱3,276,490	₱3,558,816
Security deposit	11	145,642,780	143,786,309
Advance rent - short term leases	8	1,473,054	1,404,985
Advance rent - long term leases		326,332,834	328,092,148
		₱476,725,158	₱476,842,258

No impairment loss was recognized on trade and other receivables and security deposits in March 31, 2025 and December 31, 2024.

Amounts owed to related parties consist of trade and other payables aggregating ₱69.8 million and ₱3.3 million as at March 31, 2025 and December 31, 2024, respectively.

The following are the significant related party transactions of the Company:

- Lease agreements with the Parent Company and related parties for the use of land, buildings, computer software for a period of 1 to 15 years (see Note 10).

Interest expense on lease liabilities to related parties amounted to ₱239.5 million and ₱159.7 million while amortization of ROU assets amounted to ₱358.5 million and ₱365.4 million for the three-month period ended March 31, 2025 and 2024, respectively. Total lease payments, including payments on lease liabilities, amounted to ₱483.8 million and ₱515.6 million for the three-month period ended March 31, 2025 and 2024, respectively.

Rent expense from related parties amounted to ₱32.5 million and ₱48.8 million for the three-month period ended March 31, 2025 and 2024, respectively.

- b. Purchases and sales of goods and services with Parent Company and entities under common control.

Purchases of goods and services from related parties aggregated ₱0.1 million and nil for the three-month period ended March 31, 2025 and 2024, respectively.

Sale of goods and services to related parties aggregated ₱3.6 million and ₱7.4 million for the three-month period ended March 31, 2025 and 2024, respectively.

- c. Reimbursement of certain expenses mainly pertain to taxes, power and electricity, water, communications and postage. Reimbursement of certain expenses from related parties amounted to ₱14.8 million and ₱13.1 million for the three-month period ended March 31, 2025 and 2024, respectively.

Balances are unsecured and are normally settled in cash. Lease payments are due within the first 10 days of the month. Reimbursement of expenses and purchases and sales of goods and services normally have a repayment term of 30 days.

No guarantees have been provided or received for these balances. Impairment review is undertaken each financial year. No impairment loss on amounts owed by related parties was recognized as at March 31, 2025 and December 31, 2024.

Compensation of key management personnel by benefit type, are as follows:

	For the Three-month Period Ended March 31 (Unaudited)	
	2025	2024
Short-term employee benefits	₱49,923,897	₱44,496,420
Retirement benefits	2,151,490	1,642,474
	₱52,075,387	₱46,138,894

19. Earnings per Share

Basic and dilutive earnings per share were computed as follows:

	For the Three-month Period Ended March 31 (Unaudited)	
	2025	2024
Net income	₱536,332,484	₱739,863,396
Divided by the weighted average number of outstanding shares	4,099,724,116	4,099,724,116
	₱0.13	₱0.18

20. Financial Risk Management Objectives and Policies

The Company's financial instruments consist of cash and cash equivalents, short-term investments, trade and other receivables (excluding advances to officers and employees), security, electricity and container deposits, refundable cash bonds, trade and other payables (excluding statutory payables,

advances from customers and unearned revenue) and lease liabilities. The main purpose of these financial instruments is to fund the Company's operations.

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with the BOD, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial market.

The main financial risks arising from the financial instruments are credit risk, liquidity risk and interest rate risk. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

Credit Risk. Credit risk is the risk that the Company will incur a loss when counterparties fail to discharge their contractual obligations. Receivables are monitored on an ongoing basis with the result that the Company's exposure to possible losses is not significant.

Liquidity Risk. Liquidity risk is the risk that the Company will not be able to settle its obligations when these all due. The Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

Interest Rate Risk. Interest rate risk pertains to the fluctuations in interest of cash in banks and cash equivalents. The interest rates on these assets are disclosed in Note 4. The Company regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take.

The primary measure of the Company's interest rate risk is the duration of its financial assets. It quantifies the effect of changes in interest rates in the value of fixed income securities. The longer the duration, the more sensitive it should be to changes in interest rates.

Capital Management

The Company monitors its debt-to-equity ratio. The primary objective of the Company's management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The debt-to-equity ratio is as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Total debt	₱18,306,295,651	₱15,225,145,251
Total equity	22,901,303,397	23,840,871,598
Debt-to-equity ratio	0.80:1	0.64:1

Equity includes capital stock, additional paid-in capital, other comprehensive income and retained earnings.

The Company has no externally imposed capital requirements.

21. Fair Value of Financial Instruments

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Short-term Investments, Trade and Other Receivables, Container Deposits, Refundable Cash Bonds, and Trade and Other Payables. The carrying amounts of cash and cash equivalents, short-term investments, trade and other receivables, container deposits, refundable cash bonds, and trade and other payables approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Container deposits are under Level 2 of the fair value measurements hierarchy for financial instruments.

Security Deposits. Fair values of security deposits are based on the present value of the expected future cash flows. These are categorized under Level 2 of the fair value measurements hierarchy for financial instruments.

Electricity Deposits. Management estimates that the carrying amount of the electricity deposits approximate their fair values. These are categorized under Level 2 of the fair value measurements hierarchy for financial instruments.

In 2025 and 2024, there were no transfers among Level 1, Level 2 and Level 3 fair value measurements.

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE PERIOD ENDED MARCH 31, 2025

WILCON DEPOT, INC.
No. 90 E. Rodriguez Jr. Avenue Brgy. Ugong Norte, Quezon City

	Amount
Unappropriated retained earnings, beginning of the year	₱7,661,960,746
Add: <u>Category A:</u> Items that are directly credited to unappropriated retained earnings	
Reversal of retained earnings appropriation	—
Less: <u>Category B:</u> Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	(1,475,900,682)
Appropriations of retained earnings during the year	—
Unappropriated retained earnings, as adjusted	6,186,060,064
Add: Net income for the current year	536,332,484
Less: <u>Category F:</u> Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax assets not considered in the reconciling items under the previous categories	(676,120,712)
Total retained earnings, end of the reporting period available for dividend	₱6,046,271,836

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

CORPORATE STRUCTURE
AS AT MARCH 31, 2025

LIAM ROS HOLDINGS INC.

59%

WILCON CORPORATION
Doing Business under the Name and Style of
WILCON CITY CENTER

66%

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT, WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT

WILCON DEPOT, INC.
Doing Business under the Name and Style of
WILCON DEPOT AND WILCON HOME ESSENTIALS,
DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS AT AND FOR THE PERIOD ENDED MARCH 31, 2025 AND 2024
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024

Formula			March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)	December 31, 2024 (Audited)
Liquidity ratio					
Current ratio	Total Current Assets	₱19,265,436,736	2.13 : 1	2.05 : 1	2.84: 1
	Divide by: Total Current Liabilities	9,054,866,176			
	Current ratio	2.13			
Acid test ratio	Total Current Assets	₱19,265,436,736	0.30 : 1	0.24 : 1	0.47 : 1
	Less: Merchandise Inventories	15,640,186,439			
	Other Current Assets	905,609,970			
	Quick Assets	2,719,640,327			
	Divide by: Total Current Liabilities	9,054,866,176			
	Acid test ratio	0.30			
Solvency ratio					
Debt to equity ratio	Total Liabilities	₱18,306,295,650	0.80 : 1	0.79 : 1	0.64 : 1
	Divide by: Total Equity	22,901,303,400			
	Debt to equity ratio	0.80			
Asset to equity ratio	Total Assets	₱41,207,599,050	1.80	1.79	1.64 : 1
	Divided by: Total Equity	22,901,303,400			
	Asset to equity ratio	1.80			
Profitability ratio					
Return on assets	Net Income	₱536,332,484	1.30%	1.86%	6.47%
	Divided by: Total Assets	41,207,599,050			
	Return on assets	1.30%			
Return on equity	Net Income	₱536,332,484	2.34%	3.34%	10.61%
	Divide by: Total Equity	22,901,303,400			
	Return on equity	2.34%			
Book value per share	Total Equity	₱22,901,303,400	₱5.59	₱5.41	₱5.82
	Divide by: Number of outstanding Shares	4,099,724,116			
		₱5.59			

			March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)	December 31, 2024 (Audited)
Gross income	Formula				
	Gross income	₱3,263,574,439	38.81%	39.95%	39.06%
	Divide by: Net Sales	<u>8,408,291,423</u>			
	Gross income	<u>38.81%</u>			
EBITDA margin	Income before Income Tax	₱710,602,332	20.29%	22.36%	20.17%
	Add: Depreciation and Amortization	754,114,064			
	Net Interest Expense	<u>241,399,908</u>			
	Earnings Before Interest, Tax, Depreciation, and Amortization	<u>1,706,116,304</u>			
	Divided by: Net Sales	<u>8,408,291,423</u>			
	EBITDA margin	<u>20.29%</u>			
Net income margin	Net Income	₱536,332,484	6.38%	8.90%	7.40%
	Divide by: Net Sales	<u>8,408,291,423</u>			
	Net income margin	<u>6.38%</u>			